INTEGRATED REPORTING <IR>

Corporate reporting will never be the same.

Henning Dräger
IIRC Relationship Director for Russia
Moscow - 26 April 2013

Who?

What?

Why?

When?

Where?

Wow, let's go.

Regulators, Standards Setters

- IASB
- FASB
- GRI
- CDSB
- IFAC

Stock Exchanges & rating agencies

- IOSCO
- Tokyo Stock Exchange
- London Stock Exchange/100 Group
- NYSE
- JSE
- S&P
- Bloomberg

Investor networks

- UN PRI
- UNEP-FI

Investors

- Uralsib
- Aviva Investors
- Goldman Sachs
- Deutsche Bank
- Norway Sovereign Wealth Fund
- Qatar Sovereign Wealth Fund

Financial

- UNCTAD
- World Bank
- IMF
- SAICA
- S&P, Moody's, Bloomberg

Accounting

- ACCA
- ICAEW
- KPMG, Deloitte, PWC, EY, Grant Thornton, BDO

Civil Society

- Transparency International
- WWF
- WRI

Academia

- Harvard University
- MIRBIS

94 Pilot Programme members

- Rosatom, Rosneft, Uralsib & NIAEP
- Volvo
- Unilever
- Coca Cola
- SAP
- HSBC

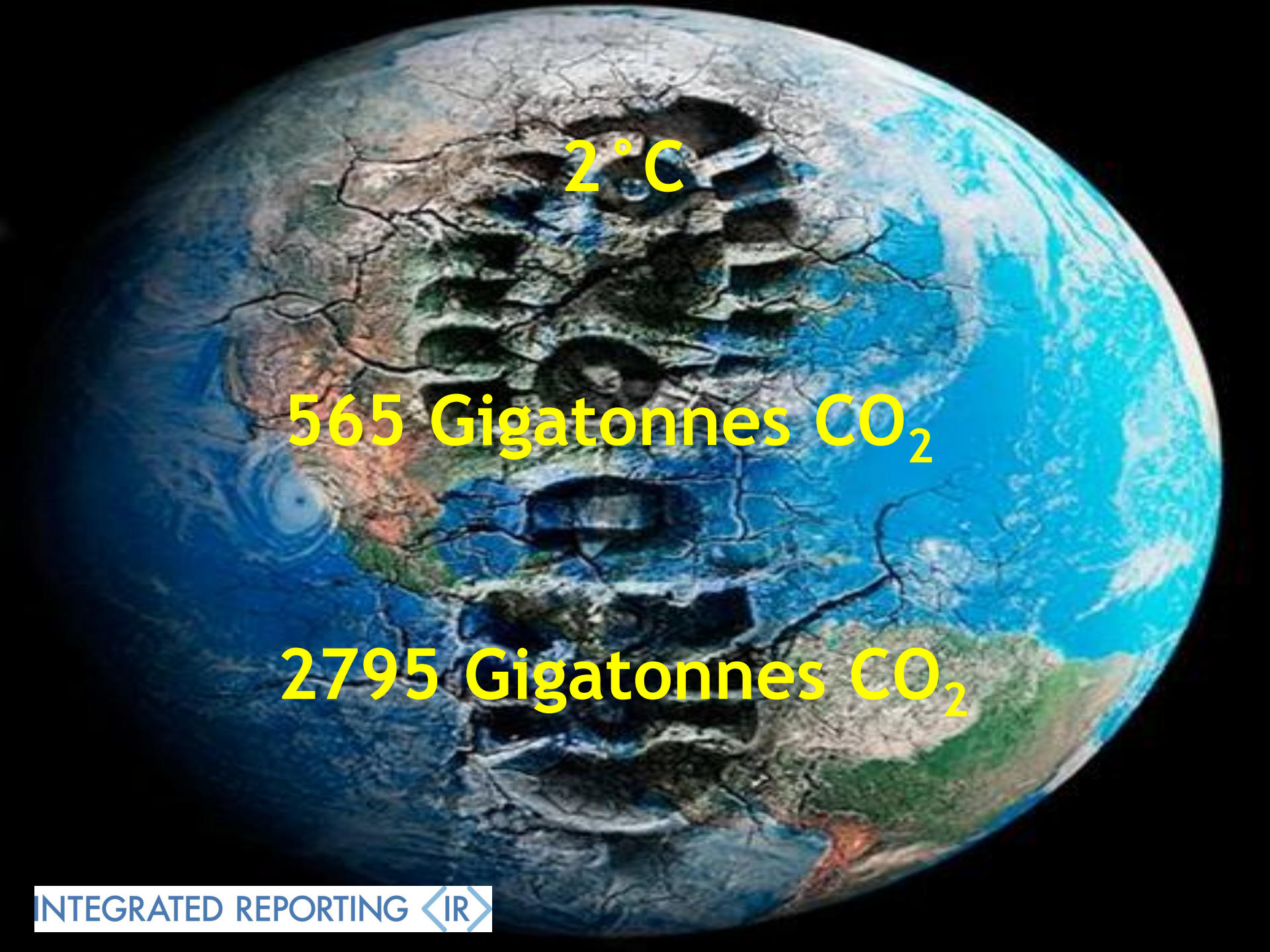

Financial reporting
strategy, governance, performance, prospects
Non-Financial reporting
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concise communication of value


