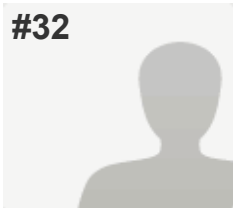


#32

**COMPLETE****Collector:** Web Link 1 (Web Link)**Started:** Tuesday, April 18, 2017 7:34:00 AM**Last Modified:** Friday, April 28, 2017 6:24:01 PM**Time Spent:** Over a week**IP Address:** 83.142.151.178**PAGE 2: Multiple capitals****Q7: Q1(a) What is your experience with the multiple capitals approach in integrated reports?***Respondent skipped this question***Q8: Q1(b) What, if anything, should be done and by whom to improve this aspect of implementation?**

The Framework states that “all organizations depend on various forms of capital for their success” (paragraph 2.10 of the International <ir> Framework) and notes that one of the aims of Integrated Reporting is to “enhance accountability and stewardship for the broad base of capitals (financial, manufactured, intellectual, human, social and relationship, and natural) and promote understanding of their interdependencies” (page 2 of the International <ir> Framework).

We consider that the multiple capitals approach developed in the international <ir> framework is totally relevant to organize and structure ideas and thinking. Moreover, the framework is compatible with the different local laws and regulation we have in France and at EU level. We therefore fully support the multiple capitals approach.

We would like to stress the fact that the multiple capitals approach is still at an experimental phase in many entities and we urge the IIRC not to change anything to it while it is being experimented, otherwise it will become a moving target for the entities.

**PAGE 3: Connectivity and integrated thinking**

**Q9: Q2(a) What is your experience with connectivity in integrated reports as an indication of integrated thinking and/or enabler of enhanced decisions?**

*Respondent skipped this question*

**Q10: Q2(b) What, if anything, should be done and by whom to improve this aspect of implementation?**

The Framework notes that one of the aims of Integrated Reporting is to “support integrated thinking, decision-making and actions that focus on the creation of value over the short, medium and long term” (page 2 of the International <IR> Framework).

Integrated thinking is “the active consideration by an organization of the relationships between its various operating and functional units and the capitals that the organization uses or affects” (page 33 of the International <IR> Framework).

While the extent and quality of an organization’s integrated thinking can be difficult to judge, the connectivity of information in its Integrated Report can provide some insights; as the Framework notes: “The more that integrated thinking is embedded into an organization’s activities, the more naturally will the connectivity of information flow into management reporting, analysis and decision-making, and subsequently into the integrated report” (paragraph 3.7 of the International <IR> Framework).

The guidance to the requirement about connectivity includes the connectivity between:

- The Content Elements
- The past, present and future
- The capitals
- Financial information and other information
- Quantitative and qualitative information
- Management information, board information and information reported externally.

We believe that the key for connectivity and integrated thinking is based on following factors:

- The implementation of a risk based approach (Criticality Matrix);
- The governance’s involvement in the preparation of the Integrated Report.

We consider that the integrated report has to be managed and supervised by the top management of the entities (i.e., at a minimum a member of the Executive Committee).

**PAGE 4: Key stakeholders’ legitimate needs and interests**

**Q11: Q3(a) What is your experience with the identification, in integrated reports, of key stakeholders’ legitimate needs and interests and how those needs and interests are considered and addressed?**

*Respondent skipped this question*

**Q12: Q3(b) What, if anything, should be done and by whom to improve this aspect of implementation?**

The Framework requires an Integrated Report to “provide insight into the nature and quality of the organization’s relationships with its key stakeholders, including how and to what extent the organization understands, takes into account and responds to their legitimate needs and interests” (paragraph 3.10 of the International <IR> Framework).

While many Integrated Reports identify key stakeholders and describe aspects of the nature and quality of the organization’s relationships with them, it appears to be less common for reports to clearly articulate how and to what extent the organization understands, takes into account and responds to key stakeholders legitimate needs and interests.

