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.

We welcome the opportunity to comment on the International Integrated Reporting Committee (IIRC) discussion paper Towards Integrated Reporting: Communicating Value in the 21st Century and support the proposed framework. We believe the integrated reporting (IR) proposals are a key step forward in the future of business reporting. However, it is important that there is a clear link between strategic preparedness and IR. IR has to be seen as high level management tool rather than an additional request or basis for PR communication on corporate social responsibility.

We believe that the framework is a good basis for discussion, but recognise that further work is required to develop the ideas in the document. In particular further work is required to define value creation and its dimensions in more detail.

We are very supportive of the proposals for the pilot programme and see this as key to testing and develop the framework further.

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?

We do believe action is needed to help organisations improve how they represent their value creation process. However, we believe that value creation and its dimensions do need to be defined in more detail so that more comprehensive reporting is achieved.

For example If we look at assessments on how company CEOs (see Accenture study for "global compact 2010") consider integration of aspects still considered to be "non-financial", they mostly think they have this accomplished – which demonstrates the need for different and more advanced ways of capturing and documenting value creation and impacts thereof.

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

It is important that action is global and as generic and comprehensive as possible. Differing disclosure practices stop investors and others from understanding and comparing the information they need for decision making. However, we do recognise that the difficulties that arise with the implementation of international regulation, given the different national jurisdictions, mean that this will be a long term process. Therefore a phased approach may be required. In addition there may need to be some flexibility in terms of whether 'one size fits all' both in terms of geography and sector.

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 do agree with the definition of integrated reporting. The framework allows a holistic approach to reporting and provides key stakeholders such as investors with information not just on the company's business model but also how they will create value (across all aspects of capital) over the short, medium and longer term. However as the project progresses we would like to see more detailed definitions of key elements, for example, "value", "impact", targets to be accomplished in various areas where materiality is defined, etc.

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 do support the development of an international integrated reporting framework to allow for comparability. That said, we do recognise the complexities that are created by developing and implementing a framework across different jurisdictions

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?

Our preference in the longer term is that all companies report on this basis, but recognise that this is unrealistic in the short to medium term given the likely cost/benefits. Therefore we do support the proposal that the initial focus should be on reporting by larger companies and the needs of their investors, but would encourage other companies to look at the opportunities that can arise out of adopting integrated reporting. It would be helpful not only to use company size as a basis but also ensure that impact levels by business models are taken into account. This ensures that relevance and materiality of such an innovative framework becomes clear and visible.

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?

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?

We do support the use of the business model and the ability to create and sustain value in short medium and long term as key themes. Investors want to ensure they can understand that the business model they have invested in is sustainable for the longer term and managed in a way that secures long term value (both in terms of value/positive impact on the environment and society as well as financial value for the investor).

Companies should be encouraged to provide a clear definition and description of their business model and its boundaries. The framework may need to provide guidance on this as

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

We strongly support the concept of multiple capitals. More and more investors are starting to recognise the importance of ESG information and its relationship with company performance, particularly in the longer term.

The discipline of integrated reporting, linking strategy, governance, financial and non-financial performance, requires the embedding of ESG matters into the heart of business thinking by connecting non-financial matters with financial performance and ESG issues to achievement of the core business strategy.

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?

We do support the proposed guiding principles included in the Discussion paper and believe they are both individually and collectively appropriate in that they take a holistic approach. We are pleased to see the future orientation perspective included. For example few companies where carbon emissions are significant (for example oil and gas companies) are discussing their future strategy on how they will manage the impact of carbon pricing or highlighting the potential risks related to these emissions. BP's carbon liabilities on its proved reserves would be around £42bn at a carbon price of £75 per tonne and Shell's could be £36bn.
The longer term and forward looking nature of the proposals will therefore provide a better

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?

We believe the content elements are appropriate both collectively and individually. We do think it is helpful to provide a level of quantitative information alongside the narrative reporting and are therefore pleased to see KPIs included. We would also like to see the inclusion of plausible regulatory and economic scenarios and more forward-looking information, for example on carbon costs and other risks associated with climate change, such as risks to water supply. In the case of scenarios, there could be climate change/carbon risk assessments which incorporate low levels of carbon emissions, high price of carbon and shift away from fossil fuels necessary to limit atmospheric CO2 at or below the level required to avoid dangerous

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?

We do agree with the benefits as presented. In particular we support the benefits set out from an investor perspective.

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

We agree with the challenges as presented. There are a number of these challenges which will be greater than others and the issue of establishing rules across jurisdictions and across subject areas should not be underestimated.

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?

The framework will assist investors as we believe that investors need more information particularly in connection with environmental and social issues to enable them to challenge management more effectively. For example BP lost 50% of its stock market value in 2010 and investors also lost out in terms of dividend. Were investors fully aware of the potential risks? More and deeper engagement with institutional investors in particular improves investors' ability to assess risk and opportunities and enhances their ability to influence the strategy of companies to manage those risks and opportunities.

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?

We believe the approach is sensible, combining practical application through the pilot with development of the framework. The document recognises that this will not be easy to implement and recognises that different jurisdictions may take different approaches and will work to support this.

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

In terms of priorities it seems sensible to move ahead with the pilot and framework development as soon as possible

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

There is very little in the paper about audit and assurance. It will be important to develop these aspects in conjunction with the auditing profession and/or other possible providers of assurance

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:

  WWF

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)
- [x] Other, please specify:

  Policy and advocacy for NGO

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