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DOI:
10.1016/j.cpa.2023.102699

Document Version
Publisher's PDF, also known as Version of record

Citation for published version (Harvard):
O'Dwyer, B, Humphrey, C & Rowbottom, N 2024, 'From institutional integration to institutional demise: The disintegration of the International Integrated Reporting Council (IIRC)', *Critical Perspectives on Accounting*, vol. 99, 102699. https://doi.org/10.1016/j.cpa.2023.102699

Critical Perspectives on Accounting 99 (2024) 102699

Contents lists available at ScienceDirect

Critical Perspectives on Accounting

journal homepage: www.elsevier.com/locate/cpa

From institutional integration to institutional demise: The disintegration of the International Integrated Reporting Council (IIRC)

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ARTICLE INFO

Keywords:
Integrated reporting
International Integrated Reporting Council
Private governance
Standardization
Sustainability reporting

ABSTRACT

This paper presents an in-depth contextual analysis of the rise and recent demise of the International Integrated Reporting Council (IIRC). The IIRC entered its 'Breakthrough Phase' for Integrated Reporting (<IR>) in 2013 and progressed to its 'Momentum Phase' in late 2018. The 'Global Adoption Phase' of <IR> was expected to commence in 2021 and conclude in 2026. However, by the middle of 2023, the IIRC ceased to exist as a separate entity and the future adoption of its much vaunted <IR> Framework was fundamentally uncertain. Drawing on a comprehensive examination of documentary evidence and a series of 34 in-depth interviews with key players associated with the IIRC's development, this paper studies how and why the IIRC went so rapidly from being a notable 'is' to a definitive 'was' in less than a decade. Our analysis traces the IIRC's shifting strategic priorities in pursuit of a new corporate reporting norm and illustrates how these priorities underpinned a concerted effort at institutional integration in the corporate reporting field. We show how the nature of this attempted integration eventually led to the IIRC's demise. In seeking to understand the IIRC's strategic choices and actions we pinpoint the interrelated significance of 'invisibilities and exclusions', 'the dance of agency', and 'conceptual promiscuity'. We conclude that the IIRC's ultimate legacy may not be what it integrated in terms of corporate reporting but what it chose or was required to exclude or forget.

1. Introduction

> The fact that the IIRC *is* a global coalition of regulators, investors, companies, standard setters, the accounting profession and NGOs *gives it enormous strength* (Bruce, 2013, emphasis added).

> *The IIRC, as a body, is still very young. But in a short time it has achieved a great deal*, including launching pilot programmes for integrated reporting for businesses and investors and publishing a discussion paper and consultation draft as part of its development of the [Integrated Reporting] Framework, a feat it completed in 3 years. As of September 2014, it has set up new networks to carry integrated reporting forward, including, amongst others, a business network and a public sector network. *Of*

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https://doi.org/10.1016/j.cpa.2023.102699
Received 8 December 2023; Accepted 19 December 2023
Available online 17 January 2024

> *equal importance has been the IIRC's launch on the world stage*, attaining recognition among key organisations and agencies, with integrated reporting strongly recommended on a comply or explain basis by several stock exchanges around the world (Deloitte, 2015, p. 22, emphasis added).

> The International Integrated Reporting Council [IIRC] *was* a global coalition of regulators, investors, companies, standard setters, the accounting profession, academia and NGOs. Together, this coalition shared the view that communication about value creation, preservation or erosion is the next step in the evolution of corporate reporting. The IIRC developed the International <IR> Framework to meet this need and provide a foundation for the future (IIRC, 2021, p. 1, emphasis added).

Whatever words are used to describe the transformational path of the International Integrated Reporting Council (IIRC), few commentators would have predicted in 2013 that it would be a body talked about so firmly in the past tense by 2023. The scale of this change from 'present' to 'past' is of such a magnitude that the history of the IIRC cannot just be presumed or left to speak for itself. It requires cataloguing and archiving, accompanied by detailed contextual assessment and interpretation, in order to comprehensively explain 'what happened?': how did the IIRC manage to move so rapidly from being a notable 'is' to a quite definite 'was', from its much vaunted breakthrough to a less heralded breakdown in less than a decade? How such a transformation in status and being occurred is the question which this paper addresses.

The IIRC entered its so-called 'Breakthrough Phase' in 2013 intent on not colonising other corporate reporting standard setting and framework bodies, but, instead, seeking their institutional support in order to sustain a legitimised space in the 'standard setting' arena (Humphrey et al., 2017; Rowbottom & Locke, 2016). The IIRC transitioned into a 'standardizing body' whose recommended integrated reporting (<IR >) framework ultimately sought to impose a narrower sense or form of <IR> practice than that which many in the practice arena apparently desired. This tendency was most evident in the IIRC's deemphasising of its original notion of multi-capital accountability (in favour of an overall focus on the interests of financial capital) and its reduced emphasis on the significance of a standalone integrated report. For the IIRC to be seeking the support of other standardizers but also willing to advocate a narrower sense of <IR> practice immediately raises questions as to the scale of the IIRC's self-serving motives and its ability to colonise practice. It also highlights how the integrative achievements of <IR> cannot be viewed in isolation but need to be interpreted and considered as part of a story of attempted institutional integration, with the IIRC pursuing a certain form of institutional alignment with existing standardizers.

The IIRC's initial promotion of a generically attractive, but loosely specified, notion of 'integrated' corporate reporting built a strategic position and created a market for < IR>, encouraging companies to embrace the idea of <IR>. However, as practice developed, the IIRC began to face a more demanding strategic question as to where to draw the boundary around what was being 'integrated'? Having talked boldly in its formative years of the pursuit of a new global corporate reporting 'norm', would the IIRC have to make its reporting ambitions less expansive in order to reduce any colonising threats to other corporate reporting standard setters? Would the IIRC have to make <IR> something much more specific so as to enhance its prospects of being officially mandated and supported by influential international bodies in the corporate reporting arena? Or would any such narrowing or specificity cause <IR> to lose a sense of innate attraction, and, in turn, threaten the institutional strength of the IIRC? It is important to recognise that the IIRC's strategic options were potentially multifaceted. For instance, its emphasis on providing a principles-led reporting framework, rather than a rule-based standard, did offer up the option of allowing the development of <IR> to be driven largely by practice. Those companies actively pursuing integrated reporting and being most innovative in terms of interpreting <IR> and the scope of its reporting boundaries could have served as the basis for new reporting standards; a force of action and commitment to be nurtured and emboldened by the IIRC.[1] This leaves an interesting residing question to explore through the experiences of the IIRC as to the relative strategic influence of broad-based commitments to advance corporate reporting practice compared to a more, directly, self-interested desire to bolster its own institutional position as an emerging standardizing body.

The questions above collectively highlight the importance of viewing the (historical) development of a standardizing body such as the IIRC through the ways in which its strategic decisions and choices impacted on advocated reporting requirements and approaches. In essence, this requires viewing standards and frameworks as an institutionalised phenomenon, where understanding the full reasons for practice recommendations necessitates going behind official, conceptual reporting frameworks (such as the IIRC's advocated framework for <IR> practice) and analysing how their core elements were constructed and justified – and how points of emphasis shifted as standardizing priorities changed.

In what follows, we explore these issues as part of an in-depth case study analysing how the IIRC's efforts at institutional integration ultimately led to its demise. Based on our analysis, we draw conclusions as to where the IIRC came to stand with respect to its strategic priorities in pursuit of a new corporate reporting 'norm', how this stance was associated with its efforts at institutional integration, and how the nature of these efforts eventually contributed to its demise. We reflect on this process and its implications for <IR> by considering the IIRC's strategic reliance on 'invisibilities and exclusions', its 'dance of agency', and a degree of 'conceptual promiscuity'.

The paper makes a number of contributions to the literature. First, our analysis empirically extends prior work documenting the

[1] In this respect, it is noteworthy that in the IIRC's 2020 *State of Play* report on Integrated Thinking and Strategy, it emphasised the importance of readers familiarising themselves with the nature of <IR> practice: "[t]he public evidence that integrated thinking is taking place inside companies is often the integrated report. To see examples of integrated reports, check out the IIRC's Examples Database: https://examples.integratedreporting.org/home" (IIRC, 2020, p. 25).

early emergence of the IIRC (Bridges et al., 2022; Humphrey et al., 2017; Rowbottom & Locke, 2016) and evaluating the evolution and prospects for < IR> (De Villiers & Dimes, 2022; De Villiers et al., 2020; De Villiers et al., 2014; Eccles, 2014; Rinaldi et al., 2018). We specifically advance critical evaluations of the aims, ideologies and direction of < IR> (Adams et al., 2016; Brown & Dillard, 2020; Bridges et al., 2022; Barker & Teixeira, 2020; Deegan, 2020; De Villiers et al., 2017; De Villiers & Sharma, 2020; Flower, 2015; Flower, 2020; Parfitt, 2023; Perego et al., 2016; Thomson, 2015; Tweedie, 2023) by illustrating how the IIRC's institutional integration aspirations shaped these aims and ideologies and, ultimately, the overall direction of <IR>. Second, while previous work has argued that <IR> and IIRC dominance were "most likely to be achieved through regulator adoption" (Rowbottom and Locke, 2016, p. 110) and through an agile response to competing <IR> conceptions, we show how the IIRC became subsumed within powerful private standardizers' efforts to establish global, investor-focused sustainability-related reporting, ultimately losing its agility and its potential regulatory impact We depict how the tensions and challenges associated with institutionalising the IIRC, as a reporting authority, and < IR>, as a reporting norm, diluted the aims, ideologies and development of <IR>. In doing so, we depart from prior literature by studying the impact of ideological attachments and abandonment on the interactions between the IIRC and other standardizers.

Third, while there is a plethora of prior work on <IR> analysing the construction of integrated reports (Beck et al., 2017; Dumay & Dai, 2017; Gibrassier et al., 2018; Jayasiri et al., 2023; McNally et al., 2017), surveying integrated reporting practices (Chaidali & Jones, 2017; Rensburg & Botha, 2014), and examining the application of underlying concepts such as integrated thinking (Al-Htaybat & Alberti-Alhtaybat, 2018; Dimes & De Villiers, 2023; Maroun et al., 2023), our primary focus is on the IIRC as an entity, specifically studying its recent evolution and impact in the context of these <IR> practice developments. This focus advances our more general understanding of how transnational private governance initiatives evolve and, in some cases, erode (Bartley, 2022; Buchanan & Barnett, 2022; Graz, 2022; Haack & Rasche, 2021; Kaplan, 2023; Thistlethwaite & Paterson, 2016). Overall, our case analysis of the IIRC highlights the continually delicate balance private standardizers must strike between inclusion and meaning, and accommodation and prescription.

