Consultation questions

The IIRC welcomes comments on all aspects of the Draft International <IR> Framework (Draft Framework) from all stakeholders, whether to express agreement or to recommend changes.

The following questions are focused on areas where there has been significant discussion during the development process. Comments on any other aspect of the Draft Framework are also encouraged through the questions.

Please provide all comments in English.

All comments received will be considered a matter of public record and will be posted on the IIRC's website (www.theiirc.org).

Comments should be submitted by Monday 15th, July 2013.

Name:	na
Email:	na
Stakeholder group:	please select

If replying on behalf of an Organization please complete the following:

Organization name:	CSRinfo
Industry sector:	Not applicable
Geographical region:	Eastern Europe

Key Points

If you wish to briefly express any key points, or to emphasize particular aspects of your submission, or add comments in the nature of a cover letter, then the following space can be used for this purpose. Please do not repeat large amounts of material appearing elsewhere in your comments.

The comments below are collective opinions expressed by 30 representatives of Polish businesses and organizations, gathered during an open seminar on Integrated Reporting. The seminar was held on July 11, 2013, in Warsaw (Poland) and was organized by CSRinfo and Bank Millenium.

Among the participants there were representatives of Polish universities (3), public administration (1), non-governmental organizations (6) and businesses from the private and public sector (20). The seminar participants worked on their answers in 4 groups.

CSRinfo conducted the seminar and therefore on the behalf of all participants sends this feedback form. Due to limited time the participants did not answer all the questions.

CSRinfo is an education and consulting company specializing in corporate sustainability and responsibility solutions. CSRinfo carries out various educational projects with renown business partners and non-profit organizations. CSRinfo is the sole owner of CSRinfo.org, a leading Polish platform on CSR and sustainable development and a market leader in CSR training.
CSRinfo is an Organizational Stakeholder of the Global Reporting Initiative since 2009. It runs sustainability reports database in Poland and publishes an annual survey on the condition of Polish sustainability reporting.
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Chapter 1: Overview

Principles-based requirements

To be in accordance with the Framework, an integrated report should comply with the principles-based requirements identified throughout the Framework in bold italic type (paragraphs 1.11-1.12).

1. *Should any additional principles-based requirements be added or should any be eliminated or changed? If so, please explain why.*

The Framework should specify what short, medium and longterm means.

Interaction with other reports and communications

The <IR> process is intended to be applied continuously to all relevant reports and communications, in addition to the preparation of an integrated report. The integrated report may include links to other reports and communications, e.g., financial statements and sustainability reports. The IIRC aims to complement material developed by established reporting standard setters and others, and does not intend to develop duplicate content (paragraphs 1.18-1.20).

2. *Do you agree with how paragraphs 1.18-1.20 characterize the interaction with other reports and communications?*

Generally yes. However, there is a risk that the links to additional documents may be chosen selectively, and that inconvenient information may not be disclosed. There is also the question of the form of references. How should the other reports and communications be presented in the integrated report? Should they be attachments or footnotes?

The integrated report should be based on the GRI indicators, and completed by financial data.

An integrated report should comprise of data from both the financial and CSR reports. It should be the main document, and all other reports should be complementary.

3. *If the IIRC were to create an online database of authoritative sources of indicators or measurement methods developed by established reporting standard setters and others, which references should be included?*

GRI, Global Compact, ISO 26000, SA 8000, AA 1000, Carbon Disclosure Project, OECD, LBG model, HDI

Other

4. Please provide any other comments you have about Chapter 1.

> The guidelines should be presented in a more comprehensible and detailed way.

Chapter 2: Fundamental concepts

The capitals (Section 2B)

The Framework describes six categories of capital (paragraph 2.17). An organization is to use these categories as a benchmark when preparing an integrated report (paragraphs 2.19-2.21), and should disclose the reason if it considers any of the capitals as not material (paragraph 4.5).

5. Do you agree with this approach to the capitals? Why/why not?

> Yes, the approach to capitals is presented in a clear manner and covers the most important resources in the company. It reflects the complexity and aspects of different capitals. However, we regret that there are no indicators specified. The political perspective (state as provider of financial capital) might also be considered.

6. Please provide any other comments you have about Section 2B?

>

Business model (Section 2C)

A business model is defined as an organization's chosen system of inputs, business activities, outputs and outcomes that aims to create value over the short, medium and long term (paragraph 2.26).

7. Do you agree with this definition? Why/why not?

> The definition should also include stakeholder relations:
> A business model is an organization's chosen system of inputs, STAKEHOLDER RELATIONS, business activities, outputs and outcomes that aims to create value over short, medium and long term.
>
> The business model should also vary according to industries.

