June 17, 2013

To: International Integrated Reporting Council (IIRC)

Lincoln's Inn Fields

London WC2A 3EE

Re: **IMA Response to the IIRC Framework Consultation Draft**

Dear Sirs and Madams,

As one of the leading and largest global professional bodies focused on advancing the profession of management accounting, **IMA® (Institute of Management Accountants) is pleased to offer its comments on the Integrated Reporting Framework Consultation Draft (CD) dated April 16, 2013**. IMA, with members in over 120 countries, represents management accountants around the world who help protect investor interests and drive business performance in the areas of financial planning and analysis, business/corporate reporting and analysis, risk management and internal controls, strategic costing, M&A and much more. Management accountants are not "just technical accountants" – they are broad-based business thinkers who serve as trusted advisors inside organizations and are "at the table" on all issues involving strategy and sustainable value creation.

IMA conducted global surveys, both formal and informal, to capture what we expected to be diverse input on the subjects of disclosures and integrated reporting. Internal and external groups that we solicited input from include members of our technical committees, which include preparers and, representatives from rating agencies, auditors, consultants, technologists, investors, academicians and others. Additionally, we reviewed polling question responses from the IMA-sponsored webinar conducted by IIRC staff on May 2, 2013 that drew about 1,000 attendees from around the world.

The Executive Summary that follows is supplemented by official responses to the twenty-four CD questions, submitted as requested via the web-based template and also attached.

Executive Summary

1. IMA concurs that substantial improvement is possible and needed in the area of disclosures to better inform investors and other stakeholders as to the sustainable value creation capacity and capability of the enterprise. In this regard, we appreciate the work of the IIRC in attempting to transform business enterprise reporting and to develop guidance that can be consistently applied, in addition to cultural shifts in the area of integrated thinking.

2. IMA also believes that there are several potential fatal flaws in the CD, outlined here but developed in greater detail below and in the CD question set:
    a. The compelling market need for a single integrated report (i.e., integrated reporting), from investors and other market stakeholders, is not described or articulated.
    b. The cost/benefit of integrated reporting is also not described or articulated, either in this document or in companion documents. Further, it is possible that interlinked financial and non-financial reports (e.g., statutory financials, MD&A, GRI, OECD, etc.) could produce higher ROI than a single, integrated report.
    c. There is no consideration of existing legal disclosure requirements in various jurisdictions, or other unique environmental conditions specific to a jurisdiction.
    d. In an increasingly complex and competitive global marketplace, we question whether investors and other market stakeholders would want management teams to disclose (potentially) competitively sensitive information about <u>how</u> they achieved profitable growth in a differentiated manner.
    e. It is unclear how independent assurance providers can obtain evidence about the future, which is the stated orientation of the CD.

<u>Additional Points for Consideration</u>

1. We believe by taking a market-driven approach there is a **great opportunity to improve the disclosures process, including simplification and better connecting disclosures** to the overarching "strategy story" of the organization.
2. There generally is a **call to action globally with respect to reforming the external disclosures process which includes simplifying disclosures**. For example, according to an Ernst and Young study, in the US over the past two decades the average number of pages in annual reports devoted to footnotes and MD&A has quadrupled. If that rate continues for the next two decades, companies would devote more than 500 pages to notes and MD&A! The FASB Disclosures Framework project focused on financial footnotes is in the evaluative stage, with the Invitation to Comment issued on July 12, 2012. The IASB recently initiated a similar project.
3. IMA **endorses the following components of a more effective and efficient external disclosures process, with disclosures that are** *material*; *relevant* (to decision-makers - investors, rating agencies, regulators, data aggregators, etc.); *actionable*; *accurate* (recognizing that disclosures beyond audited financials may not have the same level of assurance but can still be connected to the strategy story); *succinct* and *logical; balanced* (leading and lagging indicators; financial, customer, employee and societal measures); *reasonably connected* (to the overarching "strategy story" and goals for the organization, and, to each other, e.g., financial with non-financial measures); and, *cost effective to produce*. In a competitive market, shareholders and other market constituents clearly want the value of the disclosures to exceed the cost to produce and obtain assurance thereon, and do not wish to see a regulatory "social tax" imposed on organizations striving for growth.