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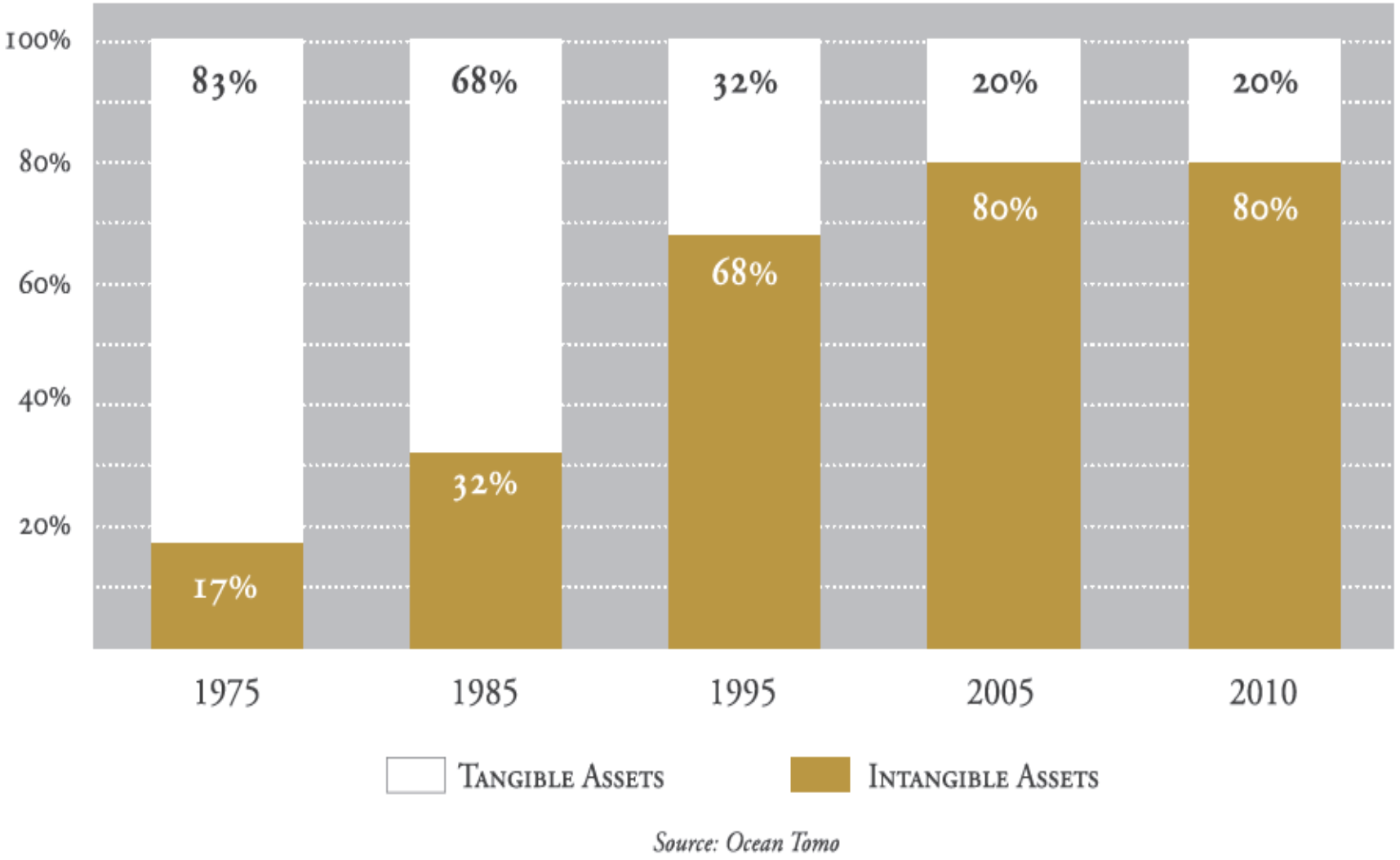

Financial reporting
Mandatory
Established
Global
Non-financial reporting
Voluntary
“New kid on the block”
A luxury?