Business model (Section 2C) continued

Outcomes are defined as the internal and external consequences (positive and negative) for the capitals as a result of an organization's business activities and outputs (paragraphs 2.35-2.36).

8. *Do you agree with this definition? Why/why not?*

> Yes, the definition is precise.

9. *Please provide any other comments you have about Section 2C or the disclosure requirements and related guidance regarding business models contained in the Content Elements Chapter of the Framework (see Section 4E)?*

>

Other

10. *Please provide any other comments you have about Chapter 2 that are not already addressed by your responses above.*

> The definitions and guidelines are quite vague.

Chapter 3: Guiding Principles

Materiality and conciseness (Section 3D)

Materiality is determined by reference to assessments made by the primary intended report users (paragraphs 3.23-3.24). The primary intended report users are providers of financial capital (paragraphs 1.6-1.8).

11. *Do you agree with this approach to materiality? If not, how would you change it?*

> Yes.
>
> The providers of financial capital are of course important report users, but the report should be addressed to other stakeholder groups as well.

12. *Please provide any other comments you have about Section 3D or the Materiality determination process (Section 5B).*

There is a high degree of complexity in the reporting process.

Reliability and completeness (Section 3E)

Reliability is enhanced by mechanisms such as robust internal reporting systems, appropriate stakeholder engagement, and independent, external assurance (paragraph 3.31).

13. *How should the reliability of an integrated report be demonstrated?*

The report should be transparent and easily accessible.
Without specific indicators it will be difficult to provide assurance.
Reliability of an integrated report should be demonstrated by:
- assurance of an external auditor,
- assurance of IIRC,
- references to recognized CSR standards (e.g. GRI, ISO)
- the report should state the way and the extent of stakeholder involvement in the reporting process

14. *Please provide any other comments you have about Section 3E.*

Other

15. *Please provide any other comments you have about Chapter 3 that are not already addressed by your responses above.*

Chapter 4: Content Elements

16. Please provide any comments you have about Chapter 4 that are not already addressed by your responses above (please include comments on the Content Element Business Model [Section 4E] in your answer to questions 7-9 above rather than here).

Chapter 5: Preparation and presentation

Involvement of those charged with governance (Section 5D)

Section 5D discusses the involvement of those charged with governance, and paragraph 4.5 requires organizations to disclose the governance body with oversight responsibility for <IR>.

17. Should there be a requirement for those charged with governance to include a statement acknowledging their responsibility for the integrated report? Why/why not?

Yes, definitely. Such a statement increases reliability, indicates personal responsibility and assures internal controls.

18. Please provide any other comments you have about involvement of those charged with governance (Section 5D).

Credibility (Section 5E)

The Framework provides reporting criteria against which organizations and assurance providers assess a report's adherence (paragraph 5.21).

19. *If assurance is to be obtained, should it cover the integrated report as a whole, or specific aspects of the report? Why?*

That depends on the assurance providers and their authority. The assurance should focus on those elements of the report that have not been audited earlier.

20. *Please provide any other comments you have about Credibility (Section 5E). Assurance providers are particularly asked to comment on whether they consider the Framework provides suitable criteria for an assurance engagement.*

Other

21. *Please provide any other comments you have about Chapter 5 that are not already addressed by your responses above (please include comments on the materiality determination process [Section 5B] in your answer to question 11 above rather than here).*

Overall view

22. *Recognizing that <IR> will evolve over time, please explain the extent to which you believe the content of the Framework overall is appropriate for use by organizations in preparing an integrated report and for providing report users with information about an organization's ability to create value in the short, medium and long term?*

It is satisfactory.
The integrated report can become a useful tool if it focuses on essential elements of the organization and contains information from both the financial and CSR reports.
If an integrated report is intended to be the only report published by an organization, than it should include indicators.
So far the Framework does not contain instructions on how to integrate the CSR and financial data. However, the integrated reporting process is heading in the right direction. It has a holistic approach to an organization, and it shows potential to become an effective external communication tool, that obligates an organization to show the relationship between its business strategy and other elements .

Development of <IR>

23. *If the IIRC were to develop explanatory material on <IR> in addition to the Framework, which three topics would you recommend be given priority? Why?*

The short, medium and long timeframe should be more specific. It may be helpful to provide comments from organizations that have tested integrated reporting.

The necessity of adding or lack of financial outlooks.

There should be more information about indicators.

There should be more information on how to create an integrated report on the basis of an organization's financial and sustainability report with accordance to GRI.

Other

24. *Please provide any other comments not already addressed by your responses to Questions 1-23.*

A translation of the guidelines into national languages will help integrated reporting become widespread.

The document is quite difficult (not clear and understandable).

Please save the completed PDF form to you computer and submit via the IIRC website at www.theiirc.org/consultationdraft2013