

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:	<input type="text" value="Dr Holly T Dublin"/>
Email:	<input type="text" value="hd@bteam.org"/>
Stakeholder group:	<input type="text" value="Other"/>

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

Organization name:	<input type="text" value="The B Team"/>
Industry sector:	<input type="text" value="Not applicable"/>
Geographical region:	<input type="text" value="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.

<p>Given the limits of time and the many comments you will, no doubt, be receiving we would like to convey our thoughts on the Framework primarily with regard to one area - that of natural capital.</p> <p>Our view of the importance of natural capital (among the six-capital framework you have adopted) is that it is best depicted in Section 2B by Figure 4 on page 13 and the words which describe it "...natural capital, which provides the environment in which all other capitals sit".</p> <p>To this end, we feel that more should be made of explaining the role and importance of natural capital; a capital that most businesses do impact somewhere along their value chain. And while this may be true for other capitals, we believe that natural capital is at a higher-level order of importance. While the statement in para 2.18 is true - that not all capitals are equally relevant to all organisations - we also feel that all are not of the same order of importance and priority even when they are applicable to an organisation. Natural capital is, in some ways, a higher order.</p> <p>For us, this means that under Section 4F Performance, para 4.27, and the paras in that section that follow, that more guidance could be given for the measurement of outcomes occurring as the result of an organisation's impacts on the capitals. Both positive and negative impacts should be measured and valued and, therefore, additional guidance on tools (either those available or those under development) could be worthwhile.</p> <p>Under Section 5B - we are favourable to the breakdown by relevance, importance and prioritization - along the same lines as the comment above. However, we feel this assessment should include steps that also view the relevance, importance and prioritisation of capitals relative to one another - in other words, also making judgment of one capital's materiality relative to another in terms of its impacts on the creation of value.</p>
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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 believe that this is certainly a step in the right direction. One next step could be more proactive work may be needed to try to draw together the evolving U.S.-based approach with that of the IIRC before things go too much further. The further into the future this is attempted, the more difficult it is likely to become. There are no guarantees that these basically different ways of looking at the same coin can be reconciled but it is certainly worth a real effort. Perhaps a push from U.S. based companies running pilots for the IIRC could lead the way in trying to bridge emerging gaps.

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?*

- Information on measuring (and, where possible, monetising) the capitals, and, importantly, externalities.
- The importance of taking a longer-term perspective on understanding, measuring and reporting in terms of the organisations impacts on the capitals and, in turn, the effects of these impacts on value creation.
- Any information on the growing importance of the potential long-term effects of negative impacts of an organisation on the capitals (particularly natural and social capitals) to the financial providers (the investment community overall) and consumers as well as the accompanying risk to the underlying medium to long-term sustainability of a business of underplaying or underestimating these impacts.

These are likely to be the types of levers that businesses are most likely to assimilate and respond to once they come to better understand them.

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