

INTEGRATED  
REPORTING



# International <IR> Framework

2013/2021 comparison

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## Revisions to the International <IR>

**Framework** were published in January 2021 to enable more effective reporting.

Extensive market consultation with 1,470 individuals in 55 jurisdictions identified that the conceptual thinking and principles of the <IR> Framework are still as significant today as they were when the <IR> Framework was first published in 2013.

However, further clarifying concepts and simplifying guidance would ensure the <IR> Framework continued to be fit for purpose and robust.

This document details the revisions that were made, placing the 2013 <IR> Framework alongside the 2021 <IR> Framework for clarity and ease of comparison, on a page-by-page basis.

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*In this table, we outline, side by side, paragraphs where changes have been made. Text that has changed, been added or removed is shown in blue. Where there is no 2013 comparison, this is because a new paragraph has been added.*

International <IR> Framework, December 2013		International <IR> Framework, January 2021	
<b>Preface</b>			
<p><b>About the IIRC</b> Page 1</p>	<p>“The International Integrated Reporting Council (IIRC) is a global coalition of regulators, investors, companies, standard setters, the accounting profession and NGOs.”</p> <p>“[...] Further information about the IIRC can be found on its website <a href="http://www.theiirc.org">www.theiirc.org</a> including:</p> <ul style="list-style-type: none"> <li>• The background to the IIRC’s creation</li> <li>• Its mission, vision and objectives</li> <li>• Its structure and membership, and the membership of groups who have contributed to the development of this Framework</li> <li>• Its due process.”</li> </ul>	<p><b>About the IIRC</b> Page 1</p>	<p>“The International Integrated Reporting Council (IIRC) is a global coalition of regulators, investors, companies, standard setters, the accounting profession, <b>academia</b> and NGOs.</p> <p>“[...] Further information about the IIRC can be found on its website <a href="http://www.integratedreporting.org">www.integratedreporting.org</a>, including its:</p> <ul style="list-style-type: none"> <li>• <b>Purpose, mission and vision</b></li> <li>• <b>Structure and membership</b></li> <li>• <b>Governance and funding</b></li> <li>• <b>Procedures Handbook.”</b></li> </ul> <p><b>“The International &lt;IR&gt; Framework (January 2021) supersedes the International &lt;IR&gt; Framework (December 2013). This latest version applies to reporting period commencing 1 January 2022. Earlier application is welcome.”</b></p> <p><b>“Other resources</b> For more on integrated reporting and how the &lt;IR&gt; Framework can be applied, visit the IIRC’s Frequently Asked Questions and &lt;IR&gt; Examples Database.”</p>

International <IR> Framework, December 2013		International <IR> Framework, January 2021	
<b>About integrated reporting</b> Page 2	[...] “The cycle of integrated thinking and reporting, resulting in efficient and productive capital allocation, will act as a force for financial stability and <b>sustainability</b> .”	<b>About integrated reporting</b> Page 2	[...] “The cycle of integrated thinking and reporting, resulting in efficient and productive capital allocation, will act as a force for financial stability and <b>sustainable development</b> .”
		<b>About integrated reporting</b> Page 3	“Integrated reporting is part of an evolving corporate reporting system. This system is enabled by <b>comprehensive frameworks and standards, addressing measurement and disclosure in relation to all capitals, appropriate regulation and effective assurance</b> .”
<b>Executive Summary</b>			
<b>An Integrated Report</b> Page 4	[...] “It should include, <b>transitionally on a comply or explain basis</b> , a statement by those charged with governance accepting responsibility for the report.”	<b>An Integrated Report</b> Page 5	[...] “It should include a statement by those charged with governance accepting responsibility for the report.”
<b>Guiding Principles</b> Page 5	“The following Guiding Principles underpin the preparation of an integrated report, informing the content of the report and how information is presented:”	<b>Guiding Principles</b> Page 7	“ <b>Seven</b> Guiding Principles underpin the preparation and <b>and presentation</b> of an integrated report, informing the content of the report and how information is presented:”

