The IIRC welcomes comments on all aspects of the Discussion Paper from all stakeholders, whether to express agreement or to recommend changes. Your answers to the Consultation Questions, and any other comments you would like to make, should be submitted on this form (submitted electronically at end of document) or sent via email to dpresponses@theiirc.org.

For the purpose of analysis, you are asked to identify the organization to which you belong and where it is located. All comments received will be considered a matter of public record and will be posted on www.theiirc.org.

Comments should be submitted by Wednesday 14th December 2011.

Name	Ian Wood
Title	CR Reporting manager
Organization	BT Group
Country	UK
Email	ian.t.wood@bt.com

Type of Stakeholder (please tick one as appropriate)

- ○ Academic
- ○ Analyst
- ○ Assurance Provider
- ◉ Business
- ○ Consultant
- ○ Government
- ○ Inter-Governmental Agency
- ○ Investor
- ○ Labour Representative
- ○ Non-Governmental Organization
- ○ Professional Body
- ○ Rating Agency
- ○ Standard Setter
- ○ Student
- ○ Think Tank
- ○ Trade or Industry Association
- ○ Other, please specify below

Key Points

If you wish to express any key points, or to emphasise particular aspects of your submission, or add comments in the nature of a covering letter, then the following space can be used for this purpose.

The World has Changed – Reporting Must Too (page 5 of the Discussion Paper)

Q1. (a) Do you believe that action is needed to help improve how organizations represent their value-creation process? Why/why not?

Organisations are increasingly being asked by a wide range of stakeholders for transparency across the value chain. Action is needed to create a common framework enabling organisations to represent the social and environmental dimensions in which they are creating value beyond the confines of return to investors.

Q1. (b) Do you agree that this action should be international in scope? Why/why not?

We agree these actions should be international in scope, but will need to retain an appropriate level of local focus, reflecting the needs and resources of national organisations. We also agree that this must not simply be a case of extra reporting. There must be linkage to other reviews of reporting, for example that recently issued by the Department of Business, Innovation and Skills in the UK, to ensure that integrated reporting does not simply become another disclosure requirement on top of other obligations.

Towards Integrated Reporting (page 6 of the Discussion Paper)

Q2. Do you agree with the definition of Integrated Reporting on page 6? Why/why not?

We agree with the definition of Integrated Reporting up to the point at which a single report is specified as the main output.
The definition of integrated reporting captures well the different stakeholders an organisation services and the different components of value that an organisation creates. It also highlights the importance of materiality and connectivity between those components.
That relative importance (materiality) of the components of that value (impact on economy, society and environment) is different for each stakeholder group. While it is critical to Integrated Reporting that the components of reporting are tightly connected and related to

An International Integrated Reporting Framework (page 8 of the Discussion Paper)

Q3. Do you support the development of an International Integrated Reporting Framework? Why/why not?

Yes; a framework would provide the ability for comparison and standardisation. Setting expectations in this way would enhance the understanding across all stakeholders of their own priorities and the interdependence, and materiality, of these to other stakeholder groups. If well structured it would provide organisations with a common mechanism to balance the sometimes conflicting and sometimes synergistic demands of different stakeholder groups.
It is implicit that national regulators will have to agree to any international framework, to avoid companies with share listings in multiple jurisdictions, having prepare different reports in each territory where it is listed.

Q4. (a) Do you agree that the initial focus of Integrated Reporting should be on reporting by larger companies and on the needs of their investors? Why/why not?

The document describes one of the primary purposes of Integrated Reporting to be to create a tight knit relationship between the reporting needs of a diverse range of stakeholders across social and environmental, as well as economic needs. This includes policy makers, civil society, customers and governments. There is a certain benefit in trying to confine early efforts rather than boil the ocean. However as the primary purpose of integrated reporting is to meet the needs of multiple stakeholders it would undermine the whole purpose of integrated reporting to focus on a specific stakeholder group – in this case investors. To some extent the drive for separate sustainability reporting has arisen from the current narrow and short term

Q4. (b) Do you agree that the concepts underlying Integrated Reporting will be equally applicable to small and medium enterprises, the public sector and not-for-profit organizations?

The concepts underlying Integrated Reporting certainly could be equally applicable to small and medium enterprises and not-for-profit organizations. We should also look for them to be applicable to private as well as publicly owned companies.
Not-for-profit organizations may well be a good litmus test for the nonfinancial principles. While they do not deliver value through investors they bring value to society in different ways. In general we would expect a not for profit to be bringing more value in nonfinancial areas than in financial, and a for-profit vice versa. However, the principal that organisations bring value across more components than just returns to investors, should allow for a reporting structure

Business Model and Value Creation (page 11 of the Discussion Paper)

Q5. Are: (a) the organization's business model; and (b) its ability to create and sustain value in the short, medium and long term, appropriate as central themes for the future direction of reporting? Why/why not?

