



These comments are from Enagás, Gas Transmission company located in Spain and the Technical Manager of the Spanish Gas System.

The World has Changed – Reporting Must Too

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

Yes. We believe that standards should be defined in order to assure that critical issues are included in that process.

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

Towards Integrated Reporting

It should be international in scope in order to enable international comparability and have a wider scope with more points of view.

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

Yes. Integrated Reporting involves breaking barriers in the organizations by gathering all the information and establishing the connections, like a storytelling about how the company creates value, instead of each area of the company reporting “their” issues and then building a set of different chapters under the name of an Annual Report.

An International Integrated Reporting Framework

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

Yes. An Integrated Report must take into account and be built upon existing international developments.

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?

Yes, because implementation in larger companies is always more visible and notorious. These companies usually tend to have more pressure from their investors in reporting issues (transparency, materiality) and they will act as a tested example for smaller companies.

(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 basic concepts would be applicable to other smaller companies, they would only have to adapt those concepts to their context and business models, but the core will be the same.

Business Model and Value Creation

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?

As central themes for future direction of reporting, we would include the organization’s business model, its ability to create and sustain value and its operational context, as these themes explain by themselves the performance of the company.

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

Yes, because it covers the three big aspects of sustainability: economic, social and environmental, highlighting the role of employees (human and intellectual capital).

Guiding Principles

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?
Yes. We see the principle of **connectivity of information** as the key principle that really makes the difference between an integrated report and a combined report.

Content Elements

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? What Will Integrated Reporting Mean for Me?

Yes, but Strategic Objectives and Future outlook could be both included in one content element as strategic objectives and strategies entail a future outlook, so that we could have the main 4 content elements: Organizational Overview, Operating context, performance, governance and remuneration and Strategic objectives.

Q9. From your perspective: as a reporting company

(a) Do you agree with the main benefits as presented in the Discussion Paper? Why/why not?

Yes. Although the ideal situation would be to go from an integrated thinking/management to an integrated reporting, we see this initiative as an opportunity that could help the management to switch to an extended integrated thinking. An Integrated report would show how the company is really creating value and the connections between relevant issues, so that improvement opportunities towards extended integrated thinking / management will naturally arise (we will have gaps of information to make the links, a need of connections we weren't thinking about...).

(b) Do you agree with the main challenges as presented in the Discussion Paper? Why/why not? (c) 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?

Yes. The main challenge would be how information must be connected so that it's useful for investors. In the majority of Annual Reports, the most read pages are the summary of the financial statements. The challenge is to include the non financial information connected to financial information in a way that captures the investors' interest.

Future Direction

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?

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

Yes. We consider the development of the Framework as the most critical action. Nevertheless, we propose the elaboration of a **guide for integrated reporting**, based on the framework and reporting practices of the companies in the pilot programme.

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