

N I B R
*Network Italiano
Business Reporting*

Milan, 8 May 2017

RE: NIBR (Italian Network for Business Reporting) – Response to the invitation by the International Integrated Reporting Council (IIRC) to comment on the <IR> Framework Implementation

Dear International Integrated Reporting Council (IIRC),

The Italian Network for Business Reporting (Network Italiano Business Reporting – NIBR – www.nibr.it) represents the Italian jurisdiction of both the "World Intellectual Capital/Assets Initiative" (WICI) Global Network, (www.wici-global.com) and the "World Intellectual Capital Initiative Network for Europe" (WICI Europe).

The NIBR intends to be the reference point in Italy for companies and all types of organizations that aim to undertake a managerial and cultural growth in their Business and Integrated Reporting, with particular reference to the measurement and representation of their intangibles and their unique value creation mechanisms.

In this respect, NIBR has also actively participated in the preparation of the "*WICI Intangibles Reporting Framework*", which has been released by the WICI Global Network in September 2016 (available at www.wici-global.com).

The Italian Focus Group

Upon official invitation by the IIRC, NIBR has set up a multi-stakeholder Italian Focus Group for providing comments and suggestions on the ongoing revision process of the <IR> Framework. The members of the Focus Group are the following:

- **Piermario Barzaghi** (Partner, KPMG);
- **Manuela Baudana** (CSR Head, A2A);

- **Paolo Bersani** (Partner, PwC);
- **Massimo Campioli** (Vice-President, ANDAF–Italian Association of CFOs);
- **Lino Cinquini** (Professor of Management Accounting, Superior School Sant'Anna of Pisa);
- **Laura Girella** (IIRC, observer);
- **Gaia Ghirardi** (Head of Group Sustainability and Foundation, Unicredit);
- **Roberto Giacomelli** (Partner, EY);
- **Stefano Marasca** (Professor of Business Economics, Università Politecnica delle Marche);
- **Maria Luisa Parmigiani** (Head of Sustainability, Unipol);
- **Marco Pasquotti** (CFO, Dellas SpA);
- **Livia Piermattei** (Managing Partner, Methodos);
- **Massimo Romano** (Head of Group Integrated Reporting & CFO Hub, Generali Group);
- **Fulvio Rossi** (CSR Head, Terna SpA, and Chair, Italian CSR Manager Network);
- **Vittorio Santacroce** (Partner, IC² Consulting and NIBR Executive Committee);
- **Raffaele Trivellato** (CFO, Despar North East/Aspiag Service Srl);
- **Stefano Zambon** (Secretary General, NIBR, and University of Ferrara, coordinator).

The Focus Group had two collective conference calls on 30/31 March and 21 April, and a meeting in person in Milan on 5 May 2017.

In the following, you can find the comments and proposals elaborated by the Italian Focus Group for consideration by the IIRC. The below are intended to provide the IIRC with some suggestions which could be useful to simplify the understanding and the adoption of the <IR> Framework by companies and other organizations.

Our remarks and proposals have been subdivided in two parts: **A) *Comments and suggestions regarding directly the International <IR> Framework***, and **B) *Comments and suggestions for actions and initiatives for improving the implementation of the International <IR> Framework***. Please note that the text of the present commentary is the outcome of a joint discussion, and that the following comments represent the collective expression of the Focus Group.

A) Comments and suggestions regarding directly the International <IR> Framework

a) Multiple capitals

1) *Definitions of Capitals*. More accurate and clearer definitions of capitals could be useful to better classify company resources and values. Indeed, the definitions of capitals in some cases seem to be synthetic and rather vague (e.g., intellectual capital, human capital).

2) Definition of Intellectual Capital. It would be useful and conceptually consistent to align the definition of Intellectual Capital to that vastly prevailing in the long standing academic (cf. «Journal of Intellectual Capital»; «Journal of Knowledge Management», etc.), professional (IFAC, *Measurement and management of Intellectual Capital*, 1998) and institutional (e.g. European Commission, *The measurement of intangible assets and their associated reporting practices*, Ch. 5, 2003; European Commission, *RICARDIS – Reporting Intellectual Capital to Augment Research, Development and Innovation in SMEs*, 2006) debate. At the moment, the expression «Intellectual Capital» is used in the Framework in various ways and with reference to different resources. We propose to use the term «**Organizational Capital**» or «**Structural Capital**» to signify what is now defined as «Intellectual Capital» in the <IR> Framework (para. 2.15, p. 12).

