Brazilian Commission for the IIRC Communication

Brazilian Commission for the IIRC communication in the country is an initiative organized by Prof. Nelson Carvalho and Vânia Borgerth from BNDES (Brazilian National Development Bank) which has been coordinating the activities’ group since December 2012. The main objective of the comission is to keep the Brazilian market informed about IIRC activities and its evolution in order to avoid surprises and/or resistance from organizations when it will be a framework applied by companies. More than 170 people are engaged and represent more than 70 organizations in Brazil (Academia, Companies, Professional Bodies Accountability, Policy makers, NGO’s, Consultants, Assurance providers, Investors, Financial agents among others). Five working groups are working on: (1) Framework comment consolidation process, (2) Communication with stakeholders, (3) Pioneers companies reporting non financial data towards integration data, (4) Relationship and Communication with investors, (5) Road show with investors as well as Boarders and C-Suite level in order to let them know about the IIRC platform and its purpose.

Collection of comments on the prototype of <IR> framework

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<th>Participants</th>
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Some comments were originally written in Portuguese; therefore, they were translated to English. Thoughout the report all translations are in red right bellow the original comment in Portuguese.
To achieve conciseness, strategic focus and future orientation, connectivity of information needs to be well analyzed, interpreted and evaluated. However, this process, that is, the company’s perspective, insights and judgments at what gone data, expectations and descriptions meaning, which is asked information and thus should be included in mandatory along the focus of the company’s integrated thinking.

The word ‘uses’ should be substituted by ‘depends’ or ‘access’. Even ‘use’ in the definition of a business model in the Integrated Reporting framework is unintended.

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

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

3. If the BRC were to create an online database of analytical sources of indicators of assessment methods developed by established reporting standard sets and others, which should be included?

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

5. If the BRC were to create a common database of analytical sources of indicators of assessment methods developed by established reporting standard sets and others, which should be included?

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

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

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

9. If the BRC were to create an online database of analytical sources of indicators of assessment methods developed by established reporting standard sets and others, which should be included?

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

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

12. If the BRC were to create a common database of analytical sources of indicators of assessment methods developed by established reporting standard sets and others, which should be included?
1. Should any additional principles-based requirements be added or should any be eliminated or changed? If so, please explain why.

The principles-based requirements presented in the first chapter of the exposure draft do not contain any mechanism for incorporating sustainability information into the financial statements. We are currently discussing the proposal for such a mechanism.

2. Do you agree with how paragraphs 1.12-1.13 characterize the interaction with other reports and communications?

We agree with the interaction with other reports and communications as described. However, we believe that the integration of sustainability information into the financial statements should be mandatory if the company is to be considered sustainable.

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?

We believe that the database should include references to GRI, ISO 26000, the Global Compact, and other relevant standards.

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

The description of the principles-based requirements is clear and comprehensive. However, we believe that more emphasis should be placed on the integration of sustainability information into the financial statements.
1. Should any additional principles-based requirements be added or should any be eliminated or changed? If so, please explain why.

a. we do not agree that an integrated report has to be a separate stand-alone report as explained above and suggest that the words “additional” in it is suggested that an integrated report could be a barrier to participation. The CDSB Framework provides requirements that are to be applied for the purposes of preparing disclosures about climate change in mainstream reports. In other words, this approach means that the Framework is designed to encourage better reporting in existing reports. One of the points that can be generating this doubts, I believe, is paragraphs 1.18 - 1.20.

b. we do not find the words “organizations may provide additional reports and communications – further to the integrated report - (such as financial statements and sustainability reports)”. Sustainability report and financial statements are both already required by law in most jurisdictions. These are not optional. The following should be included: GRI-G4, Ibase, ISE, DJSI, GHG Protocol, ISOs, IFRS and indicators or methodology of financial institutions as well as social and environmental, such as the green construction seal (LEED). There should be a list of the standards and methodologies which organizations should include in their integrated reports. It is important to emphasize the necessity to be very clear that does not mean a new report and yes the elaboration of information from companies in an integrated way. One of the points that can be generating this doubts, I believe, is paragraphs 1.18 – 1.20.

c. the proposed integrated reporting framework for organizations requires companies to report on the content and performance of the organization’s integrated report over time and to stress the link between corporate performance and long-term strategy. This approach means that the Framework is designed to encourage better reporting in existing reports. One of the points that can be generating this doubts, I believe, is paragraphs 1.18 – 1.20.

d. in paragraph 1.20, we would reduce the number of words for interreport communication as is the case of longitudinal integration of the climate change disclosure. It involves a lot of processes and it is not something that organizations can do easily. We recommend to include a section on the importance of the framework and its implementation.

2. Does any paragraph 1.18-1.21 characterize the interaction with other reports and communications?

a. we do not agree that an integrated report has to be a separate stand-alone report as explained above and suggest that the words “additional” in it is suggested that an integrated report could be a barrier to participation. The CDSB Framework provides requirements that are to be applied for the purposes of preparing disclosures about climate change in mainstream reports. In other words, this approach means that the Framework is designed to encourage better reporting in existing reports. One of the points that can be generating this doubts, I believe, is paragraphs 1.18 - 1.20.

