

International <IR> Framework revision

Focused engagement, Feb–Mar 2020
Market feedback

Topic Paper 1
Responsibility for an integrated report

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Section 1G of the International <IR> Framework calls for a statement of responsibility for the integrated report from those charged with governance. In particular, Paragraph 1.20 states:

An integrated report should include a statement from those charged with governance that includes:

- An acknowledgement of their responsibility to ensure the integrity of the integrated report
- An acknowledgement that they have applied their collective mind to the preparation and presentation of the integrated report
- Their opinion or conclusion about whether the integrated report is presented in accordance with this Framework

or, if it does not include such a statement, it should explain:

- What role those charged with governance played in its preparation and presentation
- What steps are being taken to include such a statement in future report
- The time frame for doing so, which should be no later than the organization's third integrated report that references this Framework.

Matters under consideration

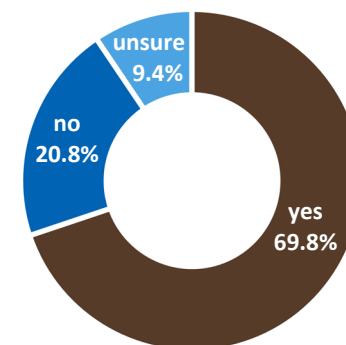
In most jurisdictions, Paragraph 1.20 of the <IR> Framework has seen limited uptake. This may reflect one or more of the following factors:

- Conflict with local regulations
- Director liability concerns
- Inconsistency with the prevailing reporting approach
- Sign-off fatigue; additional reporting burden
- Scepticism about the benefits provided by the statement
- Contradiction with a principles-based approach
- Limited understanding of the term 'collective mind'.

Analysis

During the development of the <IR> Framework, the IIRC invited input on Paragraph 1.20 in an April 2013 [Consultation Draft](#).

Should there be a requirement for those charged with governance to include a statement acknowledging their responsibility for the integrated report?



Some 70% of respondents supported – fully or with minor qualification – a required statement from those charged with governance. The following responses point to accountability and report integrity as core rationale.

- There should (be a required statement, as) those charged with governance have ultimate responsibility for how the organization creates value.
- (This measure) would enhance the credibility of the report. As a Board member, I would expect to have the opportunity to review an integrated report. A reader of an integrated report might in any case assume that the content has been approved by the Board given the centrality of strategy and risk identification to an integrated report.
- ... those charged with governance should be responsible for determining (material) matters ... and ensuring that these are appropriately reported... Delegating this authority to a lower level of management is not appropriate. Acknowledging this responsibility publicly will result in companies developing internal processes and approvals, which should improve the quality of reporting.

Council deliberation. When approving the <IR> Framework, the IIRC Council weighed the pros and cons of the required statement (ref: [minutes](#) of Dec 2013 Council meeting). On the one hand, investors favour this measure as a safeguard against inferior documents and inappropriate use of integrated reports as a marketing device. On the other, Boards are generally risk-averse and, unless compelled by legislation or regulation, may not sign off on integrated reports. Paragraph 1.20 might hinder adoption, especially in litigious jurisdictions. This latter view was pervasive among respondents opposing the requirement.

- Responsibility... is implicit in the publication of the report, (therefore, this measure) would add a further boilerplate statement, will not change behaviours, and would not be actionable to any meaningful degree.
- ... most companies choose to provide oversight or strategic direction through the report's introduction or letter from the Board or CEO. It is not felt necessary to change this accepted practice to a reporting requirement that may introduce an unnecessary barrier for new reporters or those with different governance structures.
- ... some of the measurement criteria, and indeed the framework itself, are evolving. Directors may feel that there is not yet a sufficiently clear methodology against which they would be able to state they are satisfied that they have discharged their responsibilities.

Based on these concerns, Council recommended that the situation be monitored closely to assess the impact on uptake of the <IR> Framework.

Monitoring activities. A 2016 internal review of <IR> Framework application by the IIRC showed limited adherence to Paragraph 1.20. Of 50 randomly-selected integrated reports, 18 (36%) expressed some form of accountability for the report's preparation, presentation or integrity. Five of those reports (10% of the full sample) fully conformed to Paragraph 1.20. A further 13 reports included a statement of responsibility, but fell short of noting the application of a 'collective mind' (however phrased) to the report's preparation or commenting on the extent of alignment with the <IR> Framework. With the exception of South Africa, where the statement of responsibility is commonly included, little has shifted since 2016. This suggests a gap between what report **users** seek and what report **preparers** are willing to provide.

To understand the discrepancy, IIRC staff revisited public input into the 2013 <IR> Framework consultation. The following themes proved pervasive among those opposed to a required statement from those charged with governance.

Principles-based approach. The IIRC recognizes wide variation in organizational circumstances; it also understands the need for sufficient comparability across reports to meet users' information needs. With its principles-based approach, the <IR> Framework seeks an appropriate balance between flexibility and prescriptiveness. Notably, a segment of respondents to the 2013 consultation cited Paragraph 1.20 as counter to the IIRC's market-led, principles-based philosophy. One respondent endorsed a voluntary approach, on the basis that 'businesses should determine their own degree of commitment in relation to the information provided'. Others asserted that the IIRC lacks the authority to impose requirements on governance matters in what is a voluntary disclosure mechanism. Such views set the stage for the following section on legal and jurisdictional considerations.

Legal considerations. Chief among the arguments against Paragraph 1.20 was its encroachment on, or possible inconsistency with regulations.

- ... many jurisdictions... have a similar requirement for financial reporting and such statements are typically made in the context of defined legal responsibilities. There is a danger that including such a requirement in the framework may be interpreted as extending these legal responsibilities.
- Any requirement for those charged with governance to provide a statement should be consistent with, and should limit the imposition of further burdens in addition to, those already prescribed by national codes and laws. For example, in the UK such a statement would be acceptable only as an addition to existing compatible provisions...
- This aspect has to be left to local rules. In Italy, the law clearly indicates who is responsible for corporate communication of listed and non-listed companies.
- Under Canadian regulations, the Board of Directors is charged with governance over a company's leadership, strategy and performance. Boards are not involved in the management of annual reports, nor would they be involved with an integrated report. Further, the CEO and CFO of a company (not the Board) are responsible for certifying disclosure in the annual report – a requirement that would apply to an integrated report...

Scope and terminology. Notwithstanding the definition of 'those charged with governance' in the <IR> Framework's glossary, confusion persisted around the document's related terminology and intended scope.

- (1) People in charge of reporting, (2) process, (3) perimeter and (4) methodology (should be) the basis of reporting requirements... Requirements should invite financial, audit, internal control, law, and (sustainable development) departments to work together.

- You need to clarify exactly what you mean by those charged with governance. Would it have to be the Board? Or all executives? Or a subsidiary committee?
- ... there are cases where (multiple boards) share responsibility (for) building and monitoring governance... we are afraid that 'those charged with governance' is not an appropriate term ... We believe that the 'highest decision-making body' within an organization should take the ultimate reporting responsibility... and this term should be used in the Framework.

Process-related disclosures. In lieu of, or in addition to, a statement of responsibility, several encouraged an emphasis on the ongoing processes, systems and controls that underpin high-quality disclosures.

- We believe that such a statement, accompanied by a description of the basis on which (those charged with governance) have satisfied themselves, would provide a level of comfort to report users regarding the procedural rigour underpinning the integrated report...
- Consider a requirement to include an acknowledgement that the processes employed in preparing the integrated report are reasonable, rather than focus only on the outcomes. In addition, since an internal audit may enhance/be perceived to enhance the integrated report reliability, this process should also be disclosed.
- ... we do not think it is necessary for companies to record that a group of individuals or a committee have 'applied their collective mind' to producing an integrated report, any more than Finance departments would certify that they had applied their collective mind to producing a set of financial statements. We do think companies should be encouraged to describe the internal process by which their integrated report is attested.

Proposals and consultation questions

Your opinion counts! Please share your views via our online form at www.integratedreporting.org/2020revision/Topic1. The deadline for submissions is **Friday 20 March 2020 (11:59 pm GMT)**. All feedback will be considered a matter of public record and will be posted to our website after the closing date. For more on our process, see page 1.

The IIRC invites feedback on a proposed plan for Section 1G of the <IR> Framework. Proposals A, B and C detail the plan's three core elements.

Proposal A

Shift the focus from a statement of responsibility for the integrated report to an explanation of the processes underpinning its preparation.

Implications for the <IR> Framework

Retain Paragraph 1.20 as an <IR> Framework requirement, but change its focus from a statement of responsibility to process-related disclosures. Process-related disclosures would focus on:

- Measures to ensure the integrity of the integrated report
- Measures to ensure that a collective mind is applied to the preparation and presentation of the integrated report
- The extent to which the integrated report adheres to the 19 requirements of the <IR> Framework.

Q1 Should the emphasis of Paragraph 1.20 shift from a statement of responsibility to process-related disclosures? Please explain.

Proposal B

Support the disclosure of process-related information (per Proposal A) through supplementary guidance.

Implications for the <IR> Framework

Assuming Proposal A is pursued, provide supplementary guidance to Paragraph 1.20 that:

- Provides process-related considerations
- Recommends the disclosure of key roles/responsibilities involved in the preparation and presentation of the integrated report
- Clarifies the term 'collective mind'
- Cites a **voluntary** 'statement of responsibility from those charged with governance' as best practice.

Q2 To which systems, procedures and controls should the guidance refer?

Q3 Should the guidance encourage the disclosure of key roles and responsibilities in the integrated reporting process? Please explain.

Q4 Should the guidance cite a voluntary 'statement of responsibility from those charged with governance' as best practice? Please explain.

Proposal C

Explain the meaning and scope of the term 'those charged with governance'.

Implications for the <IR> Framework

To the extent that the term 'those charged with governance' is retained, clarify its scope through examples.

Q5 Is there value in clarifying the term 'those charged with governance'?

Responses to Topic Paper 1

Respondents to Topic Paper 1

Adam Williamson, AAT
Adrián Scasserra, Independent
Alan Willis, Independent
Alexander Kurnikov, 1C
Alexandra Chistyakova, JSC ASE
Anastasia Gabrielyan, Da-Strategy
Andrej Drapal, Consensus d.o.o.
April Mackenzie, External Reporting Board
Arancha Piñeiro, REPSOL
Arvind Agrawal, AICL Communications Ltd
Azizah Mohd Ghani, Malaysian Institute of Accountants (MIA)
Babagana Abba, Federal University Dutse
Bart van Beurden, TIAS Business School
Beat Schweizer, PETRANIX
Bernd Schönhofer, Munich Airport
Bhavin Kapadia, Sustainable OTC Derivatives
Black Sun PLC
Bruno Gasparroni, UniCredit Group
Carlos Brandão, Independent
Carol Adams, Durham University Business School
Cédric Gelard, CNCC /CSOEC
Cleyson Assis, Independent
Constance Mbabid, University of Dundee
Constanza Gorleri, Banco Galicia
Cornis Van der Lugt, University of Stellenbosch Business School
Daniel Fossati, Independent
David Herbinet, Mazars
Dawn Baggaley, NZ Post
Deidre Henne, McMaster University
Delphine Gibassier, Independent
Derick Nkajja, Institute of Certified Public Accountants of Uganda (ICPAU)
Dr. Erkin Erimez, ARGE Consulting
Dr. Fatma Öğücü Şen, Argüden Governance Academy
Dr. Patrizia De Corato, Lebanese Public University
Edouard Gridel, Institut du Capitalisme Responsable
Elda Almeida, Independent
Fay Hoosain, Integrated Reporting Committee of South Africa

Fernando Portus, Independent
Fiona Robertson, Independent
Gaia Melloni, HEC Lausanne - University of Lausanne
Graham Gunn, The Saudi Investment Bank
Graham Terry, Independent
Guler Aras, Integrated Reporting Turkey Network (ERTA)
Herma van der Laarse, ABN AMRO
Inés García Fronti, Buenos Aires University
Innocent Sithole, Training and Advisory Services
J Robert Gibson, Hong Kong University of Science and Technology
Janaina Dourado, Academic - PUC- SP
Janine Guillot, Sustainability Accounting Standards Board
Jayantha Nagendran, Smart Media The Annual Report Company
Jenny Norris, Independent
Jo Cain, Materiality Counts
John Dumay, Macquarie university
John Purcell, CPA Australia
Jon Griffin, API Financial Pty Ltd Chartered Accountants
Jona Basha, Accountancy Europe
Jun Honda, WICI Japan
Kavita Jadeja, EY
Le Quang TRAN VAN, Afep
Leonie Meyer, Independent
Lydia Tsen, Chartered Accountants Australia and New Zealand
M Angelica Costa, Independent
Mardi McBrien, Climate Disclosure Standards Board (CDSB)
Maria Farfan, Pontificia Universidad Javeriana
Maria Towes, Durham University
Maria Eugenia Bellazzi, Sustenia
Marje Russ, Independent
Massimo Romano, Independent
Mervyn King, Senior Counsel and former Judge of the Supreme Court of South Africa, Chair of the African Integrated Reporting Council, Chair of the Integrated Reporting Committee of South Africa, Chair Emeritus of the IIRC, Chair Emeritus of GRI - Responding in an independent capacity

Michel Washer, Solvay
Miguel Oyarbide, Australia Post
Mike Tisdall, Insight Creative
Nandita Mishra, Amity University
Nandkumar Vadakepath, DNV GL
Nathalie Voisine, Capitalcom
Neil Smith, Koan Group
Nick Ridehalgh, Business Reporting Leaders Forum - Leadership Team
Nowmitta Jahanzaib, Institute of Cost and Management Accountants of Pakistan
Patrícia Montenegro, Combustech
Paul Hurks, NBA
Paul Thompson, European Federation of Accountants and Auditors for SMEs
Peter Paul van de Wijs, GRI
Phil Hughes, Independent
Professor Barry Cooper, Deakin Business School
Redefining Value, World Business Council for Sustainable Development
Richard Chambers, The Institute of Internal Auditors
Richard Martin, ACCA
Robert Badgett, KUSM-W
Ron Gruijters, Eumedion
Sasol Integrated Reporting Team, Sasol
Sergey Kuzubov, Centre for Intellectual Capital, Higher School of Economics
Sergio Cravero, PwC
Shimellis Assegahegne, Independent
Stefan Hannen, Kirchhoff Consult AG
Thomas Scheiwiller, IMPACTS
Tjeerd Krumpelman, ABN AMRO
Tokiko Fujiwara-Achren, Independent
Tokiko Yokoi, Independent
Uantchern Loh, Black Sun
Usha Ganga, HAN University of Applied Sciences
Veronica Poole, Deloitte
Warren Koen, Export Credit Insurance Corporation
Wesley Boone, ABN AMRO

Question 1. Should the emphasis of Paragraph 1.20 shift from a statement of responsibility to process-related disclosures?

Adam Williamson, AAT, United Kingdom of Great Britain and Northern Ireland

Yes. AAT considers that the emphasis of Paragraph 1.20 should shift to process related disclosures. The paper refers to data clearly showing a lack of adoption of the statement of responsibility is requirement. With this whole reporting structure being voluntary, to shift to a mandate of the statement of responsibility, something which is not currently being well adopted, seems futile. It appears that what users of reports really want is confidence in a robust review procedure prior to publication, something which is bound to be affected by business models and regulations. Therefore a movement to disclosure of these processes would be a more effective reference point.

Adrián Scasserra, Independent, Argentina

Yes. Given that statements of responsibility could have serious legal implications, both for the organization and people signing the statement, it is very unlikely it will be adopted en masse unless legal requirements are enforced. To provide better assurance to external stakeholders that proper procedures are in place to safeguard the integrity of the information on the report, process-related disclosures provide a better alternative than vague assurances of responsibility.

Alan Willis, Independent, Canada

Yes. 1. To address the factors discussed on pages 3 and 4 of the Topic Paper that together deter organizations from complying with para. 1.20 and impede uptake and implementation of the <IR>

Framework. 2. To adopt the approach to governance (board) oversight of disclosure controls and procedures recommended in CPA Canada's 2014 Guidance for Directors, regarding board oversight of certification support processes underpinning CEO/CFO certifications about financial reporting filings, incl. MD&A. (see "[Guidance for Directors: Disclosure and Certification - What's at Stake?](#)", and companion "[Guidance for Management](#)")

Alexander Kurnikov, 1C, Ukraine

Yes.

Alexandra Chistyakova, JSC ASE, Russian Federation

No. On the one hand, the introduction of additional degrees of compliance with the requirements of the <IR> Framework will streamline the reporting process and make the standard more understandable and logical. On the other hand, this will require additional resources: internal or external certification, and it may happen that we have to make a «report on the preparation of the report»

Anastasia Gabrielyan, Da-Strategy, Russian Federation

No. If yes, then there is a risk of responsibility cancellation. The CEO should be responsible for the final product - the Report (in particular, for its content). Moreover, in Russian management practice (and not only in Russian), works are faster and better if responsibility is assigned to the final product, not just to the process of its preparation. But we also believe that the disclosure of the Report preparation process is important to add, as this will allow Report's readers to judge the quality of the information disclosed about how it was prepared. So, we suggest supplementing the responsibility for the final product with the disclosure of information on its preparation.

Andrej Drapal, Consensus d.o.o., Slovenia

Yes. In our work we are moving into this direction regardless of IR Framework.

April Mackenzie, External Reporting Board, New Zealand

No. We disagree that the emphasis should shift from a statement of responsibility to process-related disclosures. We understand that a statement of responsibility from those charged with governance is a holistic statement which provides accountability for the preparation of the integrated report and gives users confidence in the integrity of the annual report. It has a similar purpose to that of the Directors' signing the annual financial statements. We suggest that Paragraph 1.20 should be rewritten to provide a clear, sharp statement about responsibility as follows: An integrated report should include a statement from those charged with governance that includes an acknowledgement of their responsibility to ensure the integrity of the integrated report.

Providing process-related disclosures is a lower level requirement, reflecting the detail behind the signing of a statement of responsibility. We do not believe these additional disclosures will add value and clarity.

While the XRB staff are not lawyers we do not believe that the requirement of a statement of responsibility would be inconsistent with or in conflict with current New Zealand regulations.

Aranca Piñeiro, REPSOL, Spain

Yes. Repsol considers that shifting the focus from a statement of responsibility for the integrated report to an explanation of the processes underpinning its preparation would help companies to accomplish this requirement. We consider responsibility is implicit in

the publication of the report. Our report has been registered in the National Stock Market Commission, after approval by the board of directors. Moreover, the CEO letter provides oversight or strategic direction. The incorporation of an explanation of the processes involved could add value to the document by reinforcing the guarantee of traceability, quality and reliability of the information. We do not consider that a guidance would help to support the disclosure of process-related information, as reporting systems and procedures vary substantially across companies.