The remainder of the paper proceeds as follows. Section 2 outlines the evidential base underpinning our case analysis. Section 3 presents our analysis of the nature and outcome of the IIRC's institutional integration efforts. Section 4 highlights and explores the key underlying features of the IIRC's efforts, drawing on the aforementioned concepts of 'invisibilities and exclusions', 'the dance of agency', and 'conceptual promiscuity'. We conclude by contending that the IIRC's ultimate legacy, given its institutional integration ambitions, may not be what it formally managed to integrate in terms of corporate reporting but what it chose, or was required, to exclude or forget.

Table 1
Interviewees.

Interviewee	Number of interviews
IIRC CEO 1	2
IIRC CEO 2	2
IIRC CEO 3	1
IIRC Board director (2010–2021)	1
ISSB board member	2
ISSB advisory	1
CDSB CEO	2
GRI CEO 1	1
GRI CEO 2	1
GRI CEO 3	1
ICAEW Sustainability leader	1
IFRS Foundation - leader	1
IFRS Foundation - technical	1
Accountancy Europe leadership member	1
Big 4 partner in sustainability 1 - TCFD/Corporate Reporting Dialogue/EFRAG member	2
Big 4 partner in sustainability 2 - TCFD member	1
Big 4 partner in sustainability 3	1
Big 4 partner in sustainability 4	1
Bloomberg Philanthropies leader	2
SASB Board member	2
SASB Director of Research	1
TCFD Vice-chair	1
TCFD member 1	1
TCFD member 2	1
CDP CEO	1
Vice-Chairman of the European Lab@EFRAG Steering Group	1
IFAC director	1
Total number of interviews	**34**

Note: These interviews were conducted between March 2021 and June 2022. The interviews focused on gaining insights into interviewees' experiences of a series of contemporary developments in sustainability reporting, within which the IIRC played a key role. Overall, the interviews form part a larger project examining the evolution of the sustainability reporting landscape over the past decade.

2. Research methods

We conducted a longitudinal interpretive case study drawing on a comprehensive examination of critical strategic documents, minutes of official meetings, advocated reporting frameworks and published policy papers, and video materials, in conjunction with a series of 34 in-depth interviews conducted by the lead author between March 2021 and June 2022 with key players involved in the IIRC's development including former IIRC CEOs and long-standing IIRC members. This core evidence base is outlined in Tables 1 and 2. Our analysis was also influenced by twelve prior years of sustained engagement with <IR> and the IIRC's evolution (see: Humphrey et al., 2017; Rowbotton 2023; Rowbottom & Locke, 2016) as well as the evolution of related reporting frameworks such as the Task Force on Climate-related Financial Disclosures (TCFD) (O'Dwyer, 2023; O'Dwyer & Unerman, 2020). These earlier engagements were underpinned by 31 in-depth interviews with key individuals involved in the early development of the IIRC (Rowbotton 2023; Rowbottom & Locke, 2016) and 57 in-depth interviews with individuals in the wider sustainability reporting field (O'Dwyer, 2023). We also drew on an existing archive of materials comprising research studies and commentaries on integrated reporting and its evolution emanating from professional accounting bodies, consultancies, professionals in the field of corporate reporting, the investment industry, key media commentators; presentations made by IIRC members (in written and video form); and media contributions by IIRC board members, including interviews and opinion pieces (Humphrey et al., 2017). We continually updated this archive with the additional documentary material summarised in Table 2. Our analysis was also informed by the lead author's early involvement in the Integrated Reporting Academic Network of the Prince's Accounting for Sustainability Project from which the IIRC emerged, participation in roundtables hosted by the IIRC in Amsterdam, and membership of the Institute of Chartered Accountants in England and Wales (ICAEW) sustainability committee.

Our analysis for this paper focused on tracing and explaining the IIRC's trajectory from the launch of its <IR> Framework in 2013 up to its consolidation in the IFRS Foundation in 2022 and 2023. As is common in longitudinal case studies of this nature, we concentrated on issues and events that we saw as prominent in the IIRC's trajectory, engaging in an iterative process of analysis, debate and discussion in order to craft the case narrative presented in the next section.

3. Case narrative

This section presents our analysis of the IIRC's institutional integration effort and its ultimate outcome. We first trace the IIRC's attempts to lead and appease other actors in the corporate reporting field by building an alliance of standardizers aligning their reporting efforts around the <IR> Framework. Secondly, we show how a lack of consensus, limited financial resources, and the IIRC's ambiguity around <IR> diminished these alignment ambitions. Thirdly, we unveil how consequent concerns for the IIRC's (and <IR>'s) enduring relevance led the IIRC to align with other standardizers in positioning the <IR> Framework as a 'conceptual connector' of investor-focused sustainability-related reporting and traditional financial reporting. We illustrate how this engagement coincided with the IIRC's repeated reluctance to expand the <IR> targeted user group lest it stymied its alignment efforts. Fourthly, we show how the IIRC subsequently sought to maintain a central place for the <IR> Framework in the IFRS Foundation's efforts to standardize investor-oriented sustainability-related reporting: (a) by engaging in a conceptually contestable merger with the Sustainability Accounting Standards Board (SASB) and (b) through its consolidation, as part of the SASB merger, within the IFRS Foundation.[2] We argue that this consolidation hastened the IIRC's demise given that: the IIRC was assigned a short-term advisory role in the IFRS Foundation; the <IR> Framework was reduced to a minor aspect of the Management Commentary Statement in the IFRS Foundation's first draft reporting standard, and the IIRC's <IR> Framework board was disbanded. While the subsequent publication of the IFRS Foundation's first two sustainability standards, IFRS S1 and IFRS S2 has been accompanied by extensive reassurances as to how the <IR> Framework has been embedded in IFRS S1 in particular, we conclude our analysis by arguing that the IIRC's and its Framework's ultimate influence appears dependent on the decisions that the IFRS Foundation's International Sustainability Standards Board (ISSB) will take in response to its 2023 consultation on its agenda priorities.

3.1. Breaking through: Narrowing the <IR> focus and enrolling 'competitors'

The IIRC's antecedent, the Accounting for Sustainability (A4S) Connected Reporting Framework, established by the then Prince Charles, now King Charles III,I n 2004, initially failed to gain traction outside the UK. The creation of the IIRC represented an international rebranding of this framework that drew on existing entities such as the Global Reporting Initiative (GRI) and the International Federation of Accountants (IFAC) for finances, staffing and reputational support.[3] From the outset, the IIRC was a coalition of parties, and presented itself as being a framework developer rather than yet another formal standard-setter.

During its early development from 2010 to 2013, the IIRC problematised the diverse, overlapping and fragmented nature of existing narrative reporting guidance (Humphrey et al., 2017). Prevailing narrative reporting frameworks were accused of existing in closed systems, or 'silos' and <IR> was presented as a solution that would become the norm for corporate reporting (Rowbottom & Locke, 2016). Throughout these early years, the IIRC used discussion papers, prototypes and associated feedback in an effort to conceptualise what integrated reporting might mean. After much deliberation, the IIRC's <IR> framework emerged in 2013 to

[2] A list of acronyms and contextual information on the principal corporate reporting standardizers is displayed in Appendix A.

[3] For example, in September 2012, the International Federation of Accountants (IFAC) committed to providing £Stg30,000 over two years plus the year-long secondment of an IFAC staff member to the IIRC secretariat.

Table 2
Selection of Documentary and Video Data sources.

- IIRC Council Meeting minutes
- IIRC Press Releases
- IIRC Framework Panel meetings
- IIRC Annual (Integrated) Reports
- IIRC Comment letters on the 2013 <IR> Framework Revision
- IIRC International <IR> Framework 2021
- IIRC Technical Programmes and Technical Programme Progress Reports
- IIRC 2020 Consultation Draft of the <IR> Framework
- IIRC 2020 *Revision of the International <IR> Framework: Consultation Draft feedback*
- IIRC International <IR> Framework 2013/2021 Comparison
- IIRC 2019 *Integrated Thinking and Strategy State of Play Report*
- Print and webinar interviews with IIRC CEOs and core supporters
- IFRS Advisory Council Meeting Reports
- IFRS Foundation Trustee webinars on sustainability reporting
- IFRS Foundation presentations on the Management Commentary Statement
- IFRS Foundation Trustees' Feedback Statement on the *Consultation Paper on Sustainability Reporting*
- IFRS Foundation Trustees' *Consultation Paper on Sustainability Reporting*
- IFRS Foundation *Proposed Targeted Amendments to the IFRS Foundation Constitution to Accommodate an International Sustainability Standards Board to Set IFRS Sustainability Standards*
- Comment letters on IFRS Foundation Trustees' *Consultation Paper on Sustainability Reporting*
- IFRS Exposure drafts of standards IFRS S1 and IFRS S2
- IFRS Foundation feedback on proposed constitution amendments
- IFRS Foundation Trustees; Feedback Statement on the *Consultation Paper on Sustainability Reporting*
- IFRS Foundation Technical Readiness Working Group: purpose and progress webinar.
- IFRS Foundation Technical Readiness Working Group: Recommendations for consideration by the ISSB webinar.
- IFRS Foundation Trustee Updates on Sustainability-related reporting initiative
- IASB Chair's speech at Accountancy Europe event in Brussels 2017.
- IASB Chair's speech at the climate-related financial reporting conference in Cambridge.
- Chair of the IFRS Foundation Trustees Erkki Liikanen keynote speech at the UNCTAD Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting
- IASB Exposure draft of revised IFRS Practice Statement 1 *Management Commentary*
- Comment letters on IASB Exposure draft of revised IFRS Practice Statement 1 *Management Commentary*
- IFRS Foundation Project update meetings on Practice Statement Exposure Draft ED/2021
- ISSB Corporate Reporting webinars IMA
- ISSB Update series
- Value Reporting Foundation website press releases and reports on SASB/IIRC merger
- Value Reporting Foundation - Integrated Thinking Principles guide
- Value Reporting Foundation 2021 report on *Integrated Thinking: A Virtuous Loop*
- Value Reporting Foundation – Transition to Integrated Reporting guide
- *Accountancy Europe* Proposals and Reports and Position Statements on corporate reporting
- World Economic Forum reports on Sustainable Value Creation
- IFAC Sustainability Building Blocks guide
- CDSB 2022 Framework for Reporting Social and Environmental information
- 'Group of Five' (CDP, CDSB, GRI, IIRC, and SASB) report on *Reporting on enterprise value: Illustrated with a prototype climate-related financial disclosure standard*
- 'Group of Five' (CDP, CDSB, GRI, IIRC, and SASB) Open Letter to Erik Thedéen, Chair of the Sustainable Finance Task Force of the International Organization of Securities Commissions (IOSCO)
- 'Group of Five' (CDP, CDSB, GRI, IIRC, and SASB) *Statement of Intent to Work Together Towards Comprehensive Corporate Reporting*
- SASB Conceptual Framework revision publications
- SASB Conceptual Framework
- SASB Public Standards board meetings
- IRCC meetings November 2022 and April 2023 – minutes and video
- IFRS S1 and S2 issued in June 2023
- CIMA Global Academic Research Program 2017 report on Integrated Thinking
- Impact Management Programme Reports and Action Plans

proclaim that <IR> was primarily designed the meet the needs of the providers of financial capital (Rowbottom & Locke, 2016). This proved problematic for two reasons. Firstly, in practice, many early <IR> preparers were discounting this focus and targeting their reports at a wider group of stakeholders while secondly, this narrowing of the primary user intensified debates over where <IR> and the <IR> Framework actually fitted within the broader corporate reporting landscape.

