



# SYMPOSIUM INTERNATIONAL

## Évaluation et valorisation des actifs immatériels

6 et 7 octobre 2011 - Paris

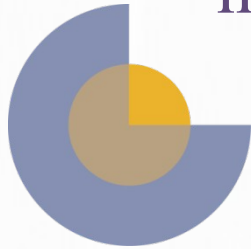


ORGANISATEURS



PARTENAIRES

# Une initiative internationale sur le reporting intégr 



 Paul DRUCKMAN, Chairman de l'IIRC

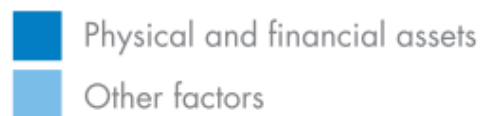
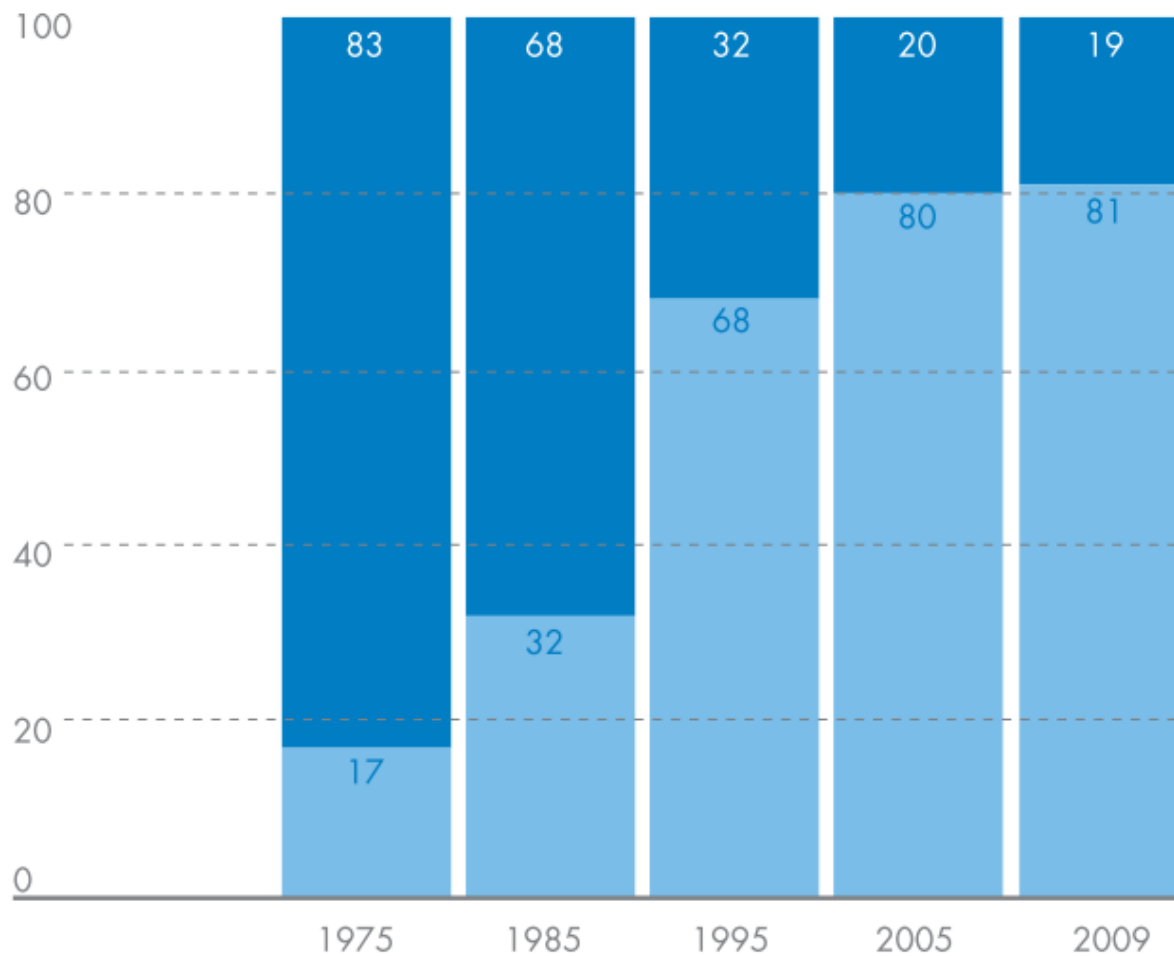