Arvind Agrawal, AICL Communications Ltd, India

Yes. It will be better, as a large part of the disclosures are ALREADY assured under regulatory provisions.

Azizah Mohd Ghani, Malaysian Institute of Accountants (MIA), Malaysia

Yes. The statement of responsibility sets the tone for the IR report in that an explicit statement is made of those charged with governance over the preparation of the integrated report. This adds credibility and gravitas to the contents of the report and indicates that commitment on the integrated report is right from the top of the organisation.

Presently, there is very limited assurance being provided on integrated reports. As such, the downside of removing this statement would be possibly further dilution of the credibility and importance placed on the IR produced by an organisation.

However, based on the feedback from the adopters and potential adopters, the statement of responsibility requirement is a key challenge in complying with the <IR> framework when there is lack of clarity within the organisation on: 1) Who is charged with governance in respect to the integrated reporting process; 2) What are the key roles required to ensure (a) the integrity of

the integrated report, (b) that a collective mind is applied and (c) adherence to the 19 requirements of the <IR> framework; and 3) What are the authorities given to those who play supplementary roles.

In addition, the level of jurisdiction and regulations surrounding responsibilities of those charged with governance varies across countries, markets, and sectors.

Consequently, the IIRC should reconsider if the framework requirement to include a statement of responsibility no later than the organisation's third integrated report or an extended time frame to support the objective of a shift from statement of responsibility to process-related disclosures to increase in take-up of integrated reporting globally. We agree that this shift of focus would also help remove possible inconsistencies with other regulations that may have defined the specific roles and responsibilities of those charged with governance. In particular, the requirement for those charged with governance to assert that they have applied their "collective mind" in coming up with the integrated report is onerous for some organisations. Regarding the shift to a process-related disclosure, the suggested process-related disclosures may still be very broad especially for early adopters in applying all the 19 requirements of the framework and organisations may still have difficulty in articulating the measures to ensure that a "collective mind" is achieved in presenting the integrated report. We therefore support the development of supplementary guidance to help adopters prepare process-related disclosure and to drive a level of consistency in practice.

Alternatively, process-related disclosures could focus on the integrated process in coming up with the integrated report and how those charged with

governance have exercised collective oversight over the process.

Babagana Abba, Federal University Dutse, Nigeria

Yes. Statement of responsibility appears or sound to an unprofessional a full statement, while I look at it as a disclosures of the needful from and entity

Bart van Beurden, TIAS Business School, Netherlands

Yes. This is an improvement in the transparency

Beat Schweizer, PETRANIX, Switzerland

No. I don't think this would be more adopted. It's still not natural information that you would have in such a report but very formalistic, and by asking for measures I assume it would even get more complicated.

Bernd Schönhofer, Munich Airport, Germany

No. The emphasis of Paragraph 1.20 should not shift to process-related disclosures. In order to keep reporting as simple as possible and to reduce the burden on reporting companies, it is enough to have a statement of responsibility.

Bhavin Kapadia, Sustainable OTC Derivatives, United States of America

Yes.

Black Sun PLC, United Kingdom of Great Britain and Northern Ireland

Yes. There should be a statement of process-related disclosure with the optional addition of including a statement of responsibility from the collective mind of the organisation's leaders. We believe that a process-related disclosures approach would encourage more organisations to include process statements in line with any regulatory requirements within their country or areas of operation (i.e. a naturally complimentary

approach and not an additional requirement, increasing rate of adoption). Rather, having the option to include a statement of responsibility from leaders as a voluntary action could be promoted as “leading practice” to support accountability. We would caution the need to include a statement from the company explaining how it adheres to the 19 requirements – this is a subjective, unverified account, and without a statement of responsibility being formally required, this carries little credibility. It could also be viewed as stale requirement (aka tick-box approach) in what is otherwise a spirited, principles-focused Framework. Note that the <IR> Framework remains a voluntary one. The 19-points comply and explain rationale would ensure a more robust review of the framework for reporters, especially those who began with an earnest focus on Integrated Reporting but slackened in their approach over time; that said, this approach could equally be responsible for reducing adoption rates.

Bruno Gasparroni, UniCredit Group, Italy

Yes, the description of the process and the taking on of responsibilities are more important information than a simple declaration or statement.

In our experience to meet legislative requirements we have equipped ourselves with an internal global process regulation that defines roles, responsibilities, activities, controls and information flow of the reporting process.

Furthermore, in the report we publish a page dedicated to its structure where we give information regarding the criteria for its compilation.

Carlos Brandão, Independent, Brazil

Yes. Because of the principles-based approach and legal considerations

Carol Adams, Durham University Business School, International

Yes, but remove reference to 'collective minds'. Applying collective minds is what Boards do when they approve or consider anything. Otherwise, if the intention is that these statements come from the Board (and this isn't clear in this wording) it is fine. It is important that there is a statement from the Board. The Board sets strategy and a lot of what goes in an integrated report should be subject to Board oversight. My research indicates that where reports are considered by the board change occurs. Reporting without board consideration has limited or no effect on the organisation (and hence its value creation process). See Adams, CA, (2017) Conceptualising the contemporary corporate value creation process, *Accounting Auditing and Accountability Journal* 30 (4) 906-931 <http://dx.doi.org/10.1108/AAAJ-04-2016-2529>

Cédric Gelard, CNCC /CSOEC, France

Yes. Concerning the integrated reporting, the CNCC and the CSOEC consider essential to have an alignment with the principles retained for the financial reports or the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market. We therefore consider that reporting responsibility should be assumed by the top management of the entity, i.e. the CEO or President of the Management Board (company with dual boards).

Cleyson Assis, Independent, Brazil

Yes.

Constance Mbabid, University of Dundee, United Kingdom of Great Britain and Northern Ireland

Yes. The heading and content now flows very well as opposed to before.

Constanza Gorleri, Banco Galicia, Argentina

Yes. In our opinion, the explicit formal declaration of the use of the Framework by the corporate government of the company is not necessary, since when applying the <IR> Framework within the Report, presenting the Value Creation Model and explaining that the <IR> Framework is used for the elaboration of the document; it complies with the requirement of Paragraph 1.20.

Cornis Van der Lugt, University of Stellenbosch Business School, South Africa

No. It has to be clear that this "shift" would amount to watering down the level of ambition of the IIRC Framework. A description of "process" will be interesting (eg is there discussion at Board level committee?), but year after year will soon become repetitive, add unnecessary length and be of limited interest to responsible investors. Simpler will be (i) making clear that the existing requirement is "voluntary", and (ii) that "those charged with governance" can be explained to be clear that this can be Board members or execs / senior managers. The latter will allow the reporter to state clearly who / which body / team takes responsibility. A clear statement on this provides important insight to the investor. This report is in fact additional, concise and more strategic than the conventional annual report.

Daniel Fossati, Independent, Argentina

No. Both aspects should be part of Paragraph 1.20 scope.

David Herbinet, Mazars, United Kingdom of Great Britain and Northern Ireland

No. Stakeholders are increasingly demanding information which enables them to see clearly how organisations address and manage sustainability related questions. At the same time there is an urgent need for streamlining and consolidating corporate reporting such that it is reliable, useful and relevant for users. An integrated report links financial and non-financial data and looks at how current operations might create future profits (or losses). Although it is not intended to replace a company's financial statements, an integrated report could typically – although not always – replace the annual report. It is in our view essential that the ownership/approval process for an integrated report is comparable to that in place for annual or financial reports or prospectuses issued to accompany the public offering of securities or investments on a regulated market. As such the approval of an integrated report should be the responsibility of the top governing body of the organisation to which it relates to. This approval enhances credibility and should cover: - The integrity of the data included; - Compliance with the <IR> Framework; - Application of the collective mind for the preparation and presentation of the report. Where this is not possible, due perhaps to country specific legal or regulatory restrictions, preparers should be required to explain the conflict in the report and describe how the requirements of the Framework on integrity of data, compliance with the <IR> Framework and application of the collective mind have been achieved. In addition, the top governing body should also be required to explain the procedures and controls in place which enable them to approve the report, including those involved in its preparation and presentation, demonstrating the application of the collective mind.

Dawn Baggaley, NZ Post, New Zealand

Yes. This will assist with overall engagement and ownership of the reporting and aid integrated thinking

Deidre Henne, McMaster University, Canada

No. The paragraph should continue to stipulate responsibility and be added to in order to outline process-related disclosures. The two considerations should be included in the Framework (not one or the other). Responsibility is arguable key to an accountability framework.

Delphine Gibassier, Independent, France

No. Your extensive research on integrated reporting adoption and diffusion (http://www.anc.gouv.fr/files/live/sites/anc/files/contributed/ANC/3.%20Recherche/B_Appels%20%c3%a0%20projets/2017/First_report_ANC_final_version_GIBASSIER_ADAMS_JEROME_2019-07-24.pdf) published in July 2019 with Dr Carol Adams and Tiphaine Jérôme demonstrates that adoption goes beyond citing the IIRC framework as such and takes multiple form (including name, adoption of some requirements but not all). When IR is mandated (or quasi mandated like in Japan), that does not lead to a better /deeper adoption. Therefore, I believe that governance sign-off is still interesting to request, while a process related disclosure would enhance transparency on the degree of adoption and the process companies are going through (must companies have adopted IR in steps over the years).

Derick Nkajja, Institute of Certified Public Accountants of Uganda (ICPAU), Uganda

Yes. It is indeed not contestable that a growing number of users of corporate annual reports believe that it would be either 'very' or 'quite' valuable for

businesses to combine financial and non-financial information into an integrated reporting (IR) model, more so to create a clear linkage of the information disclosed relating to environmental, social and governance with the business' financial performance and long-term prospects for success'. With this in mind it's very likely that some businesses may be tempted to inappropriately use integrated reports as a marketing device in order for them to stay afloat. Some level of comfort is required if users of the annual report are to base any decision on the same. However, we do not find it practicable to have a mandatory requirement for a statement of responsibility since in a number of jurisdictions, including Uganda, requirements of integrated reporting are being adopted on a voluntary basis. We are of the opinion that a shift from a statement of responsibility to process related disclosures would be a more tenable approach as this would provide for the reasonableness of the process followed in developing the report rather than the outcome of the process per se. Integrated reporting should focus, or at least be seen to focus, much more on a deeper understanding of all the building blocks of a business' value creation process rather than the end report. Reporting on the process followed would recognize the multiple internal sections involved in generating the report rather than just a section of individuals who applied their 'collective mind'.

Dr. Erkin Erimez, ARGE Consulting, Turkey

No. Board's involvement in preparation of integrated report is very important and critical for quality and for trustworthiness of provided information. Board's involvement in determining material issues, key stakeholders, approval and implementation of company strategy, and oversight of operations and conduct of business are essential for long-term sustainability of the organization. Management

team's horizon is likely to be shorter than that of the board's. Some of the critical decisions could only be taken by board. Integrated thinking has been defined by Prof. Mervyn King as utilization of collective minds of board members and realizing a good teamwork and cooperation by the departments of organization. These decisions will have reflections in the integrated report. Therefore, inclusion of a responsibility statement by the board needs to be kept in the framework. In addition, the key proxies underlining the process might be disclosed in the report. In particular, disclosing the Board Skills Matrix may be very useful.

Dr. Fatma Ögücü Şen, Argüden Governance Academy, Turkey

No. The governance body's responsibility statement is a necessity; however, the process-related disclosures should be added. Board's statement of involvement in preparation of integrated report is very critical for quality and reliability of the disclosures. Boards should be involved in the key elements of an integrated report such as determining material issues, sharing key stakeholders, approval of value creation model. On the other hand, involvement of boards in guidance and oversight responsibilities about strategy and operations are essential for long-term sustainability of the organization. Management team's horizon is likely to be shorter than that of the boards. Some of the critical decisions could only be taken by board. Integrated thinking has been defined by Prof. Mervyn King as utilization of collective minds of board members and realizing a good teamwork and cooperation by the departments of organization. These decisions will have reflections in the integrated report. Therefore, inclusion of a responsibility statement by the board needs to be kept in the framework. In addition to the responsibility statement of the board, the key proxies about the process may be helpful. For instance,

disclosing Board Skills Matrix can strength the responsibility statement of the board . Board skills matrix can be accepted as an important proxy of the boards' competence about the issues in the statement. Additionally, the key proxies underlining the process about collective mind and integrity of the report might be disclosed. This approach would enhance the quality of the report.

Dr. Patrizia De Corato, Lebanese Public University, Lebanon

Yes. A collective job (operational and non operational) responsibility shared in an integrated report

Edouard Gridel, Institut du Capitalisme Responsable, France

Yes. Specificity (and unparalleled advantage) of Integrated Thinking lies in focussing on the origin and roots of value creation: disclosing on the process of how to combine various factors of production or "inputs" is key for the future of IR

Elda Almeida, Independent, Argentina

Yes.

Fay Hoosain, Integrated Reporting Committee of South Africa, South Africa

No. The statement of responsibility should remain a requirement of the Framework. The statement may be supplemented by process-related disclosures.

Further Explanation: It should be noted that the statement of responsibility commonly appears in South Africa's integrated reports and it can be considered as standard and best practice.

In South Africa, and many other jurisdictions, the governing body is accountable for the accuracy and integrity of the integrated report (as is the case with

other external reports) regardless of whether or not it includes the statement of responsibility. Indeed, if the integrated report is not accurate or misrepresents information in any material respect, it is likely, in certain instances, to expose the governing body to legal and reputational liability. That said, the inclusion of the statement of responsibility is significant in that the governing body is publicly seen to be taking responsibility for the integrity of the integrated report, and that it is willing and able to make such a statement on the basis of actions taken (such as process-related disclosures) in support thereof. In practice, the inclusion of the statement of responsibility in the integrated report has the added benefit of "focusing the mind" and "affecting the behaviour" of relevant sub-committees of the governing body (using the words of a practitioner). Paragraph 1.20 also importantly covers the compliance aspect, namely that the governing body has applied its mind to the integrated report and that it meets the 19 requirements of the Framework. Failure to ensure such compliance risks the integrated report being relegated to the status of a marketing brochure. By shifting to process-related disclosures only, as proposed, many of the non-process confirmations that stakeholders rely on (including the integrity and credibility of the integrated report) may be lost.

Further, there is a difference between the governance oversight of the processes that lead to disclosure and the sign-off of the actual disclosure. Nonetheless, it is considered that the addition of process-related disclosures could add to the credibility of the information in the integrated report.

Fernando Portus, Independent, Argentina

No. If we go back to 2013 principles, it is clear that even though IIRC is based on voluntary adoption, it is

important that corporate governance need to show a clear involved and support these processes. This kind of shift can be wellcome by the corporate governance but it will injured investor trust in this methodology, because only a process related disclosed may sound like the companies only will show what is convient, and corporate government will only explain the basis that they applied and not give an explicit compromised about the integrity of the report.

Fiona Robertson, Independent, United Kingdom of Great Britain and Northern Ireland

Yes. This would eliminate box ticking and ensure that transparent processes are outlined and available for scrutiny by key stakeholders and are auditable

Gaia Melloni, HEC Lausanne - University of Lausanne, Switzerland

No. I would also maintain a statement of the (ultimate) responsibility of the integrated report. Alternatively, the responsibility could be assumed to be of the board and firms should explain/discard if this is not the case.

Graham Gunn, The Saudi Investment Bank, Saudi Arabia

Yes.

Graham Terry, Independent, South Africa

Undecided. To be honest I do not fully understand the proposal. I can understand why boards do not wish to take responsibility for the integrated report, but I am concerned that this proposal will allow boards to pay lip service to the watered down requirements. Stakeholders need the board to apply their minds to the balance of the report. Even today most reports are not balanced as most organisations focus on disclosures that show the organisation up in a positive light. In assessing a report one needs to look at what is

not disclosed to form an opinion about the report. When one moves to process disclosures things become blurred.

Guler Aras, Integrated Reporting Turkey Network (ERTA), Turkey

Undecided. Our members answered this question in 3 different ways. The answers are listed below.

- Some of our members have accepted this proposal and they thought that the emphasis of Paragraph 1.20 should shift from a statement of responsibility to process – related disclosures. Members who think like that, have explained their answer in this way:
 - o Information about the creation process of the report may be more valuable.
 - o The shift from a statement of responsibility to process-related disclosures would facilitate the explanation and communication of the integrated thinking mindset behind the reporting process, business model and strategy, both for the readers of the report and those in charge of report preparation.
- Our member CFGS (Yıldız Technical University Center for Finance Corporate Governance and Sustainability) added that governance body referring the board of directors or top management should be involved in whole process which include future outlook, business model and strategic planning, instead of merely taking responsibility in the last step with a statement. This approach would support generating qualified information for report users regarding the integrity, reliability and transparency of the reporters.
- Some of our members have not accepted this proposal and they thought that the emphasis of

Paragraph 1.20 should not shift from a statement of responsibility to process – related disclosures. Members who think like that, have explained their answer in this way:

- o One of our members thought that companies can explain the overall processes, but companies would not be so eager to give much detail about the company's internal process of reporting. Also they thought that financial capital provider would not be interested in how the report is prepared.
- o Besides, they recommended that the report could be approved by top management such as Board of Directors, Board Committee or Executive Board and in the report there should be a definition which shows the final level of approval.
- o In addition to these explanations they also think that process-related disclosures should focus on:
 - Measures to ensure the integrity of the integrated report;
 - Measures to ensure the collective mind of those charged with governance TCWG has been applied to the preparation and presentation of the integrated report; and the extent to which the integrated report adheres to the requirements of the <IR> Framework.
- Some of our members thought that Paragraph 1.20 should include a statement of responsibility and the process – related disclosures. Members who think like that, have explained their answer in this way:
 - o One of our members thought that the statement could be in the company's own words (and so fit with national legislation for example) and it is not necessary to be from the board of directors, it can be from the audit committee or others. They also thought that readers want to see a clear statement

of responsibility which written by the Board of Directors.

- o They also thought that process related disclosure could be included at the statement of responsibility to confirm that Board level responsibility is adopted for selecting the preparation processes.

Herma van der Laarse, ABN AMRO, Netherlands

No. The underlying purpose of an Integrated Report is to stimulate Integrated Thinking within the organisation. This paragraph ensures that board members see the Integrated Report, learn more about the principles and requirements of the framework. With this change to process-related disclosures, that added value would be diminished.

Inés García Fronti, Buenos Aires University, Argentina

Yes.

