

WHITE PAPER

Integrated Thinking Framework: Methodology, Process and Connectivity ©

A practical guide to better business practice: How boards and management can operationalise the International Integrated Reporting Framework

Version 4 - September 2026

Prepared as the foundation for a forthcoming book and executive education micro-credential on integrated thinking and reporting

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Abstract

This paper develops the Integrated Thinking Framework, a practice-based, enterprise-wide management architecture for embedding integrated thinking in organisational decision-making. Although the IFRS Foundation's Integrated Reporting Framework and Integrated Thinking Principles establish core concepts for value creation, their principle-based design leaves organisations to determine how management work should be organised and connected.

The paper addresses this practical implementation problem by organising the guidance across eight interdependent key business process domains: governance, strategic management, materiality determination, risk management, stakeholder relationship management, innovation, information management and reporting.

The paper's contribution to management and corporate reporting is an original explicit operating methodology that connects these domains without prescribing an entity's business model. A common process structure specifies objectives, critical activities, accountabilities, key performance indicators, information requirements, risks, controls and evidence.

An iterative connectivity model shows how decisions and performance information in one domain inform the others over time. Materiality determination is positioned as a cross-enterprise management process that informs strategy, governance, risk, resource allocation, process objectives and performance measurement, rather than solely as a reporting exercise.

The Integrated Thinking Framework is intended for application by boards, executives and practitioners. Rather than creating reporting requirements, it offers a structured, traceable approach to business management while preserving entity-specific judgement and identifying its operational extensions, and which can be communicated in integrated and other reports.

Acknowledgements

The author gratefully acknowledges substantive review contributions from Dr Pei-Jia (PJ) Lum and Liz Prescott.

PJ Lum's comments on earlier drafts materially improved the framing of the operating layer argument, the treatment of materiality as a standalone management process, and the characterisation of integrated thinking as a dynamic management system.

Liz Prescott's detailed review of the final draft strengthened the paper's clarity, internal consistency and readiness for publication, and its alignment with the International Integrated Reporting Framework.

Any remaining errors are the author's own. The author also gratefully acknowledges Stephen Woodhill, Chief Executive Officer of the Group of 100, and George Kapitelli FCPA, Chief Financial Officer of CPA Australia, for contributing Forewords to this white paper, and Lee White, Chief Executive Officer of the International Federation of Accountants, and Charles Tilley OBE, Formerly Chair of the Integrated Reporting and Connectivity Council, and CEO of the International Integrated Reporting Council, who provided supportive quotes.

Forewords and Supporting Endorsements

Foreword

Australia's largest organisations already utilise integrated thinking in some form. To some extent their boards and executive teams connect strategy to risk, materiality to stakeholder engagement, and financial capital to the wider set of resources and relationships that create long-term value.

However, companies have not had a rigorous method for running this work as a named, resourced and auditable business practice in a single reference.

I welcome the Integrated Thinking Framework as a solution and am pleased to provide this Foreword for the white paper.

Chief Financial Officers are the people best placed to make integrated thinking operational. CFOs carry responsibility for the eight key business processes the framework names: governance, strategic management, risk management, materiality determination, stakeholder relationship management, information management, reporting, and innovation.

This framework provides a common architecture for running those processes as one connected operating discipline, rather than as separate exercises with separate owners.

Two features of the framework outlined in the paper are significant. First, it is a business practice framework, not a new reporting standard. It does not create disclosure requirements and it does not add to preparer burden under IFRS S1 / S2 or the AASB agenda.

Second, it operationalises the IFRS Foundation's Integrated Thinking Principles in a form that a preparer can implement, assure, and continuously improve. That is the practitioner move that has been missing from the Australian debate. It offers CFOs a resource to allow them to contribute to the cost of capital and international competitiveness objects set out in section 224 of the ASIC Act.

The timing of the framework's publication is also worth noting. External Reporting Australia is now being introduced. AASB S1 and S2 are being adopted. CFOs need a way to connect business practice to reporting, so that what is reported is what the organisation actually does. The Integrated Thinking Framework gives them one.

I am pleased to introduce this white paper to our members and to the wider community of Australian preparers, directors, investors, regulators, and assurers. I commend Michael Bray for producing a body of work that is both implementable and theoretically well-grounded. I look forward to the discussion it will generate at the Future of Reporting Luncheon event in 2026 and in the CFO community beyond it.

Stephen Woodhill

Chief Executive Officer, Group of 100

Foreword

CPA Australia

Organisations continue to explore ways to better connect strategy, governance, risk, performance and reporting. As expectations of transparency and long-term value creation evolve, frameworks that seek to support more integrated decision-making are attracting increasing interest from boards, executives and finance professionals.

In this white paper, Michael Bray presents his Integrated Thinking Framework, setting out a methodology and process intended to embed integrated thinking across organisational activities. The paper offers a key perspective on the relationships between strategy, management processes and reporting, and provides a range of tools and concepts for consideration. Organisations considering the framework will need to assess its relevance, implementation requirements, costs and suitability considering their own circumstances.

CPA Australia is pleased to support the publication of work that contributes to professional debate and encourages discussion on emerging approaches to management, reporting and organisational performance. We encourage members and other readers to consider the ideas presented and independently evaluate their relevance and practicality within their own organisational context.

George Kapitelli FCPA

Chief Financial Officer, CPA Australia

Supporting Endorsements

International standard-setting and professional bodies

"The ongoing challenge has been to turn integrated thinking into everyday business practice. This framework is an important step forward. It gives those charged with governance a practical discipline for embedding integrated thinking into how organisations are run and decisions are made. Crucially, it complements existing work rather than adding another layer, and we welcome its focus on turning ambition into action."

Lee White FCA

Chief Executive Officer, International Federation of Accountants

"The Integrated Thinking Framework does what the international body of work on integrated thinking has been asking practitioners to do: it takes the IFRS Foundation's Integrated Thinking Principles and the Integrated Reporting Framework and translates them into an actionable business practice discipline. It is business-centric, investor-focused, and of direct value to preparers. Michael Bray has produced an excellent practitioner reference that will have practical use in the market."

Charles Tilley OBE

Formerly Chair of the Integrated Reporting and Connectivity Council, and CEO of the International Integrated Reporting Council

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'Stay aligned'. Every idea in this Framework connects back to a specific paragraph or Glossary term of the International Integrated Reporting Framework ("the Integrated Reporting Framework") - no free-standing propositions.

'Make the Integrated Reporting Framework usable in practice'. The Integrated Reporting Framework sets out Content Elements, Guiding Principles and a value creation model, but stops short of prescribing how boards and management should operate to produce them. This Framework provides that operating layer through eight key business processes.

In Brief

Well-run organisations already practise a form of integrated thinking¹, simply described as a structured approach to achieving better business practice- weighing financial performance alongside people, relationships, innovation, and their impact on customers, communities and the environment - even where they do not use that label. The Integrated Thinking Framework (the Framework) does not ask boards and management to do something new. It gives what many already do informally a shared method, so it can be applied consistently, measured, and taken to world-best practice.

This is a framework for better business practice, not a new reporting requirement. It is about how boards and management govern, set strategy, determine material matters and manage risk, engage stakeholders and make decisions - so that the organisation's resources and relationships (its people, customers, suppliers, communities, innovation pipeline, and the environment it depends on, alongside its financial and physical resources), and the ways they interact, are genuinely understood, protected and grown. Better reporting is a welcome by-product of better business practice - it is not the point of this framework.

Integrated thinking Every citation to the Integrated Reporting Framework used in this paper has been verified against the original source document. For readers who want to check this for themselves, the table below and Appendix A record the specific paragraph references and verified source text used.

The sections that follow are necessarily thorough, because the Framework has been built to align precisely with existing international guidance without introducing anything inconsistent with it. Readers who want that technical grounding will find it fully documented herein. Readers who mainly want to see how this Framework changes the

¹ Described in the Integrated Reporting Framework and Glossary to this white paper as: "The active consideration by an organization of the relationships between its various operating and functional units and the capitals that the organization uses or affects. Integrated thinking leads to integrated decision-making and actions that consider the creation, preservation or erosion of value over the short, medium and long term."

way an organisation is run should focus on Section 5 (Integrated Thinking Process and the eight key business processes) and Section 11 (Getting started).

Introduction

Good boards and management teams already think about more than financial numbers when they run organisations. They consider people, customer & supplier relationships, innovation, reputation, and the environment their business depends on, and how these resources and relationships interact with one another - alongside financial performance – in making decisions.

When this way of thinking is done consistently and in a connected manner, it is called integrated thinking. Most organisations already doing it well have never given it that name, although many Japanese integrated reporters talk about integrated thinking. The IFRS Foundation's Integrated Thinking Principles describe this leadership philosophy at Board and executive level, built around six Principles - Purpose, Culture, Governance, Strategy, Risks & Opportunities, and Performance.

Missing, until now, is a practical way to make integrated thinking consistent, visible and repeatable - a method that boards and management can actually implement, not just aspire to. This white paper sets out that method: the Integrated Thinking Framework. It gives organisations a straightforward way to structure how they run eight key business processes - governance, strategic, materiality, risk, stakeholder relationship, information, innovation and reporting management - so that integrated thinking becomes something the organisation actually does, not just something it says it does.

These eight key business processes are the backbone of the integrated thinking management approach - not a replacement for an organisation's own business model. Every organisation still has its own core, value-creating processes: the specific activities that turn its particular inputs, through business activities into outputs and outcomes.

The key business processes set out in this paper are the common management architecture that sits underneath and connects organisation-specific business activities, so

that governance, strategy, materiality, risk, stakeholder relationships, information, innovation and reporting are applied consistently and comparably across organisations, regardless of what each organisation's own value creating processes look like.

Just as important as naming these eight key business processes is how they work together. Integrated thinking is not a one-off exercise: the Methodology and the eight key business processes are designed to continually inform and reshape each other over time - a materiality decision changes what strategy and risk management prioritise, which changes what information is captured, managed and reported, which in turn sharpens the next materiality assessment. Section 10.3 sets out this connectivity in more depth as a reward loop. The point to take from this Introduction: this is a live, dynamic leadership philosophy and management system, not a static checklist of eight boxes to complete.

Organisations that adopt this methodology and process gain four things:

- the ability to prove that integrated thinking is real, not aspirational
- the ability to unlock and disclose latent intrinsic value in intangibles that markets cannot yet recognise as the organisation has not yet unlocked that intrinsic value
- the prospect of being rewarded for that disclosed value through market capitalisation enhancements; and
- the ability to do all of this efficiently using modern tools increasingly including AI², with independent assurance giving investors confidence in both the integrated report and the process behind it

This paper is written mainly for an Australian audience, though the approach is relevant internationally - we expect it will also be of interest to bodies such as the IFRS Foundation, IAASB and IFAC. In Australia, it also supports the objectives of Australia's financial reporting system, discussed further in Section 13 - but that is a secondary benefit, not the purpose of this paper.

² An AI-augmented approach is being developed to facilitate a transition to the current Excel-based Performance Insight resources.

The Methodology is the design system - the rules, definitions and structure that determine how an organisation organises its business model around the Integrated Reporting Framework's Content Elements, Guiding Principles and value creation model. It is grounded in the Integrated Reporting Framework's own definition of the business model as a system for transforming inputs through business activities into outputs and outcomes that create value over time.

Everything in this paper has been carefully checked against, and built to align with, existing international guidance - principally the Principles and International Integrated Reporting Framework. Nothing here contradicts or replaces that guidance; the full technical cross-references are set out for interested readers in Section 1 and Appendix A.

Integrated Thinking Framework©: methodology, processes and connectivity

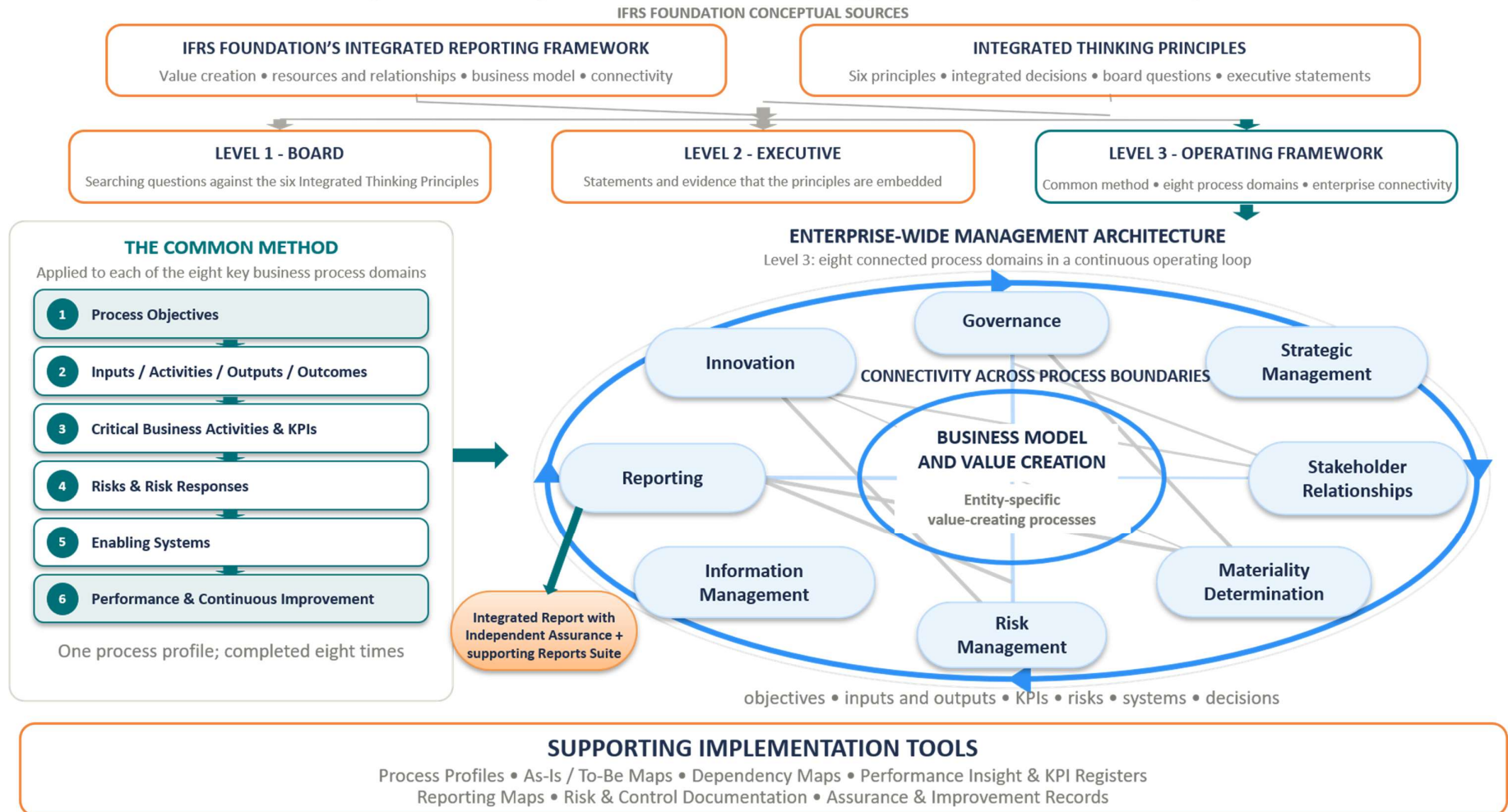


Figure 1. How the Methodology, the eight key business processes comprising the Integrated Thinking Framework and the reporting suite connect. This diagram is referenced throughout the white paper as a navigation aid.