In this context, we consider that all organizations should, as a good practice, put in place a process to identify their key stakeholders in order to understand and then to adequately respond to their needs and concerns. As a matter of fact, the key stakeholders go beyond financial investors.

**PAGE 5: Materiality and value creation**

**Q13: Q4(a) What is your experience with the Framework's definition of materiality, in particular: • Application of the value creation lens? • Use of different time periods to identify material matters?**

*Respondent skipped this question*

**Q14: Q4(b) What, if anything, should be done and by whom to improve this aspect of implementation?**

The Framework requires an Integrated Report to answer the question "How does the organization determine what matters to include in the integrated report?" (Paragraph 4.40 of the International <IR> Framework), which involves disclosures about the organization's materiality determination process (paragraph 4.42 of the International <ir> Framework).

There is considerable guidance in the Framework about materiality (paragraphs 3.18-3.35 and paragraphs 4.50-4.52 of the International <ir> Framework), all of which is premised on the definition of material/materiality: "A matter is material if it could substantively affect the organization's ability to create value in the short, medium or long term" (page 33).

We consider that the notion of materiality and its assessment is based on an iterative process that is necessary to understand the magnitude of the matter's effect on financial and non-financial items and to identify if a matter is material or not. As mentioned in paragraph 3.22 of the International <IR> Framework, we believe that it is crucial to link the value creation to the 6 categories of capital and the needs of key stakeholders to improve the implementation of materiality and value creation in the integrated report. In this context, the concept of value creation should be expressed in the plural form, i.e. "creation of values" or "added values".

What is important is not to equate materiality in the integrated reports with materiality in the Financial Statements; otherwise everything that does not give rise to a short term significant financial risk will not be reported in the integrated report.

**PAGE 6: Conciseness**

**Q15: Q5(a) What is your experience with the conciseness of integrated reports?**

*Respondent skipped this question*

**Q16: Q5(b) What, if anything, should be done and by whom to improve this aspect of implementation?**

The Framework requires an Integrated Report to be concise (paragraph 3.36 of the International <IR> Framework). Few, if any, other reporting frameworks/standards include an explicit requirement about conciseness.

The Framework does not define "conciseness", or offer a benchmark with respect to report length. Rather, the guidance to the conciseness requirement states that a report "includes sufficient context to understand the organization's strategy, governance, performance and prospects without being burdened with less relevant information", refers to the need for balance "between conciseness and the other Guiding Principles, in particular completeness and comparability" and provides a number of pointers that can help achieve conciseness (paragraphs 3.3 and 3.38 of the International <IR> Framework).

We consider that it is important to make the Integrated Report as concise as possible. This report must be defined and seen as an extract of the key messages of the entity. It could be a standalone report or directly included in the annual report. A mean to reach this ambition is to use diagrams or graphical information.

**PAGE 7: Business model – outputs and outcomes**

**Q17: Q6(a) What is your experience with the reporting of business model information, particularly outputs and outcomes?**

*Respondent skipped this question*

**Q18: Q6(b) What, if anything, should be done and by whom to improve this aspect of implementation?**

The Framework requires an integrated report to answer the question “What is the organization’s business model?” (Paragraph 4.10 of the International <IR> Framework). An organization’s business model is “its system of transforming inputs, through its business activities, into outputs and outcomes that aims to fulfil the organization’s strategic purposes and create value over the short, medium and long term” (Paragraph 4.10 of the International <IR> Framework).

The Framework’s Glossary defines:

- outputs as “an organization’s products and services, and any by-products and waste” and
- outcomes as “the internal and external consequences (positive and negative) for the capitals as a result of an organization’s business activities and outputs” (page 33 of the International <IR> Framework).

While many Integrated Reports include a discussion of the organization’s business model, reporting on outcomes and distinguishing them from outputs appears to be a challenge. This is why we encourage the IIRC to provide on its website a database with examples of integrated reports. This database should be regularly updated.

