Integrated Reporting
<IR>

Paul Druckman

- Chairman, Executive Board - The Prince's Accounting for Sustainability Project (**A4S**)
- Co-chair, IIRC Working Group

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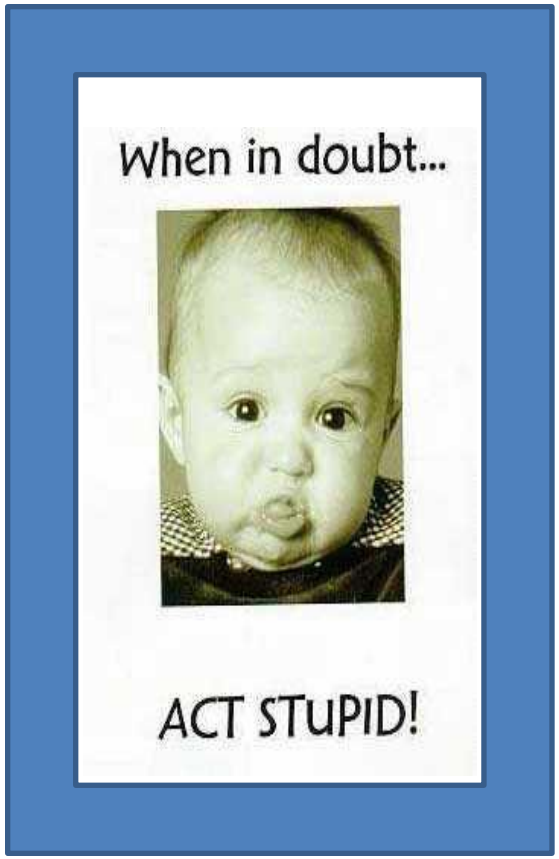

"There was a time when we could say that there was either a complete lack of knowledge, or at least room for doubt, about the consequences for our planet of our actions.

That time has gone. We now know all too clearly what we are actually doing and that we need to do something about it urgently. Better accounting must be part of that process."

HRH The Prince of Wales

The world has never faced greater challenges and the decisions taken in tackling these issues need to be based on clear and comprehensive information;

but, as The Prince of Wales has said, we are at present "**battling to meet 21st century challenges with, at best, 20th century decision making and reporting systems**".

George Osborne

speaking at the A4S Forum

December 2010

'I want to be crystal clear with you today and tell you that **I fully support your initiative**. What's more, for some time now I have advocated the principles which underpin your project. Economists will tell you that complete and perfect information, as well as assignable property rights, are the way to deal with environmental market failures. To put it in a language the rest of us will understand – we need to know what the problem is before we can set about finding a solution. **Better and fuller information is a crucial first step towards promoting environmental sustainability**. As some you will know, **the Government is on course to formally introduce many elements of the Accounting for Sustainability approach into our own accounts.'**

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A4S - The Prince's Accounting for Sustainability Project

- established in December 2004 by HRH The Prince of Wales
- aim to help organisations tackle the challenges of sustainability, in particular, considering the role of information and accounting
- Focused on three areas:
  - www.sustainabilityatwork.org
  - www.connectedreporting.accountingforsustainability.org/
  - www.accountingforsustainability.org