Innocent Sithole, Training and Advisory Services, Zimbabwe

Yes. We support the proposed structure it is straightforward for those charged with governance to find guidance on the disclosures required since the draft guidance is structured into measures to be applied. Measures proposed place emphasis on integrity and an inclusive approach been applied holistically in the preparation of the integrated report. This will help management to recognize its responsibility for conducting the company's affairs in compliance with established standards and applicable laws and maintains proper standards of conduct for its activities. Further, the shift will evade the challenges of just having a statement which is not substantiated with actual measures taken to ensure that integrity and a collective mind were applied in the preparation of the

integrated report. The proposed change brings in transparency aspect to <IR> since stakeholders will be afforded the opportunity connect the dots on how precisely value was preserved or eroded and through entity's stakeholder inclusivity approach can provide recommendation on how to remediate or preserve or enhance process involved. Since one of the main objectives of Integrated Reporting is for different stakeholders to make useful decision making, shifting from a statement of responsibility to process related will provide a comprehensive picture to stakeholders in-terms of performance, governance and strategy of different entities.

J Robert Gibson, Hong Kong University of Science and Technology, China

Yes but the report should contain a statement identifying the highest governance body of the reporter and advising the date on which this body approved issuing the report.

Janaina Dourado, Academic - PUC- SP, Brazil

Yes.

Janine Guillot, Sustainability Accounting Standards Board, United States of America

No. SASB supports making explicit the obligation of boards and management to consider the materiality of ESG factors when making their public disclosures. We suggest that IR provide more explicit guidance to boards about evaluating materiality from multiple perspectives, and that IR consider explicitly referencing the "dual materiality" concept promulgated by the EU. We believe the EU's "dual materiality" concept is a helpful framing for boards and management. SASB' Standards Application Guidance suggests that boards and management adopt a system of governance around developing and disclosing financially material

sustainability information— including management involvement, board oversight, and internal control— that is substantially similar to what they use for financial reporting. As noted by the Enterprise Risk Management Integrated Framework developed by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), governance, including strong board oversight, is a prerequisite to effectively identifying, assessing and addressing the full spectrum of company risks. Incorporating ESG-related risks into a company's governance structure and processes is critical to enabling companies to effectively manage these risks.

We also suggest that IR consider adopting the language and structure used by the Task Force on Climate Related Financial Disclosures (TCFD) to discuss board and management's responsibilities. The TCFD language around strategy, governance, risk management, and metrics and targets is becoming widely used globally. We believe that aligning governance language between IR and TCFD would reduce preparer and user confusion, and speed adoption of both frameworks globally.

Jayantha Nagendran, Smart Media The Annual Report Company, Sri Lanka

No. TP 1.1 Although specific requirements may vary depending on the jurisdiction, it is broadly accepted globally that the Board (those charged with governance) takes responsibility for the disclosures in the report. Provisions in the Companies Act/s (or equivalent) require directors to deploy a robust business model, far-sighted strategy, strong governance and risk management frameworks along with sound oversight.

Hence, the present format may be continued while adding/strengthening anything that is important and

specific to integrated reporting. Any further elaboration without ownership will either increase the reporting burden without adding much value, or simply encourage padding up and a more-the-better culture to win questionable awards.

Jenny Norris, Independent, United States of America

Yes. I feel like it is understood that the Board of an organization would ultimately be responsible, but i feel that process related disclosures would be much more meaningful.

Jo Cain, Materiality Counts, Australia

Yes. Process-related disclosures will provide more context for Report readers/users re: how those charged with governance (TCWG) ensure the integrity of the IR. This approach will facilitate the value creation story, rather than a focus on replicating the required statement re: responsibility in the IR. Materiality Counts would like to see greater connectivity in the IR re: how TCWG are driving Integrated Thinking to be employed within the reporting entity, and this seems an appropriate place to encourage it.

John Dumay, Macquarie university, Australia

No. Unworkable because if the complexity associated with the 19 requirements. Most people cannot even begin to grasp 19 requirements let alone understand how these requirements should be applied.

John Purcell, CPA Australia, Australia

No. The CPA Australia argue herein for retention of the status quo. Our reasons are outlined below noting also the anticipated release in the second-half of 2020 of the exposure draft updating the IFRS Practice Statement 1 Management Commentary which might in many jurisdictions influence the regulation of narrative disclosures of which <IR> is, in part, a subset. Taking

Proposal A's reorienting para. 1.20 towards process-related disclosures, along with the first dot-point concerning "measures to ensure the integrity of the integrated report", there are as we see it, substantial risk of the <IR> Framework becoming unduly prescriptive, along with an associated proliferation of information within an integrated report having questionable information utility for users. Our view is that the proposal outlined in the second dot-point under Proposal A, to retain reference to "measures to ensure that a collective mind is applied" within the <IR> Framework section that would be headed Process-related disclosures, may not negate the concerns outlined under Legal considerations on page 4 of Topic Paper 1. Ultimately, in a common law jurisdiction such as Australia, whether or not an appropriate level of care and diligence has been applied to a disclosure will be determined with reference to an objective standard of reasonableness, to which then, a subjective assessment is made as to the individual's meeting of that standard. As it currently stands, para 1.20 at least compels 'those change with governance' to turn their minds to these significant matters. Concerning the third dot-point under Proposal A that seeks a statement as to the extent of adherence to the 19 requirements of the <IR> Framework, our view is that it would lead to some 'circularity', as invariably the question would be raised as to whose judgment is it that is being applied to such an assessment and associated disclosure. We acknowledge the sentiment expressed under Legal considerations pertaining to the challenges of applying a principle-based framework across a range of diverse legal systems. However, we offer the following more general observations in support of retention of paragraph 1.20 in its current form: • Paragraph 1.20 acts to 'focuses the mind' on the qualitative attributes

expressed variously across Guiding Principles A though G. In any substantive reorientation of para. 1.20, we urge the IIRC to be mindful of the possibility of an unintended steering of disclosure emphasis towards reputation management and corporate storytelling and thus away from intended purposes around business model resilience within a transformational environment. • The sixth paragraph of the <IR> Framework Executive Summary directly contemplates the adaptation of an entity's integrated report into an existing compliance requirement – most likely as regulatory-based strategic or management analysis reports. In these circumstances, para. 1.20 indirectly reinforces what is contemplated around responsibility for these 'extra-financial' disclosures. Moreover, in these avenues of <IR> Framework application assurance standards will be brought to bear, most notably with ISA 720 The Auditor's Responsibilities Relating to Other Information and the evolving understanding of ISAE 3000 application to (refer our response to Topic Paper 3). • Topic Paper 1 at page 2 identifies a series of seven matters under consideration, most notably - director liability concern. Relevant content within the <IR> Framework are Guiding Principle 3A Strategic focus and future orientation and the cautionary guidance provided in paragraphs 3.52-3.53. Such liability risks arise regardless of para. 1.20 being a function of jurisdiction specific legal principles and rules related to such matters as reliance-based detriment or change of position. Without giving an absolute definitive view, we argue that continuity of para. 1.20 in its present form provides a positive incentive for directors to assess the boundaries of uncertainty (refer para. 3.53) along with actions which may minimise risk of litigation.

Jon Griffin, API Financial Pty Ltd Chartered Accountants, Australia

No. The issue with today's capitalist system is the break between risk and return. Senior management, boards of Directors, CEO's, carry no risk and as bonuses etc are determined by short term financial results which causes externalities, outcomes etc to be ignored by senior management. The 2008 global financial crisis resulted in one middle level manager going to gaol, The Australian Banking Royal Commission, no bankers have gone to gaol. CEO's, board members were not even asked to payback previous year million dollar bonuses. One of the largest financial institutions in Australia could not even keep a proper set of minutes of meetings of directors. Put some teeth into your proposals.

Jona Basha, Accountancy Europe, Belgium

Yes. (1) Accountancy Europe welcomes the IIRC proposal to shift from providing a statement of responsibility from those charged with governance to providing process-related disclosures aiming to increase the uptake of paragraph 1.20 of the <IR> Framework. This shift would help overcome current conflicts with local regulations, ease the additional reporting burdens and liability concerns of preparers and describe how those charged with governance have been involved in preparing the integrated report. (2) In addition to increasing the uptake of the <IR> Framework, a focus to process-related disclosures such as the systems and controls that contribute in the preparation of the report may ultimately result in enhancing these processes.

Jun Honda, WICI Japan, Japan

No. Both the responsibility statement (or integrity statement) and the process-related disclosures (which

underpin the responsibility or integrity statement) are necessary (on an either compulsory or voluntary basis) to increase the reliability or credibility of the information provided in integrated reports. Integrated reports should not be advertisement brochure nor publications telling only self-admiring stories. The key important thing is the management level (CEO, CFO and/or chief corporate communications officer) manifestation or declaration of appropriateness of the disclosed information in their organization's integrated report (meaning fair, balanced and no false disclosure, and no omission of material information including risk factors).

Kavita Jadeja, EY, India

No. Statement of Responsibility, is a reflection of commitment and ownership by the reporter. In case, the shift is made to process disclosure only, there may be a risk, of the lack of evidence of implementation, and all reporters presenting the information for the sake of it.

Le Quang TRAN VAN, Afep, France

No. It should first be noted that a growing number of French companies publish comprehensive and concise information in one single report to address the expectations of a wide range of investors and stakeholders, including those with a long-term perspective. Companies are fully aware of the benefits of placing their activities in a medium and long term perspective and of taking into consideration the stakeholders' expectations concerning in particular: companies' business models, the policies and processes they implement, their products and services, the effects of their activities on the environment and the society and how these are reported to the public. To this end, companies are generally engaged in voluntary approaches of publication and dialogue with

stakeholders, some of them being inspired by the IIRC. However, the practice of integrated reporting (in the sense of striving for a better connectivity between financial and non-financial information) should be clearly distinguished from the Integrated Reporting Framework (the Framework) proposed by the IIRC : many companies make their best efforts to produce concise information gathering or interconnecting financial, environmental and social matters, without necessarily being willing or able to use the IIRC Framework which is viewed as too ambitious and difficult to put in practice by many preparers. Companies are eager to continue to have the flexibility needed in this area and do not subscribe to the idea of a mandatory integrated report, whether or not established by the IIRC. Furthermore, while appreciating that the IIRC Framework is a voluntary one, companies emphasize that applying or referring to this Framework – even on a voluntary basis – can translate into requirements, some of which are difficult to comply with and/or excessive. Indeed, the application of certain key elements of the Framework – measure of capitals and value creation, connectivity of information... - entails major conceptual difficulties and would, if it were strictly followed, result in disproportionate burdens and costs for companies, without ensuring the relevance and the reliability of the information published. As regards specifically the statement of responsibility, companies are not in favour of amending the Framework to replace this statement by process-related disclosures for the following reasons: – In France, companies preparing an integrated report – whether or not compliant with the Framework – generally include this report in their registration document filed each year with the Financial Markets Authority (the AMF) ; pursuant to regulations in force (EU Prospectus Regulation and AMF's General

Regulation) all information included in the registration document shall be covered by a statement of responsibility of the person(s) responsible for the establishment of the document and reviewed by the statutory auditors of the company. – The organization and processes in place, including internal control or risk management procedures related to the preparation and/or control of financial and non-financial information, are specific to each company and our members don't see the added value of disclosing explanations regarding the processes underpinning the preparation of the integrated report. – They consider that if the company commits itself, on a voluntary basis, to the publication of an integrated report, the statement of those charged with governance is necessary to ensure the integrity of the report. The absence of such a statement would strongly reduce the value and legitimacy of such a report.

Leonie Meyer, Independent, South Africa

Yes. The current statement of responsibility is simply added by report preparers as a tick-box exercise to reach minimum requirements. A process related disclosure would enhance credibility and is better positioned to be incorporated in approval statements governed by strict exchange or legislative requirements.

Lydia Tsen, Chartered Accountants Australia and New Zealand, International

No. At this stage, we do not consider that the emphasis should shift from a statement of responsibility to process-related disclosures. The paper indicates strong support from respondents (70%) to the 2013 Consultation Draft to continue with the statement of responsibility. A shift towards process-related disclosures could result in the disclosure of superfluous information beyond what is needed by

investors. Further, process-based disclosures would still raise the question of who had made the judgment over what to disclose and why (ie. the statement of responsibility). Process-related disclosures, without clear guidance and parameters, could also give rise to situations where the information disclosed focuses more on reputation management than around business model resilience within a transformational environment.

M Angelica Costa, Independent, Brazil

Yes.

Mardi McBrien, Climate Disclosure Standards Board (CDSB), United Kingdom of Great Britain and Northern Ireland

No. CDSB believes that the emphasis of para.1.20 should not shift from a statement of responsibility to process-related disclosures. This governance statement is in essence a statement of conformance with the <IR> Framework and is crucial for showing accountability and demonstrating to report readers that firstly, those governing the organisation have had oversight of all the material capitals' information provided and secondly, that it is treated with the same level of rigour as financial information and subject to robust internal controls. Both of these are crucial. We therefore do not support Proposal A as this would be a weakening of the <IR> Framework and a corresponding reduction in the trust of the information provided in the integrated report. We also note that one reason cited in the consultation document for limited uptake of the statement of responsibility is conflict with local regulations. The IR Framework should make explicit that where there is a conflict between it and national legal requirements, the latter should be followed.

Maria Farfan, Pontificia Universidad Javeriana, Colombia

Yes. I think the board has a implicit responsibility for all the companies reports including IR, but they could feel unsure of some of the declarations they make in an Integrated report, due to unexperience or the perception that the framework is so generic and there is a lack of specific guidance in many aspects. So, I consider a better idea put the focus in the process more than in the outcomes, that we can think will improve with the experience.

Maria Toves, Durham University, United Kingdom of Great Britain and Northern Ireland

Yes. This is a voluntary framework and therefore should not add addition burden on the board which already has to comply with various regulations.

Maria Eugenia Bellazzi, Sustenia, Argentina

Yes. In our opinion, the explicit formal declaration of the use of the Framework by the corporate government of the company is not necessary, since when applying the <IR> Framework within the Report, presenting the Value Creation Model and explaining that the <IR> Framework is used for the elaboration of the document; it complies with the requirement of Paragraph 1.20. Additionally, regarding that the corporate government reviews all the texts of the Report in detail, including the statement on the process and the use of the Framework, it is not necessary to make a statement of responsibility to process.

Marje Russ, Independent, New Zealand

No. The emphasis should not shift from a statement of responsibility but the paragraph could be written to provide more flexibility. The acknowledgement that those charged with governance are responsible for the

report is important for the credibility and status of the Integrated Report. A specific statement about applying collective mind does not seem to add much value and it has created confusion and concern. It could be removed. A more flexible requirement to disclose the extent to which, and how, the report is presented in accordance with the Framework would be more informative than just a conclusion statement. This should be supported by a requirement to disclose more information about the processes to prepare the report and role of those charged with governance. The requirement to describe steps to include the statement and time frame could be removed, given the greater flexibility, proposed above, about what is to be disclosed.

Massimo Romano, Independent, Italy

No. No shift is needed. A statement of responsibility should be confirmed, specifying “unless otherwise reported” in order to cover the formal statement already provided by law. More in detail, a statement of responsibility for the integrated report from those charged with governance is useful to avoid that an integrated report (IR) is considered less important in respect of other reports of an organization. Furthermore, it implies that those charged with governance have ultimate responsibility for how the organization creates value. Nevertheless, the assessment whether to keep this formal statement depends on the corporate reporting

framework adopted by an organization. If the IR is embedded in the Management Commentary, the signoff of the Board of Directors is already required in some countries and the statement could be avoided. In addition to that, the regulatory framework has deeply evolved compared to 2013, the year in which the

<IR> Framework was published. For example, now some organizations include their Non-Financial Statement ex EU directive 95/2014 in their IR. The proposal to “shift the focus from a statement of responsibility for the IR to an explanation of the processes underpinning its preparation” could be useful but not compulsory. Some IRs including the Non-Financial Statements already describe the process, e.g. the reliability of data flows, the control system, the engagement of the board committees.

Mervyn King, Senior Counsel and former Judge of the Supreme Court of South Africa, Chair of the African Integrated Reporting Council, Chair of the Integrated Reporting Committee of South Africa, Chair Emeritus of the IIRC, Chair Emeritus of GRI - Responding in an independent capacity, South Africa

No. To comply with paragraph 1.20 could be contrary to some or other legislation in certain jurisdictions. The paragraph has been a thorn in the side on the adoption of the IR Framework. 5.Paragraph 1.20 should be deleted in toto because an IR is a report of the collective mind of a board of directors of a company whether it is signed by all the directors or not. 6.Whoever prepares the report, it has to be approved by the board. Effectively the preparer is an agent of the board. Notwithstanding, the board should interrogate the draft and should ensure that it is in accordance with the Framework.

Michel Washer, Solvay, Belgium

Yes. An integrated report results from collaboration of multiple departments, making a statement of responsibility a bit pointless

Miguel Oyarbide, Australia Post, Australia

No. Proposal B seems suitable to build on 1.20 rather than replacing it.

Mike Tisdall, Insight Creative, New Zealand

No. There's an important place for both. So not sure about 'shift'. But certainly a few sentences about the 19 requirements is a good idea. I suppose a little like the GRI levels. Seems to me you can deliver to 5 or the full 19 and still call it an integrated report. Some more rigour makes sense. Helps with credibility of . And I guess would also go hand in hand with assurance.

Nandita Mishra, Amity University, India

No. According to me, giving details related to disclosures will not solve the purpose and we should not forget that the Directors should be held responsible for maintaining the integrity of the annual report disclosure. Board of the company should take charge of the purpose of reporting and also how company's capital is created value over time. I don't think shifting the statement of responsibility to process- related disclosures will not help much.

Nandkumar Vadakepatth, DNV GL, India

No. Processes relating to Reporting are normally delegated to lower levels within organisation and seriousness will be lost. Statement of responsibility is must to ensure that the top leadership is engaged in review and approval of value creation disclosures. There could be an exception where there are legal prohibition to such disclosure.

Nathalie Voisine, Capitalcom, France

Yes. An evolution towards process-related disclosures could prove useful in order to better explain the rationale and methodology behind the production of an integrated report and beyond : (i) how it benefit from collective thinking at the highest level of the company (not just one executive or Board member, but collective involvement) and in its production process (transversal

approach breaking silos) (ii) how the integrated thinking is being deployed throughout the company. We believe of utmost important that the integrated reporting remains a voluntary process and that it should not evolve towards a "tick the box" / compliance reporting nor a mandatory framework, so as to preserve one of its primary objectives: reflecting the unicity of a company.

We also think that the editorial of an executive officer (of President of the Board) is a relevant signal of integrated thinking at the highest level of the company.

There could be details added on the purpose of a statement of responsibility: what perimeter? from who?

Neil Smith, Koan Group, Netherlands

Yes. Broadly, we would support this. A thorough description of the review & approval process would also make clear responsibility for reporting.

