THE INVESTOR RELATIONS SOCIETY

The Society's Policy Position on the **Modernisation of Corporate Reporting**

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Foreword

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The Investor Relations Society's members operate at the interface between companies, investors and capital markets. They see first-hand how reporting is used in practice, how investor expectations are evolving and how companies are adapting to an increasingly digital and data-driven environment.

This practical experience gives the Society valuable insight into the opportunities and challenges facing corporate reporting. While reporting frameworks continue to evolve, the fundamental objective remains unchanged: helping investors understand companies, allocate capital effectively and exercise informed stewardship.

This paper draws together insights from the Society's policy work, including consultation responses, member research and engagement with regulators, policymakers and other stakeholders. It sets out the principles that we believe should guide the modernisation of corporate reporting, while reflecting the practical realities of reporting and investor communication in today's markets.

We hope it provides a constructive contribution to an ongoing discussion involving companies, investors, regulators, policymakers, industry bodies and other market participants. Most importantly, we hope it helps ensure that future reform strengthens transparency, accountability, investor confidence and the effectiveness of UK capital markets.

The Society is publishing this paper because we believe the discussion around reporting reform has reached an important moment. Modernisation, simplification, digital reporting and artificial intelligence are all reshaping expectations of corporate reporting. Against that backdrop, we wanted to bring together in one place the principles that we believe should guide future reform. We do not see this publication as the end of the conversation, but as the beginning of a broader dialogue with members, investors, regulators and policymakers.

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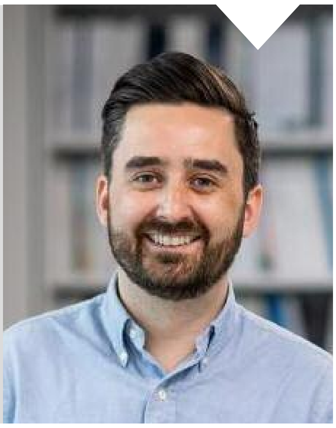

Executive summary

The Modernisation of Corporate Reporting presents a significant opportunity to enhance how UK companies communicate with investors in an increasingly digital, data-driven and multi-channel environment.

Opportunity

Modernisation should improve the timeliness, accessibility and usefulness of corporate disclosures, supporting more informed investment decisions and more effective market dialogue. Reforms should be clearly grounded in investor outcomes, with improvements in clarity, comparability and decision-usefulness taking precedence over a narrow focus on cost reduction or process efficiency.

Strength

The UK's reporting framework is globally respected. The Annual Report, and the annual reporting cycle of which it is part, remains the principal board-approved and legally accountable anchor for corporate disclosures, providing a coherent, board-owned narrative that underpins all other market communications. It also forms a central component of the broader investment and stewardship framework, providing a key source of information for proxy advisers, stewardship teams, rating agencies and other market participants assessing a company's financial performance, governance, strategy, risks, and long-term prospects. As reporting evolves, maintaining consistency and connectivity across multiple disclosures and channels – including results announcements, investor materials and digital disclosures – will be essential to preserving investor trust and understanding. Reforms should therefore strengthen strategic reporting and narrative coherence, while recognising the complementary role of different forms of communication and the central role of IR teams in maintaining alignment.

Stability

A predictable, proportionate and internationally aligned regulatory framework underpins both market confidence and UK competitiveness. This is particularly important given varying levels of issuer readiness, data maturity and assurance capacity. The pace and sequencing of reform will be critical: poorly coordinated or overly rapid implementation risks fragmentation, duplication and unnecessary burden, particularly for smaller and mid-cap issuers.

The Society's role

The Investor Relations Society will actively shape and support reform by:

- Championing investor-led, value-based modernisation, grounded in how disclosures are actually used in investors' capital allocation and stewardship decisions;
- Supporting reforms that reinforce the strengths of the UK's reporting framework, including coherent strategic reporting and the continued role of the Annual Report as an accountability anchor; and
- Advocating for phased, proportionate and coordinated implementation, aligned across regulators and consistent with system readiness, to avoid unintended consequences and preserve competitiveness.

