

Think Ahead

ACCA

Insights into Integrated Reporting

Challenges
and best
practice
responses



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This report examines the reporting practices of organisations in the International Integrated Reporting Council's <IR> Business Network. It highlights the concrete benefits and challenges that the early adopters have experienced, and gives practical recommendations to guide more organisations on the path to Integrated Reporting.

ACKNOWLEDGEMENTS

ACCA would like to thank the IIRC for giving us the opportunity to take part in the <IR> Business Network Report Critique project. We are grateful to Prof Marvin Wee of the University of Western Australia and Jo Cain of Materiality Counts for participating on the expert review panel, as well as all the interviewees listed in Appendix 1 for giving their time to be interviewed for this report.

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1 www.ifac.org/global-knowledge-gateway/business-reporting/discussion/use-and-usefulness-integrated-reporting

2 www.ifac.org/global-knowledge-gateway/business-reporting/discussion/materiality-and-conciseness-integrated



The International Integrated Reporting Council (IIRC) has been highly successful in defining and promoting the concept and practice of Integrated Reporting – <IR> – globally.

As <IR> moves towards its ‘Global Adoption’ phase next year, this new report explores the progress pioneering adopters of the IIRC’s International <IR> Framework have made – what they have learnt, the challenges they have faced, and the organisational value they’ve gained.

It’s clear from this report’s findings that Integrated Reporting is enabling a range of companies to articulate more clearly and fully what truly drives them forward. This, in turn, is leading to greater clarity on, and management of, challenges and opportunities. In essence, integrated reporting is a means to an end, rather than

an end in itself – and that final destination is integrated thinking. The reporters featured in this report talk powerfully about the broader and more insightful approach to managing their organisation that <IR> has enabled.

Stakeholders rightly expect today’s organisations to safeguard all forms of capital – financial, natural, human, intellectual and social – and so wider forms of corporate stewardship have never been more important. Only by adopting this approach can we instil the public trust and confidence that is so vitally important to the health of the global economy.

I hope this report encourages those not already practising Integrated Reporting to explore it – because its benefits are clearly manifold, for companies themselves and for the world we share.

A handwritten signature in black ink, appearing to read 'Helen Brand'.

Helen Brand OBE
Chief executive
ACCA

It is now widely accepted that traditional financial reporting no longer meets the needs of businesses seeking to develop and maintain resilient and responsible operations, not just in the immediate future but also in the medium and long term.

It is now widely accepted that traditional financial reporting no longer meets the needs of businesses seeking to develop and maintain resilient and responsible operations, not just in the immediate future but also in the medium and long term. Financial statements draw on historical information and are therefore backward looking. They also focus heavily on financial capital, whereas success for many organisations today depends on other resources – such as the expertise of their people, their intellectual property developed through research and development, and their interaction with the environment and the societies in which they operate.

Integrated Reporting (<IR>) was developed to fill such reporting gaps. The International Integrated Reporting Council (IIRC) has promoted the concept, inspired by the goal of a world where integrated thinking and reporting are embedded in mainstream

business practice. Its vision aligns capital allocation and corporate behaviour with wider goals of financial stability and sustainable development through the cycle of integrated reporting and thinking.

Since the release of the International <IR> Framework (the Framework) in December 2013, the pace and scale of adoption by organisations has steadily increased. From 2018, the IIRC plans that <IR> will enter its 'Global Adoption Phase', aiming to position it firmly at the centre of corporate governance and corporate reporting. There are almost 2,000 participants in <IR> networks worldwide. The IIRC's <IR> Business Network, its flagship programme of organisations committed to adopting the Framework, now has over 80 members. The networks serve as a forum where organisations can share their experiences with a view to improving the quality of integrated reports and, in doing so, help to prove the business case for <IR> adoption.



This report explores how organisations are addressing the challenging areas identified, and shares examples of good practice.

As this report highlights, organisations are experiencing benefits from adopting <IR>, anticipating further benefits in future.