Given the <IR> Framework's narrow user focus, it was widely argued that the IIRC was simply adding another framework to an array of existing standards and reporting initiatives. This perception created an ongoing problem for the IIRC when pursuing the support of other standardizing bodies, especially given the aforementioned staffing of the IIRC's various committees and work groups by representatives of bodies who offered opposing reporting visions to the one expressed in the <IR> Framework. In order to calm concerns, one of the IIRC's initial strategies involved appeasing these other standardizers by offering formal written reassurances that <IR> would *not*, despite the IIRC's initial declarations, colonise their reporting spaces. It signed MOUs (Memoranda of

Understandings) to this effect with several bodies such as the GRI (Global Reporting Initiative), the IASB (International Accounting Standards Board), the CDSB (Climate Disclosures Standard Board), and the CDP (Carbon Disclosure Project) (Humphrey et al., 2017).[4] This represented the commencement of a concerted effort to build and lead an alliance of standardizers in support of <IR> that would help propel the <IR> Framework to a position of prominence in the corporate reporting field.

3.2. From leadership to appeasement to submission: Shifting settlements in the corporate reporting dialogue (CRD)

3.2.1. Leadership - seeking <IR> framework centrality

In 2014, the IIRC deepened its strategy of alliance-building by convening a formal initiative, called the Corporate Reporting Dialogue (CRD). This was designed to engage seven other standardizers in a series of projects aimed at highlighting alignment between their different corporate reporting visions (see: Rowbottom, 2023). It would position the IIRC and the <IR> Framework centrally in existing reporting developments, calm competitive tensions, and create the perception that the IIRC was taking a leadership role in meeting preparer and user demand for the alignment of disparate corporate reporting frameworks and standards. The IIRC emphasised its desire to bring financial reporting standard setters like the IASB and FASB into direct contact with sustainability reporting bodies like SASB and the GRI in order to stimulate discussions around the 'connectivity' between financial and sustainability reporting promoted by the <IR> Framework. The IIRC's convening role meant that it decided which bodies were invited to participate in the CRD and what its core remit would be (Rowbottom, 2023). Calming the tensions created by the IIRC's original claims to usurp existing reporting norms was considered crucial as, despite the slew of MOUs, several interviewees claimed that the IIRC's initial "bombastic approach"[5] had annoyed the leadership of the GRI, SASB and the IASB.

The IIRC's efforts to ensure the Corporate Reporting Dialogue would "build understanding and relationships between siloed communities" proved problematic. The CRD's first report - a 'Landscape Map' - positioned the <IR> Framework as *the* overarching reporting framework by indicating how other frameworks and standards aligned with the <IR> Framework and the IIRC's reporting vision. The GRI was concerned by what it viewed as the IIRC's attempt to elevate the importance of the <IR> Framework, sensing that the IIRC's real agenda for the CRD was more about <IR> Framework supremacy than reporting alignment. In an IIRC Council meeting, a GRI attendee complained "that the Corporate Reporting Dialogue ha[d] become a marketing tool for the promotion of <IR> which was not the initial purpose … [thereby] … raising significant concerns about the GRI's continued participation [in the CRD]".[6] Given that the CRD appeared to be stoking rather than soothing tensions, at the following Council meeting, the CRD CEO played down the IIRC's leadership role by emphasising that "[t]he IIRC is a participant in the Corporate Reporting Dialogue, *which is not an IIRC forum*".[7] Nevertheless, the IIRC's inaugural integrated report implied that the CRD remained a forum aimed at enabling the IIRC to "explain how reporting standards and frameworks *align with and support* < IR>".[8]

3.2.2. Appeasement - propagating an <IR> process

Despite the Corporate Reporting Dialogue's efforts, the tensions surrounding the positioning of the integrated report within the extant corporate reporting model and in relation to the work of other reporting bodies remained unresolved. The IIRC thereby softened what was an already evolving stance on defining the object of an integrated report. Early assertions that the integrated report would become *the* single corporate reporting document had become more accommodating of others in the 2013 <IR> Framework and in the signalling inherent in convening the CRD: the integrated report could "be either a standalone report or be included as a distinguishable, prominent and accessible part of another report or communication" (IIRC, 2013, p. 4). However, exactly where, and within which communication, the integrated report fitted remained a source of confusion. This lack of precision surrounding what an integrated report was and where it could be found led the IIRC to shift its emphasis to the *process of* integrated report*ing*, underpinned by so-called *integrated thinking*, as opposed to the nature and precise content of the integrated *report*. In IIRC council meetings, members repeatedly reiterated how "care should be taken not to make too much of integrated reports [as] [t]he real vision of <IR> lies in integrated thinking". Integrated thinking was now promoted as "the key differentiating factor for <IR> as compared to other reporting frameworks".

De-emphasising the focus on a single report allowed the IIRC to continue to position itself, somewhat implausibly, as a potential ally in the CRD, rather than an unlikely master, of other reporting bodies. However, according to several of our interviewees, the CRD quickly lost momentum and turned into a "talking shop" that ran out of resources and, according to the IIRC itself, attained "limited market transparency".[9] Moreover, the IASB's anticipated contribution to discussions on connectivity never transpired. One ex-IIRC CEO informed us that Hans Hoogervorst, the IASB chair told him that "it's for you guys to sort this out".[10] The CEO was so perturbed by this dismissal that he "personally went to the IFRS Trustees … and put the case to them" to become actively involved in

[4] For example, the Memorandum of Understanding with the GRI committed the IIRC to developing the <IR> Framework with the intent that it would be compatible with and avoid duplication with the GRI. It included a cash contribution from the GRI to the IIRC of £Stg91,667 and a year-long secondment of a GRI staff member to the IIRC secretariat.

[5] Interview with GRI CEO 1.

[6] IIRC Council Meeting minutes, 3 December 2014.

[7] IIRC Council Meeting minutes, 28 May 2015 (emphasis added).

[8] IIRC, 2017, emphasis added).

[9] IIRC, 2017.

[10] Interview with IIRC CEO 2.

assisting the CRD's efforts at alignment. He was, however, rebuffed: "they just didn't engage. At that point, they weren't ready for it".[11]

3.2.3. Submission – Embracing the patronage of Bloomberg Philanthropies

While the Corporate Reporting Dialogue was stagnating, the Task Force on Climate-related Financial Disclosures (TCFD) emerged as an influential framework for reporting on climate-related risks and opportunities (O'Dwyer & Unerman, 2020). Its rapid rise, commencing in 2015, was initiated by the FSB and the G20 and propelled by the financial and human capital of Bloomberg Philanthropies.[12] This soon repurposed the CRD and undercut the IIRC's efforts to spearhead the Dialogue:

> The Corporate Reporting Dialogue was quite high level. There wasn't any serious discussion … There wasn't any real discussion around actually bringing together all of these actors under the same institution. So, the idea is that the organisations would mutually acknowledge the presence of one another, and decide not to step on each other's toes, so to speak. It looks like a big thing, everybody's talking about the Corporate Reporting Dialogue. It's a big thing. But behind the scenes, there wasn't really any substance behind it … And then, eventually, that gets a bit left behind with the arrival of the TCFD.[13]

The TCFD membership was industry-led which meant that many CRD members were not invited to participate. The then CEO of the IIRC, nevertheless, encouraged a number of avid IIRC supporters and members of the preparer and user communities to join the TCFD "so that things didn't go completely from left field and to make sure that it didn't interfere with what [the IIRC] wanted to do with integrated reporting or [even] enhanced what [the IIRC] were trying to do".[14] Bloomberg Philanthropies' desire for TCFD primacy led them to propose funding a CRD-run project, later known as the Better Alignment Project, to study how the existing standards and frameworks of CRD members aligned with the TCFD recommendations, *not* the <IR> Framework (Rowbottom, 2023). The proposal apparently "came out of the blue" but the funding was significant and was welcomed by the then IIRC CEO as he considered it crucial to the CRD's survival.[15] A Bloomberg Philanthropies interviewee indicated that, in the first few years of the CRD, Bloomberg had been "sprinkling cash at each of the [CRD] organisations to get them to align with each other" but eventually became frustrated at the CRD's stagnation.[16] The TCFD and "reporting on climate not six integrated capitals" was where Bloomberg Philanthropies wanted reporting alignment to happen.[17] As one ex-IIRC CEO acknowledged:

> [Bloomberg's] priority was [now] climate. It was their money. So that was perfectly proper. We didn't have to apply for it and we didn't have to accept it. So that's a conversation among grown-ups where they [Bloomberg] were very influential.

Despite many CRD members "pushing back" against the Better Alignment Project proposal, fearing TCFD encroachment, the CRD's focal point shifted away from the <IR> Framework. The IIRC was now the CRD convenor in name only alignment with the TCFD took priority.

3.3. Seeking salvation through integrated thinking

While the <IR> Framework was losing prominence in the CRD, the IIRC enhanced its emphasis on the central role of integrated thinking in its conception of integrated reporting. On assuming his role as IIRC CEO in early 2017, Richard Howitt, proclaimed that "half the benefit of integrated reporting is integrated thinking", claiming that "the roots of the financial crisis lay in a lack of integrated thinking". Efforts to embed the notion of integrated thinking in the IIRC's offering developed significantly within its Integrated Thinking and Strategy Group, formed in 2017, which developed a model for integrated thinking as part of a *State of Play* report, published in January 2020. The report referred to integrated thinking as a "unifying concept and strategic tool" (p. 1) that was "still developing as a nascent *discipline*" (p. 5, emphasis added) with Professor Mervyn King, Chair Emeritus of the IIRC, hailing integrated thinking as representing "the revolutionary immensity of the IIRC" (p.13). Value in the "model for integrated thinking' was seen as having "morphed from one that was solely focused on financial capital to one that recognized value as being multi-capital and multi-dimensional" (p. 6). The core idea of evaluating different capitals and their impacts together was represented by moving from a String "mono-capital" model in which short term profit was maximized with a focus on financial capital, to a Spring "multi-capital" model where short term and long term *value* was optimized and the focus was on multiple capitals and their interactions. This contributed to a "system value model", representing a shift from a shareholder value model "requir[ing] a company to articulate a changed purpose to optimize its profit" (p.11). The 'Spring model' underpinning integrated thinking apparently helped to resolve the trade-offs that a 'String model' always made between capitals to benefit financial capital holders. The *State of Play* report identified a range of commonly-used tools and processes organisations had used to overcome barriers to integrated thinking ranging from visualization techniques, integrated dashboards, Agile Scrum for collaboration, and integrated thinking maturity matrices. However, the diversity of

[11] Interview with IIRC CEO 2.

