

INTEGRATED REPORTING <IR>

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<IR> Academic Network

Neil Stevenson

The International Integrated Reporting Council

Who is the IIRC?



<IR> Academic Network

- Launched December 2015
- 370 academics

Academic Advisory Group Members

- **Carol Adams** (Durham University, UK)
- **Christopher Arnold** (Head of SME/SMP and Research, IFAC)
- **Richard Barker** (Saïd Business School, Oxford University)
- **Nelson Carvalho** (University of São Paulo, Brazil)
- **Bob Eccles** (Harvard Business School, USA)
- **Delphine Gibassier** (Toulouse Business School)
- **Ho Yew Kee** (National University of Singapore)

Advisory Group Members

- **Kunio Ito** (Hitotsubashi University, Tokyo, Japan)
- **Jan Mouritsen** (Copenhagen Business School, Denmark)
- **Roger Simnett** (University of New South Wales, Australia)
- **Tatjana Oberdörster** (Westfälische Hochschule, Gelsenkirchen, Germany)
- **Donna Street** (University of Dayton, USA, & IAAER)
- **Alex Watson** (University of Cape Town, South Africa)
- **Stefano Zambon** (University of Ferrara, Italy)

Research Support Group

- **Prof. Cristiano Busco**, LUISS University, Rome, Italy)
chair
- **Mikkel Larsen** (DBS, Singapore) – strategic link between
business practice and academic insight
- liaison with the IIRC **Dr Laura Girella** (IIRC and Ca'
Foscari University of Venice) and **Laura Leka** (IIRC)

Research Support Group Members

- **Charika Channuntapipat** (Manchester Business School)
- **Elisabeth Kassotaki** (Athens University of Economics and Business)
- **Joanna Krasodomska** (Cracow University of Economics)
- **Rana Mustansir** (Pakistan Institute of Corporate Governance)
- **Kavita Nandram** (PwC and University of Amsterdam)
- **Andrea Tenucci** (Sant' Anna School of Advanced Studies, Pisa)
- **Jochen Theis** (University of Duisburg-Essen)

THE LINKEDIN FORUM

www.linkedin.com/groups/7019864

Announce:

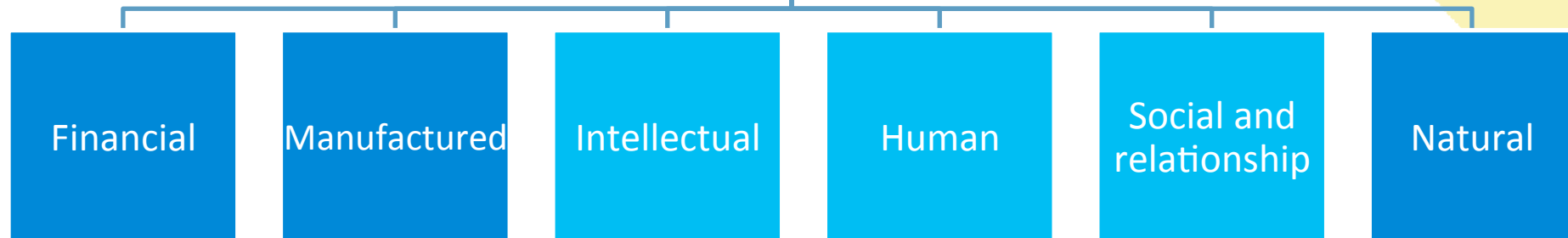
- new <IR>-related publications, surveys, web content, primarily from academics
- Upcoming <IR>-related conferences, calls for papers, research grants

