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.

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Stakeholder group:	Other

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

Organization name:	Business Council for Sustainable Development Argentina / Consejo Empresario Argentino para el Desarrollo Sostenible (CEADS)
Industry sector:	Not applicable
Geographical region:	Central and South America

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.

Facilitate the devoloping countries participation. enhance flexibility and the voluntary adoption of the guideline as the key drivers jointly with the materiality concept, of the guidelines.

The guidelines must strive to facilitate the learning process of the reportees and the use of the document in the most suitable maner including the partial application of the guide.

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.

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?

Within organizations it is neccesary to avoid addition reporting efforts and expenses. It should be a management tool that simplyfies.

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?

It is better to follow tha benchmark criteria according to each industry. Current initiatives are failling in this sense.

Moreover this question is contradictory with paragraph 1.19 of the framework.

Other

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

Paragraph 1.6: An integrated report should be prepared primarily for providers of financial capital in order to support their financial capital allocation assessments.

CHANGE PROPOSED: An integrated report should be prepared primarily for providers of KEY financial capital in order to support their financial capital allocation assessments.

COMMENTARY: We propose to introduce the word KEY with the objective of indicating the significant and relevant providers of financial capital, as to reduce the misuse of information that will not be in accordance with the IR objectives.

Paragraph 1.11: Any communication purporting to be prepared in accordance with the Framework should apply all

the principles-based requirements identified in bold italic type … .

CHANGE PROPOSED: Any communication purporting to be prepared in ccordance with the Framework should apply IDEALLY TO all the principles-based requirements identified in bold italic type … .

COMMENTARY: we suggest to introduce "IDEALLY TO" as to facilitate a progressive learning process. This idea had been established in different instruments such as GRI version 1, 2 and 3, allowing gradualness in the use of the tool.

Paragraph 1.17: "… legitimate needs, interests and expectations."

CHANGE PROPOSED: "… legitimate SIGNIFICANT needs AND interests."

COMMENTARY: With the objective of being accurate and not vague we suggest adding the word "SIGNIFICANT" and eliminating the word "EXPECTATIONS". The idea is to avoid information or expectations that may not be relevant to the purpose pursued by IR. This suggestion is in accordance with paragraph 3.19.

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?

We do agree. They are sufficiently comprehensive for each industrial sector to report acoording its own materiality.

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?

We do agree. The new concept included is about "create value over the short, medium and long term".

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?

We do agree.

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)?

Paragraph 2.28: Inputs: • Many organizations rely on raw materials to ensure production continuity. …

CHANGE PROPOSED: • Many organizations rely on raw materials to ensure RELEVANT

production continuity. …

COMMENTARY: we suggest adding the word RELEVANT in order to clarify the identification of significant information and consequences for the business model.

Paragraph 2.36: Outcomes: Identifying and describing outcomes, particularly external outcomes, requires organizations to consider the capitals more broadly than those that are owned or controlled by the organization.

CHANGE PROPOSED: Identifying and describing outcomes, particularly external outcomes, requires organizations to consider the capitals more broadly than those that are owned or controlled by the organization, ACCORDING TO THE LEVEL OF INFLUENCE.

COMMENTARY: In the same sense as the previous comment, the suggestion is made to clarify the significant outcomes for the business model of the organization.

Other

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

Paragraph 2.7: Continuous monitoring and analysis of the external environment in the context of the organization's

mission and vision identifies opportunities and risks relevant to the organization.

CHANGE PROPOSED: REGULAR or PERIODICAL monitoring and analysis of the external environment in the context of the organization's mission and vision identifies opportunities and risks relevant to the organization.

COMMENTARY: we suggest the elimination of the word "continuous", replaced with "REGULAR OR PERIODICAL" as to facilitate progression in the information process. As well as to provide the flexibility needed to introduce significant information.

Paragraph 2.10: The organization needs information about its performance, which involves setting up measurement and monitoring systems to provide information for decision-making.

CHANGE PROPOSED: The organization needs information about its performance, which involves setting up KEY

measurement and monitoring systems to provide information for decision-making.

COMMENTARY: We suggest adding the word "KEY" to avoid information that may not be relevant to the purpose pursued by IR.

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?

We suggest to include the "progressive principle". This means the gradual adoption of the framework.

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

Paragraph 3.24. CHANGE PROPOSED: Eliminate "or has the potential to substantively affect"

Paragraph 3.25: CHANGE PROPOSED: Eliminate "potencial effect" in both last bullets

Paragraph 3.27: CHANGE PROPOSED: Change " annually" for "PERIODICALLY"

COMMENTARY: we consider it neccesary during the first stage of the initiative to eliminate the phrases noted, as a way to give flexibility and allow progression.

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?

We suggest the following changes in the 3.31 Paragraph:

The reliabiability of information is affectted by in balanace and freedom material error. Relaiability is enhanced by mechanisms SUCH AS EITHER robust internat reporting systems OR independent OR external assurance.

We suggest no to consider "stakeholder engagement" because it is usefull in sustainability arena but neither practical or realistic in financial aspects/ issues. More over taking into account the 6 Capital logic is being followed, each capital different stakeholders.

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

Paragraph 3.31: CHANGE PROPOSED: Eliminate: " appropriate stakeholder engagement"

COMMENTARY: The stakeholder engagement is a useful tool for non financial purposes. It would not be realistic to introduce this concept when an organization should be reporting on six capitals with different stakeholders in each of them.

Paragraph 3.42: CHANGE PROPOSED: However, the banner of commercial sensivity is not to be used inappropriately to avoid SIGNIFICANT disclousure.