Evolution of reporting

1960

1980

2000

2020

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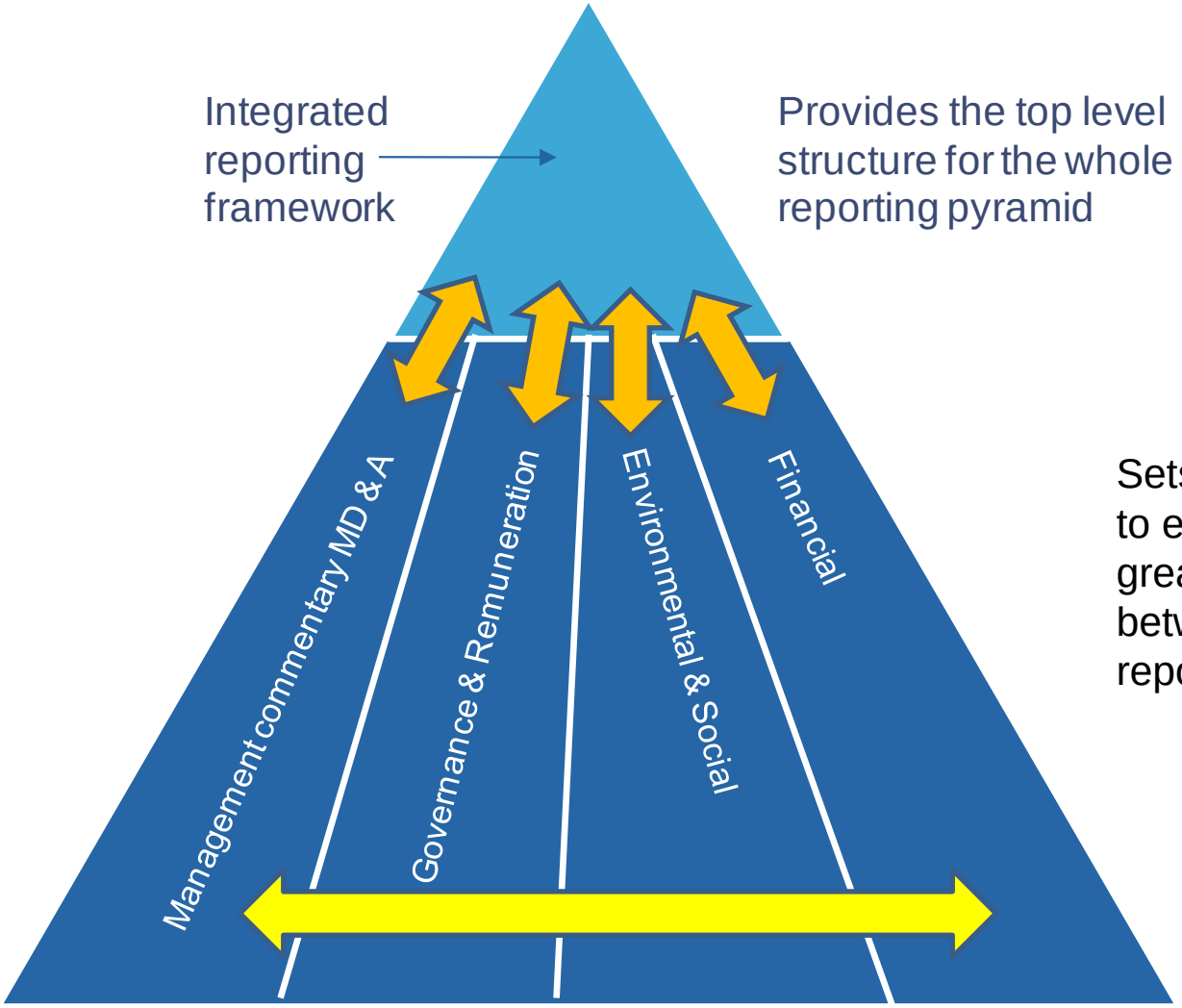
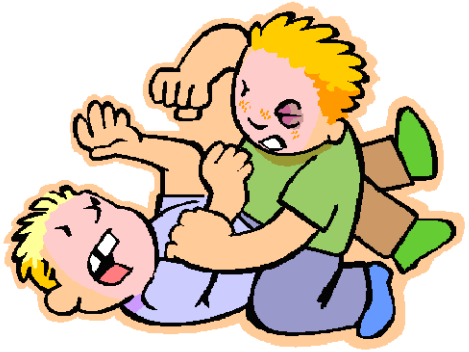
Integrated Reporting – focussing on the top slice



Sets a framework to encourage greater linkage between existing reporting silos.



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Why the IIRC was established

- **Bring together** financial standard setters (IASB, FASB, IFAC), securities regulators (IOSCO) and sustainability standard setters (GRI, AccountAbility) with representatives from companies, investors and civil society to develop and implement an integrated reporting model

- **Facilitate convergence** to increase consistency, avoid reporting burden and enable comparability on an international basis

"To create a globally accepted Integrated Reporting framework which brings together financial, environmental, social and governance information in a clear, concise, consistent and comparable format. The aim is to help with the development of more comprehensive and comprehensible information about organizations, prospective as well as retrospective, to support transition to a more sustainable global economy."

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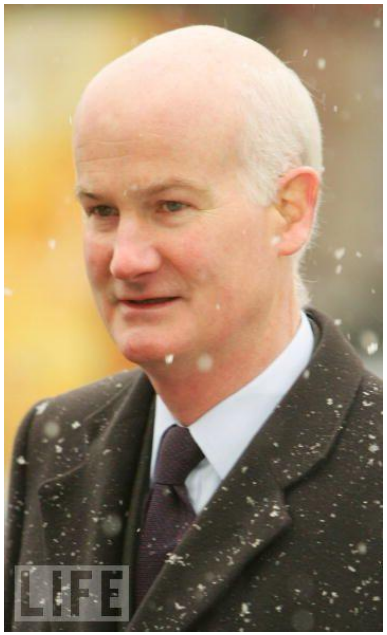

