# Internal Planning for Annual Report Preparation

<table>
<thead>
<tr>
<th>Type of Information</th>
<th>Who Would This Information Come From?</th>
<th>Questions to Think About</th>
</tr>
</thead>
</table>
| **Strategy**                | • Strategy  
                            • Operations                                                                                  | • 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**    | • Strategy  
                            • Operations  
                            • Sustainability                                                               | • 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**    | • Strategy  
                            • Executive Management  
                            • Board of Directors  
                            • Sustainability                                                               | • 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** | • Risk Management  
                            • Executive Management  
                            • Board of Directors                                                              | • 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** | • Sustainability  
                            • Strategy  
                            • Risk Management  
                            • Executive Management  
                            • Board of Directors                                                              | • 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? |
<table>
<thead>
<tr>
<th>Type of Information</th>
<th>Who Would This Information Come From?</th>
<th>Questions to Think About</th>
</tr>
</thead>
</table>
| Introducing Key Performance Indicators     | • Strategy  
• Risk Management  
• Operations                                                                 | • 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                      | • Executive Management  
• Board of Directors  
• Board and Committee Chairs                                                                 | • 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 | • Board of Directors  
• Board and Committee Chairs, including Nomination  
• Internal Audit  
• Audit or Risk Committee                                                                 | • 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                         | • Legal and Compliance  
• Risk Management  
• Internal Controls  
• Internal Audit  
• Audit or Risk Committee                                                                 | • 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          | • Finance and Accounting  
• Legal and Compliance  
• Remuneration Committee                                                                 | • 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? |
<table>
<thead>
<tr>
<th>Type of Information</th>
<th>Who Would This Information Come From?</th>
<th>Questions to Think About</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governance of Stakeholder</td>
<td>• Sustainability&lt;br&gt;• Board of Directors&lt;br&gt;• Strategy</td>
<td>• Who are the company's stakeholders, and what impact do the company's activities have on them?&lt;br&gt;• How are stakeholder concerns integrated into the strategy?&lt;br&gt;• What is the processes to manage stakeholder concerns, including grievance mechanisms and external communication?&lt;br&gt;• What is the role of the board?</td>
</tr>
<tr>
<td>Engagement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Position and</td>
<td>• Executive Management&lt;br&gt;• Board of Directors&lt;br&gt;• Strategy&lt;br&gt;• Finance and Accounting&lt;br&gt;• Sustainability&lt;br&gt;• Risk Management</td>
<td>• What are the company's operational and financial results?&lt;br&gt;• What are some of the major trends driving operational and financial results, including investment needs, intangibles, and sustainability?&lt;br&gt;• What are the company's nonfinancial results, including on the management of sustainability risks and opportunities?&lt;br&gt;• How are different dimensions of performance (financial, operational, sustainability) linked?&lt;br&gt;• What are future performance targets and the outlook for future performance?</td>
</tr>
<tr>
<td>Performance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Statements</td>
<td>• Accounting and Finance&lt;br&gt;• Legal and Compliance&lt;br&gt;• Audit and/or Finance Committee&lt;br&gt;• External Auditor</td>
<td>• What are the local requirements for financial reporting and auditing?&lt;br&gt;• What accounting standard should be followed—locally, globally?&lt;br&gt;• What additional financial information is required or recommended for the industry sector?&lt;br&gt;• How is the business segmented?&lt;br&gt;• What is the result of the external audit?</td>
</tr>
<tr>
<td>Sustainability Statements</td>
<td>• Executive Management&lt;br&gt;• Board of Directors&lt;br&gt;• Sustainability&lt;br&gt;• Strategy&lt;br&gt;• Finance and Accounting</td>
<td>• What are the cross-cutting, industry-specific, and entity-specific metrics that the company follows year on year?&lt;br&gt;• Is it possible to present more than one year’s worth of data, for comparison?&lt;br&gt;• What reporting/accounting standards should be used? Can it be audited?&lt;br&gt;• What explanation is needed to ensure that the data are understandable and comparable?</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>