

Dear Sir or Madam,

thank you for the opportunity to comment on the IIRC Discussion Paper.

We comment only on Question 8 and 9:

Answer to Question 8 ("Content Elements / Performance"):

Performance Analysis with Key Performance Indicators (KPIs) is a core element of integrated reporting. Please find attached the SD-KPI Standard 2010-2014, which we have produced especially for integrated reporting on behalf of the German Federal Environment Ministry and with participation of leading sustainable investors/analysts, who influence sustainable assets of Euro 2 trillion with offices in all important industrial countries.

We have defined the three most important Sustainable Development Key Performance Indicators (SD-KPIs) for the financial performance of 68 industries in the next five years. The participants have been Credit Agricole Cheuvreux, Dexia Asset Management, Ethix SRI Advisors, GES Investment Services, Hermes, imug/EIRIS, KLD Research & Analytics, RiskMetrics Group (MSCI), Sarasin, Social Investment Forum Japan, Societe Generale, Sustainalytics and Vigeo.

SD-KPIs have been called a "minimum reporting standard" for sustainability information in annual reports/management commentaries according to the EU accounting law by the German Federal Environment Ministry. Best practices for integrated SD-KPI reporting have been developed and analysed as well.

Therefore we recommend to define a sector-specific set of KPIs like the SD-KPI Standard 2010-2014 as a minimum reporting requirement in further steps of the IIRC process.

Answer to Question 9 ("Investor Perspective"):

See above. -- For leading European pensions funds with Euro 460 billion of assets under management long-term investments based on the SD-KPI concept offer high outperformance potential in comparison to broader sustainable research approaches. So, yes, SD-KPIs can improve the investment analysis significantly.

Kind regards

Dr. rer. oec. Axel Hesse (<mailto:Hesse@SD-M.de>) Senior Consultant SD-M  
Sustainable Development Management ([www.SD-M.de](http://www.SD-M.de)) Am Krug 30, D-48151 Muenster,  
Germany  
Tel.: +49 251 2394678