This position is informed by the Society's consultation responses on corporate reporting and related topics, as well as findings from the 2025 Membership Survey and ongoing engagement with members and stakeholders. Drawing on the experience of its members – including IR professionals, reporting specialists and advisers – the Society brings practical, evidence-based insight into how reporting reform operates in practice.

Why does this matter to the Society and its members?

Opportunity

Modernisation improves transparency, timeliness and consistency

The Society supports the modernisation of corporate reporting where it improves the usefulness of information for investors. Modernisation of corporate reporting has the potential to make reporting more timely, coherent and accessible, supporting better dialogue between companies and the market and improving investor understanding and decision usefulness.

Corporate reporting is a critical part of an effective investor relations programme and is much more than a simple compliance exercise. It shapes how investors understand a company's strategy, value drivers, performance, risks and governance, and directly influences confidence, valuation and liquidity. The annual reporting cycle and annual statements provide a grounded, board-approved and predominantly assured reference point within a broader multi-channel communications ecosystem. The overall communications programme ensures investors and stakeholders have access to contemporaneous, material and decision-useful information.

Evidence from the Society's 2025 Membership Survey indicates that IR teams are already operating in an increasingly digital and data driven environment, and with more fragmented, cross-channel consumption of disclosures by investors. This reflects broader changes in how investors access and process information, with increased reliance on a combination of structured disclosures, narrative materials and digital sources, rather than any single reporting output. While the use of AI and advanced digital tools remains at an early and often experimental stage, there is clear evidence of increasing intent to adopt AI-enabled tools and analytics in the coming years. This reinforces the importance of modernisation that improves usability, connectivity and coherence across reporting channels, rather than reforms focused narrowly on the length or production efficiency of a single document without corresponding investor benefit. This increases the importance of IR teams in coordinating messaging across these channels and ensuring that information remains consistent, coherent and decision-useful for investors.

Survey findings also indicate that AI is expected to play an increasingly important role in IR workflows, particularly in areas such as data analysis, investor targeting and content generation. While current usage remains largely focused on productivity and drafting tools, there is clear momentum toward more advanced analytical applications, both within IR teams and across the investment community.

Well designed modernisation can enable IR teams, management teams, and businesses to communicate more clearly and consistently, and support the delivery of more connected, digitally enabled and decision useful disclosures. These benefits depend, however, on reforms being investor-value led rather than driven by one dimensional views of efficiency or cost reduction metrics alone.

> ***"There is clear evidence of increasing intent to adopt AI-enabled tools and analytics in the coming years"***

Strength

Stronger strategic narratives and investor expectations

Corporate reporting remains a central component of the board-approved and legally accountable framework for corporate disclosures, through which companies articulate their strategy, business model and longterm value creation at a defined point in time. This role is distinct from the increasingly real-time nature of broader investor communications distributed through websites, presentations, announcements and other market channels. The Society supports reforms that strengthen this role by enabling clearer strategic communication and stronger connectivity between financial and non-financial information, and more meaningful insight for investors.

From an IR lens, the strategic report and wider interconnected annual reporting suite provide an important board-approved accountability reference point that underpins engagement with investors across the year. IR teams help create and maintain this cross-channel coherence to ensure consistency between annual reports, results announcements, investor materials and ongoing market dialogue.

> *“Without a coherent framework, complexity is not removed from the system but redistributed, increasing the burden on companies and investors to understand how disclosures relate to one another”*

Reforms that fragment disclosures across multiple platforms, without clear articulation of how those disclosures interrelate risk weakening cross-channel coherence. The Society recognises that a more modular distribution of disclosures across channels may be appropriate, provided there are clear principles governing what is reported where, and a coherent framework linking these disclosures back to an authoritative reference point. Without a coherent framework, complexity is not removed from the system but redistributed, increasing the burden on companies and investors to understand how disclosures relate to one another. Well-designed reforms can enable such a modular approach where different channels serve complementary roles within a clearly understood framework.

Our Member Survey findings show that IR teams are engaging with investors through an increasingly diverse range of channels, while investors themselves are consuming information through more real-time and digital sources. Despite this shift, the annual reporting cycle and annual report remain important board-owned accountability mechanisms that underpin results communications, investor materials and ongoing engagement. The Society therefore views annual reporting as a critical accountability anchor within an increasingly digital and multi-channel communications ecosystem.