From July to October 2016, ACCA worked with the IIRC to review 41 corporate reports by participants in the <IR> Business Network³. This was the <IR> Business Network Report Critique Project 2016. The reports covered accounting periods up to 31 March 2016. The review project provided confidential feedback to participants, aiming to encourage continued improvement in reporting by highlighting both areas of strength and gaps in implementation of the Framework.

The reviews reflected the diverse reporting practices of organisations at different stages of their Integrated Reporting journey: 21 of the 41 reports reviewed were clearly identified as integrated reports, while three stated that they follow the principles of the Framework; without being called integrated reports. Seventeen organisations had not explicitly implemented Integrated Reporting. In these cases, the organisations provided the expert review panel with the corporate reports that they intended would form their integrated reporting package: these included the front end of annual

reports, sustainability reports, corporate responsibility reports and a combination of the three.

The findings were encouraging, pointing to a high overall level of reporting quality. Nonetheless, the reviews showed that organisations find some aspects of <IR> particularly challenging. (See Appendix 2 for the aspects of the Framework considered.)

This report builds on the observations that emerged from the report reviews, aiming to provide further insight into how organisations are implementing Integrated Reporting in practice. To this end, in February and March 2017, we conducted interviews with representatives from nine organisations at different stages of <IR> adoption, eight of whom were among the <IR> Business Network participants whose reports ACCA and the IIRC reviewed in 2016, along with another, Solvay S.A., which took the first step towards Integrated Reporting in its 2015 annual report. This report explores how organisations are addressing the challenging areas identified, and shares examples of good practice. It provides practical insights to help not only organisations already preparing integrated reports, but also those just starting to adopt <IR>.



3 The expert panel reviewers constituted staff from the IIRC and ACCA, Prof Marvin Wee of the University of Western Australia and Jo Cain of Materiality Counts.

The participants of the <IR> Business Network interviewed for this report identify many benefits from adopting Integrated Reporting.

The participants of the <IR> Business Network interviewed for this report identify many benefits from adopting Integrated Reporting. These include:

- more integrated thinking and management
- greater clarity on business issues and performance
- improved corporate reputation and stakeholder relationships
- more efficient reporting
- employee engagement
- improved gross margins.

MORE INTEGRATED THINKING AND MANAGEMENT

<IR> is about more than corporate reporting: it is fundamentally an approach to managing a business that is based on a clear awareness of the many ways that entities create and destroy value. <IR> Business Network participants recognise that the integrated reports that businesses produce are the manifestation of their internal integrated thinking and management.

'To my mind, integrated thinking is the prize and Integrated Reporting is incidental to that', says Tom Roundell Greene, senior manager of reporting and communications for global sustainability at JLL, the New York Stock Exchange-listed financial and professional services firm specialising in real estate. 'We're focusing on how we can bring a broader understanding of value creation into business strategy. The approach we're considering is to build sustainability thinking into the risk-management process and then understand how that carries through into the strategy-setting for the whole business'.

He adds: 'By looking at a business in terms of the six capitals⁴, sustainability becomes a core part of strategic thinking for businesses. And it allows investors to recognise when there is a good, long-term prospect... [and that the business] has robustly thought about all the different factors that impact on it and which the business in turn impacts upon'. It should be noted, however, that <IR> is not a framework focusing on sustainability reporting, but was developed to support value creation in a wider sense.



4 These are financial, manufactured, intellectual, human, social and relationship, and natural capital.

Management teams are finding that <IR> provides greater insights into factors driving business performance.

Massimo Romano, head of Group Integrated Reporting and CFO Hub at global insurance group Generali, based in Italy, is a passionate believer in the value of integrated thinking. He says: 'We are moving from an integrated reporting phase to a more integrated thinking one, where we are really embedding this type of approach in our processes; for instance, in the way we manage transformation projects in the group, and in the way we manage relationships with business units all over the globe'.

Similarly, the Spanish natural gas transmission company Enagás has achieved an increased level of engagement and more involvement between different teams as a result of <IR>.