Yes, the business model provides an important role in helping businesses to communicate to its stakeholders. Reporting on sustained value creation is essential to build relationships with shareholders and other stakeholders.

Q6. Do you find the concept of multiple capitals helpful in explaining how an organization creates and sustains value? Why/why not?

Yes, all are important central themes. Care must also be taken to take account of the following at a level appropriate to the materiality of their impact on stakeholders
• External factors influencing the organisations success
• The need to balance forward looking disclosures with commercial sensitivities and the potential liability issues concerned with such statements.
• Downstream impacts within the organisations customer base; such as the in use impacts of products and services.
• Upstream impacts within the organisations supply chain

Guiding Principles (page 12 of the Discussion Paper)

Q7. Do the Guiding Principles identified in the Discussion Paper provide a sound foundation for preparing an Integrated Report – are they collectively appropriate; is each individually appropriate; and are there other Guiding Principles that should be added? Why/why not?

While the paper articulates the building blocks of operation of the business in detail it would be equally important to articulate on an equal basis two other key areas.
1) The need to strike a balance between stakeholder groups and potential divergent needs (material issues)
2) The component of the key areas of nonfinancial reporting (predominantly societal and environmental). While these are mentioned they are presented within the context of their importance to the investor rather than their value to other stakeholders as a valid audience in their own right.

Content Elements (page 15 of the Discussion Paper)

Q8. Do the Content Elements identified in the Discussion Paper provide a sound foundation for preparing an Integrated Report– are they collectively appropriate; is each individually appropriate; and are there other Content Elements that should be added? Why/why not?

The Content Elements are framed by the business model and so provide a sound foundation for preparing that component of Integrated Reporting to meet the needs of the enlightened investor. But they do not explicitly address the needs of policy makers, civil society, customers, vendors etc. and as such miss the primary purpose of Integrated Reporting.

What Will Integrated Reporting Mean for Me? (Reporting organizations – page 21, Investors – page 22, Policymakers, regulators and standard-setters – page 23, Other perspectives – page 24 of the Discussion Paper)

Q9. (a) From your perspective: Do you agree with the main benefits as presented in the Discussion Paper? Why/why not?

By and large we agree with the benefits as presented. We do not currently see much interest from investors in providing more information per se, rather an interest in being presented with a more holistic view on near term market opportunities and risks to our strategy delivery. Many of the benefits as presented are being achieved through current Annual and sustainability reporting frameworks, the proposed integrated reporting framework offers the opportunity to consolidate rather than deliver additional benefits

Q9. (b) From your perspective: Do you agree with the main challenges as presented in the Discussion Paper? Why/why not?

The challenges of influencing regulated reporting frameworks across differing listing regimes needs to be addressed before wide scale adoption is seen. Particularly amongst companies who are listed on more than one stock exchange

Q9. (c) From your perspective: Do you agree that Integrated Reporting will drive the disclosure of information that is useful for integrated analysis (from the perspective of investors)? Why/why not?

Future Direction (page 25 of the Discussion Paper)

Q10. (a) Do you agree that the actions listed in the Discussion Paper should be the next steps undertaken by the IIRC? Why/why not? Are there other significant actions that should be added?

The key to any framework development for Annual Reporting is that it should meet the needs of existing key stakeholders (investors). There are other documents and communication channels used by companies to engage with other stakeholders. The Pilot approach is sensible, providing the outcome is a framework that is recognised as adding value to investors. There are several other local initiatives that will affect company reporting, the IIRC must ensure that these developments are taken into account.
Business will need support through tools and techniques in order to raise the skills levels for quantification of additional data and ensure the development of standard metrics to enable

Q10. (b) What priority should be afforded to each action? Why?

The priority should be on ensuring that the framework meets the needs of a) regulators and b) investors.

Q11. Do you have any other comments that you would like the IIRC to consider?

Additional questions: These are NOT compulsory but will help with analysis if completed

I have provided feedback that reflects:

- ☐ Personal interest
- ☑ Interest of an organization, please provide the name of the organization:

  BT Group

Which best describes your involvement with sustainability reporting?
Please tick all that apply.

- ☑ Reporter (prepare a report for my own organization)
- ☐ Consultant (report preparer on behalf of a third party)
- ☐ Assurance provider
- ☐ Report reader (read reports for the purpose of evaluating or analyzing organizations)
- ☐ Other, please specify:

Please indicate how many years of experience you have with sustainability reporting:

- ○ No experience
- ○ Less than 1 year
- ○ 1-5 years
- ○ More than 5 years

Submit to the IIRC