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TOWARDS INTEGRATED REPORTING  
Communicating Value in the 21st Century



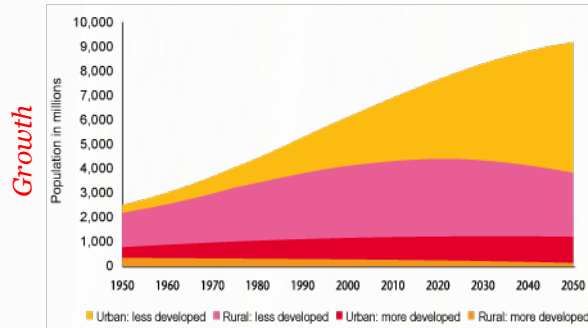
## Components of S&P 500 market value



# The world has changed – reporting must too

## The world population is increasingly urban

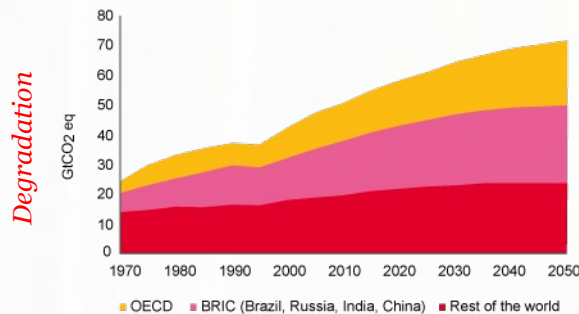
Global population by type of area and by region: 1950-2050



Source: UN Population Division, *World Population Prospects: The 2008 Revision*, 2008

## Greenhouse gas emissions keep rising

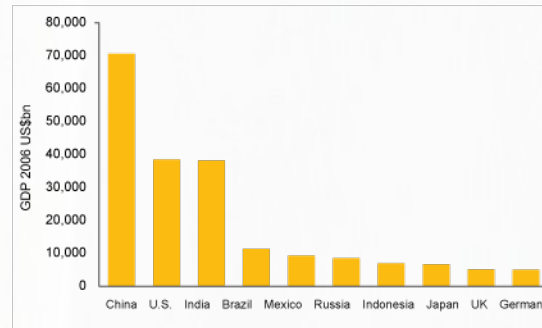
GHG emissions by regions



Source: UN Population Division, *World Population Prospects: The 2008 Revision*, 2008

## Global economic power is shifting

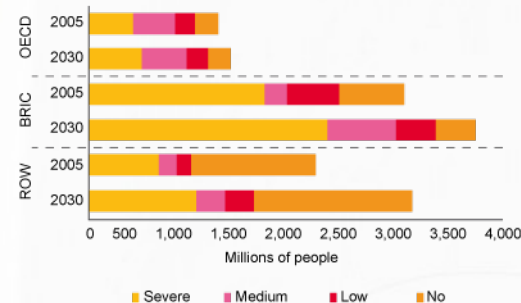
Top 10 economies by GDP in 2050



Source: Goldman Sachs, *BRICs and Beyond*, 2007

## Environmental degradation jeopardises people's quality of life

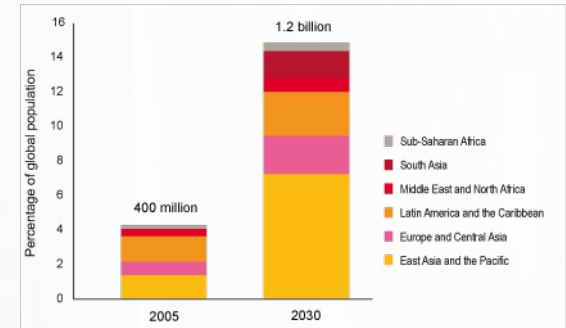
People living in areas of water stress by level of stress



Source: Goldman Sachs, *BRICs and Beyond*, 2007

## The global middle class is rapidly expanding

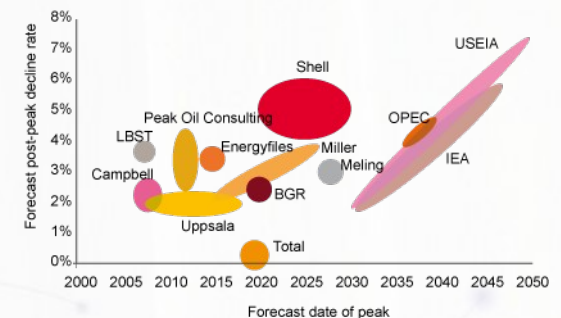
Population in low- and middle-income countries earning \$4,000-\$17,000 per capita (purchasing power parity)