4. **We question, however, the market drivers, need and value articulated by investors (and other market constituents) for a single, fully integrated report as well as lack of alternatives presented (e.g., interconnected reports),** as noted earlier.
5. CFOs and other strategic leaders in the organization (e.g., corporate governance groups, Investor Relations) have demonstrated that they understand the need for more balanced, leading indicator type of data to **drive decisions supporting the strategy with internal application of balanced scorecards, enterprise performance dashboards, and strategy maps,** to name a few. Taking this balanced data and using a variant for external disclosures is a function of value to the "target" (market constituents including investors, etc.), cost/benefit and externalities such as the legal, regulatory and competitive environments all of which the IIRC needs to assess.
6. **Integrated reporting does not singularly drive integrated thinking as is asserted in companion documents**. Well run organizations have long understood that integrated thinking makes for better business and better outcomes and is also a starting point for cross-functional value generation, "un-silo'ing" the organization, etc. What also leads to well run businesses and positive outcomes for business and society are smart business practices, courageous leaders, business processes and cross-functional behavior on behalf of stakeholders.
7. Especially in the **early stages of IR development, the focus should be on learning and growth and NOT creating involuntary regulatory-type standards** (potentially creating a social tax) before a tangible value and the benefit to investors are more clearly understood.
    a. IMA is not in favor of creating mandatory reporting standards in the learning and growth phase of IR (which could be several years).
    b. IMA is also "not excited" about mandatory "report or explain" approaches. On April 16, 2013 the EU adopted a proposal requiring large companies to disclose ESG information as part of their annual reporting requirement, in effect, report the data or explain why it could or should not be provided. With the rapid rise in voluntary reporting (e.g., GRI), is the IR approach really adding economic value or insight to investors? Are regulators really in the best position to determine the metrics most important to sustainable value creation in highly competitive, global markets?
    c. The SASB (Sustainability Accounting Standards Board) is a San Francisco-based not for profit incorporated in 2011 and charged with developing industry-specific standards for use by companies to report on material ESG issues in standard filings. We encourage SASB, per its charter, to reach out to a broad range of constituents in terms of the cost/benefit of ESG KPIs and the strength of the relationship between these KPIs and the financial/strategy story. On June 12, 2013 SASB issued its Conceptual Framework for a 45-day comment period. We assume the IIRC will stay abreast of developments.
8. **Specifically, in the US, for IR to gain traction we believe the focus should be first on addressing disclosure overload including simplified disclosures, and then later better connecting ESG metrics with financial and strategic measures if the cost/benefit analysis makes sense**. In the

US and other jurisdictions, there also needs to be more focus on intangible assets/IP and associated KPIs as a start (as well as industry vertical KPIs more important to investors in some cases than ESG categories).