3) Comparability. In order to achieve a better level of ‘spatial comparability’, i.e. between organizations, in the definitions of, and attribution of resources to, capitals, it could be useful to amend para. 2.18 of the <IR> Framework in the sense of introducing a “preferred” and an “allowed” categorization can be identified.

b) Connectivity and Integrated Thinking

1) Connectivity in the Fig. 2 of the <IR> Framework. The connectivity between corporate activities, output, and capitals portrayed in the value creation process of Fig. 2 of the Framework suggests that the relationship between business activities and outcomes/capitals is mediated by the outputs. However, in some cases business activities can directly affect outcomes/capitals rather than influencing them through a variation of outputs (e.g., employee training → Human capital; Creation of a CRM system → Social and relationship capital; Production processes reengineering in order to reduce CO₂ emissions → Natural capital). This aspect does not currently emerge from the Fig. 2 representing the value creation process. See also point e.2) below.

2) Integrated Thinking. The role of Integrated Thinking should be stressed much more in the Framework. Integrated Thinking could be described as a «change journey», which obviously includes Integrated Reporting as a trigger and/or an outcome of the process. See the attached NIBR, *Integrated Reporting (IR): Focus on Integrated Thinking, A Handbook for the Change*

Journey, scientific coordination by Livia Piermattei and Tommaso Venturini, 2016 (www.nibr.it and www.integratedthinking.it). See also point i.5) below.

c) Key Stakeholders

1) *Stakeholders vs. Key-Stakeholders.* It would be very useful if the <IR> Framework could clarify the difference between “stakeholders” and “key stakeholders”. Which are the characteristic(s) that make(s) a stakeholder key? We would propose to IIRC to consider the following solution: consistently with the para. 3.25, the <IR> Framework could define as “key stakeholders” those having the largest magnitude in terms of impact on the value creation process.

2) *Stakeholders and materiality.* In the definition of ‘materiality’, it could be useful to better highlight the role of stakeholders. See our proposal just above: materiality is associated to value creation process, and accordingly material key-stakeholders are those more influential for this process.

3) *<IR> and stakeholders.* We suggest to enlarge the reference audience of the Integrated Reporting to «everybody who has an interest in understanding how an entity is organized to create value in the short, medium and long term». Of course, this definition would also include those that have a specific economic interest in the long term value creation of the organization itself. Business partners, clients, employees, etc. would therefore be clearly encompassed therein.

d) Materiality and Value Creation

1) *Materiality matrix.* At the moment, there occurs a frequent confusion between the materiality matrix of GRI and that suggested by the International <IR> Framework. We propose to IIRC to clearly state that, for <IR>, materiality is intrinsically linked to the process of value creation as defined by, and derived from, the organization’s strategic plan and objectives. On the contrary, in a sustainability report, materiality is associated with the interests of all stakeholders, which should then be able to find in this report all the topics that are relevant to them. In this sense, sustainability report pursues a stakeholder inclusion perspective. In an <IR>, the topics relevant to the stakeholders are presented if and only if

they are also material to an organization's value creation and chain. This clarification is of particular importance in light of the introduction of the European Directive on “non-financial information”, which also requires a materiality analysis. See also the “Statement of Common Principles of Materiality of the Corporate Reporting Dialogue” by the Corporate Reporting Dialogue, March 2016.