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STRANDED RUSSIAN ASSETS.
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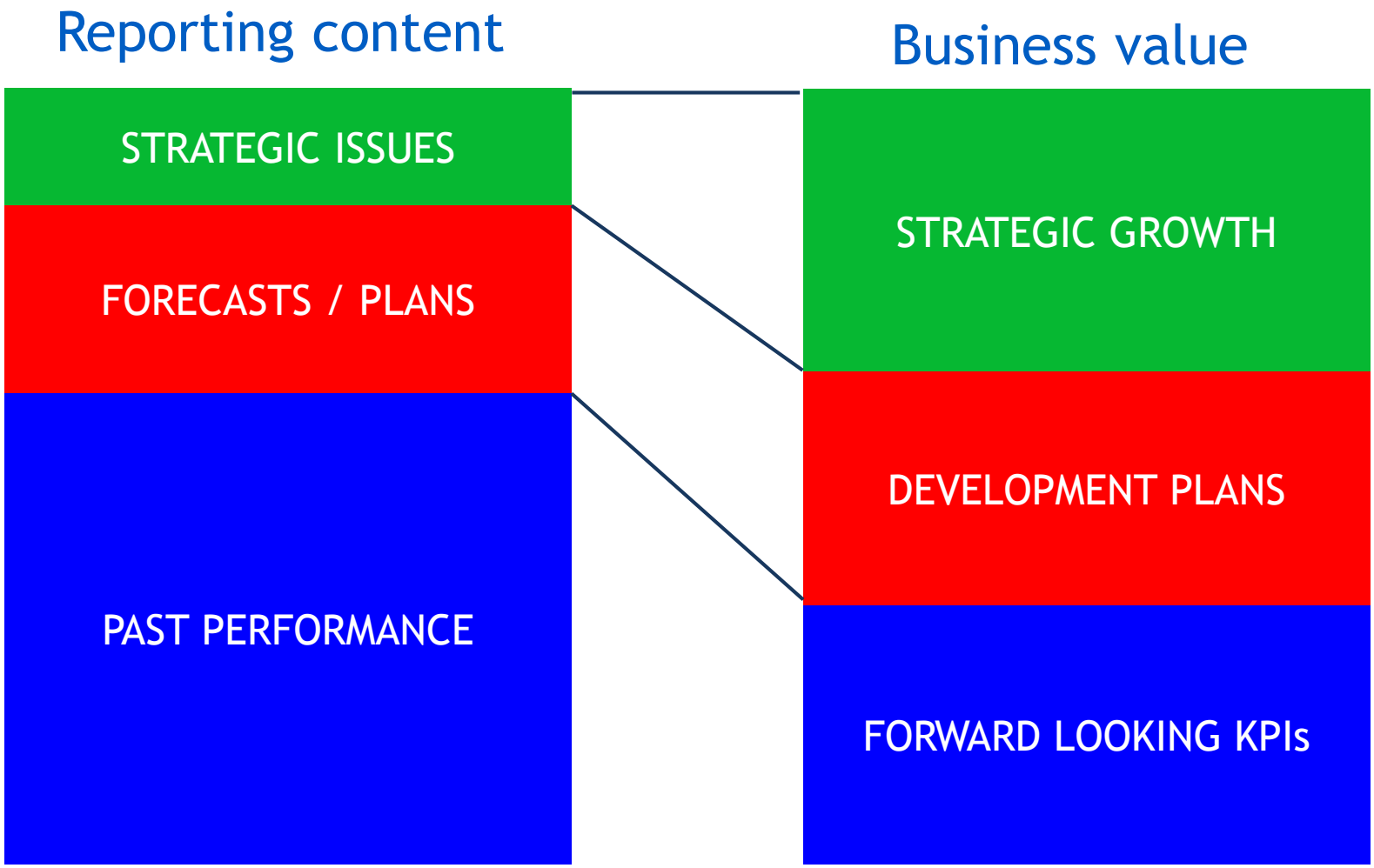
MORE THAN FINANCIALS



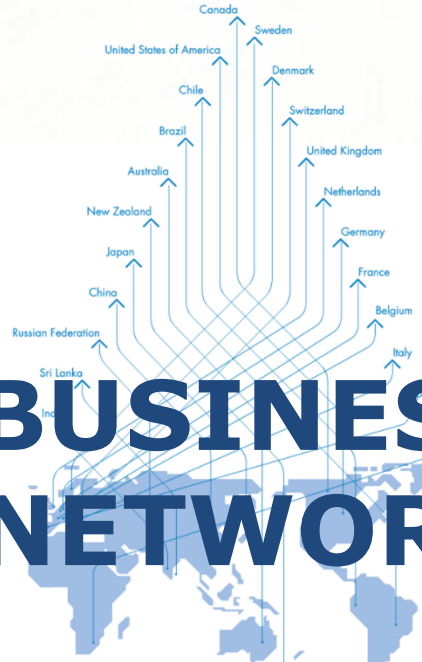
Source: Ocean Tomo

THE REPORTING MISMATCH

An illustration for a typical annual report:



