

## <IR> Framework Panel: Meeting of 11 February

<b>Chair</b>	Erik Breen
<b>Members</b>	Jean-Luc Barlet, Sarah Bostwick Stromoski, Nurmazilah Dato' Mahzan, Michael Gebbert, Nancy Kamp-Roelands, Leigh Roberts, Tom Roundell-Greene, Hugh Shields, Jason Voss, Zubair Wadee
<b>IIRC</b>	Laura Girella, Liz Prescott, Katrina Wong
<b>Apologies</b>	Lisa French, Stathis Gould, Laura Leka, Yoichi Mori
<b>Minutes</b>	Katrina Wong
<b>Agenda</b>	<ol style="list-style-type: none"><li>1. Welcome and attendance</li><li>2. Minutes of previous meeting (14 January 2020)</li><li>3. &lt;IR&gt; Framework Revision: Project timeline</li><li>4. Topic Paper 1: Responsibility for an integrated report (final)</li><li>5. Topic Paper 2: Business model results (draft)</li><li>6. Topic Paper 3: Charting a path forward (status update)</li><li>7. &lt;IR&gt; Framework Revision: Technical issues log</li><li>8. Roundtable planning</li><li>9. Other business and meeting conclusions</li></ol>

### 1. Welcome and attendance

The Chair welcomed Panel members and noted apologies.

### 2. Minutes of previous meeting and matters arising

Minutes of the 14 Jan 2020 meeting were distributed for comment on 22 Jan 2020. Jason Voss' attendance at the meeting was erroneously omitted and the minutes have been corrected accordingly. Silence was taken as agreement, and the minutes were accepted without further change.

### 3. <IR> Framework Revision: Project timeline

The IIRC team provided an overview of the changes made when introducing the revised project timeline, noting that panel member comments from discussion at the previous meeting had now been incorporated. The project timeline is now considered final, albeit tweaks may be necessary as the project progresses.

### 4. Topic Paper 1: Responsibility for an integrated report (final)

The IIRC team introduced the final version of Topic Paper 1 for fatal flaw comment. Panel members suggested the reference to "Problem statement" be removed for its negative connotations and unanimously supported the more neutral term "Matters under consideration". This change will be reflected in all three Topic Papers. Panel members asked for a reference to regulations and legislation be removed in relation to voluntary statements of responsibility from those charged with governance. Panel members considered the paper, once the above changes are processed, to be complete.

### 5. Topic Paper 2: Business model results (draft)

The IIRC team introduced the first draft of Topic Paper 2 and asked that panel members send through any detailed comments in writing via email. The following points were raised during discussion of the Topic Paper:

- Panel members cautioned against introducing new terms in the Topic Paper, such as the word "results", which isn't used in the <IR> Framework in relation to the business model and could potentially lead to confusion. The panel voiced preference for the title of the paper to be changed

to either 'Business model outcomes', or 'Business model'. Furthermore, the panel supported the word 'results' be replaced by 'outcomes' throughout the paper

- Page 3. One panel member noted the paper doesn't address the confusion amongst preparers over 'inputs' within the <IR> Framework, in relation to the issue of incomplete disclosure of inputs. Other panel members cautioned noting this in the paper, as consultation feedback has not indicated implementation challenges in relation to inputs.
- Page 6, Question 3. Panel members suggest the question be reworded to be more direct. For example, "Should the <IR> Framework elevate the importance of evidence-based disclosures and the potential for value preservation or erosion using illustrative examples, and should the IR Framework further encourage reporting on trade-offs, that have to be made and are inherent in many business models?"
- On page 6, Question 4. The panel discussed the implications of the different terminology of 'impact' and 'outcomes' and whether there would be confusion over the meaning 'impact' should it become introduced. The overwhelming sentiment was that the "IIRC should hold its line" and reinforce existing concepts rather than tailor the Framework to "bend to the audience." One panel member further suggested separating impacts from outcomes breaks down the integration of the elements of the <IR> Framework, and goes against the guiding principle of connectivity.
- One panel member suggested acknowledging the different terms used by different organisations and but supporting the term "outcomes", and define what the Framework means by outcomes but acknowledge that in practice, companies may use different terminology. Panel members found the descriptive tags helpful and suggested they be incorporated into the reworked text.
- The point was raised that the Framework was flexible in relation to terminology of the capitals e.g. (the capitals...are categorized in this Framework as financial, manufactured, intellectual, human, social and relationship, and natural capital, although organizations preparing an integrated report are not required to adopt this categorization". Could this same approach also be adopted if report preparers want to use the term impacts when describing their longer-term outcomes?