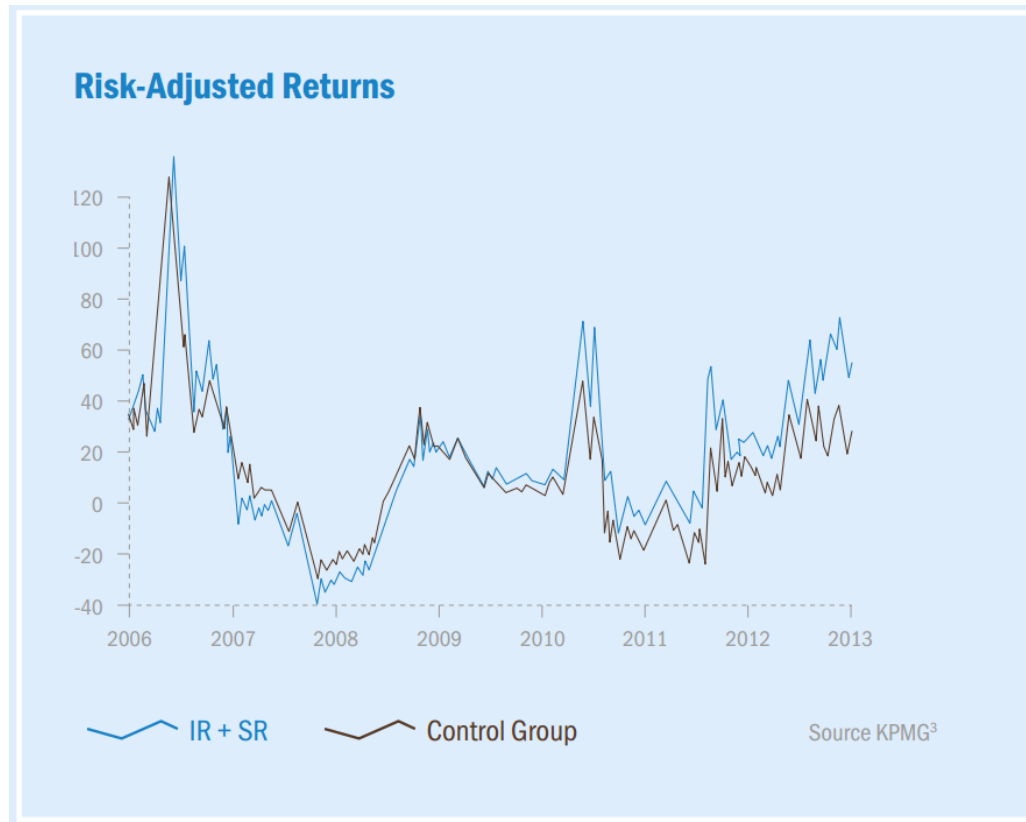
Seek collaborators for <IR>-related research

Discuss <IR>-related topics

Areas for academic research

The missing capitals





Companies that disclose more than just financial information started outperforming their control group in mid 2010.

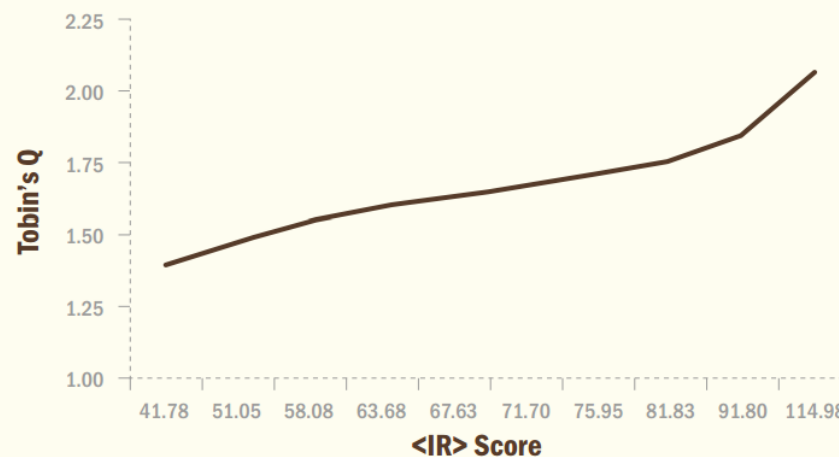
Source: KPMG

A Nanyang Business School study looks at the association between <IR> and company valuation.

A score was constructed based on the level of disclosure of and the market valuation of equity by investors was also measured.

Findings show that firms with a higher score have a higher market valuation.

Relationship between <IR> Score and Market Valuation (Tobin's Q)



Source: Nanyang Business School⁴

What's missing from corporate reports?



Strategy

44% do not look beyond short-term initiatives



Business model

Only **58%** identify knowledge and expertise as a key element



Performance

Only **17%** tell you whether the business is winning or retaining customers

Source: KPMG Survey of Business Reporting
Analysis of larger listed companies

The potential of <IR> to bridge the information gaps between company management and investors

Making clearer linkages between strategy, financial performance and ESG factors

Helping to clarify a company's approach on its long term strategic opportunities and risks

The belief that <IR> can lead to better engagement between the financial investment community and company management around material issues and the drivers for performance and value creation

<IR> can assist engagement and inform decision-making

A suggestion that the six capitals framework is helpful for understanding stocks and flows of capital-leading to better capital allocation decisions

Source: Stubbs, W., Higgins, C., Milne, M. and Hems, L. Financial Capital Providers' Perceptions of Integrated Reporting, 2014⁶.

Research topics

- Outcomes and benefits
- <IR> and better internal connections and performance
- Business models
- Better investment outcomes
- Alignment to SDGs

PROGRESS THROUGH INTEGRATED REPORTING <IR>