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

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### Framework section/Context

<table>
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<tbody>
<tr>
<td>1.1.16</td>
<td>1.1.30</td>
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<td>[15,2C-2.31] line 33 [15,2C-2.31] line 33 “success by initiative that influence the effectiveness (...) and management”</td>
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<td>2.5 lin 16</td>
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<td>The company needs to state for the sake of [14,2C-2.28] line 25 [14,2C-2.28] line 30 We may not have the tools to measure intangibles today, but in order to have value ... affect tangible items. For example: brand is an intangible, but if it does not reduce customer acquisition costs; if it</td>
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<td>9.1.18</td>
<td>9.1.30</td>
<td>The process of integrated reporting requires that the company adopt an integrated report, i.e. so, it no cost, no gain, etc. This is because boards are important; it becomes the front line of debtor recovery, because we now have both Financial Report and Sustainability Report.</td>
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<td>1.1.16</td>
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<td>[10,2A] Na introdução dos conceitos fundamentais, penso que pode ser uma oportunidade para pontuar as diferenças e convergências entre relatório integrado e o reporte de sustentabilidade, assim como a relação destes com relatórios</td>
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**International Integrated Reporting Council (IRC) - Comment process for Prototype of The International <IR> Framework**

Brazilian Committee for <IR> Communication

GT 1 - Exposure Draft   |   Coordinated by Ernst & Young Brazil (Meire Ferreira)   |   April-July, 2013

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1. Should any additional prerequisites be added or should they be eliminated altogether? If you please explain why?

2. If the IRC were to create an online database of illustrative sources of indicators of measurement methods developed by established reporting standard setters and others, which reference should be included?

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**Fundamental Concepts**

Overview

3.12.2.9.3 | 3.12.2.9.12 | Comments associated with trans shine on the performance of fundamental objects not related to the social, political and economic context. |

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**International Integrated Reporting Council (IRC) - Comment process for Prototype of The International <IR> Framework**

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**Introduction**

Overview

3.12.2.9.3 | 3.12.2.9.12 | Everything else affects the bottom line i.e. cash flow generated in the same way it is not available of measuring indirectly. Integration means knowing how factors we render critical value and indirectly affect cash generation in the stock, dividend and long-term.
Fundamental concepts

2B The Capitals

The business model and value creation

Mention of value

- Value creation
- Value generation

Intangible capital
- Reputation
- Intellectual

Fundamental concepts

2A Introduction

2B The capitals

The capitals

The flow of capitals

Intellectual capital

Framework section/Content

13 SUGGESTION: It would be interesting to detail the concept of "social license." If, in this case, "licensing" implies "legal permission," or in the sense of "the company having social credentials accepted by the external public.

SUGGESTION: Perhaps it was interesting to detail the concept of "social license." If, in this case, "licensing" implies "legal permission," or in the sense of "the company having social credentials accepted by the external public.

The question is how to demonstrate in practice the transformation between the capitals? There are many inter-relations between the capitals. How do we assess the value creation of financial capital in human capital due to the training sessions?

The value generation includes the creation or destruction of value considering externalities (positive and negative ones) created from the company's activity. The framework provides guidance on quantifiable indicators such as KPIs and metrics monetized to better explain the cause-effect of the many capitals. However, it is not a requirement. It might be reported in narrative form.

The value creation refers to Figure 3 which deals with the creation of value for an organization. However, I suggest that among the elements concerning the value entry remain: financial; manufactured; intellectual; human and relationship; social and environmental. These elements are aligned with the Content of the Integrated Capital Framework (Figure 4).

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

Yes.

The capitals should be considered as business assets and managed as such. This could imply that intangible capital is closely linked to human capital, as it refers to people who know and transfer knowledge to the company. The level of control could count with a component of this relationship

7 (item 2.19) 12 SUGGESTION: It may also exemplify the maximization of financial capital cannot afford the expense of natural capital, for example, degrading the environment.

SUGGESTION: It may complete the text with "the maximization of financial capital cannot afford the expense of natural capital, for example, degrading the environment.

14 The question is how to demonstrate in practice the transformation between the capitals? There are many inter-relations of capital. How do we assess the value creation of financial capital in human capital due to the training sessions?

11 The value creation includes the creation or destruction of value considering externalities (positive and negative ones) created from the company's activity. The framework provides guidance on quantifiable indicators such as KPIs and metrics monetized to better explain the cause-effect of the many capitals. However, it is not a requirement. It might be reported in narrative form.

Item 2.4 refers to Figure 3 which deals with the creation of value for an organization. However, I suggest that among the elements concerning the value entry remain: financial; manufactured; intellectual; human and relationship; social and environmental. These elements are aligned with the Content of the Integrated Capital Framework (Figure 4).

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

Yes.

The question is how to demonstrate in practice the transformation between the capitals? There are many inter-relations of capital. How do we assess the value creation of financial capital in human capital due to the training sessions?

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

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The question is how to demonstrate in practice the transformation between the capitals? There are many inter-relations between the capitals. How do we assess the value creation of financial capital in human capital due to the training sessions?

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

Yes.
Fundamental concepts

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

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

Comments

The Capitals (Section 2B)

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

Comments

The Capitals (Section 2B)

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

Comments

The Capital (Section 2B)

8. Do you agree with this approach to the capital? Why/why not?

Comments

The Capital (Section 2B)

8. Do you agree with this approach to the capital? Why/why not?

Comments

Furthermore, the dataset should also cover the impact on different capitals and how they are interrelated with the external environment. A deeper understanding of the relationships between the different capitals is crucial for a comprehensive understanding of an organization's overall performance.

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

Comments

The Capital (Section 2C)

10. 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 4C)?