Figure 1 orients the reader before detailed sections that follow. The existing three Levels³ sit at the top. Level 3 already asks boards and management practical, process-level questions. This white paper adds a single, structured enterprise-wide management architecture beneath it - the Methodology and Process layer that organises, connects and measures work needed to answer those questions consistently.

Integrated reporting treats value creation as a process - external environment, strategy, governance, risks, business model, performance and outlook, linked through an organisation's resources and relationships. Within that process sits the business model: the way an organisation transforms inputs, through business activities, into outputs and outcomes. Business processes are the structured, repeatable way those activities are carried out.

This Methodology defines how a business model is best structured - as a group of eight key business processes, each documented and measured to a common standard - and the Process layer is the set of eight such processes an organisation actually names, resources and runs. Section 2 works through this ladder in detail before Section 5 sets out the eight processes in full.

How Methodology and Process Connect to the Integrated Reporting Framework's Board and Executive Representation Requirements

Representation letters at Board and executive level, discussed in Section 7, create the assurance trail linking Board and executive accountability statements (Integrated Reporting Framework paras. 1.20, 1.24) down to process-level substance in each of the eight key business processes.

The Methodology is applied consistently to each of the eight key business processes which are not separate or static boxes. They form an interconnected and dynamic management system in which the objectives, activities, outputs, KPIs, risks, systems and decisions of one process continually inform and reshape the others.

³ Levels 1, 2 and 3 are consistent with the usage in the Integrated Thinking Principles.

The connection lines are only intended to signal this interdependence - they are not a validated dependency map. It is important to show some form of connectivity among the eight key business processes so that readers immediately see them as a dynamic / integrated management system.

A Core Distinction: Methodology vs Process

Two ideas run through this whole paper, and it helps to be clear about the difference between them from the outset: the Methodology and the Process.

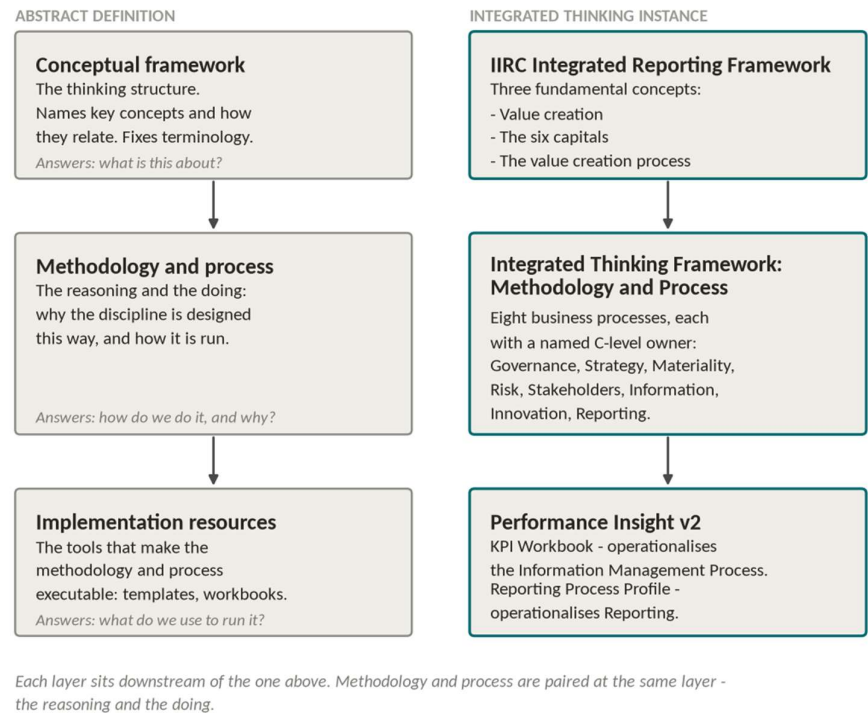


Figure 2. Framework, methodology and process, and implementation resources - the three-layer stack. The Integrated Thinking Framework sits in the middle layer; the IIRC Integrated Reporting Framework anchors the layer above; Performance Insight sits in the layer below.

The Methodology is the design logic: small number of rules describing how an organisation's business model works, expressed as a set of key business processes, each with objectives, activities, measures and risks. It does not change from one organisation to the next - it makes integrated thinking teachable, comparable, and able to be benchmarked across organisations, sectors and countries. It builds directly on the IFRS Foundation's International Integrated Reporting Framework rather than replacing it.

The Process is what a specific organisation actually does: its own named, resourced, documented and measured versions of those eight key business processes - Governance, Strategic Management, Materiality Determination, Risk Management, Stakeholder Relationship Management, Information Management, Innovation, and Reporting - each with a named C-level owner. This is where the Methodology comes to life inside an organisation, and it is naturally different from one organisation to the next.

Performance Insight (v2, 2026 refresh) is the practical toolkit that makes specific processes executable day to day: its KPI Workbook supports the Information Management process, and its Reporting Process Profile supports the Reporting process. The Methodology and Process are the "what" and the "how"; Performance Insight is the "with what".

In short: the Methodology is the rulebook; the Process is the organisation actually playing by it. The two should not be confused - the Methodology does not change, but how an organisation applies the Process does.

The Methodology specifies that a business model is a group of key business processes, and that each process must be defined by the Common Method of objectives, critical business activities, KPIs, risks and enabling systems. It is generic, teachable and comparable across any organisation - the missing piece that lets integrated thinking be implemented applied consistently rather than left to individual judgement.

The Process is the specific, named, documented, resourced, measured and assured set of eight key business processes an organisation actually runs: Governance, Strategic Management, Materiality Determination, Risk Management, Stakeholder Relationship Management, Information Management, Reporting, and Innovation. Processes are the evidence; the Methodology is the rule that makes that evidence comparable across entities, sectors and countries.

Section 2 restates this distinction formally. Section 5 sets out all eight key business processes in full.

Section 1: Foundational Principles

1.1 Ground Rules

This white paper follows a simple discipline throughout: nothing in it should contradict or duplicate existing international guidance, and every new idea should be clearly connected back to that guidance. Four ground rules keep this discipline consistent:

1. *Stay aligned.* Every idea in this framework connects back to a specific part of the IFRS Foundation's Integrated Thinking Principles ("the Principles") or International Integrated Reporting Framework ("the Framework") - nothing is relabelled, replaced or contradicted.
2. *Make the Principles usable in practice.* The Principles already ask boards and management questions at a practical, process level (Level 3). This framework does not add a new level of questions - it gives organisations a method and named processes to actually answer the questions that already exist.
3. *Keep the method (Methodology) and the practice (Process, through the eight key Business Processes) distinct.* As set out above and formally restated in Section 2.
4. *Document the connections.* Appendix A records, for technical readers, exactly how each new idea in this paper connects back to the source guidance.

1.2 Citation Verification Status

Every citation to the Integrated Reporting Framework used in this paper has been verified against the original source documents. For readers who want to check this for themselves, the table below and Appendix A set out the full verification detail. Everyone else can move straight to Section 2.

Citation	Verified source text	Result
Basis of Preparation and Presentation, Framework para. 4.41	"An integrated report should answer the question: How does the organisation determine what matters to include in the integrated report and how are such matters quantified or evaluated?"	Confirmed - no divergence.
Board and executive representation, Framework paras. 1.20, 1.24 Textbox: Materiality and the SOX lesson - keeping the Framework tightly focused on what matters The distinction throughout this paper between critical business activities (a subset of business activities) and key business processes (a subset of business processes) is deliberate. "Critical" and "key" are used in the sense of materiality as defined in the Integrated Reporting Framework - a matter is material if it could substantively affect the organisation's ability to create value in the short, medium or long term. The Sarbanes-Oxley legislation in the United States drove a compliance-cost explosion in which many, and probably most, organisations lost sight of materiality. They documented business activities and business processes far beyond those material to value creation, to the achievement of strategic objectives, to process objectives, or to the risks that could prevent those objectives being achieved. The cost was substantial, the yield to boards and executives was low, and the burden distracted from management of what actually mattered. This Framework applies the opposite discipline. Only critical business activities - those that must be executed well for value to be created - are named, resourced, measured and assured within each key business process. Only key business processes - those material to value creation across the business model and the organisation's resources and relationships - are elevated to the operating architecture. Everything else remains a business activity or a business process, but does not enter the Framework's operating spine. Materiality, in the Integrated Reporting Framework sense, is the gate at every level.	Para. 1.20: a statement from those charged with governance. Para. 1.24: process disclosures encouraged as a supplement to that statement.	Confirmed - no divergence.

Citation	Verified source text	Result
Innovation, Principles p.12 (PDF p.14), Level 2 Assessment, Strategy	"We generate competitive advantage through our innovation, unique insights and perspectives, and our ability to bring our products and services to market in an effective and efficient way, whilst also generating a financial surplus."	Confirmed verbatim - new anchor supporting Innovation as a mandatory key business process (Section 5.8).
Innovation, Principles p.15 (PDF p.17), Level 3, Strategy	"Does our organisation invest in innovative products and services and nurture a culture of innovation through its purpose and values?"	Confirmed verbatim - new anchor supporting Innovation as a mandatory process (Section 5.8).

Section 2: Defining and Distinguishing Methodology and Process

Value Creation Process: Business Model, Business Processes and Business Activities

Before defining the Integrated Thinking Methodology and Process, it helps to place the two ideas inside the wider architecture of the Integrated Reporting Framework. The Framework describes value creation as a process, not as a static structure. Within that process sits the business model. Within the business model sit business activities. And business processes are the structured, repeatable way an organisation runs those activities in practice. Losing sight of any one of these four layers weakens the following reasoning.

The four layers are as follows.

The value creation process (the whole system)

The Framework describes value creation as a continuous process in which the external environment, mission and vision, governance, risks and opportunities, strategy and resource allocation, the business model, performance and future outlook interact through the six resources and relationships. It is the whole system — dynamic, forward-looking, and shaped by external conditions as well as internal choices.

The business model (the transformation engine within the system)

The Framework defines the business model as "an organisation's system of transforming inputs, through its business activities, into outputs and outcomes that aims to fulfil the organisation's strategic purposes and create value over the short, medium and long term." It is a component of the value creation process - a structural description of how the organisation converts resources and relationships into outputs and outcomes.

Business activities (the transformation step at the centre of the business model)

Business activities are the substantive work of the business model: planning, designing, producing, distributing, servicing, and their equivalents in service and public-sector settings. They are what stands between inputs and outputs in the Framework's own business-model diagram.

Business processes (the structured, repeatable execution of activities)

Business processes are the named, resourced, documented and measured sequences of activities through which the organisation actually carries out its work. They are how a business model is operationalised. Two organisations with near-identical processes can have very different business models — because processes execute the model, they do not define it.

Figure 2a. The value creation ladder

Value creation is a continuous process; the business model is the transformation engine inside it; business activities are the transformation step at the centre of the model; and the eight key business processes are the structured, repeatable way those activities are executed.

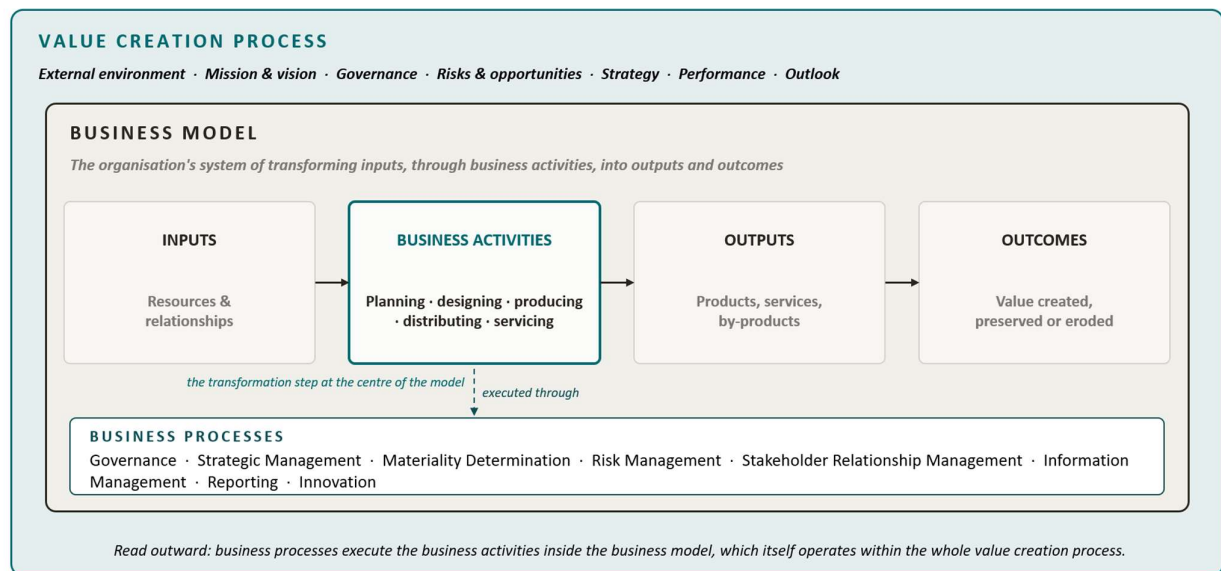


Figure 2a. The value creation ladder. Value creation is a continuous process; the business model is the transformation engine inside it; business activities are the transformation step at the centre of the model; and the eight key business processes are the structured, repeatable way those activities are executed.

These four layers form a ladder of abstraction, not four synonyms. Confusing them is the single most common source of misunderstanding when integrated thinking is discussed at board level, and it is the reason many "business model" disclosures in current practice read as descriptions of operating activities rather than of value creation.

This White Paper takes the ladder as given and builds on it. The Integrated Thinking Methodology (Section 2.1) provides the design logic that gives an organisation's business model its shape - specifying that the model be organised as a group of key business processes, and that each such process be defined by a common set of elements. The Integrated Thinking Process (Section 2.2) is the named, resourced, documented and

measured set of those business processes the organisation actually operates. Sections 5 and 6 then set out the eight processes the Framework treats as universally key and illustrate how one of them - the Reporting Process - is documented in full.

Two consequences follow directly from placing the ladder up front.

- **The eight key business processes are not the business model.** They are the common execution architecture that any organisation's business model must run through if integrated thinking is to be real. The business model itself remains an organisation-specific transformation of resources and relationships into outputs and outcomes; the eight processes are the enterprise-wide backbone on which that transformation is governed, measured and reported.
- **Integrated reporting must connect the business model back to the whole value creation process.** A business model disclosure that describes only inputs, activities and outputs - without linking upward to strategy, governance, risks and the external environment, and downward to the processes that produce it — is not integrated reporting in the Framework's sense. Connectivity of information exists to hold the whole ladder together in a single report.

With that architecture established, the remainder of Section 2 restates the distinction between Methodology and Process; Sections 3 and 4 set out the KPI architecture and the gaps this Framework closes; and Section 5 sets out the eight key business processes.

2.1 Integrated Thinking Methodology

The Methodology is the design system - the rules, definitions and structure that determine how an organisation organises its business model to bring the six Integrated Thinking Principles to life. It is grounded in the Framework's own definition of a business model as a group of business processes. It specifies that:

- the business model is a group of key business processes, each comprised of activities connected by a common objective, with a named process owner, with alignment between key business processes achieved by process objectives all being derived from strategic objectives;

- each key business process is described through a standard set of elements: Process Objectives → Inputs / Activities / Outputs / Outcomes → Critical Business Activities & KPIs → Risks & Risk Responses → Enabling Systems → Performance & Continuous Improvement;
- materiality is applied through the concept of critical business activities and key business processes, and through the lens of investor decision-making based on financial materiality and a matter's ability to affect value creation over time, not an undifferentiated list of everything an organisation does.