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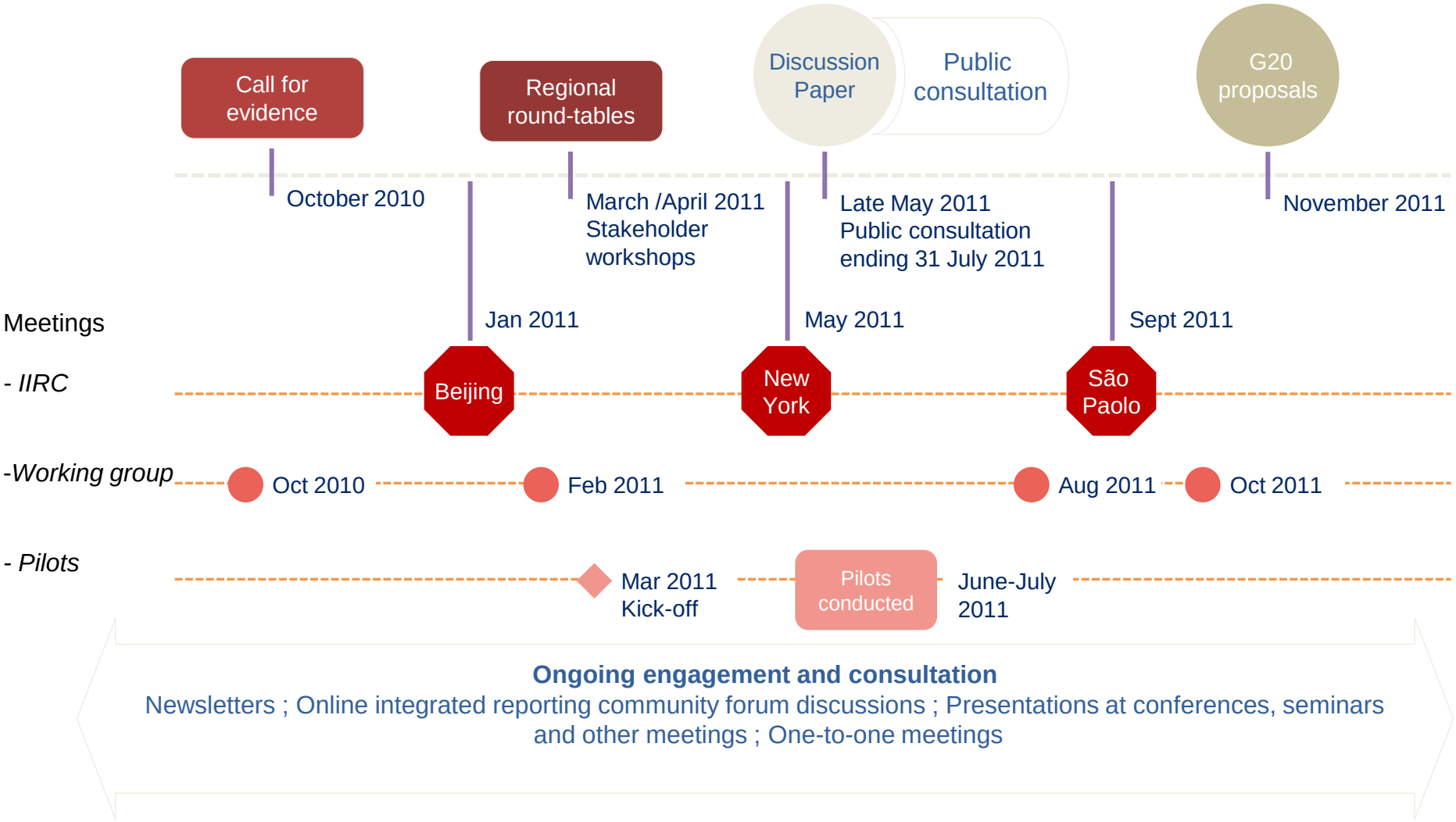
IIRC Membership - extract

- Sir Michael Peat, Principal Private Secretary to TRH The Prince of Wales and The Duchess of Cornwall (Chairman)
- Professor Mervyn King, Chairman, King Committee on Corporate Governance and Chairman, GRI (Deputy Chairman)
- Charles A. McDonough, Vice President and Controller, The World Bank
- Göran Tidström, President, IFAC
- Professor Nelson Carvalho, Universidade de São Paulo, Brazil Chairman, 25th Session of UNCTAD's ISAR
- Paul Clements-Hunt, Head of Unit, UNEP FI
- Jane Diplock, Chairman of the New Zealand Securities Commission and Executive Committee of the IOSCO
- Robert Eccles, Professor of Management Practice, Harvard Business School
- Leslie Seidman, Chairman, FASB
- Ishaat Hussain, Chief Financial Officer, Tata
- Professor Angelien Kemna, Chief Investment Officer, APG
- Huguette Labelle, Chair, Transparency International
- Dennis Nally, Chairman, PricewaterhouseCoopers International Limited
- Edward Nusbaum, CEO, Grant Thornton International
- Atsushi Saito, President & CEO, Tokyo Stock Exchange Group, Inc
- Rick Samans, Managing Director, WEF and Chairman, CDSB
- Jim Singh, Chief Financial Officer, Nestle
- Sir David Tweedie, Chairman, IASB
- Christy Wood, Chair, ICGN

Key milestones



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