

Integrated Reporting Pilot Programme

Frequently Asked Questions

Questions

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> *What is Integrated Reporting?*

Integrated Reporting demonstrates the linkages between an organization's strategy, governance and financial performance and the social, environmental and economic context within which it operates. By reinforcing these connections, Integrated Reporting can help business to take more sustainable decisions and enable investors and other stakeholders to understand how an organization is performing.

By addressing the material issues for an organization, an Integrated Report should demonstrate in a clear and concise manner an organization's ability to create and sustain value in the short, medium and longer term.

The IIRC is preparing a Discussion Paper on Integrated Reporting for public consultation to be released prior to the start of the Pilot Programme. This will form the starting point for the Pilot Programme, although additional guidance material will also be shared with pilot companies.

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> *Why should I start Integrated Reporting now?*

Integrated reporting supports the creation of long-term sustainable value by bringing together financial and non-financial information on areas that are material to an organisation's strategy and business performance. The Integrated Reporting Framework created by the IIRC is the first international framework for Integrated Reporting. Participating in the Pilot Programme puts your organization at the forefront of reporting innovation and contributes to the further development of Integrated Reporting.

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> *Why should my organization participate in the Pilot Programme?*

The benefits organizations can expect from participation in the Programme include:

Receive support during the piloting process through:

- participation in the three Programme conferences
- Pilot Programme guidance material providing insight into current good practice and sources of further guidance
- periodic calls with peers as well as a community forum to exchange good practice
- expert input from the IIRC and IIRC Working Group members developing the Framework
- feedback on companies' reports from investment professionals, who are the intended to be the primary audience for Integrated Reports

Achieve visibility as a leader in the reporting field and as a supporter of the IIRC, including through:

- being among the first companies to implement Integrated Reporting
- being listed on the dedicated public pilot page of the IIRC website www.theiirc.org, and on communications material related to the Pilot Programme
- being included and referenced in publications on the Pilot Programme outcomes

Help shape the future of integrated reporting. Your company can expect to:

- be one of the primary dialogue partners of the IIRC in its further work on the Integrated Reporting Framework ; and
- stay closely informed of the direction of development of the Framework during 2011-2013, including the work on the exposure draft and the final Framework

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> *How can my organization join the Pilot Programme?*

Should you be interested in participating in the Pilot Programme, please fill out the expression of interest form available on www.theiirc.org or email pilotprogramme@theiirc.org

Expressions of interest may be submitted by:

- 30 June 2011 (Early deadline) – for companies willing to participate in all phases of the Programme
- 29 July 2011 (Late deadline) – for companies wishing to join phase 2 and 3 of the Programme

For details, please contact the IIRC Secretariat by emailing pilotprogramme@theiirc.org

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> *You ask for “Top-management buy in” as part of a prospective pilot company’s commitment, what is that?*

The purpose of asking for top management buy in is to ensure that someone with the authority to commit the relevant expertise from across an organization signs off on participation in the Pilot Programme. Piloting Integrated Reporting should not be something just carried by a single department such as a communications department, finance department or sustainability department, but to a degree, by all. As such, sign off will typically come from the Chief Executive Officer, one or multiple (Senior) Vice Presidents or other “Chief” Officers.

For further details, please contact the IIRC Secretariat by emailing pilotprogramme@theiirc.org

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> *Does my organization have to publish its report?*

The IIRC recognizes that Integrated Reporting is a new and innovative form of reporting. As such, a pilot company is not obligated to publish an Integrated Report, but is asked to share any preliminary findings and explain the steps it has taken towards creating an integrated report, including specific challenges and barriers it faced. Publication is encouraged to gain full benefit, but where an organization feels that certain elements are not ready for external release, they may decide to publish in part rather than in full.

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> *Does my organization have to produce a full Integrated Report if it becomes a pilot organization?*

One of the principal aims of the Programme is to create insights based on the International Integrated Reporting Framework. The IIRC is seeking organizations willing to commit to participation in the two year Programme and that will “work towards creating a report”.

Some pilot companies may chose to focus on specific aspects of integration as a first step towards Integrated Reporting. There will be no obligation to publish the report produced in full, although by not publishing the report, comment from stakeholders, including investors, will not be possible.

For details, please contact the IIRC Secretariat by emailing pilotprogramme@theiirc.org

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> *Does my organization need to be in the Pilot Programme to produce an Integrated Report?*

No. The draft Integrated Reporting Framework is a public document. Any organization is encouraged to study it and use it to create an Integrated Report. The IIRC welcomes any and all feedback from organizations that are producing or have produced an Integrated Report using the Framework outside of the Pilot Programme.

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> *Are there any costs associated with participation in the Pilot Programme?*

Companies are asked to contribute an annual participation fee of GBP 10,000 [ten thousand] to support the Pilot Programme and work of the IIRC. The first payment will be due by September 15 2011, at the start of Phase 2 of the Programme. The second will be due in September 2012, at the start of phase 3.

In order to encourage diverse participation, a company may opt for a reduced contribution based on its turnover (revenue) in its last full reporting period. Companies with annual turnover of under GBP 600 Million may opt to contribute less, down to GBP 5,000 [five thousand]. Group turnover rather than that of any specific subsidiary will be considered.

Funding excludes a company's internal costs associated with participation in the Programme, as well as travel and accommodation expenses for the meetings as well as any costs associated with participating in the tele- or videoconferences.

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> *How can my business network or organization be involved in the Pilot Programme?*

Business member organizations or business networks may be interested in supporting the Pilot Programme. They can do so first, by communicating the opportunity presented by the Programme to their members or affiliates. Second, they may wish to support their members or affiliates as they embark on the Integrated Reporting journey. The latter can be recognized as Network Partners of the Programme.

Business member organizations and business networks interested in supporting their members and associates in the Programme in such a way should contact the IIRC Secretariat for details by emailing pilotprogramme@theiirc.org

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> *I'm an investor: Can I participate in the Programme?*

Yes, members of the investment community are warmly welcomed to join the Programme. Investors are welcome, first of all, as participants in their own right, second of all, investors are invited to express interest in participating in the Pilot Programme as members of the *Investor Group*. The Investor Group will be a source of advice and feedback for piloting companies and the IIRC.

Members of the Investor Group will be able to offer key insights into investors needs throughout the Programme as well as offer an investor view on the reports created.

Investors interested in the Investor Group are asked to email pilotprogramme@theiirc.org

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