COMMENTARY: we consider this addition important for clarifying concepts.

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

Paragraph 3-13: Stakeholder responsiveness: An integrated report should provide insight into the quality of the organization's relationships with its key stakeholders and how and to what extent the organization understands, takes into account and responds to their legitimate needs, interests and expectations.

Change proposed: An integrated report should provide insight into the quality of the organization's relationships with its key stakeholders and how and to what extent the organization understands, takes into account and responds to their legitimate AND SIGNIFICANT needs AND interests.

COMMENTARY: With the objective of being accurate and not vague we suggest adding the word "SIGNIFICANT" and eliminating the word "EXPECTATIONS". The idea is to avoid information or expectations that may not be relevant to the purpose pursued by IR. This suggestion is in accordance with paragraph 3.19.

Paragraph 3.18: Engagement with stakeholders occurs regularly in the ordinary course of business (e.g., day-to-day liaison with customers and suppliers or broader ongoing engagement as part of strategic planning

and risk assessment). It may also be undertaken for a particular purpose (e.g., engagement with a local community when planning a factory extension). The more integrated thinking is embedded in the business, the more likely it is that a fuller consideration of stakeholders' legitimate needs, interests and expectations is incorporated as an ordinary part of conducting business.

CHANGE PROPOSED: Engagement with stakeholders occurs regularly in the ordinary course of business (e.g. PERIODICAL liaison with customers and suppliers or broader ongoing engagement as part of strategic planning

and risk assessment). It may also be undertaken for a particular purpose (e.g., engagement with a local community REPRESENTATIVES when planning a factory extension). The more integrated thinking is mbedded in the business, the more likely it is that a fuller consideration of stakeholders' legitimate AND SIGNIFICANT needs AND interests is incorporated as an ordinary part of conducting business.

COMMENTARY: The changes proposed have the intention of defining the relevance and impotance of the information taken into account. With the objective of being accurate and not vague we suggest adding the word "SIGNIFICANT" and eliminating the word "EXPECTATIONS". The idea is to avoid information or expectations that may not be relevant to the purpose pursued by IR. This suggestion is in accordance with paragraph 3.19.

Paragraph 3.21: ... Where a stewardship responsibility is not imposed by law or regulation, the organization may nonetheless accept stewardship responsibilities in accordance with growing stakeholder expectations to do so, and to do so transparently. Responding to stakeholders' legitimate needs, interests and expectations in this

way is consistent with the concept of value as explained in Section 2D.

CHANGE PROPOSED: Where a stewardship responsibility is not imposed by law or regulation, the organization COULD IN PARTICULAR CASES nonetheless accept stewardship responsibilities in accordance with growing KEY stakeholder expectations to do so, and to do so transparently. Responding to stakeholders' legitimate AND

SIGNIFICANT needs AND interests in this way is consistent with the concept of value as explained in Section 2D.

COMMENTARY: The objective is to avoid information that may not be relevant to the purpose pursued by IR. With the objective of being accurate and not vague we suggest adding the word "SIGNIFICANT" and eliminating the word "EXPECTATIONS". The idea is to avoid information or expectations that may not be relevant to the purpose pursued by IR. This suggestion is in accordance with paragraph 3.19.

Paragraph 3.48:Consistency and comparability: The information in an integrated report should be presented on a basis that is consistent over time and in a way that enables comparison with other organizations to the extent it is material to the organization's own value creation story.

Change proposed: Consistency and comparability: The information in an integrated report should be presented on a basis that is consistent over time and in a way that enables comparison with other KEY organizations to the extent it is material to the organization's own value creation story

COMMENTARY:The objective is to avoid information that may not be relevant to the purpose pursued by IR.

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).*

Paragraph 4.1: One of the Content Elements is A: Organizational overview and external environment.

CHANGE PROPOSED: we suggest to change the word environment to CONTEXT. The meaning of environment could be confused with natural capital, especially in the spanish translation. The suggestion is recommended to be made in the whole chapter. (Paragraph 4A, 4.7,4.8, 4.9)

Paragraph 4.8: CHANGE PROPOSED: We suggest adding the word SIGNIFICANT at the beginning of the paragraph. In accordance with the definition made in the last bullet of paragraph 4.7.

Paragraph 4.9.

Bullet 1: With the objective of being accurate and not vague we suggest adding the word "SIGNIFICANT" and eliminating the word "EXPECTATIONS". The idea is to avoid information or expectations that may not be relevant to the purpose pursued by IR. This suggestion is in accordance with paragraph 3.19.

Bullet 5: Replace the word "expectations" witn INTERESTS OR NEEDS, in order to be in accordance with the previous comment.

Bullet 7: We suggest replacing the concept "regulatory environment" with "regulatory framework" to avoid confusion in the same manner as the change proposed in paragraph 4.1.

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?*

It is unnecessary. Companies should follow local legislation.

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?*

If its in accordance to the framework, it should cover the integrated report as a whole. If its about an audit, it should comply the local legislation.

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?*

Yes it is appropiate, but a pilot phase is needed and a learning process too during a considerable amount of time in order to get feedback from report users.

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?*

1- Who does it make connection with other reporting models/ guidelines/ etc.

2- The wording and format framework should be more friendly

3- Who does the company make the relation between its own management and the 6 Capitals.

Other

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

Facilitate the devoloping countries participation. enhance flexibility and the voluntary adoption of the guideline as the key drivers jointly with the materiality concept, of the guidelines.

The guidelines must strive to facilitate the learning process of the reportees and the use of the document in the most suitable maner including the partial application of the guide.