Nick Ridehalgh, Business Reporting Leaders Forum - Leadership Team, Australia

Yes. The emphasis of Paragraph 1.20 should shift from a statement of direct responsibility for report content to process-related disclosures. This would still achieve the intended purpose of acknowledging the responsibility of TCWG in relation to the integrity of disclosures in the integrated report.

Nowmitta Jahanzaib, Institute of Cost and Management Accountants of Pakistan, Pakistan

Yes. Effort with collective mind for process related disclosures involves joint responsibility and confirmation of the integrity of the Integrated Report for its usage to the stakeholders and the world at large.

Patrícia Montenegro, Combustech, Brazil

Yes.

Paul Hurks, NBA, Netherlands

No. 1. NBA welcomes the IIRC initiative to consider providing a statement of responsibility from those charged with governance to providing process-related disclosures. This would align with the IIRC's vision that an Integrated Report is the end result of a process of Integrated Thinking. Those charged with governance are considered to be involved in Integrated Thinking.

2. NBA is not in favour of a complete shift in such a way that the Framework would refrain from a responsibility statement. We do acknowledge that conflicts with local regulations and liability concerns exist, but the Integrated Report would lose relevance if such a responsibility statement would no longer be required. According to the Dutch Corporate Governance Code (listed entities) Boards and Supervisory Boards are explicitly responsible for Long Term Value Creation. Refraining from a responsibility statement in the Framework would therefore be a step back for the desired transition.

Paul Thompson, European Federation of Accountants and Auditors for SMEs, International

Yes. Process related disclosures may also provide material capable of being subject to some form of assurance or verification by external experts.

Peter Paul van de Wijs, GRI, Netherlands

Yes. Proposal A and B: GRI encourages the reference to process-related disclosures, per reference to GRI 102-29 and GRI 102-54 in addition to the reporting principles in GRI 101.

Phil Hughes, Independent, Australia

Yes. It is important to understand how an IR was prepared and the extent to which it meets the IR Framework.

Professor Barry Cooper, Deakin Business School, Australia

Yes. We agree that the emphasis of Paragraph 1.20 should shift from a statement of direct responsibility for report content, to process-related disclosures. This would still achieve the intended purpose of acknowledging the responsibility of Those Charged With Governance ('TCWG') in relation to the integrity of disclosures in the integrated report. We agree that process-related disclosures should focus on:

- Measures to ensure the integrity of the integrated report;
- Measures to ensure the collective mind of TCWG have been applied to the preparation and presentation of the integrated report; and
- The extent to which the integrated report adheres to the 19 bold letter requirements of the <IR> Framework (supported by the disclosures made in accordance with paragraphs 1.17 and 1.18). Australian Precedent This approach would be consistent with the approach taken in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition):

- Principle 4 relates to Safeguarding the integrity of corporate reports and states that: "A listed entity should have appropriate processes to verify the integrity of its corporate reports."
- Recommendation 4.3 which attaches to Principle 4 goes on to say that: "A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor."
- The Commentary to Recommendation 4.3 reads as follows: "Increasingly, investors are relying on a broader range of periodic corporate reports than audited or reviewed financial statements to inform their investment decisions. This includes an entity's annual directors' reports, quarterly activity reports, quarterly cash flow reports and, in some cases, integrated reports (if prepared as a

separate annual report)⁴⁹ and sustainability reports. Where a corporate report of this type is not subject to audit or review by an external auditor, it is important that investors understand the process by which the entity has satisfied itself that the report is materially accurate, balanced and provides investors with appropriate information to make informed investment decisions. This can be disclosed in the report itself or more generally in the entity's governance disclosures in its annual report or on its website."

Redefining Value, World Business Council for Sustainable Development, Switzerland

Yes. For the reasons outlined on page 4 of Topic Paper 1, there is limited merit in expecting conformance with Paragraph 1.20 as currently drafted. We favor a shift to encouraging a declaration including the following elements: a. Where a report intends to be an Integrated Report, state either that full conformance with the <IR> Framework's requirements and principles has been achieved or identify the requirements or principles that have not been wholly achieved; b. Confirmation that reasonable steps have been taken and appropriate arrangements (including systems, controls and processes) are in place to ensure the accuracy of information in the Integrated Report; c. Identification of any information that is incomplete or has been prepared under conditions of uncertainty; and d. State whether sign-off processes for the Integrated Report equate with those used for other parts of the Annual Report. We believe that the Framework is a useful resource for standard setters and preparers to develop suitable criteria. However, the statement above assumes that the IIRC is a standard setter and the Framework is equivalent to a reporting standard.

Because the Framework instead represents a "conceptual framework for corporate reporting," it should rather be used as the basis for jurisdictions to develop and improve their corporate reporting requirements.

Based on WBCSD's extensive work on assurance of non-financial information, the Framework as it currently stands does not represent "suitable criteria" - which is problematic if a compliance approach is taken to positioning it.

In other words, the points will need clarification on who is the assurance provider and whether there has been compliance.

Richard Chambers, The Institute of Internal Auditors, United States of America

Yes. By detailing the standard processes used to create the integrated report, the issuer provides transparency to the audience. And by including those responsible for assurance, the report can be further validated with less emphasis on the governing body taking on the risk of an un-vetted report. Internal audit is tasked with providing assurance to the governing body, and we believe this function is an important addition to the <IR> Framework, and its existence should be disclosed. Additionally, with the adoption of COSO ERM:2017 by <IR>, it will be easier to have the head of audit lead the internal audit activity with better information to deal with the effect of uncertainty and enhance value creation by focusing on using opportunities to offset the threats.

Richard Martin, ACCA, International

No. We would not want to see the requirement for a statement of responsibility removed from the Framework. We agree that something needs to be done as the current requirement is too prescriptive and our

surveys have shown compliance is poor. However from a reader's point of view we consider that at the least they want a clear statement of responsibility. The statement could be in the company's own words (and so fit with national legislation for example) and it need not be from the board of directors but say from the audit committee or others. If the change would be that paragraph 1.20 be rewritten to require those charged with governance to state their responsibility, followed by process related disclosures illustrating the steps followed, then we support the proposal in principle. This approach will provide end users with more information to make their own quality decision regarding the integrity and reliability of the reporter's <IR>. However, we would have concerns relating to reporting these processes and controls • The burden placed on preparers in, which may negatively impact <IR> adoption • Potential conflict with local legislation, which in some jurisdictions (UK Brydon) is proposing reporting by those charged with governance on the integrity of operational controls. There is likely to be some overlap. • The resulting variability in <IR>, hence comparability issues for the end user. In practice, the extent to which <IR>s adhere to the 19 requirements is a challenge, some requirements are quality related, for example, paragraph 3.36 conciseness. However we note from our reviews of the Business Network reports that most manage to make this assertion. Quality requirements necessitate a benchmark and/or end user judgement. Any expansion of end users beyond investors, currently being suggested by Topic paper 3, may exacerbate the issue of assessing quality.

Robert Badgett, KUSM-W, United States of America

Yes.

Ron Gruijters, Eumedion, Netherlands

Undecided. We wonder what causes companies to remain vague about compliance with the framework. After a root cause analysis of the problem, we may be in a better position to evaluate a next step.

Sasol Integrated Reporting Team, Sasol, South Africa

Yes. Through process-related disclosures, information on how information was obtained and validated by those charged with governance that are responsible for the integrity of the Integrated Report will be disclosed.

Sergey Kuzubov, Centre for Intellectual Capital, Higher School of Economics, Russian Federation

Yes.

Sergio Cravero, PwC, Argentina

No.

Shimellis Assegahegne, Independent, Ethiopia

Yes.

Stefan Hannen, Kirchhoff Consult AG, Germany

No. I agree with the idea to have the preparing company describe the process, as it a) provides more information to the reader than the statement required under the first framework 2) it implies responsibility for this process to a certain degree. However, in terms of comparability and reliability of the reports, I would continue to support the idea of having an explicit statement of responsibility so that the reader gets a direct and easy-to-find signal of quality.

Thomas Scheiwiler, IMPACTS, Switzerland

No.

Tjeerd Krumpelman, ABN AMRO, Netherlands

Yes.

Tokiko Fujiwara-Achren, Independent, Finland

Yes. I agree one of under consideration, which is "Inconsistency with the prevailing reporting approach".

Tokiko Yokoi, Independent, Japan

No. In my views, most of the integrated reports seem to be prepared by referring to middle and long term business plans. In other words, the integrated reports are based on the future predictions including what they want to be. Therefore, it would be suitable to use the word "declaration to the integrity of the integrated report", not a statement of responsibility.

Uantchern Loh, Black Sun, Singapore

Yes.

Usha Ganga, HAN University of Applied Sciences, Netherlands

Yes. I believe it is sufficient for the reader of the report to read about the way the Supervisory Board has been involved in the process of report preparation and responsibility. It is up to the reader to decide whether the way the Board took up its responsibility is appropriate given the circumstances.

Veronica Poole, Deloitte, United Kingdom of Great Britain and Northern Ireland

Yes. We think disclosures from those charged with governance on the role they played in exercising governance and oversight over the preparation and presentation of the report that explains how integrated thinking has been applied by a company is most helpful for users, and can enhance transparency and accountability.

Furthermore, as the paper notes, integrated reporting is mostly adopted within the context of local mandated reporting requirements. As a result, an integrated

report may be adopted through, for example, a strategic report, management report or MD&A. In that context, a statement of responsibility for an integrated report (as currently set out in the <IR> Framework) could be confusing in relation to other similar obligations on directors at jurisdiction level. Emphasis on process-related disclosures will therefore be appropriate in this context.

In addition, guidance on the role of those charged with governance remains useful within the <IR> Framework for markets where there are no formal local requirements on management reporting and/or where integrated reporting might be formally adopted in whole.

Looking to the future more widely, we believe that the <IR> Framework should evolve to be a conceptual framework for connected reporting. Under this vision, the <IR> Framework should include concepts of reporting rather than requirements for an 'integrated report'. Therefore, the <IR> Framework should reinforce key concepts related to the role of those charged with governance in the authenticity of disclosure and integrity of the reporting process ('process-related disclosures').

Warren Koen, Export Credit Insurance Corporation, South Africa

Yes. It would give the user more information on the preparation of the report and more insight into the integrated thinking throughout the year

Wesley Boone, ABN AMRO, Netherlands

No. To my believe, IIRC proposal B is more suited. Shifting the emphasis of the statement of responsibility to solely or primarily the process-related disclosure may result in a loss of ownership within the company, or ownership on a level lower than the highest decision-maker(s).

Question 2. To which systems, procedures and controls should the guidance refer?

Adam Williamson, AAT, United Kingdom of Great Britain and Northern Ireland

It is difficult to be exact due to the widely varying business models and business structures, but ultimately readers will want to know : where was the information drawn from, an overview of how it adheres to the 19 requirements of the IR Framework, who collated it, and who signed it off?

Alan Willis, Independent, Canada

The guidance should focus on the disclosure controls and procedures that underpin management's preparation and presentation of an organization's integrated report, and that would support a CEO (management) certification about the integrity of same, should one be required or provided voluntarily.

Anastasia Gabrielyan, Da-Strategy, Russian Federation

Stakeholder engagement in all stages of Report preparation

- materiality assessment,
- public hearings (open discussion of the draft Report with stakeholders - dialogue between the company and its stakeholders in accordance with AA1000 Standards)
- Report assurance

Andrej Drapal, Consensus d.o.o., Slovenia

I would not change much here. But indeed the collective mind is abiguous term. Though to complicate situation about various stakeholders perspective does not make sense on this level.

Azizah Mohd Ghani, Malaysian Institute of Accountants (MIA), Malaysia

The guidance should refer to any material systems, procedures and controls whether financial or otherwise

giving rise to the value creation and sustainability outcomes of an organisation. This could cover all relevant systems, procedures and controls within an organisation which are material in the context of <IR> and the impact on the various capitals.

There should be flexibility for an organisation to continuously define the platform that is most suitable to ensure that the various departments or divisions of that organisation work together to present the financial and non-financial information that gives a holistic view of the value creation story of the organisation. Regardless of the platform or structure developed/selected, organisations should outline the roles of the highest governance body within the structure if not already defined. The key references under the Malaysia regulations are stated below:

a) Main Market Listing Requirement: 2 January 2018 Chapter 15.26: A listed issuer must ensure that its board of directors makes the following additional statements in its annual report:

- a statement explaining the board of directors' responsibility for preparing the annual audited financial statement; and
- a statement about the state of risk management and internal control of the listed issuer as a group

Applicable to -All issuers listed on Bursa Malaysia's Main Market. b) Bursa Malaysia Sustainability Reporting Guide (2nd Edition) : 2018 Section 3.2: In order to embed sustainability effectively, accountability should be at the highest level, ie. the Board. Board-level commitment is crucial as it is the Board that sets the strategic direction of the organisation. Such commitment is also important towards ensuring that sustainability is embedded across the organisation and adequate resources, systems and processes are in place for managing sustainability issues. This includes incorporating sustainability considerations into the organisation's existing risk management framework.

Applicable to - All issuers listed on Bursa Malaysia's Main and ACE Markets. c) Bank Negara Malaysia (BNM) Corporate Governance Guidelines: 3 August 2016 Section 8.3: The board has the overall responsibility for promoting the sustainable growth and financial soundness of a financial institution, and for ensuring reasonable standards of fair dealing, without undue influence from any party. This includes a consideration of the long-term implications of the board's decisions on the financial institution and its customers, officers and the general public.

Section 16.1: The CEO, in leading senior management, bears primary responsibility over the day-to-day management of the financial institution. Applicable to -

- Licensed Banks
- Licensed Investment Banks
- Licensed Islamic Banks
- Licensed Insurers
- Licensed Takaful Operators
- Financial Holding Companies

In addition, the guidance can also refer to the Global Reporting Initiative on Sustainability Reporting Guidelines and COSO Framework

Bart van Beurden, TIAS Business School, Netherlands

Internal controls used in the proces

Bruno Gasparroni, UniCredit Group, Italy

The guidance could ask to highlight:

- Roles
- Responsibilities
- Main activities
- Controls
- Information flows
- Standard framework adopted

Carlos Brandão, Independent, Brazil

Corporate policies should be considered, as long as they are aligned with the company's values, which are key to corporate culture. Consistent corporate policies are strong drivers of corporate behaviour.

Carol Adams, Durham University Business School, International

There must be Board oversight of processes for identifying risk, setting strategy etc.

Cédric Gelard, CNCC / CSOEC, France

We consider that such guidance should be principle based. The guidance could be inspired by the existing good practices to establish and control in France the so called “non-financial statement” (as required by the directive 2014/95/EU of the European parliament as regards disclosure of non-financial and diversity information by certain large undertakings and groups). The main element of the entity’s procedures (“guidelines”) used to prepare the document should be presented in the integrated reporting or be available online or on request for example from the entity’s head office. Moreover, we consider that the indicators that have already been covered by an assurance engagement should be clearly identified, flagged in the reporting.

Constanza Gorleri, Banco Galicia, Argentina

We think the best alternative is to cite a mandatory responsibility statement for the use of the Framework as best practice, just as it is done in the GRI Standards or in ISO 26000.

Cornis Van der Lugt, University of Stellenbosch Business School, South Africa

Be clear on who has final responsibility, who signs off. And indicate information such as whether the process is led by the CFO (or who else at similar level), and if / which Board level committee has oversight and signs off.

Daniel Fossati, Independent, Argentina

Materiality issues should be informed in a statement of responsibility.

David Herbinet, Mazars, United Kingdom of Great Britain and Northern Ireland

Guidance should refer to the systems, procedures and controls in place which enable the collection of relevant information to be included in the integrated report. This should cover both the financial and non-financial data as well as quantitative and qualitative information and provide enough detail to enable users to appreciate how key information included in the report has been generated. In an effort to keep reports concise, consideration should be given as to whether this information should be made available on the reporting entity’s website with appropriate links/references provided in the body of the integrated report to facilitate users navigation to them. The disclosures should be similar to those required for the financial statements in each jurisdiction and which enable the body responsible for their production and presentation to discharge their responsibilities i.e. that the information is fair and balanced and extracted from systems where there are good internal controls. When describing or providing information on the systems, procedures and controls reference should be made to the information that has been independently assured with links to the relevant reports. One of the key benefits of the International <IR> Framework is that it is concise. To preserve this, we would suggest that any amendments are distinguished between those which form part of the core expectations/mandatory requirements and less formal guidance which is intended to be helpful, but which does not have to be followed strictly. The latter could then be made available in the form of a separate Appendix.

Deidre Henne, McMaster University, Canada

To all published public reports of the adopting organization.

Delphine Gibassier, Independent, France

While it is principle based, other frameworks (in relation to IR), such as GRI, have adopted a core & more approach, or a way to say you have adopted partially the framework. It could be an option here. The core & more could also be guided by our results from our report

(http://www.anc.gouv.fr/files/live/sites/anc/files/contributed/ANC/3.%20Recherche/B_Appels%20%3%a0%20projets/2017/First_report_ANC_final_version_GIBASSIER_ADAMS_JEROME_2019-07-24.pdf)

Derick Nkajja, Institute of Certified Public Accountants of Uganda (ICPAU), Uganda

Whereas traditional reports focus on reporting recent and current fiscal results; integrated reports focus on the generation of long-term sustainable value, hence the notion of “value creation over time” which underlies the entire IR Framework. By nature, integrated reports are intended to address the long-term viability of the business, by fulfilling the business’ wider stakeholders and their value propositions and this would be very fundamental in shaping the business’ extent of alignment of its internal processes to meet the stakeholders’ aspirations. Systems and processes are, naturally, a crucial link in the execution of the value the business creates. Integrated reporting should focus all relevant systems, process and controls for a business that would enable generation of a wide variety of qualitative and quantitative information in order to prepare relevant disclosures.

Dr. Erkin Erimez, ARGE Consulting, Turkey

In such a case, guidance needs to refer: • Materiality determination process • Risk management systems and approach • Strategy determination and goal setting procedure • Stakeholder map and the

engagement method • Internal control and oversight systems • Target determination method • Systems available for learning from experiences (learning cycle)

Dr. Fatma Öğücü Şen, Argüden Governance Academy, Turkey

In such a case, guidance needs to refer: • Materiality determination process • Risk management systems and approach • Strategy determination and goal setting procedure • Stakeholder map and the engagement method • Internal control and oversight systems • Target determination method • Systems available for learning from experiences (learning cycle)

Dr. Patrizia De Corato, Lebanese Public University, Lebanon

All executives and decision makers

Edouard Gridel, Institut du Capitalisme Responsable, France

To endeavour to make as connected links as possible between inputs and outputs/outcomes with an executives / high officers in charge on each issue

Fay Hoosain, Integrated Reporting Committee of South Africa, South Africa

The integrated report should inform on why the organization is comfortable that the information in the report is reliable and can be seen as credible by users. Such information could include systems, policies and procedures, key roles and responsibilities, assurance approach to the integrated report etc. The disclosure would also explain the organization's combined assurance process in the preparation and presentation of the integrated report. Combined assurance refers to the range of internal and external verification processes applied by the organization.

