Our material matters section indicates the current issues that affect our ability to create value.

Our 2020 annual plan addresses both our strategic focus upon a corporate reporting system meeting the needs of both investors and society, and the ongoing operations of the IIRC.

From a strategic perspective, the IIRC is committed to the convergence of the corporate reporting system and we are working with many of the stakeholders of the system in this regard, including regulators, investors, businesses, the accounting profession, standard setters and NGOs. Our responses to the ongoing external developments referenced below are all focused upon this convergence. This includes our membership of the Corporate Reporting Dialogue.

From an operational perspective, our plan for 2020 focuses on the ongoing implementation of the IIRC’s strategy, maintaining our activities to deliver our Momentum Phase. The speed and effectiveness of implementation is dependent upon the resources available. Implementation and increasing the level of resources are our primary objectives. It will also be impacted by the coronavirus pandemic. Our 2020 priorities are:

(a) **Council** – Revised structure, operating model, and positioning in the market of our Council in place to support global adoption.

(b) **Regional plans** – Clear pathway and progress towards adoption regionally.

(c) **Business case** – Enhanced support and fundraising potential enabled by a strengthened business case.

(d) **<IR> Framework revision** – Maintain the relevance of our main product, reflecting market feedback and continued adaptability to individual business circumstances.

(e) **Messaging/advocacy** – Growing acceptance that integrated reporting provides context of how a business is positioned for the future.

(f) **Funding** – Medium/Long-term funding model in place that will provide necessary resource to achieve Global Adoption Phase.

(g) **Stakeholders** – Secure buy-in from key stakeholder groups for our global adoption strategy.

Our 2020 plan and budget represent “business as usual”, however, we are also focused on ultimately delivering convergence, relevance, and the global adoption. The IIRC is committed to building a global agreement about the future of the corporate reporting system in all its dimensions, including a strong and compelling call for greater alignment and, ultimately, harmonization of standards to achieve a simpler and better corporate reporting landscape.

This environment is moving extremely fast, with uncertainty increased by the coronavirus pandemic, and therefore outcomes cannot be specified, but we particularly aim to work with the Corporate Reporting Dialogue on a standards solution and with Accountancy Europe and the Global Public Policy Committee of the largest six accountancy firms.
Significant ongoing external developments include:

- Accountancy Europe issued a Cogito consultation paper in December 2019, which recommended integrated oversight of the corporate reporting system and suggested that the International <IR> Framework was an effective starting point as the conceptual framework linking the pillars of financial and non-financial reporting\(^\text{18}\).

- World Economic Forum issued a consultation report\(^\text{19}\) in January 2020 proposing 22 common metrics for consistent reporting of long-term value creation. In our April 2020 response we mapped these metrics to the <IR> Framework.

- EU Vice-President Dombrovskis stated in January 2020 that a renewed sustainable finance strategy will be presented later in 2020, requiring increased disclosure of reliable information. He is to invite EFRAG to begin preparatory work for these standards as quickly as possible, using as a starting point the “best and most widely accepted elements of what exists today”.

- We are participating in the IASB Advisory Group to support the review of the Practice Statement on Management Commentary, with publication expected in Q4 2020. We see this process as a major opportunity to advance the principles of integrated reporting in mainstream reporting practices internationally.

- We are contributing to the IAASB’s extended external reporting assurance project, with assurance a strategically important matter for the IIRC.

- The EU Commission is consulting on the implementation of the Non-Financial Reporting Directive.

Like every organization around the world, the 2020 coronavirus pandemic has brought with it challenges to the way the IIRC operates in ways we are just beginning to understand.

In these unprecedented times the financial impact on the IIRC is uncertain but there is a risk our income could be significantly impacted to the extent that current and prospective Council member and Business Network organizations, the source of the majority of our ongoing income, are unable to continue their annual financial and in-kind contributions to the IIRC. While this would hinder our progress towards achieving our mission, the nature of our business and our cash reserves will help see us through in the short term. In light of this we are escalating our efforts to boost and diversify our income.

We are finding new ways to ensure our relationship capital, which has traditionally been developed through events and meetings, remains strong. Like others around the world, we are harnessing the power of technology to ensure the IIRC through our Council, Board, <IR> Business Network and team can continue to be an innovative force towards integrated reporting. This pandemic reinforces the importance of multi-capitalism, as businesses draw on their human, social and manufactured capitals to create value during these turbulent times.

The April 2020 IIRC Council meeting will, therefore, be more important than ever. We will be presenting a range of options to seek consensus on the IIRC’s future strategic direction, in line with our goal to normalize integrated thinking and reporting.

The demand for integrated reporting continues to grow and we are focused on delivering for our stakeholders.

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\(^{18}\) Accountancy Europe, Interconnected standard-setting for corporate reporting, 2019

\(^{19}\) World Economic Forum, Toward Common Metrics and Consistent Reporting of Sustainable Value Creation, 2020