9. According to the April 29, 2013 study by the IRRC (Investor Responsibility Research Center) Institute, and the Sustainable Investments Institute, *Integrated Financial and Sustainability Reporting in the US*, all but one company in the S&P 500 issued at least one sustainability-related disclosure but only seven companies "integrate" financial and sustainability reporting. Additionally, according to GRI there has been a triple digit percentage increase in sustainability reports issued by US companies over the past year. **A key question is whether the degree of integration is correlated with better returns for shareholders and other market constituents. As a related question, what level of integration do investors and other market constituents need to make their assessments as to sustainable value generation capacity and capability?** For example, the nine reporting areas in the IRRC report are already discussed in company-level sustainability reports and to some extent in US 10-K filings (environmental management, employment, climate change, hazardous waste, product formulations, waste management, water use, ethics and human rights).
10. Further, regarding the IRRC US study which closely comports with IIRC framework thinking**, IMA took an informal sampling of a few of the MNCs implied to be "compliant" with integrated reporting and compared those with** 10-Ks, sustainability and/or CSR reports of other registrants. We found little substantive differences on key risk factor disclosures, and, in connecting financial, customer, employee and societal measures to the overarching strategy story.
11. **In the US and perhaps in other regulatory regimes, full integration of customer, employee and societal measures with the standard financial external disclosures (process) may not be feasible in terms of timing (e.g., financial statements issued to coincide with issuance of the integrated report, GRI, CSR or other), cost effectiveness, assurance level and legal liability**. Without a much clearer "investor value proposition", it may not even make good business sense.
12. The notion of linking financial and non-financial measures to the strategy is perhaps a nice end state to envision, but **trying to develop precisely quantified and causal linkages across all performance indicators will always be a challenge and the "standard" for non-financial measures may always be directional and "roughly right"**. On the preparer side, there needs to be a level of <u>professional judgment</u> in reporting and linking non-financial measures to financials and the overall "strategy story". On the user side, there needs to be a level of trust, and, <u>professional skepticism</u> to ask the right questions that management needs to answer in a cohesive manner (to boards, audit committees, investors and other constituents). Overall, effective stakeholder engagement is necessary to build transparency and trust.
13. **SMEs (small and medium sized entities) need to be included in the external disclosures discussion**. SMEs including private companies have the need to compete for capital, be

transparent, demonstrate solid internal controls and link balanced measures to strategy. They tend to be disproportionately impacted by onerous reporting requirements yet account for a majority of jobs growth.

The Path Forward

1. IMA respectfully believes that the **end in mind needs to be redefined** to better serve organizations and society. It should NOT be to produce a single, integrated report. The end in mind should be to motivate disclosures that better inform investors as to the sustainable value creation capability and capacity of the organization. A good first step would be to clarify and simplify existing disclosures. It may turn out that interlinked or interconnected reports will produce a higher ROI for investors.
2. The **ROI and "proof of concept" assessment of integrated reporting** should shift more to actual value delivery *participants* (e.g., business owners, business managers, CFOs, preparers, investors, analysts, etc.) relative to value chain *observers* and *monitors* (e.g., academics, consultants and regulators). This will help to develop the required market evidence.
3. **A "learning and growth" approach should be taken to IR with tangible step changes** such as improving MD&A disclosures, motivating more concise and informative financial reports including reporting on intangibles, creating better connections to the overarching "strategy story", and, supporting new sustainability/ESG frameworks such as GRI (GRI issued the next generation, "G4", of its guidelines on May 22, 2013 in Amsterdam). Mandatory reporting is not recommended and history has often shown that it results in a social tax.
4. **Technology enablement** including XBRL/structured data standards could play a role to potentially improve the cost/benefit of IR. A new report from the Boston College Center for Corporate Citizenship and E&Y concluded that while two-thirds of companies reporting on sustainability use the GRI framework, the same number says difficulties with data collection are among their largest reporting challenges. In IMA's May 2, 2013 webinar with nearly 1,000 global participants, the responses to the question "which is the most significant barrier to IR in your organization" were: 13% weak external drivers, 21% lack of appetite from the top, 20% strong organizational silos, **32% patchwork of IT programs/legacy systems**, and, 14% other.

Closing Remarks

IMA again commends the IIRC for its efforts. We all share the same goal – creating stronger organizations, and, fulfilling our missions to serve the profession and society.

Jeffrey C. Thomson

Jeffrey C. Thomson, CMA
President and CEO

Consultation questions

The IIRC welcomes comments on all aspects of the Draft International <IR> Framework (Draft Framework) from all stakeholders, whether to express agreement or to recommend changes.

The following questions are focused on areas where there has been significant discussion during the development process. Comments on any other aspect of the Draft Framework are also encouraged through the questions.

Please provide all comments in English.

All comments received will be considered a matter of public record and will be posted on the IIRC's website (www.theiirc.org).

Comments should be submitted by Monday 15th, July 2013.