2) *Materiality and the Board.* The <IR> Framework could explicitly call for an active engagement of the Board in the use of the materiality principle as a device being able to support the strategic decisions of the organizations in the medium and long term.

e) Business Model – Outputs and Outcomes

1) *Business Model as too conceptual.* At the moment the indications about the Business Model in the <IR> Framework appear to be quite ‘conceptual’ and risk generating graphically pleasant, but too generic figures/representations. This situation would call for more guidance by the IIRC, which should also make a better effort to champion the best practices in this area. On an applicative ground, there are of course various ways to represent business models (e.g. business model canvas; business model based on critical success factors, etc.). It would be important to recommend the introduction – in the <IR> of organizations – of more insightful diagrams/figures on their business model, which could provide narrative as well as quantitative information on an entity's inputs, key activities and outputs, whilst the information on the outcomes could be articulated, for instance, in terms of ‘impacts on the six capitals’ both internally and externally, the ‘stakeholders involved’, the ‘engagement themes’ and the ‘KPIs’.

2) *Business activities and outcomes.* It is not possible to exclude the possibility that business activities per se impact on capitals without passing through outputs. In light of this, it could be useful to add arrows in Fig. 2, which can connect business activities directly to outcomes/capitals. See also point b.1) above.

3) *Output vs. outcome.* It could be useful to have a better and clearer distinction between ‘output’ and ‘outcome’ (many ‘social companies’ generate social, occupational, cultural benefits, in addition to environmental ones, which can be measured with ad hoc KPIs). See also point i.3) below.

4) *Output vs. outcome (2).* The concepts of “outputs” and “outcomes” might be difficult to understand. Would it be helpful to refer to these two concepts also as “results” and “consequences”/“impacts” (perhaps in the Glossary)?

5) *Business Model and intangibles.* It would appear useful if the <IR> Framework could put more emphasis on the connection between Business Model and intangibles (in section 4C – Business Model, pp. 25-27). More specifically, IIRC could explicitly refer those resources in the Business Model within both the Inputs (paras. 4.14-4.15 – as intangible assets) and the Business Activities (paras. 4.16-4.17 – e.g. capabilities). After all,, also the Business Model itself is an intangible. See point j.1) below for a wider perspective on this.

6) *Business Model and the organization’s connections beyond the organizational boundaries.* There could be a more pronounced focus on the relevance of the connections beyond the boundaries of an organization, i.e. an explicit reference in the Business Model to the relationships of partnership, alliance and strategic networking in the features listed in the para. 4.13 (intangibles as business relations that are part of the Business Model).

7) *Intangible Outcomes and Business Model.* It would be advisable to introduce in the <IR> Framework an explicit recognition of the intangibles role in the section of “Outcomes” (para. 4.19), treating the variations in the intangibles stock as Business Model’s internal and external outcomes. See point j.1) below for a wider perspective on this.

f) Involvement of Those Charged with Governance

1) *Statement by Governance.* It is very important to include this statement (<IR> Framework, p. 5). This statement should be made known and formally approved by all the members of the Board of Directors. Ideally, this approval should derive from a review of the <IR> document, as well as a dedicated working session of the Board on the organization’s long term envisioning and strategy. Therefore, it would be helpful if in the <IR> Framework it could be stated that the Board needs to be officially and formally involved and engaged (see below point g.3).

g) Other Content Elements (Organizational overview and external environment; Governance; Risks and opportunities; Strategy and resource allocation; Performance; Outlook; Basis of preparation and presentation)

1) *Scope/boundaries of <IR>*. Clarify what should be the scope/boundaries of Integrated Reporting by providing also some examples and guidance. On practical grounds, we believe that departures from the scope/boundaries of consolidated accounts should be considered carefully. This topic is particularly delicate in light of the recent introduction of the new European legislation on non-financial information, which seems to reinforce the reference to the consolidated accounts scope/boundaries.

2) “*Risks and opportunities*” vs. “*Prospects*”. There seems to be a partial overlap between the two content elements "Risks and Opportunities" and "Prospects". In fact, with regard to both of them the <IR> Framework refers – directly or indirectly – to risks (e.g. challenges and uncertainties) and opportunities which can result from the external and the internal environment in the short, medium and long term. This overlap can be overcome by shedding light (through a more detailed and clearer definition) on the concrete differences between the “Risks and Opportunities” and “Prospects” contents.

