

ANALYSIS OF FRAMEWORK

CHAPTER 1: OVERVIEW – ONLINE DATABASE

Question 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?

NOTE: This objective analysis includes only the most prevalent, significant or controversial issues as far as they relate directly to the content of the Consultation Draft of the International <IR> Framework¹, for the attention of the Working Group and therefore not all matters raised in submissions are referenced in it.

Drafting this analysis involved considerable judgment in deciding how to categorize comments into issues/themes and how to summarize the underlying positions. Statistics have been included to provide a snapshot and starting point for analysis. Although the statistics indicate the prevalence of different views, due consideration will be given to the substance of all positions expressed.

In total the IIRC received 359 submissions to the Consultation Draft. 352 are included in this analysis. The remaining 7 submissions (of which 6 were late and one was in too complex for collation) are being reviewed separately.

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A – OVERVIEW

- A1 Of the 352 responses to the Consultation Draft, 258 (73%) of people responded (primarily from Western Europe) to the question, with 94 abstaining.
- A2 As evidenced by the number of comments and provision of sources, there is a clear support the creation of an authoritative <IR> database (90%). In addition to a database, many respondents would additional guidance on a number of issues including sector specific requirements and best reporting practices.
- A3 118 different sources were recommended by respondents for consideration in such a database. GRI and IFRS/IASB are the two most quoted standards setters which respondents feel should be included in any IIRC database (receiving 23% of all recommendations), followed by IFAC, Carbon Disclosure Project (CDP) and Greenhouse Gas Protocol.

¹ <http://www.theiirc.org/consultationdraft2013/>.

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A4 The top 10 recommended sources include;

Source	% of recommendations
Global Reporting Initiative	13%
IFRS/IASB	10%
CDP (formerly Carbon Disclosure Project)	6%
Greenhouse Gas Protocol	5%
IFAC	4%
International Public Sector Accounting Standards Board	3%
The Institutional Investors Group on Climate Change (IIGCC)	3%
XBRL	3%
UNEP-Finance Initiative	3%
Climate Disclosure Standard Board	3%

A full listing of all sources recommended by respondents has been included in section D below.

A5 The key concerns that were raised were in relation to clarifying the IIRC's remit, if it should be the role of the IIRC to create a database, and what the relationship between the <IR> Framework and established reporting practices will look like.

B – SUPPORT FOR CREATING AN AUTHORITATIVE IIRC DATABASE

B1 Out of the 251 respondents 228 (90%) supported the creation of a database and/or recommended sources to be included, or provided additional comments and/or suggestions.

B2 A snapshot of respondents offering support for the online database:

- *The creation of an online database of authoritative sources of indicators or measurement methods will be an important tool to evaluate the quality of all the reports disclosed and the adherence to the Framework concepts.... (#113)*
- *We agree that such a database would be very helpful and we are in the process of developing such a database ourselves, which will be a free, public resource and will be made available to IIRC and others. ... (#193)*
- *We encourage the IIRC to take this opportunity to streamline disclosures and include in the draft Framework the appropriate frameworks, measures and indicators that entities may use. We think that the results from IIRC's Pilot Programme and its Examples Database may be useful for this purpose ...(#29)*
- *IIRC should develop its own authoritative and principles-based comprehensive standards for <IR> including specific indicators and measurement methods because referencing other extant standards may not serve the purpose of achieving uniform and comparable <IR> by the entities...(#68)*

B3 A snapshot of respondents offering suggestions/comments in addition to support:

- *Internationally recognized standards should be favored if such database were to be created: the IFRS, the Global Compact, the GRI, ISO norms...(#08)*
- *References may be made by combining IAS and IFRS. Of course the organisation may have the liberty to use their respective country accounting standard... (#10)*
- *Such a database of sources could be helpful to preparers and users. However, before we could support such a measure fully, we would need to understand the accreditation process and criteria for organisations to be included...(#108)*

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- *If IIRC uses existing references, it implies that integrated reporting tends to be duplication and accumulation of other reporting standards. Before doing so, IIRC should provide unique indicators or measurement methods...(#126)*

B4 In summary the need for “comparability” across sectors and country specific reporting guidelines is raised by many respondents as the key reason for supporting the creation of an online database, and additional guidance on sector specifics, industry best practices standards and the view of internationally established bodies like IASB and GRI is a must to many people.