Survey findings also highlight continued changes in market structure, including a gradual decline in the number of sell-side analysts covering companies and a perceived reduction in the quality of research output. Respondents note the changing nature of the sell side and increasing variability in analyst engagement and expertise. As a result, IR teams are increasingly undertaking activities previously associated with the sell side, including more direct investor engagement, narrative framing and investor targeting. This reinforces the importance of effective issuer-led communication and supports the need for a reporting and disclosure framework that enables companies to engage directly and clearly with investors across multiple channels.

The Society recognises that, in practice, investors increasingly expect websites and other digital channels to provide the most current operational and strategic information between reporting periods. The role of the annual reporting cycle is therefore not to function as a continuously updated communications channel, but to provide a coherent, regulated and accountable reference framework against which ongoing disclosures can be assessed.

These changing patterns of disclosure and investor behaviour underline that corporate reporting now operates as a multi-channel ecosystem. Annual reports provide assurance, completeness and accountability; results announcements and trading updates provide timely financial and operational information; investor presentations and capital markets events provide narrative framing and strategic context; and corporate websites act as a continuously accessible source of current information. Effective communication depends on the alignment and integration of these channels, rather than the primacy of any single output. The Annual Report complements – rather than replaces – other channels that investors rely on for insights and decision-making.

Stability

Global competitiveness and regulatory alignment

The Society supports a stable, predictable and internationally aligned reporting framework. Global comparability is increasingly important for investors, particularly in the context of sustainability reporting, digital reporting and data driven analysis.

These principles can be illustrated through sustainability reporting developments, where questions of international alignment, proportionality and implementation sequencing are particularly visible.

Previous Society responses have supported alignment with global baselines such as International Sustainability Standards Board (ISSB) standards, with jurisdiction specific requirements kept proportionate and carefully sequenced. Proportionality and sequencing are particularly important for smaller and mid-cap issuers, where reporting, data management and assurance costs can be relatively significant and where phased implementation is often essential to maintain reporting quality.

That baseline has now become more concrete in the UK. In February 2026 the Government endorsed UK Sustainability Reporting Standards (SRS) S1 and S2 – closely based on the ISSB standards – for voluntary use, and the Financial Conduct Authority (FCA) has consulted (CP26/5) on requiring listed companies to report against them for accounting periods beginning on or after 1 January 2027, replacing the existing TCFD–aligned regime. The Society's alignment objective is therefore now largely met at the standard-setting level; the live questions have shifted to timing, the scope of any mandation, and the transitional reliefs (notably the deferral of Scope 3 and of non-climate UK SRS S1 disclosures). The Society supports a single UK SRS-aligned route for listed company sustainability reporting rather than parallel or divergent UK-specific overlays, which would erode the very comparability this alignment is intended to deliver.

International alignment now also cuts towards proportionality, not just ambition. In February 2026 the EU adopted its Omnibus I package, raising the CSRD thresholds (to more than 1,000 employees and over €450m turnover), removing an estimated four-fifths of previously in-scope companies, softening assurance and due-diligence obligations and deferring timelines. The UK's most-watched peer has therefore chosen wholesale scope reduction over phased implementation. A UK framework that mandates broadly – particularly across smaller and mid-cap issuers – now risks being materially more demanding than the EU regime against which UK competitiveness is judged. The Society's proportionality and competitiveness arguments should be read against this divergence rather than against the original, more expansive CSRD trajectory that informed earlier responses.

Effective modernisation of corporate reporting requires clear alignment and coordination across the

Department for Business and Trade (DBT), the FCA, HM Treasury and the Department for Energy Security and Net Zero (DESNZ), to avoid fragmentation, duplication and cumulative burden across the reporting landscape. Sustainability reporting, digital reporting, tagging and assurance requirements should not develop in policy silos where overlapping obligations create unnecessary complexity for issuers and investors.

Stability in reporting requirements supports UK market competitiveness, enabling issuers, IR professionals and service providers to invest with confidence in systems, processes and skills.

> ***There is already evidence of an emerging two-tier reporting environment, which modernisation of corporate reporting could unintentionally amplify***

Digital capability, tooling availability and system readiness should be treated as core design considerations within reporting reform, not secondary implementation issues.