The Methodology is generic and reusable - it is what makes integrated thinking teachable, benchmarkable and comparable across entities, sectors and countries.

2.2 Integrated Thinking Process

The Process is the actual, named, resourced, documented, measured and assured set of eight key business processes an entity operates, built using the Methodology. Processes are entity-specific and auditable. This framework treats eight processes as universal - including innovation, given how central intangibles now are to value creation - though organisations may identify further key business processes based on their own business model and materiality assessment. This is the evidence base for the Board and executive accountability statements described in Section 7.

2.3 IR Framework Glossary Anchors

The plain-English term this paper uses for what the Integrated Reporting Framework calls "capitals" is "resources and relationships" - the financial, physical, human, intellectual, social and natural resources and relationships an organisation depends on and affects. This is also the language boards typically already use when they talk about intangibles.

The core terms used throughout this paper are anchored below to the Framework's own Glossary, quoted verbatim, so the connection between everyday language and the Framework's technical terms is always traceable:

- **Business model.** “An organization’s system of transforming inputs through its business activities into outputs and outcomes that aims to fulfil the organization’s strategic purposes and create value over the short, medium and long term.” This is the exact basis for Section 2.1’s claim that the business model is a group of key business processes.
- **Capitals.** “Stocks of value on which all organisations depend for their success as inputs to their business model, and which are increased, decreased or transformed through the organization’s business activities and outputs.” Referred to in this paper as “resources and relationships”.
- **Integrated thinking.** “The active consideration by an organization of the relationships between its various operating and functional units and the capitals that the organization uses or affects. Integrated thinking leads to integrated decision-making and actions that consider the creation, preservation or erosion of value over the short, medium and long term.”
- **Integrated reporting.** “A process founded on integrated thinking that results in a periodic integrated report by an organization about value creation, preservation or erosion over time...” The Framework itself calls integrated reporting a process, directly supporting the Methodology and Process distinction in Sections 2.1-2.2 and the framing of the Reporting Process in Section 5.7.
- **Materiality.** “A matter is material if it could substantively affect the organization’s ability to create value in the short, medium or long term.”
- **Those charged with governance.** “The person(s) or organization(s)...with responsibility for overseeing the strategic direction of an organization...For some organizations and jurisdictions, those charged with governance may include executive management.” This is the basis for the Level 1 / Level 2 representation letter split in Section 7.

Section 3: The Three-Level KPI Methodology⁴

Performance Insight[®]

Performance Insight[®] is the brand through which [‘Plan B’] deliver integrated-thinking based executive education micro-credentials and integrated thinking, reporting and assurance-based advisory services.

It’s time for organisations to rethink their approach to reporting. Externally, the intangibles-driven economy imposes a measure of value in which market capitalisation counts more than the balance sheet and a business can live or die by the perceptions of stakeholders. Internally, in order to create value with increasingly intangible assets- such as knowledge and relationships - organisations must develop ways to measure the performance of these assets and align that performance with their objectives.

Questions that were straightforward in the pre-intangibles-driven era are now more difficult. What are my objectives? How do I measure my performance against these objectives? What assets do I possess? How do I create value from them? What do I communicate to stakeholders both inside and outside the company?

Pinning down the answers is a prerequisite for competing in today’s marketplace. The answers converge in our approach to integrated-thinking based integrated reporting called *Performance Insight*.

Performance Insight helps organisations understand, capture, and report their objectives, and performance against them, in the intangibles-driven economy. By helping to generate a balanced picture of business performance for both internal and external use - including value created and sustainability - *Performance Insight* offers a new level of reporting clarity and enhances your ability to meet your business goals.

Fine in theory, but how do you do it? *Performance Insight* stands out from the competition because it guides your organisation from theory to action. It even helps you begin the transition to AI-augmented reporting, which will facilitate the transition from Excel-based resources to AI augmentation resources.

Section 5 builds individual KPIs process by process, and Section 15 builds individual KPIs at the granularity of the *Performance Insight* resource. This section supplies the architecture that arranges them into a coherent set, showing - not just asserting - how a layered KPI set is actually constructed. Three levels are used together:

KPI level	What it shows	Illustrative examples
Strategy-level indicators	Whether the organisation as a whole is creating value across all resources	A cross-resource value creation scorecard; financial returns versus cost of capital

⁴ The World Intellectual Capital Initiative (WICI) first use the three-way KPI analysis [WICI | KPI](#)

KPI level	What it shows	Illustrative examples
	and relationships, not just financially	• Health of key resources and relationships; trust and licence indicators • Crisis resilience measures
Resource and relationship output and outcome indicators	Whether specific resources and relationships are being strengthened or eroded	• Engagement and capability metrics (human) • Brand and reputation (social and relationship) • Innovation and intellectual property pipeline (intellectual) • Key relationship health (social and relationship) • Environmental footprint and dependency measures (natural) • Financial
Process-level leading indicators	Whether each key business process is doing the specific thing that feeds the outcomes above	• % of board decisions with cross-resource analysis (Governance) • % of strategic initiatives with mapped process dependencies (Strategic Management) • % of risk assessments covering all resources and relationships (Risk Management) • % of material risks and opportunities linked to strategy and KPIs (Materiality Determination) • Depth and impact of stakeholder engagement (Stakeholder Relationship Management) • Degree of KPI integration and connectivity in the integrated report (Reporting)

The Performance Insight tool (Section 15) is the operational mechanism that classifies and screens individual KPIs, through its value driver versus outcome measure tag and its filtration criteria. This three-level architecture is the mechanism that arranges the resulting set into a legible, board-usable hierarchy for both internal dashboards and the integrated report's Performance content element. Together, the tool and this architecture give the Information Management Process both a database and a design.

Section 4: Closing Gaps in Current Practice

The gaps this framework closes are addressed directly by the method set out above:

Gap in current practice	Fix
No structured basis for the questions; no completeness test	The Methodology's business-model-as-key-business-processes rule, plus the standard process template (Section 2.1)
No Reporting Process template	Section 6 - Reporting Process Profile, mandated
No per-resource Stakeholder Relationship Management templates	Six templates, one for each type of resource, under Section 5.5
Considerations about mainstream business activities too general	Materiality-based identification of entity-specific key business processes, documented to the same standard template
No documentation requirement	Representation letters plus process documentation, mandated as Level 1, 2 and 3 evidence (Section 7)

Section 5: Integrated Thinking Process Comprised of Eight Mandatory Key Business Processes

The eight processes set out in this section are the enterprise-wide backbone through which an organisation's business model is governed, measured and reported. They are not the business model itself. Following the ladder introduced in Section 2.0, the business model remains the organisation-specific transformation of its resources and relationships, through its business activities, into outputs and outcomes. The eight processes below are the common execution architecture on which that transformation depends if integrated thinking is to be real, comparable and assurable.

Treating the eight as universally key does two things at once. It gives every organisation a common process spine - so integrated thinking can be benchmarked and assured across entities and sectors - while leaving each organisation free to describe its own business model in its own terms. Section 5.7 then shows how the Reporting Process, one of the eight, is used to give an integrated account of the whole value creation process, including the business model itself.

Each process below is presented in a common structure: an illustrative Process Objective, a layered KPI set, critical business activities, and key risks with mitigants. As set out in Section 2, the Methodology holds these elements constant; the specific content is entity-specific and auditable.

Three risks recur across every process and each one breaks the linkage between purpose, strategy, risk, business model, stakeholders, information and reporting:

- fragmentation - activities and information sitting in silos rather than moving through a governed spine;
- weak governance discipline - process ownership, cadence and representation letters not enforced at C-level; and
- poor information quality - data that is not fit to support decisions, measurement, or assurance.

A note on sourcing carries over unchanged from v3: some of the illustrative KPIs and "indications of integrated thinking" below draw on external commentary from the Government Pension Investment Fund of Japan (GPIF), a major asset owner whose public materials have been particularly clear on what integrated thinking looks like from an investor's point of view.

Reproduced as Exhibit 4, the map also names the four enabling capabilities running beneath the whole reporting process, in order across the base of the diagram: (1) information systems, which hold and move the underlying data; (2) performance measurement, which defines what is measured and how; (3) risk management, which identifies what could stop the process delivering; and (4) performance reporting, which converts information into decisions. Each maps directly to a key business process in Section 5.

Three risks recur across every process below: fragmentation, weak governance discipline, and poor information quality. Each breaks the linkage between purpose, strategy, risk, business model, stakeholder relationships, reporting and performance-based remuneration incentives, undermining integrated thinking objectives generally. They are restated at process level in each subsection because each process has its own symptoms and mitigants.

A note on sourcing: some of the illustrative KPIs and "indications of integrated thinking" below draw on external commentary from the Government Pension Investment Fund of Japan (GPIF), a major asset owner, on what makes an integrated report excellent from an investor stewardship standpoint. This is market practice evidence, not Framework text - it corroborates rather than substitutes for the Framework and Principles anchors recorded in the Divergence Register (Appendix A), consistent with Ground Rule 1.

Each subsection below sets out an illustrative Process Objective, a KPI table, critical activities, and key risks with mitigants. These are illustrative menus, not mandatory lists - each adopting organisation selects and tailors per its own materiality assessment.

5.1 Governance Process

Sub-objective	Illustrative KPI
Ensure board decisions explicitly assess value creation, preservation and erosion across all material resources and relationships and stakeholders	% of major board decisions with documented cross-resource analysis and trade-offs (target: 100%)
Oversee design and continual improvement of the key business processes so they are integrated, aligned and well controlled	Board self-assessment score on integration and connectivity of information across the eight key business processes (1-5 scale, target ≥ 4)
Maintain visibility over the health of critical resources and relationships and how major decisions or external changes affect them	Trend in health of key resources and relationships on the board dashboard (culture and engagement, innovation capacity, data and system resilience, brand and reputation, customer and regulator trust, supplier and employee measures, environmental indicators) versus financial outcomes
Align incentives and leadership expectations with long term, cross-resource value creation	% of executive incentive scorecards containing cross-resource and process-level KPIs, not just financials

Critical activities of Those Charged With Governance:

- Set or refresh purpose; approve and periodically review the business model
- Approve strategy and risk appetite only after considering resource and stakeholder trade-offs
- Require an integrated decision template for all major board decisions
- Oversee the design and performance of the other key business processes
- Set incentives to reinforce cross-resource outcomes; ensure the quality of information the board relies on
- Periodically evaluate board effectiveness in integrated thinking

Key risks and mitigants:

Risk / symptom	Mitigant
Fragmented and voluminous board information organised by silo (finance, risk, sustainability, human resources) with no integrated synthesis	Board-approved governance charter defining Governance as a key business process with explicit objectives, activities, risks, controls and KPIs

Risk / symptom	Mitigant
Over-reliance on individual judgement, with no common template so decision-making quality varies by director and topic	Mandatory integrated decision templates and board paper guidelines for all major decisions
Misaligned incentives, where remuneration and KPIs emphasise short term financials and inadvertently erode intangibles and trust	Formal governance of incentive design through the remuneration committee, regular reporting and monitoring / action, requiring alignment to cross-resource, long term value creation
Intangibles and stakeholder blind spots, with limited visibility over culture, key relationships, and data or system risk	Annual integrated review of the business model and key business processes, with process-level KPIs and independent assurance input
Weak oversight of key business processes, where the board sees static descriptions rather than process objectives, risks, KPIs and performance in practice	Regular board effectiveness reviews of the design and performance of key business processes with specific questions on integrated thinking, information connectivity and treatment of trade-offs

5.2 Strategic Management⁵ Process

Objective: the C-suite's distinctive contribution to value creation, linking directly to executive remuneration setting and remuneration reports.

Process objective (illustrative)	Illustrative KPI
Purpose-strategy-business model alignment	% of strategic objectives that explicitly reference the purpose or value creation model and identify the key resources and relationships they depend on - Each objective has at least one cross-resource KPI and one process-level KPI
Alignment with key business processes	% of key business processes with clear process objectives derived from strategic objectives % of strategic initiatives with identified process owners and explicit cross-process linkages
Strategic responsiveness to external environment and stakeholder needs	- Frequency and quality of structured environmental scans linking macro trends to specific opportunities and threats % of major strategic decisions where documented stakeholder insight influenced option design and targeted outcomes

⁵ Strategic management is the ongoing process where leaders set long-term goals, analyse internal and external environments, and allocate resources to execute plans. Its main purpose is to produce a strategy which gives a company a competitive edge, foster sustainable growth, and guide daily actions to match the big-picture vision.

Process objective (illustrative)	Illustrative KPI
Cross-resource performance and investment discipline	- Share of capital and operating expenditure explicitly justified by impacts on resources and relationships as well as financial outcomes - Trend in return on invested capital versus cost of capital, and growth in strategically critical resources and relationships

This white paper is the core reference for three further outputs: a shorter Directors and Executives Companion Paper (in development for release with Version 4), a book developed from the same architecture with expanded case studies and sector-specific guidance, and an executive education micro-credential built around a Value Creation module and an Implementation module.

Section 13A: Benefits of Integrated Reporting and Integrated Thinking - Evidence from Practice

The case for integrated thinking and integrated reporting does not rest on argument alone. Four bodies of case-study and empirical evidence, already referenced elsewhere in this paper, converge on the same conclusion: organisations that operationalise integrated thinking through the kind of eight-process architecture set out here achieve outcomes their peers do not.

First, the KPMG Business Measurement Process evidence base. The BMP (Section 14) was built through extensive fieldwork across audit engagements from the mid-1990s to the early 2000s, and its five-principle strategic-systems architecture demonstrated in practice that a value-creation lens applied to business processes produced insight that a financial-statement-only lens did not.

Auditors using BMP identified strategic and process-level risks that transaction-based auditing missed, and the engagement teams that used it produced deeper client conversations at the board and executive level. The same architecture, repurposed here for boards and management, gives the eight key business processes the same three qualities: rigour, comparability, and a board-level story rather than an audit-documentation story.

Second, the International Integrated Reporting Council pilot programme (2011-2013). Over one hundred organisations across sectors and jurisdictions participated. Published findings from the pilot recorded consistent benefits: better understanding of the connections between business model, strategy and value creation; improved connectivity between financial and non-financial information; richer board-level conversations about resources and relationships; and, in a subset of participants, measurable improvements in cost of capital following integrated report publication.

The pilot was not a controlled experiment, but the direction of travel across a large and diverse participant base is a substantial evidence base.

Third, the Japan longitudinal evidence base. Weng, Kokubu, Belal and Wright (2026), "Integrated reporting as organisational practice: a case study from Japan" in Accounting, Auditing and Accountability Journal, tracks a single Japanese organisation over a multi-year period as it embeds integrated thinking as a bundle of organisational practices. The paper documents concrete changes in how the organisation set strategy, engaged with stakeholders, and connected information across silos - changes visible in the integrated report but originating in the underlying business processes.

The Government Pension Investment Fund of Japan (GPIF), Japan's largest institutional investor and a major asset owner, has published commentary that treats integrated thinking maturity as a stewardship signal in its own right, independent of any specific disclosure.