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Comments

Fundamental concepts

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

Comments

Fundamental concepts

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

Comments

Fundamental concepts

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

Comments

Fundamental concepts

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Comments

Fundamental concepts

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

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Comments

Fundamental concepts
### Fundamental concepts

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### Guiding Principles

**3B Connectivity of information**

*Do you agree with this approach to the capital? Why/why not?*

Commons uses some term on capital to allow a predictability of how those terms follow and reiterate to a total of organizations. Commonly someone someone the aspects financials, environmants and functions. Thus knowledge to identify of categorization and informations of an organization.

*Firms, even this alternativ must know how to deal this 3B capital categorization in both 2.19. It do not mean that every category should abide by all 3 categories. However, this statement need not be applied on every categorization. In fact, it appears that we are not fixed network on the categorization. Informations may not exist financials assets, but also social and intangibles economies. As such, it demonstrates the nature asset to be a category type or a specific one.*

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

Commons, point sense of capitals that would allow a sense of overall, follow of the categorization of the capitals. This makes a major segement of the organization, as expected. Modals of categorization signify that value engage a region or region, societies, interests, etc武术.

*In what cases should the corporate governance ensure that the categorization in Section 2.19 is not fixed? What categorization in the 3B category is that is not required for there regualtory category be applied by the organizations? After all, will this categorization become a only a way for the support? In the support of the values the categorization should be standardized.*

---

### Fundamental concepts

*Do you agree with this approach to the capital? Why/why not?*

Commons need to engage in standards with a comprehensive, follow of the categorization of the capitals. This makes a major segment of the organization, as expected. Modals of categorization signify that value engage a region or region, societies, interests, etc.

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### Reliability and completeness (Section 3E)

7. Do you agree with this approach to the capital? Why/why not?*

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Guiding Principles

1.1.2 The guidelines of the Global Reporting Initiative, to be an international standard, meet the criteria of consistency and comparability. We then suggest that if an organization submits its sustainability report following the guidelines of the Global Reporting Initiative, with interaction and standardized indicators, already meaning the principles of integrated reporting and so is not necessary to publish the same information twice.

3.50 Materiality depends on the type of business, not everyone could follow the matrix.

3.26 The reliability of an integrated report should be demonstrated by an independent external assurance, defining materiality, focusing only on points they did not cover on Annual-Quarterly or any other reports, and testing reporting materiality with the issues raised by the high direction of the company. The annual cycle is very short. Most businesses and industries do not change so quickly. Best fit materiality annually from the user feedback information.

3.23 and 3.27 are in potential conflict.

3.20 The guidelines of the Global Reporting Initiative, to be an international standard, meet the criteria of consistency and comparability. We then suggest that if an organization submits its sustainability report following the guidelines of the Global Reporting Initiative, with interaction and standardized indicators, already meaning the principles of integrated reporting and so is not necessary to publish the same information twice.

3.5.0 Materiality and conciseness (Section 3D)

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

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

13. How should the reliability of an integrated report be demonstrated? (Section 3J)

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23. How should the reliability of an integrated report be demonstrated? (Section 3J)
Guiding Principles

Maturity and completeness (Section 3D)

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

We agree with this approach to materiality. It is clear and practical. It allows organizations to identify and report on material information in a consistent and transparent manner.

Reliability and completeness (Section 3E)

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

I have no comments.

Maturity and completeness (Section 3D)

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

I have no comments.

Guide: Principles

Maturity and completeness (Section 3D)

13. Do you agree with this approach to conciseness? If not, how would you improve it?

I agree with this approach to conciseness. It provides a clear and concise summary of the material information and avoids redundant information.

Reliability and completeness (Section 3E)

11. Do you agree with this approach to reliability? If not, how would you improve it?

I agree with this approach to reliability. It provides a clear and consistent method for assessing the reliability of the material information.

Guide: Principles

Maturity and completeness (Section 3D)

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

Yes, I agree with this approach to materiality. It provides a clear and consistent method for identifying material information.

Reliability and completeness (Section 3E)

10. Please provide any other comments you have about Section 3E or the Materiality demonstration process (Section 9B).

I have no comments.

Guide: Principles

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Reliability and completeness (Section 3E)

10. Please provide any other comments you have about Section 3E or the Materiality demonstration process (Section 9B).

I have no comments.
4.15 A partir do último bullet, entendemos que pode ser redundante justificar porque um capital foi considerado imaterial. A partir da materialidade justifica-se a escolha de determinados capitais e, por consequência, a exclusão dos demais.

4.11 O segundo bullet poderia incluir a influência dos stakeholders sobre as decisões da alta governança (se a empresa leva isso em consideração ou possui mecanismos para viabilizar essa influência). A orientação estratégica da atividade da empresa deve ser explicada. Em particular, os stakeholders que têm mais influência podem ser mencionados.
pag29 4G (4.36) pag29 Acreditamos que não pode dar o entendimento de que as implicações futuras devem ser necessariamente uma sessão destacada. Deve estar claro que as implicações futuras estão relacionadas aos demais elementos de conteúdo.

pag28 4F (4.31) pag28 No terceiro bullet, entendemos que a conectividade deve ser entre o conjunto dos indicadores, de forma que eles sejam complementares entre si e em relação à estratégia e ao modelo de negócios. A conectividade entre financial e non-financial information is very relevant to the integrated report but not necessarily in the form of indicators.

pag28 4F (4.29) pag28 Sugerimos rever a redação do item para que a monetarização das informações socioambientais não pareça prioritária sobre outras abordagens, uma vez que essa é uma questão de posicionamento estratégico das empresas. Nem necessariamente os números podem ser os que atingem o foco principal.