Source: World Bank, *Global Economic Prospects*, 2007

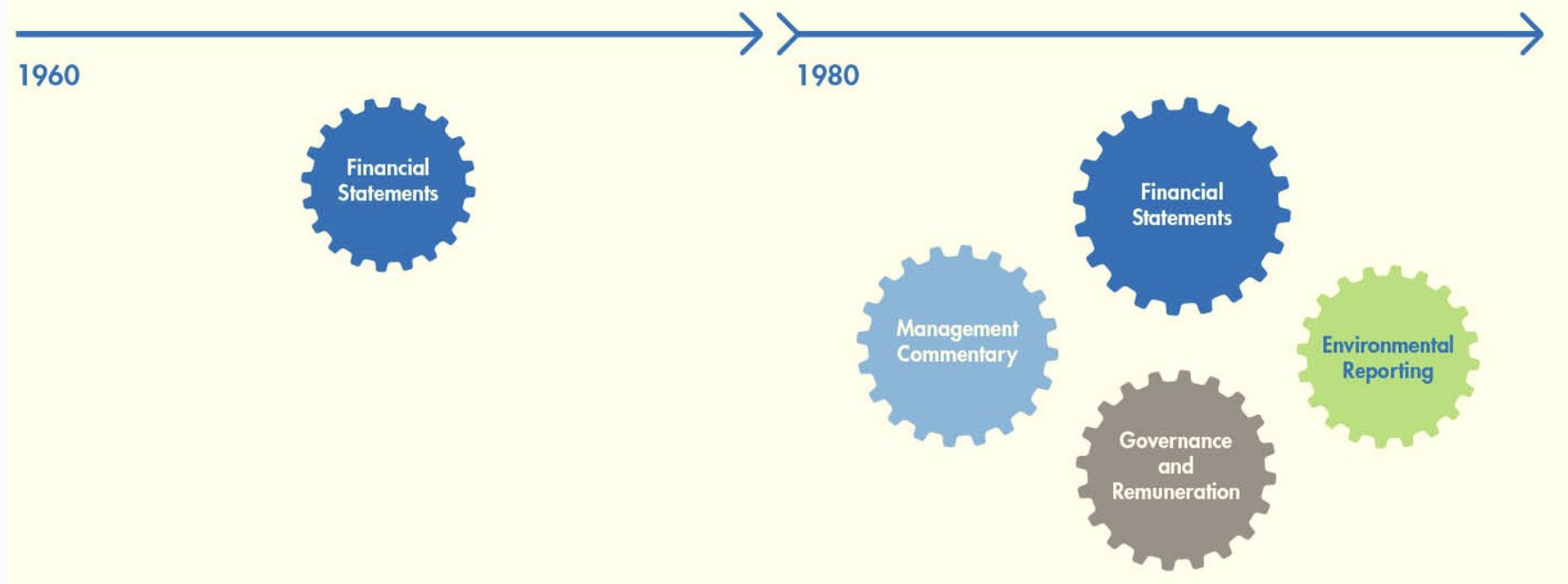
## The world could be running out of some resources

Global supply forecasts according to the implied ultimate recoverable resources of conventional oil, date of peak production and the post-peak aggregate decline rate