José Miguel Tudela, organisation and corporate responsibility director at Enagás, says: 'The exercise of connecting content elements with each other and connecting the concept of past, present and future has helped us to break existing silos between organisational areas'.

GREATER CLARITY ON BUSINESS ISSUES AND PERFORMANCE

Management teams are finding that <IR> provides greater insights into factors driving business performance. Mikkel Larsen, managing director and head of tax and accounting policy at DBS, a leading financial services group in Asia, says: 'The <IR> Framework allows us to delve into the underlying factors that are driving our balanced scorecard approach'. For example, employee engagement is on the scorecard, but the material factors underpinning this include employee retention and management. 'Having identified that, we can think more concretely about the risks and opportunities, the KPIs and our initiatives to grow this resource. So our material matters have not changed that much, but our clarity on the material matters that underlie our balanced scorecard has changed, enabling us to articulate this better and measure more concretely'.

Dr Monica Streck, head of strategic sustainability management, business unit strategy and sustainability at Munich Airport, says of the benefits of <IR>: 'We have a very good overview of our issues. We have a snapshot. It's not divided into different reports, but in just one. So while this is a benefit for our readers – our readers are pleased they have this overview – it's also a benefit for ourselves'.

IMPROVED CORPORATE REPUTATION AND STAKEHOLDER RELATIONSHIPS

PTT Global Chemical Public Company Limited (PTTGC), based in Thailand, sees reputational benefits from being among the first companies to adopt <IR> in Southeast Asia. Pranee Poopair, vice president of sustainability management at PTTGC, says that <IR> is the 'right framework' for bringing together financial and sustainability reporting, which should help investors to understand the business and its outcomes. 'It is a single source of data that the stakeholder or investor can access', she says. 'They can see the strategy of the business, our growth, our performance, our direction'.

Mikkel Larsen at DBS says: 'We have received a lot of positive feedback and free PR. On a one-to-one basis we have had generally good feedback from investors on our annual reports and how we express our strategy better and our approach to value creation'.

Enagás has strengthened its relationships with providers of financial capital as a result of <IR>. 'Providers of financial capital have a better understanding of our strategy and performance as well as a greater confidence in the long-term viability of our business model', says Tudela.

'Because of <IR> and other initiatives, the quality of our corporation's disclosure is considered one of the top in our market space', says Romano from Generali. 'In particular, the improvement in our disclosure in the last three years is well recognised'.

Integrated reporters are aware, however, that any financial benefits of integrated management may take many years to come through.

'Year-on-year at our AGMs, investors go to the podium to express their appreciation of the annual report and emphasise that they like the fact [that] the integrated report presents a holistic view of the company, and they like the consistency', says Susanne Stormer, vice president of corporate sustainability at Novo Nordisk, the global healthcare company headquartered in Denmark. 'We have developed a format in which you know as a reader that the tables are always there and always on more or less the same page number'.

MORE EFFICIENT REPORTING

<IR> can make corporate reporting more efficient for both users and preparers of reports. Embracing the concept of connectivity is changing the way the business operates, for example, in facing the huge regulatory reporting challenge. 'Together with our IT vendor and our Italian insurance association we have co-created a dashboard solution to navigate the regulatory reporting ocean', says Romano from Generali. This will create a more 'dynamic' reporting experience, improve the efficiency of regulatory reporting and create the possibility of extracting added value information from these reports.

In future, external stakeholders will be able to find the information they need more easily, without the need to contact the companies with separate requests. 'It is a more efficient way of communicating with stakeholders', says Laura Palmeiro, sustainability integration director at international food company Danone. The integrated report provides a deck of well-articulated information which she can now use to present Danone's strategy.

EMPLOYEE ENGAGEMENT

Laura Palmeiro also believes that engagement with Danone's first online interactive integrated report has given employees greater pride in the business. 'They learn a lot from examples of what we have done in other parts of the world, and they can become ambassadors of the company', she says.