pag27 4E (4.22) pag27 Segundo bullet: fatores excessivos a serem considerados na descrição das principais atividades, principalmente o primeiro e terceiro itens. Alguns fatores apontados já são considerados em outros elementos de conteúdo, o que pode tornar o item redundante com o sexto bullet.

pag28 4F (4.29) pag28 Sugerimos revê-la de forma que para que a monetarização das informações socioambientais não pareça prioritária sobre outras abordagens, uma vez que essa é uma questão de posicionamento estratégico das empresas. Nem necessariamente os números podem ser os que atingem o foco principal.

pag29 4G (4.34) pag29 No primeiro bullet, as expectativas com relação ao ambiente externo deveriam ser de caráter corporativo em geral e não especificamente em relação ao "senior management". Poderiam se basear em análises de cenário e de risco.

pag27 4.22 pag27 Suggestion: Companies must indicate its temporal references for the short, medium and long term, for better understanding of their business model.

pag28 4F (4.31) pag28 Acredita-se que a organização deve-se ao mercado de ações deve estar atenta e consciente dos investidores e do público em geral, no que diz respeito às suas ações, resultados e outras informações relevantes.

pag28 4F (4.30) pag28 6 1 6

Il é conseillé d’expliquer les situations de la recherche et développement et de donner des recommandations sur la combinaison des facteurs de risque et de opportunités. Parmi les versions de définition de éléments de contenu, quelques définitions sont plus formelles et d’autres plus concises. Les définitions qui suivent pourraient être utilisées en deuxième instance par les organisations pour les éléments de contenu tels que "social capitals"

pag27 4.22 pag27 Suggestion: Companies must indicate its temporal references for the short, medium and long term, for better understanding of their business model.

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pag28 4F (4.31) pag28 O nono bullet, achamos o item redundante com o sexto bullet.

pag27 4.22 pag27 Suggestion: Companies must indicate its temporal references for the short, medium and long term, for better understanding of their business model.

pag28 4F (4.30) pag28 Acredita-se que as organizações deve estar atenta e consciente dos investidores e do público em geral, no que diz respeito às suas ações, resultados e outras informações relevantes.

pag28 4F (4.30) pag28 "This requires judgment and will depend on the nature of the matter in question". IIRC should consider to mention the importance of issues/impacts of sectors publicly known in the market agents and/or academia (e.g. rating agencies) to financial and accounting information, because: - The entity is in charge for financial and accounting information; - use the entity in charge for these information to demonstrate the connectivity and the relationship of the information with the others.

pag28 4F (4.30) pag28 The last bullet: it is a suggestion for the board of directors. Whether the responsibility of the board of directors is a conflict of interest, due to the responsibility of the board of directors.

pag28 4F (4.30) pag28 "This requires judgment and will depend on the nature of the matter in question". IIRC should consider to mention the importance of issues/impacts of sectors publicly known in the market agents and/or academia (e.g. rating agencies) to financial and accounting information, because: - The entity is in charge for financial and accounting information; - use the entity in charge for these information to demonstrate the connectivity and the relationship of the information with the others.

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### International Integrated Reporting Council (IRC) - Comment process for Prototype of The International <IR> Framework
Brazilian Committee for IRC Communication

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#### Preparation and presentation

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#### Preparation and presentation (Development of those charged with governance - Section 5D)

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?

**Entendimento:** É de considerar que a inclusão de uma declaração de responsabilidade do gestor para a elaboração do relatório integrado é relevante, principalmente, quando se deseja demonstrar a transparência e questões relacionadas à qualidade da informação. A inclusão de uma declaração de responsabilidade pode ser útil para reforçar a legitimidade e confiança do relatório integrado.

#### Preparation and presentation (Framework - Section 9B)

19. 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 comments if 5B is relevant). Why?

**Comment:** Embora o efeito não necessite ser quantificado, quando não for praticável fazê-lo a empresa deverá emitir declaração neste sentido. Para tanto, o glossário deverá acrescentar a definição de “impraticável” contida no Glossário do IIRC.

#### Preparation and presentation (Additional content)

- The overall focus, concentration is clearly in the right direction, views and suggestions are frequent in the text that is simple and straightforward, that has the support from some countries, countries are the examples of specific disclosure.
- We generally feel that the contents of the chapter well documented, since it is a framework and aimed to establish the principles to be considered in the preparation and presentation of information, not specific model disclosure.
- As far as we understand, the standard does not cover all the qualitative and quantitative information described in the Integrated Reporting Conceptual Framework in that it covers the only financial statements disclosed by organizations.
- We believe that the proposed content from the chapter (1 - Frequency of reporting to) Use of Technology) includes all relevant aspects to target institution/professionals regarding the sustainability of the information presentation.

#### Preparation and presentation (Additional content)

- We have a feeling that there are in the text that is simple and straightforward, that has the support from some countries, countries are the examples of specific disclosure.
- In general we feel that the contents of the chapter well documented, since it is a framework and aimed to establish the principles to be considered in the preparation and presentation of information, not specific model disclosure.
- Most of the standard that is a standard must be included.
- Attitude and the issues involved in the report should be aware that their external information regarding other dimensions of the company.
- As far as we understand, the standard does not cover all the qualitative and quantitative information described in the Integrated Reporting Conceptual Framework in that it covers the only financial statements disclosed by organizations.
- We believe that the proposed content from the chapter (1 - Frequency of reporting to) Use of Technology) includes all relevant aspects to target institution/professionals regarding the sustainability of the information presentation.