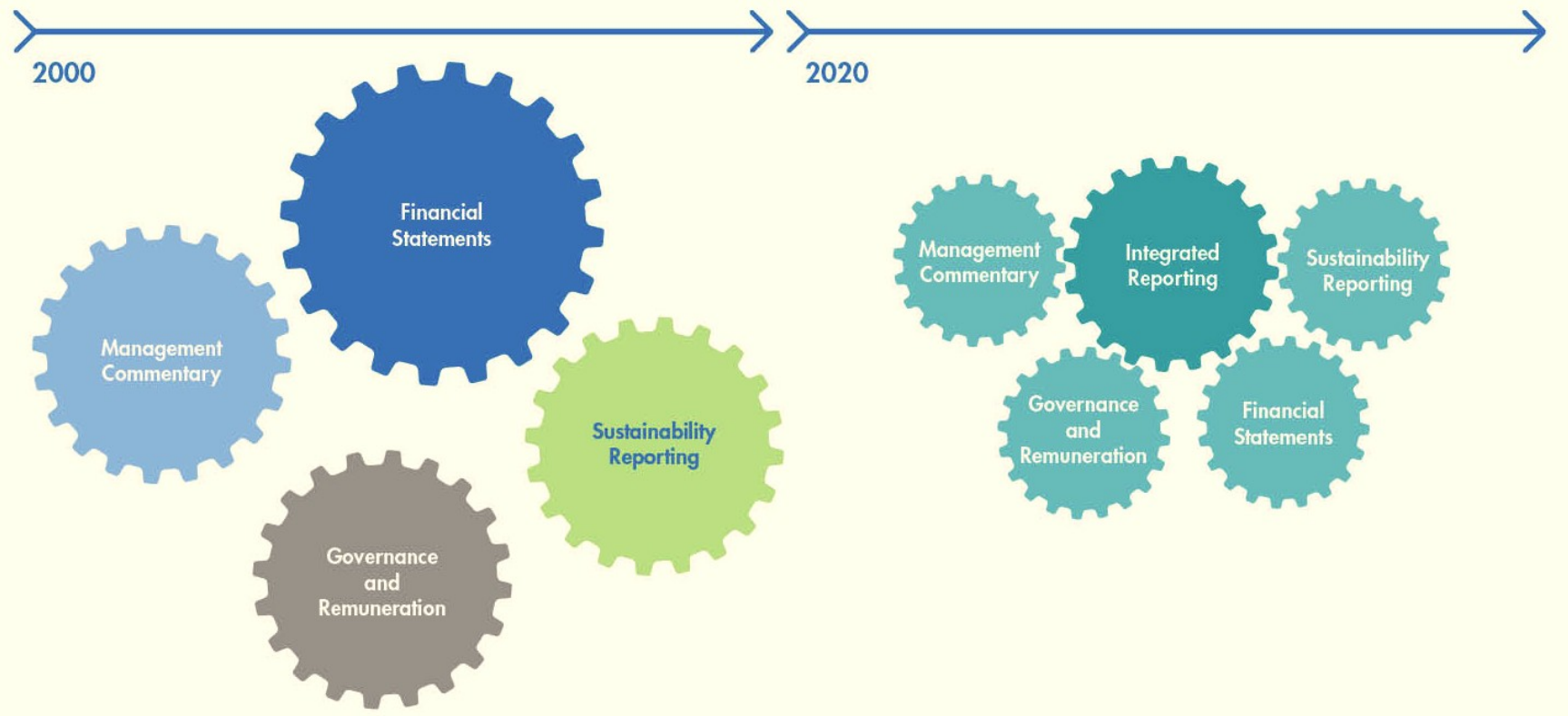


Source: World Bank, *Global Economic Prospects*, 2007

# Evolution of Reporting ...

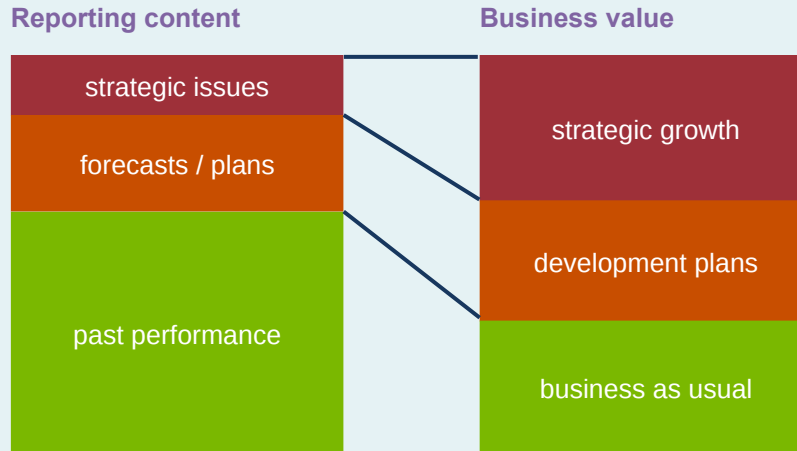


# ... Integrated Reporting – the Future



## The reporting mismatch

An illustration for a typical business:



The consequence:

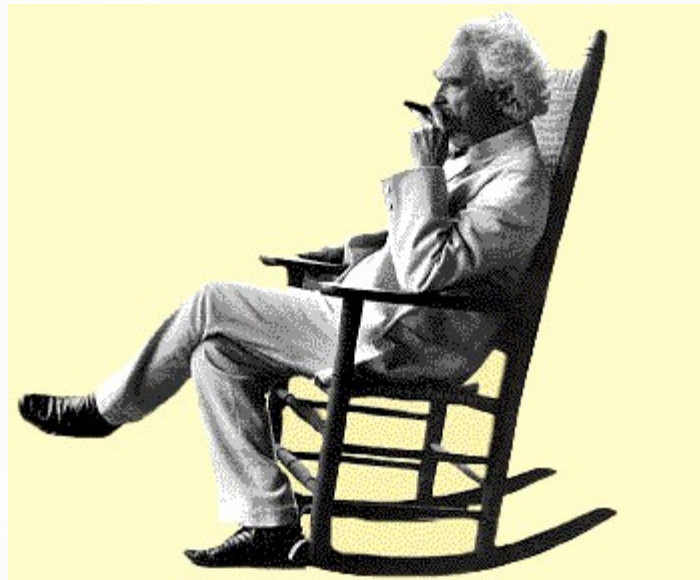
- Issues central to long term business value aren't getting the attention they deserve
- Capital markets compensate by pricing in risks that may well be adequately managed
- Investors focus on the short term because they can't get a clear picture of the long term



# Mark Twain

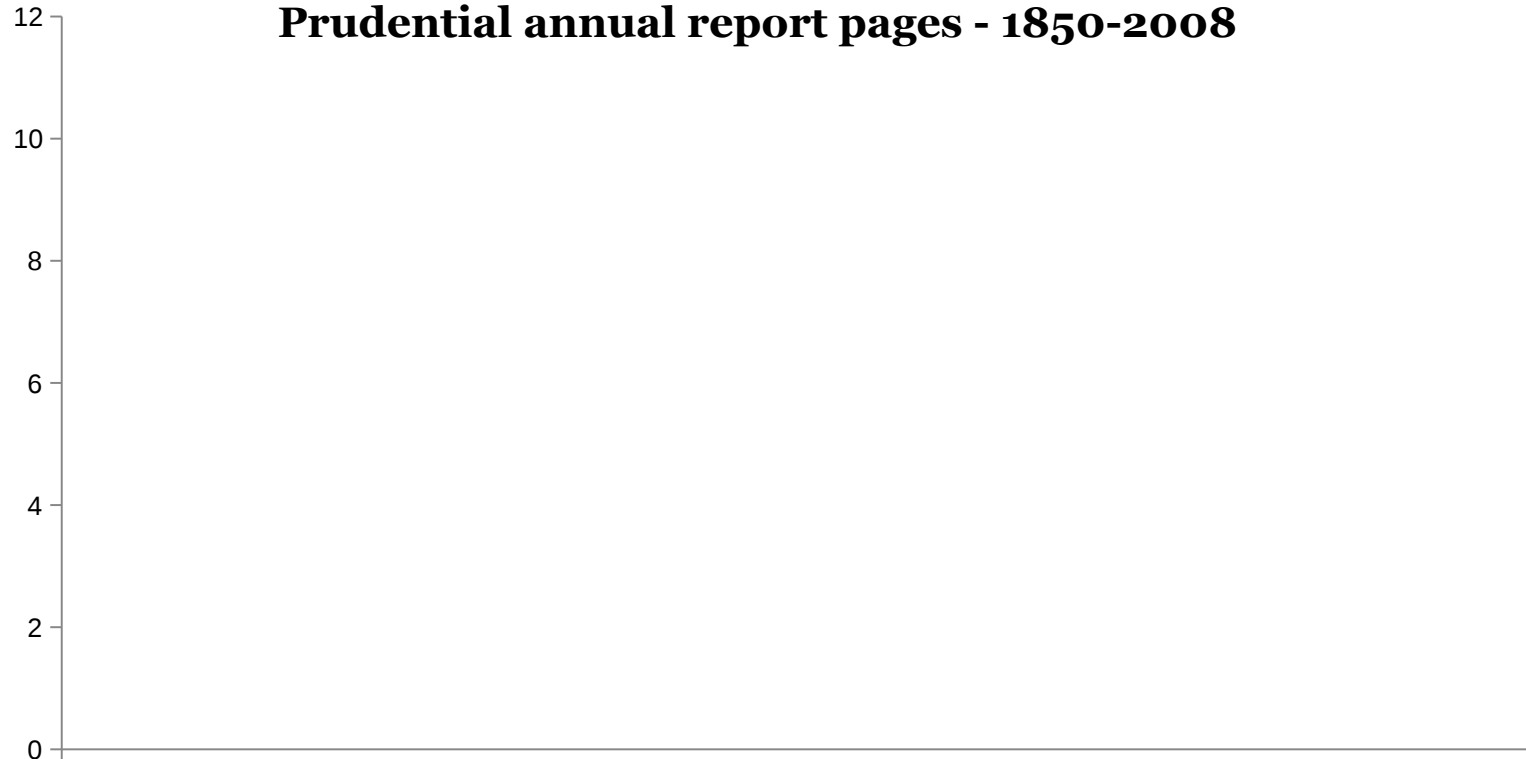
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• I would have written a shorter letter, but I did not have the time

