


Session on:
*Latest on integrated reporting
around the world*

Prof. Stefano Zambon

*Secretary General, Italian Foundation for Business Reporting (O.I.B.R.),
and Full Professor of Business Economics, University of Ferrara (Italy)*

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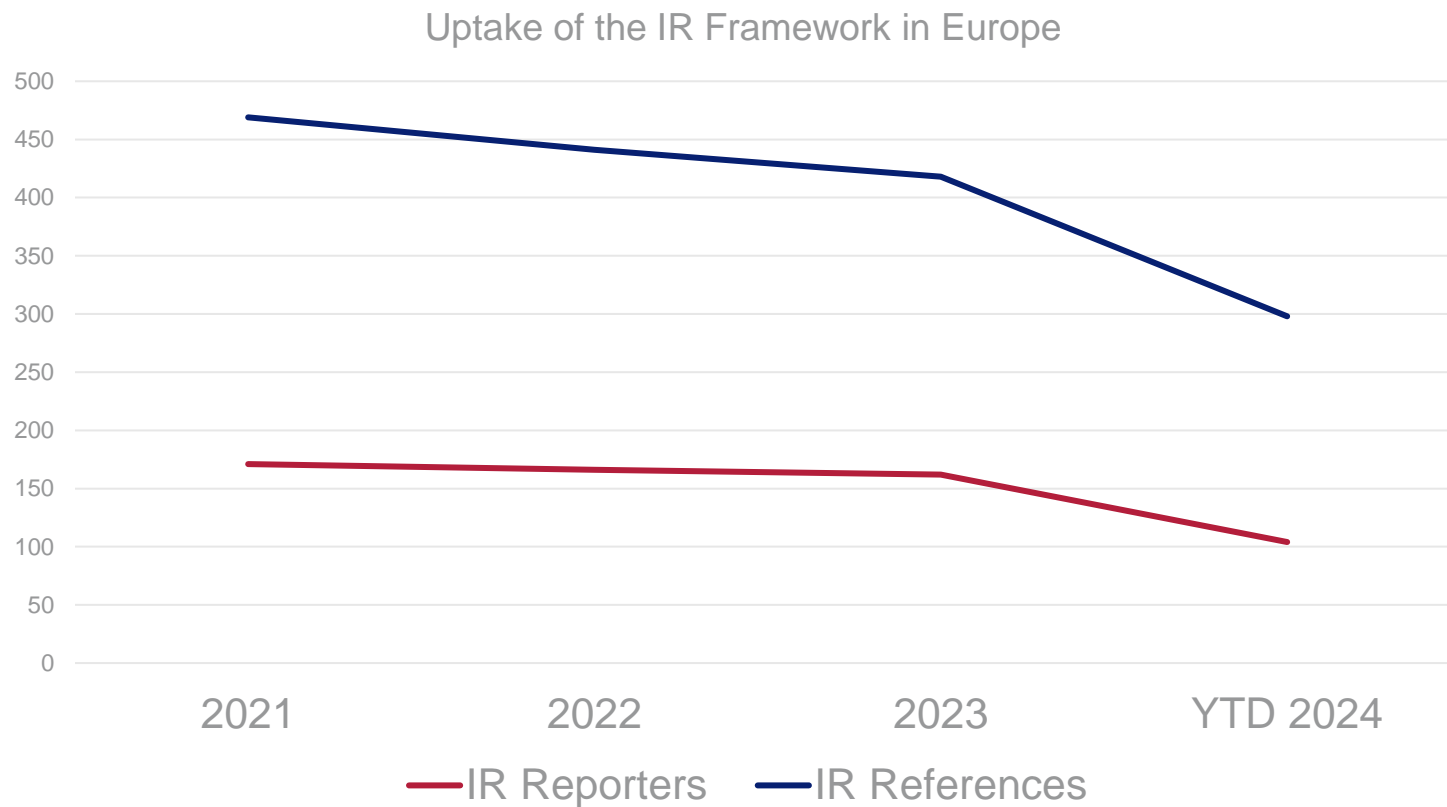




THE PAST

in the European Union (EU) and Italy

Adopters of IR in the European Union (EU)



It is possible to note a decrease in terms of quantity of Integrated Reporters (listed companies only) in Europe, especially in the last years

How is the IR Framework adopted in the EU (based on trends)?