IIRC PILOT PROGRAMME

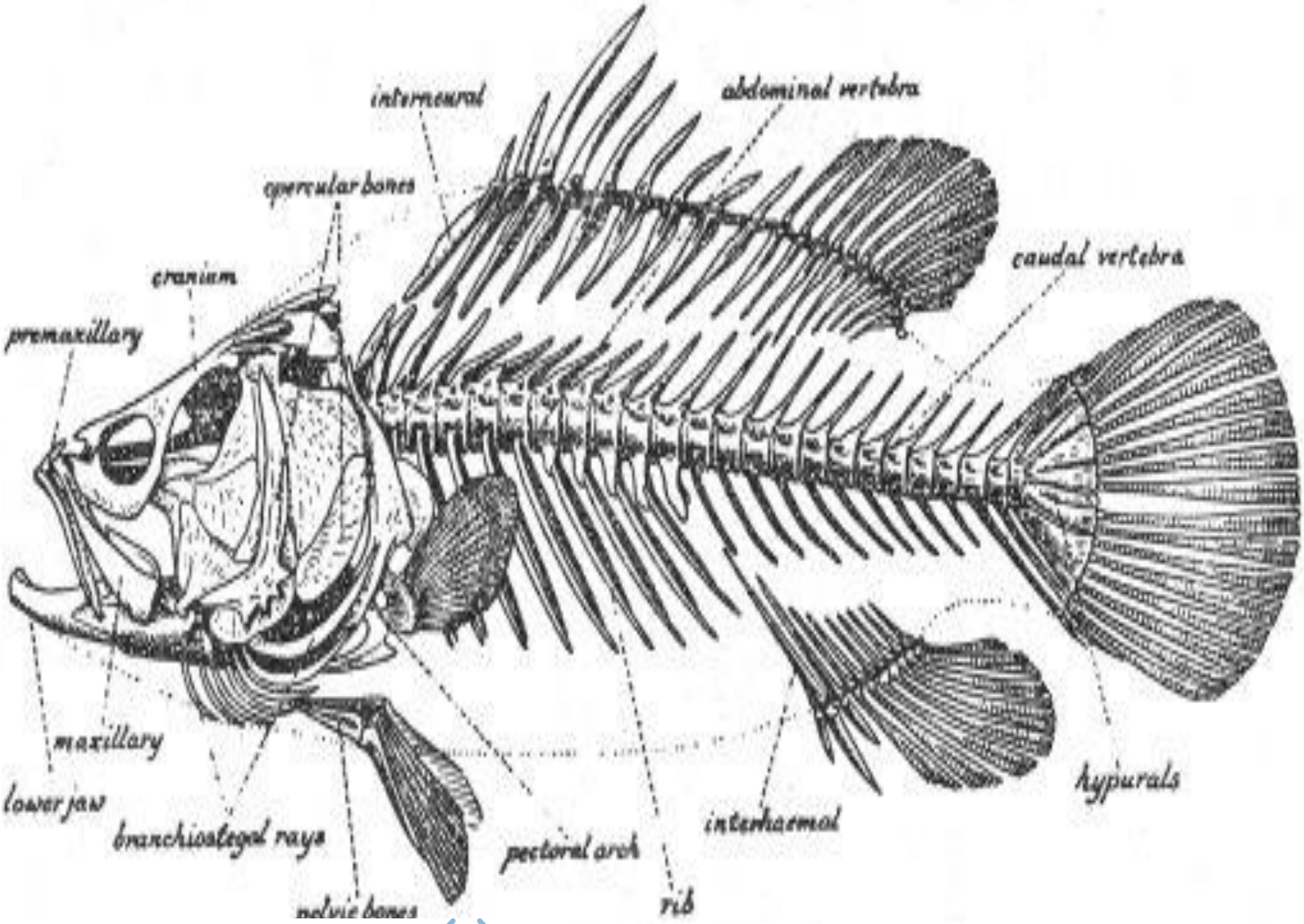


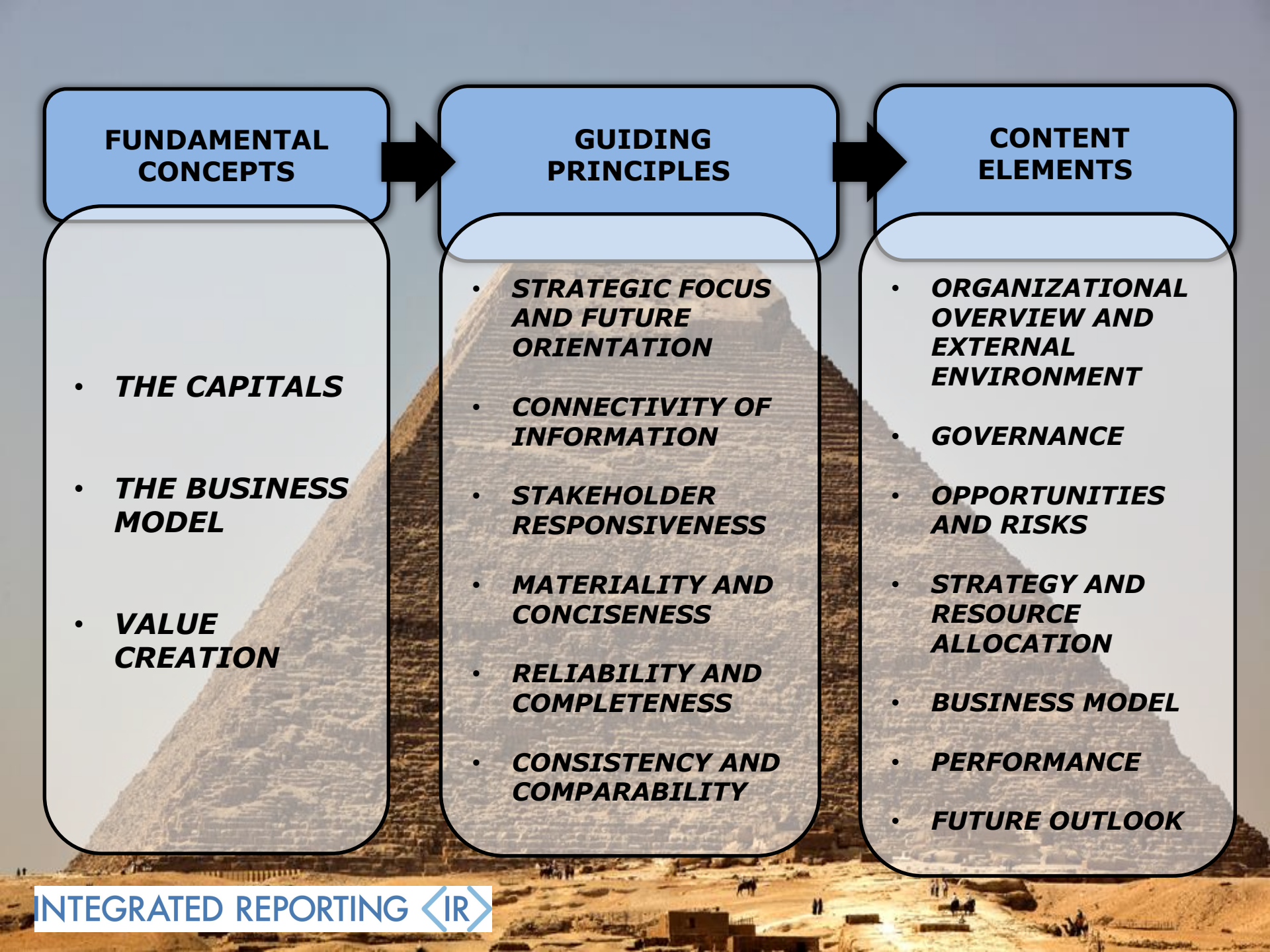
BUSINESS NETWORK



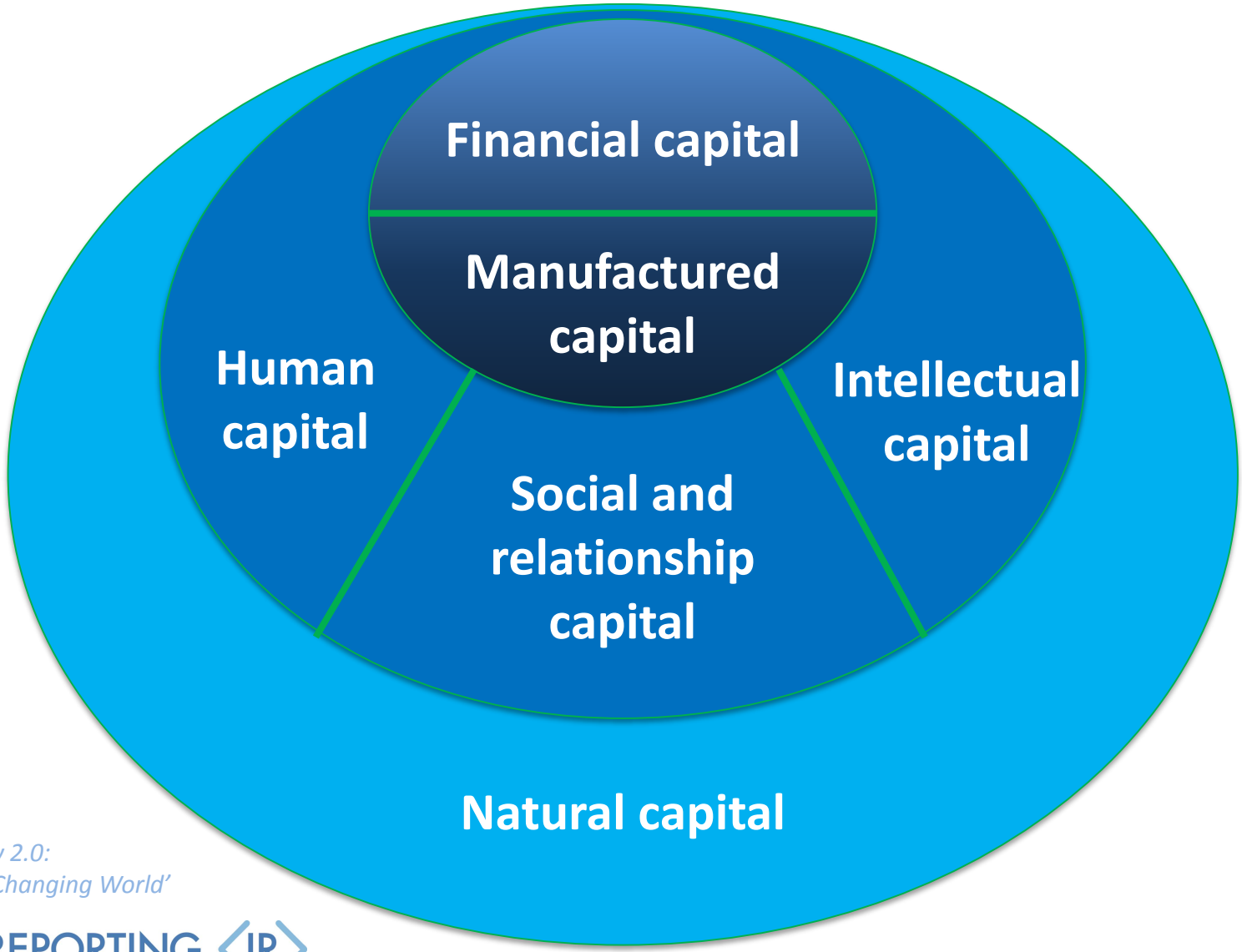
INVESTOR NETWORK

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interneural
abdominal vertebra
opercular bones
caudal vertebra
cranium
premaxillary
maxillary
lower jaw
branchiostegal rays
pectoral arch
rib
pelvic bones
interhaemal
hypurals


FUNDAMENTAL CONCEPTS
THE CAPITALS
THE BUSINESS MODEL
VALUE CREATION
GUIDING PRINCIPLES
STRATEGIC FOCUS AND FUTURE ORIENTATION
CONNECTIVITY OF INFORMATION
STAKEHOLDER RESPONSIVENESS
MATERIALITY AND CONCISENESS
RELIABILITY AND COMPLETENESS
CONSISTENCY AND COMPARABILITY
CONTENT ELEMENTS
ORGANIZATIONAL OVERVIEW AND EXTERNAL ENVIRONMENT
GOVERNANCE
OPPORTUNITIES AND RISKS
STRATEGY AND RESOURCE ALLOCATION
BUSINESS MODEL
PERFORMANCE
FUTURE OUTLOOK
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THE CAPITALS: 1



Source: Incite 'Sustainability 2.0: A Guide to Competing in a Changing World'

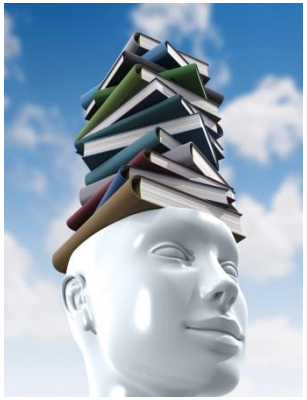
FUNDAMENTAL CONCEPTS:THE CAPITALS: 2



FINANCIAL:
The pool of funds available to an organization for use in production of goods or the provision of services.