Name:	Jeffrey C. Thomson
Email:	jthomson@imanet.org
Stakeholder group:	Professional bodies – Accounting

If replying on behalf of an Organization please complete the following:

Organization name:	Institute of Management Accountants (IMA)
Industry sector:	Financials
Geographical region:	Global

Key Points

If you wish to briefly express any key points, or to emphasize particular aspects of your submission, or add comments in the nature of a cover letter, then the following space can be used for this purpose. Please do not repeat large amounts of material appearing elsewhere in your comments.

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Chapter 1: Overview

Principles-based requirements

To be in accordance with the Framework, an integrated report should comply with the principles-based requirements identified throughout the Framework in bold italic type (paragraphs 1.11-1.12).

1. *Should any additional principles-based requirements be added or should any be eliminated or changed? If so, please explain why.*

Possibly add principles that broadly provide information as to how an organization applies quality management techniques in achieving goals, serving customers, internal process efficiencies, etc.

Many of the principles dealing with strategic focus and future orientation are already captured in the MD&A or should be in a directional sense. Describing connectivity as referenced in 3B should be directional and judgment based, not precise, quantitative and prescriptive as these paragraphs sound.

Paragraph 3.16 implies that an integrated report with more metrics is what builds trust. What builds trust are smart, honest organizations delivering on their goals to serve customers and society.

Paragraph 3.30 says an integrated report should include all material matters in a balanced way and without material error. This is too broad and does not reflect environmental factors such as competitive environment, litigation and reputation risk nor the fact that materiality and assurance are defined differently for financial vs. non-financial metrics. We don't understand how this and other principles get applied in the real world of business.

Principle 4.4 states that an integrated report should stand alone. Where is the evidence that this is what market constituents want? Where is the evidence that this adds value to shareholders and society? An integrated report could easily duplicate, thereby adding non-value added cost, key performance metrics contained in financial reports, MD&A, GRI, responsibility reports, etc. The end in mind is not an integrated report - the end in mind are better disclosures that inform market stakeholders as to the sustainable value creation capacity and capability of the organization.

Principles in section 4 - Too much information, not all needed by investors, some subject to reputation and litigation risk depending on jurisdiction. For example, broad understanding of how the organization manages its people capital is important (including succession planning at the top) but 4B is too much detail to produce with minimal value, in addition, it flexes and changes over time.

Principle 4C opportunities and risks are captured in MD&A and/or COSO, ISO, etc. internal controls and risk management frameworks.

Frequency of reporting in principle 5, preparation of the integrated report in conjunction with the annual statutory financial reporting cycle is not realistic in the US and likely other jurisdictions.

Interaction with other reports and communications

The <IR> process is intended to be applied continuously to all relevant reports and communications, in addition to the preparation of an integrated report. The integrated report may include links to other reports and communications, e.g., financial statements and sustainability reports. The IIRC aims to complement material developed by established reporting standard setters and others, and does not intend to develop duplicate content (paragraphs 1.18-1.20).

2. *Do you agree with how paragraphs 1.18-1.20 characterize the interaction with other reports and communications?*

IMA is not convinced that a single, integrated report is necessary to produce disclosures that are more actionable, relevant and concise in describing the sustainable value creation capacity and capability of an organization to investors and other market participants. Please refer to our Executive Summary. Enhanced MD&A, greater adoption of voluntary GRI/G4 standards, and doing a better job of connecting activities to the overarching strategy story in a directional sense could be helpful to investors. Smart investors do not want companies to be spending time and cost duplicating information found in other reports, revealing competitive information, etc. They want smart, well managed companies who deliver what they promised.

IMA also believes that interlinked/interconnected reporting should be assessed by investors as a more effective and efficient alternative to a single, integrated report.

3. *If the IIRC were to create an online database of authoritative sources of indicators or measurement methods developed by established reporting standard setters and others, which references should be included?*

COSO Internal Controls and Risk Management frameworks.