Fourth, the AlphaTech worked example used in Sections 5.8 and 10.3 of this paper. AlphaTech traces the full reward loop end to end: innovation investment strengthens intellectual and human resources, the Information Management Process measures the resulting KPIs, the Reporting Process discloses them in the integrated report, and the market re-prices the enterprise on the basis of the newly visible latent value.

The example is illustrative rather than a real organisation, but its internal logic is drawn from patterns observed in the three evidence bases above.

Taken together, these four evidence bases give boards and executives a defensible answer to the "why bother" question. The benefits are not speculative. They are: sharper board-level oversight, improved connectivity between financial and non-financial performance, unlocked latent value in intangibles that markets can price once disclosed, and lower cost of capital where the market comes to trust the disclosed value. The Framework is the operating architecture that captures those benefits systematically rather than accidentally.

Risk / symptom	Mitigant
Strategy disconnected from the business model and resources and relationships, with statements of intent not translated into process or investment change	Requiring the integrated decision template described in Section 5.1
Under-weighting long-term or intangible value, where short term cost saving decisions quietly erode innovative capabilities	Resources and relationships health dashboard also described in Section 5.1
Sustainability treated as a parallel workstream rather than integrated	Routing materiality (Section 5.3) directly into strategy-setting
Weak internal alignment across functions and business units	Process owner and cross-process dependency mapping above

5.3 Materiality Determination Process

The Integrated Reporting Framework already anchors materiality in a reporting-focused role (Guiding Principle 3D, paras. 3.17-3.32: identifying relevant matters, evaluating importance, prioritising, and determining disclosure). This white paper elevates materiality determination into a standalone management process with its own objective, activities, KPIs and risk mitigants, because in practice materiality does more than decide what to report - it also feeds strategy, risk appetite, resource allocation and the design of the other seven key business processes.

This extends materiality's role beyond the Integrated Reporting Framework's reporting-focused treatment, while remaining fully consistent with materiality being integrated into management processes. The Performance Insight tool's KPI-level filtration criteria, described in Section 15, is a working precedent for this template.

Process objective (illustrative)	Illustrative KPI
Process robustness and connectivity	- Frequency of cross-functional materiality assessments combining external scanning, stakeholder input and cross-resource analysis % of material issues linked to strategic objectives, risk register items, process objectives and report disclosures
Stakeholder-informed materiality	- Coverage and diversity of stakeholder groups engaged, including investors and other providers of financial capital % of material issues where stakeholder input led to re-prioritisation
Cross-resource and time horizon balance	- Distribution of material issues across resources and relationships % of issues with explicit short, medium and long-term implications, KPIs and targets
Use of materiality in resource allocation and reporting	- Share of board and executive time spent on top material issues versus operational detail - Alignment between top material issues and the integrated report's structure and emphasis

Key risks and mitigants:

Risk / symptom	Mitigant
Decorative materiality maps prepared for reporting but not used to shape decisions	Direct linkage KPI above
A management-centric view with superficial stakeholder engagement	Stakeholder Relationship Management Process (Section 5.5)
Narrow short-term scope underplaying systemic topics such as innovation, climate, biodiversity and disruption	Cross-resource and time horizon KPI above
Poor documentation undermining trust	<i>Performance Insight's</i> filtration and screening documentation (Section 15), which is in substance this same process applied at KPI level

5.4 Risk Management Process

The risk-to-objectives and risk response layer runs through every other process.

Process objective (illustrative)	Illustrative KPI
Coverage and integration of risks across resources and relationships	- IFRS Foundation Integrated Thinking Principles v1.0 (August 2022) - https://www.ifrs.org/issued-standards/integrated-reporting/integrated-thinking/ (acknowledged as prior work on integrated thinking at a high level; not used as the operating anchor for this Framework) % of risk assessments considering cross-resource or cumulative effects
Scenario analysis and resilience	- Frequency and scope of cross-resource scenario analyses (innovation, climate, technology, societal change) feeding into strategy and business model design - Number and severity of crises anticipated via integrated risk analysis versus wholly unanticipated
Integration into decision-making	% of major strategic proposals or process changes with structured risk and opportunity analysis across all material resources and relationships - Evidence that risk appetite incorporates non-financial risks and capital constraints
Effectiveness of controls over critical activities	- Per Ground Rule 4 (Section 1.1), every construct introduced in this white paper is logged here against the exact Integrated Reporting Framework paragraph or Glossary term it operationalises, together with a verbatim, abridged extract of the source text and a classification of the contribution. - Trend in control effectiveness ratings and remediation timeliness

Only three of the seventeen entries below are pure Verbatim restatements; the rest are Operationalisations or Extensions - which is where this white paper's contribution to the Integrated Reporting Framework as a workable operating architecture becomes visible.

Risk / symptom	Mitigant
Risk treated as a compliance silo rather than integrated decision support	Embedding risk KPIs in the strategic decision template
Low probability, high impact risks - climate, cyber, social licence, innovation disruption downplayed	Mandatory scenario analysis
Externalities and value chain risks omitted from scope	Extending the risk register explicitly to resources and relationships beyond the entity boundary

Risk / symptom	Mitigant
Data and systems gaps limiting cross-functional risk visibility	Information Management Process (Section 5.6)

5.5 Stakeholder Relationship Management Process

IR Framework guiding principle, operationalised here as one template including a table, with stakeholders listed down the page and the capitals across, so different stakeholder groups impacting a particular resource or relationship can be seen on one page.

Process objective (illustrative)	Illustrative KPI
Strategic stakeholder clarity and alignment	- Explicit identification of key stakeholder groups linked to the business model and resources and relationships % of stakeholder strategies referencing two-way value, to the organisation and for the stakeholder, per the Framework's dual value creation perspective
Quality of engagement and insight	- Frequency and depth of structured engagement per stakeholder group across all material resources and relationships 'you said, we did' metrics tracking strategic or process changes made in response to feedback
Trust, licence and relationship health	Trend KPIs including engagement scores, customer trust, supplier alignment, community sentiment, regulatory relationship indicators and investor perception measures; balanced by 'negative' KPIs in relation to reported breaches, fines, complaints etc
Use of reporting and data in engagement	- Number of engagement meetings where the integrated report is explicitly used as a discussion basis - Coverage of group-level human and intellectual resources and other social data supporting stakeholder understanding

Key risks and mitigants:

Risk / symptom	Mitigant
Fragmented engagement, with integrated reporting, sustainability, investor relations,	A single stakeholder relationship owner and a template

Risk / symptom	Mitigant
human resources and operations working in silos	
Stakeholder narrative misaligned with internal reality	Information Management Process's single connected database (Section 5.6), which feeds both internal packs and external disclosure via reporting process
Underestimating investor stewardship expectations	Explicit GPIF-style 'indications of integrated thinking' self-assessment
Neglect of vulnerable or emerging stakeholder groups	Widening the stakeholder identification step above
Not keeping up to date - new / emerging / increasing risks and opportunities	Effective governance, stakeholder management and materiality determination processes

5.6 Information Management Process

Information Management establishes a governed, connected information architecture for performance information - traceability and interoperability across the systems that hold it - so that every other process and the Reporting Process can draw on a single, consistent source of truth, whether or not that information physically resides in one database.

It is operationalised by *Performance Insight*, described in full in Section 15. This section sets out the process's own objective, lifecycle, risks and risk mitigation, which give the tool its process context.

Note on performance management. Performance management sits alongside the Information Management Process rather than inside it as a separate key business process. It is an outcome of the Information Management Process (which supplies the measured, integrated information) and the Reporting Process (which supplies the internal reports through which performance is reviewed).

At the same time, performance management is a critical business activity of the other six key business processes - most visibly in the Strategic Management Process, where the C-suite's distinctive contribution is to translate integrated information into cross-resource decisions and remuneration-linked accountability. Treating performance management this

way keeps the eight-process architecture tight and materiality-driven; adding a ninth “performance management” process would double-count activity that already sits inside the other eight.

Objective: “To ensure that all information material to value creation across the business model and resources and relationships is captured completely and with integrity, transformed into reliable, decision-useful insights for boards and executives, and communicated consistently and accurately through internal reporting and the integrated report.”

Process objective (illustrative)	Illustrative KPI
All information material to value creation across the business model and resources and relationships is captured completely and with integrity	- Effectiveness of operation of Reporting Strategy and Stakeholder Management and KPI Tools - Internal audit results on testing Information Management Process
Above information provides decision-useful insights for boards and executives	- Feedback from boards and executives - Internal audit results on testing Information Management Process
Above information is communicated consistently and accurately through internal reporting and the integrated report	- Stakeholder feedback on internal and external integrated report - Internal audit results on testing Information Management Process

Key risks and mitigants:

Risk / symptom	Mitigant
Information material to value creation across the business model and resources and relationships not captured completely and with accuracy, completeness, reliability, timeliness relevance, etc	- Appropriate specialist expertise in design of the Information Management Process and recognition of resources and relationships - Internal audit results focus on Information Management Process
Above information does not provide decision-useful insights for boards and executives	- Appropriate specialist expertise in design of internal reports - Internal audit results focus on Information Management Process

Risk / symptom	Mitigant
Above information is not communicated consistently and accurately through internal reporting and the integrated report	• Appropriate specialist expertise in design and accurate content of integrated report • Internal audit results focus on Information Management Process

Critical activity lifecycle

The lifecycle runs from defining information needs through to assuring and improving them: define → capture → transform → use → report → assure.

- **Define.** Identify what is needed to govern the business model, strategy, risk and resources and relationships, not just to produce financial statements; design a data and information architecture mapping sources, flows and owners, including AI systems.
- **Capture.** Capture financial, operational, human, relationship, environmental, risk and innovation information at appropriate granularity, with controls over data entry, validation, access, change management, retention and security.
- **Transform.** Integrate data from multiple systems into coherent, cross-resource datasets suitable for analysis and reporting, including AI-enabled analytics, while maintaining metadata and data lineage so figures can be traced back to source.
- **Use.** Produce integrated dashboards and analyses for boards and executives combining financial and other business indicators, ensuring AI-generated insights are transparent, explainable and grounded in high quality data.
- **Report.** Prepare data and narrative inputs for the integrated report, financial statements and sustainability disclosures using common definitions and reconciliations, coordinating with the Reporting Process (Section 5.7) so the same core information underlies both internal and external communication.
- **Assure.** Periodically assess the relevance, completeness, reliability and timeliness of key information sets, and remediate through process, system, control or training changes.

Illustrative KPIs

- Board or executive assessment score on whether information enables integrated oversight rather than siloed views
- % of integrated report and sustainability KPIs drawn directly from core internal performance management systems
- Number of material restatements or corrections to non-financial data and narrative
- Data quality scores covering completeness, accuracy, timeliness and consistency
- Share of dashboards produced from integrated data systems rather than manual spreadsheets
- Degree of alignment between internal scorecards and externally reported KPIs
- Coverage of internal audit and external assurance over key information flows and extent of audit / assurance findings

Key risks

Risk / symptom	Mitigants
Fragmented information landscape of unconnected systems and inconsistent definitions	• A named executive owner, such as a Chief Data or Information Officer, accountable for this process with a defined process profile • An enterprise data governance framework covering ownership, quality standards, classification and AI model governance • A common data model and master data management across finance, risk, human resources, operations and sustainability • Standardised, governance-approved metric definitions used consistently internally and externally • Automated data quality monitoring and reconciliation controls • Integration with the Reporting Process, including pre-publication validation • Periodic independent assurance over the end-to-end information chain for priority disclosures
Financial-only control focus that leaves non-financial and resources-and-relationships information weakly governed	
Data quality and bias issues feeding AI models and decision-support	
Misalignment between internally used and externally reported KPIs, undermining credibility	
Information overload without focus on what is material	
Security, privacy and AI ethics failures eroding trust	

Illustrative example

An anonymised diversified services company, ("BetaGroup"), designated Information Management as a key business process. It:

- Built a single enterprise data architecture spanning customer, human capital, operational, risk and environmental data rather than just the general ledger
- Governed its AI-enabled analytics through the same data lineage and quality controls as financial data
- Used identical metric definitions and time series in its board dashboards and its integrated report KPIs - closing the gap between what management actually monitors and what investors are shown.

5.7 Reporting Process

The Reporting Process is treated in this white paper as an exemplar key business process precisely because it is the one the IR Framework itself explicitly frames as a process:

integrated reporting is *a process founded on integrated thinking that results in a periodic integrated report* (IR Framework Glossary).

A reporting strategy comes first, fully aligned with business strategy and with the decision-making needs of investors and other stakeholders, rather than a compliance afterthought. Section 6 sets out this process in full - strategy, structure, reports portfolio, connectivity requirements and Basis of Preparation and Presentation documentation - because of its central role in the assurance architecture (Section 8) and the AI-augmentation layer (Section 9).

5.8 Innovation Process

Innovation is treated in this white paper as a mandatory eighth key business process alongside the seven above given that intangibles are the key driver of value creation in the contemporary business environment. Innovation is the discipline that systematically converts human, intellectual, social and relationship, natural, and data resources and relationships into new offerings, business models and capabilities, making the previously latent intrinsic value of intangibles visible to management and investors.

Two anchors support this directly: at Level 2, the Strategy assessment states that competitive advantage is generated “through our innovation, unique insights and perspectives,” and at Level 3, the Strategy question asks whether the organisation “invest[s] in innovative products and services and nurture[s] a culture of innovation through its purpose and values” (see the verified citations in Section 1.2). This connects directly to the unlocking and revealing of latent intrinsic value discussed in Section 10.

Objective: *“To systematically identify, develop and scale innovations in offerings, business model and ways of working that strengthen key resources and relationships, generate sustainable economic returns and make the intrinsic value of intangibles visible to management and investors.”*

Critical business activities

- Sensing and ideation
- Concept development and prioritisation through an integrated stage-gate, cross-resource business case process
- Experimentation and incubation
- Scaling and integration
- Knowledge, intellectual property and capability management
- Narrative reporting, translating pipeline and outcomes into integrated report content
- Integrated thinking and reporting-based investor dialogue

Illustrative KPIs

- Share of revenue or profit from offerings launched in the last three to five years
- Innovation ‘hit rate’, being the share of prioritised projects meeting both financial and cross-resource thresholds
- Innovation investment intensity as a % of operating and capital expenditure, with trend and outcome linkage

- pipeline disclosure for key investments from ideation through market testing, regulatory approval, launch and then speed of take up as compared to the business case
- Growth in innovation-related intangible indicators, including patents and intellectual property, curated data assets, innovation engagement scores, the proportion of staff with innovation-related training, and links to incentives

Key risks

- Strategic misalignment, where innovation is driven by technology enthusiasm rather than purpose, strategy, materiality or risk appetite
- Intangible leakage, where intellectual property, know-how or data are not properly captured or protected
- Fragmented, unconnected initiatives without a portfolio view
- Short-termism in capital allocation
- Cultural or behavioural barriers suppressing experimentation
- Inadequate integration or scaling of successful pilots

- Under-reporting of innovation value in the integrated report

Illustrative example

An anonymised global AI platform company ("AlphaTech"):

- Ties innovation KPIs directly to its incentive scorecards under Governance
- Commits approximately 18-20% of revenue to a balanced innovation portfolio under Strategic Management
- Scenario tests regulatory and energy risks around its AI platforms under Risk Management
- Tracks the % of revenue from products less than three years old and specialist talent retention as KPIs
- Reports a full multi-year case study tracing research and development and talent investment through to platform revenue, return on invested capital and capital health outcomes under Reporting.