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<b>Part I: Introduction</b>			
<p><b>Using the Framework: Section 1B Objective of the Framework</b> Paragraph 1.6 Page 7</p>	<p>“In this Framework, reference to the creation of value:</p> <ul style="list-style-type: none"> <li>Includes instances when value is preserved and when it is diminished (see paragraph 2.14)”</li> </ul>	<p><b>Using the &lt;IR&gt; Framework Section 1B Objective of the &lt;IR&gt; Framework</b> Paragraph 1.6 Page 10</p>	<p>“In the &lt;IR&gt; Framework, reference to the creation of value:</p> <ul style="list-style-type: none"> <li>Includes instances when value is preserved and when it is <b>eroded</b> (see paragraph 2.14)”</li> </ul>
<p><b>Using the Framework Section 1G Responsibility for an integrated report</b> Paragraph 1.20 Page 9</p>	<p>“An integrated report should include a statement from those charged with governance that includes:</p> <ul style="list-style-type: none"> <li>An acknowledgement of their responsibility to ensure the integrity of the integrated report</li> <li><b>An acknowledgement that they have applied their collective mind to the preparation and presentation of the integrated report</b></li> <li>Their opinion or conclusion about whether the integrated report is presented in accordance with this Framework</li> </ul> <p>or, if it does not include such a statement, it should explain:</p> <ul style="list-style-type: none"> <li>What role those charged with governance played in its preparation and presentation</li> <li>What steps are being taken to include such a statement in future reports</li> <li>The time frame for doing so, which should be no later than the organization’s third</li> </ul>	<p><b>Using the &lt;IR&gt; Framework Section 1G Responsibility for an integrated report</b> Paragraph 1.20 Page 14</p>	<p>“An integrated report should include a statement from those charged with governance that includes:</p> <ul style="list-style-type: none"> <li>An acknowledgement of their responsibility to ensure the integrity of the integrated report</li> <li>Their opinion or conclusion about whether, <b>or the extent to which</b>, the integrated report is presented in accordance with the &lt;IR&gt; Framework.</li> </ul> <p><b>Where legal or regulatory requirements preclude a statement of responsibility from those charged with governance, this should be clearly stated.”</b></p>

International <IR> Framework, December 2013		International <IR> Framework, January 2021	
	integrated report that references this Framework.”		
		<p><b>Using the &lt;IR&gt; Framework Section 1G Responsibility for an integrated report</b></p> <p><b>Inclusion of paragraphs 1.21 – 1.24</b></p> <p>Page 14</p>	<p>“1.21 The extent to which the integrated report is presented in accordance with the &lt;IR&gt; Framework is evaluated against the requirements identified in bold italic type and summarized in the Appendix. Where an organization is in the process of adopting the &lt;IR&gt; Framework, it is appropriate to identify which requirements have not been applied and the reasons why.</p> <p>1.22 In applying paragraph <b>1.20</b>, the organization will take into account its own governance structure, which is a function of its jurisdiction, cultural and legal context, size and ownership characteristics. For example, some jurisdictions require a single-tier board, while others require the separation of supervisory and executive/management functions within a two-tier board. In the case of two-tier boards, the statement of responsibility is ordinarily provided by the body responsible for overseeing the strategic direction of the organization.</p> <p>It is important to consider the intent of paragraph <b>1.20</b>, which is to promote the integrity of the integrated report through the commitment of the</p>