Fiona Robertson, Independent, United Kingdom of Great Britain and Northern Ireland

Data collection and gathering, materiality and risk determination, integrated thinking process (including how trade-offs are dealt with).

Gaia Melloni, HEC Lausanne - University of Lausanne, Switzerland

All of them

Herma van der Laarse, ABN AMRO, Netherlands

Focus on to what degree content of the report has been seen or approved by senior management. What kind of committees/governance have been involved in the preparation of the report. How data quality is ensured, in what way and through which systems data and information is collected.

J Robert Gibson, Hong Kong University of Science and Technology, China

KIS = Keep It Simple. SO: 1) Remove reference to 'collective mind'. Just require identification of the Highest Governance Body and a clear statement of the date on which this Body approved the report. 2) Notes on process-related considerations can be provided as guidance but should not be part of the <IR> Framework.

Jenny Norris, Independent, United States of America

In my organization, we created an integrated report assurance committee who reviews the report using a series of checklists to verify whether or not the report fully addresses content elements, guiding principles, materiality, connectivity of information, the capitals and then reviews the accuracy and integrity of the information within the report. I would ask that instead of clarifying the term 'collective mind', would it make

more sense to discuss applying integrated thinking within an organization?

Jo Cain, Materiality Counts, Australia

Materiality Counts would like to see greater connectivity in the IR re: how TCWG are driving Integrated Thinking to be employed within the reporting entity, and this seems an appropriate place to encourage it.

Jon Griffin, API Financial Pty Ltd Chartered Accountants, Australia

You are endeavoring to tackle the issue from top down. The issue need to be looked at from the departmental/divisional level where rules and procedures are set. Set the rules and procedures at the departmental level and things will automatically and easily fall into place and it will show what works and doesn't work. To do it from top down is in my opinion a waste of time and effort.

Jona Basha, Accountancy Europe, Belgium

(3) We are of the opinion that referring to specific procedures and controls may lead to a "box ticking" compliance exercise, which could ultimately have little impact on the company's behaviour towards value creation. Therefore, we suggest that such a guidance be principle based and allow for entity-specific disclosures as much as possible. (4) However, in providing such a guidance, the Committee of Sponsoring Organisations of the Treadway Commission (COSO) Internal Control – Integrated Framework may be considered. (5) Finally, we suggest the IIRC considers providing specific guidance for SMEs. Based on paragraph 1.4 of the <IR> Framework, the Framework can be applied by companies of any size, however, as these guidelines may be burdensome to many SMEs, the IIRC may consider providing a simplified guidance for these companies.

Jun Honda, WICI Japan, Japan

It may refer to the system of disclosure controls and procedures imposed or recommended by securities market regulators (e.g., the U.S. Sarbanes Oxley Act's Section 302).

Leonie Meyer, Independent, South Africa

To internal controls to verify the integrity of the report. To involvement in the integrated reporting process by the highest governing body of the organisation as oversight body to the process.

Mardi McBrien, Climate Disclosure Standards Board (CDSB), United Kingdom of Great Britain and Northern Ireland

We refer to you to the World Business Council for Sustainable Development's (WBCSD) work with COSO (the Committee of Sponsoring Organizations of the Treadway Commission) which helps companies "integrate ESG risks into their mainstream risk processes". See in particular their 2018 Application Guidance to help organizations align ERM to ESG-related risks available at:

<https://www.wbcd.org/Programs/Redefining-Value/Business-Decision-Making/Enterprise-Risk-Management/Resources/Applying-Enterprise-Risk-Management-to-Environmental-Social-and-Governance-related-Risks>

Maria Farfan, Pontificia Universidad Javeriana, Colombia

A more in deep description and examples of the process to implement integrated thinking in the organization, a description of the process to define material aspects, the documentation of the planning process which should be applied periodically, how the company took into account the needs of different stakeholders, how they change their systems to permit

the flow of integrated information or the level of the implemented changes, and which was the process carried out by the internal audit to give some extent of assurance over the information presented in an integrated report.

Maria Eugenia Bellazzi, Sustenia, Argentina

We think the best alternative is to cite a mandatory responsibility statement for the use of the Framework as best practice, just as it is done in the GRI Standards or in ISO 26000.

Marje Russ, Independent, New Zealand

Guidance to support the requirements of disclosures about responsibility should address critical processes:

- determining what is material to include in the report
- engagement with stakeholders
- setting the boundary for the report
- determining the basis of preparation including selection of suitable criteria
- quality control over data and information (which should include other forms of assurance such as accredited testing, inspection and certification, or peer review; for example).

Michel Washer, Solvay, Belgium

Description of the process and key roles and responsibilities

Miguel Oyarbide, Australia Post, Australia

This would not be possible unless <IR> provides specific minimum requirements for reporters to meet and conclude whether they are applying the framework or not.

Nandkumar Vadakepathy, DNV GL, India

In my opinion the present requirement should not be diluted. If essential to shift to process related consideration; such processes should be headed by top leadership team.

Neil Smith, Koan Group, Netherlands

Would include the following:

- Data collection (responsibility, sources, use of external data, scope)
- Data verification (by local or group management / internal audit function)
- Editorial (process of drafting, review and approval of texts)
- External assurance (external audit findings and process, contents of management letter etc.)
- Governance (responsible departments, use of internal committees to review and approve content /data, review by management and /or supervisory boards)

Nick Ridehalgh, Business Reporting Leaders Forum - Leadership Team, Australia

If Proposal A is adopted, then the supplementary guidance should refer generically to "all processes, systems, procedures and controls related to data capture, maintenance and verification for all information involved in the preparation and presentation of the integrated report".

Nowmitta Jahanzaib, Institute of Cost and Management Accountants of Pakistan, Pakistan

The process related considerations should be in line with statement of responsibility from those charged with governance as best practice, since this report is an evolving text.

Paul Hurks, NBA, Netherlands

3. We are of the opinion that referring to specific procedures and controls in the Framework would not be feasible in the current state of development in multicapital corporate reporting. Furthermore, the variety of procedures and controls is large, not only because of different practices related to separate industries and sectors, but also related to the size of organisations. 4. We would recommend guidance for a principle based approach based on the COSO-

Framework. We recommend to align further guidance in this respect with the results of the IIRC Special Interest Group Integrated Thinking.

Professor Barry Cooper, Deakin Business School, Australia

Assuming Proposal A is pursued, and in the interests of ensuring that the <IR> Framework remains a concise document, we believe the supplementary guidance should refer generically to “all processes, systems, procedures and controls related to data capture, maintenance and verification for all information involved in the preparation and presentation of the integrated report”.

Redefining Value, World Business Council for Sustainable Development, Switzerland

We do not think that it is possible to specify the exact systems, procedures and controls necessary to prepare an Integrated Report as they will vary between companies. However, there are tools that can help, such as the Guidance on Improving the Quality of ESG information, released last year.

However, the most important message is that the systems, procedures and controls are “appropriate” for preparing an Integrated Report.

See the following links for inspiration
<https://www.gov.uk/hmrc-internal-manuals/senior-accounting-officers-guidance/saog14320>

Richard Chambers, The Institute of Internal Auditors, United States of America

There should not be “cherry-picking” of systems, procedures and controls to include, but rather an Enterprise Risk Management (ERM) approach for looking comprehensively at the organization. Using the content of COSO ERM:2017 and the structure of its

close relative, ISO 31000:2018, it is possible to avoid a stand-alone program. This is a significant task for financial reporting; there are many processes, systems and controls for non-financial topics. The guidance should be limited to the objectives of the reported information: systems and controls for ensuring completeness and accuracy of data and information; and notable exclusions from scope, systems or controls. Internal audit enhances the integrated report’s reliability and its oversight should be disclosed. We believe that a reference to the role of internal audit and the assurance it provides under Standards detailed in the global International Professional Practices Framework (IPPF) can be explained in supplementary guidance. The head of audit provides integrated assurance to the organization. The IPPF specifies that the head of audit should share information, coordinate activities and consider relying upon the work of other internal and external assurance and consulting service providers to ensure proper coverage and to minimize duplication of efforts.

Sasol Integrated Reporting Team, Sasol, South Africa

Guidance need be given on how information was obtained, reviewed and validated and more disclosures on controls around integrity of information obtained through systems (manual and automated).

Stefan Hannen, Kirchhoff Consult AG, Germany

internal control systems, responsible person regarding financial data, responsible person regarding non-financial data, interaction between the people involved (i.e. working teams, regular meetings or correspondence etc.), time frame for the preparation process (especially for new material topics)

Tjeerd Krumpelman, ABN AMRO, Netherlands

It should be clear who is representing the organization and at what level sign-off on disclosures has been given.

Veronica Poole, Deloitte, United Kingdom of Great Britain and Northern Ireland

We note below some suggestions on systems, procedures and controls where the role of those charged with governance can be emphasised, in relation to the quality, balance, completeness and integrity of integrated reporting. This echoes the approaches used for disclosures on financial reporting processes and controls.

Reference could be made to the principles of COSO and guidance on enterprise risk management.

- Identifying and engaging with stakeholders, including how the board determines the material issues to stakeholders and reflects these when making decisions (in particular applying the ‘value creation’ materiality lens set out in the <IR> Framework)
- Development of the presentation of the business model and value creation process, together with related metrics and KPIs
- Process and controls around risk management processes
- Appropriate board time to oversee the preparation and presentation of the report
- Establishing an appropriate culture in the board and throughout the company to ensure transparency and balance in reporting
- Setting an appropriate control environment, for example, ensuring due diligence or assurance are performed on broader information in the report, such as on non-financial metrics or KPIs.

Warren Koen, Export Credit Insurance Corporation, South Africa

Performance management, Strategy monitoring, Governance

Wesley Boone, ABN AMRO, Netherlands

1) Discuss 'those charged with governance', including the actual preparers(') function and capabilities to do so in a good fashion - up to the ultimate owner(s) / approver(s) of the report. 2) Consider disclosing something on the process of data collection and presentation.

Question 3. Should the guidance encourage the disclosure of key roles and responsibilities in the integrated reporting process?

Adam Williamson, AAT, United Kingdom of Great Britain and Northern Ireland

Yes, understanding the roles and responsibilities of those involved in production and sign off will provide readers with confidence (or not) that sign off is undertaken at a sufficiently senior level, and that other contributors to the reporting process were appropriate.

Adrián Scasserra, Independent, Argentina

Yes. More explanations always lead to more transparency and accountability.

Alan Willis, Independent, Canada

Yes. This would mirror or align with present practices regarding statements of responsibility in annual reports regarding roles of boards, audit (and other) committees, management and external auditors in preparation and presentation of financial statements.

Alexander Kurnikov, 1C, Ukraine

Yes.

Alexandra Chistyakova, JSC ASE, Russian Federation

No. In our opinion this information is excessable.

Anastasia Gabrielyan, Da-Strategy, Russian Federation

Yes. In addition, it is advisable to introduce a list of roles recommended by the <IR> Framework that are involved in the integrated report preparation. Then you may include the role of "Moderator of dialogs (stakeholders' panel)" in this list. Further, establish the requirement - Moderator should be a third independent party and a certified specialist. Such requirement exists in the AA1000SES and is also the best global practice.

Andrej Drapal, Consensus d.o.o., Slovenia

Yes. There is nothing to explain. If all important roles are disclosed then also IR roles should be.

Arancha Piñeiro, REPSOL, Spain

No. See response to Q1. (We do not consider that a guidance would help to support the disclosure of process-related information, as reporting systems and procedures vary substantially across companies.)

Azizah Mohd Ghani, Malaysian Institute of Accountants (MIA), Malaysia

Yes. There should be some guidance regarding the concise disclosure of the roles and responsibilities over the identification of key factors in the external environment, stakeholder engagements, risks and opportunities, strategy and performance and the management of multiple capitals and strategy. There should also be consideration of the minimum disclosure needed for a nascent IR process. Given the possibility of different governance structure set-up for

different organizations to drive their own strategic priorities, there will not be a one-size-fits-all structure/driver of the integrated reporting process. For example, an organisation which embarks on the process may develop a roadmap that entrusts/ delegates the roles and responsibilities for its existing annual report process with a gradual shift over a period of time to a fully integrated annual report process. Board members that are on the journey will have to be prepared to shift time and resources to deal not only beyond ongoing business matters but also enhance the way their organisation drive its strategic focus in the short, medium and long term and demonstrate integrated thinking.

As an alternative to an explicit statement of responsibility by those charged with governance, this measure would serve to provide context in which those charged with governance were involved in the integrated report production process and for which a distinction can be seen for entities who fully embrace the principles of against those who merely produce the integrated report for the sake of producing an integrated report.

Bart van Beurden, TIAS Business School, Netherlands

Yes.

Beat Schweizer, PETRANIX, Switzerland

Yes. By encouraging the decision still lies with the reporting organisation.

Bernd Schönhofer, Munich Airport, Germany

Undecided. Disclosure of key roles and responsibilities would be "nice-to-have", however, it would be very time-consuming (cost/benefit not equal). Furthermore, organizational structures and thus internal processes differ strongly, so that it would probably lead to more

confusion than clarity. A mandatory statement from the most important stakeholders should be sufficient.

Bhavin Kapadia, Sustainable OTC Derivatives, United States of America

Yes.

Black Sun PLC, United Kingdom of Great Britain and Northern Ireland

Yes. The term “those charged with governance” in Paragraph 1.20 is sufficiently clear to specify that organisational leaders should be involved, the proposed change to this text may imply that any member of the organisation can provide responsibility. By ensuring roles are outlined, reporters will soon be able to compare which business leaders or representatives most often take responsibility, thereby standardising a better practice approach – should that be investor relations, company secretariat, communications teams or others.

Bruno Gasparoni, UniCredit Group, Italy

Yes. For those countries where there is no legislative obligation, the guidance could help to ensure that on the one hand there is more transparency in communication and reporting on ESG topics, and on the other that there is a real involvement of the board and top management in managing the ESG issues.

Carlos Brandão, Independent, Brazil

Yes. Because it is basic accountability, a key principle of good governance.

Carol Adams, Durham University Business School, International

Yes. But only the extent to which the Board has engaged in it and takes responsibility for it. Individual managers should not be required to be named. It is Board oversight that has the most impact on approach

to value creation: Adams, CA, (2017) Conceptualising the contemporary corporate value creation process, Accounting Auditing and Accountability Journal 30 (4) 906-931 <http://dx.doi.org/10.1108/AAAJ-04-2016-2529>

Cédric Gelard, CNCC /CSOEC, France

Yes. As mentioned in question 1, we advocate an alignment with the principles retained for the financial reports or the prospectus when securities are offered to the public or admitted to trading on a regulated market. To generate the requested “integrated thinking”, we believe it is essential that the roles and responsibilities in the process of preparing the integrated reporting are clearly defined and expressed.

Cleyson Assis, Independent, Brazil

Yes.

Constanza Gorleri, Banco Galicia, Argentina

No. We do not believe that the disclosure of roles of key roles and responsibilities in the integrated reporting process is necessary, since, as we mentioned in a previous answer, we understood that the corporate governance of the company endorses all the contents of the Report.

Cornis Van der Lugt, University of Stellenbosch Business School, South Africa

Yes. Can be useful to know, especially for those evaluating internal processes and level of integration (vs fragmentation). Important from management consulting point of view is eg who is on the IR reporting team (inclusiveness). But description of this can become repetitive annually. Should be brief, not undermine principle of conciseness.

Daniel Fossati, Independent, Argentina

Yes.

David Herbinet, Mazars, United Kingdom of Great Britain and Northern Ireland

Yes. The disclosure of key roles and responsibilities in the integrated reporting process should be mandatory and should include those elements of the reporting entity’s governance structure involved in the process and for which areas each element is responsible for. Doing so will support the statement by the top governing body of having applied a collective mind to the preparation and presentation of the integrated report. It would be helpful for this disclosure to include: - The respective responsibilities of each party; - The nature of the information / area they are responsible for; - Relevant legal or regulatory requirements supporting this responsibility.

Deidre Henne, McMaster University, Canada

Yes.

Delphine Gibassier, Independent, France

Yes. Governance of IR is often hybrid, but a disclosure of key responsibilities would allow for clarity (inside) and transparency (outside)

Derick Nkajja, Institute of Certified Public Accountants of Uganda (ICPAU), Uganda

Yes. Disclosure of key roles will give users of the annual report an appreciation of how the business structures add value and/or create value to the business and the wider stakeholdership. Since the objective of the IR framework, in its holistic entirety, is to support organizational efforts to develop sustainable value over the long term, disclosure of the key roles and responsibilities will guide in defining the business’ direction towards generation of long-term sustainable value; a key concern for a number of stakeholders.

Dr. Erkin Erimez, ARGE Consulting, Turkey

Yes. The guidance should include the disclosure of key roles and responsibilities in integrated reporting process. This information would be needed for trustworthiness of the report. Stakeholders could be able to see the parties who are involved in the process and who contributed for which section of the report. Therefore, they would be able to judge the reliability and relevance of the information. Investors would be able to reach the related parties besides investor relations departments to get detailed information regarding the provided information.

Dr. Fatma Öğücü Şen, Argüden Governance Academy, Turkey

Yes. The guidance should include the disclosure of key roles and responsibilities in integrated reporting process. If the stakeholders can access the information about the contributors of the report and the process related to the contribution, the perception about reliability of the report can be increased. It would enhance their judgement about the information. Investors would be able to reach the related parties besides investor relations departments to get detailed information regarding the provided information.

Dr. Patrizia De Corato, Lebanese Public University, Lebanon

No. Job integrity practices and responsibilities are included in Company's Articles of Association for each type of private or public entity.

Edouard Gridel, Institut du Capitalisme Responsable, France

Yes. Disclosures on each input and on each output & outcome, as well as on links between all of them have been more and more scrutinized for years. A corporate must be in a position to face remarks and critics

professionally : by dedicated people who have "specialized" on each issue

Elda Almeida, Independent, Argentina

Yes.

Fay Hoosain, Integrated Reporting Committee of South Africa, South Africa

Yes. As stated in our response to Q2 above, the integrated report should inform on why the organization is comfortable that the information in the report is reliable and can be seen as credible by users. Such information could include the key roles and responsibilities of those involved in the preparation, presentation and approval process.

Fiona Robertson, Independent, United Kingdom of Great Britain and Northern Ireland

Yes.

