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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.

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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

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

Standardisation is desirable (for comparability purposes primarily) but this can only happen once the reporting practices have matured. It would be risky to impose a standardised framework (especially through regulatory measures) before best practices have emerged and have been sufficiently road-tested. International scope is certainly desirable, but as a first step I would put the emphasis on collecting existing best practices and maybe distilling some guiding principles from this empirical evidence whilst also reflecting on what doesn't currently work or needs to be improved further.

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?

I like the definition overall but would perhaps shift the emphasis on "integrated thinking" since, as the report points out, "integrated reporting" is an output / manifestation of "integrated thinking" and not an end in itself.

Also, within the aspects covered by the definition, I think one critical aspect is missing. In my mind "integrated reporting" should also shed light on how management reconciles the trade offs / dilemmas between short-term commercial imperatives and long-term objectives, and explain how these (at times) conflicting priorities can be addressed concretely.

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, because true value / insights lie at the intersection between sustainability performance and financial performance and the focus must be on the linkages between these two agendas, where they are mutually supportive or creating tensions etc.

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

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 should be applicable to companies of all sizes, considering that they all share the same aim to deliver products and services in a commercially viable way. Public sector and not-for-profits organisation might not operate under the same constraints of ensuring commercial viability, so the concepts might not be as applicable to them. Having said that, they should probably also try to maximise their value creation in a resource-effective way, but I would keep the scope down to enterprises for now to make the process more manageable.

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?

(a) Yes, business models are of central importance when trying to determine which sustainability issue is material for what company. However, we also need to recognise that business models are not static, they constantly evolve over time to reflect the changing competitive landscape and how externalities are impacting the business. Also, we should think of it as a positive feedback loop system: the companies impact the environment they operate in through their business operations, and this in turn can impact their business model over time. So one element of integrated reporting might also be that companies need to be aware and mindful of their "triple bottom line" impact, because even though some sustainability

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

Yes they can be used as useful input / output variables in the model, but in my view a time dimension might be missing in this "capital-based" framework, i.e. what is the future value of these different kinds of capital and how can they be discounted to their present value when making everyday business decisions?

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?

Yes, but looking at the characteristics of integrated reporting as outlined on page 9, i think one of the key challenge is that on the one hand we way the report to be more comprehensive and broader in scope, and on the other hand more concise. This might be difficult to achieve in practice. Of course, the answer partly lies in identifying "material" issues but this remains a nebulous concept and maybe this is where more guidance would be helpful for companies.

Additionally, another idea would be to have a "foundation" document which is relatively static (maybe updated every 3-5 years) and provides the description all the elements identified in the

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?

With the content elements, I fail to see how they differ from what is already included in Annual Reports. It could be argued that annual reports already have an "organisation overview and business model" description, a section on risk factors, usually a section on governance (which includes remuneration), the performance of course and future outlook for key end markets (although usually the outlook is for the next 1-2 years).

So i struggle to see how this framework could be applied in practice and yield a different results from what we have today.

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?

yes

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

Yes, and besides the question of appropriate incentives and alignment of interest, another key challenge is the time horizon of investment (and hence investment recommendations).

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, i believe companies should be in the driving seat when it comes to making the links between sustainability and business performance more explicit. They know their business best and analysts should be asked to do all the guess work (they should focus on whether they are confident that management can deliver on this).

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?

Developing frameworks is notoriously challenging, especially in a participatory multi-stakeholder process. Whilst I support the effort and the ambition of the IIRC, I would suggest that it might also play a useful role in highlighting best practices and continuously making the case for the industry to move in this direction (without being necessarily prescriptive about what the outcome should look like). It can certainly play a useful role in identifying obstacles and barriers to a wider adoption of "integrated reporting" practices and maybe act as a facilitators to engage with different stakeholder and align interests (and incentives mechanisms).

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

No particular comment here

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

No particular comment here

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

I have provided feedback that reflects:

- [x] Personal interest
- [x] Interest of an organization, please provide the name of the organization:

  SAM

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
- [x] 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