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			<p>body responsible for overseeing the strategic direction of the organization.</p> <p>1.23 In cases where legal or regulatory requirements preclude a statement of responsibility from those charged with governance, an explanation of measures taken to ensure the integrity of the integrated report can provide important insight to users. Accordingly, disclosures about the process followed to prepare and present the integrated report are encouraged. Such disclosures can include:</p> <ul style="list-style-type: none"> <li>• Related systems, procedures and controls, including key responsibilities and activities</li> <li>• The role of those charged with governance, including relevant committees.</li> </ul> <p>1.24 Process disclosures are encouraged as a supplement to a statement of responsibility from those charged with governance as this information indicates measures taken to ensure the integrity of the integrated report.”</p>
<p><b>Fundamental Concepts</b> <b>Section 2B Value creation for the organization and for others</b> Paragraph 2.4</p>	<p>[...] “That value has two interrelated aspects – value created for:</p> <ul style="list-style-type: none"> <li>• The organization itself, which enables financial returns to the providers of financial capital”</li> </ul>	<p><b>Fundamental Concepts</b> <b>Section 2B Value creation, preservation or erosion for the organization and for others</b></p>	<p>[...] “That value has two interrelated aspects – value created, preserved or eroded for:</p> <ul style="list-style-type: none"> <li>• The organization itself, which affects financial returns to the providers of financial capital”</li> </ul>

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Page 10		Paragraph 2.4 Page 16	
<p><b>Fundamental Concepts</b> <b>Section 2C The Capitals</b> Paragraph 2.14 Page 11</p>	<p>“Although organizations aim to create value overall, this can involve the <b>diminution</b> of value stored in some capitals, resulting in a net decrease to the overall stock of capitals. In many cases, whether the net effect is an increase or decrease (or neither, i.e., when value is preserved) will depend on the perspective chosen; as in the above example, employees and employers might value training differently. <b>In this Framework, the term value creation includes instances when the overall stock of capitals is unchanged or decreased (i.e., when value is preserved or diminished).</b>”</p>	<p><b>Fundamental Concepts</b> <b>Section 2C The Capitals</b> Paragraph 2.14 Page 18</p>	<p>“Although organizations aim to create value overall, this can involve the <b>erosion</b> of value stored in some capitals, resulting in a net decrease to the overall stock of capitals (<b>i.e. value is eroded</b>). In many cases, whether the net effect is an increase or decrease (or neither, i.e. when value is preserved) will depend on the perspective chosen; as in the above example, employees and employers might value training differently.”</p>
<p><b>Fundamental Concepts</b> <b>Section 2D The value creation process</b> Paragraph 2.20 Page 13</p>	<p>“The <b>value creation process</b> is depicted in Figure 2. It is explained briefly in the following paragraphs, which also identify how the components of Figure 2 (<u>underlined in the text</u>) align with the Content Elements in Chapter 4.”</p>	<p><b>Fundamental Concepts</b> <b>Section 2D Process through which value is created, preserved or eroded</b> Paragraph 2.20 Page 21</p>	<p>“As noted in paragraph <b>2.14</b>, although organizations aim to create value, the overall stock of capitals can also either undergo a net decrease or experience no net change. In such cases, value is eroded or preserved. The process through which value is <b>created, preserved or eroded</b> is depicted in Figure 2. It is explained briefly in the following paragraphs, which also identify how the components of Figure 2 (<b>emphasized in bold text</b>) align with the Content Elements in Chapter 4.”</p>