There is already evidence of an emerging two-tier reporting environment, which modernisation of corporate reporting could unintentionally amplify. Larger, better-resourced issuers are increasingly able to invest in integrated digital platforms supporting structured data, tagging, automation, workflow management and version control, while many small and mid-cap companies continue to rely on more manual and fragmented processes.

Without careful sequencing and proportionate implementation, reform risks exacerbating these disparities, placing a disproportionate operational and cost burden on smaller issuers without delivering commensurate benefits to investors, and increasing the risk that modernisation entrenches structural inequalities across the market rather than enhancing overall reporting quality.

Reporting reform should therefore prioritise enabling principles, interoperability, proportionality and evidence-based implementation, recognising uneven market readiness and the pace of technological change.

How can we influence this issue?

Opportunity

Championing value based, investor focused reform

The Society supports reporting reform that enhances investor decision usefulness and market confidence The Society also supports reforms that reduce unnecessary burden where this can be achieved without undermining transparency, confidence or investor decision-usefulness. Drawing on the collective experience of IR professionals and reporting service providers, the Society can help distinguish between reforms that genuinely strengthen market communication and those that risk unintended consequences.

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From an IR perspective, reforms should be driven by how investors actually use information and how it supports their capital allocation and stewardship decisions. Cost efficiencies alone should not outweigh reforms that materially improve investor confidence, decision making and market outcomes. In practice, relatively modest improvements in clarity, comparability or trust can have a far greater market impact than purported savings achieved through report length reduction.

Capital allocation is not the only purpose served by corporate reporting. Annual reports also play an important role in stewardship and voting decisions, providing information on areas such as governance, remuneration, board effectiveness and long-term strategy. Reporting reform should therefore be assessed not only by its impact on investment decisions, but also by whether it supports effective stewardship and informed shareholder engagement.

The Society supports conciseness, clarity and the removal of duplicative or superfluous disclosure. However, reforms should be guided by evidence of how information is used in practice and should avoid reducing disclosures that continue to support investor understanding, stewardship or market confidence, or that simply shift explanatory burdens onto issuers and their IR teams.

The Society therefore supports modernisation that improves transparency, connectivity and usefulness of information, while strongly cautioning against reforms that fragment accountability, dilute cross-channel coherence across reporting and accountability frameworks, or shift perceived complexity from regulation onto issuers and their IR teams and advisers.

Strength

Maintaining UK leadership in corporate reporting quality

The UK is widely recognised for the quality of its corporate reporting framework. The Society supports reforms that build on this strength by reinforcing coherent strategic reporting, integrated thinking and high standards of disclosure.

Digitalisation and structured data offer important opportunities to enhance accessibility, comparability and analytical efficiency. However, these benefits will only be realised if reforms are implemented with a clear and credible end state in mind.

The Society does not view the annual reporting framework as obsolete or in need of significant overhaul, but as an essential governance and accountability anchor within an increasingly digital reporting environment. While investors increasingly expect timely updates through websites and other channels, the annual reporting cycle remains a central grounded, regulated and predominantly assured accountability anchor within a wider reporting and communications ecosystem.

The Society recognises that some issuers are prioritising reporting effort toward the highest-value strategic and accountability content — including Chair, CEO and CFO statements and material updates — while maintaining continuity across more consistent sections of the reporting suite. This reflects the reality that parts of the Annual Report may remain substantially stable year-to-year, while investors increasingly rely on more dynamic channels for timely operational updates, forward-looking insights and market-relevant developments.

IR teams play a central role in integrating these channels, ensuring consistency between disclosures derived from regulatory requirements and ongoing communications, and translating complex information into decision-useful information for investors. The effectiveness of the overall reporting framework therefore depends not only on individual outputs, but on the coherence and integration across the full communications ecosystem. Digital tools should enhance, rather than weaken, the coherence, comparability and accountability characteristics of the annual reporting framework.

Stability

Supporting coherent, proportionate and implementable reform

The Society supports rationalisation of overlapping reporting and governance requirements where this improves coherence and reduces unnecessary duplication across legislation, listing rules and governance codes.

