
Integrated Reporting and Connectivity Council

Date **26 June 2024**

Project **Integrated Reporting**

Topic **A story of continued progress**

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Key message

1. Members of the IASB and the ISSB support the continued adoption and use of the Integrated Reporting Framework consistent with the [statement](#) released by the board chairs in May 2022.

Background

2. The Integrated Reporting Framework and Integrated Thinking Principles became part of the IFRS Foundation's suite of materials in August 2022 when the Value Reporting Foundation was consolidated with the IFRS Foundation. The IASB and ISSB have joint responsibility for these resources, while the Integrated Reporting and Connectivity Council (IRCC) provides advice to the IFRS Foundation Trustees and both boards.
3. The Integrated Reporting Framework was first released in 2013 and revised in 2021. Market analysis indicates that over 2,500 companies have adopted the Integrated Reporting Framework across more than 70 jurisdictions. It is used to explain to investors how a company creates, erodes or preserves value over the short, medium and long-term.

How the Integrated Reporting Framework is used today

4. The IASB and ISSB have used the Integrated Reporting Framework either directly in their standard-setting work or in consideration of existing and future projects. The ISSB has incorporated concepts from the Integrated Reporting Framework into its inaugural standards IFRS S1 and IFRS S2. This includes core concepts that determine the scope of what the ISSB Standards cover (taken from the ‘capitals’), the focus on governance and concepts of connections in information.
5. The Integrated Reporting Framework has also influenced the Exposure Draft of the Practice Statement for Management Commentary (Management Commentary) issued by the IASB. In June 2024, the IASB voted unanimously to finalise the Management Commentary project which it described as, “a stepping stone to greater integration in reporting in the future”. The IRCC will be consulted to inform the finalisation process (beginning at this meeting).
6. This message is consistent with the ISSB’s decision to proceed with two research projects resulting from its agenda consultation, reflecting market demand to focus on developing more specific sustainability-related disclosures for capital markets. In making this decision ISSB members reiterated their support for the continued use and adoption of the Integrated Reporting Framework. While a specific integration in reporting project would not be a priority *at this time*, the ISSB would monitor how integrated reports make use of IFRS S1 and S2 as part of a package of disclosures for capital markets and monitor developments in integrated reporting.
7. A [mapping tool](#) has been developed, available on the ISSB’s Knowledge Hub, showing the fit between the IR Framework’s content elements and the disclosure requirements in IFRS S1 and S2.

Advisory body to the IFRS Foundation

8. In 2022, the Integrated Reporting and Connectivity Council (IRCC) was established by the IFRS Foundation as a successor body to the International Integrated Reporting Council (IIRC). The IRCC is an advisory body to both the IASB and ISSB as well as to the IFRS Foundation's Trustees. It has held six meetings which have been well attended both by its members and the leadership of both Boards. The IRCC is chaired by Charles Tilley, a former IIRC CEO, while IFRS Foundation Trustee Suresh Kana is Vice-Chair.
9. The IRCC provides a useful bridge between the integrated reporting stakeholder community and the IFRS Foundation and is a valuable forum for discussion on topics related to integrated thinking, integrated reporting and developments in broader corporate reporting. Originally established for two years, the Trustees have decided to extend the IRCC's mandate until July 2026 enabling further engagement with the standard setting boards and Trustees.

Integrated Reporting Framework and other technical materials

10. The Integrated Reporting Framework, Integrated Thinking Principles and other technical documents are now the intellectual property of the IFRS Foundation. These materials are the joint responsibility of the IASB and ISSB.
11. Concepts from the Integrated Reporting Framework have been used in IFRS S1 and IFRS S2 and a guide has been prepared to assist preparers using the Integrated Reporting Framework *How to apply the Integrated Reporting Framework with IFRS S1 and IFRS S2: A mapping tool*. The *Transition to integrated reporting A guide to getting started* document has been updated to include references to IFRS S1 and IFRS S2.

Communications

12. Within the IFRS Foundation, the Integrated Reporting and Connectivity team (which reports to the Vice-Chairs of the IASB and ISSB) is responsible for ensuring that the IFRS Foundation is communicating effectively with stakeholders on integrated thinking and reporting. In addition to a dedicated web presence and support from the IFRS Foundation's communications team, there are structured communication channels which include:
- (a) **IR Community Leaders programme** – regular webinars and communications with our 28 integrated reporting communities in a variety of jurisdictions, including the USA, Japan, South Africa, Italy and Australia.
 - (b) **Integrated Thinking and Strategy Group** – a business-led group that hosts discussions on the practice of integrated thinking which has produced valuable case studies.
 - (c) **Integrated Thinking and Reporting Conference** – an annual flagship event that brings together the global IR community, practitioners, investors, academics and other stakeholders with the IFRS Foundation leadership to share best practice and promote the latest developments in corporate reporting. In 2024 the conference will be held in Milan, Italy on 18 October in partnership with the OIBR Foundation.
13. In addition to the board chairs' statement, Sue Lloyd, Vice-Chair of the ISSB, and Linda Mezon-Hutter, Vice-Chair of the IASB, have been active in communicating their support for integrated thinking and reporting as well as their appreciation of the role of the IR communities in providing ongoing support and advice. This [podcast](#) is a recent example of such advocacy.