[12] Bloomberg Philanthropies is the charitable foundation used to distribute wealth accumulated by Michael Bloomberg across the arts, education, the environment, government innovation, and public health (see Bloomberg Philanthropies, 2023).

[13] This interviewee is not identified due to the perceived sensitivity of the observation.

[14] Interview with IIRC CEO1. We should note that TCFD members were actually approached to become members. It was not the case that they simply put themselves forward for selection (O'Dwyer, 2023).

[15] Interview with Big 4 firm partner in sustainability 1 - TCFD/Corporate Reporting Dialogue/EFRAG member.

[16] Interview with Bloomberg Philanthropies leader.

[17] Interview with Bloomberg Philanthropies leader.

the examples and their purported success could not hide the fact that integrated thinking as a concept remained highly fluid and developmental and did not always result in the <IR> framework being seamlessly followed by companies. While integrated thinking was evidently not the "nonsense term" Paul Druckman had labelled it in an interview when departing as the IIRC's CEO in late 2016, many companies remained in an experimental phase.

3.4. From core convenor to peripheral connector: Clinging to the 'Group of Five'

A month after the release of the *State of Play* report, in February 2020, the IIRC sought to take stock of its positioning by seeking 'focused feedback' on certain aspects of the <IR> framework. It acknowledged that "for a movement that champions a shift from financial capitalism to one based on multiple forms of capital, integrated reporting itself focuse[d] disproportionately on informing financial capital allocation decisions" (IIRC, 2020b, p. 2). It also noted that "[t]here is perhaps *an implied* primacy of providers of financial capital" (IIRC, 2020b, p. 3, emphasis added). As a result, its consultation process explicitly considered acknowledging the 'joint primacy' of other stakeholders. During the early consultation stages, the IIRC acknowledged "strong support" for "a shift in emphasis from 'providers of financial capital' to 'providers of other forms of capital'" and sought further consultation (IIRC, 2020c, p. 6). However, while the consultation was proceeding, a body known as The Impact Management Project launched a new initiative aimed at aligning reporting bodies primarily focused on the disclosure of 'sustainability' information to investors.'. As we outline below, the Impact Management Project initiative suppressed the IIRC's proposed framework revisions as any movement towards accepting the 'joint primacy' of other stakeholders could have negative implications for the IIRC's role within this new investor-focused alignment effort.

The Impact Management Project was originally established in 2016 in response to the persistent preparer and user pressure for greater reporting alignment among the various sustainability standards and frameworks.[18] During the IIRC consultation exercise, the IIRC, along with other, somewhat reluctant, CRD members joined the Impact Management Project's *Structured Network* which was established to "facilitate … standard-setting organisations … to clarify the landscape of standards and guidance used by practitioners for their impact management practice". In this forum, the Impact Management Project encouraged SASB, GRI, CDSB, CDP and the IIRC to commit to, and produce a road map for, a comprehensive reporting system focused on what was termed 'enterprise value creation', a goal similar to the original aim of the CRD.

The IIRC's and < IR>'s precise role in this proposed reporting system remained unclear, especially in light of the ongoing <IR> Framework consultation. Nevertheless, at the April 2020 IIRC Council meeting focused on "the future direction of IIRC and integrated reporting", Charles Tilley, the new IIRC CEO, announced that "there's an urgent call to take bold unselfish steps to address the state of the corporate reporting environment".[19] He maintained that "[t]he IIRC was positive about progressing discussions with SASB and GRI and w[ould] be working with both organizations, and IMP [the Impact Management Project], to urgently develop plans around connectivity, a mock disclosure, and best practice". The meeting minutes emphasised that "the need for a better [reporting] system [wa]s urgent" but that "[i]n order to achieve this system the IIRC d[id] not have to continue in its current state".[20] Four non-mutually exclusive strategic options for the IIRC were discussed and voted on: 1. the IIRC continues as an independent, stand-alone organization; 2. the IIRC ceases to be a stand-alone organization; 3. the IIRC formally transitions into the role of a Corporate Reporting Foundation (a suggestion from Accountancy Europe[21]); and 4. the IIRC merges with other organizations in the corporate reporting system. While the results of the vote were not recorded in the Council meeting minutes, the IIRC was clearly confronting an existential reckoning.[22]

Despite this reckoning, the consultation on the <IR> Framework proceeded, and a Framework consultation draft, released soon afterwards, remained open to recognising the 'joint primacy' of stakeholders. It emphasised how "market feedback had encouraged a clarification of the <IR> Framework's coverage of impacts" (IIRC, 2020c, p. 5) given that "some contend that integrated reporting overlooks long-term societal and environmental impacts and focuses only on "how the outside world affects companies (and not 'how companies affect the outside world')" (IIRC, 2020d, p. 3). In response, the IIRC sought to distinguish all societal and environmental effects arising from organisational activity from the subset of impacts that materially affect the organisation's ability to create value (IIRC, 2020d). It claimed that "by addressing positive and negative effects across capitals, as well as short, medium and long-term consequences for direct stakeholders and society at large, an integrated report enables users to evaluate the organization's wider impacts" (IIRC, 2020c, p 27).

On 11 September 2020, the International Federation of Accountants (IFAC), despite Hans Hoogervorst's initial reluctance, called for the creation of a new sustainability standards board that would exist alongside the IASB under the IFRS Foundation. The same day,

[18] The Impact Management Project "began in 2016 as a time-bound forum for building global consensus on how to measure, assess and report impacts on people and the natural environment". See: https://impactmanagementproject.com/.

[19] IIRC Council Meeting Minutes April 2020.

[20] IIRC Council Meeting Minutes April 2020.

[21] In December 2019, an *Accountancy Europe* Task Force, which included Paul Druckman, the inaugural IIRC CEO, proposed a new corporate reporting model that would create a Corporate Reporting Foundation responsible for financial and non-financial reporting oversight. The Foundation would create an International Non-Financial Reporting Standards Board which would set non-financial reporting standards. The Task Force called for an interconnected conceptual framework for Financial Reporting and Non-Financial Information, suggesting that the <IR> Framework would be a useful starting point.

[22] In breakout sessions at this Council meeting, groups emphasised how "[t]here is a case for convergence - it is being asked for by many - investors, boards, all stakeholders are asking for it, now is the time to act".

the IIRC joined with the CDP, GRI, CDSB and SASB to announce a shared vision - a 'Statement of Intent' - of what was needed for progress towards a 'comprehensive corporate reporting' system – and how they intended to work together to achieve it. This so-called 'Group of Five' Statement was apparently "[f]acilitated by the Impact Management Project, [the] World Economic Forum and Deloitte".[23] As one ex-IIRC CEO indicated to us: "the Corporate Reporting Dialogue was now no longer seen as the primary convening space. It was lost by the IIRC … the idea that the IIRC was the prime leader [of alignment] was completely lost".[24]

The Group of Five committed to engaging with the International Organization of Securities Commissions (IOSCO), the IFRS Foundation, the European Commission (EC), and the World Economic Forum's (WEF's) International Business Council. Their vision was of "financial accounting and sustainability disclosure connected via integrated reporting".[25] They wanted to show how their frameworks and standards could "be applied in a complementary and *additive* way … [and] complement financial generally accepted accounting principles".[26] There was a sense of urgency to illustrate how the bodies formed part of "a nested eco-system" in which the <IR> framework operated as a "connector". However, while the <IR> framework would apparently offer a conceptual framework linking enterprise value, relevant sustainability disclosures, and financial Generally Accepted Accounting Principles (GAAP), the Appendix to the Group of Five's Statement of Intent mobilized the Better Alignment Project to illustrate how existing frameworks and standards aligned with *the TCFD's* four disclosure pillars. There was no evident depiction of how the <IR> Framework would function as a connecting framework. Another Appendix mapped the key elements of *the IASB's* conceptual framework against the CDSB, GRI, SASB, TCFD, and <IR> Frameworks as well as core aspects of the IFRS Management Commentary Practice Statement. In depicting the proposed new reporting system, the <IR> Framework was represented as part of a gable roof on a building containing FASB, IASB, CDSB and SASB. This was the 'home' the IIRC required to retain its relevance as the momentum behind the IFRS Foundation's commandeering of investor-oriented sustainability-related reporting escalated alongside the TCFD's growing prominence.

The IFRS Foundation published its Consultation Paper on Sustainability Reporting three weeks after the Group of Five announcement. It outlined a desire to gauge *formal* stakeholder demand for the Foundation to form a global sustainability reporting standard setter. This would firstly focus on the reporting of information most relevant to investors and other market participants, with an initial concentration on climate-related risk reporting. The climate-related risk focus aligned with the TCFD recommendations but was at variance with the multi-capitals approach advocated by the <IR> Framework. The Foundation committed to engaging with the Group of Five and expressed support for their Statement of Intent. A Group of Five letter to IOSCO, published the same day, elaborated on their shared vision and endorsed the IFRS Foundation's consultation proposals. In order to align with the IFRS Foundation's ambitions, the letter re-emphasized the notion of enterprise value creation as the focus of reporting. <IR> was, however, mentioned separately only once, although extensive attention was afforded to a vague notion of 'connected reporting' which would "facilitate critical interconnections between financial and sustainability information that is critical for enterprise value creation". According to several of our interviewees, this landmark alliance marked out an uncertain future for <IR> and the system change the IIRC was promoting, notwithstanding the Group of Five's seemingly contradictory promise of multi-stakeholder-focused sustainability reporting.

3.5. *Together but apart: Seeking security and significance with SASB*

At the November 2020 IIRC Council meeting it was announced that as "[a] result of the steer received at the April Council meeting, the IIRC Board and senior management team ha[d] entered discussions with SASB to merge into a unified organization and move the corporate reporting system forward in a meaningful way". The intention to merge SASB and the IIRC in the Value Reporting Foundation (VRF) was publicly announced a few days later. SASB CEO Janine Guillot was installed as VRF CEO. Michael Bloomberg and Mervyn King became "Chair Emeriti", and Charles Tilley, the IIRC CEO, was afforded special advisor status.[27] This process apparently "helped the IIRC and SASB [to] understand their similarities and that their foundations are aligned [as] both are looking for better and more comprehensive information on the drivers of enterprise value creation which is hugely driven by intangibles". The IIRC Council minutes indicated that the merger committed to "safeguarding … integrated reporting and the multi-capitals, … safeguarding the SASB standards, … [and] focus[ing] on enterprise value creation".[28] Other than an investor-oriented focus, it was, however, difficult to see how the SASB standards and the <IR> framework and concepts would be integrated given the IIRC's broader multi-capitals perspective.[29] One ex-IIRC CEO interviewed claimed that the merger was a marriage of convenience reflecting both bodies' struggles to gain footholds in different jurisdictions and their need to remain relevant to the IFRS Foundation's fast-moving plans (see also:

[23] One interviewee claimed that the Group of Five Statement of Intent was written by the CDSB and arose partly in response to a failed attempt to merge SASB and the CDSB.

[24] Interview with IIRC CEO 2.