IMPROVED GROSS MARGINS

Improved insights support better business performance. 'We have been able to present how our efforts to become less dependent on – or ultimately independent of – fossil fuels have impacted our cost of goods sold', says Novo Nordisk's Stormer. 'There is a clear correlation, which you can read from the tables we produce. Any intelligent analyst can do that, and anecdotally I know analysts do that. They can see that reducing carbon emissions, reducing energy consumption, is playing out in one of our key financial parameters'.

Integrated reporters are aware, however, that any financial benefits of integrated management may take many years to come through. 'When there's a change in an extra-financial indicator, the impact on the financial indicator is not immediate,' observed Michel Bande, senior executive vice president of Solvay⁵. This, he suggested, could be the subject of fruitful academic research.

COST OF CAPITAL IMPACT?

None of the companies interviewed had seen any impact on their cost of capital as a result of <IR> although some hope to see this in future. Mikkel Larsen at DBS says: 'If we can show consistently that we have executed against our strategy as articulated in the integrated report, then the risk of buying DBS capital comes down, or the cost of equity will come down, and therefore our share price should go up'. Some academic research has shown links between <IR> and a lower cost of capital, for example the National University of Singapore and KPMG 2015 study of Asia Pacific companies.⁶

5 Solvay is not among the organisations reviewed in the <IR> Business Network Report Critique Project 2016. However, it participated in the <IR> Pilot Programme and has begun to progress towards <IR> adoption. This is described in the 'Case study: the road to <IR>' section below.

6 KPMG/National University of Singapore (2015), *Towards better business reporting: integrated reporting and value creation*.

Some organisations take time to implement integrated thinking internally, before preparing their first integrated report.

OVERCOMING BARRIERS

Interestingly, the reviewers found that there was no direct correlation between the degree of a report's alignment with the Framework and explicit reference to <IR>. As discussed above, a large proportion of the reports reviewed did not make reference to <IR>. This may be because some organisations take time to implement integrated thinking internally, before preparing their first integrated report. Getting commitment from the board and other stakeholders within the business, and establishing effective communication channels between teams, can take significant time and effort for some organisations. As Larsen noted, 'A key challenge was getting alignment across internal stakeholder groups'.

From an external reporting perspective, the evolution from the existing reporting suite to one that includes an integrated report that summarises the organisation's

multi-capital value creation also takes time. In Danone's case, it took three years for Laura Palmeiro's team to take over responsibility for the sustainability report, previously within the remit of the marketing department, and transform this into an integrated report that meets the needs of rating agencies, investors and regulators.

Other barriers, such as concerns about the legal liability for directors over the information disclosed in corporate reports in some jurisdictions, may also be holding companies back from more fully embracing Integrated Reporting, which encourages future-orientated discussion. Laura Palmeiro sees particular challenges in providing forward-looking statements because of the legal implications and concerns of company lawyers, and for competition reasons. 'We give visibility on our plans going forwards', she says. 'We acknowledge it is an integral part of what is defined as an integrated report, but it is and will be for some time the trickiest part'.



Review findings on the principle of reliability and completeness were also encouraging: 68% of reports reviewed used neutral and factual language and managed to avoid looking like marketing or promotional tools.

71%

of the companies reviewed provided good insight into the organisation's strategy

Developing forward-looking report content is also a challenge for Solvay, because of the instinctive caution of the legal department over creating inflated shareholder expectations. 'Legal departments in companies are conservative', says Bande. 'It's their job to limit the risk. Every time you explain the future, you are taking a risk'.

Regulatory requirements and time frames create particular challenges for companies moving towards <IR>. JLL has to complete a Form 10-K under the requirements of the US Securities and Exchange Commission (SEC). This proved to be a challenge to closer alignment with <IR> because the format is prescribed, and because of the tight filing deadline. The 10-K is filed in Q1, whereas it usually takes until Q3 to collect and collate the over 10,000 data points used for sustainability reporting. 'We include sustainability information in the 10-K where relevant, but it's normally legacy information because of the timing issues', says Roundell Greene.