Illustrates the process-to-intrinsic-value-to-disclosure-to-market-capitalisation reward loop set out in full in Section 10.3.

How Innovation connects to the other seven processes

Key business process	How it connects to Innovation
Governance	• Sets innovation risk appetite, approves innovation strategy, portfolio and budget • Links executive incentives to innovation and intangible outcomes
Strategic Management	• Positions innovation as a core strategic lever • Translates strategic themes into innovation domains & investment priorities
Risk Management	• Evaluates innovation risks and opportunities, including disruption risk • Ensures experimentation stays within risk appetite
Materiality Determination	• Uses material issues to focus innovation on what genuinely matters • Reassesses whether innovation addresses top material topics
Stakeholder Relationship Management	• Supplies insight, ideas and co-creation opportunities • Tests stakeholder acceptance and impact of innovations
Information Management	• Supplies innovation dashboards and KPI time series described in Section 5.6
Reporting	• Makes innovation's intangible value creation visible through case studies, scorecards and consistent KPIs • Effectiveness of stakeholder including investor dialogue

Section 6: The Reporting Process as Exemplar

The Reporting Process is developed in full here because the Framework itself frames integrated reporting as a process (Section 5.7), and because it is the process through which every other process's performance becomes visible to investors and other stakeholders.

6.1 Reporting Strategy

A reporting strategy is set before report structure is designed. It is fully aligned with the business strategy and explicitly built around the decision-making needs of investors and other stakeholders.

Reporting Strategy: A plan aligned with the overall business strategy. Owned by the CEO, implemented by the CFO, overseen by the board.

Defines what to report, to who, in what format, when, with what level of internal control, data integrity and assurance.

This directly answers the Framework's own Basis of Preparation and Presentation question⁶ (paras. 4.41-4.49): how the organisation determines what matters to include and how those matters are quantified or evaluated.

The reporting strategy specifies the flagship report, the supporting reports suite, the audiences and decisions each report serves, and the connectivity mechanism between them.

The tool's own KPI Reporting Strategy worksheet, reproduced as Exhibit 1, records this decision for every KPI once its profile is complete: Now (report immediately), Future (report once data quality or availability improves), or Don't Report (not material or sufficiently reliable). This worksheet is the working mechanism behind the reporting strategy - it turns the qualitative strategy statement into a defensible, KPI-by-KPI record of

⁶International Integrated Reporting Framework (January 2021), Basis of preparation and presentation, paras. 4.41-4.49

what is included in the current reporting suite, what is planned, and what has been excluded and why.

Exhibit 1. The Performance Insight tool's KPI Reporting Strategy worksheet, showing the Now / Future / Don't Report decision for three candidate KPIs.

KPI ID	KPI Name	Primary Resource	Value Stage	Reporting Strategy	Priority	Timeframe
N001	Scope 1 & 2 GHG emissions	Natural	Outputs	Now	High	Immediate (0-3m)
I002	Patent pipeline value	Intellectual	Inputs	Future	Medium	Medium-term (1-3y)
H002	Employee turnover by role	Human	Outcomes	Don't Report	Low	Not currently reliable

The Reporting Process Profile (refer Section 6.4 below) contains an example of what a Reporting Strategy could look like. Individual organisations may use the example to assist their own thinking:

Reporting Strategy Overview - At a Glance

The Reporting Strategy Overview is the nerve centre of Performance Insight. The one-page dashboard below is followed by four detailed panels (Mission and Vision; Reporting Objectives; Critical Business Activities x KPIs; Risks x Risk Mitigation) that carry forward structure of original 2000 methodology, refreshed for International <IR>, IFRS S1/S2, AASB S1/S2, TNFD and ISSA 5000, and for the resources and relationships lens.

The nerve centre of Performance Insight

Our Reporting Mission	<i>By 2028, integrated reporting is a recognised core competency of our organisation and a demonstrated driver of long-term value creation across our resources and relationships.</i>	Our Reporting Vision	<i>External reporting delivers a balanced, connected and assurable picture of performance, stewardship of resources and relationships, and progress against climate and sustainability transition plans.</i>
CRITICAL BUSINESS ACTIVITIES (CBAs) - Strategic management: reporting vision, objectives, Board-level integrated-thinking overlay - Reporting-process execution: cycle time, quality and integrated coverage of resources and relationships - Reporting-team competencies: sustainability, climate, XBRL, AI literacy - Communication, measurement and reward: STI/LTI linked to reporting-process KPIs - Integrated reporting technology: single-source data, iXBRL, AI-assisted drafting - Combined assurance: ISSA 5000 across financial, sustainability and nature disclosures		KEY PERFORMANCE INDICATORS (KPIs) - Reporting-cycle days (target < 60); restatements per cycle (target 0) - Reporting cost / sales revenue (target < 0.35%) % Board and Exec KPIs traceable to reporting outputs % AASB S2 climate disclosures under reasonable assurance from FY 2027 - iXBRL tagging error rate vs. ASIC / ASX benchmarks - Reporting-team STI weighted 60% to reporting-process KPIs	
REPORTING-PROCESS RISKS - Reporting process not operating as designed - strategy fails to translate into disclosed performance - Objectives not aligned with the overall business strategy - Materiality drift - failure to reassess what to report - Poor communication within the team and with CEO / CFO / Board - Reporting-team remuneration misaligned with reporting-process performance - External dependencies (Scope 3, TNFD site data), greenwashing / disclosure-litigation risk		RISK MITIGATION - Board- and Executive-endorsed reporting strategy refreshed annually; Disclosure Committee sign-off on every external report - Reporting objectives cascaded from strategic plan; CRO scorecard weighted to alignment metrics - Annual double-materiality assessment against IFRS S1 / AASB S1; TNFD LEAP for nature - Monthly Board reporting pack; quarterly Executive scorecard from PI Workbook 60% STI weighting on reporting-process KPIs; LTI vesting gated on integrated-thinking embedment - Formal data-supply agreements; ISSA 5000 assurance stepping up from limited to reasonable over FY 2026-28; legal review of net-zero and transition-plan disclosures	

Full CBAs, KPI Register, risk register and controls are maintained in the companion Performance Insight workbook.

6.2 Reports Suite Structure

The integrated report is the flagship report, connected to a suite of supporting reports - financial statements, sustainability or climate disclosures, remuneration reports, corporate governance reports, and other regulatory filings - through explicit cross references and, increasingly, AI-augmented navigation that lets a reader move from a summary claim in the integrated report directly to its underlying detail in a supporting report.

This operationalises the Framework's Connectivity of Information Guiding Principle ⁷(paras. 3.6-3.8), which requires that an integrated report show the connections between the various matters relevant to the organisation's ability to create value over time - including connections between different content elements and between report elements and financial statements or other reports.

Report	Role in the suite
Integrated report	Flagship - concise communication of value creation, preservation or erosion across all material resources and relationships over the short, medium and long term
Financial statements	Detailed financial performance and position, cross-referenced from the integrated report's Performance and outlook content elements
Sustainability / climate disclosures	Detailed environmental and social performance, including S2-aligned climate disclosures, cross-referenced from the integrated report's Risks and opportunities and Performance content elements
Remuneration report	Detail on how incentives link to the cross-resource and process-level KPIs referenced in the integrated report's Governance content
Other regulatory filings	Detailed compliance disclosures, cross-referenced where they evidence a material matter discussed in the integrated report
Metrics Databook	A metrics Databook (5 or 10 years of history, all KPIs across resources and relationships and 8 Key Business Processes) plus also framework compliance checklists with cross-reference to where users can find required disclosures if material

The tool's Reporting Vehicles worksheet, reproduced as Exhibit 2, operationalises this connectivity mechanism at KPI level. For every KPI it maps:

⁷International Integrated Reporting Framework (January 2021), Guiding Principle 3B, Connectivity of information, paras. 3.6-3.8

- each internal and external report in which the KPI currently appears
- who prepares it, how often, its importance to management
- the controls over its compilation
- the key business decisions it supports
- its preparation cost.

This is the raw material from which the flagship-plus-navigation architecture is built: each row is a candidate cross-reference between the integrated report and a supporting report in the suite, and a candidate entry in the AI-augmented navigation layer described in Section 9.

Exhibit 2. The Performance Insight Reporting Vehicles worksheet, mapping one KPI (Net Promoter Score) to its current internal and external reports.

KPI C001 Net Promoter Score - Likelihood customers recommend the organisation							
Report Category	Reporting Vehicle	Owner	Frequency	Materiality	Assurance Level	Stakeholder Decisions Supported	Annual Prep Cost (\$)
Statutory	Annual Report / Integrated Report	CRO	Annual	Medium	Limited	Investment (long-term); brand trust	35,000
Voluntary	ESG rating submissions (MSCI, S&P Global)	Chief Sust. Off.	Annual	Medium	None	ESG rating; index inclusion	20,000
Internal	Board pack (rolling 12-month)	CRO	Monthly	High	None	Customer strategy; product decisions	8,000
Internal	Executive scorecard	CRO	Quarterly	High	None	STI outcome; customer experience program	5,000

Source: Performance Insight KPI Workbook, tab 12 - Reporting Vehicles.

6.3 Basis of Preparation and Presentation Documentation

For every material KPI and narrative claim in the integrated report, the Reporting Process retains:

- The source key business process and process owner
- The calculation method and any estimates or judgements applied;
- The data source and controls over it, drawing on the Information Management Process (Section 5.6)
- The specific Framework content element and Guiding Principle the disclosure responds to.

This retained evidence base is what makes both external assurance over the integrated report and internal assurance over the performance of the reporting process itself practicable (Section 8).

6.4 As-Is / To-Be Process Profiling

Reporting strategy is set once, but the reporting process it governs must still be profiled, gap-assessed and redesigned in practice. The *Performance Insight* Reporting Process Profile is the working template for that exercise: a facilitator-led document that captures the reporting process as it actually operates (“As Is”) and as it should operate once redesigned (“To Be”), following the same Business Measurement Process (BMP) structure discussed in Section 14.

The Profile is positioned within a wider Performance Insight suite of facilitation tools, reproduced as Exhibit 3:

- a structured-interview Reporting Process Diagnostic populates the “As Is” section during initial fieldwork
- a Reporting Process Workshop and Participant Workbook then generate the client feedback that populates the “To Be” section
- a Performance Insight Master Plan for implementation.

Exhibit 3. The Performance Insight portfolio, from initial diagnostic through workshop feedback to the implementation master plan.

Three facilitation artefacts that carry a client from current-state diagnosis to a documented redesign roadmap



Each artefact in the suite feeds the next, giving the reporting strategy set out in Section 6.1 (page 35) a documented, auditable path from current-state diagnostic to target-state redesign.

For the “As Is” state, the Profile requires a full process map before any narrative is written:

- reporting process objectives
- the inputs drawn from the Strategic Management, Stakeholder Relationship Management and other key business processes (Section 5)
- the reporting sub-processes that convert those inputs into reports
- the resulting outputs delivered back to those same processes and to external stakeholders.

Reproduced as Exhibit 4, the map also names the four enabling capabilities running underneath the whole process - information systems, performance measurement, risk management and performance reporting - which map directly onto the Information Management Process (Section 5.6), the KPI methodology (Section 3), and the risk and assurance architecture of Sections 5.4 and 8.

Exhibit 4. One-Page Snapshot of the Current Reporting Engine (1 of 2 - Objectives)

Balanced-scorecard objectives (O1-O11) for the As-Is reporting process, grouped in the four familiar perspectives.

Process description	End-to-end reporting cycle for an ASX-listed integrated reporter (Group 1, 30 June year-end): from period close through consolidation, disclosure drafting, assurance, Board approval and public release. Covers financial statements, ASX 4D / 4E, integrated report, sustainability report, climate transition plan (AASB S2), TNFD nature disclosures, remuneration, corporate governance statement and investor-day materials. Owned by the Chief Reporting Officer.			
FINANCIAL	MARKETS / CUSTOMERS	INTERNAL PROCESSES	INNOVATION & GROWTH	
O1 - Stakeholder capital-allocation decisions informed by balanced, connected reports O2 - Direct + indirect reporting cost ≤ 0.35% of sales O3 - Finance function meets reporting-quality and cycle-time targets	O4 - Balanced picture communicated to investors, ASIC, ASX, ESG raters, community, First Nations O5 - Reporting vision & objectives visibly referenced in the integrated report	O6 - Common reporting process enabled by integrated reporting technology (iXBRL, AI-assisted drafting) O7 - No material misstatements, qualified opinions or ASIC / ASX enforcement action O8 - Full compliance with Corporations Act, ASX Listing Rules, IFRS / AASB, IFRS / AASB S1 / S2, TNFD, ISSA 5000	O9 - Reporting team holds the connectivity narrative across resources and relationships O10 - Team remuneration linked to reporting-process performance (60% STI weighting) O11 - Reporting-team is recognised as a key corporate asset; CRO at CFO-minus-one	

Exhibit 4. One-Page Snapshot of the Current Reporting Engine (2 of 2 - Process Detail)

INPUTS		OUTPUTS	
Strategic-Management Process - Board-approved strategy, 3-year outlook, KPI targets, materiality determinations, climate transition plan Stakeholder-Management Process - investor / analyst feedback, ESG-rater questionnaires, regulator and community engagement External Sources - accounting-standard updates, IFRS / AASB S1 / S2, ISSA 5000, TNFD, peer benchmarks Prior Outputs (feedback loop) - prior integrated report, assurance findings, Board and Audit-Committee reviews Information-Management Process - general-ledger, sustainability & HR data, master-data governance, iXBRL taxonomy Core Business & Support Processes - operational KPIs, risk-management outputs, internal audit, legal / company-secretariat		To: Stakeholder-Management / External - annual integrated report, half-year integrated update, ASX Appendix 4D / 4E, results presentation, ESG-rater submissions, continuous-disclosure updates To: Strategic-Management - post-cycle materiality refresh, analyst-feedback summary, strategy-day briefing pack To: Core Business & Support - Board reporting pack (monthly), Executive scorecard (quarterly), business-unit performance packs, data-quality feedback to source systems	
SUB-PROCESS 1 - Understand external & internal reporting needs		SUB-PROCESS 2 - Manage the reporting process	
Annual double-materiality assessment against IFRS S1 / AASB S1 Investor / analyst reverse roadshow; peer-benchmark disclosure gap analysis Community and First Nations engagement per TNFD LEAP Reporting-boundary and consolidation-scope refresh		Single quarterly integrated review - one meeting, one dataset - replacing separate finance / ESG reviews Reasonable assurance on climate metrics from FY 2027 under AASB S2 Continuous-controls monitoring across the reporting-process control library Combined-assurance-plan governance; reporting-team performance measurement against KPI Register	
SUB-PROCESS 3 - Prepare and assure reports			
		Draft integrated report using a resources and relationships × value-creation-stages narrative Peer and competitor comparisons; actual vs. objectives / KPI targets / budget analysis iXBRL tagging with AI-assisted controls; Disclosure Committee review Assurance interim & final fieldwork under ISSA 5000; Board and Audit-Committee reporting-quality survey	
Systems & applications		ERP (SAP / Oracle Fusion) → Consolidation platform (OneStream / Workiva) → Sustainability data platform (Watershed / Persefoni / SAP SCT) → Disclosure management (Workiva / Certent) → AI-assisted drafting controls → Assurance workflow (auditor platform). See Section 2.6 for owners and integration notes; Section 3.2 for the To-Be modernisation.	

Full detail in Sections 2.1-2.8; workbook overlays live in the KPI Register and Filtration Dashboard.

