

Internal Planning for Annual Report Preparation

Type of Information	Who Would This Information Come From?	Questions to Think About
Strategy		
Business Model	<ul style="list-style-type: none"> • Strategy • Operations 	<ul style="list-style-type: none"> • What does the company do, what makes it distinctive? Its customers, products or services, or business processes? • Does the company have a clear business model? Can this be clearly articulated and/or presented in a diagram? • What are the inputs, outputs, and outcomes of the company's activities? Its key relationships?
Business Environment	<ul style="list-style-type: none"> • Strategy • Operations • Sustainability 	<ul style="list-style-type: none"> • Where does the company operate? • What is the internal operating environment? • What is the external environment, and what are the trends in the environment? • How does the company's structure relate to its environment?
Strategic Objectives	<ul style="list-style-type: none"> • Strategy • Executive Management • Board of Directors • Sustainability 	<ul style="list-style-type: none"> • Where does the company want to go, and how does it intend to get there? • How does the company preserve and create value? • What are the short- and long-term objectives? • What financial and nonfinancial KPIs are used to ensure that the company is delivering on its strategy? • How does the strategy respond to the business environment? In other words, why is the strategy the right strategy? • What is the governance for the strategy? How is the board involved?
Risk Analysis and Response	<ul style="list-style-type: none"> • Risk Management • Executive Management • Board of Directors 	<ul style="list-style-type: none"> • What are the specific risks that may affect the company's ability to create value in the short and long term? • Why does management believe these are the key risks? • How are these risks assessed? • How are they managed or mitigated? • How does the company see these risks changing over time? • How are new or emergent risks identified?
Sustainability Opportunities and Risks	<ul style="list-style-type: none"> • Sustainability • Strategy • Risk Management • Executive Management • Board of Directors 	<ul style="list-style-type: none"> • What are the issues that affect financial performance, social/development impact, reputation, and license to operate? • What are the issues that have an impact on the company's ability to create value? • Is there a process for determining these issues? • If so, how does this process feed into management priorities?

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Introducing Key Performance Indicators	<ul style="list-style-type: none"> • Strategy • Risk Management • Operations 	<ul style="list-style-type: none"> • How are KPIs chosen? Are they related to the company strategy? Are they used to evaluate performance? • Do KPIs allow for performance comparisons over time and with similar companies?
Corporate Governance		
Leadership and Culture	<ul style="list-style-type: none"> • Executive Management • Board of Directors • Board and Committee Chairs 	<ul style="list-style-type: none"> • What does the company stand for? • How is the company's culture defined and embedded throughout the company? What are the company's values? • What are the relevant governance policies? • How are these policies implemented in practice? • What were the major focus areas for governance during the year?
Structure and Functioning of the Board of Directors	<ul style="list-style-type: none"> • Board of Directors • Board and Committee Chairs, including Nomination 	<ul style="list-style-type: none"> • What is the process to elect directors? • What is the company's governance structure? • What are the different committees of the board? • Was the effectiveness of governance (or the board) reviewed during the year? • How does the board oversee sustainability?
Control Environment	<ul style="list-style-type: none"> • Legal and Compliance • Risk Management • Internal Controls • Internal Audit • Audit or Risk Committee 	<ul style="list-style-type: none"> • What is the company's risk appetite? • What systems are in place to ensure compliance? • What does the control environment look like? • Does the company use a three-lines-of-defense model of risk management, internal controls, and internal audit? • How does the board oversee this, and how is it accountable? • Are there any suggestions for improvement from the external auditors?
Treatment of Minority Shareholders	<ul style="list-style-type: none"> • Finance and Accounting • Legal and Compliance • Remuneration Committee 	<ul style="list-style-type: none"> • Who owns the company? How is it controlled? • Is there a significant indirect ownership? • Are there any controlling shareholders? Who are they and what is their role? Are there succession policies in place? • What are the rights of minority shareholders, including during a change of control? • What is the remuneration policy? • What remuneration was awarded to the board and key executives in the current year? • Does remuneration link to strategy? Does it link to performance? • What is the policy on related-party transactions? • Were significant transactions entered into or still in effect during the reporting period?

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Governance of Stakeholder Engagement	<ul style="list-style-type: none"> • Sustainability • Board of Directors • Strategy 	<ul style="list-style-type: none"> • Who are the company's stakeholders, and what impact do the company's activities have on them? • How are stakeholder concerns integrated into the strategy? • What is the processes to manage stakeholder concerns, including grievance mechanisms and external communication? • What is the role of the board?
Financial Position and Performance		
Performance	<ul style="list-style-type: none"> • Executive Management • Board of Directors • Strategy • Finance and Accounting • Sustainability • Risk Management 	<ul style="list-style-type: none"> • What are the company's operational and financial results? • What are some of the major trends driving operational and financial results, including investment needs, intangibles, and sustainability? • What are the company's nonfinancial results, including on the management of sustainability risks and opportunities? • How are different dimensions of performance (financial, operational, sustainability) linked? • What are future performance targets and the outlook for future performance?
Financial Statements	<ul style="list-style-type: none"> • Accounting and Finance • Legal and Compliance • Audit and/or Finance Committee • External Auditor 	<ul style="list-style-type: none"> • What are the local requirements for financial reporting and auditing? • What accounting standard should be followed—locally, globally? • What additional financial information is required or recommended for the industry sector? • How is the business segmented? • What is the result of the external audit?
Sustainability Statements	<ul style="list-style-type: none"> • Executive Management • Board of Directors • Sustainability • Strategy • Finance and Accounting 	<ul style="list-style-type: none"> • What are the cross-cutting, industry-specific, and entity-specific metrics that the company follows year on year? • Is it possible to present more than one year's worth of data, for comparison? • What reporting/accounting standards should be used? Can it be audited? • What explanation is needed to ensure that the data are understandable and comparable?