[25] See: the CDP (Climate Disclosure Standards Board), CDSB (Climate Disclosure Standard Board), GRI (Global Reporting Initiative), IIRC (International Integrated Reporting Council) and SASB (Sustainability Accounting Standards Board) 2020 report *Reporting on enterprise value illustrated with a prototype climate-related financial disclosure standard*.

[26] See: the CDP (Climate Disclosure Standards Board), CDSB (Climate Disclosure Standard Board), GRI (Global Reporting Initiative), IIRC (International Integrated Reporting Council) and SASB (Sustainability Accounting Standards Board) 2020 report *Reporting on enterprise value illustrated with a prototype climate-related financial disclosure standard*, page 3.

[27] The IIRC Council minutes suggest that the merger was first mooted when the Group of Five was preparing its Statement of Intent.

[28] IIRC Council Minutes, November 2020.

[29] This was evident in the IIRC's articulation of Integrated Thinking in its 2020 *State of Play* report (IIRC, 2020a).

Giner and Luque-Vílchez, 2022):

> I saw SASB as being the way to get the IIRC better understood in the US market and us [the IIRC] being able to help them. And I offered to help with joint staff. We had joint projects in Japan and the US. And that all happened in my time. I saw the fruit of that collaboration and the merger is still a true extension of that.[30]

The <IR> Framework and SASB standards would apparently remain complementary tools but the VRF would "facilitate the use of both together", offering the reporting 'simplification' demanded by businesses and investors. However, another former IIRC CEO we interviewed referred to the plan as: "pointless, as there's no point in having one organization if you have two tram lines". While the <IR> Framework and the SASB standards were presented as a complementary combination of principles (IIRC) and precise metrics (SASB), the IIRC CEO Charles Tilley asserted that "we will *link* the concepts between the <IR> Framework and SASB standards *even further*".[31] This additional *linkage* did not, however, appear to be a resounding conceptual motive for the merger.

While many of our interviewees found it difficult to suppress a sense of SASB supremacy in the Value Reporting Foundation (VRF), the Foundation explicitly promoted three 'resources' from *both* bodies: the SASB Standards, the <IR> Framework, and the Integrated Thinking Principles. Moreover, the IIRC reassured <IR> adopters that the merger: would have*no* impact on the <IR> Framework; allowed companies to refer to the framework *independently* of the VRF; and *did not* compel companies to use the <IR> Framework and the SASB standards *together*. This, however, begged the question: if the status quo was largely retained and alignment deferred, what precise conceptual reporting purpose did the merger serve?

3.6. Struggling for significance in a renewed reporting architecture

Three weeks after the SASB-IIRC merger announcement, the Group of Five published a report entitled "Reporting on Enterprise Value Creation". This included a prototype climate-related financial disclosure standard on enterprise value creation.[32] The standard stressed a clear separation between 'sustainability-related financial disclosure' and sustainability reporting focused on corporate impacts. It indicated that the IFRS Foundation could play a central role in standardizing 'sustainability related financial disclosure' building on the Group of Five members' existing frameworks and standards. This reporting to providers of financial capital would not necessarily only measure returns in monetary amounts but would also apparently "include the other five capitals in the <IR> Framework, thereby addressing the connectivity between these [capitals] and financial capital" (p. 8). Integrated reporting (based on the guiding principles of the <IR> Framework) would be the framework *connecting* 'sustainability-related financial disclosure' standards focused on enterprise value creation to standards for financial accounting and disclosure. The <IR> framework would, therefore, not be used to frame the presentation prototypes focused on 'sustainability-related financial disclosure'. Instead, this role was bestowed on the TCFD's four disclosure pillars of governance, strategy, risk management, and metrics and targets as they had "been embraced by the market [and] [t]he European Commission, … [and] represented core elements of how organisations operate" (p. 17).

Given that the reporting framework distinctions between the TCFD's four pillars and the <IR> Framework appeared readily reconcilable, the <IR> Framework's significance in the newly proposed architecture was far from assured. In contrast, the centrality of SASB's long-standing rules-based focus on enterprise value remained unaltered. A diagram adapting the IASB's conceptual framework for financial reporting to 'sustainability-related financial disclosures' referred to using the <IR> Framework "Capitals *and/or* (SASB or GRI) dimensions of sustainability", effectively deferring a decision on whether and/or how to prioritise the <IR> Capitals framing, SASB's five dimensions of sustainability, or the GRI's three sustainability dimensions.[33] An influential early IIRC member indicated that the adoption of the TCFD framework was due to companies finding it much easier to implement than the <IR> Framework. He felt that "the IIRC framework, the six capitals just never took off, they [the IIRC] never landed that with businesses":

> They never had a U.S. strategy. And integrated reporting is crap in the United States. And not much of it. There's a lot in Japan. It's still mostly crap, but it's getting better, but at least they want to do it. The TCFD framework just really rang the bell. And I remember when [the TCFD recommendations] came out, I was talking to investors and they said, 'look, this is much more useful to me than the six capitals', it was more how investors would think. There's strategy and governance and risk and metrics. And basically, that's what's happened.[34]

While the <IR> Framework consultation process acknowledged that <IR> practices often danced a different tune to the 'score' laid out by the IIRC, the revised <IR> framework, released in January 2021, less than two months after the announcement of the SASB-IIRC

[30] Interview with IIRC CEO 2.

[31] IIRC Council Minutes, November 2020.

[32] This standard was, according to one of our interviewees, written by a CDSB team "that weren't accountants" and was partly stimulated "in response to a failed merger between the CDSB and SASB because [the CDSB's] mission was always to be integrated into the IFRS Foundation". The Group of Five stated that "[t]he work could … serve as useful input for the Trustees of the IFRS Foundation, who have not been involved in the technical development of this [the Group's] paper, but who are currently consulting on the role that the IFRS Foundation could play by broadening its role beyond setting financial reporting standards".

[33] While footnote 24 on page 16 of the report indicated the one of the objectives of the SASB and IIRC merger was to 'harmonise' the capitals and the SASB sustainability dimensions, this harmonisation has arguably, to date, not occurred.

[34] Interview with one of the IIRC instigators, now in a leadership role in a corporate reporting body.

merger into the VRF, retained the reference to the primacy of *financial* capital providers. This was despite the consultation respondents' overwhelming support for broadening an integrated report's purpose and the IIRC's apparent support for a 'joint primacy' perspective only seven months earlier. Overall, the revised Framework included few changes and did not seem to reflect how integrated reporting was frequently implemented in practice. The Framework noted that impacts on "stakeholders and society at large" were only to be included in an integrated report "when these are material to the organization's ability to create value *for itself*" (IIRC, 2021a, p. 6, emphasis added). By implication, <IR > would remain silent on negative socio-ecological impacts as long as enterprise value was perceived to be unaffected. These arguments aligned with the IIRC's positioning within the VRF, Group of Five, and IFRS Foundation proposals prioritising the information needs of financial capital providers and *enterprise* value creation. Whilst in early 2020, the IIRC seemed open to and accepting of a move to broaden its user focus from providers of financial capital to a more multi-stakeholder model in the framework revision consultation, by early 2021, these possibilities had been sidelined given they were at odds with the focus of the merger with SASB and the emergent IFRS Foundation blueprint. The IIRC was now a passenger on the 'enterprise value' ship that had set sail. It adopted the precise terminology used by the Group of Five, the VRF and the IFRS Foundation when outlining how the <IR> Framework "revisions [we]re … aligned with [its] efforts to develop a global, comprehensive reporting system" even if this meant downplaying the views and practices of many of < IR>'s supporters and practitioners. Dispensing with the views of these core constituents was seemingly essential to the <IR> Framework's and the IIRC's future relevance and survival.

3.7. *Maintaining relevance or inviting invisibility?: Offering a conceptual basis for the Management Commentary Practice Statement*

The IFRS Foundation subsequently published an exposure draft on proposed amendments to its constitution to enable the establishment of the International Sustainability Standards Board (ISSB). The VRF issued a robust commentary situating the VRF's three "resources": the <IR> Framework, the Integrated Thinking Principles, and the SASB Standards at the centre of any further ISSB developments. The <IR> Framework was positioned as a core element of any new IFRS Foundation-led reporting architecture by attaching the Framework principles to the IASB's ongoing revision of its Management Commentary Practice Statement. The VRF called for "genuine connectivity" between financial accounting and sustainability standards, stressing how "the essential tools" to enable this already existed in the form of the Management Commentary Practice Statement and the <IR> Framework which, it contended "could be combined to provide an umbrella connecting framework across the work of the IASB and ISSB" Existing SASB Standards could also be leveraged as they already "had a broad base of global investor support" thereby offering "the most rapid path for the ISSB to meet investor needs". At this stage, it appeared that if the IASB and ISSB were going to connect around the <IR> framework, then the Framework had to become a focal feature of the IFRS Foundation's Management Commentary Practice Statement revision. However, while the Management Commentary Practice Statement exposure draft envisaged that the revised Statement could be applied in conjunction with the IFRS Foundation's "development of sustainability reporting standards", it made no explicit reference to the <IR> Framework.[35]

The VRF response to the Management Commentary Practice Statement Exposure Draft requested a pause in the revision project partly to assess "how the … Statement might be *combined* with the International <IR> Framework and the recommendations of the [TCFD]".[36] It suggested that a repositioned Management Commentary Practice Statement could be a key element in establishing essential connectivity between the IASB and the ISSB. Most tellingly, the VRF contended that the Statement lacked a conceptual basis, a deficiency it suggested could be resolved by "integrating the principles and concepts in the International <IR> Framework, the current Management Commentary Statement principles, and the governance, strategy, and risk management components of the TCFD recommendations".

> In our view the <IR> Framework (notably its *Chapter 2 – Fundamental Concepts* and related content on ESG matters and intangibles) provides an ideal conceptual basis for the Practice Statement and could provide a basis for a conceptual framework.[37]

Following this suggestion would, the VRF contended, establish "a comprehensive conceptual framework fit for … corporate reporting as a whole". Moreover, the lack of recognition in the Exposure Draft for the distinct role of those charged with governance could be addressed "through the incorporation of section 4B of the international <IR> Framework …", while a consistent articulation of value creation was necessary, notably the possible use of enterprise value creation, to align with the proposed ISSB.[38] At this stage, it appeared that the Management Commentary Practice Statement offered the IIRC the most concrete opportunity to retain the relevance

[35] Several respondents to the <IR> Framework revision process had alluded to how the Framework was commonly used to structure Operating and Financial Reviews, Strategic Reports, and Management Commentaries. For example, The Integrated Reporting Committee (IRC) of South Africa claimed that the Management Commentary Practice Statement was not a better alternative to an integrated report based on the <IR> Framework, while Deloitte suggested a closer alignment to the <IR> Framework which would offer a structure that would be more practical for preparers to apply and easier to understand.

[36] The revision project has since been paused.