Exhibit 4. The Reporting Process Profile's "As Is" process map template, showing the reporting process's inputs, sub-processes, outputs and underlying enabling capabilities.

The same map is then re-drawn for the “To Be” state once change management workshop feedback is in hand, and the Profile’s appendices extend the redesign beyond process flow to the value drivers that make it defensible: balanced reporting-process performance measures and controls, and the reporting team’s target competencies and structure.

Read together with the Performance Insight Tool (Section 15), the Reporting Process Profile supplies the process-level template and the Performance Insight Tool supplies the KPI-level template; the two are designed to be populated in parallel during the same engagement.

Section 7: Evidence and Accountability Trail - Beyond Process Design

The Integrated Reporting Framework defines those charged with governance, who may in some jurisdictions include executive management (Glossary; paras. 1.20, 1.24). This white paper uses that distinction to require two linked representation letters at each reporting cycle:

- **Board representation letter (Level 1).** Confirms the board's searching questions on the six Principles were asked and answered with evidence, and that it has overseen the design and performance of the eight key business processes.
- **Executive representation letter (Level 2).** Confirms each process owner's statement that their process is designed and operating as documented, with named exceptions and remediation plans.

Each representation letter references the specific process documentation - objectives, activities, KPIs, risks and risk mitigation - set out in Sections 3 through 6 and 14 through 15, and the specific evidence retained under Section 6.3. This is the mechanism that gives Level 3's practical, process-level questions a single, structured management architecture that organises, connects and measures - converting them into an auditable trail running from Board accountability down to process-level substance, and back up again into the integrated report.

Section 8: Dual-Track Assurance Architecture

Two distinct forms of assurance operate together, over two distinct objectives:

Track	Object of assurance	Provider	Evidence base
External assurance	The integrated report itself - its content and disclosures	Independent external assurance provider	• Basis of Preparation and Presentation documentation (Section 6.3) • Underlying process KPI data (Section 3)
Internal assurance	The performance of the reporting process that produces the integrated report - not merely its design	Internal audit or an equivalent internal assurance function	• Reporting Process documentation (Section 6) • Process representation letters (Section 7)

The two tracks are complementary, not duplicative: external assurance answers whether the report can be relied on; internal assurance answers whether the process that produced it is itself reliable, repeatable, improving and controls are operating effectively. Together they close the trust gap that has historically limited investor and stakeholder confidence in integrated reports produced without either form of assurance.

Section 9: The AI-Augmentation Layer

AI augments every layer of this white paper's architecture rather than sitting alongside it as a separate initiative.

In the Information Management Process (Section 5.6), AI-enabled analytics transform captured data into decision-useful insight, subject to the same data lineage, quality and explainability controls as any other information.

In the Reporting Process (Section 6), AI-augmented navigation is the mechanism that connects the flagship integrated report to the detail held in the supporting reports suite, letting an investor move directly from a summary claim to its underlying financial statement, sustainability disclosure or process evidence.

In report generation itself, AI accelerates drafting, consistency checking and cross-referencing across the reports suite, while the retained Basis of Preparation and Presentation evidence (Section 6.3) and the dual track assurance architecture (Section 8) ensure that speed does not come at the cost of reliability.

AI-augmented report generation is treated throughout this white paper as an accelerant applied to an already-rigorous process - not a substitute for the process itself. This form of report generation also offers reporting process cost efficiencies, contributing to alleviating the national reporting productivity burden.

Section 10: Unlocking and Revealing the Latent Intrinsic Value of Intangibles

Intangibles - human, intellectual, social and relationship - routinely hold intrinsic value that is real but unexploited by the organisation and therefore invisible to management because no process to date has had activities to unlock that value, and to investors because no disclosure reveals it.

Standards-based disclosure cannot - management must first unlock that hidden intrinsic value by more integrated thinking. This white paper's architecture addresses both halves of that problem in sequence.

10.1 Unlocking: Making Enhanced Latent Value Visible to Management

The Innovation Process (Section 5.8) is the primary mechanism for unlocking latent intrinsic value - it systematically converts human, intellectual, social and relationship, and data resources and relationships into new offerings, business models and capabilities.

The Information Management Process (Section 5.6) is what makes that conversion measurable, by capturing data related to non-financial and intangible matters with the same rigour applied to financial data. The Reporting Process reveals it internally first. Together, they turn latent value from something management senses qualitatively into something management can name, measure and manage as a KPI.

10.2 Revealing: Making Enhanced Latent Value Visible to Investors

The Reporting Process (Section 6) is what reveals that unlocked value to investors and other stakeholders, through the cross-resource KPI architecture of Section 3 and the connectivity mechanisms of Section 6.2, assured under the dual-track architecture of Section 8 so investors can rely on what is disclosed.

10.3 The Reward Loop

Once latent intrinsic value is unlocked by the Innovation and Information Management Processes and revealed by the Reporting Process, it becomes available for the market to price.

The AlphaTech example in Section 5.8 illustrates the full loop: innovation investment strengthens intellectual and human resources, the Information Management Process measures the resulting KPIs, the Reporting Process discloses them with assurance, and the market rewards disclosed, assured value creation through market capitalisation.

This is the mechanism by which integrated thinking, properly operationalised through the eight key business processes, converts previously invisible value into a recognised driver of shareholder value.

Section 11: Governance, Process Ownership and Getting Started

11.1 Governance and Ownership

Ownership of governance and getting started sits at two levels, consistent with the representation letter structure in Section 7:

- **Board level.** Overall accountability for the Framework's adoption and for the design and performance of all eight key business processes, discharged through the Board representation letter.
- **Process owner level.** A named C level executive owns each of the eight key business processes - Governance, Strategic Management, Materiality Determination, Risk Management, Stakeholder Relationship Management, Information Management, Reporting, and Innovation - and is accountable for its objectives, KPIs, risks and risk mitigation through the executive representation letter.

11.2 Getting Started

Adoption follows a staged path rather than a single big-bang implementation:

1. **Diagnose.** A maturity diagnostic establishes the organisation's starting point across all eight key business processes, identifying which are already designed and documented to the standard template and which are not.
2. **Prioritise.** Materiality determination (Section 5.3) is used to sequence process build-out, starting with the processes most connected to the organisation's most material matters.
3. **Document.** Each prioritised process is documented in the standard template (Section 2.1), drawing on the repurposed Business Measurement Process discipline (Section 14) and the Performance Insight tool (Section 15).
4. **Report and assure.** KPIs flow into the layered architecture of Section 3, into the Information Management Processes feeding into the Reporting Process (Section 6), and under the dual-track assurance architecture (Section 8).

5. **Improve.** The Continuous Improvement principle inherited from the Business Measurement Process (Section 14) closes the loop, with each cycle strengthening documentation, data quality and connectivity.

Section 12: White Paper, Book and Micro-Credential Structure

This white paper is the core reference for two further outputs: a book developed from the same architecture with expanded case studies and sector-specific guidance, and an executive education micro-credential built around the same eight key business processes.

White paper section	Book treatment	Micro- credential module
Sections 1-2 - Foundational Principles; Methodology vs Process	Expanded historical and conceptual grounding	Module 1: Foundations of Integrated Thinking
Section 5 - the Eight Mandatory Key Business Processes	One chapter per process with additional sector case studies	Module 2: The Eight Key Business Processes (one unit per process)
Sections 3-4 and 14-15 - Three-Level KPI Methodology; closing the Level 3 gap; BMP repurposing; Performance Insight tool	Practitioner's toolkit chapter with worked templates	Module 3: Tools and Templates
Sections 6-10 - Reporting Process; evidence trail; assurance; AI-augmentation; unlocking value	Case study-led chapters on flagship report assurance and AI	Module 4: Reporting, Assurance and AI
Sections 11-13 - governance and ownership; structure; ASIC Act contribution	Implementation roadmap chapter, expanded by jurisdiction	Module 5: Implementation and Regulatory Context

Section 13: Contribution to the Core Objectives of the Australian Financial Reporting System

This framework is not a reporting reform proposal and does not depend on External Reporting Australia or any other policy process. It is a business practice framework whose benefits stand on their own. This section simply notes, for interested readers, that better business practice under this framework also happens to support the objectives Parliament has already set for Australia’s financial reporting system.

Section 224 of the Australian Securities and Investments Commission Act 2001 sets out the objectives the Australian Financial Reporting Council⁸, Australian Accounting Standards Board and the Australian Auditing and Assurance Standards Board must pursue, including facilitating the Australian economy by reducing the cost of capital, enabling Australian entities to compete effectively overseas, and maintaining investor confidence in the Australian economy, including its capital markets ⁹.

Section 224 objective	How this white paper’s architecture contributes
Reducing the cost of capital	By unlocking and revealing previously latent intrinsic value in intangibles (Section 10) under an assured, comparable process (Sections 6, 8), investors can price risk and value creation more accurately, which in principle reduces the risk premium demanded of Australian issuers.
Enabling Australian entities to compete effectively overseas	The Methodology (Section 2.1) is generic and comparable across sectors and jurisdictions, letting Australian entities demonstrate integrated thinking maturity on a basis international investors and standard-setters can benchmark against peers.
Maintaining investor confidence in Australian capital markets	The dual-track assurance architecture (Section 8) and the evidence and accountability trail (Section 7) give investors independent assurance over both the integrated report and the process that produced it - a stronger confidence basis than disclosure alone.

This white paper’s contribution here is incidental but real: by giving organisations, standard-setters and the professional bodies referenced in the Australian Business

⁸ With section 225

⁹ Section 224, Australian Securities and Investments Commission Act 2001 (Cth), https://www5.austlii.edu.au/au/legis/cth/num_act/asaica2001529/s224.html

Reporting Leaders Forum and Deakin University submissions to Treasury on External Reporting Australia a working method for putting integrated thinking into practice, it helps make section 224's objectives achievable in practice - not just in principle. That said, an organisation gains the full benefit of this framework regardless of how External Reporting Australia develops.

Section 14: From Audit Support to CEO-Grade Rigour - Repurposing KPMG's Business Measurement Process

KPMG's Business Measurement Process (BMP) was designed to give auditors a comprehensive, systems-based understanding of a client's value creation. Its five-principle architecture is, in substance, an integrated thinking process engine.

Strategic Analysis - covering external forces, markets, alliances, products and customers - flows into **Business Process Analysis** - covering strategic management, core business processes and resource management processes - which flows into **Business Measurement** - covering financial, market, process and resource performance. The whole loop is wrapped by **Risk Assessment**, covering business risks and risk mitigation, and **Continuous Improvement**, covering gaps and opportunities.

This maps well onto the standard process template in Section 2.1 and gives each of the eight key business processes three qualities:

- **Rigour** - because BMP was built to withstand audit scrutiny,
- **Comparability** - a consistent structure across every material process in every organisation.
- **A board and management, not just an audit, story** – BMP's purpose and audience have been reframed around value creation, board reporting and remuneration linkage rather than audit documentation.

Repurposing BMP moves it from an audit-support tool to a rigorous engine in the Integrated Thinking Framework chief executives find compelling: the same rigour, applied to a different purpose, a different audience, and a different time where intangibles dominate.

Section 15: The Performance Insight Tool - Concrete Operationalisation of the Information Management Process

The Information Management Process (Section 5.6) is inspired by the Performance Insight resource, a KPI and process-profiling database originally developed by KPMG in 2000 as a next step building on the firm's Business Measurement Process methodology.

This is not a conceptual placeholder - a working database exists and has been refreshed for the intangibles-driven era of 2026, aligned with the current Integrated Thinking Framework, International Integrated Reporting Framework, Integrated Thinking Principles, IFRS S1 / S2, AASB S1 / S2 and TNFD.

The Performance Insight v2, 2026 workbook preserves the original 2000 substance while adding the resources and relationships lens, updated screening criteria, a Dashboard that navigates the whole workbook, and highlights innovation and intangibles, not contemplated 25 years earlier. Its structure provides the implementation template for the Information Management Process and feeds the Reporting Process (Section 6)..

The master worksheet, reproduced as Exhibit 5, captures every candidate KPI in a single row against a structured set of classification and filtration fields with an end game of populating integrated (and other) reports with the right KPIs, built on information with integrity:

- the performance measure (potentially a KPI) itself
- the business objective and strategy it supports
- the critical business activity it evidences
- its Balanced Scorecard category
- its business process reference and business model linkage
- its qualitative / quantitative nature and its leading / lagging / results classification
- whether it relates to Inputs, Business Activities, Outputs, Outcomes or Impacts (five-stage value creation chain)

- an automatically-derived Value Driver versus Outcome Measure classification against the Balanced Scorecard
- whether the KPI is currently reported and from an internal or external source, its unit of measure, reporting frequency and benchmarking status.

KPI ID / Name	Resource(s)	Objective & Strategy	Critical Business Activity / Process	BSC Category / Value Creation Stage	Type: Qual-Quant • Leading-Lagging • Value Driver-Outcome	Reporting Status
N001 Scope 1 & 2 GHG emissions	Natural (primary)	Reduce environmental footprint - net-zero transition strategy	Emissions monitoring - Environmental Management System (EMS) data capture	Internal Process / Outputs	Quantitative • Results • Value Driver	Internal & external source • Available: Yes • Benchmarked: Yes Unit: tCO2-e • Frequency: Quarterly
H002 Employee turnover by role	Human (primary)	Retain critical capability - workforce stability strategy	Workforce planning - HRIS exit data capture	Learning & Growth / Outcomes	Quantitative • Lagging • Outcome Measure	Internal source only • Available: Yes • Benchmarked: No Unit: % • Frequency: Annual
F001 Return on Invested Capital	Financial (primary); Intellectual, Manufactured (secondary)	Deliver top-quartile shareholder returns - capital allocation strategy	Capital allocation - Finance business partnering process	Financial / Outcomes	Quantitative • Lagging • Outcome Measure	Internal & external source • Available: Yes • Benchmarked: Yes Unit: % • Frequency: Quarterly

Exhibit 5. The Performance Insight KPI Register master worksheet, showing three candidate KPIs (N001, H002, F001) classified against the worksheet's key fields.

A mid-sized entity typically populates 40 to 80 'candidate' KPIs on this worksheet before filtration; the structure keeps that population traceable back to the objective, strategy and business process each KPI evidences, rather than collapsing into an unstructured list of performance measures.

A further set of analysis sheets - the resources and relationships map, the value creation story, the filtration dashboard, the balance analysis, the reporting strategy classification and the reporting vehicles matrix - takes this master register of KPIs through to a Now / Future / Do Not Report decision for each KPI.

The full 39-sheet workbook comprises five front-matter sheets (Dashboard, Cover, Contents, Framework, Assumptions & Setup), a Reference Lists sheet driving the drop-downs, seven analysis sheets, a master Profile Template, and twenty-five populated profile sheets (P01-P25). The nine methodological stages are summarised below and mapped to the current worksheet names.

