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	Emily Dellios
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Organization	National Association of Pension Funds (NAPF)
Country	United Kingdom
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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 National Association of Pension Funds (NAPF) is the UK's leading voice for workplace pensions. We represent all types of workplace pension scheme, including defined benefit, defined contribution, group personal pensions and statutory schemes such as those in local government.

Between them, our members have combined assets of approximately £800 billion, and operate some 1,200 pension schemes. Our membership also includes over 400 providers of essential advice and services to the pensions sector. This includes accounting firms, solicitors, fund managers, consultants and actuaries.

The NAPF is supportive of the work of the International Integrated Reporting Committee and we would be very interested in being kept up to date as Integrated Reporting progresses.

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, we agree there is scope to help improve how organisations represent their value-creation process.

Company reporting often tends to focus on past events, rather than setting the forward-looking strategy and principal risks. This is possibly due to the backward looking nature of financial reporting, and an effort by the company to correlate the narrative with the financial results. Effective reporting should provide the reader with a clear view of the company's business and strategic direction. Ideally, the report should provide a clear statement as to the company's

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

Investors would benefit from this initiative being implemented across all jurisdictions as the increasingly invest across borders and seek comparability of disclosures. You will recognise the difficulties in achieving this given different regulations and practices and we would be interested in hearing how you plan to address these.

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, we agree with the definition of Integrated Reporting.

Essentially, a company's report should be a narrative which tells the story of the company. It should clearly set out what the company had expected to happen during the year; what actually did happen; what went well; what didn't go well; and a forward-look for the coming year/s. This should include reporting on all factors that are of material significance to the company, whether environmental, social, governance, commercial or other.

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, we support an International Integrated Reporting Framework that helps organisations to prepare balanced and consistent reports, as well as helping policy makers and regulators to achieve consistency of reporting frameworks.

However, we would urge the IIRC to ensure that any such approach is not too prescriptive. There is a risk that being too prescriptive about the information to be included in the report could lead to box ticking and reporting on factors that are not necessarily material to the company (ie boilerplate reporting).

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?

We agree that the initial focus of Integrated Reporting should be on reporting by larger companies. Larger, listed companies may provide a useful starting point for Integrated Reporting, as their reporting is usually more public and there is a range of interested stakeholders.

In the UK, narrative reporting by listed companies is already under review by the Government, so this presents a good opportunity for the IIRC to influence the developments in this area.

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, we believe the concepts underlying Integrated Reporting will be equally applicable to SME's, the public sector and not for profit organisations.

We believe there should be a minimum reporting standard expected of all listed companies, no matter how large or small. This should also apply to the public sector and not for profit organisations, where stakeholders are likely to be affected by the level and quality of reporting.

It is important to recognise that there is no “one size fits all” approach to reporting, and

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, we agree that the organisation's business model and its ability to create and sustain value are appropriate themes for reporting. An organisation's forward-looking strategy and objectives should be made clear to the reader.

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

Yes, we find the concept of multiple capitals helpful, and we believe that companies should report on factors that are materially significant, and this will undoubtedly extend beyond financial capital. However, we would urge the IIRC to exercise caution so as to avoid being too prescriptive - companies should be afforded the flexibility to report on factors which are material to them.

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?

A company's reporting should clearly set out what the company had expected to happen during the year; what actually did happen; what went well; what didn't go well; and a forward-look for the coming year/s. We believe the Guiding Principles provide a sound framework for companies to report effectively and meaningfully on such matters.

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?

Yes, we believe the Content Elements provide a sound foundation for preparing an Integrated Report. By using such Elements, a company will be able to effectively 'tell the story' of the business, including strategy, objectives, performance, risks, etc.

Again, we would like to see a framework that doesn't set reporting elements which are too specific, as this may lead to unsatisfactory boilerplate 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?

Not applicable

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

Not applicable

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?

Not applicable

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, we agree with the actions listed in the Discussion Paper.

We would also add that there should be a formal ongoing review process to ensure the Integrated Reporting framework remains suitable and relevant.

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

We believe the top priorities for Integrated Reporting should be the Pilot Programme and the Framework development.

Harmonisation should also be a high priority to ensure reporting is consistent, to the extent possible, across jurisdictions.

Outreach, Measurement and Reporting and Governance are very important continual and ongoing actions to assist the implementation and development of Integrated Reporting.

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:

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