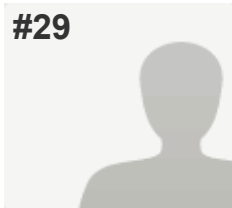


#29

**COMPLETE****Collector:** Web Link 1 (Web Link)**Started:** Monday, April 17, 2017 11:57:50 PM**Last Modified:** Friday, April 28, 2017 8:00:11 AM**Time Spent:** Over a week**IP Address:** 165.225.98.61

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**PAGE 2: Multiple capitals****Q7: Q1(a) What is your experience with the multiple capitals approach in integrated reports?**

During the first few years of the company's involvement, we were not inclined to make explicit reference to the multiple capitals approach as the language was too complex for stakeholders and was inconsistent with the language generally used by the external audience as well as report preparers. Instead, we made more implicit references to the relationship between capitals (i.e. investing in our people [human capital] to improve relationships with customers [social capital]. In our most recent report, we introduced language identifying the capitals in relation to our business model, however, we are yet to fully implement a multiple capital approach to disclosure throughout the report.

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

It is acknowledged that it is part of the report preparer's responsibility to understand how the multiple capitals can be applied in a meaningful integrated report for their company.

However, as <IR> is still in development stages, it is crucial that the IIRC provide adequate and practical supporting information to guide companies in their preparation of this information.

A lack of relevant, local examples in the marketplace to learn from is a barrier. This is likely to evolve as <IR> grows and becomes more prominent.

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**PAGE 3: Connectivity and integrated thinking**

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

Our experience to date would suggest that while integrated thinking is generally applied to decision-making, this does not always translate to connectivity being reflected in the integrated report. There has, however, been an increase in how explicit linkages are made between various areas of the report.

Our intended audiences of investors, customers, staff and other interested community stakeholders have provided feedback that they would prefer to see more explicit links drawn by us as to how and why information is connected. For example, we have a customer-centric strategy however, we need to understand and connect the impacts of decisions made on multiple capitals. We also need to consider how the disclosure of the importance of human capital performance indicators can be linked back to our strategy.

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

Continuing to enhance the guidance documents available to report preparers will help improve the understanding of overall connectivity principles required in the reports.

Companies should also seek to assess their reports regularly with their intended audience.

The Report Critique project conducted by the IIRC is incredibly valuable, as many companies are often trying to drive progress with limited locally relevant examples to use as guidance.

Access to report databases highlighting strong examples of particular elements of the framework also play a useful role.

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

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**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?**

As our report is targeted towards a range of stakeholders such as investors, customers, staff and other interested community stakeholders, we present information on how we consider and address their needs based on what they have told us they want to know.

This is an evolution of how we disclose the way we identify, prioritise and respond to stakeholder concerns in sustainability or GRI reporting.

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

It can at times be challenging to understand how best to articulate how the company seeks to consider and address stakeholders' needs and interests.

In our integrated report, we provide an outline of our ongoing stakeholder engagement processes, key issues raised through these engagements and a few 'case study' examples of how we have implemented change.

It would be useful for the IIRC to provide more detailed guidance on how to approach this aspect of the framework. Again, a bank of 'best practice' examples in reports would be useful.

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**PAGE 5: Materiality and value creation**

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**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 maintain a single 'ESG materiality' process which has slight differences in the validation and review stages for reporting based on the GRI Standards and <IR> Framework. The approach is considered to be the most efficient way to address a wide range of requirements.

Applying a 'value creation' lens to the materiality process is useful, however, there is a significant degree of uncertainty when considering the magnitude of themes, particularly in determining whether they relate to "value created by the organisation for itself and shareholders" and "value created for others".

It would be useful if the IIRC provided a more explicit definition of 'value' within the framework.

The consideration of long-term value creation is a critical lens for integrated reporting. It can, however, provide challenges relating to disclosures as we cannot predict the future, and rely deeply on economic and scientific estimates of possible outcomes.

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

Materiality is a challenging concept in the context of integrated reporting and is one of the key areas of confusion in terms of language used. The term materiality is an accounting concept than can have legal ramifications in some jurisdictions. This may lead to over disclosure in some instances to manage a potential legal risk.

It would be useful for a different term other than materiality to be used to avoid an overly legalistic interpretation of what should be disclosed (which works against the development of a concise report). It is more beneficial for a concise report to focus on the issues and drivers that matter most rather than all actual and potential material drivers (which may have legal interpretations associated).