[37] See page 8 of the *VRF Response to IFRS Practice Statement Exposure Draft ED/2021/6*. Accessible at: https://ifrs-springapps-comment-letter-api-1.azuremicroservices.io/v2/download file?path=591_29162_JonathanLabreyValueReportingFoundation_0_CL5ValueReportingFoundation.pdf. Last accessed December 7th, 2023.

[38] See page 3 of the *VRF Response to IFRS Practice Statement Exposure Draft ED/2021/6*. Accessible at: https://ifrs-springapps-comment-letter-api-1.azuremicroservices.io/v2/downloadfile?path=591_29162_JonathanLabreyValueReportingFoundation_0_CL5ValueReportingFoundation.pdf. Last accessed December 7th, 2023.

of the <IR> Framework as the IFRS Foundation's influence intensified (see also, De Villiers and Dimes, 2022).

3.8. Confronting imminent insignificance?: Accepting an advisory role in the IFRS Foundation

At COP26 in November 2021, the IFRS Foundation formally announced its intention to establish a new International Sustainability Standards Board (ISSB). It confirmed that the CDSB and the VRF - in effect, their technical expertise, content, staff and other resources - would be consolidated into the Foundation. It also released its prototype general requirements for disclosure of 'sustainability-related financial information', heavily influenced by SASB Standards and the TCFD recommendations, and a prototype climate disclosure standard, modelled mainly on the TCFD framework and the Group of Five's prototype. It promised that the IASB and ISSB, while operating independently, would work in close cooperation ensuring connectivity between IFRS accounting standards and the ISSB's standards. The Foundation also announced an intention "to use the International Integrated Reporting Council [IIRC] to provide advice on establishing connectivity between the work of the IASB and the ISSB via the fundamental concepts and guiding principles of integrated reporting". This emphasis on *providing advice* was important according to several interviewees, who emphasized how the IIRC was now at the mercy of the 'due process' of the IFRS Foundation and could expect no assurances as to its ultimate influence on enterprise value focused reporting:

> The consolidation doesn't mean the ISSB is going to adopt lots of the findings of those frameworks [of the CDSB, IIRC and SASB] … Anything that comes from it will be because the ISSB agrees that. [For] former members of the Value Reporting Foundation and CDSB … there's going to be less flexibility. They're used to being creative and expansive and so on. But it's going to come into the IFRS Foundation, which has a slightly different culture. Everyone believes in due process, but the due process within IFRS is particularly important to them. And so, don't make an assumption that it's just taking what we've all done [VRF, SASB and CDSB] and then adding to it. It is starting again. But being informed by what we've done in the past.[39]

Reflecting on these developments, one non-IIRC CEO interviewee dubbed the VRF "a failed merger [as SASB and the IIRC] still exist [ed] in two silos". However, consistent with our conclusion above, this interviewee also contended that the VRF consolidation into the IFRS Foundation could help preserve key aspects of the <IR> Framework through the Management Commentary Practice Statement and the connectivity between the IASB and the ISSB:

> So, actually for the <IR> community, the best thing is that this merger with the IFRS Foundation is going ahead so that some of their work can be preserved. You need to realise that the same lady who wrote the <IR> Framework wrote the CDSB framework and wrote much of the TCFD recommendations … More work will be done on Management Commentary and the connectivity between the two boards [IASB and ISSB] using the <IR> Framework.[40]

In contrast, another CEO of a framework body was pessimistic about the future of the <IR> Framework within the ISSB:

> … we only have pockets around the world which really substantively engage with [the IIRC's] capitals framework. And of course, this could be a lifesaver for them as well, but I don't see the IIRC in what's being proposed by the ISSB. Their long developed framework seems to have almost disappeared.[41]

In early March 2022, just before the final exposure drafts of the two ISSB standards were issued, the VRF sought to clarify the role of the SASB Standards and the <IR> Framework post its consolidation in the IFRS Foundation. It issued two separate, almost identically worded statements, one on the future of the SASB Standards, the other on the <IR> Framework's prospects. Both statements emphasized how the principles and concepts of the <IR> framework would offer a conceptual basis for connectivity between the IFRS Accounting Standards and the new IFRS Sustainability Disclosure Standards. This further complicated the future trajectory of the <IR> Framework as it was now contingent not only on the ISSB's due process but also on a successful collaboration between the ISSB and the IASB. This added considerable political complexity to the existing technical issues that had to be addressed to retain the Framework's relevance as its future would now be subject to the due process of *both* bodies. The VRF highlighted how the IASB and ISSB would use "rigorous due process" to determine the best approach to leveraging the <IR> Framework, "ensuring" its principles and concepts were used to guide corporate reporting globally. This was, however, a "long term' objective. Moreover, while promising that the "enormous investment by stakeholders in developing the <IR> Framework and its use around the world would be secured", the VRF admitted that "we cannot say with absolute precision how the Framework will manifest in the future". One interviewee closely connected with the ISSB formation process informed us that the initial focus of the ISSB was not on the <IR> Framework but on preserving the essence of SASB's work by aligning SASB's conceptual framework with the IASB's framework:

> For the moment, the ISSB is going to continue with the SASB Conceptual Framework, I heard this actually yesterday in a call with SASB … But there will be a consultation on how they're going to bring the IASB's Conceptual Framework and the SASB's Conceptual Framework
> together.[42]

[39] Interview with CDSB CEO. It was subsequently announced that the Corporate Reporting Dialogue was disbanding.
[40] Interview with CDSB CEO.
[41] Interview with GRI CEO 3.
[42] Interview with ISSB board member.

This lack of allusion to the <IR> Framework accorded with the absence of core reference to <IR> in the IFRS Foundation's draft IFRS standard 'General Requirements for Disclosure of Sustainability-related Financial Information' (IFRS S1). In the section of the draft standard entitled 'Connected information' entities were recommended to "connect narrative information on governance, strategy and risk management to related metrics and targets" and several examples were offered. There was, however, no allusion to <IR> underpinning this connectivity. Moreover, in the section entitled "Location of information", it was suggested that 'sustainability-related financial disclosures' could be included in an entity's Management Commentary when this forms part of an entity's general purpose financial reporting. The section proceeded to note that "management commentary *can be known by or incorporated in reports* with various names, including management's discussion and analysis, operating and financial review, integrated report and strategic report".[43] As alluded to earlier, this implied that the Management Commentary Practice Statement could become the location of IFRS-required disclosures informed by <IR> Framework concepts and principles. An integrated report would be *one* possible location for these disclosures. At this stage, it seemed that the Management Commentary Practice Statement revision would either offer a lifeline to the <IR> Framework, as discussed above, or signal its ultimate demise. For example, in its update on the Management Commentary Practice Statement project in July 2022, the IFRS Foundation indicated that the IASB needed to consider "the possible implications of the commitment to consider opportunities to address similarities between the <IR> Framework and the proposal developed in the Management Commentary Practice Statement project".[44]

In late May 2022, a joint statement by the IASB and ISSB Chairs offered extra clarity on the future of the <IR> Framework under the IFRS Foundation's jurisdiction.[45] The <IR> Framework would become "part of the materials of the IFRS Foundation [and] have a prominent place on the Foundation's website". The Foundation and the IASB and ISSB Chairs would "actively encourage the continued adoption of the IR Framework by preparers". The ISSB and the IASB Chairs and vice-chairs committed to working together to agree on how they might build on and integrate the <IR> Framework into their standard setting projects but offered little indication as to how this might transpire. A plan was outlined involving engagement with "market participants" to help them understand how the <IR> Framework would be used as a resource by both boards. The boards would seek to incorporate the <IR> concepts *with similar concepts* in the IASB and SASB conceptual frameworks "into a cohesive whole" as well as addressing the similarities and differences between the <IR> Framework and Management Commentary Practice Statement. A "long term" aim of a corporate reporting framework incorporating the principles and concepts from the <IR> Framework was again alluded to. This would offer guidance on how companies could prepare an integrated report and/or provide connectivity between the reporting required by the IASB and the ISSB to enable "connected, holistic, and cohesive corporate reporting". The fate of the <IR> Framework now ultimately rested on the aforementioned "market consultation" and the IASB's and ISSB's "due process".[46]

The VRF's consolidation with the ISSB meant that the IIRC's <IR> Framework Board would be disbanded and the IIRC would become an advisory body to the IFRS Foundation and the IASB and ISSB, offering views on "how the reporting required by the IASB and the ISSB should be integrated and on how principles from the Integrated Reporting framework should be considered in relevant projects by the Boards". However, despite the evident long-term nature of the IASB-ISSB 'connectivity' project, the IIRC's advisory role was only guaranteed for two years before being subject to review by the IFRS Foundation trustees.

In 2014, the IIRC led the Corporate Reporting Dialogue as the convenor of sustainability and financial reporting bodies seeking to align their frameworks and standards. Now its future was in the hands of its new 'owner', the IFRS Foundation. Despite several high profile responses to the ISSB's exposure draft standards calling for a more prominent role for the <IR> Framework in the ISSB standards, the IIRC's laudable effort to change mindsets had resulted in <IR> and the <IR> framework being shifted to the sidelines as new corporate reporting norms were established. On November 1, 2022, the IIRC adopted its advisory role by morphing into the newly created Integrated Reporting and Connectivity Council (IRCC). The IRCC's stated aim was to offer guidance on how reporting required by the IASB and the ISSB *could* be integrated and how the IASB and the ISSB *could* consider applying principles and concepts from the <IR> framework to their projects. The contrast with the influence of the CDSB and SASB within the ISSB was stark. For example, three days later, the IFRS Foundation vividly confirmed a requirement to consider SASB standards, which it now "owned", to meet the requirements of its proposed general sustainability requirements standard (IFRS S1) while indicating that the CDSB's materials, which it now also "owned", offered a useful framework for identifying "sustainability risk and opportunities as well as disclosures".

3.9. The IRCC's assimilation in the IFRS Foundation - "it's the jewel in the crown and they haven't quite worked it out yet"

According to Jonathan Labrey, the IFRS Foundation's Chief Connectivity and Integrated Reporting Officer, the newly formed IRCC has had to navigate carefully within the IFRS Foundation and educate the boards of the IASB and ISSB to ensure that the <IR>

[43] IFRS Foundation Exposure *Draft [Draft] IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information*, page 36, emphasis added, published in March 2022. These references were retained in the final IFRS S1 standard published on June 26, 2023. Accessible at: https://www.ifrs.org/content/dam/ifrs/project/general-sustainability-related-disclosures/exposure-draft-ifrs-s1general-requirements-for-disclosure-of-sustainability-related-financial-information.pdf. Last accessed June 2023.

[44] Minutes of IASB Meeting – Project Update on Management Commentary, p. 5. Accessible at: https://www.ifrs.org/content/dam/ifrs/meetings/2022/july/iasb/ap15-management-commentary-project-updatefor-posting.pdf.

[45] See: https://www.ifrs.org/news-and-events/news/2022/05/integrated-reporting-articulating-a-futurepath/. Last accessed June 2023.