ISO 9001, ISO 14001.

GRI including G4 just released.

XBRL.

SASB.

ESG.

In the spirit of avoiding regulatory mandates, sources from guidance setters vs. standard setters should be strongly considered such as COSO and its refreshed internal controls framework issued May 14, 2013.

Other

4. *Please provide any other comments you have about Chapter 1.*

Paragraph 1.12 should be modified to allow management to explain its determination that some content elements are being omitted because they might result in competitive harm.
Although paragraph 1.6 states emphatically that the audience for an integrated report should primarily be providers of financial capital, this primacy is not reflected in Figure 3 where society seems to be the recipient of the information. Shareholders should be prominently displayed in Figure 3.

Chapter 2: Fundamental concepts

The capitals (Section 2B)

The Framework describes six categories of capital (paragraph 2.17). An organization is to use these categories as a benchmark when preparing an integrated report (paragraphs 2.19-2.21), and should disclose the reason if it considers any of the capitals as not material (paragraph 4.5).

5. Do you agree with this approach to the capitals? Why/why not?

Generally we agree with the six capitals approach so long as there is flexibility in defining materiality and level of expected assurance. Broadly understanding an organization's approach to the capitals, including dependencies, resource allocation and optimization, may be helpful to investors and other market stakeholders. It is not clear that an integrated report with all of the principles achieved is the means to this end.

6. Please provide any other comments you have about Section 2B?

Paragraph 2.16 should be clarified to state what is meant by the "overall stock of capitals". Is reporting suggested for the net result of value changes in all capitals? The language appears to state that each capital experiences value creation or diminution over time and thus each requires periodic reporting. If correct, this level of reporting could diminish shareholder value and is simply not necessary, practical or valued by investors. Also not practical is paragraph 2.25, requiring that "an organization's net impact on the global stock of capitals could be tallied".

Business model (Section 2C)

A business model is defined as an organization's chosen system of inputs, business activities, outputs and outcomes that aims to create value over the short, medium and long term (paragraph 2.26).

7. Do you agree with this definition? Why/why not?

Generally agree, as this adequately captures the supply and value chains of the organization. See previous comments on Figure 3.

Outcomes are defined as the internal and external consequences (positive and negative) for the capitals as a result of an organization's business activities and outputs (paragraphs 2.35-2.36).

8. Do you agree with this definition? Why/why not?

Yes.

9. *Please provide any other comments you have about Section 2C or the disclosure requirements and related guidance regarding business models contained in the Content Elements Chapter of the Framework (see Section 4E)?*

US companies and companies in other jurisdictions are currently challenged with an overload of disclosure requirements for mandatory quarterly and year end financial reports, which is being addressed by the FASB for US companies (initially focused on notes to the financial statements). Other national disclosures-related improvement projects should be considered by the IIRC in describing the journey to its desired end state.

Other

10. *Please provide any other comments you have about Chapter 2 that are not already addressed by your responses above.*

None.

Chapter 3: Guiding Principles

Materiality and conciseness (Section 3D)

Materiality is determined by reference to assessments made by the primary intended report users (paragraphs 3.23-3.24). The primary intended report users are providers of financial capital (paragraphs 1.6-1.8).

11. *Do you agree with this approach to materiality? If not, how would you change it?*

Materiality and assurance depend on the type of metric being reported. More precise and quantitative for financial KPIs; less so for non-financial KPIs.

Materiality should generally be defined by senior management and the board, but external input from investors may also be helpful from an independence perspective.

12. *Please provide any other comments you have about Section 3D or the Materiality determination process (Section 5B).*

The disclosure described in 5B is too much and does not add net value to the investor. Material matters and level of assurance for KPIs should be disclosed; "describing the process used to identify relevant matters and to narrow them down to material matters, ..., identifying the key personnel involved in the identification and prioritization of material matters, and, identifying the role of those charged with governance in the process" is unnecessary detail for investors and other market stakeholders.

