

## 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](http://www.theiirc.org)).

**Comments should be submitted by Monday 15<sup>th</sup>, July 2013.**

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Stakeholder group:	<input type="text" value="Other"/>

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

Organization name:	<input type="text" value="Royal HaskoningDHV"/>
Industry sector:	<input type="text" value="Technology"/>
Geographical region:	<input type="text" value="Western 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 framework is defined on a high and abstract level. On the one hand this gives a lot of flexibility and freedom for reporting organizations. On the other hand it does not contribute to the comparability of reports. There is no clear distinction between the actual requirements for reporting and other guidance such as definitions. The framework includes a lot of guidance of which it is not clear what it means for the reporting organization, e.g. 1.13; is this required or is this an example of what is required? It is not a requirement for the report but for the process. What is expected of the reporting organization. There is no clear link between the chapters. The explanation and clarification of requirements are not always clear and can be very abstract. More examples can help to clarify.

## 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.*

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### ***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?*

The explanation of the interaction is not completely clear. Especially 1.18 and 1.20 need more explanation. I do not agree that an integrated report needs to be an additional document, it is possible to make an integrated report based on a financial or sustainability report.

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  
OECD  
Global Compact  
DJSI

## **Other**

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

## **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?*

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

If you say here that the organization is to use these categories as a benchmark when preparing an integrated report, then make that also clear in the guidelines. These capitals should indeed receive the most attention in the report, and this should be made very clear to reporters. So perhaps extend points 2.19-2.21 to better emphasize the prominence of this part of the report.

Figure 4 is completely unclear to me.

Social and relationship capital is unclear. How can this be an input for an organization and its business model? This needs more explanation. This also has a link with the external environment. Explain this better.

Manufactured is made from or with other capitals. This is the supply chain of the company. how to report on the supply chain and capital used for manufactured capital?

### ***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?*

Yes, I think this includes the main elements of a business model.  
There should be a clear definition of value creation.

### **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

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.*

Chapter 2 gives a description of the business model, but it is not clear if a company should report its business model according to this model. Chapter 2 does not give any reporting requirements. What is the goal of this chapter?

## **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?*

No. Companies report for many stakeholder groups. When currently determining materiality based on investors input, many environmental and social topics will not be material. By only including investors the focus will be too much on financial capital, this is made more important than other capitals. What about providers of other capitals?

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

Materiality has a different definition than in other reporting frameworks. The term needs to have one definition and approach.

**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?

Assurance  
Internal control system

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

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**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).

The questions per content element do not cover the entire explanation and guidance per content element. E.g. Resources are not included in a main question? What is the difference between the capitals and resources? Governance: the question does not cover a more general description of the governance strategy of organizations. This is important, since it will give the reader a better opportunity to objectively evaluate the governance of companies than when the description is entirely steered. Performance: part of the question is: to what extent has the organization achieved its strategic objectives? Point of critique here is that this question asks for something that is by definition not yet achieved, otherwise the strategic objectives would not be stated any more. Thus, it would be better to ask for whatever information that you want to see provided here more directly. 4.28: 'linkages' is a very vague description. It should be clearer what is expected in this regard.

## 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?

No, the report itself should state this, not those charged with governance. This does not have any added value. They should support integration thinking and strategy.

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?*

The report as a whole. Assurance is a very essential element to creating a credible IR framework now and in the future. There could be a distinction between limited and reasonable assurance. Why is this added? you already have reliability as a principle. This covers credibility.

*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).*

In chapter 5 is unclear what requirements for reporting are.

## 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?*

As it is the document provides a framework for thinking about integrated reporting. It does not provide a clear framework on what an integrated report should be. You state in 1.3 that it should be a concise communication. A reporting organization can report according to the framework and not be very concise. By only focussing on providers of financial capital there is a risk reports will focus more on financial capital than other capitals.

## 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?*

fundamental concepts: especially capitals and value creation  
content elements

## Other

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

Please save the completed PDF form to your computer and submit via the IIRC website at [www.theiirc.org/consultationdraft2013](http://www.theiirc.org/consultationdraft2013)