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<p><b>Fundamental Concepts</b> <b>Section 2D The value creation process</b> Paragraph 2.21 Page 13</p>	<p>[...] “The mission and vision encompass the whole organization, identifying its <b>purpose</b> in clear, concise terms.”</p>	<p><b>Fundamental Concepts</b> <b>Section 2D Process through which value is created, preserved or eroded</b> Paragraph 2.21 Page 21</p>	<p>[...] “The <b>purpose, mission and vision</b> encompass the whole organization, identifying its <b>intention</b> in clear, concise terms.”</p>
<p><b>Fundamental Concepts</b> <b>Section 2D The value creation process</b> Paragraph 2.23 Page 13</p>	<p>[...] “The organization’s activities and its outputs lead to outcomes in terms of effects on the capitals.”</p>	<p><b>Fundamental Concepts</b> <b>Section 2D Process through which value is created, preserved or eroded</b> Paragraph 2.23 Page 21</p>	<p>[...] “The organization’s <b>business</b> activities and outputs lead to outcomes in terms of effects on the capitals.”</p>
<p><b>Fundamental Concepts</b> <b>Section 2D The value creation process</b> Paragraph 2.26 Page 14</p>	<p>“Continuous monitoring and analysis of the external environment in the context of the organization’s mission and vision identifies risks and opportunities relevant to the organization, its strategy and its business model.”</p>	<p><b>Fundamental Concepts</b> <b>Section 2D Process through which value is created, preserved or eroded</b> Paragraph 2.26 Page 21</p>	<p>“Continuous monitoring and analysis of the external environment in the context of the organization’s <b>purpose, mission and vision</b> identifies risks and opportunities relevant to the organization, its strategy and its business model.”</p>

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<p><b>Section 2 Fundamental Concepts</b> <b>Figure 2: The value creation process</b> Page 13</p>		<p><b>Section 2 Fundamental Concepts</b> <b>Figure 2: Process through which value is created, preserved or eroded</b> Page 22</p>	<p>A range of amendments were made to the diagram 'Figure 2'. Please refer to the diagram directly.</p>
<b>Part II: The integrated report</b>			
<p><b>Guiding Principles Section 3B Connectivity of information</b> Paragraph 3.8 Page 17</p>	<p><i>"Management information, board information and information reported externally. For example, as noted in paragraph 4.53, it is important for the quantitative indicators in an integrated report to be consistent with the indicators used internally by those charged with governance."</i></p>	<p><b>Guiding Principles Section 3B Connectivity of information</b> Paragraph 3.8 Page 27</p>	<p><i><b>"Management information, board information and information reported externally. For example, as noted in paragraph 5.5, it is important for the quantitative indicators in an integrated report to be consistent with the indicators used internally by management and those charged with governance."</b></i></p>
<p><b>Content Elements Section 4</b> Paragraph 4.1 Page 24</p>	<p>"An integrated report includes the following eight Content Elements, <b>answering the question posed below for each:</b></p> <p>[...] and in doing so, takes account of: I General reporting guidance"</p>	<p><b>Content Elements Section 4</b> Paragraph 4.1 Page 38</p>	<p>"An integrated report includes eight Content Elements, <b>posed in the form of questions to be answered.</b></p> <p><b>In doing so, it takes into account the general reporting guidance in Chapter 5."</b></p>

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<p><b>Content Elements</b> <b>Section 4A</b> <b>Organizational overview and external environment</b> Paragraph 4.5 Page 24</p>	<p>“An integrated report identifies the organization’s mission and vision, and provides essential context by identifying matters such as:” [...]</p>	<p><b>Content Elements</b> <b>Section 4A</b> <b>Organizational overview and external environment</b> Paragraph 4.5 Page 39</p>	<p>“An integrated report identifies the organization’s <b>purpose</b>, mission and vision, and provides essential context by identifying matters such as:” [...]</p>
<p><b>Content Elements</b> <b>Section 4C Business model</b> Paragraph 4.19 Page 26</p>	<p>“An integrated report describes key outcomes, including:</p> <p>[...] Both positive outcomes (i.e., those that result in a net increase in the capitals and thereby create value) and negative outcomes (i.e., those that result in a net decrease in the capitals and thereby <b>diminish</b> value).”</p>	<p><b>Content Elements</b> <b>Section 4C Business model</b> Paragraph 4.19 Page 42</p>	<p>“An integrated report describes key outcomes. <b>Outcomes are the internal and external consequences (positive and negative) for the capitals as a result of an organization’s business activities and outputs.</b> [...] Both positive outcomes (i.e. those that result in a net increase in the capitals and thereby create value) and negative outcomes (i.e. those that result in a net decrease in the capitals and thereby <b>erode</b> value).”</p>
		<p><b>Content Elements</b> <b>Section 4C Business Model</b> Page 43 <b>Inclusion of blue box</b></p>	<p><b>A simple example illustrates the distinction between outputs and outcomes, and the importance of a balanced consideration of outcomes.</b></p> <p>“An automotive manufacturer produces internal combustion engine cars as its core output. Positive outcomes include increases in financial capital (through profits to the company and supply chain partners, shareholder dividends and local tax</p>

