

**Q1. (a) Do you believe that action is needed to help improve how organizations represent their value-creation process? Why/why not?**

Yes. Value creation and its representation is too narrowly focused at present and its time horizon is excessively biased towards the short term. Representing the value-creation process will force organizations to examine their value-creation process; and as with GRI reporting, the process itself will promote improvement.

**(b) Do you agree that this action should be international in scope? Why/why not?**

Yes, the action should be international in scope for a range of reasons:

1. The definition of value creation should reflect universally-held values.
2. Money is fungible and readily transferable, and so value creation reporting methodology needs to be harmonized worldwide. Otherwise, money may gravitate more easily towards locations where value creation is more narrowly defined.
3. The international exchange of goods and services should be based on common measures.

**Q2. Do you agree with the above definition of Integrated Reporting? Why/why not?**

The definition is quite good, but it does not quite hit the sustainability nail on the head. The whole idea behind Integrated Reporting was to promote **sustainable** value creation, in the triple-bottom line sense of the term. This is lost in the definition where the only words that connote the destination (sustainability) are "...demonstrates stewardship..." Well, an organization can demonstrate stewardship (Webster: "the careful and responsible management of something entrusted to one's care") by astute financial management alone. The destination of sustainability (in the triple-bottom line sense of the term) should be weaved into the definition. If you need help doing that, which I expect you don't, I'd be glad to contribute.

**Q3. Do you support the development of an International Integrated Reporting Framework? Why/ why not?**

Yes. Financial reporting is commonplace. By comparison, sustainability reporting is rare. An International Integrated Reporting Framework will:

1. Increase sustainability reporting.
2. Enhance the acceptance of non-financial factors as being important to value creation.
3. Potentially, place sustainability (broadly defined) at the center of value creation.

**Q4. (a) Do you agree that the initial focus of Integrated Reporting should be on reporting by larger companies and on the needs of their investors? Why/why not?**

Yes. Larger organizations have a stronger imperative to report and they have more resources than SMOs to experiment with different reporting approaches. The initial focus on larger companies will help to establish sound practice, which can then be adopted by smaller organizations. Additionally, because the reports of larger organizations are more likely to be read, there will likely be greater stakeholder involvement in the experimentation that will be required for integrated reporting to become commonplace. The challenge of the ages is to promote a broader basis for investing beyond purely financial measures. Integrated reporting is one important way to achieve this.

**(b) Do you agree that the concepts underlying Integrated Reporting will be equally applicable to small and medium enterprises, the public sector and not-for-profit organizations?**

Yes, the concept is that value creation should be broadly defined, and that it should be based on sustainability. All organizations need to think this way about value creation. However, the reasons for and importance of reporting will differ greatly across the different organization categories as defined in the question.

Q5. Are: (a) the organization's business model, and (b) its ability to create and sustain value in the short, medium and long term, appropriate as central themes for the future direction of reporting? Why/why not?

- (a) If the business model captures the organization's mission and vision then the model would be appropriate as a central theme. I would want to know the organization's long-term goals. The model would also need to explain how the organization plans to create value.
- (b) Yes, value creation at the three stages is central. However, we need to understand whether and how that value creation is achieved taking into account the three dimensions of sustainability.

Q6. Do you find the concept of multiple capitals helpful in explaining how an organization creates and sustains value? Why/why not?

Yes. The term capital has a long and rich history, and its use resonates well when applied to other ingredients of value creation.

Q7. Do the Guiding Principles identified in the Discussion Paper provide a sound foundation for preparing an Integrated Report – are they collectively appropriate; is each individually appropriate; and are there other Guiding Principles that should be added? Why/why not?

**Sound Foundation:** Yes. The Guiding Principles capture materiality and stakeholder issues, which are fundamental to sustainability. If strategic focus includes vision and mission then I would be satisfied that the principles capture what is needed. We need to understand what the organization plans to become and how that will be achieved sustainably.

**Collectively appropriate:** I am not sure. This is difficult to judge.

**Individually appropriate:** Yes. Each principle is appropriate.

**Added:** I would add comparability because we want uniformity in reporting.

Q8. Do the Content Elements identified in the Discussion Paper provide a sound foundation for preparing an Integrated Report – are they collectively appropriate; is each individually appropriate; and are there other Content Elements that should be added? Why/why not?

- **Sound Foundation:** Yes. If business model or strategic objectives include vision and mission then I would be satisfied that the elements capture what is needed. We need to understand what the organization plans to become and how that will be achieved sustainably.
- **Collectively appropriate:** Yes, the content resembles some of the better introductory content of the GRI G3. The content also adequately captures planning, operations, performance and review.
- **Individually appropriate:** Yes.
- **Added:** I would like to see sustainability context in here. An organization should have an acute sense of its performance against sustainability performance measures. The entire rationale for sustainability reporting is to assess what is occurring against tolerable limits.

Q9. From your perspective as a reporting organization:

(a) Do you agree with the main benefits as presented in the Discussion Paper? Why/why not?

Yes, the main benefits from the perspective of a reporting organization are well described here. These are benefits that have been presented and discussed over the years.

(b) Do you agree with the main challenges as presented in the Discussion Paper? Why/why not?  
Yes, the main challenges from the perspective of a reporting organization are well described here. These are challenges that have been aired in other venues. One other challenge might be convincing top management that integrated reporting is important.

**Q9. From your perspective as an investor:**

(a) Do you agree with the main benefits as presented in the Discussion Paper? Why/why not?

N/A – I am not an institutional investor.

(b) Do you agree with the main challenges as presented in the Discussion Paper? Why/why not?

N/A – I am not an institutional investor.

(c) Do you agree that Integrated Reporting will drive the disclosure of information that is useful for integrated analysis? Why/why not?

N/A – I am not an institutional investor.

**Q9. From your perspective as a policy-maker, regulator or standard-setter:**

(a) Do you agree with the main benefits as presented in the Discussion Paper? Why/why not?

N/A – I am not a policy-maker, regulator or standard-setter.

(b) Do you agree with the main challenges as presented in the Discussion Paper? Why/why not?

N/A – I am not a policy-maker, regulator or standard-setter.

**Q9. From your perspective as a key stakeholder:**

(a) Do you agree with the main benefits as presented in the Discussion Paper? Why/why not?

As an organization interested in assurance provision, I agree that the main benefit will be that sustainability assurance will become as commonplace as financial auditing.

(b) Do you agree with the main challenges as presented in the Discussion Paper? Why/why not?

As an organization interested in assurance provision, I am not sure that the main challenges have been described. For example, organizations may choose to reduce the scope of assurance to simply the financial parts of an integrated report.

**Q10. (a) Do you agree that the actions listed in the Discussion Paper should be the next steps undertaken by the IIRC? Why/why not? Are there other significant actions that should be added?**

Yes. A pilot program is needed to gather practical insight. This and other information would logically feed the development of an exposure draft. The final instrument would be developed and then refined.

**b) What priority should be afforded to each action? Why?**

Each of the steps (Pilot Program, Framework, Measurement and reporting practices, Outreach, Harmonization, Governance) is important. I would give equal initial weighting to each of the steps because each addresses an important part of completing an effective and efficient process for integrated reporting.

**Q11. Do you have any other comments that you would like the IIRC to consider?**

No.



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