#### 6. Topic Paper 3: Charting a path forward (to be distributed)

The IIRC team introduced the paper and described it as a catch all to capture feedback on a range of themes. Panel members are asked to consider the following:

- **Whether any of the topics in Topic Paper 3 be removed?** Panelists suggested that the role of technology and assurance should be included in the Topic Paper but not given further coverage in the Framework itself, and were better addressed in supporting materials.
- **Whether they agreed, or not, that the matter of specific measures aimed at aligning or converging the corporate reporting space are better dealt with by the CRD, than through a technical revision of the <IR> Framework?** Panelists unanimously agreed the matter of specific measures aimed at aligning or converging the corporate reporting space were better dealt with by the CRD.
- **Whether the Sustainable Development Goals should be explicitly referenced the revised <IR> Framework?** Panel members referenced an earlier discussion of the agreement that specific initiatives, frameworks etc. should not be referenced within the Framework and it should remain neutral on all fronts. Panelists therefore agreed the Framework should not explicitly include SDG's, but noted the global acceptance of them (ie. created and ratified by the 193 Member States of the United Nations General Assembly), and that efforts to align with the SDGs could be well received by the market. TCFD, by comparison, can claim the backing of 20 countries in the G20 - no doubt significant but not in the same league as the SDGs. Panel members also pointed out that the Framework will likely be revised again before the 2030 deadline for achievement of the SDGs is met. An alternate view is that commentary in relation to the SDGs could be included in the FAQs. Further, one panel members suggested we are encouraging systems thinking through integrated reporting and integrated thinking, and if done successfully, the SDGs will take care of themselves.

It should also be noted that the IIRC has recently acted as a joint publisher with IFAC, ACCA and others of the publication, [Sustainable Development Goals Disclosure \(SDGD\) Recommendations](#)

- **Whether there were other matters, beyond those already noted, that should be considered for inclusion in Topic Paper 3?** There were no further matters noted.

#### **7. <IR> Framework Revision: Technical issues log**

The IIRC team discussed the Technical Issue Log, which was created post the 2013 launch of the <IR> Framework to record and action technical issues raised. The log currently contains 42 issues, some of which have already been addressed through the 2 year Technical Programme arising from the 2017 Framework Implementation Review and others, mainly clarifications with a smaller number of corrections, will be addressed by the Framework revision. A complete analysis of the log will be provided at a future Framework Panel meeting.

#### **8. Roundtable planning**

The IIRC team provided an overview of initial planning for roundtable events to be held during the 90 day consultation and will provide further detail at the next meeting.

#### **9. Other business and meeting conclusions**

Panel members were reminding to accept / decline calendar invitations on a timely basis, which is particularly important in relation to arranging in person meetings.

Panel members expressed an interest in being given access to the communications plan around the Framework revision project, so they are well placed to encourage feedback to both the Topic Papers and the 90 day consultation, as well as target attendees for roundtables.

Before closing the meeting, the Chair thanked all Panel members for their contributions, and IIRC staff for their work. The next meeting scheduled for 24 March was rescheduled to **Tue 7 April 2020**.

<IR> Framework Panel  
Meeting of 21 Apr 2020  
Minutes