C - CONCERNS OVER CREATING AN AUTHORITATIVE IIRC DATABASE

C1 Critics of the proposal cite; the wealth of existing information, the need not to be prescriptive and lack of data proving that the adoption of additional standards like <IR> would improve company performance, as reasons against the creation of such as database.

C2 Additional concerns are raised over the need to keep the reporting burden under control and request more clarity as to the role of the IIRC and the IR framework in relation to established reporting bodies and practices.

C3 A snapshot of respondents with concerns over the creation of an IIRC online database, or reasons why it is not recommended:

- *“A standard set of indicators across diverse industries and sectors does not work in practice (#129)*
- *“Given that each industry, and indeed each organization, has a unique set of circumstances and strategy, it is not feasible to provide definitive suggestions of indicators or measurement methods (#131)*
- *“The IIRC does not need to prepare an on-line database of authoritative sources of indicators or measurement methods. There is sufficient information available already.(#150)*
- *“A degree of caution is warranted here as there may be, through some suggestion of prescription, an undermining of the principle-based approach favoured in the draft Framework as it presently stands. Likewise, any suggestion of the development of templates would seem a ‘bridge too far’ and contrary to the experimentation that must necessarily take place with a relatively novel approach to corporate disclosure...” (#94)*
- *“This practice will make the IIRC the arbitrator of reporting practices and guidelines. The IIRC is not legitimately constituted to do this...”(#259)*

D - LISTING OF SUGGESTED REFERENCES

SOURCE/STANDARD/Framework	Number of references
Global Reporting Initiative	196
IFRS/IASB	152
CDP (formerly Carbon Disclosure Project)	93
Greenhouse Gas Protocol	73
IFAC	56
International Public Sector Accounting Standards Board	52
The Institutional Investors Group on Climate Change (IIGCC)	42
XBRL	39
UNEP-Finance Initiative	39
Climate Disclosure Standard Board	39
SASB	37

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UN-PRI	37
The International Council on Mining and Metals (ICMM)	31
UNEP	25
ISO 26000/14001	24
Gruppo di studio per il Bilancio Sociale	23
Project Delphi (Europe)	21
WBCSD	21
World Intellectual Capital Initiative (WICI)	21
The Transparency International Business Principles For Countering Bribery.	21
International Auditing and Assurance Board	20
ILO	19
UNGC COP	19
DVFA/EFFAS	19
Dow Jones Sustainability Index	19
World Resources Institute (WRI)	18
UN Human Development Index	18
International Petroleum Industry Environmental Conservation Association (IPIECA)	17
UNEP-FI	14
OECD principles for MNEs	13
UN Global Compact	11
BenchmarkIndex	11
The Committee of Sponsoring Organizations of the Treadway Commission (COSO) USA	11
London Benchmarking Group	9
GAAP	9
Water Impact Indicator	9
Accounting Standards Board (UK), 'Operating and Financial Review'	8
Eco-Management and Audit Scheme	8
FTSE4Good	8
ESG principles defined by European Commission	7
King Code of Corporate Governance for South Africa (King III)	6
The Economics of Ecosystem and Biodiversity (TEEB)	6
German Sustainability Code (DNK)	6
SEC Edgar. Interactive Data with XBRL.	6
National Institute of Standards Technology (NIST)	6
OHSA	5
Deloitte, 'Added value, long term: non-financial sustainability key performance indicators on their way into financial reports of German companies' DVFA, Germany	5
Trucost	5
Global Footprint network	5
Loi Grenelle in France	5
European Business and Biodiversity Campaign	5