3) *Role of non-executive directors in Integrated Thinking change process*. The role of Governance and the Board of Directors in Integrated Thinking change process is undervalued in its potential. In particular, the role of non-executives in Boards is not focused at the moment in the <IR> Framework. Boards have a fundamental role in directing companies towards long-term sustainable business and promoting integrated governance. Non-executive directors could play this role with effectiveness, if it becomes part of their commitment. See NIBR, *Integrated Reporting (IR): Focus on Integrated Thinking, A Handbook for the Change Journey*, 2016, p. 14. See also point f.1) above.

h) Other Quality Issues

1) *Assurance*. At the moment, assurance can be carried out only on the information that is clearly disclosed on the basis of indicated reporting standards (suitable criteria, for instance GRI Standards for sustainability information and IFRS for financial information). We believe it is essential for the IIRC to go forward continuing the engagement with the international

standard setters and professional member bodies, in order to identify effective and viable solutions to carry out assurance engagement on Integrated Reports.

2) *Terminological inconsistency between the text and the Glossary.* It could be important to solve the terminological inconsistency that occurs between the <IR> Framework text and its Glossary with reference to capital and input concepts. In the paras. 2.23 and 4.14, as well as in the graphical representation of the value creation process (Fig. 2), the relationship between capitals and inputs is at the moment not easily understandable. More specifically, they seem to be understood as distinct, although related, factors. However, in the Glossary they appear to coincide. Indeed, inputs are identified as the capitals that an organization draws upon for its business activities. In order to clarify the relationships between those two concepts, it could be useful to define them in a better way and to explain more consistently the relationship which occurs between them.

3) *Consistency in the measures of inputs and outputs-outcomes.* The concept of value proposed by the <IR> Framework, which consists of the increasing, decreasing and/or transformation of the capitals, would seem to suggest a uniformity of indicators used to measure both the inputs/capitals and the outputs-outcomes/capitals. In fact, the adoption of the same indicators to assess inputs and outputs-outcomes is a fundamental condition to appreciate if and how capitals have changed over time. The fact that the <IR> Framework does not explicitly state that this uniformity should be ensured, allows preparers to assess inputs and outputs-outcomes in different ways, thus potentially impairing the possibility to show in a consistent way how capitals have actually increased or decreased over time. If the information on capitals' variations is deemed relevant, then the <IR> Framework should explicitly state that the measurement of inputs/capitals and outputs-outcomes/capitals should be carried out by using the same – or at least very similar – indicators. Otherwise, there might be a problem in the measurement of the value created.

4) *Trade-offs between capitals.* It could be very useful to better clarify the concepts, contents and measurements of the trade-offs between capitals' transformations, modifications and variations (p. 2 and paras. 3.8, 4.15, 4.56, <IR> Framework).

5) *Guidance on the minimum level of adoption of <IR> Framework.* Additional guidance on how to use the IIRC Framework would be necessary in order to homogenize the references

that companies and entities from the reporting community are including in their reports about their adherence with the Framework. In other words, it would be useful to establish a minimum content level to declare a report being an Integrated Report and adherence to the Framework (cf. para. 1.2). For instance, it is likely that a limited and partial use of the content elements requested by the IIRC might not be enough to allow a comprehensive reference to the <IR> Framework, unless the process and the timing towards a complete adherence to the Framework is clearly disclosed.

i) Other Enablers, Incentive and Barriers to Framework Implementation (e.g., Specific jurisdictions? Large or small organizations? Private, public or non-profit sectors? Different stages of Framework implementation?)

1) <IR> Framework and SMEs. Even though we recognize the principles-based nature of the <IR> Framework, nonetheless it would be important to include in the Framework a section devoted to SMEs, where some suggested simplification and guidance can be provided to these organizations that in many countries – like in Italy – represent the vast majority of the corporate system. This seems to us a necessary step if <IR> aims to become the “corporate reporting norm”.

2) Industry KPIs. While we praise the fact that there is a list of KPIs included in the Framework, there is no guidance as to possible reference KPIs through which it is possible to measure the six capitals in the view of value creation. SASB could represent a useful reference point, as it has developed industry KPIs (despite they refer to ESG). Another reference point could be represented by the WICI-KPIs, which have been developed in relation to diverse industries and that are centered on the value creation process. (www.wici-global.com/kpis). IN this respect, we would encourage the IIRC to collaborate with the above and other specialized international bodies to develop some clear guidance as to industry-based KPIs useful to approach <IR>.