Gaia Melloni, HEC Lausanne - University of Lausanne, Switzerland

Yes.

Graham Gunn, The Saudi Investment Bank, Saudi Arabia

Yes.

Graham Terry, Independent, South Africa

No. I do not see this helping. It just detracts from the quality of the report. I think the <IR> Framework should retain the concept of responsibility. It has no legal standing so countries, companies etc can depart from the requirements, but keep the Framework as pure as possible.

Guler Aras, Integrated Reporting Turkey Network (ERTA), Turkey

Undecided. Our members have 2 different opinions about this situation. Some of them believe that the guide should encourage the disclosure of key roles and responsibilities in the integrated reporting process, the others think that guidance should focus on explaining the key process steps employed and the resulting quality achieved. Member who agree with the idea of encouraging, thought that it would be appropriate to disclose the key roles and responsibilities of those in charge of reporting, coordination, compliance and of those involved in providing both content and quantitative data in order to ensure and highlight the integrated thinking and the collective mindset behind the report.

Herma van der Laarse, ABN AMRO, Netherlands

Yes, but only to a certain degree to reduce the reporting burden.

Inés García Fronti, Buenos Aires University, Argentina

Yes.

Innocent Sithole, Training and Advisory Services, Zimbabwe

Yes. We agree with the proposed structure as this will enhance transparency to financial capital providers on how value was created over time. This further help to preserve the interests of shareholders. The proposed structure will help management to fully discharge their accountability responsibility. To be accountable, a company must prepare and publish information that is clear and understandable. In short, this will encourage the culture of accountability and it will force personnel involved out of their comfort zones and protect their reputation since if one fail to deliver stakeholders can identify the individual who dropped the ball.

J Robert Gibson, Hong Kong University of Science and Technology, China

Yes but only as stated in answer to the first question in this section.

Janaina Dourado, Academic - PUC- SP, Brazil

Yes.

Janine Guillot, Sustainability Accounting Standards Board, United States of America

Yes. The recommendations of the Task Force on Climate-Related Financial Disclosure (TCFD) were designed to solicit consistent, decision-useful, forward-looking information on the material financial impacts of climate-related risks and opportunities. An important aspect of the recommendations includes useful guidance on the disclosure of an organization's governance, including a board's oversight of risks and opportunities and management's role in assessing and managing risks and opportunities.

As part of the codification of the SASB standards in late 2018, SASB suggested in its Standards Application Guidance that companies discuss strategy, governance, risk management, and metrics and targets for all financially material ESG risks and opportunities.

As mentioned in our answer to Q1, we believe it would be useful for the <IR> Framework align its governance language with the TCFD recommendations to build continued harmonization among the reporting frameworks and standards.

Jenny Norris, Independent, United States of America

Yes. I worry somewhat that as more disclosures that are included, that an IR will feel less principles based and more like a standards based report, but there is benefit to knowing certain things, like the fact that

management prepared the report. As previously mentioned, we have an assurance committee that reviews the report on behalf of our Board of Directors. We provide an assurance report as an element of the IR, which summarizes what their role was in reviewing the report.

Jo Cain, Materiality Counts, Australia

Yes. Flow charts and strategic-level disclosures, i.e. retain conciseness by avoiding becoming too granular.

John Purcell, CPA Australia, Australia

Undecided. We address here the fourth dot-point under Proposal B and associated analysis in Topic Paper 1, particularly the third dot-point under Process-related disclosures concerning 'collective mind'. We point to one likely source of the notion of 'collective mind' adopted into the <IR> Framework being that of corporate law. The leading Australian practitioner text states: Company law contemplates that directors will act collectively as a board, but in carrying out functions as a member of the board each director is individually subject to statutory and common law duties to act in good faith in the best interests of the company, to act for a proper purpose, and to act with reasonable care and diligence. (emphasis added) In these terms, we suggest that any extensive elaboration on roles and responsibilities relating specifically to the integrated reporting process potentially distracts from the broad and appropriate thrust of the <IR> Framework as can be deduced from parts of the Framework, such as Content Element 4B Governance. Here the emphasis is on disclosing how an entity's governance structures support the value creation process. Building into reporting a further open-ended disclosure around process potentially distracts from communicating endeavours towards governance best practice -

matters again the collective responsibility of 'those charged with governance'.

Further, this is a matter alluded to in the first dot-point under Scope and terminology on page 4 of Topic Paper 1. Although there is merit in the idea that "departments [should] work together" we do not see this as a subject appropriately addressed within the scope of a reporting framework. Relatedly, such expression risks confusing the organisational attitudes and aptitudes of best practice in preparing an integrated report, with the ultimate responsibility for the efficacy of disclosures made to markets and stakeholders and who it will be who bears responsibility for errors and omissions or false and misleading statements. Although none of the consultation questions under Proposal A asks about clarification of the term 'collective mind' we urge both its retention in the <IR> Framework and some level of articulation of its meaning and significance given by Council.

Jon Griffin, API Financial Pty Ltd Chartered Accountants, Australia

Yes.

Jona Basha, Accountancy Europe, Belgium

Yes. (6) Accountancy Europe encourages guidance to provide disclosures on the key roles and responsibilities in the integrated reporting process. This would clarify the roles of those charged with governance in the process of preparing the IR and could also help in answering the questions in section 4 Content Elements of the <IR> Framework, especially for 4B Governance.

Jun Honda, WICI Japan, Japan

Yes, it should, for basically the same reason as my answer to Q1 above.

Kavita Jadeja, EY, India

Yes.

Le Quang TRAN VAN, Afep, France

No. Please refer to our answer to question 1. Afep's member companies being opposed to the disclosure of process-related information, they consider guidance unnecessary.

Leonie Meyer, Independent, South Africa

No.

Lydia Tsen, Chartered Accountants Australia and New Zealand, International

No. We consider that any extensive elaboration on roles and responsibilities relating specifically to integrated reporting could potentially distract from the broad and collective responsibility focused nature of the Framework.

M Angelica Costa, Independent, Brazil

Yes.

Mardi McBrien, Climate Disclosure Standards Board (CDSB), United Kingdom of Great Britain and Northern Ireland

Yes. Yes, the guidance should encourage the disclosure of key roles and responsibilities in the integrated reporting process as this allows the reader to understand how the data and information disclosed in the integrated report is managed. This also helps to make the guidance aligned to that of the Task Force for Climate-related Financial Disclosures' recommendations. We also suggest that the specific interface with governance be disclosed, for example to show how data and information flows between those managing the capitals and the board.

Maria Farfan, Pontificia Universidad Javeriana, Colombia

Yes. It would be useful for each high and medium responsibility member, to have guidance of their specific roles in the process of implementation of the components and guidance principles to arrive to an integrated report. This definition can help to a better engagement from each responsibility member and a better knowledge of how to lead their team members in order to have a more organized process and better results.

Maria Toves, Durham University, United Kingdom of Great Britain and Northern Ireland

No. As stated above I think this should be light-touch, just referencing alignment with the IR process rather than requiring key criteria

Maria Eugenia Bellazzi, Sustenia, Argentina

No. We do not believe that the disclosure of roles of key roles and responsibilities in the integrated reporting process is necessary, since, as we mentioned in a previous answer, we understood that the corporate governance of the company endorses all the contents of the Report.

Marje Russ, Independent, New Zealand

Yes. It will be important to disclose information about the role of those charged with governance (level of direction, oversight, participation and authorisation/approval). Other key roles and responsibilities should also be disclosed to provide information of the nature of expertise and level of independence or impartiality of those involved in preparing the integrated report. This information should provide some confidence that the report is not just a marketing tool or "greenwashing".

Massimo Romano, Independent, Italy

No. See Q2 answer. A key element of a strong internal control system is a clear system of roles and responsibilities related the processes of preparation and reporting of non-financial information.

Michel Washer, Solvay, Belgium

Yes.

Miguel Oyarbide, Australia Post, Australia

Yes.

Mike Tisdall, Insight Creative, New Zealand

Yes. Clarity and credibility would be enhanced.

Nandita Mishra, Amity University, India

Yes. Key role can be defined in IR process but i still feel overall responsibility should remain with the board members as they are the overall custodian of the disclosures in Annual Report

Nandkumar Vadakepatth, DNV GL, India

Yes. Who owns the overall responsibility to ensure faithful representation of information in <IR> reports.

Nathalie Voisine, Capitalcom, France

Yes. We believe 'collective mind' is at least two-fold: - a collective ownership of integrated thinking at the highest level of the company, not just one executive or Board member - collective thinking in the production process of an integrated report: transversal approach breaking silos As such, disclosures should detail key roles and responsibilities in the latter, during each step of the process: from the information gathering process to the IR project management team and validation by governance structures. As stated before, it is also important that it applies not only to the report

preparation and reporting but it goes beyond. It should reflect an integrated management and strategy at company level.

Neil Smith, Koan Group, Netherlands

Yes. Would include following as part of broader description of 'systems, procedures and controls':

- Who 'owns' the reporting process (covering both editorial and data)
- Which departments /business lines provide input to reporting (content and performance data)
- Which departments are involved in the review & approval process (i.e are responsible for verifying content and performance data)
- How boards are involved in reviewing and approving the report (including final sign-off /responsibility; plus overview of process itself, if applicable).

Nick Ridehalgh, Business Reporting Leaders Forum - Leadership Team, Australia

No. We do not believe the guidance should encourage the disclosure of key roles and responsibilities in the integrated reporting process within the integrated report itself. We believe that process-related disclosures required, assuming Proposal A is accepted, will provide sufficient insight as to the involvement of TCWG and their responsibility for the integrated report. Further information can be provided on-line if required.

Nowmitta Jahanzaib, Institute of Cost and Management Accountants of Pakistan, Pakistan

Yes. its will expose the resources responsible for developing this Integrated report and they will be under strict check.

Patrícia Montenegro, Combustech, Brazil

Yes.

Paul Hurks, NBA, Netherlands

Yes. 5. NBA supports the proposal of providing guidance for disclosures on the key roles and responsibilities in the Integrated Reporting process. We refer to our response to Question 2.

Paul Thompson, European Federation of Accountants and Auditors for SMEs, International

Undecided.

Peter Paul van de Wijs, GRI, Netherlands

Yes. Proposal A and B: GRI encourages the reference to process-related disclosures, per reference to GRI 102-29 and GRI 102-54 in addition to the reporting principles in GRI 101.

Phil Hughes, Independent, Australia

Yes.

Professor Barry Cooper, Deakin Business School, Australia

No, we do not believe the guidance should encourage the disclosure of key roles and responsibilities in the integrated reporting process within the integrated report itself. Such information may be of interest to stakeholders and may be disclosed on the corporate website for example, but we believe that process-related disclosures required, assuming Proposal A is accepted, will provide sufficient insight as to the involvement of TCWG and their responsibility for the integrated report. Our response to Question 5b) in Topic Paper 3 makes further recommendations / suggestions as to inclusions in supplementary guidance.

Redefining Value, World Business Council for Sustainable Development, Switzerland

No. As identified above, the emphasis should be on achieving confidence that processes support accurate integrated reporting in conformance with the requirements of the IR Framework, rather than confirmation of the personnel involved.

Richard Chambers, The Institute of Internal Auditors, United States of America

No. For any report that is made public and includes financial data, there is a high degree of expectation of trust in the information. Roles and responsibilities start to drift into other frameworks, including risk management, or "ISO territory" – a Second Line of Defense management activity. None of these is designed for public reporting. Even for one of the most comprehensive U.S. statutes regarding financial reporting – Sarbanes-Oxley – the only functions singled out for statements were the CEO and CFO. The key component to internal audit is its independence to disclose organizational risks to the governing body. By definition, internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, controls and governance. At the most, the <IR> report should provide the title of the most senior person responsible for collecting and reporting the data, and with a working knowledge of its content.

Richard Martin, ACCA, International

No. Focus should be placed on explaining the key process steps employed and the resulting quality achieved. The responsibility for the report ultimately

lies with those charged with governance. Therefore, we do not consider any further value to the end user in understanding key roles and responsibilities.

Robert Badgett, KUSM-W, United States of America

Yes.

Ron Gruijters, Eumedion, Netherlands

Undecided. We wonder what causes companies to remain vague about compliance with the framework. After a root cause analysis of the problem, we may be in a better position to evaluate a next step.

Sasol Integrated Reporting Team, Sasol, South Africa

Yes included as part of the process related disclosures.

Sergey Kuzubov, Centre for Intellectual Capital, Higher School of Economics, Russian Federation

Yes.

Sergio Cravero, PwC, Argentina

Yes.

Shimellis Assegahegne, Independent, Ethiopia

Yes.

Stefan Hannen, Kirchhoff Consult AG, Germany

Yes.

Thomas Scheiwiller, IMPACTS, Switzerland

Undecided.

Tjeerd Krumpelman, ABN AMRO, Netherlands

No. Highest level sign-off should be sufficient.

Tokiko Fujiwara-Achren, Independent, Finland

Yes. To understand, to whom, how roles takes responsibilities.

Tokiko Yokoi, Independent, Japan

No. As a whole, it mightn't be important in the integrated report.

Uantchern Loh, Black Sun, Singapore

Yes.

Usha Ganga, HAN University of Applied Sciences, Netherlands

Yes. This is key to understanding the role of TCWG in the process.

Veronica Poole, Deloitte, United Kingdom of Great Britain and Northern Ireland

Yes. As the Topic Paper references, investors and other users wish to ensure that reporting is grounded in integrated thinking: authentic, prepared with robust processes (including the role and ownership of those charged with governance), and balanced (including free from greenwashing). Encouraging disclosure of key roles and responsibilities is one of the ways that reporters can enhance the credibility and authenticity of reporting. The IIRC could also issue separate guidance on good practice in relation to the involvement of specific roles – such as the CEO and CFO.

Warren Koen, Export Credit Insurance Corporation, South Africa

Yes. Users can assess whether top management is involved or it is left to junior/finance staff

Wesley Boone, ABN AMRO, Netherlands

Yes. Providing more information on the key roles and responsibilities of those involved, will strenghten credibility of the preparer and - to my believe - lead to increased trust on the contents included.

Question 4. Should the guidance cite a voluntary 'statement of responsibility from those charged with governance' (provided local regulations and legislation permit) as best practice?

Adam Williamson, AAT, United Kingdom of Great Britain and Northern Ireland

Yes – this emphasises the expectation in terms of high level sign off, and provides a consistent link with the current position, underpinned by the 70% support for this amongst the respondents to the 2013 IIRC consultation draft.

Adrián Scasserra, Independent, Argentina

Undecided.

Alan Willis, Independent, Canada

Yes. If suitably worded, this could emphasize the ultimate responsibility of the "highest governance body" (GRI terminology) for the integrity of external accountability reports to stakeholders. After all, it is customary in many jurisdictions for financial statements to be signed by a board member as an acknowledgement of responsibility for their content. Responsibility for underlying processes would be covered in the response and explanation above

Alexander Kurnikov, 1C, Ukraine

Undecided.

Alexandra Chistyakova, JSC ASE, Russian Federation

Yes. It is necessary to give examples of best practices of “statements of responsibility of persons endowed with governing powers” in order to understand what forms such a statement should include.

Anastasia Gabrielyan, Da-Strategy, Russian Federation

Yes. It will certainly be the best practice.

Andrej Drapal, Consensus d.o.o., Slovenia

Yes. IR should stick to philosophy that each company should develop its own case and its own IR elaboration of this framework. Local influence is important.

April Mackenzie, External Reporting Board, New Zealand

No. We are not in favour of a voluntary statement of responsibility as it downgrades the importance of responsibility for the integrated report. We experience, in New Zealand, a low take-up of voluntary requirements in accounting standards. We recommend that the statement of responsibility should remain a mandatory requirement for those asserting compliance with the International <IR> Framework combined with a "comply or explain" approach.

Aranca Piñero, REPSOL, Spain

No. See response to Q1.

Azizah Mohd Ghani, Malaysian Institute of Accountants (MIA), Malaysia

Yes. A voluntary statement would provide an option to entities for which those charged with governance are comfortable in making such a statement and readers of such reports can then make their own judgement on comparable <IR> reports. We are cognisant that while having a voluntary statement of responsibility from those charged with governance could provide further clarity over board/council effectiveness and quality of leadership, an organisation needs to strike a balance in defining responsibilities of those charged with governance and address capacity and liability

concerns (include legal and jurisdictional considerations).

Citing a voluntary "statement of responsibility from those charged with governance" as best practice would provide appropriate balance between flexibility and prescriptiveness, in line with <IR> Framework's principles-based approach. Having the statement as best practice would also be an incentive for those organisations who are able to provide such a statement to be seen as more proactive and progressive.

There should also be stronger encouragement for assurance to be obtained both internally and externally. Examples should be provided on how assurance from an independent party can bring credibility to the <IR> process and how responsibilities of those charged with governance can be adequately discharged. As part of the internal assurance process, there will often be a need to clarify and establish the responsibilities of the preparers (e.g. as part of the preconditions under paragraph 24(a) of the International Standard on Assurance Engagements 3000 'Assurance Engagements Other Than Audits or Reviews of Historical Financial Information').

Bart van Beurden, TIAS Business School, Netherlands

No. Is management responsibility

Beat Schweizer, PETRANIX, Switzerland

Yes. By leaving it voluntary the autonomy lies with the reporting organisation.

Bernd Schönhofer, Munich Airport, Germany

No. The statement should not be voluntary but mandatory. Furthermore, there should be stricter guidelines for defining the statement in order to make it more comprehensive and comparable.

Bhavin Kapadia, Sustainable OTC Derivatives, United States of America

Yes.

Black Sun PLC, United Kingdom of Great Britain and Northern Ireland

Yes. Specifically describing this as best practice ensures that it remains an aspirational goal for better reporters, improving the quality of reporting and promoting leadership involvement without discouraging others who may not have the platform, or comfort, to provide such a statement.

Bruno Gasparroni, UniCredit Group, Italy

Yes. A formal statement could help if behind it there is an effective management of ESG issues by the Top management and the BoD and not just a declaration to do "image/green washing"

Carlos Brandão, Independent, Brazil

Yes. Because it would differentiate the companies that make this valuable commitment.

Carol Adams, Durham University Business School, International

Yes. The statement could allow more flexibility than the current one. It could simply require a Board to disclose how it has had governance oversight of processes.

Cédric Gelard, CNCC / CSOEC, France

Yes. Please refer to question 1 and 3

Cleyson Assis, Independent, Brazil

Yes.

Constanza Gorleri, Banco Galicia, Argentina

Yes, the best option is to cite a voluntary responsibility statement as a best practice.

