



FEE EVENT ON INTEGRATED REPORTING – 30 May 2012

Key takeaways from the roundtable

This document highlights the key takeaways from the FEE Integrated Reporting event organised on 30 May 2012. The main objective of the roundtable was to share ideas and experiences and thereby stimulate further thinking on this topic. The content of these messages should therefore not be seen as a summary of the discussions, nor does it represent the views of the speakers and participants to the roundtable, or any of the organisations they are affiliated with or of FEE and its Members.

The business case for integrated reporting – The world today is very different to when traditional reporting was initiated, due to the profound changes resulting from a period of great economic, financial and demographic development and increasingly apparent limited resources. The financial crisis also highlighted the need for reform and we see that today's corporate reporting model is not entirely fit for purpose anymore. Integrated Reporting (<IR>) could be part of a solution to wider issues, for the future recovery of our economy and the mitigation of environmental damages as well as for companies to become more sustainable and competitive. As companies compete in markets where decisions are taken using reported information, it is fundamental to rely on credible and consistent information, useful for all the stakeholders involved.

A global response to global challenges – Most of the issues at stake (for instance the financial crisis, climate change, child labour) are global in nature and therefore need to be addressed on a global basis.

Pilot Programme – The International Integrated Reporting Council (IIRC) Pilot Programme, where participating companies test proposals and identify issues, provides valuable input to the development of a new approach to better reporting. The IIRC has also established an Investors Network to help ensure that reporting develops in a way that meets the needs of investors.

Greater transparency and explanation of business models – Integrated Reporting is about both achieving better corporate reporting in a changing world and demonstrating how companies deliver on their social responsibility, understanding their business models and giving consideration to the longer term. The business community is playing an increasing role in the transformational changes that society is going through today. Sustainability practices are becoming core to doing business and therefore embedding sustainability into strategic decisions is fundamental. Integrated Reporting can play a role in helping companies integrate strategy and changing their policies. The importance of meaningful disclosures and greater transparency to report on the performance of companies, their business model and on the economic, social and environmental progress generated by businesses is also critical.

Towards integrated reporting – There is still a lot to do. There are crucial questions that need to be looked at to advance the development of a framework for integrated reporting; more work is needed in the following areas: better defining the term economic value and social value of companies together with the questions of "value to whom?" and value by reference to what time period?; the challenge of "monetising", where possible, the environmental impacts and natural resource use; understanding materiality and from whose perspective; given the current reporting landscape how integrating reporting will interact with and, over time, impact existing practices; improving reporting should not be about adding layers of reporting or duplicating.



The role of regulators and the private sector – Policymakers and regulators have a key role to play in particular to support the development of integrated reporting by working together with the private sector and other key stakeholders to build consensus around a shared vision and to develop a roadmap for change.

Further development of the governance of the IIRC, including its balanced representation and relations to other global standard setting organisations, is also an important element in the process and in the next steps towards the development of a framework for integrated reporting and its adoption.

About the event

Speakers at the FEE event:

Jan Peter Balkenende, Partner at Ernst & Young, Professor of Governance, Institutions and Internationalisation at the Erasmus University Rotterdam, former Prime Minister of the Netherlands

Olivier Boutellis-Taft, FEE CEO

Jean-Charles de Lasteyrie, FEE Vice-President and Chairman FEE Integrated Reporting Task Force (IRTF)

Lois Guthrie, IIRC Technical Director

Richard Howitt, MEP, European Parliament Rapporteur on Corporate Social Responsibility

Richard Scurr, Head of Group Finance Operations, **HSBC Holdings plc**

Mark Vaessen, Chairman FEE Financial Reporting Policy Group

Information about the FEE event on Integrated Reporting of 30 May 2012 including the programme and supporting documents can be found at:

http://www.fee.be/news/default.asp?library_ref=2&category_ref=214&content_ref=1504

About FEE Integrated Reporting Task Force

FEE set up a task force drawing on its expertise in financial reporting, corporate governance, sustainability, Small and Medium-sized Enterprises and Small and Medium-sized Practices and auditing. The Task Force analyses relevant developments, raises the profession's awareness and prepares FEE to contribute to these important developments. In January 2012, FEE issued an updated Factsheet on Integrated Reporting, this and further information about the FEE Integrated Reporting Task Force can be found at: http://www.fee.be/currentissues/default.asp?events=True&library_ref=5&category_ref=260&private=False

Further information

For more information about Integrated Reporting and the IIRC, please visit: <http://www.theiirc.org/>