Regulatory challenges are also an issue for PTTGC. 'Our barriers [to fully adopting <IR>] are more external than internal', says Poopair. PTTGC has to comply with requirements of the Stock Exchange in Thailand, whose regulation is hindering the company's ability to create a fully integrated report. It therefore prepares an annual report focusing on financials, and a separate sustainability report. PTTGC's ultimate goal is to prepare a single, fully integrated report, but this would require regulatory endorsement. 'It would be nice if the IIRC could coordinate with our stock exchange to push for the integrated report to be the next reporting policy', Poopair says. Stock exchange representatives are nevertheless 'happy that our company is the role model in Thailand', she notes.

ENCOURAGING PROGRESS

The <IR> Business Network Report Critique Project 2016 found excellent reporting on strategy: what the organisation does, where it wants to go and how it intends to get there. A good majority (64%) of the companies reviewed highlighted what differentiates them to give them a competitive edge. Similarly, 71% provided good insight into the organisation's strategy. There was also good reporting on engagement with stakeholders: all reports included such disclosures, with 66% providing good insight into the nature and quality of the organisation's relationships with its key stakeholder groups.

Review findings on the principle of reliability and completeness were also encouraging: 68% of reports reviewed used neutral and factual language and managed to avoid looking like marketing or promotional tools.

There is still room for improvement. The review identified several common areas of weakness. Discussions with the IIRC about the findings highlighted the following as priority areas for improvement:⁷

- **value creation** – particularly in relation to business models, capitals and the concept of connectivity
- **connectivity** – showing a holistic picture of factors that affect value creation over time
- **materiality** – determining and applying from the perspective of value creation
- **conciseness** – keeping page numbers down
- **reliability and completeness** – balancing good and bad news
- **consistency and comparability** – allowing comparisons to be made over time and with other organisations.

We will discuss each of the above areas in turn in this report.

⁷ See Appendix 2 for the aspects of the International <IR> Framework considered in the <IR> Business Network Report Critique Project 2016 and the assessment of reporting quality against each of these aspects.

The concept of value creation underpins <IR> and it connects the Framework's principles and content elements.

OBSERVATIONS FROM THE REPORT REVIEWS

The concept of value creation underpins <IR> and it connects the Framework's principles and content elements. Value creation is therefore central to an integrated report, which should explain how an organisation creates value over time.

The review of reports found encouraging signs that the value creation lens is informing corporate reporting: 88% included information on the range of capitals (not just financial) used or affected by the organisation – the human, social and relationship, natural, intellectual and manufactured capitals. The reviewers considered that 63% communicated well across the capitals that were material to them.

In addition, 66% of reports reviewed explained well (at a high level) how the organisation creates value for itself and others. Nonetheless, reviewers observed that, in some cases, organisations gave better explanations of how the organisation creates value itself than of how it does this for others, and some organisations struggled with the distinction between the two. This highlighted, perhaps, a general weakness in identifying what the organisation's stakeholders perceive as value. A parallel 2016 study⁸, carried out by the IIRC to inform its International <IR> Framework implementation feedback review, echoed this: while most organisations disclosed who their stakeholders are and explained their stakeholder engagement process, few went on to identify the needs of these stakeholders. Greater clarity in reporting about stakeholder needs should lead

organisations to consider how they may respond to these needs: this, in turn, may help to provide the link from strategy and business models to value creation for key stakeholders.

In general, although the reports reviewed included good discussion on each Framework content element, the value creation perspective was often lacking. This may, in part, reflect the fact that around half the sample have not yet produced a full integrated report. For example:

- 51% of the reports did very well on showing performance against strategic objectives, but only 46% linked performance to the capitals
- all the reports reviewed provided an overview of governance structures, but only 44% explained well how their structures support ability to create value in the short, medium and long term
- 54% explained well how the organisation deals with risks and opportunities, but only 49% put risk/opportunities in the context of value creation over time
- 71% provided good insight into the organisation's strategy, but only 46% explicitly linked strategy to the organisation's ability to create value in the short, medium and long term.

