

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:

Email:

Stakeholder group:

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

Organization name:

Industry sector:

Geographical region:

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.

This response reflects the view of Deutsche Asset & Wealth Management (DeAWM) as providers of capital. Our opinion is that integrated reporting is a necessary development in corporate reporting.

As an active investment manager DeAWM Active (DWS Investment GmbH, DWS Investment S.A., Deutsche Asset Management International GmbH, Deutsche Asset Management GmbH) takes its fiduciary responsibilities very seriously. In this function AWM Active manages assets on behalf of their clients and is obliged to pursue and protect their interests. AWM Active's primary target for their clients is to optimize the risk return profile for equity investments or limiting downside risks for fixed income investments. Environmental, social and corporate governance (ESG) considerations are increasingly important aspects of reaching the goal of sustainable company success and are to be taken into account by DeAWM Active in achieving superior performance and serving its clients. As a result, although DeAWM Active corporate analysis considers key financial data and economic merit as the main criteria in making investment decisions, DeAWM Active also takes into account non-financial aspects, both for risk assessment and contribution to performance where the interests of the clients may be

simultaneously served.

We hope that the framework will promote “integrated thinking” and will help to integrate ESG considerations in the strategies of the companies.

With a long-term view, we would expect the IIRC to:

1. adapt the framework to facilitate the assurance of the information included in there and
2. update on best practices. So that the companies receive further guidance on possible information presentation format and performance indicators that could be arising from leading companies.
3. Keep the existing definition that the providers of capital are identified as the primary intended user.

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.*

We would not eliminate or change anyone. However, additional principles could be added in the future in case considered necessary.

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?*

Yes, these paragraphs promote overall our view that the framework should not be used for an additional report but rather an integration of different reports and also using the same reporting philosophy for other types of company communication that are more dynamic than the yearly annual report. The framework should be the heart of the annual report. We would welcome the Integrated Report to become the principal document that the companies

are required to file as statutory report. Additionally, it should be complemented with the annual accounts and auditor opinion (assurance).

However, we would like to warn that no integrated report would be able to be done properly without getting the support of the top management and corporate governance of the company.

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?*

DeAWM corporate analysis considers and relies on key financial data and economic merit but not as the only criteria in making investment decisions. In addition, we also take the quality of the ESG reported content into account. As stated in our "Environmental, social and corporate governance guidelines for portfolio management ", we support the following standards: GRI, EFFAS, DVFA KPI`s, Integrated Reporting, German Sustainability code.

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?*

Yes, in general terms.

We consider useful the concept behind the "capitals" however, as providers of capital we are accustomed to use it just for financial and human capital and not as "stores of value". Therefore, the use of the word "capital" has caused some discussions.

In our opinion, it would be very useful if you could emphasize more the concept of STORES OF VALUE in order to avoid misunderstandings. For example, through an example or appropriate graph.

From an investor's perspective, the focus should be on one hand on the increase or decrease of these stores of value and on the other hand on the impact that this is having on the company's financials and competitive position. With all this information, we would be able to get best risk-adjusted returns in our investments.

The current Framework presents value creation as the sum of the value created with all the capitals. For investors it would be very helpful if companies would give details not just on the material issues within every capital but also how the company translates this in a better competitive position and profit generation over the short-, medium-, and long-term.

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

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?*

Yes, we agree

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, we agree

To this respect, we would welcome if companies would put special effort in quantifying, measuring and at the end monetizing these outcomes.

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)?*

With respect to page 14 last paragraph on "social and relationship capital": we would rather keep a "broader" concept than technology and would prefer to substitute "technology" with "INNOVATION".

Furthermore, in the section 4E (4.23 last paragraph): "connection to", we would also add here: "...connection to mission and license to operate".

As investors, we acknowledge that for conglomerates it will be specially challenging to follow the model however we encourage the companies to use it. At the end, the value of the company would be assessed through the different business models and therefore it would be very helpful to get the information in this format.

Other

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

page 28 (4.28 paragraph: "the state of key stakeholders..." we would add the necessity of explaining..."the process that ensures identification of key issues and how the process is designed to adapt and cope with changes".

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?

Yes

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?

In our opinion, the reliability of an integrated report should definitely be demonstrated through an appropriate level of internal and external assurance.

External assurance will definitely have to be applied with different levels depending on the information that has to be assured.

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

We would be in favor of adding that those charged with governance should provide a statement of compliance with the IIRC framework.

Other

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

in the chapter 3, point 3.52 last paragraph

we would suggest to change it in the following way: " In order to enhance comparability, the company should make use of powerful tools like:

-.....

-....

-...."

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?

Yes, definitely.

As already mentioned in question 14, we would expect those charged with governance to provide a statement of compliance with the IIRC framework. This should be mandatory and checked by the internal and external auditor.

This should apply independently of whether the person (with governance) also has to ascertain the reliability and completeness of the financial numbers.

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

5.18 As required by paragraph 4.5, an integrated report should identify the governance body with oversight responsibilities for IR. It SHOULD (please replace "may" by "should") include a statement from that body regarding the following matters:..."

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 our opinion, it should cover the integrated report as a whole. Obviously, in the early stages of the IR Framework it may be unrealistic to assure the whole report with the same degree of assurance. Assurance providers will have to come up with an appropriate due diligence process depending on the issues to be assured. The more established and robust the information process of the company becomes the better the level of assurance that can be given.

As investors, reliability and credibility through external assurance is KEY.

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.*

We as users of integrated reports, want to be sure that the companies see the need to assure reports complying with the framework on the one hand and information contained in there on the other hand.

Suitable protocols will have to be created by assurance providers.

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 definitely think that the Framework is appropriate in general terms for preparing an integrated report. We think that it would be very helpful for management teams and investors to install "integrated thinking" in a more structured way across the different divisions of a company and in the investment process. Since an integrated report cannot be done without applying integrated thinking in the organization.

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. Rather than explanatory material, we would welcome to get more management teams involved with the IIRC and not just the communication department.

2. Updates (regular publications) on examples of best practices for the different parts of the Framework.

3. Help companies to understand the links between their current statutory disclosure obligation in their jurisdiction and the IR Framework.

Other

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