3) Public Sector and Health Organizations. For public sector and healthcare organizations a relevant barrier to the <IR> Framework implementation may lay on the concept of outcomes. For a private organization, the <IR> Framework states that outcomes are represented by the increasing of capitals. In the case of a public sector or healthcare

organization, outcomes are not easily understandable in terms of variations of capitals. Rather, in a public sector or healthcare organization, they should be understood in a broader sense, namely in terms of effects on citizens/communities. In this view, the effects of the value creation process should be appreciated in light of the improvement of living standards of a community which cannot be expressed in terms of variation of one or more capitals among those considered in an Integrated Report. See also point e.3) above.

4) *Relationship with the EU Directive no. 95/2014.* We would encourage the IIRC to delineate in a more comprehensive the relationships between the <IR> Framework and the requirements of the new European Directive no. 95/2014, which we think would be fundamental for further fostering adoption of <IR> in Europe.

5) <IR>: “Compliance approach” vs. “Change perspective”. <IR> can seriously suffer from an approach which can be defined as “reporting for the sake of reporting”, i.e. an approach aimed to a formal “compliance” with the <IR> Framework and the “simple” publication of an Integrated Report. In other words, the risk is that regulations, the simplistic implementation of the Directive no. 95/2014 on non-financial information, and traditional assurance practices may limit <IR> implementation to “compliance” and a “report publication”. This would not introduce a real change in decision making processes, which is understood to be the ultimate expected effect springing from the Integrated Reporting “journey”. Therefore, the <IR> Framework could better clarify whether its aim is simply to help companies publish a report or change their decision making processes. If the answer is the latter, a stronger and more explicit focus on Integrated Thinking is needed. An integrated thinking change dashboard could become an IIRC indication for the <IR> Framework implementation. Otherwise, as aforementioned, the risk is that organizations may continue to limit their approach to a form of “compliance” with a soft regulation, rather than to interpret it as an opportunity for a change in the organization’s business model and its decision making process in the allocation and management of capitals. See also point b.2) above.

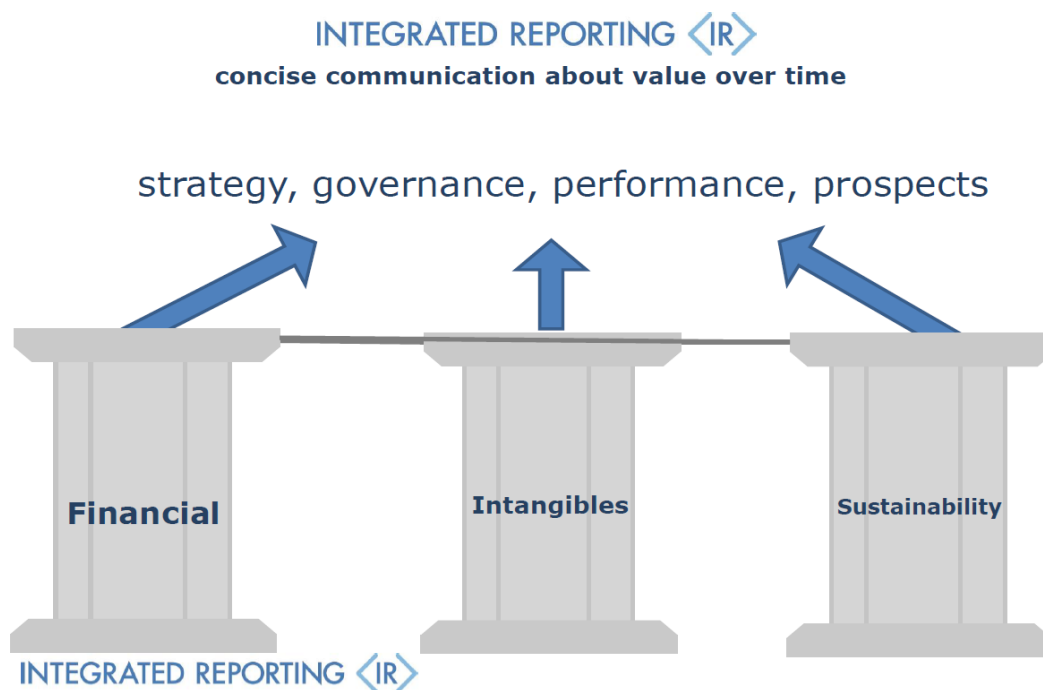
j) Issues with <IR> Fundamental Concepts