As discussed in further detail below, connectivity is a key area of weakness among the reports reviewed. A real understanding of how the organisation creates value could, in many cases, provide the missing thread that would allow reports to tell a more informative and coherent story.

66%

of reports reviewed explained well (at a high level) how the organisation creates value for itself and others

⁸ This IIRC study focused on 50 organisations, some of which are not members of <IR> Networks, that specifically referenced the International <IR> Framework. In contrast, the <IR> Business Network Report Critique Project 2016 focused exclusively on <IR> Business Network participants, including those organisations that have not yet applied the Framework in their reporting.

Some integrated reporters think that guidance (from the IIRC) is needed on best-practice approaches, to encourage more organisations to attempt quantification.

WHAT CHALLENGES DO COMPANIES IDENTIFY?

Munich Airport found describing its business model in relation to the <IR> Framework to be the hardest aspect of <IR> to implement, because of the Framework's capitals-based approach. 'It required collaboration between the communications and sustainability departments', says Streck. 'We tried to define our capitals, our inputs and what comes out from the business model. It's like a kind of balance sheet'. The company took its time, only publishing its explanation of the business model for the first time in its 2015 annual report. Previously, the airport included a page-finder to direct readers to where they could find information on areas such as strategy and materiality, but these weren't all brought together in a presentation of the business model.

Although DBS was already using a balanced scorecard approach and so was receptive to the concept of <IR>, the organisation had its own view of how it created value; communicating this from a wider stakeholder perspective was challenging. Its reporting was also financially focused, so determining how a customer satisfaction score related to value creation was also a challenge. 'Having a single, integrated articulation of that value creation – that was the challenge', says Sze Yen Tan, senior vice president, tax and accounting policy at DBS.

As Stormer from Novo Nordisk acknowledges, thinking and practice are still 'immature' in relation to quantifying or articulating the value that organisations derive from resources such as intellectual capital and other non-financial capitals. The Framework itself has refrained from specifying any key performance indicators (KPIs) that integrated reporters should use. 'You can have a narrative about how you use intellectual capital and the value created by constantly educating your employees so they can keep their employability, but you don't really have metrics for it,' Stormer says.

Measuring and quantifying inputs, outputs and outcomes in a meaningful way can be challenging. Few companies can devote the necessary resources to innovative measurement tools. Some integrated reporters (eg DBS) think that guidance

(from the IIRC) is needed on best-practice approaches, to encourage more organisations to attempt quantification. This would also help to encourage greater consistency across company reporting. Other recognised standards and sector guidance – such as those of the International Accounting Standards Board, the Global Reporting Initiative (GRI), the US Sustainability Accounting Standards Board (SASB) and the International Standards Organization (ISO) – may provide helpful reference. Nonetheless, some of those interviewed, such as Michel Bande of Solvay, also caution against following such standards too closely, in case this leads to an overly compliance-driven approach. This is a particular concern because current frameworks and standards tend to overlook indicators associated with value creation, focusing instead on risks or inputs. Bande suggests that academic research could help drive the development of suitable measurements. Meanwhile, Stormer points out that work is being done to try to improve the information companies can provide (e.g. by the World Intellectual Capital Initiative, WICI).

Novo Nordisk has so far taken a 'pragmatic approach' to reporting on outcomes, Stormer says, partly because information can lose its meaningfulness when consolidated at global corporate level. Instead, Novo Nordisk prepares case studies showing how it does business around the world, explaining to shareholders the outcomes for patients, the community and the business. 'This is where we can talk in a performance sense, but without the constraints of the formal requirements of an annual report', Stormer says.

