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	James Hulse
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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?

Yes - the current process is in essence a summary of previous activities with an assumption that they will be replicable in the future. They rarely put the activities in an external context or assess long term exogenous factors which will impact the future of the business model.

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

Yes, in a world of global supply chains and international impacts such as climate change, it makes no sense to focus on one region. The investment industry is also global in scope and comparison between companies from different regions needs to be facilitated more easily.

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?

Yes, broadly. The emphasis on context, value creation and future orientation are very welcome as they effectively encourage companies to examine their impacts on the external environment and account for those externalities.

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. There are frameworks already for financial and non-financial reporting which work well in providing guidance and ensuring consistency - a more holistic framework would help redefine reporting while still ensuring consistency.

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?

Not necessarily. From a practical viewpoint, it makes sense to focus on those companies with the resources to devote to developing and experimenting with a new reporting format and so that would tend to be larger companies, but in many ways it is easier for SMEs to assess their operational context and future strategy than for multi-national organizations.

The point of integrated reporting is presumably to facilitate better communication between companies and investors and so focus should be on what both sides want to say & hear.

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?

Yes, see above. In many ways, not-for-profit organizations are already better at reporting on their context and value creation as they are not focused on pure financials.

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, absolutely. The context of the business model and the external factors upon which it relies are crucial to an evaluation of its sustainability in the long term. Past performance is no guide to future returns... A sensible risk assessment of external pressures and opportunities for a company's operations both now and in the future would be helpful for investors as well as encouraging a focus on the long term viability of business rather than short term performance.

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

Yes - natural, financial and human are easy concepts, though I am not sure how helpful the distinctions are between financial and manufactured and also between human, intellectual and social capitals. A framework for organizations to express their non-financial capital is to be welcomed but will take considerable effort in creating the necessary metrics - brand value on balance sheets has been historically difficult to assess, for example.

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?

The guiding principles are helpful indicators for the preparation of a report. Connectivity is possibly key - how all elements impact on or are impacted by the business model now and in the future.

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?

These are excellent.

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?

I think one of the main benefits to reporting companies will be the process of thinking through strategy and operating context on behalf of the whole entity in order to complete the report.

From the perspective of FFD, reporting on use of natural capital is an important part of accounting for externalities upon which a business plan relies and will hopefully provide some clarity on which companies are unsustainably reliant on free use of natural resources and enable better allocation of financial capital.

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

The major challenge is likely to be adoption and standardization of approach. It is likely that without legislation, companies will 'self-select' participation in integrated reporting and those businesses with sustainability issues will continue to focus on past and current financial performance.

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?

Yes, as it will focus reporting more on future scenarios and global context rather than current business as usual, thus stimulating debate on the longer term prospects for industries and companies.

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?

Yes, broadly.

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

Establishment of an effective and tested reporting framework is key, followed by encouragement of uptake, perhaps focusing on exchange listing requirements, especially in the US.

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

How reporting with this wider perspective relates to the duties of internal risk management and to offer guidance on what changes will be required.

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:

  Forest Footprint Disclosure Project

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:

  Disclosure project for deforestation risk related commodities

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