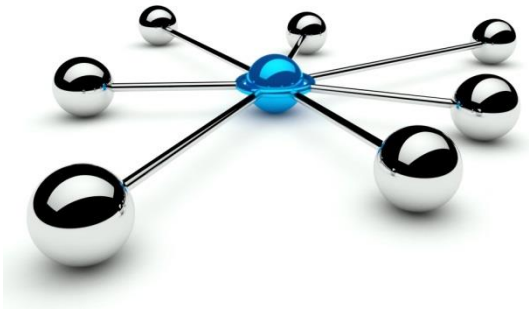
MANUFACTURED:
Manufactures physical objects for use in the production of goods and service.



INTELLECTUAL:
Organizational, knowledge-based intangibles.

FUNDAMENTAL CONCEPTS:THE CAPITALS: 3





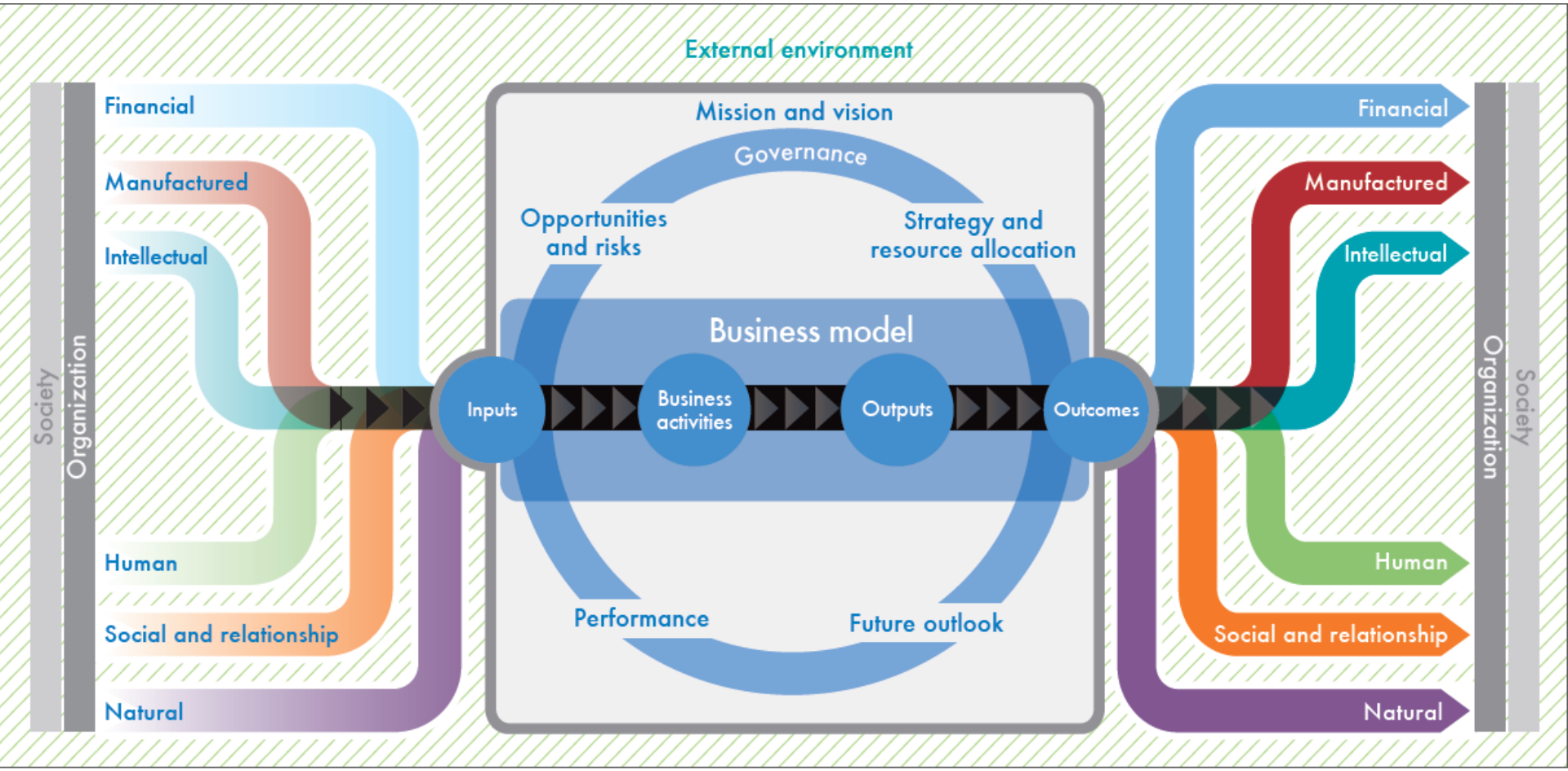


HUMAN:
People competencies, capabilities and experience and their motivations to innovate.