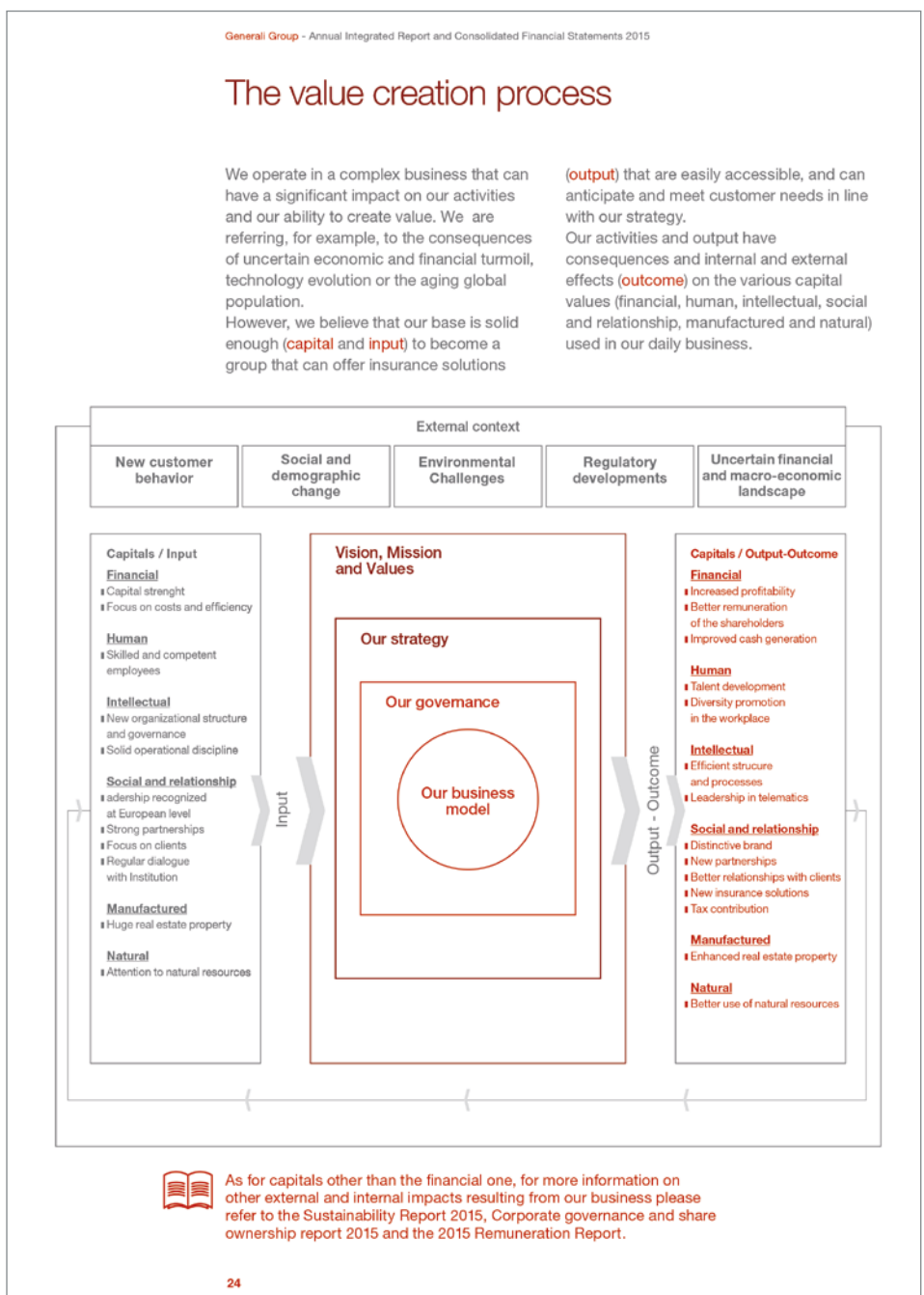
Danone adopts a similar approach. Laura Palmeiro found it challenging to show the interrelatedness and dependencies between different factors that affect value creation for the business as a whole. Her response has been to provide an online database of projects divided between the three pillars that underpin Danone's outlook: Better Health (relating to its work on nutrition), Better Lives (relating to society and social value) and Better World (the environment). Text for each project explains 'Why it matters', 'How it works' and 'How does this project create value?'. Laura Palmeiro says: 'The best way of explaining connectivity is when you go to a specific example'.

