

# Minutes of the Benelux Pilot Programme Meeting

## Subject: The Consultation Draft

When:	7 May 2013	
Where:	NBA-office; Amsterdam	
Present:	Achmea	BN
	Aegon	BN
	BAM	BN
	Ernst & Young	BN
	ING IM	IN
	PGGM	IN
	PwC	BN
	Solvay	BN
Not present:	AkzoNobel	BN
	APG	IN
	BWise	BN
	Deloitte	BN
	Leaseplan	BN
	Luchthaven Schiphol	BN
	Rabobank	BN
	Randstad	BN

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## Report of the meeting

### Individual comments on the Consultation Draft

At the start of the meeting everyone at the table got the opportunity to give his/her comments on the framework. Below you can find the top 10 comments:

1. General agreement is on the fact that the framework is in the right direction and it's hard to not agree with the concepts. Some participants even wanted to increase the ambition level by requiring an integrated report to be the primary reporting document

2. Notwithstanding the previous comments, some participants asked if the current Consultation Draft is sufficiently specific and detailed regarding the end goal; is it improving corporate reporting or is it “saving the world”?
3. Adding to the previous comment into account, there is also almost general consensus that it is very difficult to actually do Integrated Reporting, more guidance should be made available in the near future
4. Changes compared to Prototype Framework are not that fundamental. Even compared to the Discussion Paper the concepts are still materially unchanged
5. Some of the participants still fundamentally disagree with the primary focus being on providers of financial capital. Others argue that this is the primary audience for the report and that you need to take into account all stakeholders to determine relevant topics
6. Many of the current Pilot Programme Businesses are large organizations with more than one business model. For these companies it is difficult to prepare a concise and relevant integrated report
7. The infographics (extended octopusdiagram) contribute positively to the understanding of the framework
8. The attendants noticed that there is no reference made or link to other frameworks such as GRI and that certain concepts of the <IR> framework are very similar to other frameworks, but the wording used is different. This might add to the reporting burden / complexity
9. The guiding principle consistency and comparability should be elaborated more in, as this is key for making Integrated Reporting successful
10. The usability of the Consultation Draft for the primary users was also discussed. Comparability (refer to previous comment) but also the possibility for primary users to rate companies based on their integrated report is imperative

### Consultation questions

After the opening of the meeting with everyone giving individual comments to the Consultation Draft, we discussed the Consultation Questions which are an integral part of the consultation document. We structured the section below to the questions, and left out the questions not applicable / discussed:

1. Should any additional principles-based requirements be added or should any be eliminated or changed? If so, please explain why.
  - *General comment is that it is hard to be against the concept*
  - *There are text fragments / requirements not in bold in the framework, which clearly entail disclosure requirements. The document should be scanned on that*
  - *More elaboration/guidance is needed on legal prohibitions or competitive harm as a reason not to comply with the requirements (also 1.12). The difference between inability and unwillingness needs to be made clear (the latter not being a proper reason not to disclose)*
2. Do you agree with how paragraphs 1.18-1.20 characterize the interaction with other reports and communications?
  - There needs to be a clear statement that the integrated report should be the primary report of the company.*
  - The reasons for not including references is understandable*
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?

*Reference can be made to the adjusted EU-directive in which references are included. Obvious references are GRI, CDP, etc.*

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

*It is not necessary for a company to give obvious reasons for capitals obviously not material. This will endanger conciseness / materiality principle.*

*In general the capital section is too high-level and needs more detail. For example the discussion of trade-offs between capitals is complex and needs guidance.*

7. Do you agree with the definition of the business model? Why/why not?

*In general there is agreement on the definition, refer to question 8.*

8. Do you agree with the definition of outcomes? Why/why not?

*The link between 'outcomes' and value creation is missing. If the capitals are stores of value, the outcomes have a direct link with value creation now and in the future.*

*A general accepted expression is 'license to operate' which might be included in the definition of outcomes. In addition connectivity of outcome to other content elements (strategy, performance, etc.) can be made more obvious.*

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

*Why is Business Model the only part of the Fundamental Concepts that is featured both there as in the Content Elements. Repetition should be prevented.*

*The added value of section 2D is questioned. In addition the information in paragraph 2.45 is partly double with Business activities (2.32).*

*If Value Creation will be part of the framework, innovation should play a more critical role in it as it is considered key for creating value on the long term.*

*The IIRC is keen to point out that this is an Integrated Reporting framework. Nevertheless Chapters 3, 4 and a large part of 5 are about the integrated report. The messaging should be more clear on this.*

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

*The group agreed to the definition, but more guidance should be made available to actually determine material items and stay concise.*

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

*External assurance is important to demonstrate the reliability. Internal audit committees can also give some level of "assurance".*

*When speaking about the combination of guiding principles and content elements (future outlook, opportunities and risks, conciseness, materiality, etc.) there is a high level of judgement involved in an integrated report. The IIRC should investigate whether traditional forms of assurance are sufficient for an integrated report.*

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

*It should be investigated if the guiding principles of Integrated Reporting can be more aligned with GRI without doing harm to the concept of Integrated Reporting.*

*It is the opinion of the group that more alignment can be achieved, which will lead to more acceptance of the framework as concepts are recognized.*

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?

*There are doubts regarding this statement in the group.*

*Main question is what this statement would mean and add in addition to the report and governance disclosure. In addition you can debate that such a “barrier” and liability implications (?) might lead to those charged with governance opting out of Integrated Reporting. Last but not least, the detailed matters in 5.18 are in general difficult to acknowledge for those charged with governance:*

- integrity of the integrated report*
- application of its collective mind to the preparation of the integrated report*
- accordance with framework*

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

*This should remain open to be able to show the maturity of the organization.*

*If assurance does not cover the integrated report as a whole, the report should at least show the ambition to come to assurance that covers the report as a whole.*

*Preparers and assurance providers should be mindful of the expectation gap for readers of the integrated report, especially when only part of the report is assured.*

## Closing remarks

This document represents minutes of the main topics that were discussed in the meeting on 7 June 2013. The minutes are used to feedback general and high-level comments from the Benelux Pilot Programme Network to the IIRC.

These minutes do not intend to give an integral report of what was discussed and do not constitute individual opinions / comments of the participants to both the meeting as the Benelux Pilot Programme. As a result these minutes do not replace detailed individual feedback to the Consultation Draft of the Integrated Reporting framework, as agreed with the participants beforehand.

The participants went through a due process before sharing the minutes with the IIRC. The process has the following steps:

- Preparation of the draft minutes;
- Adjusting the draft minutes after sharing these with the participants to the meeting;
- Informing other participants of the Benelux Pilot Programme Network; and
- Sharing the minutes with the IIRC.