IIRC providing more guidance on materiality thresholds and how they should be applied in informing the content of the report might provide a benefit.

While guidance has been provided for some sectors, IIRC endorsed sector guidance would also be useful tool for all companies as a starting point.

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

Our approach to integrated reporting has always emphasised conciseness as a critical element of ensuring we can provide a meaningful story of how our organisation creates value, in the context of the operating environment.

The approach we have taken to date is that our integrated report provides a concise summary of critical information with additional details provided through disclosures in other reports which are cross referenced (e.g. Annual Financial Report, Sustainability Report, Investor Presentations etc.). Stakeholders are, as a result, able to more easily target areas of interest for further investigation.

At this stage, we have not received any feedback that would suggest that users of the report would prefer additional or alternate disclosures.

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

Companies need to understand the needs of their intended audience. If the preference of users of the report was to have all information disclosed in a single document, that could alter the way the guiding principle of conciseness is applied.

Variability in requirements in different jurisdictions adds to inconsistency across geographies, which it makes it challenging comparing "best practice".

**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?**

This area in particular has improved across reports since the development of the <IR> Framework.

We have in recent reports provided more information on our business model, the outputs and outcomes (for various stakeholders) and the most relevant associated risks.

An area that probably requires further exploration is how relevant and informative this business model outline as required by the <IR> Framework is for the intended audience, particularly where business activities of an organisation are generally understood in the market place.

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

For this particular content element, there is capacity for the IIRC to be more prescriptive with the level of detail required for compliance with the framework.

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**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?**

There is currently a range of approaches being used in Australia by those applying the <IR> Framework, or at least being guided by the <IR> Framework.

This includes listing 'those charged with governance' as the Principal Board, or a Board sub-committee, or a Management committee appointed with authority to oversee integrated reporting/strategy.

There is also little consistency in how statements, regarding presentation in accordance with the framework, are reported.

This is probably outside of the intention of the <IR> Framework and further clarity is needed regarding the application of these requirements.

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

It would be useful for the IIRC to include further guidance about the role of "those charged with governance" linking, where appropriate, to relevant jurisdictional requirements.

Companies need to be clear on how they have determined who "those charged with governance" are, and how they have specifically been involved in the preparation and approval of integrated reports.

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**PAGE 9: Other Guiding Principles****Q21: Q8(a) What is your experience with the application of these remaining three Guiding Principles in integrated reports?**

Comparability between organisations within the same sector can be quite difficult, as companies may approach their strategies quite differently, and therefore have different KPIs.

Consistency over time is important, and we have placed greater emphasis on presenting performance over time.

Future orientation continues to be a barrier to greater participation in Integrated Reporting within Australia, particularly as Directors liability concerns remain unresolved.

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

Sector guidance prepared by the IIRC would be very useful as are tools such as GRI and SASB that provide useful indicators for sectors.

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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?**

N/A. All key observations have been covered in preceding responses.

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

N/A. All key observations have been covered in preceding responses.

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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?**

The comparability of integrated reporting in markets where there is no clear mandated requirement to approach reporting in a certain way is low. This also impacts the comparability of reports between different markets. As the number of reports, and reporting companies, increases report quality appears to have improved. Efforts (such as additional and improved guidance, business networks, and best practice databases) to support companies involved in preparing integrated reports will continue to improve overall reporting quality over time.

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

The IIRC has a critical role to play to connect report preparers, provide approved guidance and best practice examples globally, to improve report quality. Companies will also need to continue to engage with their intended audiences, to ensure their disclosures are meeting audience requirements.

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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?**

The two major issues in Australia are as follows:

- 1) The directors liabilities issue and the serious constraint this imposes around any type of forward looking statements.
- 2) The view that integrated reporting adds to the burden of preparers (as it is in addition to many other reports that need to be prepared).

It would be useful to have more engagement and feedback from users of Integrated Reports around the value they get out of the reports, and also ways that existing reports could be improved. Over time, it would be useful for users of Integrated Reports to more proactively encourage more listed companies to report on this basis.

Scalability of the Framework requirements for organisations of different sizes could support further participation in Integrated Reporting.

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

N/A. All key observations have been covered in preceding responses.

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