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**Q7: Q1(a) What is your experience with the multiple capitals approach in integrated reports?**

We support the multiple capitals approach that underpins <IR>, but are aware that companies tend to find its adoption very challenging in practice. The current guidance is a reasonable starting point but more clarity is needed on its use, highlighting for example that each of the six capitals need only be referred to when considered relevant to the company, that others may be identified by the company, that they are not necessarily of equal weight, and that they do not necessarily need to be described in the terms used in the Framework. There should also be an explicit link made in the Framework between strategy and the capitals.

**Q8: Q1(b) What, if anything, should be done and by whom to improve this aspect of implementation?**

This might involve some changes to the Framework in due course, although greater guidance could be provided in the meantime. In addition, and importantly, as the primary users according the Framework are investors, it would be very helpful to clarify that in this context the other capitals should be considered first and foremost in terms of their ultimate impact on financial capital.

**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?**

The quality of current practice in the UK is variable, although we think that connectivity will improve naturally as integrated thinking improves and that the improvements we suggest in our answer to question 1 would help improve practice in this area.

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

*Respondent skipped this question*

**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?**

We do not find the rationale behind this question to be very clear. In our view the focus should be on explaining to financial capital providers how the interests of other stakeholders are taken account of in the context of how other stakeholders contribute to value creation.

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

In the UK, there have been improvements in practice in this area, but generally reporting is not done very well. For example, reference to employee engagement can be superficial and reports tend to ignore longer term and contentious issues, for example the implications for employees of future automation because of the potential trade-offs between investment in people and machines/artificial intelligence.

**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?**

We believe that a single approach to materiality is needed, given that IFRS reporting and <IR> both focus primarily on the investor. This an area where the IIRC could usefully provide more certainty for preparers.

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

*Respondent skipped this question*

**PAGE 6: Conciseness****Q15: Q5(a) What is your experience with the conciseness of integrated reports?**

Conciseness is important but is not an objective we would support in isolation. The proper application of materiality and a focus on clarity, balance and understandability are more relevant.

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

In our view 'clear and concise' would be a better aspiration than conciseness alone. The appropriate length of an <IR> will after all vary according to the complexity of the business and its operations.

**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?**

Many companies find the effective articulation of the business model as anticipated in the Framework challenging. The results can sometimes lack authenticity. We suggest that the IIRC makes further work in this area a priority, perhaps referring to the recent report of the FRC's Financial Reporting Lab.

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

*Respondent skipped this question*

**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?**

In our view <IR> reporting is still at an early stage and it would be premature to emphasise these sorts of formalities while companies focus on embedding integrated thinking within their operations and moving over time towards full implementation of the Framework. In the UK we see no correlation between signs of good integrated thinking/reporting and claims to be in compliance with the Framework.

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

*Respondent skipped this question*

## PAGE 9: Other Guiding Principles

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

We consider the principles and their application to be adequate at this stage. In due course more guidance will be needed and more linkage to the results of the IIRC's work on assurance.

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

*Respondent skipped this question*

## PAGE 10: Other Content Elements

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

We note that practice will often depend on local reporting and governance requirements, and that commercial sensitivity will inevitably mean that there are limits to the disclosure of long term strategic opportunities.

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

*Respondent skipped this question*

## PAGE 11: Other quality issues

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

The quality of <IR> reports will naturally vary around the world in line with the maturity of the market in each jurisdiction, and local legal, regulatory and governance regimes. The quality of <IR> reporting in the UK is variable, although it is early days and we expect it to improve over time as learning and experience of applying the principles of the <IR> framework deepen.

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

We suggest that a key objective for the IIRC in the next year or two should be identifying best in class innovative practice and ensuring examples are made as accessible as possible.

## PAGE 12: Other enablers, incentive and barriers

**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?**

Key barriers to progress are in our view the complexity of the reporting landscape and the relationship of <IR> with other reports, including sustainability reports and, in the UK, the strategic report and audited financial statements. We encourage the IIRC to work with regulators and standard setters to try reduce this complexity and uncertainty. There is an important role for the Corporate Reporting Dialogue here too.

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

The variety of views amongst investors about what constitutes good corporate communication, limited understanding of the multi-capital approach and the variable interest of investors in <IR> also remain significant barriers to the widespread adoption of the Framework. Investor awareness and education should continue to be a priority for the IIRC and its partner organisations.

There are particular challenges for smaller organisations wishing to apply <IR>, including limited resources and expertise. The IIRC should consider what practical steps could be taken to help such organisations to apply the key principles of <IR> and to explain the relevance to them of the benefits of integrating thinking and reporting.

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