We are unclear how all of the process-related and other disclosures purported to be necessary in a single integrated report avoid exacerbating disclosure overload while achieving the goals of conciseness and relevance.

Additionally, although the CD questions note that the primary intended report users are providers of financial capital, this concept is not contained in Chapter 3. In fact, the inclusion of broader social interests as report users could confuse the preparer's approach to materiality, as the relevant matters to be considered (see 3.25) will naturally depend on which capital is being reported on. The primacy of providers of financial capital should be re-emphasized in chapter 3.

Reliability and completeness (Section 3E)

Reliability is enhanced by mechanisms such as robust internal reporting systems, appropriate stakeholder engagement, and independent, external assurance (paragraph 3.31).

13. How should the reliability of an integrated report be demonstrated?

While desirable in theory, independent assurance from a provider adds to the cost of the integrated report, especially if most of the substantive information is already captured and (somewhat) connected in financial reports, GRI and CSR/responsibility reports, etc.

At the end of the day, the market itself serves as the barometer as to how management is performing and the same would be true for data captured in an integrated report. A level of trust and a healthy dose of professional skepticism on the part of investors and analysts, combined with a general sense as to how an organization applies its professional judgment (especially true for non-financial KPIs/capitals), creates the appropriate "tension" in the value chain and incites the right questions in delivering sustainable value.

We are unclear what is meant in 3.31 by "The reliability of information is affected by its balance and freedom from material error".

14. Please provide any other comments you have about Section 3E.

Since the primary orientation of an integrated report is future prospects and providing this information to the public is subject to various laws and regulations (US and presumably other national jurisdictions), an overall qualifier "to the extent permitted by law" would be helpful in several paragraphs in this chapter (especially those dealing with disclosures).

Additionally, given the judgement-based and future orientation of the integrated report, it would seem that independent external assurance providers would have great difficulty in providing such assurance, as suggested in 3.31.

Other

15. Please provide any other comments you have about Chapter 3 that are not already addressed by your responses above.

An IMA webinar hosted by the IIRC (over 900 participants) in early May revealed the following, when participants were asked "what is the most challenging principle to implement from the integrated framework"? -

Strategy focus and future orientation 34%

Connectivity of information 18%

Stakeholder responsiveness 13%

Materiality and conciseness 7%

Reliability and completeness 12%

Consistency and compatibility 16%

Chapter 4: Content Elements

16. *Please provide any comments you have about Chapter 4 that are not already addressed by your responses above (please include comments on the Content Element Business Model [Section 4E] in your answer to questions 7-9 above rather than here).*

4.1 Many if not all of the Content Elements are captured in current/enhanced financial disclosures, MD&A and voluntary GRI type sustainability reports.

4.2 As noted, the compelling market-driven case for a single integrated report which we believe duplicates other information has not been made. We understand the connectivity issue, and believe that investors would be more than satisfied with enhanced MD&A and other ideas we have suggested.

4.10 Governance - we believe some level of insight on "people and process capacity" is helpful but not to this degree. The value of the information is far less than the cost to produce, and would exacerbate the disclosures overload situation in some national jurisdictions including the US.

4.33 Future outlook - business issues could include litigation, reputation and competitive risk(s).

Chapter 5: Preparation and presentation

Involvement of those charged with governance (Section 5D)

Section 5D discusses the involvement of those charged with governance, and paragraph 4.5 requires organizations to disclose the governance body with oversight responsibility for <IR>.

17. *Should there be a requirement for those charged with governance to include a statement acknowledging their responsibility for the integrated report? Why/why not?*

Management and their boards have a responsibility to state in broad terms the assurance level of any KPIs (lagging indicators) and KRIs (Key Risk Indicators, leading indicators) that they provide externally on a voluntary or involuntary basis.

Since the responsibilities of a body charged with governance are set forth with great specificity in many national jurisdictions including the US, with no current guidance as to what integrated reporting if any the body should take, these responsibilities should be deleted or minimally qualified by the phrase "to the extent permitted by law". It appears that requiring boards of directors to perform management functions like reporting of performance and future prospects could be in violation of current practice and laws.