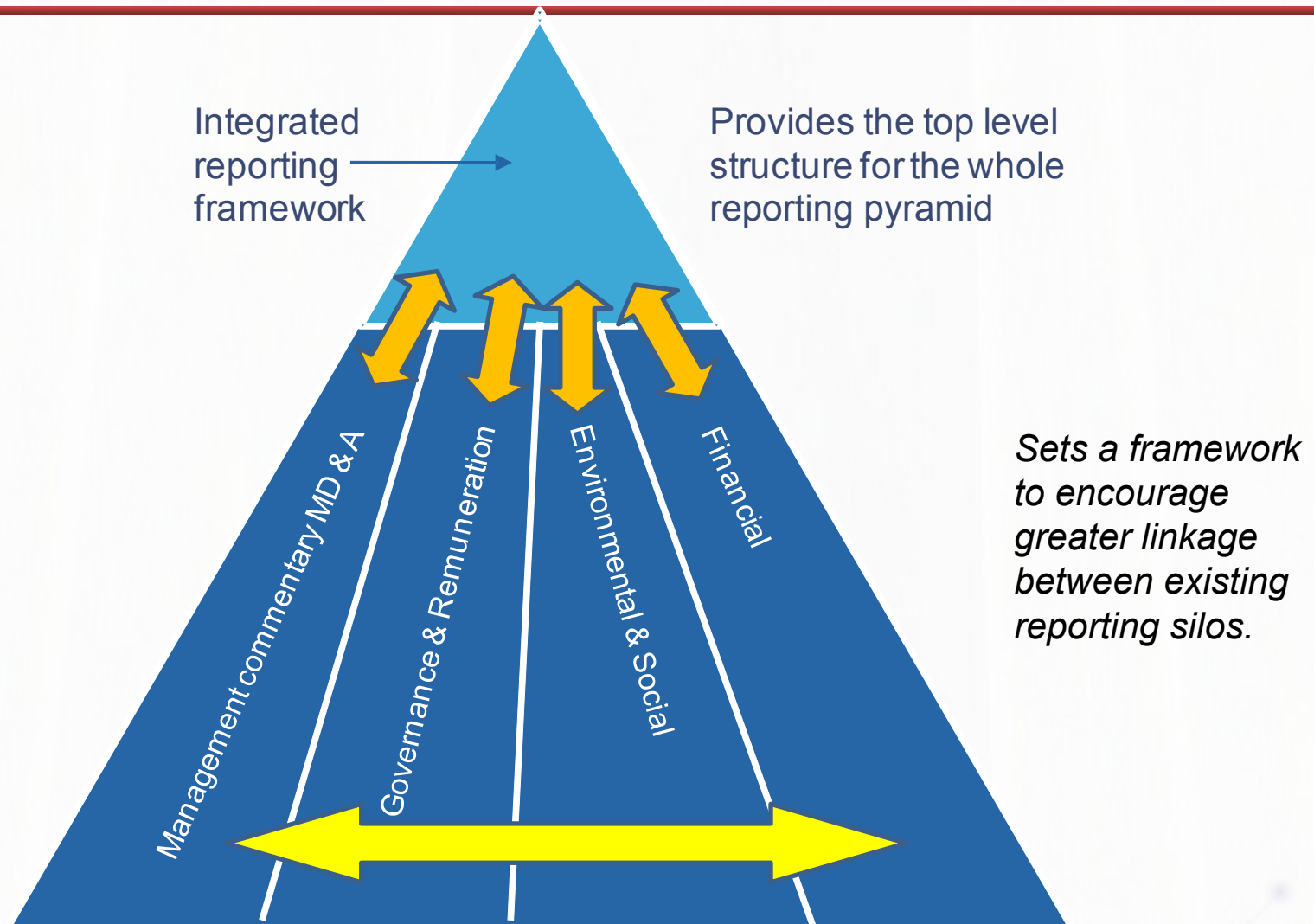


# It is not enough to keep adding more

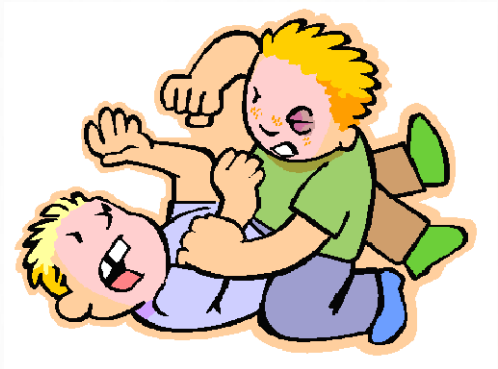
**Prudential annual report pages - 1850-2008**



# Integrated Reporting – focussing on the top slice



# Underlying it all.....



# 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.”



# IIRC Membership - extract

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- Professor Mervyn King, Chairman, King Committee on Corporate Governance (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
- Christy Wood, Chair, ICGN
- Leslie Seidman, Chairman, FASB
- 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,  
Harvard Business School
- Ishaat Hussain, Chief Financial Officer, Tata
- Jim Singh, Chief Financial Officer, Nestle
- Professor Angelien Kemna, Chief Investment Officer, APG
- Hugurette Labelle, Chair, Transparency International
- Dennis Nally, Chairman, PricewaterhouseCoopers International Limited
- Atsushi Saito, President & CEO, Tokyo Stock Exchange Group, Inc



