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Integrated Reporting—articulating a future path

As we are progressing with the Value Reporting Foundation (VRF) consolidation process, and after the [IFRS Foundation clarified its plans for the SASB Standards](#), the International Accounting Standards Board (IASB) Chair Andreas Barckow and International Sustainability Standards Board (ISSB) Chair Emmanuel Faber have communicated plans for the future role, governance and development of the VRF's [Integrated Reporting Framework](#) and [Integrated Thinking Principles](#). These plans and the future role of the Integrated Reporting Council in the IFRS Foundation are as follows:

The Integrated Reporting Framework

- The Integrated Reporting Framework will become part of the materials of the IFRS Foundation.
- The Integrated Reporting Framework will initially be positioned as a voluntary resource for preparers and have a prominent place on the Foundation's website.
- The IFRS Foundation and the Chairs of the IASB and ISSB actively encourage the continued adoption of the Integrated Reporting Framework by preparers.

Governance

- On consolidation of the VRF, the IASB and the ISSB will assume responsibility for the Integrated Reporting Framework.
- The Chairs and Vice-Chair(s) of the IASB and the ISSB undertake that the IASB and the ISSB (the boards) will work together to agree on how to build on and integrate the Integrated Reporting Framework into their standard-setting projects and requirements.¹ This work could include joint projects undertaken by the IASB and the ISSB to evolve and enhance the Integrated Reporting Framework resulting in the publication of materials applicable to both boards.

Communication to the market

- The IFRS Foundation will undertake an engagement programme to help market participants understand the process of transitioning the Integrated Reporting Framework to a resource used by both boards, as well as advocating for the use and development of Integrated Thinking Principles.

Building on the Integrated Reporting Framework

- The IASB and ISSB will utilise principles and concepts from the Integrated Reporting Framework in their standard-setting work.¹ This includes seeking opportunities to align and incorporate the concepts in the Integrated Reporting Framework with similar concepts in the IASB and SASB conceptual frameworks into a cohesive whole.
- It is recognised that there are similarities and differences between the Integrated Reporting Framework and Management Commentary. The Chairs of the IASB and ISSB commit to considering opportunities to address this.
- The Chairs of the IASB and ISSB commit to a long-term role for a corporate reporting framework, incorporating principles and concepts from the current Integrated Reporting Framework. A corporate reporting framework would provide guidance to companies on how to prepare an integrated report and/or otherwise support connectivity between the reporting required by the IASB and the ISSB. This would enable connected, holistic and cohesive corporate reporting.
- Market consultation will inform the timing and approach to the future development of the Integrated Reporting Framework through the IFRS Foundation's due process.
- On consolidation of the VRF, the current Integrated Reporting Framework Board will conclude. Its members will be invited to participate in advisory bodies established for projects that build on the Integrated Reporting Framework to provide input on how principles and concepts from the Integrated Reporting Framework could be utilised.

The Integrated Thinking Principles

- The Integrated Thinking Principles will become materials of the IFRS Foundation and have a prominent place on the Foundation's website.
- The IFRS Foundation and the Chairs of the IASB and the ISSB encourage the continued use of the Integrated Thinking Principles and engagement by stakeholders in developing them as practical guidance that will enhance the quality of corporate governance and reporting.

The Integrated Reporting Council

- On consolidation of the VRF, the Integrated Reporting Council will become an advisory body to the IFRS Foundation Trustees and both boards. The Council will provide advice on how the reporting required by the IASB and the ISSB should be integrated and on how

principles from the Integrated Reporting Framework should be considered in relevant projects by the boards.

- The Council will play a crucial role in providing advice and input on the connectivity in the reporting required by the boards to enable the IFRS Foundation to provide a coherent and connected reporting package to jurisdictions, supporting global adoption.
- The Council will continue in this role for two years. At the expiry of two years the need for the separate Council will be reviewed by the Trustees of the IFRS Foundation. Considerations for the review will include the work undertaken to date in relation to the Integrated Reporting Framework and membership of the IFRS Advisory Council.

Statement by Andreas Barckow, Chair of the IASB, and Emmanuel Faber, Chair of the ISSB:

We are convinced that the Integrated Reporting Framework drives high-quality corporate reporting and connectivity between financial statements and sustainability-related financial disclosures which improves the quality of information provided to investors. Therefore, we strongly encourage continued use of the Integrated Reporting Framework and the Integrated Thinking Principles underpinning it.

¹Any standard-setting proposals of the IASB or ISSB are subject to due process.

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