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- Attitude and the issues involved in the report should be aware that their external information regarding other dimensions of the company.
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Preparation and Presentation

1. The definition of relevant matters, materiality and importance is not clear. For example, on page 101 (p. 9), relevant matters are known to have an effect on the organization's ability to create value over time. On the other hand, in section 5D, Materiality and Relevance, the concept of materiality is defined as the ability of the financial reporting entity to create value over the short, medium and long term. There are some similarities in the same, however, not all relevant matters and materiality are considered in the same way.

Further information in paragraphs is also mentioned by the "novel" potential effect on value creation (pg 91, par 14). Confusing! On paragraph 5 for page 31, after paragraphs of the description answering important, there is no mention of importance in the readability determination process.

2. This allows for a more classical method, the "costly" one, used throughout the publication. It is usually used without qualifying the value. Leasing a space can value that can be created for society, for natural capital, or all other 3 aspects. However, in the few instances, such paragraph 31 with 5.0.5, the word "fiscal" comes up. I would recommend adding this word in the readability determination definition, so that it would be reflected on the ability of the fiscal reporting entity to create value over time. I bring this up only significantly, all other sections of the IR framework.

3. Assessing feedback of short, medium and long-term issues on the same scale will always lead to the prioritization of short-term matters. To ensure this won’t happen, I strongly suggest figure 4, on page 11 to include in this case, time.

Preparation and Presentation

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?

The declaration of supervisory role is required because it gives credibility and defines a channel for clarification as well. Each organization has its own process and the same should be briefly described in this statement.

16. Please provide any other comments you have about involvement of those charged with governance (Section 16).

The involvement of the responsible for governance is essential for the credibility of the integrated report. The assurance of the financial and non-financial information becomes essential to achieve the desired credibility. Example: As most organizations produce numerous reports throughout the year, we think that the process of assurance should be performed to validate such information.

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

But reduce possible interpretations and expand the capacity of comparable reports. Concepts or requirements on the performance of the external auditors in the process of assurance of information (such as the measurement of intangible assets, the assurance of the scope of work and other qualitative information) are critical for the development of integrated reporting.

Preparation and Presentation

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Porto Claro Planer da Responsabilidade pela Governança Argumentação

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Involvement of those charged with governance (Section 5D)

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Preparation and Presentation

Opinion of Responsible for Report Governance. Argumentation:

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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. Credibility involves qualities that the <IR> has that make people believe or trust it. Assurance providers are asked to comment on the <IR> in order to make it assured. The Framework provides reporting criteria against which organizations and assurance providers assess a report’s assurance. It does not provide the guidance for performing assurance engagements.

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

Preparation and presentation

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 consideration of inline XBRL to enable a human-readable format without the need for specialist software. It has the ability to source information within an integrated report, but also between other reports across corporations and years. We therefore suggest that the IIRC considers whether to create an XBRL taxonomy referencing existing material in the Framework, thereby enabling the IIRC to consider the use of inline XBRL to enable a human-readable format without the need for specialist software.

Preparation and presentation

What do these mean? In our experience of climate change-related reporting, it is particularly important that a detailed integrated report be prepared annually, as in the statutory financial reporting cycle. If it is not prepared on this basis, the framework would be in danger of being as effective in the overview in order to clarify the confusion in some topics between “process of IR (Reporting)” and “Integrated Reporting”. In essence, “Integrated Reporting” is an internal company process and the integrated report will be presentation of the results and quantitative and qualitative guidances in the way that all reports will be based on same information, no matter if create or destroy values.
### 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?**

- **Integrated Process, Integrated Thinking and Obligation of an integrated report**, because the integrated process and thinking are the main objectives. Also the obligation of an integrated report is what the market want to know.

- **Materiality, corporate Governance and economic and environmental development**, because materiality is important for the definition of priority matters for the company and its stakeholders. This definition will guide the reporting and sustainability reporting. Also, integrated process and thinking are the main objectives.

- **Sustainability governance**, because companies need to report on their sustainability performance. This will help companies meet the demands of stakeholders and improve their reputation.

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**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?**

- **Integrated process** is the future since all companies need to have all the five sections connected. Having the same information to disclose and to channel analysis, it is important to figure out more possibilities then an integrated report to help companies to have integrated process and thinking. Also, it is important to have a more quality of reports, avoiding information duplicated and doing a proper communication.

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International Integrated Reporting Council (IIRC) - Comment process for Prototypes of The International IRF Framework
Brazilian Commision for IR Communication

GT 1 - Exposure Draft | Conceived by Ernst & Young Brasil Winter Forum | April 2015

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Overall view | 22 | | | 22
General comments
22. Recognizing that IIR 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 input with information about an organization’s ability to create value in the short, medium and long term.

The general structure will generally support the trend of our comments: more meaningful, more impact different; this is easier to implement different publics with their specific interests. It should never explicitly explain what comprises the integrated report. It could use analogies to the IRF Framework, which is quite pragmatic.

Overall view
22. Recognizing that IIR 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 input with information about an organization’s ability to create value in the short, medium and long term.

This very much support the objectives of Integrated Reporting and congratulate the IIR for developing a framework that helps bring together many elements of existing reporting practices. However, we feel it is our answer to question 20 to say that the IRF Framework will still require some changes to fit the framework to make clear that content will equally apply to reporters and users of information.