Included in the Management Report



Included in the Universal Registration Document

in general, mix of practice

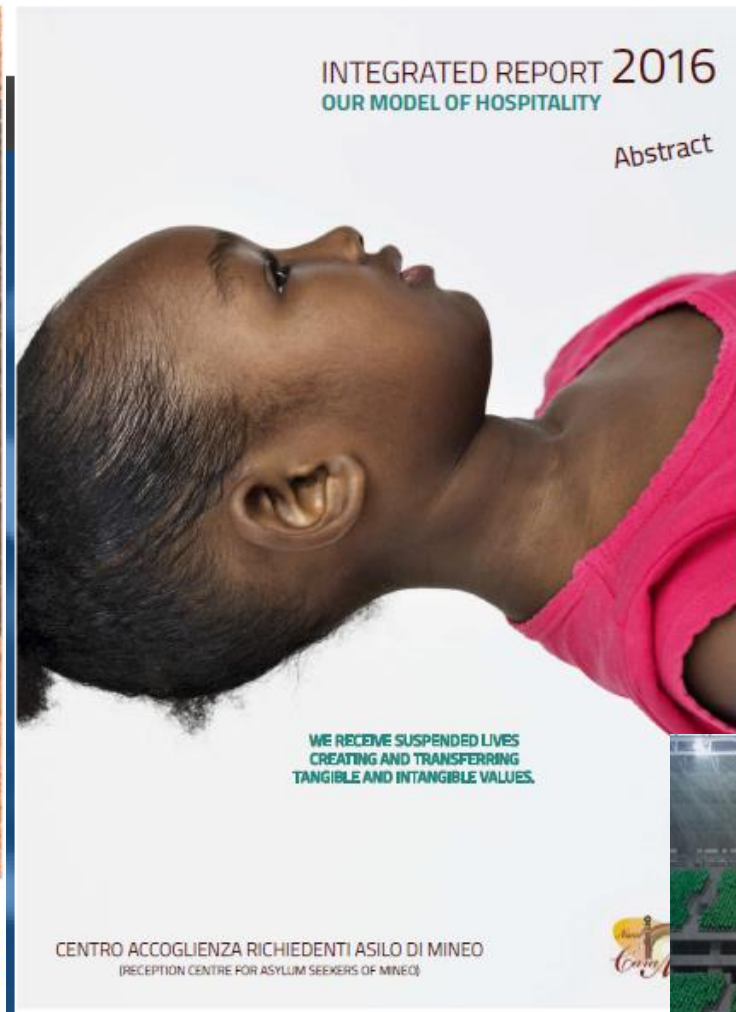
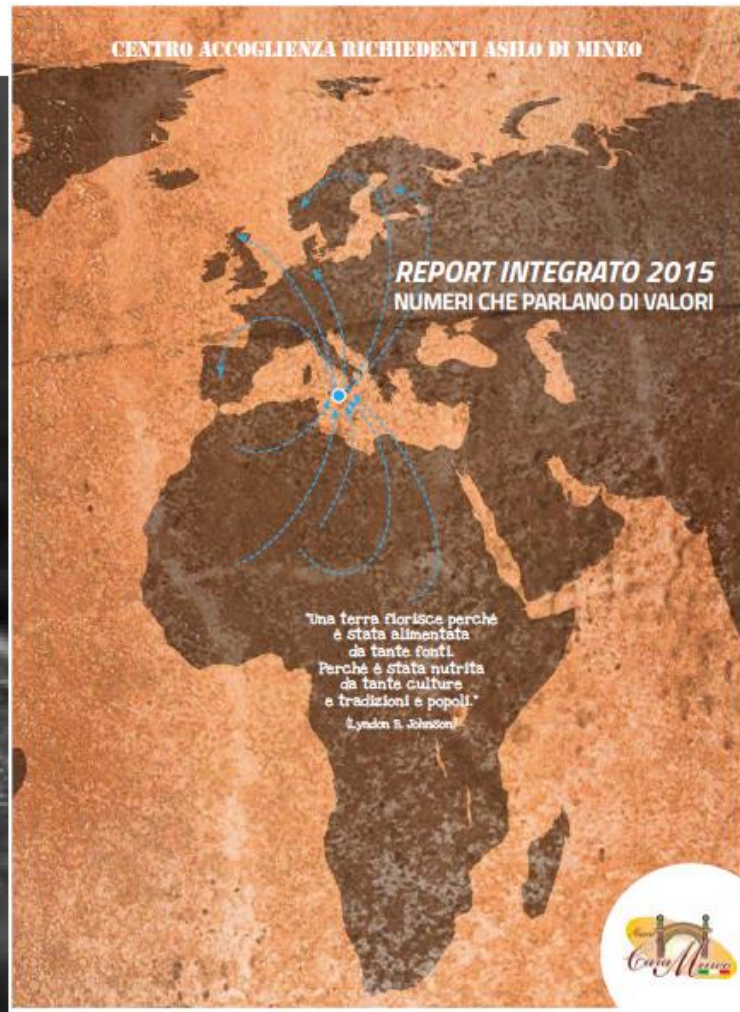