Comis Van der Lugt, University of Stellenbosch Business School, South Africa

Yes. Why would local regulations NOT permit? If anything, laws and regulations will expect clarity (including alignment between different disclosures)... but not to be used by key decision-makers to escape responsibility.

Daniel Fossati, Independent, Argentina

Yes.

David Herbinet, Mazars, United Kingdom of Great Britain and Northern Ireland

No. Based on our response to Topic Paper 1 Q1, our view is that a statement of responsibility should be strongly recommended and, where there are country specific legal or regulatory restrictions which impede compliance that a requirement is implemented, for the reporting entity to explain this in the report as well as provide information on (a) how compliance with the requirements of the Framework have been achieved in terms of integrity of information and other areas, and also how a collective mind has been applied, and (b) which body has taken these responsibilities over from the governing body and why.

Deidre Henne, McMaster University, Canada

Yes.

Delphine Gibassier, Independent, France

Yes.

Derick Nkajja, Institute of Certified Public Accountants of Uganda (ICPAU), Uganda

Yes. However, as discussed in Q1 above, the danger of adopting a voluntary 'statement of responsibility from those charged with governance' as best practice may in its form defeat the purpose of the IR framework that is;

ensuring comparability across reports to meet users' information needs. Some jurisdictions may end up adopting the requirement as mandatory requirement and some may choose not to.

Dr. Erkin Erimez, ARGE Consulting, Turkey

Yes. The guidance should cite a voluntary 'statement of responsibility from those charged with governance' as best practice. This statement would ensure that integrated report has been reviewed by the board. Even though board has limited control on the report it would show that the board is aware of the information presented about the board and ensures that this information is reliable as the body of governance.

Dr. Fatma Ögücü Şen, Argüden Governance Academy, Turkey

Yes. The guidance should cite a voluntary 'statement of responsibility from those charged with governance' as best practice. This statement would ensure that integrated report has been reviewed by the board. Even though board has limited control on the report, it would show that the board is responsible from the information presented and ensures that this information is reliable as the body of governance.

Dr. Patrizia De Corato, Lebanese Public University, Lebanon

Yes. To ensure only comparative analysis for later analysis and statistics: deciding upon if voluntary or involuntary responsibility.

Edouard Gridel, Institut du Capitalisme Responsable, France

No. A voluntary statement is no more enough in regards to urgencies and harms (to the planet as well as to people and stakeholders

Elda Almeida, Independent, Argentina

Yes.

Fay Hoosain, Integrated Reporting Committee of South Africa, South Africa

Yes. The statement of responsibility should remain as presently stated in the Framework.

Should the IIRC change course and decide to remove the statement of responsibility as a requirement of the Framework, then at the very least, it should be cited as a voluntary statement and as a best practice recommendation. As stated in our response to Q1, the inclusion of the statement of responsibility adds to the perceived credibility of the integrated report.

Fiona Robertson, Independent, United Kingdom of Great Britain and Northern Ireland

Yes.

Gaia Melloni, HEC Lausanne - University of Lausanne, Switzerland

Yes.

Graham Gunn, The Saudi Investment Bank, Saudi Arabia

Yes.

Graham Terry, Independent, South Africa

Yes if the proposal is followed.

Guler Aras, Integrated Reporting Turkey Network (ERTA), Turkey

Yes. Most of our members think that the guidance should cite a voluntary 'statement of responsibility from those charged with governance' as best practice. They thought that it would be beneficial for report preparer. Beside this opinion, our member Garanti BBVA mentioned that their integrated report also fulfills their

legislative obligation for annual reporting; it is presented to the approval of the Board of Directors by the CEO, and to the shareholders' review and approval at the General Assembly. Citing this as a best practice within the guide would encourage other institutions to follow suit. CFGS also acted with a similar approach, their integrated report is included their Chair's responsibility statement.

Herma van der Laarse, ABN AMRO, Netherlands

Yes. As I am in favor of this statement by those charged in governance, a voluntary statement would be the least to include.

Inés García Fronti, Buenos Aires University, Argentina

Yes.

Innocent Sithole, Training and Advisory Services, Zimbabwe

Yes. We agree, the statement of responsibility from those charged with governance will help improve the accountability responsibility which is somehow lacking. I beg to differ. I think the guidance should consider changing "voluntary" to "mandatory" because as it stand one can chose not to. In that case the will fail to achieve its core purpose of existence which is to stand test of time. I strongly believe forcing or making it mandatory will achieve greater and avoid the leeway for selective or bias reporting. The guidance must cite a mandatory statement of responsibility from those charged with governance since they are the drivers of the entity who oversees the strategic direction of the entity and obligations relating to the accountability of the entity which will prove performance evaluations

J Robert Gibson, Hong Kong University of Science and Technology, China

No = see answer to the first question in this section.

Janaina Dourado, Academic - PUC- SP, Brazil

Yes.

Jenny Norris, Independent, United States of America

Yes. Where this is applicable, i think there would be increased comfort from a reader of an IR to know who those charged with governance are and that they stand behind the information reported in the IR.

Jo Cain, Materiality Counts, Australia

Yes. For consistency in <IR> Framework requirements. "If it ain't broke, don't fix it."

Jon Griffin, API Financial Pty Ltd Chartered Accountants, Australia

Yes.

Jona Basha, Accountancy Europe, Belgium

Yes. (7) Notwithstanding our answers to Question 1 above, we agree that a voluntary 'statement of responsibility from those charged with governance' is cited as best practice.

Jun Honda, WICI Japan, Japan

Yes. The reason is about the same as the answer to Q1 above.

Kavita Jadeja, EY, India

Yes. But mandatory

Le Quang TRAN VAN, Afep, France

No. Please refer to our answer to question 1. Afep's member companies being opposed to the disclosure of process-related information, they consider guidance unnecessary.

Leonie Meyer, Independent, South Africa

Undecided. If the approval statement is going to remain a "minimum requirement" as per the

Framework's appendix and a measure amongst peers of better/poorer disclosure then the statement cannot be voluntary.

Lydia Tsen, Chartered Accountants Australia and New Zealand, International

Yes. We agree with the comments in the paper that the mandatory nature of paragraph 1.20 can be prohibitive to adoption of the framework. We therefore support changing this requirement to be voluntary but best practice to encourage wider adoption of the framework.

M Angelica Costa, Independent, Brazil

No.

Mardi McBrien, Climate Disclosure Standards Board (CDSB), United Kingdom of Great Britain and Northern Ireland

Yes, as this shows clear leadership and buy-in from the top which also illustrates how the disclosures have been considered at the highest level. This leaves the reader with confidence in the integrated report disclosures.

Maria Farfan, Pontificia Universidad Javeriana, Colombia

No. Since I think the focus should be in the process, more than in the outcomes, I don't consider necessary to have a statement of responsibility but an explanation of how they arrive to an integrated report.

Maria Towes, Durham University, United Kingdom of Great Britain and Northern Ireland

Yes. As a voluntary statement this could be useful but I stress the voluntary as it might be overly prescriptive for some organisations depending on the other regulations they need to comply with

Maria Eugenia Bellazzi, Sustenia, Argentina

Yes, the best option is to cite a voluntary responsibility statement as a best practice.

Marje Russ, Independent, New Zealand

No. This statement should not be voluntary. The nature of the required disclosure should however be more flexible, as described in the response to Q1.

Massimo Romano, Independent, Italy

Yes. See Q1 answer.

Michel Washer, Solvay, Belgium

No.

Miguel Oyarbide, Australia Post, Australia

Yes.

Mike Tisdall, Insight Creative, New Zealand

No. Can't really understand why it should be voluntary. Either an organisation adopts or it doesn't.

Nandkumar Vadakepath, DNV GL, India

No. Anything voluntary is not taken seriously.

Nathalie Voisine, Capitalcom, France

Yes. We also think that the editorial of an executive officer (of President of the Board) is a relevant signal of integrated thinking at the highest level of the company.

Neil Smith, Koan Group, Netherlands

Yes, would support retaining this guidance – that there should be a statement from those with ultimate responsibility for content and data (ideally, this should be the highest decision-making body, but could in theory be a Management Board or lower).

Nick Ridehalgh, Business Reporting Leaders Forum - Leadership Team, Australia

Yes. We believe the guidance should cite a voluntary statement of responsibility from TCWG as best practice.

Nowmitta Jahanzaib, Institute of Cost and Management Accountants of Pakistan, Pakistan

Yes. this will ensure best practice as a way forward to authentication of the text being compiled for developing this report

Patricia Montenegro, Combustech, Brazil

Yes.

Paul Hurks, NBA, Netherlands

Yes. 6. NBA agrees with this proposal. The proposal also aligns with the trend for 'in control statements' and related disclosures, which underpins the need for more process-related disclosures. This would align with the updating process of the IASB Practice Statement for Management Commentary; more IR-like disclosures are expected to be included.

Paul Thompson, European Federation of Accountants and Auditors for SMEs, International

Yes. The Framework should encourage but not require this practice.

Phil Hughes, Independent, Australia

Yes.

Professor Barry Cooper, Deakin Business School, Australia

Yes, we believe the guidance should cite a voluntary statement of responsibility from TCWG as best practice to encourage explicit recognition of the responsibility TCWG have for the integrated report.

Redefining Value, World Business Council for Sustainable Development, Switzerland

Yes. The statement should cover points 1 a-d in question 1.

Richard Chambers, The Institute of Internal Auditors, United States of America

No. This should not be the business of the IIRC or the standard. Should professional organizations find this worthwhile, they will develop one. The AICPA, for example, has developed suggestions for Management Representation Letters. A comprehensive review of organizational governance can be found in ISO 26000:2010 (Social Responsibility Guidelines). The leadership's accountability for meeting the stated objectives that support the creation of value in the organization is stated in the ISO High-Level Structure that is used in all of the ISO international management system standards. Additionally, if the head of audit has reviewed and validated the integrated report, the board along with the head of audit can endorse the report with the organization, creating their own management representation statement.

Richard Martin, ACCA, International

No. As noted above in our response to Q1 we support the retention of the requirement in the Framework for a statement of responsibility, though a more flexible statement and less prescriptive, and not have it as item of best practice

Robert Badgett, KUSM-W, United States of America

Yes.

Ron Gruijters, Eumedion, Netherlands

Undecided. We wonder what causes companies to remain vague about compliance with the framework.

After a root cause analysis of the problem, we may be in a better position to evaluate a next step.

Sasol Integrated Reporting Team, Sasol, South Africa

Yes, indicates Board's and senior management's commitment and support to Integrated Reporting Process.

Sergey Kuzubov, Centre for Intellectual Capital, Higher School of Economics, Russian Federation

Yes.

Sergio Cravero, PwC, Argentina

Yes.

Shimellis Assegahegne, Independent, Ethiopia

No.

Stefan Hannen, Kirchhoff Consult AG, Germany

Yes. Rather than citing the statement as voluntary only, I would suggest to use a wording such as "strongly recommend" with regard to this statement.

Thomas Scheiwiller, IMPACTS, Switzerland

Yes.

Tjeerd Krumpelman, ABN AMRO, Netherlands

Undecided.

Tokiko Fujiwara-Achren, Independent, Finland

Yes. As best practice, its refer for somebody to be useful.

Tokiko Yokoi, Independent, Japan

Yes. In addition to the above, it would be better to replace "statement of responsibility" to "declaration of integrity".

Uantchem Loh, Black Sun, Singapore

No.

Usha Ganga, HAN University of Applied Sciences, Netherlands

No. I believe that endorsement by TCWG is better judged by the way they operate, report about their oversight on the reporting processes and overall the general disclosures about and by TCWG.

Veronica Poole, Deloitte, United Kingdom of Great Britain and Northern Ireland

No. We do not see this is necessary. We believe that <IR> Framework should include (as set out in our response to Q1-3) key principles around the role of those charged with governance in the integrity and authenticity of the reporting process. It may be helpful to consider issuing further separate guidance to practitioners, with appropriate examples from reports. We note that, where integrated reporting is adopted formally within regulatory frameworks, specific, localised statements may be required by corporate law or by the relevant authorities.

Warren Koen, Export Credit Insurance Corporation, South Africa

Yes. The statement itself forces them to consider the report at an acceptable level of involvement

Wesley Boone, ABN AMRO, Netherlands

Yes. Voluntary if local regulations or legislation provides other guidance on a 'statement of responsibility', but required when such rules are not yet adopted locally.

Question 5. Is there value in clarifying the term 'those charged with governance'?

Adam Williamson, AAT, United Kingdom of Great Britain and Northern Ireland

Yes. Some examples based upon common business structures, and case studies, may be useful for those engaging for the first time. However, it would be very much hoped that any business engaging with IR thinking and reporting would have a clear understanding of the importance and mechanisms of governance.

Adrián Scasserra, Independent, Argentina

Yes. There is always value in clarifying terms to better communication between different stakeholders and groups

Alan Willis, Independent, Canada

No. The term should be changed to "highest governance body", using GRI terminology with which a very large number of report issuers are already familiar. The meaning of this could be clarified through examples based on practices in various jurisdictions and for different types of organization.

Alexander Kurnikov, 1C, Ukraine

Yes.

Alexandra Chistyakova, JSC ASE, Russian Federation

Yes, there is Need to clarify: those responsible for managing the company? Responsible for managing value creation? Is it the same person or not? Or do we need to appoint individuals? For each capital should be its responsible persons? One or more?

Anastasia Gabrielyan, Da-Strategy, Russian Federation

Yes, there is the point. But the explanations of this term should consider the following circumstances: the extent of responsibility for management is established in corporate regulations, as well as prescribed by country regulatory authorities. The main objective of this clarifying is to provide comparability of the data - everyone will use the same understanding of the “charged with governance”.

Andrej Drapal, Consensus d.o.o., Slovenia

Undecided.

April Mackenzie, External Reporting Board, New Zealand

Yes. “Those charged with governance” is a phrase with an audit heritage. We can see value in aligning the <IR> definition with that is ISA 260 Communication with Those Charged with Governance.

We see some merit in including “This includes overseeing the integrated reporting process.” at the end of the current definition. Therefore, we propose the definition read as follows: Those charged with governance: The person(s) or organization(s) (e.g., the board of directors or a corporate trustee) with responsibility for overseeing the strategic direction of an organization and its obligations with respect to accountability and stewardship. This includes overseeing the integrated reporting process.

We support a principles-based definition and the inclusion of some examples of those “charged with governance” so long as it is clear that the examples do not cover all possibilities.

Arancha Piñeiro, REPSOL, Spain

No. See response to Q1.

Azizah Mohd Ghani, Malaysian Institute of Accountants (MIA), Malaysia

Yes. Clarification would be helpful to readers as there is a differing jurisdictional definition of “those charged with governance”, and as an international framework, it will help to drive clarity and consistency in understanding if IIRC explains the term in the context of <IR>. Clarification of the term would remove the ambiguity to readers of integrated reports who may have differing interpretation of the term “those charged with governance” and uncertainty whether senior management is included.

There is consideration whether key management personnel (for example, the CEO, CFO and COO), who are mainly responsible for the execution of operations and business strategies may also be included in the scope of “those charged with governance”. Such an inclusion may widen the scope of accountability and provide clarity on the oversight of the <IR> process. This will also ensure that the readers understand the composition and scope of “those charged with governance”. Using the feedback from here, the IIRC will be able to continue to have a statement of responsibility and address the concerns of preparers and provide clarity on the various jurisdictional differences on “those charged with governance”.

Bart van Beurden, TIAS Business School, Netherlands

Undecided.

Beat Schweizer, PETRANIX, Switzerland

Undecided. It seems quite clear to me already. For most organisations it would be the Board of Directors or the Executive Committee.

Bernd Schönhofer, Munich Airport, Germany

Yes. Value can only be created if the IR framework comes with a more precise definition of the term and if it further comes with more precise examples of companies charged with governance.

Bhavin Kapadia, Sustainable OTC Derivatives, United States of America

Yes.

Black Sun PLC, United Kingdom of Great Britain and Northern Ireland

No. In our view, the term is clear for any English based-interpretation. We cannot, however, comment on any translation challenges that may arise from using this term, but recommend that this be considered.

Bruno Gasparroni, UniCredit Group, Italy

Yes, could be valuable to specify who charge with governance in the organization.

Carlos Brandão, Independent, Brazil

Yes. Because governance can have different understandings / meanings.

Carol Adams, Durham University Business School, International

Undecided. Rather than retaining that particular phrase I suggest referring to the Board and then defining that as the governing body.

Cédric Gelard, CNCC /CSOEC, France

Yes. The CNCC and the CSOEC are of the opinion that the term “those charged with governance” is quite well understood, especially in the accountancy profession. However, we consider that this term could be better explained and clarified for others. We suggest the IIRC

builds on the current International Standard on Auditing definition of “those charged with governance”, i.e. the person(s) or organization(s) (for example, a corporate trustee) with responsibility for overseeing the strategic direction of the entity and obligations related to the accountability of the entity. This includes overseeing the financial reporting process. For some entities in some jurisdictions, those charged with governance may include management personnel, for example, executive members of governance board of a private or public sector entity, or an owner-manager. Please refer to ISA 200 paragraph 14(o) or ISA 260 paragraph 10(a).

Cleyson Assis, Independent, Brazil

Yes.

Constanza Gorleri, Banco Galicia, Argentina

Yes. It always makes sense to clarify the term "those in charge of government" to specify whether it refers to the CEO, the board of directors or the executive directors of the company.

Cornis Van der Lugt, University of Stellenbosch Business School, South Africa

Yes. Clarifying its meaning in a manner that confirms the voluntary nature can make the requirement easier to meet, plus making clear that it can imply governance at different levels of seniority. Key is to have this stated publicly. For the investor, at what level that responsibility is taken and whether it is just an individual or group (collective) is very telling. Even if not stated in the IR / report, the responsible investor may well pose the question during analysis and an investor engagement.

Daniel Fossati, Independent, Argentina

Yes.