1) *Intangibles and knowledge.* At the moment in the <IR> Framework there are only three mentions each of the word “intangibles” and the word “knowledge”. To be true, the word

“intangible” appears three times at p. 12 (“Intellectual capital – Organizational, knowledge-based intangibles” and “Social and relationship capital includes.... intangibles associated with the brand and reputation that an organization has developed”, and in passing in para. 2.18). The term “knowledge” is used twice at p. 12 and one at p. 13.

In a public speech delivered in September 2013 in a European academic event, Mr. Paul Druckman, then IIRC CEO, was defining the conceptually foundational pillars of the <IR> as follows:

(presented at the 9th Workshop on Intangibles and IC, Copenhagen, 26-27 Sept. 2013)



Source: Paul Druckman, CEO, IIRC, public speech at the Copenhagen Business School, September

Accordingly, we would suggest that the revised version of the <IR> Framework could include an (initial?) section where the crucial role of intangibles and knowledge can be explicitly recognized along with that of sustainability aspects. See points e.5) and e.7) above for an application within the <IR> Framework of the approach here supported.

2) Definition of «non-financial» (or «pre-financial»). Also in light of the publication of the fundamental European Directive no. 95/2014, we feel it would be very useful whether IIRC could take a clear position on the term “non-financial” and add it in the Glossary of the <IR> Framework. As is well known, the Directive essentially conceives as “non-financial” the ESG

information. However, from a conceptual standpoint we think that the term “non-financial” is much broader and that the information and metrics included in an <IR> have largely a “non-financial” nature. In this respect, we would like to propose for consideration to the IIRC Framework Revision Panel the definition of “non-financial” provided by the “*WICI Intangibles Reporting Framework*” (p. 43):

“The term “non-financial” is utilized ...to refer to narrative or quantified information that is not expressed in monetary units (e.g., percentage, Likert scale, absolute number, physical measures). Non-financial’ does not mean that a measure or information does not have a financial impact or significance. Sometimes the expressions “non-monetary”, “extra-financial”, “pre-financial” or “not yet financial” are used synonymously with “non-financial”.”

Would this definition be acceptable to the IIRC for its revised <IR> Framework?

Alternatively to the expression “non-financial”, we suggest the IIRC to consider the use of the word “pre-financial” to clearly express the concept that a capital could influence the earning capacity of an organization in the future, despite not being strictly monetary at that stage.

3) Concept of value. In the <IR> Framework the concept of value is not clear and is very vague. It seems to be understood as deriving from variations of the considered capitals, and this would imply the use of stock measures to describe how capitals change over time. According to the “*WICI Intangibles Reporting Framework*”, the concept of value is split in two interconnected notions: “financial value” and “strategic value”. By “strategic value” is meant “Value related to the enhancement of the competitive, market, product, reputation, and/or risk profile of the organization”, while “financial value” is defined as “Value linked to the generation of net cash flows over time”. Would those definitions of value be acceptable to IIRC for its revised <IR> Framework? Perhaps would it be worthwhile to add also the notion of “social value”?