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			<p>contributions) and enhanced social and relationship capital (through improved brand and reputation, underpinned by satisfied customers and a commitment to quality and innovation).</p> <p>Negative outcomes include adverse consequences for natural capital (through product-related fossil fuel depletion and air quality reduction) and reduced social and relationship capital (through the influence of product-related health and environmental concerns on social licence to operate)."</p>
		<p><b>Content Elements</b> <b>Section 4C Business Model</b> Paragraph 4.20 Page 43</p>	<p>"An integrated report presents outcomes in a balanced way. Where practicable, it supports the organization's assessment of the use of and effects on the capitals with qualitative and quantitative information (see paragraphs 1.11, 3.44-3.45, 5.6-5.7.)"</p>
<p><b>Section 4I General reporting guidance under Content Elements.</b></p>		<p><b>Section 5 General Reporting Guidance is a standalone section (pp. 49-52).</b></p>	
<p><b>Content Elements</b> <b>Section 4I General reporting guidance</b> Paragraph 4.52 Page 30</p>		<p><b>Section 5 General Reporting Guidance</b> <b>Disclosure of material matters</b> Paragraph 5.4 Page 50</p>	<p>"[...] nor is Figure 2 intended to be a fixed template for disclosure purposes. It is important that disclosures are specific to the circumstances of the organization."</p>

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<b>Glossary</b>			
<b>Those charged with governance</b> Page 33		<b>Those charged with governance</b> Page 54	“[...] For some organizations and jurisdictions, those charged with governance may include executive management.”
<b>Appendix – Summary of requirements</b>			
		<b>Responsibility for an integrated report</b> Paragraph 1.20 Page 55	Paragraph 1.20 has been updated following the changes, in the same paragraph, on Page 14.

**Please also note that:**

- The acronym ‘KPI/KPIs’ has been substituted with ‘key performance indicator/key performance indicators’
- ‘This Framework’ has been substituted with ‘The <IR> Framework’
- <IR> has now been replaced by ‘integrated reporting’
- Following the introduction of Section 5, paragraphs from 4.49 to 4.62 in the 2013 Framework version have been re-numbered.
- Reference to “value creation, [preservation or erosion](#)” has been changed/added in the following sections:
  - o About the IIRC (p. 1)
  - o About integrated reporting (p. 3)
  - o An Integrated Report (p. 5)

- Fundamental Concepts (p. 6)
- Section 1A, para. 1.1 (p. 10)
- Section 1C, para. 1.7 (p. 11)
- Section 1D, para. 1.11 (p. 12)
- Section 1E, para. 1.13 (p. 12)
- Section 2A, para. 2.2 (p. 15)
- Section 2A, para. 2.3 (p. 15)
- Section 2B (p. 16)
- Section 2B, para. 2.4 (p. 16)
- Figure 1 (p. 16)
- Section 2C, para. 2.17 (p. 20)
- Section 2D, para. 2.20 (p. 21)
- Figure 2 (p. 22)
- Section 2D, para. 2.29 (p. 23)
- Section 3D, para. 3.22 (p. 30)
- Section 3D, para. 3.25 (p. 30)
- Glossary, Integrated report (p. 53)
- Glossary, Integrated reporting (p. 53)
- Glossary, Integrated thinking (p. 53)
- Glossary, Value creation, preservation or erosion (p. 54)

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