David Herbinet, Mazars, United Kingdom of Great Britain and Northern Ireland

Yes. To respond to the challenges stemming from differing terms used to describe governance structures across different jurisdictions, consideration should be given to changing the term “those charged with governance” and provide further clarity with guidance around the nature of the body and the type of responsibilities they should have. Given the term “those charged with governance” has already been defined for the purposes of the International Auditing Standards (“ISAs”) our proposal would be to use this definition and avoid creating a new term. ISA 260, Communication with Those Charged with Governance, describes “Those charged with governance” as the person(s) or organisation(s) with responsibility for overseeing the strategic direction of the entity and obligations related to the accountability of the entity. This includes overseeing the financial reporting process. For some entities in some jurisdictions, those charged with governance may include management personnel, for example executive members of a governance board of a private or public sector entity or an owner manager. The same ISA also explains how governance structures vary by jurisdiction and by entity, reflecting the influences such as different cultural and legal backgrounds, and size and ownership characteristics. As part of this guidance information is provided around: - the difference in one-tier and two-tier board structures, differences in the responsibilities vis a vis the approval of the financial statements, their involvement in managing the entity and their relationship with the entity eg part of its legal structure or not; - how collective responsibility works for a governing body such as a board of directors or a supervisory board but also mentions that for smaller entities this responsibility is help by one person who

could be the owner-manager. The ISA recognises that even with the guidance there are situations where it may not be obvious who this body might be, in which case it recommends that this is defined based on the entity’s governance structure and processes. For this reason, providing the reporting entity the option to explain who it considers as its governing body in the integrated report would be helpful. - In some jurisdictions, a supervisory (wholly or mainly non-executive) board exists that is legally separate from an executive (management) board (a “two-tier board” structure). In other jurisdictions, both the supervisory and executive functions are the legal responsibility of a single, or unitary, board (a “one-tier board” structure); - In some entities, those charged with governance hold positions that are an integral part of the entity’s legal structure, for example, company directors. In others, for example, some government entities, a body that is not part of the entity is charged with governance; - In some cases, some or all of those charged with governance are involved in managing the entity. In others, those charged with governance and management comprise different persons.

Deidre Henne, McMaster University, Canada

Yes. Specifically useful to understand the role of the Board and Management and how the two roles interact. Further useful, is the understanding if Managements role is compensated, in part, for the accuracy of reporting and achievement of metrics/targets.

Delphine Gibassier, Independent, France

Yes.

Derick Nkajja, Institute of Certified Public Accountants of Uganda (ICPAU), Uganda

Yes. Clarity may be done by adopting the definition as used elsewhere in other standards like under glossary of terms under the Handbook International Quality Control, Auditing, Review Other Assurance and Related Services Pronouncements. The Council may consider incorporating within the definition an inclusive approach to the expected and desired roles of those charged with governance in relation to integrated reporting.

Dr. Erkin Erimez, ARGE Consulting, Turkey

Yes. Clarification of the term "those charged with governance" is important for improving trust by the stakeholders. This term needs to refer the board of directors. The board of directors is the most important element in corporate structures. Board processes for supporting decision making, learning from experiences, guidance for value creating strategy, oversight mechanisms are the foundations of governance quality and quality of decisions. The company, on formation, is a person, but it is absolutely incapacitated until its directors are appointed and the board in turn delegates to management the implementation of its collective decisions. (Mervyn King, IFC PSO Issue 17) The board is the ultimate decision-making body in the organizations. Board delegates day to day management responsibility to the management and implementation of decisions made by the board. Board has the ultimate responsibility for long term strategy of the organization. The issues considered in the integrated report such as strategy, materiality, stakeholder engagement is under the responsibility of the board. Therefore, board needs to have a role in preparation of integrated report.

Dr. Fatma Ögücü Şen, Argüden Governance Academy, Turkey

Yes. Clarification of the term "those charged with governance" is important for improving trust by the stakeholders. This term needs to refer the board of directors. The board of directors is the most important element in corporate structures. Board processes for supporting decision making, learning from experiences, guidance for value creating strategy, oversight mechanisms are the foundations of governance quality and quality of decisions. The company, on formation, is a person, but it is absolutely incapacitated until its directors are appointed and the board in turn delegates to management the implementation of its collective decisions. (Mervyn King, IFC PSO Issue 17) The board is the ultimate decision-making body in the organizations. Board delegates day to day management responsibility to the management and implementation of decisions made by the board. Board has the ultimate responsibility for long term strategy of the organization. The issues considered in the integrated report such as strategy, materiality, stakeholder engagement is under the responsibility of the board. Therefore, board needs to have a role in preparation of integrated report.

Dr. Patrizia De Corato, Lebanese Public University, Lebanon

Yes. To set specific value governance importance and achievements.

Elda Almeida, Independent, Argentina

Yes.

Fay Hoosain, Integrated Reporting Committee of South Africa, South Africa

No. There is no need to clarify what is meant by the term "those charged with governance" as it is a recognized and well-understood concept in South Africa and in many other parts of the world. If deemed necessary, country-specific clarification could be provided by the national bodies for integrated reporting or governance.

Fiona Robertson, Independent, United Kingdom of Great Britain and Northern Ireland

Undecided. Is it not simply the board of directors - or could there be other interpretations?

Gaia Melloni, HEC Lausanne - University of Lausanne, Switzerland

Yes. Guidance could states that those charged with governance is assumed to be the board of directors but firms could disclose and explain who else is included or excluded within this "notion"

Graham Gunn, The Saudi Investment Bank, Saudi Arabia

Yes.

Graham Terry, Independent, South Africa

Yes. I have found some people are unsure what it means. I am not sure that better wording can be found. Maybe the glossary should be more descriptive.

Guler Aras, Integrated Reporting Turkey Network (ERTA), Turkey

Yes. Most of our members believe that the framework needs to clarify the term 'those charged with governance' to reach a common language. They think that 'those charged with governance' is too broad and it can be specified as the board of directors, board

committee or the executive board (based on corporation's choice). The other option to clarify the term is identifying a person in charge of governance preferably to be chosen among the corporate governance committees. One of our members think that the term "those charged with governance" (TCWG) is already defined in the <IR> Framework. They think that the definition could be enhanced by including specific reference to TCWG's responsibility for the integrated reporting processes.

Herma van der Laarse, ABN AMRO, Netherlands

Yes. For instance for companies with a two-tier board system, it would be valuable to know whether both boards need to provide this statement.

Inés García Fronti, Buenos Aires University, Argentina

Yes.

Innocent Sithole, Training and Advisory Services, Zimbabwe

Yes. We agree that an integrated report should explain the meaning and scope of the term 'those charged with governance'. Not every stakeholder can comprehend the term and the explanation will enhance understandability of the integrated report thus value addition. Additionally, it will enhance isolation of responsibility and accountability (personnel responsible for <IR> reporting will be clearly identified hence, they will be answerable for their action(s) or inaction(s) thereof). Inevitably this can also be used as a performance evaluation tool on the part of those defined as "those charged with governance". Clarifying the scope of those charged with governance will result in providing clarity to stakeholders in-terms of people to contact when they require clarity in-terms of the entity's strategies.

J Robert Gibson, Hong Kong University of Science and Technology, China

Yes. As per earlier answers the report should identify the 'Highest Governance Body' of the reporter.

Janaina Dourado, Academic - PUC- SP, Brazil

Yes.

Jayantha Nagendran, Smart Media The Annual Report Company, Sri Lanka

No. TP 1.5 Not much value. Governance is a term that is understood by report preparers as the subject is also part of the mandatory disclosures in an annual report (integrated or otherwise).

Jenny Norris, Independent, United States of America

Yes. Because those charged with governance vary by locality it would be helpful to have some guidance as to who the IIRC is intending when they use that term.

Jo Cain, Materiality Counts, Australia

Yes. But again, only a concise, strategic level explanation, avoiding becoming too granular and detailed.

John Dumay, Macquarie university, Australia

Yes. Governance is always the responsibility of the Board of Directors. The BOD must be responsible for all communication that is material about the company. Communication (disclosure) can be delegated, but the BOD ultimately takes responsibility.

John Purcell, CPA Australia, Australia

Yes. As noted on page 4 of Topic Paper 1, 'those charged with governance' is elaborated on in the <IR> Framework's glossary. The words in the glossary bear a close similarity to the definition of 'Those charged with governance' presented in International Standard on Auditing (ISA) 260 Communication with Those Charged

with Governance (para. 10.(a)). To emphasise the obligations of those charged with governance, ISA 260 goes on to include in para. 10.(a), "overseeing the financial reporting process" (emphasis added) and in para. 10.(b) defines Management as "executive responsibility for the conduct of the entity's operations." Additionally, ISA 260 in paras. A1 to A8 addresses various jurisdictional and entity characteristics. It is suggested that the <IR> Framework glossary definition could be modified to include 'overseeing the external reporting process' and emphasise the distinction with management responsibility. Further, bearing in mind the need for suitable brevity in a principle-based framework, cross-referencing could be given to ISA 260 paras. A1 to A8 as a source for reconciling specific jurisdictional and entity-based challenges.

Jon Griffin, API Financial Pty Ltd Chartered Accountants, Australia

Yes. Shareholders need to be empowered to force management to prepare these reports. Somehow shareholders need to be empowered to force management to be financially accountable.

Jona Basha, Accountancy Europe, Belgium

Undecided. (8) Accountancy Europe is of the opinion that the term "those charged with governance" is well understood, at least in the accountancy profession. Therefore, we suggest the IIRC builds on the current International Standard on Auditing (ISA) 260 definition of "those charged with governance" to extend the objective of the entity to value creation as per the purpose of the <IR> report.

Jun Honda, WICI Japan, Japan

Yes, because the term 'those charged with governance' is ambiguous.

Kavita Jadeja, EY, India

Yes.

Le Quang TRAN VAN, Afep, France

No.

Leonie Meyer, Independent, South Africa

Yes. In some jurisdictions the <IR> process is delegated by the Board to the Audit Committee which many feel should then be the basis on which the Audit Committee should provide an approval statement. However, the counter argument is that even if delegated, the ultimate responsibility lies with the Board of a company. As suggested by the Topic paper the definition should refer to "highest decision making power within the organisation". An integrated report's value would be diminished if it is seen to come from lower levels of authority within the organisation.

Lydia Tsen, Chartered Accountants Australia and New Zealand, International

Yes. We suggest that the Framework glossary definition could be modified to include 'overseeing the external reporting process' and emphasise the distinction with management responsibility - in line with the similar definition found in International Standard on Auditing (ISA) 260 Communication with Those Charged with Governance. As an alternative, a cross-reference to ISA 260 could be included.

M Angelica Costa, Independent, Brazil

No.

Mardi McBrien, Climate Disclosure Standards Board (CDSB), United Kingdom of Great Britain and Northern Ireland

Yes. Our experience with companies making climate-related financial disclosures has shown that there is

often a blurring between the two TCFD governance disclosures: notably, management's role and board oversight. Therefore, further clarification on what "those charged with responsibility" means would be helpful.

Maria Farfan, Pontificia Universidad Javeriana, Colombia

Yes. I agree with the comment of what exactly you mean by those charge with governance, the board, all the executives or a subsidiary committee. To leave this open could have many interpretations and may cause that they don't assume their direct responsibilities. For that, the definition of those charged with governance and their roles can help to a better engagement.

Maria Towes, Durham University, United Kingdom of Great Britain and Northern Ireland

Yes. People have stated they are unsure therefore additional explanation would be useful

Maria Eugenia Bellazzi, Sustenia, Argentina

Yes. It always makes sense to clarify the term "those in charge of government" to specify whether it refers to the CEO, the board of directors or the executive directors of the company.

Marje Russ, Independent, New Zealand

Yes. Commentary provided suggests potentially some confusion about the definition and possible resistance for responsibilities to be accepted by those charged with governance. Some clarification of the term, beyond the description in the glossary may be helpful, particularly if it can provide a few more examples of what this may mean in a range of examples of corporate structures and jurisdictions. Providing a bit more information on the rationale for responsibilities

resting with those charged with governance may also assist.

Massimo Romano, Independent, Italy

Yes, better specify if it refers to the Board of Directors, executives, subsidiary committees.

Mervyn King, Senior Counsel and former Judge of the Supreme Court of South Africa, Chair of the African Integrated Reporting Council, Chair of the Integrated Reporting Committee of South Africa, Chair Emeritus of the IIRC, Chair Emeritus of GRI - Responding in an independent capacity, South Africa

No. 1. It is natural that a report from a company about its activities during a fiscal period is the report of those who govern the company. In any organisation those charged with governance are the persons responsible for the report emanating from that organisation as part of discharging accountability to that organisation and through it to all its stakeholders. 2. In the extant Framework 4 B 4.9 read together with paragraph 17 of the glossary it is made clear that persons' responsibility for the governance of an organisation include a board of directors of a company. 3. Consequently there is no need to further explain the term "those charged with governance" in the Framework.

Michel Washer, Solvay, Belgium

Yes.

Miguel Oyarbide, Australia Post, Australia

Undecided. It could be added to the glossary but it should be obvious to all reporters what the term refers to.

Mike Tisdall, Insight Creative, New Zealand

Undecided.

Nandita Mishra, Amity University, India

Yes. If this term creates confusion, there is no harm explaining it. But explanation should be a broad one

Nandkumar Vadakepath, DNV GL, India

Yes. It is mostly the board or its nominee as independent director.

Nathalie Voisine, Capitalcom, France

Undecided.

Neil Smith, Koan Group, Netherlands

Yes. If the decision is to retain the statement in this form – would suggest clarifying to ‘highest decision-making body’ since a) this is already used in other frameworks etc., and so is familiar to reporters and b) has enough flexibility to accommodate different systems of governance.

Nick Ridehalgh, Business Reporting Leaders Forum - Leadership Team, Australia

Yes. The term “those charged with governance” (TCWG) is already defined in the <IR> Framework. The definition could be enhanced by including specific reference to TCWG’s responsibility for the integrated reporting processes.

Nowmitta Jahanzaib, Institute of Cost and Management Accountants of Pakistan, Pakistan

Yes. the Chairman, CEO, The Board and the directors .Each one of them has their own role to play and they carry value tehats i why they are nemed as those charged with governance as their role resonates and adds value.

Patrícia Montenegro, Combustech, Brazil

Yes.

Paul Hurks, NBA, Netherlands

No. 7. NBA is of the opinion that a proper definition of the term “those charged with governance” is av available and well used in practice based on ISA 260 (International Standard on Auditing).

Paul Thompson, European Federation of Accountants and Auditors for SMEs, International

Yes. ISA 260 definition might be a useful place to start.

Phil Hughes, Independent, Australia

Yes.

Professor Barry Cooper, Deakin Business School, Australia

Yes. The term “those charged with governance” (TCWG) is already defined in the <IR> Framework as “the person(s) or organization(s) (e.g., the board of directors or a corporate trustee) with responsibility for overseeing the strategic direction of an organization and its obligations with respect to accountability and stewardship”. This definition is similar to that used in international auditing standards, although the <IR> Framework definition does not go as far as to specify responsibility in relation to reporting processes, financial or other (the definition of TCWG in international auditing standards specifically includes overseeing the financial reporting process – see International Standards on Auditing 260 (ISA 260) Communication with Those Charged with Governance, paragraph 10A) The definition of TCWG could therefore be enhanced by including specific reference to responsibility for integrated reporting processes.

Redefining Value, World Business Council for Sustainable Development, Switzerland

No. The board does have a role in reporting, and all reporting should go through the proper governance processes, but clarifying the term “those charged with governance” may not be necessary because the meaning could vary between companies and jurisdictions and will depend on local laws/customs.

Richard Chambers, The Institute of Internal Auditors, United States of America

Yes. Integrated thinking and governance should be clearly aligned. To clarify the phrase “those charged with governance,” we believe it is important to shift to discussing “a system of effective governance.” Clarification in this way will improve the Framework by introducing the concept that a system of effective governance includes the critical roles played by the governing body, executive management and an independent internal audit function. Governance is strongest when these three roles are performing their responsibilities effectively and are sufficiently aligned. Grounding the Framework in the Three Lines model of governance – accountability, actions (including managing risk), and assurance, all aligned – is most effective. Governance is an area of weakness in many organizations. The recently released IIA report created in partnership with the University of Tennessee Neel Corporate Governance Center, the American Corporate Governance Index (ACGI)*, found that American companies scored a C+ grade overall regarding the effectiveness of their corporate governance. IIRC should define or clarify “those charged with governance” to make the standards and guidance more understandable. This phrase is used widely worldwide. If the IIRC is going to use it – and regard it as important – then it should provide guidance to

enable readers to compare the IIRC's thoughts with their own interpretation and use. ISO 26000:2010 (Social Responsibility Guidelines), for example, is used around the world to point out how governance should be organized and maintained.

*<https://na.theiia.org/about-us/Pages/American-Corporate-Governance-Index.aspx>

Richard Martin, ACCA, International

Yes, but care needs to be taken so that any IIRC guidance does not conflict with definitions provided by local legislation or by the IAASB. Preparers should be encouraged to look to guidance in International Standards on Auditing where the term is used extensively.

Robert Badgett, KUSM-W, United States of America

Undecided.

Ron Gruijters, Eumedion, Netherlands

Undecided. We wonder what causes companies to remain vague about compliance with the framework. After a root cause analysis of the problem, we may be in a better position to evaluate a next step.

Sasol Integrated Reporting Team, Sasol, South Africa

Yes. Going to force those charged with governance to understand and interpret the concepts of Integrated Reporting and value creation and will enable to reader to understand the governance of the entity.

Sergey Kuzubov, Centre for Intellectual Capital, Higher School of Economics, Russian Federation

Yes.

Sergio Cravero, PwC, Argentina

Yes.

Shimellis Assegahegne, Independent, Ethiopia

Yes.

Stefan Hannen, Kirchhoff Consult AG, Germany

Yes. 1) A more direct wording (e.g., by naming the respective roles) would support the understandability of the framework (and the resulting reports) and thus its applicability. 2) Depending on legislation, the roles that are charged with governance may vary. Examples might support comparability here. 3) "Charged with governance" is a rather general expression. A clarification of which hierarchy levels this expression refers to would help.

Thomas Scheiwiler, IMPACTS, Switzerland

Yes.

Tjeerd Krumpelman, ABN AMRO, Netherlands

Yes.

Tokiko Fujiwara-Achren, Independent, Finland

Undecided. I am not sure this is value in clarifying "those charged with governance".

Tokiko Yokoi, Independent, Japan

Yes. In any case, it is significant to determine where responsibility lies.

Uantchem Loh, Black Sun, Singapore

Yes.

Usha Ganga, HAN University of Applied Sciences, Netherlands

Yes. Different jurisdictions have different oversight models. It should be clear what criteria a body has to adhere to to qualify as TCWG.

Veronica Poole, Deloitte, United Kingdom of Great Britain and Northern Ireland

Yes. We agree there is value in clarifying the term. However, we suggest the IIRC uses a common definition for consistency, for example as used by the IAASB (and set out in the glossary of the ISA standards), rather than seeking to establish a new definition. It would also be beneficial for all participants of the Corporate Reporting Dialogue to agree on and use the same definition.

Warren Koen, Export Credit Insurance Corporation, South Africa

No. It should be clear from the report

Wesley Boone, ABN AMRO, Netherlands

No. Local rules and regulations have different legal interpretations of those charged with governance. Also is still principle based and would not be suited to provide a mandatory definition which might contradict with local definitions.

Integrated reporting enhances the way organizations think, plan and report.

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