SOCIAL AND RELATIONSHIP:
The institutions and relationships established within and between each community, group of stakeholders and other networks, and the ability to share information, to enhance individual and collective well being.

NATURAL:
All renewable and non-renewable environmental stocks that provide goods or services that support the past, current or future prosperity of an organization.

BUSINESS MODEL



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FUNDAMENTAL CONCEPTS: CREATING VALUE

<IR> explains how an organization creates value over time.

- *Organizations can create and maximize value by serving the interests of and working with all major stakeholders*
- *Value is created or destroyed through the capitals*
- *Value manifests in financial returns to investors as well as effects on other capitals and other stakeholders*



GUIDING PRINCIPLES

1. *Strategic Focus and Future Orientation*
2. *Connectivity of Information*
3. *Stakeholder Responsiveness*
4. *Reliability and completeness*
5. *Materiality and Conciseness*
6. *Consistency and Comparability*

CONTENT ELEMENTS

An integrated report is required to stand alone as a concise communication.

The requirements with respect to the Content Elements are expressed as questions that should be answered in an integrated report in a way that best expresses the organization's unique value creation story and makes the connections between the Content Elements apparent.

They are not intended to appear in a set sequence or as isolated, standalone sections.



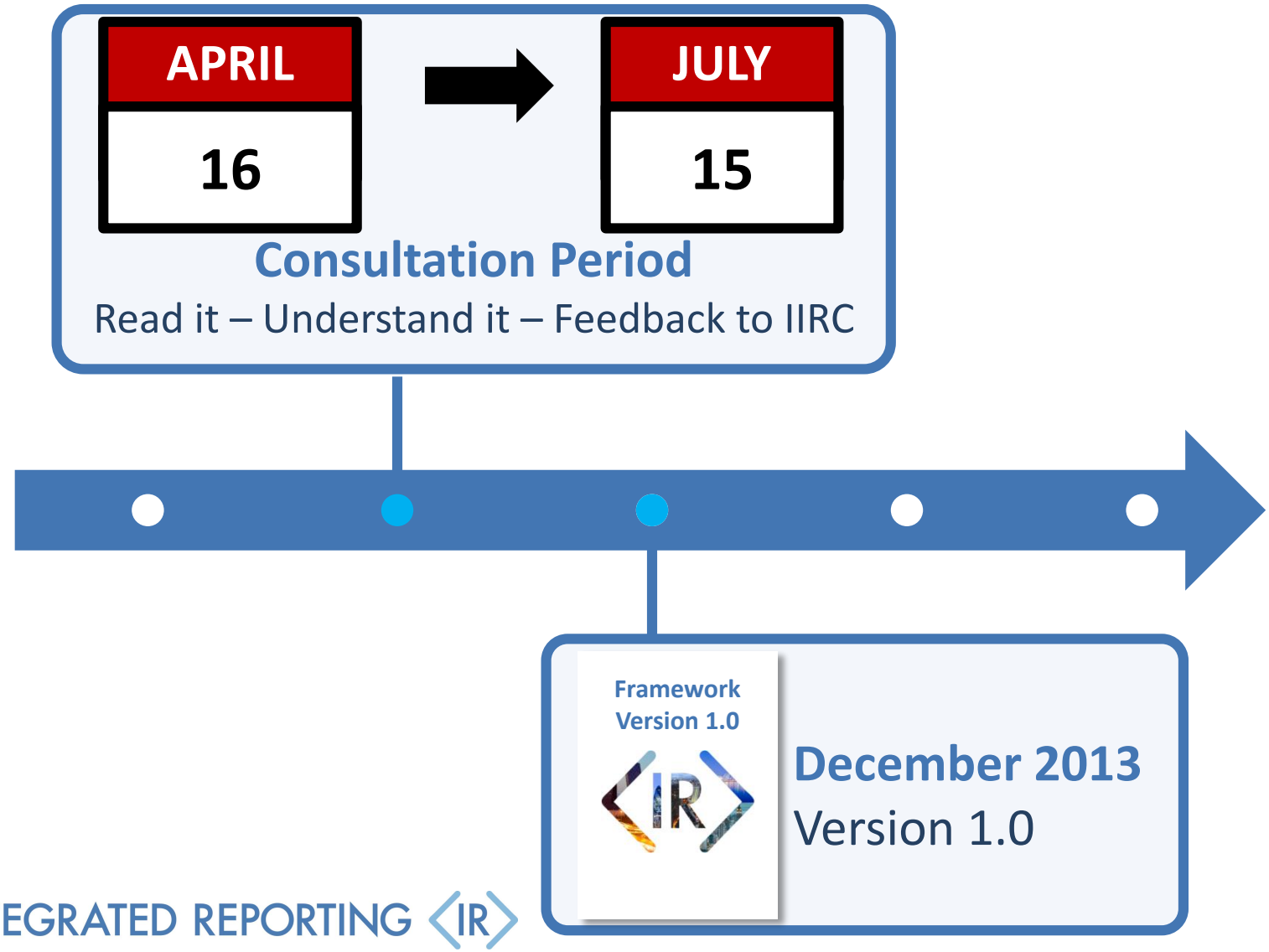

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BUSINESS



FRAMEWORK DEVELOPMENT



Russian IR Framework stakeholder feedback event

- State University of Economics and Finance, St Petersburg
- 23 May

IR and G20 roundtable

- Moscow Stock Exchange
- July (tbc)

IIRC at the G20

- St. Petersburg
- Early September (tbc)

How to respond beyond today?

