

## 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](http://www.theiirc.org)).

**Comments should be submitted by Monday 15<sup>th</sup>, July 2013.**

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

Organization name:	<input type="text" value="WSBI-ESBG"/>
Industry sector:	<input type="text" value="Financials"/>
Geographical region:	<input type="text" value="Western Europe"/>

### 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.

<p>The framework is quite general, making reports less comparative and complicated for the purpose of assurance.</p> <p>It would be good to deepen into the capitals and look at them in much greater detail, as it is an important part of this framework.</p> <p>It may be worth to consider the possibility of the creation of equivalence tables in relation with other indicators, such as those of the GRI.</p>
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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.*

It would be highly recommended that a table with the basic contents is included in the integrated report so that anyone can recognise it. (Instead of saying that there is an obligation to fulfill the bold italic identified parts).

We agree with both 1.11 and 1.12.

### ***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?*

1.18 We agree on the part where there may be links or connections to other reports. However the paragraphs referring to a global context e.g. "It must be applied to all the relevant reports and communications continuously, including the meetings with analysts and the website's organisation investor relations section", should be tackled by the organisations at a secondary stage. That is to say, once the companies have already done the integrated reports and this philosophy is embedded in the company.

1.19 "The Framework does not describe specific indicators or measurement methodologies." This makes the reports less comparable.

"The IIRC goal is to complement the material developed by the regulatory bodies of reporting standardization and other organisations." We believe that the IIR should be a goal in itself and it should not be used as a complement to other standards used by the companies. It should thus pursue a more ambitious goal. There is no reason why it should develop other standards.

1.20 We agree, although there can be various beneficiaries.

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?*

Standards used by a great number of companies at an international level, such as those from the GRI.

## **Other**

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

## **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?*

The approach to the capitals covers all the important issues related to the capitals that participate in the company's procedures. It seems complete.

The term "manufactured capital" should be replaced by "capital goods".

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

We believe that in the social and relationship capital it could be beneficial for all organizations to include or to try to measure on a voluntary basis the impact generated by their activities, that is, to evaluate the social return.

### ***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?*

It is worthwhile considering the creation of value at a medium and long term.

### **Business model (Section 2C) continued**

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?*

We agree because it is a clear definition of outcomes and impacts.

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)?*

Within the entries it would be very positive to consider some aspects such as intangible assets, human capital, and the social and relational capital, as these aspects may be crucial for the sound development of the company's activities.

2.32 The disclosure of certain types of information, such as information related to what makes the company different from others; the kind of incomes the company generates besides its main activity, etc... seem to be very sensitive information related to a company's strategy.

### **Other**

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

In reference to paragraph 2.36, we believe it is very complicated to consider the capitals of the external organizations. The organization can request information or demand certain commitment, but it is not easy to control the supply chain.

## **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?*

We agree with this approach to materiality.

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

**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?

The company's procedures to ensure reliability must be described.

Regarding internal and external audits, working with stakeholder groups could be considered.

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

**Other**

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

3.34 Balance. The company must convey all the relevant facts, no matter if they are positive or negative. Nevertheless, the demand for equal treatment turns out to be more complicated. There won't be any possibility to compare data unless information standards are defined with accurate indicators.

## 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).

## 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?

In principle it would be enough to identify the body or the people within the organisation who are in charge of the IR report, as well as the measures taken in order to ensure that the provided data are true. The CEO of the company might consider issuing a voluntary declaration assuming responsibilities, if considered relevant.

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

**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?*

In the case of external assurance, it could be necessary for companies to make different reports, regarding financial or non financial information. In any case this is something that should remain an option for companies. Most importantly, the scope of this assurance must be always explained.

*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.*

**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).*

## 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 favour a conceptual framework, because it enables companies to adopt it easily.

## 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?*

We would recommend to prioritise capitals, risks and opportunities, as well as the business model. They are some of the most important parts of the report.

## Other

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

Please save the completed PDF form to your computer and submit via the IIRC website at [www.theiirc.org/consultationdraft2013](http://www.theiirc.org/consultationdraft2013)