# "WIFM"



## Other stakeholders:

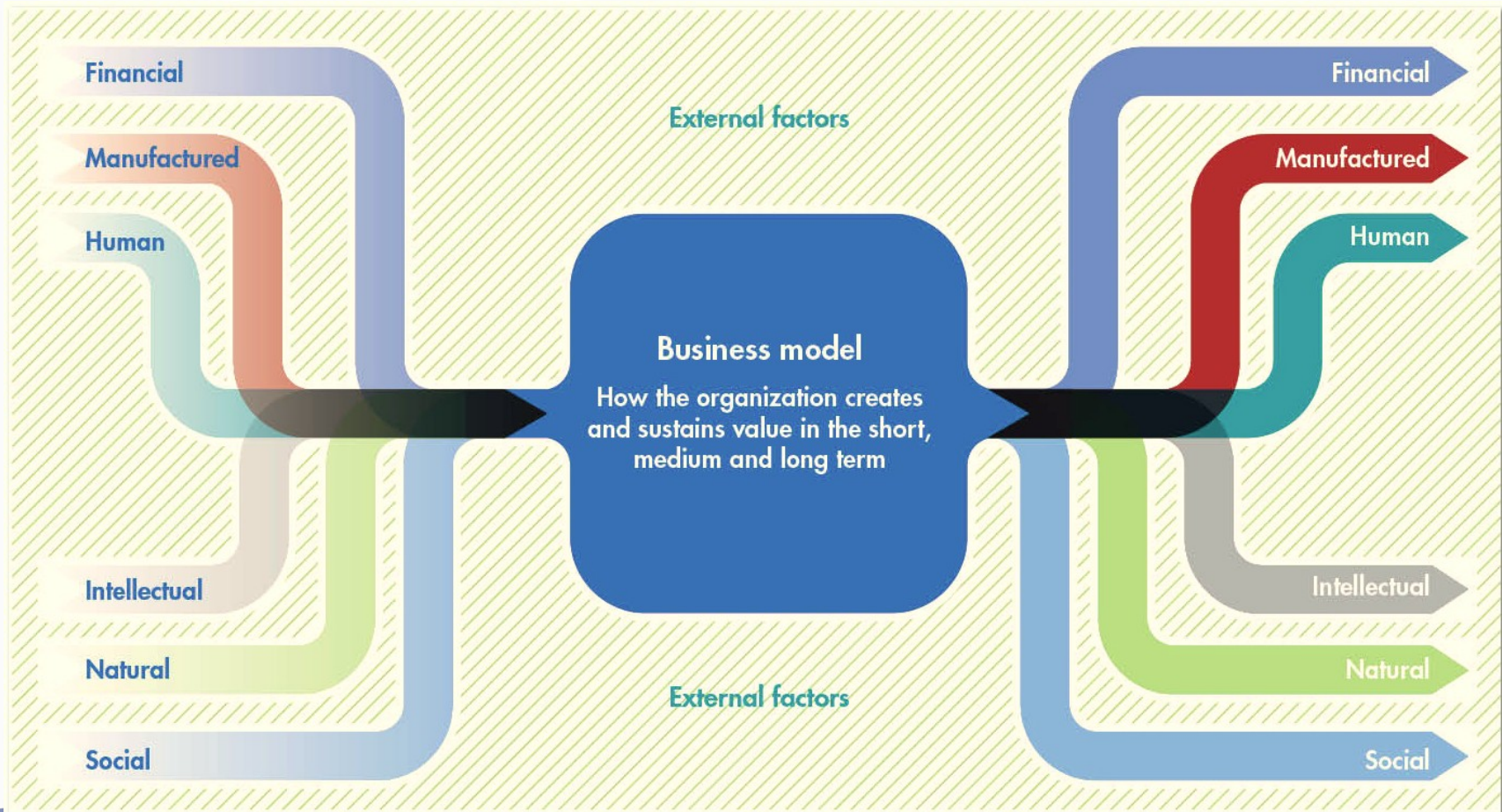
- civil society
- employees
- academics

# How is Integrated Reporting different?

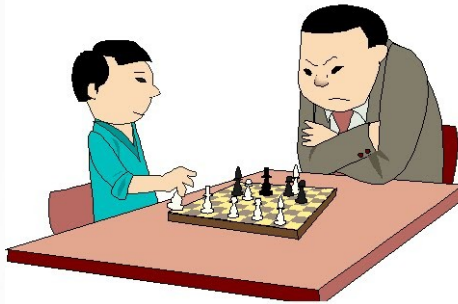
Thinking	Disconnected	Integrated
Stewardship	Financial capital	All forms of capital
Focus	Past, financial	Past and future, connected, strategic
Timeframe	Short term	Short, medium and long term
Trust	Narrow disclosures	Greater transparency
Adaptive	Rule bound	Responsive to individual circumstances
Concise	Long and complex	Concise and material
Technology enabled	Paper based	Technology enabled



# Business model and value creation



# Guiding Principles



# Contents of an Integrated Report

<b>Report profile</b>	Whose report is it, what type of report is it and for what period?
<b>Organisational overview and business model</b>	What does the organisation do and how does it create and sustain value in the short, medium and longer term? <b>What is the organisation's "footprint" across the value chain</b>
<b>Operating context, including risks and opportunities</b>	What are the circumstances under which the organisation operates?
<b>Strategic objectives and strategies to achieve those objectives</b>	Where does the organisation want to go in the short, medium and longer term, and how is it going to get there?
<b>Governance and remuneration</b>	What is the organisation's governance structure and how does governance support the strategic objectives of the organisation and relate to the organisation's approach to remuneration?
<b>Performance</b>	How has the organisation performed against its strategic objectives and related strategies <b>(as a reporting entity and across its value chain?)</b>
<b>Future outlook</b>	What challenges is the organisation likely to encounter in achieving its strategic objectives in the short, medium and longer term, and what resulting implications for its strategies and future performance?

# Pilot Programme



Expression  
of Interest

Dry Run  
(Phase 1)

Pilot Cycle 1  
(Phase 2)

Pilot Cycle 2  
(Phase 3)

September 2011 - Dry Run Conducted

17-18 October 2011- Pilot Programme Kick-off  
Conference

November 2012 - Mid-Programme Conference

November 2013 - Closing Conference



**[www.theiirc.org](http://www.theiirc.org)**

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