Stage	Tool worksheet(s)	Purpose
1. KPI brainstorming	Reference Lists (sheet 05)	Pre-workshop generation of candidate KPIs via the master drop-down lists for resources and relationships, value-creation stages, BSC categories, KPI types, business objectives, strategies, critical business activities
2. KPI identification and classification	KPI Register (sheet 06)	Master register linking each KPI to its primary and secondary resources, business objective, strategy, critical business activity, balanced scorecard category, business model or process reference, inputs / activities / outcomes tag, and value driver versus outcome measure classification
3. KPI profiling	Profile Template + P01-P25 (26 profile sheets)	One profile per KPI (twenty-five populated as P01-P25, plus a hidden Profile Template as the master). Each profile documents the objective, strategy, critical business activity, process owner, calculation method, data source and controls, plus a KPI-level filtration and screening test covering: • clarity and relevance, • data availability and cost-benefit, • data reliability, • change management, • currently-available status, and • stakeholder utility:

Stage	Tool worksheet(s)	Purpose
		... functionally a KPI-level materiality determination process (compare Framework paras. 3.17-3.32). Includes five-year history plus FY 2027 and FY 2028 targets.
4. Status and background roll-up	Resources Map (sheet 07), Value Creation Story (sheet 08)	Two linked overlays. Resources Map shows every KPI by primary resource and value-creation stage, producing the coverage matrix (resources x value stages). Value Creation Story is the narrative overlay linking Inputs, Activities, Outputs, Outcomes and Impacts to the KPIs that evidence each stage.
5. Filtration criteria roll-up	Filtration Dashboard (sheet 09)	Consolidated four-dimension filter score for every KPI (KPI Quality, Competitive Risk, Stakeholder Utility, Overall Score) - the completeness, consistency and materiality check.
6. Data capture and benchmarking	Balance Analysis (sheet 10)	Balance analysis by resource and BSC category - confirms the KPI set is genuinely balanced across resources and relationships rather than dominated by any single dimension. Data capture, cost, controls and benchmarking evidence sit on each KPI profile sheet and support internal assurance (Section 8).
7. Current reporting map	Reporting Strategy (sheet 11)	Every KPI, sorted by its reporting-strategy classification (Now / Future / Do Not Report). This is the sheet used to plan the phased rollout of the integrated report - what disclosures move to Now, what is scheduled for Future, and what remains internal management information.
8. Gap analysis and action plan	Reporting Vehicles (sheet 12)	Reporting vehicles *reports) matrix - maps each Now-classified and confirmed KPI to the report(s) it should appear in (Integrated Report, Annual Report, Sustainability Report, Climate Report, Investor Pack, Board Pack). Provides the flagship-plus-navigation architecture in Section 6, and is the Continuous Improvement loop from Section 14 applied at KPI level.
9. Board-level reporting decision	Dashboard (sheet 00) - at-a-glance workbook overview	The single-page workbook overview - reporting mission and vision, resources and relationships across the value-creation chain, and hyperlinked navigation to every sheet. This is the KPI-level analogue of the Integrated Thinking Framework materiality prioritisation (para. 3.28) rolled up to a Board-level view.

Why this matters for materiality's expanded role: the tool's own filtration criteria map cleanly onto the Framework's materiality determination process:

- Identifying relevant matters (paras. 3.21-3.23), evaluating importance (paras. 3.24-3.27), prioritising (para. 3.28)
- Determining what to disclose (para. 3.29) - without needing any new vocabulary.

The tool's Reporting Strategy field (Now / Future / Do Not Report) is, in substance, the output of that same process applied KPI by KPI. This is the worked example behind the fix for the "no completeness test" gap in current Level 3 questions, set out in Section 4.

The full companion documentation - As-Is process, To-Be process, terminology, and worked reporting-strategy overview - is provided in Performance Insight - Reporting Process Profile (v2, 2026 refresh).

Figure 3 sets out this progression visually, and Exhibit 6 traces a single KPI through all nine stages as a worked example.

Section 15. Nine Stages Through the Performance Insight KPI Workbook

Each stage produces an input the next stage depends on - the workbook builds forward, tab by tab

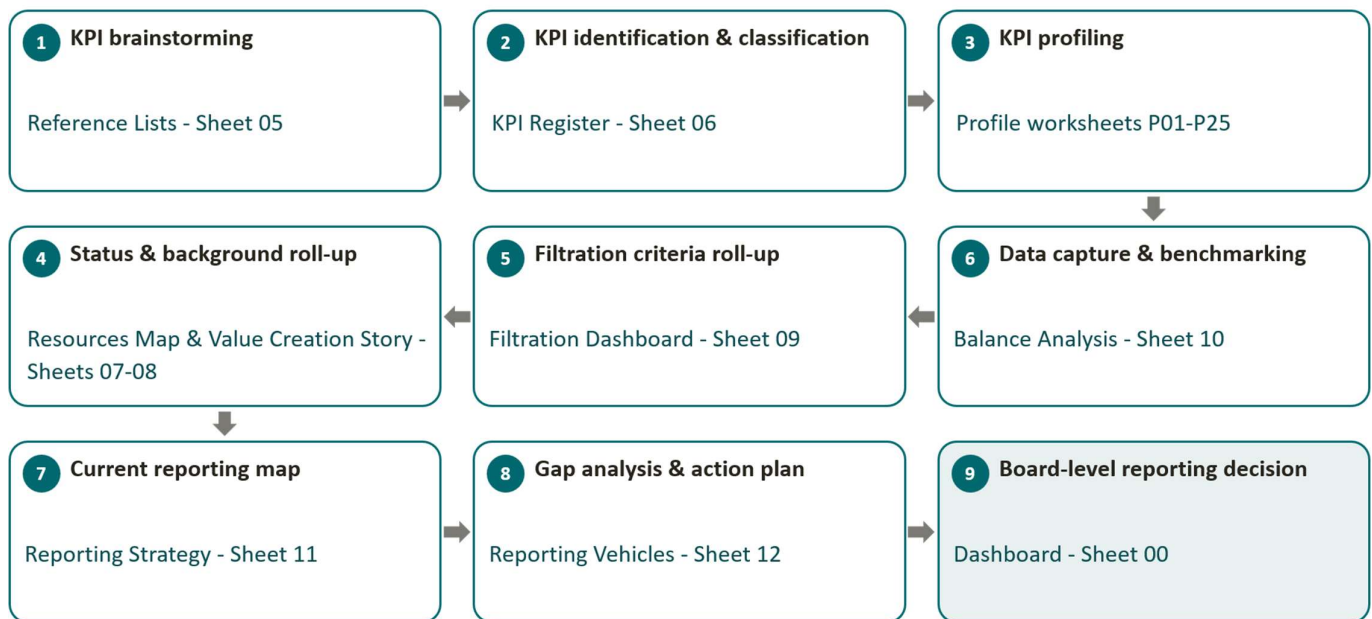


Figure 3. The nine stages of the Performance Insight KPI Workbook, mapped to the current worksheet names set out in the table above. Each stage produces an input the next stage depends on.

Section 15. Worked Example - Return on Invested Capital (F001)

Exhibit 6.

Tracing one KPI through all nine stages of the Performance Insight KPI Workbook

Worked example -

1	KPI brainstorming	During the workshop, "return on invested capital" is raised from the Financial resource candidate list.
2	KPI identification & classification	Registered as F001. Primary resource Financial; secondary Intellectual, Manufactured. Value creation stage: Outcomes. BSC: Financial. Type: Outcome Measure (lagging, quantitative). Objective: deliver top-quartile shareholder returns.
3	KPI profiling	A profile worksheet is opened, F001 is selected, and the KPI's identity, classification, objective, strategy and critical business activity fields auto-fill from the register for review.
4	Status & background roll-up	F001 appears in the Financial column of the Resources Map and in the Outcomes stage of the Value Creation Story narrative.
5	Filtration criteria roll-up	Scored: Clarity & Relevance 75%, Data Availability 100%, Reliability 100%, Change Management 100% - a strong candidate to progress.
6	Data capture & benchmarking	Counted in the Financial resource balance, the Financial BSC category, and the Outcome Measure type balance checks.
7	Current reporting map	Classified Reporting Strategy: Now, Priority: High, Timeframe: Immediate (0-3 months).
8	Gap analysis & action plan	Mapped to its reporting vehicles: Annual Report / Integrated Report (CRO, annual, reasonable assurance); ASX Appendix 4E and 4D (CFO); results announcement and investor presentation; Board pack and Executive scorecard.
9	Board-level reporting decision	F001 rolls up into the one-page Dashboard as a headline financial KPI, linked to the reporting mission and vision statements.

Return on Invested Capital (F001) traced through all nine stages, from initial candidate KPI to its place on the Dashboard.

Sources and Materials Referenced

This white paper draws on the following primary and internal sources. Public sources are hyperlinked in footnotes at first use throughout the document; internal, proprietary sources with no public URL are identified here by name and provenance only.

- IFRS Foundation, Integrated Thinking Principles, v1.0 (August 2022) - <https://www.ifrs.org/issued-standards/integrated-reporting/integrated-thinking/>
- IFRS Foundation, International Integrated Reporting Framework (January 2021) - <https://www.ifrs.org/issued-standards/integrated-reporting/framework/>
- Section 224, Australian Securities and Investments Commission Act 2001 (Cth) - https://www5.austlii.edu.au/au/legis/cth/num_act/asaica2001529/s224.html
- Deakin Business Value Creation Centre, Submission to the Australian Treasury on the development of External Reporting Australia - <https://treasury.gov.au/sites/default/files/2023-04/c2022-314397-deakin-university-integrated-reporting-centre.pdf>
- Deakin Business Value Creation Centre, Submission to the Senate Economics Committee on the development of External Reporting Australia - <https://treasury.gov.au/sites/default/files/2023-04/c2022-314397-deakin-university-integrated-reporting-centre.pdf>
- KPMG, Business Measurement Process monograph (internal methodology material; [Auditing Organizations Through a Strategic-Systems Lens: The KPMG Business Measurement Process - | Amazon.com.au | Books](#))
- Reporting Process Profile resource (internal process documentation template; no public URL)
- Performance Insight / KPI Brain resource, originally created in 2000 as a KPI database and process-profiling tool aligned with the Business Measurement Process (internal tool; no public URL)

Appendix A: Divergence Register

Per Ground Rule 4 (Section 1.1), every construct introduced in this white paper is logged here against the exact Framework and Principles paragraph, or Glossary term, it operationalises, together with a verbatim, abridged anchor and an honest divergence assessment.

Most entries below are not simple restatements. The Classification column distinguishes three kinds of contribution: Verbatim (a direct restatement of Framework or Principles text), Operationalisation (a working method for doing something the Framework already requires but does not itself specify how to do), and Extension (a new construct that goes beyond the Framework's text while remaining fully consistent with it and is logged here for transparency).

Only three of the seventeen entries below are pure Verbatim restatements; the rest are Operationalisations or Extensions - which is where this white paper's contribution to the Integrated Thinking Principles and Integrated Reporting Framework lies. Two entries draw on internal or external evidence rather than the Framework itself and are marked not applicable.

Construct in this white paper	Framework / Principles anchor	Anchor text (verbatim, abridged)	Divergence?	Classification
Business model = group of key business processes (Section 2.1)	Glossary, "Business model"	"An organization's system of transforming inputs through its business activities into outputs and outcomes..."	None - direct restatement.	Verbatim
Methodology vs Process distinction (Sections 2.1-2.2)	Glossary, "Integrated reporting"	"A process founded on integrated thinking that results in a periodic integrated report..."	None - the Framework itself calls integrated reporting a process.	Extension
Eight mandatory key business	Glossary, "Business model"; Guiding	Business model as a system of processes; each Guiding Principle	None - new construct filling an	Extension

Construct in this white paper	Framework / Principles anchor	Anchor text (verbatim, abridged)	Divergence?	Classification
processes (Section 5)	Principles 3A-3G generally	implies an owning process	acknowledged silence in Level 3.	
Materiality Determination Process (Section 5.3)	Guiding Principle 3D, paras. 3.17-3.32	"An integrated report should disclose information about matters that substantively affect the organization's ability to create value..."	No divergence in substance - extends the Framework's reporting-focused materiality process (paras. 3.17-3.32) into a standalone management process that also feeds strategy, risk appetite, resource allocation and process design, consistent with the Framework's expectation that materiality be integrated into management processes.	Extension
KPI-level filtration criteria (Section 15)	Paras. 3.21-3.29 (materiality determination steps)	Identifying relevant matters → evaluating importance → prioritising → determining disclosure	None - same four-step logic applied at KPI granularity.	Operationalisation
Flagship report plus AI-augmented navigation (Sections 6, 9)	Para. 3.8 (Connectivity of information, final bullet)	"Information in the integrated report, information in the organization's other communications, and information from other sources" [must be consistent]	None - AI navigation is a delivery mechanism for an existing requirement.	Extension

Construct in this white paper	Framework / Principles anchor	Anchor text (verbatim, abridged)	Divergence?	Classification
Reporting Process documented in Basis of Preparation and Presentation (Section 6.3)	Paras. 4.41-4.49	"An integrated report should answer the question: How does the organization determine what matters to include..."	None - confirmed verbatim against source (Section 1.2).	Verbatim
Board / executive representation letters (Section 7)	Paras. 1.20, 1.24	"An integrated report should include a statement from those charged with governance..."; "Process disclosures are encouraged as a supplement..."	None - confirmed verbatim against source (Section 1.2).	Verbatim
Standard process documentation template; comparability claim (Sections 2.1, 14)	Guiding Principle 3G, paras. 3.54-3.57 (Consistency and comparability)	"...addressing the questions relating to the Content Elements, which apply to all organizations, helps ensure a suitable level of comparability..."	None.	Operationalisation
Dual-track assurance - external (report) and internal (process) (Section 8)	Para. 1.20 (statement of responsibility) plus general reporting guidance; not a Framework-mandated assurance model	-	No divergence - the Framework is silent on assurance mechanics; internal audit-style process assurance is added as a control layer supporting, not replacing, the para. 1.20 statement.	Extension
"Unlocking and revealing latent intrinsic value" reward loop (Section 10.3)	Executive Summary; Glossary, "Value creation, preservation or erosion"	Value creation as "increases, decreases or transformations of the capitals"	None - the market-capitalisation reward loop is a downstream consequence	Operationalisation

Construct in this white paper	Framework / Principles anchor	Anchor text (verbatim, abridged)	Divergence?	Classification
			claim, not a redefinition.	
Layered, two-purpose KPI set - own- objective plus cross-process alignment (Section 3)	Figure 2 (conceptual value creation process); paras. 3.6-3.8 (Connectivity of information)	Figure 2 depicts capitals flowing through the business model via connected processes; para. 3.8 requires connectivity between elements of the report	None - directly operationalises Figure 2 and the Connectivity Guiding Principle.	Operationalisation
Three-level KPI methodology - strategy / value creation outcome / process-level (Section 3)	Glossary, "Capitals"; Content Element "Performance" (Guiding Principle 3F generally)	Capitals as "stocks of value... increased, decreased or transformed"; the Performance element requires quantitative or qualitative indicators of capital effects	No divergence - the Framework requires performance indicators per capital but does not mandate a three-tier architecture; the tiering is a design choice for legibility, not a new definition.	Extension
Innovation as the eighth mandatory key business process (Section 5.8)	Principles p.12 (Level 2, Strategy) and p.15 (Level 3, Strategy); Glossary "Business model"; Guiding Principle on Strategy and Resource Allocation (3C) generally	"We generate competitive advantage through our innovation, unique insights and perspectives..." (Level 2); "Does our organization invest in innovative products and services and nurture a culture of innovation through its purpose and values?" (Level 3)	None - confirmed mandatory. Both Principles citations were independently verified against the primary source text (Section 1.2); Innovation is treated on the same basis as the other seven processes, not as a provisional	Operationalisation

Construct in this white paper	Framework / Principles anchor	Anchor text (verbatim, abridged)	Divergence?	Classification
			or candidate addition.	
Information Management Process lifecycle - define / capture / transform / use / report / assure (Section 5.6)	Para. 3.8 (Connectivity of information); paras. 4.41-4.49 (Basis of Preparation, reliability of underlying data)	Information from internal sources must be consistent with information reported externally; Basis of Preparation requires disclosure of measurement bases and frameworks	None - operationalises an existing process, not a new construct.	Operationalisation
GPIF "indications of integrated thinking" commentary (Section 5)	Not a Framework or Principles anchor - external market-practice evidence	GPIF asset manager criteria for "excellent" and "most improved" integrated reports	Not applicable (external corroboration only) - flagged separately per Ground Rule 1 so it is never mistaken for a Framework citation; used to calibrate illustrative KPIs, not to justify them.	N/A - external evidence

Appendix B: Glossary of Integrated Thinking Framework and Performance Insight Terms

The Glossary below is embedded in this white paper as Appendix B to give readers a single, quotable reference for the technical terms used throughout. It is also maintained separately as a companion working document. Definitions are written in plain English and are intended to be quoted verbatim in submissions, executive education materials and the book without further paraphrasing.