At the same time, the Society reiterates its view that reforms to reporting, tagging and assurance requirements — including in relation to sustainability reporting — should be phased, proportionate and aligned with data maturity and market capacity, rather than introduced prematurely. Data quality, internal controls and value chain information are still evolving, and assurance markets require sufficient scale, capability and standardisation to operate effectively.

The Society recognises that the longterm role and form of digital tagging may evolve as investor consumption of reported information changes, including through the anticipated increased use of AI-enabled tools for retrieval, analysis, and interpretation of reported information. However, whilst tagging currently supports consistency, retrieval and comparability, tagging requirements should not be mandated prematurely or expanded without clear evidence of investor benefit and sufficient system maturity.

Requirements for assurance over tagged, structured or digitally reported data should be carefully sequenced and aligned with data maturity, recognising the additional cost, complexity, system dependency and control requirements relative to traditional narrative disclosures. Regulatory frameworks should also acknowledge the likely future state in which AI-driven analysis plays a greater role, and retain sufficient flexibility to accommodate evolving technologies.

In practice, these considerations highlight a number of important practical considerations and constraints that should inform the design, implementation and sequencing of reform:

- system and data maturity;
- cost and operational complexity;
- tooling availability, market capacity and assurance capability; and
- competitiveness considerations, particularly in respect of small and mid-cap issuers.

This means that proportionality, phasing and implementation flexibility should also be considered to avoid creating unintended barriers to UK market participation.

These considerations are interconnected and are likely to affect issuers differently depending on their size, reporting maturity, sector and stage of development. They therefore reinforce the importance of proportionality, flexibility and careful sequencing in the design of reporting reform.

By way of illustration, two thirds of respondents in our 2025 Membership Survey were involved in sustainability reporting, with the majority relying on third-party providers for activities such as materiality assessments, and with over a third citing cost as a significant issue. Although this focused primarily on sustainability reporting, its findings on implementation costs, reliance on third-party providers and assurance capacity illustrate broader practical considerations that are also relevant to digital reporting reform, underlining that system readiness, industry capacity and cost are market level constraints and competitiveness considerations, particularly for small and mid-cap issuers.

> ***"The Society advocates that transitional reliefs and phasing be available by reference to a company's first reporting period following admission"***

The framework as currently designed also makes little provision for newly listed companies. Transitional reliefs and phasing tend to be pegged to fixed calendar dates – for example, the FCA's proposed UK SRS reliefs apply to accounting periods beginning on or after 1 January 2027 – rather than to a company's first reporting period as a listed issuer. A company admitted to the market after those transitional reliefs take effect can therefore face the full reporting and assurance burden in its very first Annual Report as a public company, precisely when its systems, controls and data are least mature. Given the central role of a healthy IPO pipeline in UK competitiveness, the Society advocates that transitional reliefs and phasing be available by reference to a company's first reporting period following admission, so that recent IPOs receive an equivalent on-ramp to established issuers rather than a cliff-edge determined by listing date.

Closing observations

The Society's unique position

Through its members — including IR professionals, reporting specialists, sustainability experts and advisers — the Society is well placed to provide practical, evidence-based insight into how reporting reform operates in practice. By engaging constructively with policymakers and regulators, the Society can help shape a modernised reporting framework that strengthens investor confidence, supports effective capital markets and maintains the UK's reputation for high-quality and internationally credible corporate reporting.

At a time when investors can access more corporate information than ever before, the challenge is no longer simply producing disclosure. It is ensuring that information remains clear, connected, decision-useful and capable of supporting informed investment decisions. As reporting frameworks continue to evolve, the Society believes it is important to set out the principles that should underpin the future of corporate reporting.

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About the Society

The Investor Relations Society is the professional membership body for the investor relations community. Its members work primarily with and for publicly listed companies, supporting effective two-way communication between issuers, investors and the wider capital markets community.

The Society has over 700 members, drawn mainly from the UK market. Its membership includes investor relations professionals from the majority of the FTSE 100, many FTSE 250 companies, a number of AIM-listed businesses and companies listed overseas, as well as specialist advisers and service providers to the investor relations profession.

The Society's mission is to promote best practice in investor relations, support the professional development of its members, and represent their views to regulators, policymakers, Government, the investment community and other relevant stakeholders.

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