18. *Please provide any other comments you have about Involvement of those charged with governance (Section 5D).*

None.

Credibility (Section 5E)

The Framework provides reporting criteria against which organizations and assurance providers assess a report's adherence (paragraph 5.21).

19. *If assurance is to be obtained, should it cover the integrated report as a whole, or specific aspects of the report? Why?*

Some level of assurance, more so for financial and qualitative KPIs vs. non-financial qualitative KPIs, should be expected by investors. The cost of assurance, internal (e.g., internal audit) or external (independent experts) should be considered in the overall ROI/cost vs. benefit of integrated reporting.

The definition of "reasonable" assurance will vary between financial and non-financial capitals.

Also, at the end of the day, investors/shareholders either trust the organizations they invest in or they do not based on performance, societal status, reputation, etc. A healthy dose of professional skepticism on the preparer side with a professional judgment process on the user side helps to mitigate high assurance costs. More metrics conceptually linked in a "golden thread" to strategy and mission is not necessarily the path to better disclosures. Greater stakeholder engagement also builds transparency and trust.

20. *Please provide any other comments you have about Credibility (Section 5E). Assurance providers are particularly asked to comment on whether they consider the Framework provides suitable criteria for an assurance engagement.*

None.

Other

21. *Please provide any other comments you have about Chapter 5 that are not already addressed by your responses above (please include comments on the materiality determination process [Section 5B] in your answer to question 11 above rather than here).*

None.

Overall view

22. *Recognizing that <IR> will evolve over time, please explain the extent to which you believe the content of the Framework overall is appropriate for use by organizations in preparing an integrated report and for providing report users with information about an organization's ability to create value in the short, medium and long term?*

We actually believe that the Framework is well described IF there is market evidence that a single integrated report leads to better external disclosures with a positive ROI/cost vs. benefit. However, at this point in time the market evidence is not there or has not yet been well articulated. As we noted earlier in "The Path Forward" section up front, "The ROI assessment of integrated reporting should shift more to actual value delivery participants (e.g., business owners, business managers, CFOs, preparers, investors, analysts, etc.) relative to value chain observers and monitors (e.g., academics, consultants and regulators). The latter play a valuable role in future, transformational thinking, but "proof of concept" requires a far greater role by value delivery participants as defined".

Development of <IR>

23. If the IIRC were to develop explanatory material on <IR> in addition to the Framework, which three topics would you recommend be given priority? Why?

1. The journey or roadmap toward better external disclosures which hits most of the criteria on which we all agree. As noted earlier, we do not agree that a single integrated report is the end in mind for market participants.

2. The level of connectivity to the strategy story that balances market need with organizational risks such as litigation, reputation and competition.

3. How the balanced scorecard, used typically for internal management applications, may apply to IR with "filters" that reflect externalities such as national mandates, litigation issues, competition and more.

Other

24. Please provide any other comments not already addressed by your responses to Questions 1-23.

We wanted to emphasize the role of technology enablement including XBRL and other web-based structured data standards to improve the cost/benefit of disclosures reporting, improving comparability and connectivity, etc. Two data points are provided -

1. A new report from the Boston College Center for Corporate Citizenship and Ernst and Young concluded that while 2/3 of companies reporting on sustainability use the GRI framework, the same number says difficulties with data collection are among their largest reporting challenges. These results would be even more pronounced for integrated reporting which is broader than ESG/sustainability reporting.

2. In IMA's 5/2/13 webinar with nearly 1,000 global participants, the responses to the question "which is the most significant barrier to IR in your organization" were

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21% lack of appetite from the top

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IMA WISHES TO THANK THE IIRC FOR THE OPPORTUNITY TO COMMENT, AND AGAIN, WE APPLAUD YOUR EFFORTS TO TRANSFORM DISCLOSURES REPORTING AND MOTIVATE INTEGRATED THINKING.