Other
28. Please provide any other comments not already addressed by your responses to Questions 1-9.

The IRF Framework has been highly influential. It is an outstanding document, which we commendpton. the IRF Framework and overall believe the content is appropriate for use by organizations in preparing an integrated report and for providing input with information about an organization’s ability to create value in the short, medium and long term.

To include in the Glossary the definition of Planetary Limits.

To emphasize the importance of reference to the term \"Encarregados pela Governança\" use \"Senior Management\".

Along the Framework shall be more examples along the Framework.

Em relação a questão 23, deve ter um material explanatório sobre a integralidade do material. Não utilizar o termo \"Encarregados pela Governança\" usar o termo \"Alta Administração\". Dar mais exemplos ao longo do Framework.

We very much support the objectives of Integrated Reporting and congratulate the IIRC for developing a framework that helpfully brings together many elements of existing reporting practice. However, as noted in our answer to question 20, we feel it is the IRF Framework will still require some changes to fit the framework to make clear that content will equally apply to reporters and users of information.

Other
28. Please provide any other comments not already addressed by your responses to Questions 1-9.

We very much support the IRF and the work and the development of this IR Framework. We share the IRF’s objective to propel an evolution in corporate reporting and we share some of your members and contributors.

As noted above, we feel that there are opportunities for streamlining and simplifying the IRF Framework. As an suggested draft, we attach an essay in appendix 1 which we regard also as a guide to Implementing Report.

Let the proposals in the IRF Framework be seen as preliminary and over view over the past year. For example, Focus No. 2 Draft and this Focus Project Report do highlight potential issues very similar to those raised in the IRF Framework.

The IRF Framework was based on the extensive research work of the IIRC and has engaged in the feedback process. The IRF Framework could be based on the extent of this feedback process.

Reasonable effort to do so.

6th Point: page 06, Guiding Principles, Consistency and Comparability and Page 23, Item 3.51, suggestion of changing the term ... comparison with other organizations ... to use the following term: ... comparison with other organizations.

To improve the clarity with which we use the following terms: \"Sustainability, stakeholders, etc..\".

To define the following term: \"Sustainability and Stakeholders\" as well as each Capital definition without the term \"capital\".

Generally, for the purposes of the IRF Framework, the integrated reporting practice would be used in the following way: \"Integrated Reporting\".

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IR communicates the way in which an organization creates value (1.2).

Consistent and comparable (3.48)

Gostaria que você transmitisse a todos os participantes do grande esforço de construir uma comunicação mais nobre, objetiva e — por que não? — mais elegante. Peço-lhes para rejeitarem essa tendência a nacionalizar, pela força do uso, uma expressão tão inadequada como “materialidade”, para a qual não existe “similar nacional” mas uma expressão mutíssimo mais rica, que é “relevância”.

Material: “Tendência para valorizar apenas aquilo que é de ordem material; incapacidade para compreender coisas cuja compreensão exige sensibilidade, finura de espírito; baixeza moral, brutalidade, estupidez”, ou tomar emprestado do Ministério Público uma expressão do Código de Processo Penal que atribui aos promotores públicos a função de comprovar a “materialidade” do crime??!!

Exactly the meaning we look for, of something that, in our annual reports, is of great value or interest and even indispensable. How to replace this with such a gross expression, such as “moral baseness, brutality, stupidity,” or borrow an expression from the legislative jargon, such as “materiality,” for which there is no “national counterpart” but an expression that is much richer, that is “relevancy”.

The extent to which value has been created and for what and whom manifests itself in changes to the capitals that take place over time. Therefore, IR should include information about the organization’s future outlook (4.33).

In one of his most inspired texts, the writer Osman Lins stated that “Two times was the world created: from nothing to the existing one, and when, in a more subtle level, the words were created.” In other words, for things to actually exist they must have a name. A lot of respect for the word!!

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General comments

1. O business case for “Integrated Reporting”

1.1. Quais são as principais imperfeições no atual regime de relato das empresas?

1.1.1. O que é mandatório: o relato econômico-financeiro apresenta uma análise parcial e de curto prazo do desempenho das companhias. É necessário evoluir as técnicas de mensuração (por exemplo: carbono) para que seja possível incluir consequentemente nas análises.

2. O futuro da comunicação

2.1. In your opinion should it be present up to 2020 disclosure results all financial, economic, social, environmental, governance and innovation?

2.1.1. What is mandatory: the economic and financial report presents a partial analysis and short-term companies’ performance. The current corporate report does not allow the preview of the risks and opportunities of the business. The companies do not expos fundraising. During operation, settle into a false dilemma of transparency between what is strategic information for competition and the convenient part of their headquarters.

2.2. What challenges and obstacles do you foresee for the adoption of integrated information? Integrated Reporting.

2.2.1. In your opinion should it be present up to 2020 disclosure results all financial, economic, social, environmental, governance and innovation?

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General comments

2. O futuro da comunicação

2.1. Em sua opinião, todos os aspectos financeiros, econômicos, sociais, ambientais, de governança e de inovação deveriam estar...

2.1.1. O que é complementar e voluntário: o relato socioambiental tornou-se um campo de disputa de reputação e de imagem, sem implicações esperadas e ainda marginais.