[46] Undeterred, the VRF published a *Transition to Integrated Thinking* Guide in August 2022 for prominent placing on the ISSB website.

Framework and the Integrated Thinking Principles have, in his words, "long lasting lives".[47] At the first IRCC meeting in November 2022 Emmanuel Faber and Andreas Barckow, the ISSB and IASB Chairs respectively, issued a progress report[48] which emphasised the "commitment of both boards [IASB and ISSB] to a long term vison of a corporate reporting framework which leverage[d] the principles and concepts of the Integrated Reporting Framework"[4950]Their report outlined how education sessions on the <IR> Framework had been held with ISSB and IASB board members, an advocacy campaign had been launched to promote integrated reporting, partly focused on demonstrating how the <IR> Framework could be used in conjunction with IFRS standards, and an Integrated Thinking Principles guide had been launched. The IRCC's role as an advisor on connectivity in reporting by the IASB and the ISSB was reiterated. At the meeting, several IRCC members asked if the "role of integrated thinking could be amplified" with more "sustained advocacy". This was combined with appeals for more highlighting of how integrated reporting could help improve interoperability with other standards, such as those of the GRI. There was also a call for the ISSB to discuss how the capitals in the <IR> Framework could be used to explain the focus of IFRS S1. Underlying the deliberations was an undeniable sense of uncertainty about the future of what was referred to as "the IR brand".

As part of its *Consultation on Agenda Priorities* issued in May 2023, the ISSB asked whether it should pursue a research project on integration in reporting. It specifically requested feedback on whether stakeholders thought it should build on and incorporate concepts from the IASB's Exposure Draft Management Commentary, the <IR> Framework or from other sources?[51] The future *formal* survival of the <IR> Framework in the ISSB's plans seemed contingent on the Consultation feedback *and* how it would be acted upon. The IASB and ISSB Chairs explicitly encouraged the IRCC to offer feedback as just one stakeholder in this decision process. Moreover, at an ISSB event in mid-June 2023 - the IFRS Integrated Thinking and Reporting Conference[52] - the IASB Chair Andreas Barckow was non-committal when asked if either the <IR> Framework or the Management Commentary Statement should be abandoned in light of IFRS Foundation research confirming their similarities in all areas apart from governance and basis of preparation disclosures. Nevertheless, reassurances on the remaining importance of the <IR> Framework were understandably widespread given the conference theme, with participants recommending continued adoption of the <IR> Framework "together with ISSB standards" and supporting the extensive embrace of integrated thinking. Emmanuel Faber, the ISSB CEO also proclaimed that the final IFRS S1, issued two weeks after the conference, included a sustainability definition that was inextricably linked to the <IR> Framework and was "providing a language [to CEOS and CFOs] thanks to concepts … taken from the Integrated Reporting Framework".[53] Later, in December 2023, the IFRS Foundation published two online "integrated reporting resources". The first was a tool which mapped the IFRS S1 and IFRS S2 core content disclosure requirements to the <IR> Framework content elements. This was aimed at enabling the incorporation of ISSB disclosures within an integrated report.[54] Hence, the focus was placed on how the ISSB standards could be incorporated by existing integrated report preparers as opposed to the role of integrated reporting *within* the ISSB standards. The second resource partly comprised answers to Frequently Asked Questions (FAQs) about the relationship between the <IR> Framework and the two ISSB standards. These answers reconciled key concepts used in the <IR> Framework, such as 'capitals', with similar concepts used in IFRS S1 and IFRS S2 and in the IASB Exposure Draft on the Management Commentary Practice Statement. They indicated how IFRS S1 had incorporated concepts from the <IR> Framework by emphasizing the importance of connected information and by building on the Framework's definitions of sustainability and the resources and relationships (or "capitals") that a company depends on or affects to create, preserve or erode value over time.[55]

Overall, these clarifications and reassurances did not appear sufficiently compelling to suggest that the future of the <IR> Framework as a distinct reporting framework and of <IR> as a distinct form of reporting were assured. The inaugural IIRC CEO Paul Druckman appeared to concur with this view when sharing his concern that the core connectivity role accorded to the <IR> Framework by the ISSB and the IASB significantly misrepresented and underestimated its potential:

> "I worry that there's too much emphasis on the connectivity and not enough emphasis on actually understanding the whole picture. It's like having a skilful rugby [football] team where each player is very good but there's no teamwork and no strategy for the team. I see the standards as the individual players but Integrated Reporting should be the thing that makes it all understandable … IR is about communicating value over time and I worry that that big picture is being lost by the two boards

[47] See: https://www.ifrs.org/news-and-events/events/2023/june/ifrs-integrated-thinking-and-reporting-conference/. Last accessed December 7th, 2023.

[48] See: https://www.ifrs.org/content/dam/ifrs/meetings/2022/november/ircc/ircc-10–11-2022-agenda-item-2-report-on-progress.pdf. Last accessed December 7th, 2023.

[49] See: https://www.ifrs.org/content/dam/ifrs/meetings/2022/november/ircc/ircc-summary-10112022.pdf. Last accessed December 7th, 2023.

[50] See: https://www.ifrs.org/groups/integrated-reporting-and-connectivity-council/#meetings. Last accessed December 7th, 2023.

[51] See: https://www.ifrs.org/news-and-events/news/2023/05/issb-seeks-feedback-on-its-priorities-for-the-next-two-years/. Last accessed December 7th, 2023.

[52] See: https://www.ifrs.org/news-and-events/events/2023/june/ifrs-integrated-thinking-and-reporting-conference/. Last accessed December 7th, 2023.

[53] See: https://www.integratedreporting.org/news/integrated-reporting-concepts-are-embedded-in-the-issbs-inaugural-global-standards/. Last accessed December 7th, 2023.

[54] See: https://www.integratedreporting.org/resources/how-to-apply-ir-framework-with-s1-and-s2/. Last accessed December 7th, 2023.

[55] See: https://www.integratedreporting.org/faqs/. Last accessed December 7th, 2023.

> [IASB and ISSB] at this time … They are … principally people who are dealing in their mindset with metrics-based standards, whereas Integrated Reporting is a narrative based analysis … it's the jewel in the crown and they haven't quite worked it out yet."[56]

4. Discussion and concluding comments

The preceding case analysis has addressed the question posed in our first paragraph: how did the IIRC manage to move so rapidly from being a notable 'is' to a quite definite 'was', from its much vaunted breakthrough to a less heralded breakdown in less than a decade? Our historical representation of the <IR> development process and the IIRC's associated demise has been structured in a way to advance conversations as to what <IR> has become and what <IR> could have become or could still be. Our discussion below summarises our analysis and reflects on its core conceptual components before outlining what we contend are some prominent implications for the future of <IR>.

The case analysis first traced the IIRC's faltering efforts to lead and appease other actors in the corporate reporting field by building an alliance of standardizers in support of <IR> through the Corporate Reporting Dialogue. A combination of a lack of consensus in the Dialogue, restricted financial resources, and IIRC vagueness about defining the object of integrated reporting facilitated Bloomberg Philanthropies' replacement of the <IR> Framework with the TCFD framework as the Dialogue's focal point of alignment. Consequent concerns about the IIRC's enduring relevance motivated its association within the so-called 'Group of Five' standardizers which positioned the <IR> Framework as a 'conceptual connector' of investor-focused sustainability-related reporting and traditional financial reporting. This engagement coincided with the IIRC repelling repeated preparer requests to expand the <IR> targeted user group for fear it would derail its institutional alignment ambitions. The IIRC subsequently sought to maintain a pivotal position for the <IR> Framework in the IFRS Foundation's efforts to standardize investor-oriented sustainability-related reporting: first, by succumbing to a conceptually contestable merger with SASB and, second, through its consolidation, as part of this newly merged entity, within the IFRS Foundation. This consolidation accelerated the IIRC's demise given that: the IIRC was afforded a temporary advisory role in the IFRS Foundation; the <IR> Framework was reduced to a minor aspect of the Management Commentary Statement in the IFRS Foundation's first draft reporting standard, and the IIRC's <IR> Framework Board was disbanded. Below, we draw on the notions of 'invisibilities and exclusions', 'the dance of agency', and 'conceptual promiscuity' to reflect on this process and its implications for the future of <IR>.

4.1. Seeking institutional integration: The role of invisibilities and exclusions

In a recent editorial, for a special issue of *International Sociology* journal, examining the governing of value(s) and organizing through standards, Locanto and Arnold (2022) stressed that "(i)n the spaces of standards making, it becomes clear that the setting of standards is a fundamentally social, messy act (Lampland & Star, 2009). This raises not only the important question of who are the rule-makers and what power do they have (Boström & Hallström, 2010; Cheyns, 2011; Renard, 2003), but also which values do (not) guide the process" (p. 601). Locanto and Arnold (2022) went on to stress that "(t)hrough the invisibilities explored in this special issue, we see that in the prioritization of some values, others are devalued or lost completely" (p. 607).

While the IIRC, from the outset, was keen to emphasise that it was establishing a principled-based framework for < IR> (IIRC, 2013), our analysis suggests that strategic choices, commitments and shifting alliances aimed at institutional integration impacted on what was represented and promoted as <IR> and the associated <IR> Framework. In this respect, it is possible to refer to what the IIRC has done in promoting a standardizing framework or framing of <IR> as being potentially most noteworthy not for what it aimed to 'integrate' but for what it has tended to 'exclude' from < IR>: the invisibilities referred to above by Locanto and Arnold (2022). It could also be argued that these exclusions, largely aimed at integrating the IIRC within the rapidly evolving corporate reporting field, paradoxically, contributed to the IIRC's demise.

It is possible to see three important forms of exclusion in the way <IR> has been developed by the IIRC in order to facilitate its institutional alignment in the wider corporate reporting field. The first form of exclusion is the way in which the IIRC chose to persist with an <IR> framework that generally tended not to be as broad as <IR> -labelled practice - with evident examples of leading corporate preparers doing more with <IR> than the formal framing provided by the IIRC. The second form of exclusion is represented by the specific, individual decisions made by the IIRC to narrow down the <IR> framework. For instance, in terms of the IIRC's insistence on choosing to focus on financial capital providers instead of wider stakeholders (see: Deegan, 2020; Flower, 2015, 2020). Or when determining that <IR> should be limited to addressing those social and environmental effects that are deemed by the reporting company to be directly relevant to enterprise value creation. The latter decision, while easing the IIRC's integration into the Group of Five and enabling its merger with SASB, by implication, meant that <IR> would remain silent on negative socio-ecological impacts as long as corporate value was perceived to be unaffected. Combining the above two dimensions, it appears that the IIRC either had started with a broad-based scope that it subsequently chose to narrow when it had options to retain it or had vivid opportunities to expand the scope of <IR> but chose not to.

The third form of exclusion is the IIRC's reduced emphasis on its commitment to making <IR> the new corporate reporting norm

[56] See: https://www.corporatedisclosures.org/content/opinion/ir-the-forgotten-jewel-in-the-sustainability-reporting-crown.html. Last accessed December 7th, 2023.