Integrated reporting in Italy – A variety of adoption

Italy is a country where the adoption of integrated reporting has been essentially driven by market forces, and it is characterised by the variety of organisations that have decided to enter this journey

There is not a big number of IR Reporters – ca. 50-60 entities, but the IR Framework has been implemented by large listed companies, as well as SMEs, micro companies, public sector entities, and not-for-profit organisations

Integrated Reporting and Non-Profit Entities



CARA of Mineo, the largest Centre for asylum seekers in Europe

Integrated Reporting and the Public Sector



REPORT
INTEGRATO
2018

Report
Integrato
2022



Best IR Award 2019 attributed to a small Town Hall (Sasso Marconi) close to Bologna.

Since four years also the Commune of Bologna produces an IR

Location of integrated report in Italy today

In Italy, variegated locations for the Integrated Reports:

- companies that have decided to call their primary regulatory report package as 'Integrated Annual Report' → e.g., Generali, Fideuram, Poste Italiane, Enel
- companies that issue an Integrated Report as a separate document → e.g., Unicredit
- companies that have “transformed” their Management Report into an integrated report and viceversa → e.g., Unipol, Snam



THE PRESENT

in the European Union and Italy

The coming of age of EU CSRD and ESRS

Following the approval of the EU Corporate Sustainability Reporting Directive (CSRD), now the European Sustainability Reporting Standards-ESRS have been mandated → high structured content of disclosure

The CSRD/ESRS require the location of sustainability statement in a dedicated section of Management Report

Possible use of “incorporation by reference” to other sections of the Management Report allowed

1. General information	3. Social information
<p>ESRS 2 General Disclosures</p> <ul style="list-style-type: none">• Specific topical DR from topical ESRS• Additional DR from sector specific ESRS• List of Disclosure Requirements complied with• Table of all the datapoints deriving from other EU legislation	<p>ESRS S1 Own workforce</p> <ul style="list-style-type: none">• Impact, risk and opportunity management and Metrics and targets DR from ESRS S1• Additional DR from sector specific ESRS• Potential additional entity specific information <p>ESRS S2 Workers in the value chain</p> <ul style="list-style-type: none">• Impact, risk and opportunity management and Metrics and targets DR from ESRS S2• Additional DR from sector specific ESRS• Potential additional entity specific information <p>ESRS S4 Consumers and end-users</p> <ul style="list-style-type: none">• Impact, risk and opportunity management and Metrics and targets DR from ESRS S4• Additional DR from sector specific ESRS• Potential additional entity specific information
2. Environmental information	4. Governance information
<p>Disclosures pursuant to Article 8 of Regulation 2020/852 (Taxonomy Regulation)</p> <p>ESRS E1 Climate change</p> <ul style="list-style-type: none">• Impact, risk and opportunity management and Metrics and targets DR from ESRS E1• Additional DR from sector specific ESRS• Potential additional entity specific information <p>ESRS E5 Resource Use and Circular Economy</p> <ul style="list-style-type: none">• Impact, risk and opportunity management and Metrics and targets DR from ESRS E5• Additional DR from sector specific ESRS• Potential additional entity specific information	<p>ESRS G1 Business conduct</p> <ul style="list-style-type: none">• Impact, risk and opportunity management and Metrics and targets DR from ESRS G1• Additional DR from sector specific ESRS• Potential additional entity specific information

The issues for IR deriving from the CSRD/ESRS

- Although some of the required information by the EU CSRD/ESRS is similar to the one to be provided according to the IR Framework, there are specific problems about the structure and the location required
- The structure and location required by the EU CSRD and ESRS is extremely binding and rigid → a great amount of ESRS sustainability information is in the “sustainability silo” and therefore not easy to integrate within an Integrated Report
- Cross-reference (“incorporation by reference”) is allowed only if the information has the same level of assurance
- This yields to a loss of communication effectiveness and a risk of duplication of information and lack of conciseness if a company would like to prepare also an integrated report



THE FUTURE
in the European Union and Italy

- **For a new flourishing of the IR in the EU, the EU Parliament and Commission have to address the rigidity of the CSRD provision regarding the location and structuring of sustainability information → not in the foreseeable future for now**
- **Despite that, a recent statement by the European Financial Analysts (EFFAS), the attitude of the European Commission, as well as the continuous support by the IFRS Foundation are in favour of integrated reporting in the perspective of using it as the basis for the development of a unitary corporate reporting**

Thank you!

Prof. Stefano Zambon (PhD)
Secretary General, O.I.B.R. Foundation
Full Professor of Business Economics, University of Ferrara

stefano.zambon@unife.it
info@fondazioneoibr.it



**University
of Ferrara**