2.2. Quais as práticas de comunicação deveriam ser levadas em consideração a fim de se criar um Relatório Integrado?

2.2.1. Which communication practices should be taken into consideration in order to create an Integrated Reporting?

2.2.2. In your opinion should it be present up to 2020 disclosure results all financial, economic, social, environmental, governance and innovation?
<table>
<thead>
<tr>
<th>General comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>3. Usuários de um Integrated Reporting Framework</td>
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<tr>
<td>3. Integrated Reporting Framework users</td>
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<tr>
<td>3.1. O que empresas de capital aberto precisam como orientação para a adoção dos Relatórios Integrados em seus negócios?</td>
</tr>
<tr>
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<tr>
<td>Estímulo e regulação, por exemplo, a inserção nas regras de boa governança da BMAF BOVESPA – isso com certeza deveria fazer incentives and regulation, for example the inclusion in the rules of good governance of BMAF BOVESPA – it certainly should be part of the strategy and business model are adequate to address the risks and opportunities of business.</td>
</tr>
<tr>
<td>3.2. Que outras entidades se beneficiariam com a implementação de Relatórios Integrados e quais seriam suas necessidades? Conhecer as necessidades de diferentes entidades.</td>
</tr>
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<tr>
<th>General comments</th>
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<tr>
<td>4. Papel do governo</td>
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<tr>
<td>4. Government’s role</td>
</tr>
<tr>
<td>4.1. Na sua opinião, qual é a melhor maneira de garantir a aprovação da adoção de Relatórios Integrados?</td>
</tr>
<tr>
<td>4.1. In your opinion, which is the best way to ensure the adoption approval of Integrated Reporting?</td>
</tr>
<tr>
<td>Regulação quanto à periodicidade da divulgação e estímulo à adoção a partir de limitações no acesso ao capital (exemplo: exigência de divulgação de resultados trimestral e incentivo ao segmento de crédito)</td>
</tr>
<tr>
<td>4.2. O governo exerce algum papel na aceleração da adoção de Relatórios Integrados ou isso deve ser conduzido por iniciativas voltadas para esse público?</td>
</tr>
<tr>
<td>4.2. Does the government plays a role in accelerating the adoption of Integrated Reporting, or it must be driven by voluntary initiatives?</td>
</tr>
<tr>
<td>Por sermos uma economia em desenvolvimento, uma grande necessidade das companhias (abertas ou fechadas) é por acesso ao capital. A velocidade tem condições de alavancar intensamente sua prática no mercado brasileiro.</td>
</tr>
<tr>
<td>As an emerging economy, companies (public or private) are access to capital. The deployment of integrated reporting depends on a large companies because their structures and decision making control to be involved are smaller and more flexible.</td>
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<tr>
<td>5. Audiência para Relatórios Integrados</td>
</tr>
<tr>
<td>5. Audience for Integrated Reporting</td>
</tr>
<tr>
<td>5.1. Quais atores você consideraria para uma audiência preliminar dos Relatórios Integrados?</td>
</tr>
<tr>
<td>5.1. Which actors would you consider for a preliminary hearing of Integrated Reporting?</td>
</tr>
<tr>
<td>Todos aqueles que têm capacidade de financiar uma companhia – investidores de todas as portes, administradores de fundos, banqueiros, governamentos, etc.</td>
</tr>
<tr>
<td>All those who have ability to finance a company - investors of all sizes, fund managers, banks, governments, etc.</td>
</tr>
<tr>
<td>5.2. O IIRC identificou os investidores como um público chave para essa audiência. Quais as principais características de um Relatório Integrado?</td>
</tr>
<tr>
<td>5.2. The IIRC identified investors as an initial audience for this audience. Which are the main characteristics of an Integrated Report?</td>
</tr>
<tr>
<td>Identificação clara e transparente de riscos e oportunidades – e como a estratégia e o modelo de negócios lidam com esse cenário.</td>
</tr>
<tr>
<td>Clear and transparent identification of risks and opportunities - and how the strategy and business model deal with this scenario.</td>
</tr>
</tbody>
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**International Integrated Reporting Council (IIRC) - Comment process for Prototype of The International <IR> Framework**

**Brazilian Commission for <IR> Communication**

**GT 1 - Exposure Draft | Coordinated by Ernst & Young Brazil (Meire Ferreira) | April-July, 2013**

**Participant: José Wanderley / Jaqueline Nichi**

**Organization:** Natura Cosméticos S/A

**Position:**

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**Telephone:**
## General comments

### Inputs Sustentabilidade:

6. Você acha que o conceito de múltiplos capitais é útil na explicação de como uma empresa cria ou não valor sustentável? Por quê?

Sim. Certamente a conceituação por “capitais” dos diferentes recursos (físicos, humanos, intelectuais), dos relacionamentos e redes de interdependência mais tangíveis aos diferentes stakeholders que terão acesso ao relatório.

E já para a organização, essa segmentação também ajuda o processo de relato, desde o desenvolvimento e da coleta dos indicadores e fatores e elementos que estão sendo relatados.

Usamos os 5 capitais (natural, humano, social, econômico e físico) em nossa avaliação com comunidades fornecedoras, o que tem resultados positivos.

No entanto, mesmo com a divisão por capitais, corremos o risco de manter a segmentação por temas (financeiro, econômico e socioambiental) neste ponto no pilot e como se dará a integração dos Capitais com os Content Elements.

IIIRC poderia seguir melhor o Framework do Sustainable Livelihoods (Scoones), pois não está claro porque há a segregação entre o “manufacturing” capital, de acordo com a descrição no material, pode haver uma interpretação de que manufactura refere-se aos fatores e elementos que estão sendo relatados.