4) Concept of “capital”. In the <IR> Framework it is not clear whether the resources which substantiate the various forms of capitals should be *owned, controlled or simply available for use*. This clarification appears to be crucial for the <IR> intangibles-based capitals, such as human capital, relationship and social capital and the intellectual/organizational capital, as well as for the natural capital. Indeed, it seems rather evident that the concept of capital cannot be the same as that, for example, of IASB’s Conceptual Framework, where an asset is a resource *controlled* by an entity as a result of past events. In the case of <IR>, it appears to us that resources to be considered should be *available for use to the entity and participating in its value*

creation processes, and not necessarily owned or controlled by the entity. In the “*WICI Intangibles Reporting Framework*” we expressed this critical concept in the following way (pp. 13-14):

“Intangibles are resources that are *available for use* by an organization. Sometimes, they are actively managed in a fully conscious way, but other times they exist or are utilized beyond, or with a limited amount of awareness by, the organization (e.g., reputation). Unlike assets as defined in financial accounting (e.g., under the IASB Conceptual Framework for Financial Reporting), it is not necessary that intangibles are owned or controlled by an organization. They simply have to be available and/or utilized by the entity with the aim of generating value.”

5) Measures of business model activities. The <IR> Framework does not suggest how to measure activities which are the heart of the business model and which actually transform inputs in outputs. The <IR> Framework aims to a reliable assessment of the capitals’ variations, but it does not take into consideration – for instance – the efficiency and the effectiveness of the business activities which affect capitals. The <IR> Framework should also suggest to report measures of business activities which connect inputs and outputs and affect variations of capitals (i.e. outcomes).

6) Concrete risks of «standards hybridization». In practice, it can be often detected that <IR> Framework is hybridized with GRI standards so to obtain a new form of reporting. Can this be a problem from the IIRC viewpoint? Should the <IR> Framework be clearer on this point?

B) Comments and suggestions for actions and initiatives for improving the implementation of the <IR> Framework

i) Connectivity. It is very difficult to effectively achieve connectivity of information in practice. In order to avoid a merely formal exercise (i.e., references and links between sections) and to successfully represent the connectivity between different forms of capitals, it could be useful to have a set of KPIs, or at least minimal indications, from the IIRC. Also a better guidance on the connectivity principle would be advisable, so that it can become useful to foster storytelling and reinforce the concepts.

ii) **Comparability.** The availability of tables for macro-sectors/industries could help to have a less subjective attribution of resources and actions to capitals, thus promoting the between-organizations comparability of Integrated Reports.

iii) **Governance involvement.** Encourage the knowledge by the company governance of the Framework and its involvement in the <IR> application

iv) **Materiality matrix.** If the role of materiality matrix is to become more central, then guidance on the stakeholder engagement (when and how) could be provided, as well as on the minimum level for engagement to be considered effective in order to represent materiality. Furthermore, examples and guidelines could be supplied on the use of the materiality matrix, to strengthen the interconnection between strategy, business model and outcomes.

v) **Multi-capital reporting.** Promotion of the relevance of the multi-capital reporting should be carried out, especially by highlighting the benefits that organizations can derive from it (comparability amongst organizations, better understanding by investors of the investments vs. returns)

vi) **<IR> benchmark analysis.** A well-structured <IR> benchmark analysis could be conducted within the Business Network, and then provided to all the Network members also in order to promote the utilization of the <IR> Framework.

vii) **Integrated Thinking change journey.** In the process, the “capitals and values” experience is the key to Integrated Thinking Change journey. Dedicated, engaging and experiential sessions as well as workshops should show how apply the “capitals and values” approach to concrete, challenging company plans in a sort of a pilot project. Participants should be clusters of company leaders (CEO and first line, Board of Directors), managers and employees.

viii) **Stakeholder governance methodology.** A stakeholder governance methodology should be promoted in the execution of different initiatives: from strategy definition to project implementation. This can happen with an integrated thinking change process capable of generating awareness on the importance of connecting different capitals and values they generate to the stakeholder identification, listening and analysis. A “generic principles & specific applications” process should be applied.

ix) *Engagement with international actors for assurance.* We are convinced that it is crucial for the IIRC to continue its engagement with the international standard setters and professional bodies, in order to identify effective and viable solutions to carry out assurance activities on Integrated Reports in the near future.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Stefano Zambon', is positioned above the printed name.

Prof. Stefano Zambon (PhD)
Secretary General, NIBR
on behalf of the Italian Focus Group