- *Go to the IIRC website*

www.theiirc.org/consultationdraft2013

- *Download the PDF feedback form*
- *Complete the feedback form (English only)*
- *Press "submit to the IIRC" button at the bottom of the form*

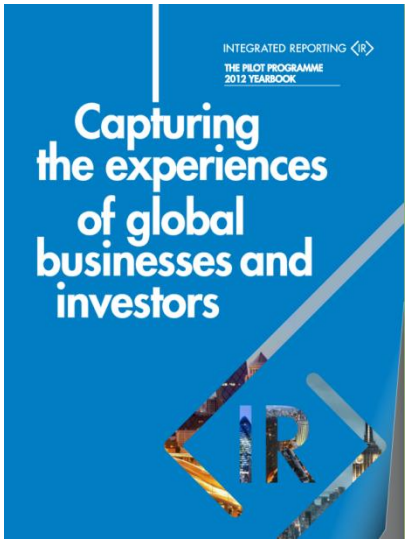
All responses will be published on the IIRC website after the close of the consultation period.

CURRENT IIRC RESOURCES









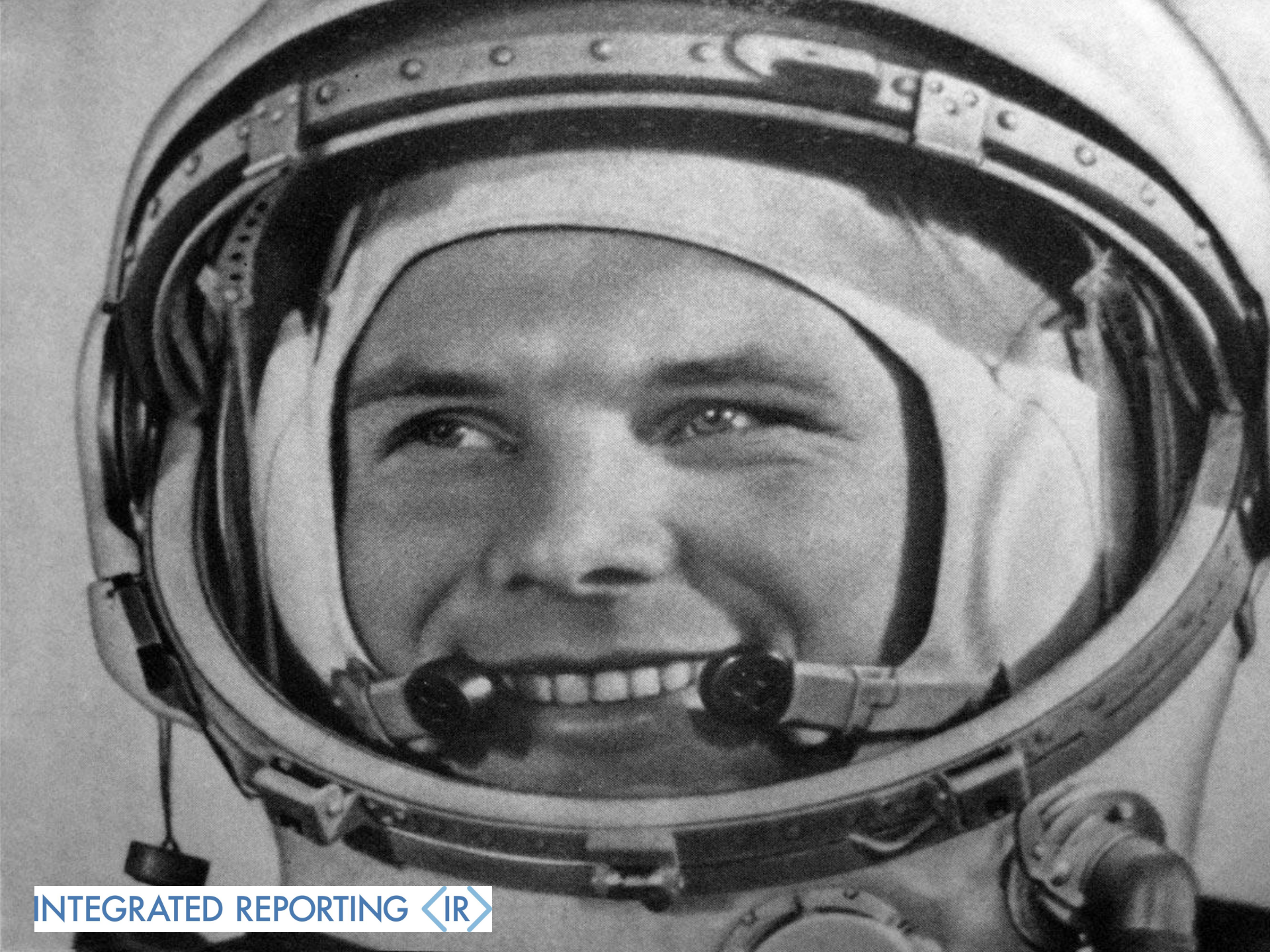
Emerging <IR> Database

Behavioural Change Report

Background Papers

IIRC Pilot Programme Yearbook

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СПАСИБО.

INTERNATIONAL INTEGRATED REPORTING COUNCIL (IIRC)

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