Acredito que o Guiding Principle “Connectivity of information” também pode contemplar em sua definição a relação mais tangível aos diferentes stakeholders que terão acesso ao relatório.

In the other hand for organizing, this segmentation also helps the reporting process, from the development and collection of indicators to reporting to stakeholders.

Yes. Surely the concept of “capital” of the different resources (physical, human, intellectual), relationships and networks and other association relationship more tangible to the different stakeholders who will have access to the report.

In the other hand for organizing, this segmentation also helps the reporting process, from the development and collection of indicators to reporting to stakeholders.

Despite the suggestions, we believe that the Guiding Principle “Connectivity of information” also helps the reporting process, from the development and collection of indicators to reporting to stakeholders.

Yes. Surely the concept of “capital” of the different resources (physical, human, intellectual), relationships and networks and other association relationship more tangible to the different stakeholders who will have access to the report.

It also helps to organize the report, from the development and collection of indicators to reporting to stakeholders.

We use the five capitals (natural, human, social, economic and physical) in our evaluation with supplier communities, which has been well received by the companies involved.

### General comments

7. Do the Guiding Principles identified in the Discussion Paper provide a sound foundation for preparing an Integrated Report – are there other Guiding Principles that should be added? Why/why not?

Sim. Os Guiding Principles para os relatórios integrados estão bem estruturados e a argumentação para cada Guiding Principle está atende às necessidades das organizações e certamente contribui para o processo de relato.

Quanto às sugestões, acreditamos que o Guiding Principle “Connectivity of information” também pode contemplar em sua definição a relação mais tangível aos diferentes stakeholders que terão acesso ao relatório.

Acreditamos que o Guiding Principle “Connectivity of information” também pode contemplar em sua definição a relação mais tangível aos diferentes stakeholders que terão acesso ao relatório.

Yes. The Guiding Principles for Integrated Reporting are well structured and the argumentation for each Guiding Principle is clear, and certainly contributes to the reporting process.

Despite the suggestions, we believe that the Guiding Principle “Connectivity of information” may include in its definition the “comparability of data and information” with the same adopted in the discussion paper.

In this chapter yet, we miss an orientation with respect to the frequency of integrated reporting, especially if we consider that companies must be properly connected and understood in their interdependence relationship with other information/indicators, but we can supply the aggregated value and even the positive and/or negative impacts that it prints in the context reported.

In this chapter yet, we miss an orientation with respect to the frequency of integrated reporting, especially if we consider that companies must be properly connected and understood in their interdependence relationship with other information/indicators, but we can supply the aggregated value and even the positive and/or negative impacts that it prints in the context reported.

However, even in a division of capital context, we get the risk of keeping targeting issues (financial, economic and social) without acting on them.
**General comments**

8. Do the Content Elements identified in the Discussion Paper provide a sound foundation for preparing an Integrated Report— are there other Content Elements that should be added? Why/why not?

Sim. A maneira como os Content Elements estão descritos e organizados oferece uma orientação esclarecedora e objetiva de como e qual objetivo de se relatar as informações em questão.

Ainda nesse sentido, esses elementos atendem aos diferentes Stakeholders que têm acesso ao relatório, especialmente o público in Esse formato também apresenta um caminho possível de deixar o relatório mais conciso e factível de uma leitura fluída e linear.

Os Contents Elements estão bem alinhados aos Elementos Estruturantes do GRI (Visão e estratégia, Perfil Organizacional, Estruturas Orientadores e Sistemas de Gestão) com a inclusão positiva do "Future Outlook" que é uma das orientações que de fato provocará Yes. The way the Content Elements are described and organized offers insightful and objective guidance on how it should be the inte reporting the information in order.

In this sense, these elements meet the different stakeholders who have access to the report, especially the investing public, elected a This format also provides a possible way to get the report more concise and doable in a fluid and linear reading.

The Elements Contents are well aligned to the GRI Structuring Elements (Vision and Strategy, Organizational Profile, Structure and G Management Systems) with the positive inclusion of "Future Outlook" which is one of the guidelines in fact that will cause a more stra

**Q3. Are the input and output capitals (such as financial and manufactured) of this business model helpful in thinking through the fact organization? Why or why not?**

IDEM AO Q6:

IIRC poderia seguir melhor o Framework do Sustainable Livelihoods (Scoones), pois não está claro porque há a segregação entre os recursos não naturais de suporte às atividades humanas, recomendamos que seja nomeado como capital físico. No entanto, mesmo com a divisão por capitais, corremos o risco de manter a segmentação por temas (financeiro, econômico e soci este ponto no piloto e como se dará a integração dos Capitais com os Content Elements.

Same to Q6:

IIRC could better follow the Sustainable Livelihoods Framework (Scoones), for it is not clear why there is a separation between human "manufacturing" capital, according to the description in the material, there may be an interpretation that manufacture refers only to ma nonnatural resources support to human activities, we recommend appointed as physical capital. However, even in a division of capital context, we get the risk of keeping targeting issues (financial, economic and social) without acts evaluate this point in the pilot and how it will envolve Capitals to Content Elements integration.

**Q4. If you were to apply the Guiding Principles and Content Elements (set out on pages 12 to 15 of the Discussion Paper) in the cont your reporting relative to what you are currently doing?**

De certa forma, já seguimos muito do que o IIRC propõe em nosso relatório, talvez precisaremos melhorar nossa abordagem de futs de informação.

Somehow, we’ve already been following a banch proposed by IIRC in our report, we may need to improve our approach to the future, connectivity.