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The World Bank (1997) Expanding the Measure of Wealth: Indicators of Environmentally	5
EMAS	4
National Institute of Standards	4
The European federation of financial analysts societies	4
DVFA Effas KPIs for ESG	4
US Securities and Exchange Commission, 'Management's Discussion and Analysis of Financial Condition and Results of Operations'	4
Confidence Accounting	4
ACSI/FSC ESG Reporting Guide for Australian Companies	4
UN CEO Water Mandate	4
OECD Due Diligence Guidance for Responsible Supply Chains from Conflict-Affected and High Risk Areas.	4
Canadian CPA Management's Discussion and Analysis: Guidance on Preparation and Disclosure	4
International Valuation Standards Council (IVSC)	4
Q-Res Project	3
Key Risk Indicators	3
Australian Institute of Company Directors & PricewaterhouseCoopers, 'Shareholder friendly report'	3
Institute of Chartered Accountants in Australia, 'Extended performance reporting: an overview of techniques'	3
Australian Securities Exchange (ASX), Listing Rule 3.1 and Guidance Note 8 on continuous disclosure	3
Stockholm environmental Institute	3
New Economics Foundation (NEF)	3
Equator Principles	3
AECA. Integrated Scoreboard	3
ASX Corporate Governance Council Principles and Recommendations	3
SEBI: Securities and Exchange board of India, requirement on BRR (Business Responsibility Reporting)	3
Australian Accounting Standards Board (AASB)	3
Standards from the Japanese Environmental Agency	3
Brazilian stock exchange Corporate Sustainability Index (ISE)	3
National voluntary guidelines on social responsibilities of business (India)	3
BRR: [new] Business Responsibility Report (mandated for top 100 listed companies in India)	3
International Association for the Measurement of Evaluation and Communication.	3
US SIF Foundation's 2012 Report on Sustainable and Responsible Investing Trends in the United States a	3
CPA Canada's publication series Future Value Drivers.	3
Canada is CMA Canada's publication series "Future Value Drivers"	3
Global Initiative for Sustainability Ratings (GISR)	3
International Public Sector Accounting Standards Board (IPSASB)	3
The Malaysian Accounting Standards Board (MASB)	2
Associazione Bancaria Italiana	2

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AccountAbility	2
CSR-SC Project	2
The Data Warehousing Institute	2
Ethical Markets' Ethical Biomimicry Finance	2
Canadian Institute of Chartered Accountants, 'MD&A Guidance on Preparation and Disclosure'	2
CFA Institute, 'Environmental, Social, and Governance factors at Listed Companies: a Manual for Investors'	2
Canadian Institute of Chartered Accountants, 'MD&A Guidance on Preparation and Disclosure'	2
The Norwegian Society of Financial Analysts, 'Recommended guidelines for the reporting of additional information on value creation'	2
SROI Network	2
CNMV. Spanish Securities and Exchange Commission XBRL financial metrics	2
Environmental Reporting Guideline" published by the Ministry of Environment Government of Japan	2
National Accounting Standards for India	2
National cost accounting Standards for India	2
Ibase Social Balance Sheet	2
Indian National Voluntary Guidelines	2
Indian National cost accounting Standards	2
SEBI: securities and exchange board of India	2
The Natural Step	2
Chartered Institute of Public Relations (CIPR)	2
Triple Bottom Line concept	2
World Economic Forum (Global Risk Report)	2
International Corporate Governance Network (ICGN)	2
WorldWatch state of the world	1
Universities Superannuation Scheme, James O'Loughlin and Raj Thamotheram, 'Enhanced analytics for a new generation of investor'	1
The Hauser Center's KPIs	1
The Marine Stewardship Council,	1
The Forestry Stewardship Council,	1
The Alliance for Water Stewardship	1
Marketing Accountability Standards Board	1
GISR - Global Initiative for Sustainability Ratings	1