## PAGE 8: Those charged with governance / Framework identification

**Q19: Q7(a) What is your experience with whether reports: (i) identify the involvement of those charged with governance, and (ii) indicate that they are presented in accordance with the Framework? What are the implications of excluding such information?**

*Respondent skipped this question*

**Q20: Q7(b) What, if anything, should be done and by whom to improve these aspects of implementation?**

The Framework requires (paragraph 1.20 of the International <ir> Framework) an Integrated Report to include a statement from those charged with governance that acknowledges their responsibility for ensuring the integrity of the report and that they have applied their collective mind to its preparation and presentation. The statement also provides their conclusion about whether the report is presented in accordance with the Framework .

Even if we are in favor of such a statement, we consider that obtaining such a statement should be a mid-term objective (i.e. a goal within 3 years).

In practice and in a first phase, this could be an impediment to the development of Integrated Reports. This is why we consider that the main priority as of today is to obtain the involvement of those charged with governance in the preparation of the Integrated Reports. We believe that reports in which those charged with governance would not be involved would not only lack credibility, but they would bar the risk of increasing the skepticism of the public and could ultimately discredit the broader Integrated Reporting movement.

In a second phase when an assurance report will be request, such a statement will be necessary.

## PAGE 9: Other Guiding Principles

**Q21: Q8(a) What is your experience with the application of these remaining three Guiding Principles in integrated reports?**

*Respondent skipped this question*

**Q22: Q8(b) What, if anything, should be done and by whom to improve these aspects of implementation?**

The Framework identifies seven Guiding Principles. Four of these are the subject of questions above concerning Connectivity of information, Stakeholder relationships, Materiality and Conciseness. The remaining three Guiding Principles are:

- Strategic focus and future orientation
- Reliability and completeness
- Consistency and comparability.

We agree with these remaining three guiding principle. We consider that these principles represent more internal than external principles, since each entity has to present its own fundamentals.

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**PAGE 10: Other Content Elements**

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**Q23: Q9(a) What is your experience with how these remaining Content Elements are reported in integrated reports?**

*Respondent skipped this question*

**Q24: Q9(b) What, if anything, should be done and by whom to improve these aspects of implementation?**

Framework identifies eight Content Elements. One of these (i.e. Business model) is mentioned above. The remaining seven Content Elements are:

- Organizational overview and external environment
- Governance
- Risks and opportunities
- Strategy and resource allocation
- Performance
- Outlook
- Basis of preparation and presentation.

We consider that one content element is missing and should be added, i.e. values of the governance.

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**PAGE 11: Other quality issues**

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**Q25: Q10(a) Aside from any quality issues already raised in Q1-Q9, what is your experience with the quality of integrated reports?**

*Respondent skipped this question*

**Q26: Q10(b) What, if anything, should be done and by whom to improve this aspect of implementation?**

Based on our experience, our feedback on the quality of integrated reports is fairly positive. We consider that such reports are useful to the intended users.

Concerning the quality issue, we encourage the entities to adress the content element regarding risks and opportunities in a pedagogical and synthetic way.

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**PAGE 12: Other enablers, incentive and barriers**

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**Q27: Q11(a) What is your experience with enablers, incentives or barriers to Framework implementation not covered by other questions, including the extent to which they apply particularly to:**

- Specific jurisdictions?
- Large or small organizations?
- Private, public or non-profit sectors?
- Different stages of Framework implementation?

*Respondent skipped this question*

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**Q28: Q11(b) What, if anything, should be done and by whom to improve these aspects of implementation?**

We consider that the implementation of the Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups should be an enabler and an incentive to the implementation of the <IR> Framework.

Moreover, another incentive would be to place emphasis on the fact that the Integrated Report should aim to replace one or more existing report(s), including the report on the human resources; environmental and social information included in the management report, and not to be an additional report.

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