(IIRC, 2013, p. 2) and related representations insisting that <IR> was a distinctive break from the past rather than a direct evolutionary development of prior reporting formats. This had the consequence of enabling the advocates of different, existing, but less ambitious forms of corporate reporting, such as the IASB's Management Commentary Practice Statement, to claim to be an equivalent form of <IR> or one consistent with the <IR> framework. This was something that the IIRC itself served to encourage by acknowledging formally that an integrated report did not necessarily have to be a standalone report but could be a "distinguishable, prominent and accessible part of another report or communication" (IIRC, 2013, p. 4), and conceding that the Management Commentary Practice Statement or other reports could be considered to be integrated reports, without any formal such labelling, if they had been prepared in accordance with the <IR> framework (see also: De Villiers and Dimes, 2022).

The combined effect of such developments meant that, rather than becoming the new reporting norm, <IR > assumed a status in which various existing forms of reporting could be classified as <IR>. Or, by implication, <IR > could be classed as representing nothing spectacularly new and of less significance or less of a challenge to existing corporate reporting frameworks and standards. This is especially evident in the suggestions that the <IR> Framework can function as a form of connecting framework, a clear disappointment to the inaugural IIRC CEO, Paul Druckman. This combined loss of significance and distinctiveness of < IR>, in turn, causes questions to be asked about what resides as a reporting medium from the reforming efforts of the IIRC? Moreover, did the IIRC's standardizing commitments seeking to support its institutional integration serve to exclude the elements and issues that would have made <IR> truly distinctive and different?

4.2. Seeking institutional integration: The complex dance of agency

Throughout its lifespan, it is evident that the IIRC faced an ongoing struggle to influence practice. Rowbottom and Locke (2016) interpreted the disparities between the IIRC's interpretation of <IR> and how it was enacted in practice as a dance of agency (Pickering, 2010). According to Rowbottom and Locke (2016), the IIRC faced a tension in trying to prescribe its specific vision of < IR>, while seeking to accommodate differing interpretations of <IR> to retain support and to gain new adopters. Consequently, while the number of firms utilising <IR> increased over time,[57] there has been no associated convergence on what an integrated report might mean (see: Gibassier et al., 2018). In contrast, the diversity of interpretations of what an integrated report can be seems to have increased over time, despite the IIRC's insistence that "an integrated report should be prepared in accordance with [its] framework" (IIRC, 2013, p. 7). However, given its need for support, the IIRC prioritised accommodation over prescription, and the 'principles-based' nature of the <IR> framework was perhaps more susceptible to an elasticity of interpretations than a set of more rigid reporting standards. Reporting practices often deviated from the IIRC's prescribed usage relating to the intended user, materiality, utilisation of the capitals, and the notion and placement of an integrated reporting document. How reporting firms and 'users' interpreted <IR> did not necessarily correspond with what the IIRC said it was – <IR > has always remained subject to the power of practice and the very meaning of an integrated report has continued to be contested (Gibassier et al., 2018). At one level, this struggle reflects the IIRC's lack of power to enforce its interpretations. As a private body without widespread and explicit regulatory backing, the IIRC had to offer affordances and interpretive flexibility in order to maintain support, especially when a number of the positions on its committees and working groups were taken by representatives from competing standardizing bodies. This, in turn, stimulated the ongoing dance of agency between the IIRC's pronouncements, on the one hand, and variable interpretations of integrated reporting on the other – which collectively saw the IIRC struggling to impact reporting practices in fundamental areas such as the exact nature of an integrated report, its positioning in relation to other aspects of corporate reporting, and its primary readership and influencers (in terms of what information was, and was not included in an integrated report).

4.3. Seeking institutional integration: Embracing 'conceptual promiscuity'

The end result has been an inevitable, if not essential, level of 'conceptual promiscuity' on the part of the IIRC, reflecting the realpolitik of standardizing and regulatory competition that it faced in seeking to establish a new corporate reporting 'norm' from a relatively weak power base. While during its inception, the IIRC appeared to be a in position to influence and advance corporate reporting practice, this was seemingly trumped by its self-interested desire to bolster its own institutional position as a standardizing body.

The IIRC had to work with other standardizing bodies rather than usurp or subsume them – and as the IIRC continued to struggle to find a position for the integrated report within the corporate reporting model, its strategic emphasis moved from the report document to the reporting process – from the integrated *report*, to integrated report*ing* underpinned by integrated thinking. Although the 'integrated report' moniker was increasingly used by firms, adherence to the <IR> framework remained variable. As evidenced by the <IR> database, the IIRC seemingly prioritised a plethora of apparent integrated reporting implementations over conceptual purity in an effort to convince regulators that a critical mass of support and adoption could be reached. Integrated reporting therefore remained a fluid concept – meaning many things to different people. The IIRC appeared to bend with the wind unlike some of its contemporaries, such as the IASB and SASB, who held more rigid, tightly defined reporting visions. While this malleability helped generate its vast momentum during its early stages (Humphrey et al., 2017; Rowbottom & Locke, 2016), the conceptual distinctiveness of <IR> seemed to be sacrificed in an effort to accommodate the interests of others. Ultimately, this left the IIRC with a level of institutional

[57] The proportion of the largest 100 firms in major economies self-describing 'integrated reports' was 10% in 2013, rising to 22% in 2020 (KPMG, 2015; KPMG, 2020).

vulnerability that it was unable to overcome. Being conceptually promiscuous to keep people engaged was the IIRC's ultimate downfall, because (a) it was hard to set a new corporate norm from something promiscuous and (b) the IIRC was always susceptible to take over by other bodies (who could 'cherry pick' particularly desired aspects of the IIRC's conceptualisation of <IR> to incorporate in their own reporting norms). In essence, it ultimately was, for the IIRC, a dance of agency underpinned by conceptual promiscuity that secured its institutional disintegration.

4.4. Final reflections and future research

Our analysis extends prior work by depicting how the tensions and challenges associated with institutionalising the IIRC, as a reporting authority, and < IR>, as a reporting norm, shaped the aims, ideologies and development of <IR>. In doing so, we depart from prior literature by studying holistic linkages between reporting organisations, their ideological development and their standards. Our reflections on the attempts to institutionalise the IIRC and the <IR> framework also offer insights into the private standardisation process more generally and the delicate balance private standardizers must strike between inclusion and meaning, and accommodation and prescription. Without powers of enforcement, private standardizers need to offer some interpretive flexibility to gain support and resources, while also retaining some rigidity of meaning. In terms of institutional survival, the IIRC case suggests that whilst private standardizers may rely on some interpretive flexibility in their early stages to gain support, they require some crystallisation of meaning and distinctiveness to generate norms successfully and secure their longstanding influence and survival.

We expect that the empirical research focus will switch in the years ahead to the institutional workings and manoeuvrings of the ISSB as it undertakes its own dance of agency in pursuit of the global adoption of its international sustainability accounting standards, with academic papers already reflecting on the future prospects for <IR> under the auspices of the ISSB and the importance of tracing the funding sources of such standard setting bodies (see: De Villiers & Dimes, 2022). However, there are two critical messages that this paper has for any such research developmental tendencies. The first is not to treat <IR> in any idealised form, with associated presumed attributes that were not evident in its development under the IIRC. As this paper has illustrated, there are considerable gaps and transformations in what has been represented as <IR> by the IIRC, meaning that any future claims as to the apparent demise of <IR> at the direct hands of the ISSB could be at risk of being overstated and misplaced. Secondly, the institutional experiences of the IIRC suggest that the case for placing the pursuit of reporting innovations in the hands of private standardizing bodies is far from proven. Such a conclusion connects directly with related fields such as auditing practice, where there is increasing concern regarding the degree to which practice innovation is hindered, rather than facilitated, through the functioning of formal international standardizing bodies (see: Curtis et al., 2016; Humphrey et al., 2021).

Overall, our analysis suggests that the IIRC started out with seemingly good intentions and a commitment to comprehensive change but it persistently struggled in practice to hold any such radical line. Rather than creating a dynamically different new corporate reporting norm, the IIRC was subsumed within other standard setting bodies, while its much heralded <IR> was gradually stripped down to a framework centred on the interests of the financial investor. And the more things were removed or downgraded from < IR>, the less need there was for a body such as the IIRC. Perhaps the IIRC's ultimate legacy, already alluded to above, will not be what it integrated in terms of corporate reporting but what it chose or was required to exclude or to forget – a vision of reporting that could highlight and perhaps rebalance the positive and negative impacts of corporate activity on all those constituents, 'from people to planet', on whom corporate activity relies. It is certainly a vivid and important memory for any future or currently emergent standardizing movements or bodies to reflect on when they embark on their purported radicalising corporate reporting agendas. Especially, if they want to avoid going from 'breakthrough' to 'breakdown' at the 'breakneck' speed experienced by the IIRC.

Declaration of competing interest

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

Data availability

The data that has been used is confidential.

Appendix A

Selected Reporting Standardizers

Reporting Organisation	Year established	Main base	Funding Sources
International Sustainability Standards Board (ISSB)	2021	Worldwide (part of the IFRS Foundation) but Frankfurt is considered the seat of the ISSB.	Income in 2022 was Stg48.7 million. 66 % of this income comes from contributed revenue sources and 34 % from earned revenue and other sources. Contributed revenue includes contributions from jurisdictions, seed funding from the Canadian and German consortiums, philanthropic grants and contributions from

(continued on next page)

(*continued*)

Reporting Organisation	Year established	Main base	Funding Sources
			companies including accounting firms. Earned revenue is generated from publications and subscription services, licensing of intellectual property, membership fees for the ISSB Sustainability Alliance, education programmes and conference events.
Carbon Disclosure Project (CDP)	2000	Worldwide (International, European and North American entities)	CDP's funding comes from a combination of government and philanthropic grants and mission-complementary fees for service activities. Its combined income for the year ended 31 March 2022 was £Stg55.3 m (US$69.3 m).
Climate Disclosure Standards Board (CDSB)	2007	London (a CDP project). Consolidated in the ISSB in 2022.	See ISSB above.
Global Reporting Initiative (GRI)	1997	Amsterdam	Revenues consist of community fees, grants, services, training and event. Total revenue in 2002 was €10,181,923.
International Accounting Standards Board (IASB)	2001	London (part of the IFRS Foundation)	See ISSB above.
International Integrated Reporting Council (IIRC)	2010	London. Consolidated in the ISSB in 2022. Disbanded in 2022.	Contributions came from members, third parties, and various forms of fee income.
Sustainability Accounting Standards Board (SASB)	2011	California (SASB Foundation). Consolidated in the ISSB in 2022.	See ISSB above. Income originally emanated from philanthropic grants, corporate grants, donations, and fee income.
Task Force on Climate-related Financial Disclosures (TCFD)	2015	Worldwide. Disbanded in late 2023.	Funded by its member organizations and supporters. Established by the FSB in 2015.The TCFD was disbanded in late 2023 and its monitoring role was taken over by the ISSB

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