How to use this glossary

Terms are grouped so that a reader can move from the Integrated Thinking Framework's architecture, through its eight key business processes, into the Performance Insight implementation layer, and out to the surrounding reporting reform vocabulary.

Where a term has a preferred form, an older form that people still use, or an abbreviation we want to avoid, the glossary says so directly.

Definitions are written in plain English and are intended to be quotable in the related white paper, submissions, executive education materials and the book without further paraphrasing.

Terms already defined in the Integrated Reporting Framework are not repeated here, unless there is a nuance in relation to the Integrated Thinking Framework. Cross-references to the Integrated Reporting Framework and Integrated Thinking Principles are attached.

Definitions

1. Architecture and layers

Integrated Thinking Framework

An operating framework for how boards and management run an organisation, in which integrated thinking drives strategy, governance, resource allocation, business model,

performance measurement, and reporting through eight interconnected key business processes. The full name is always used as the abbreviations 'IT Framework' and 'ITF' can be mistaken for information technology.

Integrated thinking

The active consideration by an organisation of the relationships between its various operating and functional units and the resources and relationships that the organisation uses or affects. Integrated thinking leads to integrated decision-making and actions that consider the creation, preservation or erosion of value over the short, medium and long term.

Methodology (of the Integrated Thinking Framework)

The higher-level rationale that explains why the eight key business process business model design is the right operating spine for integrated thinking. It supplies the 'why.'

Process (of the Integrated Thinking Framework)

The repeatable steps, inputs, critical business activities, outputs, outcomes, artefacts, and cadence needed to run each of the eight processes in practice. It describes the 'how.'

Methodology and process are always paired so the work is neither an abstract philosophy nor an unsupported checklist.

Three-layer architecture

The Integrated Thinking Framework's structural view: (1) conceptual framework layer - the International Integrated Reporting Framework as the conceptual foundation; (2) methodology and process layer - the paired rationale and eight key business processes comprising the operating spine; (3) implementation layer - the practitioner resources to guide implementation, principally the Performance Insight KPI Workbook and Reporting Process Profile.

Business-Centric, Investor-Focused, Of-Interest-To-All

The Integrated Thinking Framework's premise, teaching and communication frame. The organisation is run for value creation, investors are the primary external audience of the integrated report, and other stakeholders benefit from the same integrated account.

'Business first, compliance follows'

The Integrated Thinking Framework's positioning line. Integrated thinking is an operating method; disclosure and assurance are downstream expressions of that method, not its purpose.

2. The eight key business processes

A key component of the Integrated Thinking Framework's operating spine. In canonical order, the eight key business processes are:

1. Governance Process

The arrangements by which the board directs itself and the organisation, works with C-Level management on strategy and risk appetite, oversees performance, and takes accountability for value creation, preservation, and erosion.

2. Strategic Management Process

The process by which C-Level management sets, resources, executes, revises and works with the board on its strategy to create value over the short, medium, and long term, using its resources and relationships.

3. Materiality Determination Process

The process by which the organisation identifies, evaluates, and prioritises the matters that substantively affect its ability to create, preserve, or erode value, for internal decision-making and external reporting.

4. Risk Management Process

The process by which the organisation identifies, assesses, treats, monitors, and reports on risks and risk mitigation across all resources and relationships. (Canonical wording is “Risks and Risk Mitigants,” not “Risks and Controls.”)

5. Stakeholder Relationship Management Process

The process by which the organisation identifies key stakeholders, understands their legitimate interests, engages with them, and responds in a way that supports value creation over time.

6. Information Management Process

The process, the objectives of which are set by the reporting strategy, by which the organisation captures, curates, integrates, and governs the financial and other business information needed to run and report on the business.

7. Reporting Process

The process by which the organisation communicates its value-creation story internally and externally (through reports or otherwise eg. online data repositories, CEO presentations to investors etc), culminating in an integrated report and connected specialist reports. Performance Insight is the operational engine beneath this process.

8. Innovation Process

The process by which the organisation deliberately and continually reviews and renews its business model, resources, relationships, products, and processes so that value creation is sustained. Innovation is the mandatory eighth key business process, reflecting intangibles as a primary driver of value creation in the contemporary business world.

3. Value creation vocabulary

Value creation, preservation, and erosion

Defined in the Integrated Reporting Framework: The process that results in increases, decreases or transformations of the capitals caused by the organisation’s business

activities and outputs. *Supplemented in the Integrated Thinking Framework:* 'The three directions of change in value that integrated thinking, integrated reporting, and Performance Insight are designed to make visible over the short, medium, and long term.

Resources and relationships

The board-facing term for the stocks of value on which all organisations depend for their success as inputs to their business model, and which are increased, decreased or transformed through the organization's business activities and outputs, defined in the International Integrated Reporting Framework as the "capitals". Resources and relationships is referred to as being more board, executive and investor-friendly in the Integration Thinking Framework's communications. Legitimate finance terminology (for example 'financial capital') is retained where accuracy requires it, and verbatim framework quotations are preserved for traceability.

Resources Map

The Performance Insight workbook view that classifies KPIs by resource and relationship. The underlying named range is likewise renamed from Capital to Resource.

Value creation stages

The sequence used to trace how resources and relationships are converted into value by stage: Inputs → Activities → Outputs → Outcomes → Impacts. Performance Insight maps every KPI to a stage in this sequence.

Business model

Integrated Reporting Framework: An organisation's system of transforming inputs through its business activities into outputs and outcomes that aims to fulfil the organisation's strategic purposes and create value over the short, medium and long term.

Integrated Thinking Framework: The business model comprises the eight key business processes and other organisation-specific key business processes. Other business processes which are not material to value creation are ignored.

The Methodology defines how a business model is structured as a group of key business processes. The Process layer is the set of eight such processes an organisation actually names, resources and assures. They form an interconnected and dynamic management system in which the objectives, activities, outputs, KPIs, risks, systems and decisions of one process continually inform and reshape the others.

Business Activities

Business activities include the planning, design and manufacture of products or the deployment of specialised skills and knowledge in the provision of services.

Critical Business Activities (CBAs)

The small set of organisation-specific activities that must be executed well for the organisation's strategy to succeed and value to be created. For example, board approval of strategy in the Governance Process, or execution of that strategy in the Strategic Management Process.

Risks and Risk Mitigants

The canonical Performance Insight and Integrated Thinking Framework wording for what other frameworks call 'risks and controls.' Used consistently across all deliverables.

The Integrated Reporting Framework

The Integrated Reporting Framework Glossary defines the following terms: Business model; Capitals; Content elements; Guiding principles; Inputs; Integrated report; integrated reporting; Integrated thinking; Material / materiality; Outcomes; Outputs; Performance; Providers of financial capital; Reporting boundary; Stakeholders; Strategy; Those charged with governance; Value creation, preservation or erosion.

Any term not defined above has the meaning given to it in the Glossary to the Integrated Reporting Framework.

The Integrated Thinking Framework emphasises the relationship between two key terms:

Strategy – “Strategic objectives together with the strategies to achieve them”

Business Model – As defined above, “An organisation’s system of transforming inputs through its business activities into outputs and outcomes that aims to fulfil the organisation’s strategic purposes and create value over the short, medium and long term.”

‘Strategic purposes’ are not defined in the Integrated Reporting Framework. However, ‘strategic objectives’ are; and the business model, being comprised of the eight key business processes (and an organisation’s other key business processes because they are material to value creation), represent the system (critical business activities) of transforming inputs through business activities into outputs and outcomes that aims to fulfil the organisation’s strategic objectives.

4. Performance Insight - the practitioner tool

Performance Insight

Michael Bray’s self-published practitioner tool for identifying, filtering, profiling, prioritising, and planning the internal and external reporting of KPIs. It operationalises the Integrated Thinking Framework, principally within the Information Management and Reporting processes. Cited as: Bray, M. (2026). *Performance Insight* (v2, 2026 refresh). Melbourne, Australia: self-published.

KPI Workbook (Performance Insight KPI Workbook)

The 39-sheet Excel workbook that carries the application of Performance Insight. Opens on 01 Cover, uses internal navigation, and contains explicit range dropdown validation for Excel 365 compatibility. An element of the organisation’s internal control system and a candidate for the application of internal audit activities, or independent external assurance activities when such assurance extends to assurance over the performance of, and not only disclosure about, the internal control system.

Reporting Process Profile

The 42-page companion document that profiles an organisation’s reporting process from existing “as-is” state to future “to-be” reality (change management). Used for continuous improvement, ISSA 5000 assurance readiness, and corporate-reporting transition.

Operationalises the Reporting Process. An element of the organisation's internal control system and a candidate for the application of internal audit activities.

KPI (Key Performance Indicator)

A measure selected because it materially informs decisions about governance, strategy execution, resource and relationship management and performance, business model, risk, or stakeholder outcomes. In Performance Insight, every KPI is profiled and mapped to a process objective, resource, a value-creation stage (short, medium or long term), a Critical Business Activity, and a reporting vehicle.

KPI Profile / KPI profiles P01–P25

The reusable single-page template that captures a KPI's definition, owner, calculation, process objective, resource and stage mapping, target, threshold, data source, and reporting vehicle. Twenty-five profile slots are provided; P01–P05 are visible and P06–P25 are hidden until needed, keeping the working surface manageable while preserving capacity. Critical to change management. Key is emphasised – critical to distinguish from performance measures / indicators that may ultimately judged to be KPIs.

Balanced Scorecard

Used consistently with the Kaplan book. The management-performance lens retained alongside resources and relationships. The two lenses answer different questions, so Performance Insight keeps both rather than replacing the Scorecard.

Reporting vehicle

The specific channel in which a KPI is communicated - for example, the integrated report, the sustainability report, the financial statements, a regulatory return, an investor pack, or an internal dashboard. Includes reports, online repositories and other communications (eg CEO presentation to investors).

Reporting strategy

Owned by the CEO, implemented by the CFO and overseen by the board, the organisation's plan for deciding what to report, to who, when, through what distribution channels, and with what level of internal control and assurance, and why. Includes the plan for which KPIs are reported to which audiences through which reporting vehicles, over which cadence, and to what assurance standard.

As-is / to-be design method

An approach to change management. Reporting Process Profile's five-step design method for moving an organisation's reporting process from current state to a designed future state.

5. Executive education

Certificate in Integrated Thinking

The market name for the executive education micro-credentials built around the Integrated Thinking Framework. Not a 'Diploma' so the offering is not confused with an AQF Diploma.

Value Creation micro-credential

First 50-hour module of Certificate. Covers integrated thinking, resources and relationships, business model, materiality, and strategy, and culminates in Value Creation MAP.

Implementation micro-credential

Second 50-hour module of Certificate. Covers governance, strategic management, risk, information management, reporting, innovation, and assurance readiness, and culminates in the Implementation MAP.

Value Creation MAP

The assessed deliverable of the Value Creation micro-credential: a participant's mapped account of how their organisation creates value across resources and relationships, activities, and value-creation stages (short, medium and long term).

Implementation MAP

The assessed deliverable of the Implementation micro-credential: a participant's plan for embedding the eight key business processes and Performance Insight in their organisation.

Micro-credential architecture

Two six-week, 50-hour micro-credentials with five teaching weeks and one assessment week each. Teaching weeks allocate approximately 80% to integrated thinking and 20% to integrated reporting and better business reporting.

6. Reporting system and reform vocabulary

Corporate Reporting Conceptual Framework

The proposal that ERA adopt the International Integrated Reporting Framework as a Conceptual Framework for Corporate Reporting as a whole, linking system-level statutory objects to the gaps left by financial statement frameworks.

External Reporting Australia (ERA)

Australia's external-reporting body, established through legislation given Royal Assent on 6 July 2026 with full operation expected from 1 December 2026. Referred to in full on first use and as ERA thereafter.

International Integrated Reporting Framework

The framework issued originally by the International Integrated Reporting Council, now stewarded by the IFRS Foundation. Provides the conceptual foundation for integrated reporting and, in the author's proposal, for corporate reporting as a whole.

Better business reporting

The umbrella phrase for reporting practice that goes beyond compliance to communicate the substance of value creation clearly and connectedly across financial and other business information. Includes integrated reports.

Integrated reporting assurance

Independent examination of an integrated report and its underlying processes to enhance the confidence of users. ISSA 5000 is the sustainability-assurance standard against which the Reporting Process Profile and KPI Workbook are designed to build assurance-readiness.

Compliance-to-value-creation

The reform argument that carries the book’s subtitle and the framework’s positioning: moving corporate reporting from a compliance exercise to a communication of value creation. Based on integrated thinking.

7. Terms to use - and terms to avoid

Use	Avoid	Why
Integrated Thinking Framework	IT Framework, ITF	‘IT’ and ‘ITF’ are read as information technology; ‘IR’ as industrial relations.
Resources and relationships	Capitals	Board audiences read ‘resources and relationships’ as business language; ‘capitals’ is retained for technical use and verbatim framework quotations.
Critical Business Activities	Critical Success Factors	Performance Insight canonical term across all deliverables.
Risks and Risk Mitigants	Risks and Controls	Performance Insight canonical term across all deliverables.

Use	Avoid	Why
Certificate in Integrated Thinking	Diploma in Integrated Thinking	"Certificate" fits executive education and avoids AQF Diploma implications.
Resources Map (workbook sheet 07)	Capitals Map	Renamed in KPI Workbook v2.1.
Performance Insight (self-published, Bray)	Performance Insight (KPMG / BMP)	Authorship correction: the modernised tool is authored and copyrighted by Michael Bray.

8. Editorial notes

Sole authorship with transparent AI augmentation. Where the book and white paper acknowledge AI resources, the standard formulation is that the author directed all substantive content, verified every source, and remains responsible for arguments, conclusions, and errors. AI resources are described as research and writing assistance, not as collaborator, partner, contributor, or co-author.

Zero-divergence claim. The methodology white paper's zero-divergence claim is made against the Integrated Reporting Framework and the Integrated Thinking Principles read together. The only substantive caution is that both source documents use the word 'Principles' for different, non-conflicting lists.

In addition, there is potential for confusion in using the term, 'Integrated Thinking Principles' given that the Integrated Reporting Framework contains guiding principles. Integrated Thinking Concepts would have been a better name and more consistent with the Integrated Reporting Framework.

Citation form for Performance Insight. Bray, M. (2026). *Performance Insight* (v2, 2026 refresh). Melbourne, Australia: self-published. No trademark symbols and no middle initial.