Generali's Annual Integrated Report and Consolidated Financial Statements 2015 includes a helpful diagram illustrating the company's value-creation process.

The challenge of showing outcomes is one area Roundell Greene at JLL is aiming to address as a next step. 'We're trying to answer the "so what?"', he says. For example, what is the actual impact of a charitable donation or some other action? This may need to be addressed on a case study basis, in a similar way to that used by Novo Nordisk and Danone. 'It requires engagement with the business on data collection so it becomes more refined and sophisticated, to a point where we are able to answer that "so what?" in a more satisfactory manner', Roundell Greene says.

PRACTICAL APPROACHES

Generali's Annual Integrated Report and Consolidated Financial Statements 2015 includes (page 24) a helpful diagram illustrating the company's value-creation process. It refers to all six types of capital, identifying relevant forms of those capitals for the business and the various outputs and outcomes. A further explanation of the business model is provided on page 58. Romano sees <IR> as providing a 'great opportunity to be more effective in the way we communicate our value creation story', particularly by addressing all the different capitals that play a part.



DBS attempts to determine the values of its capitals – which it calls ‘resources’ – and the changes in these values using a ‘balance sheet approach’.

In its 2015 annual report, DBS attempts to determine the values of its capitals – which it calls ‘resources’ – and the changes in these values using a ‘balance sheet approach’. As an alternative to monetary amounts (which can be difficult to measure reliably), DBS has used non-financial (or pre-financial) indicators that serve as

proxies. Its annual report shows the proxies for the value of each capital at the beginning and end of the year. Text in the column between the figures explains the most important initiatives that have led to a change in value, with a reference to where further information can be found in the report.



Resources	2014 ⁽¹⁾	How we manage our resources	2015 ⁽²⁾
Technology The IT functions and solutions that support our regional operations	500 employees CapEx of S\$4.3 bn S\$4.3 bn	Our investments in technology ensure our customers spend less getting banking in a secure manner. Over the year, our spending has shifted from strengthening the level of infrastructure to building our digital channels to enhance the customer experience. As an Asian bank, we are also driving digitalisation through technology to complement and address our business. This has dramatically reduced the time to market – from the time an idea is first developed until the technology is in the hands of our customers. Refer to “Customer” on page 28.	500 employees 4.3 bn 4.3 bn
Capital Our strong capital base	1.8 bn 1.8 bn	Refer to “Capital management and planning” on page 109.	1.8 bn 1.8 bn
Funding Our diversified funding base	317 bn 317 bn	Refer to “Liquidity management and funding strategy” on page 96.	320 bn 320 bn
Employees The skills, knowledge, engagement and effectiveness of our people	>21,000 4.36 13.6%	Refer to “Employees” on page 40.	>22,000 4.39 13.2%
Customer Relationship Our loyal customer base	>200,000 >6 m 4.08 3.93 4.04	Refer to “IBG” on page 30 and “CBG” on page 33.	>200,000 >6 m 4.13 3.97 4.10
Physical infrastructure Our customer touchpoints	1,200 1,200	Refer to “Physical infrastructure” on page 42.	1,200 1,200
Natural resources The natural resources that we use for our operations	79 m 397	Refer to “Managing our environmental footprint” on page 42.	79 m 397

How we use our resources

A sustainable business model requires us to manage our resources in a way that maximises value creation in the long term.

We have various resources⁽¹⁾ available that we can use to create value for stakeholders. We seek to strike a balance between using them in the current period on the one hand, and enhancing and retaining them for future periods on the other.

We recognise the difficulty in measuring the exact value of many of these resources. Hence, we provide proxies of the values at discrete points and explain the initiatives undertaken during the year that enhanced or made use of the resources.

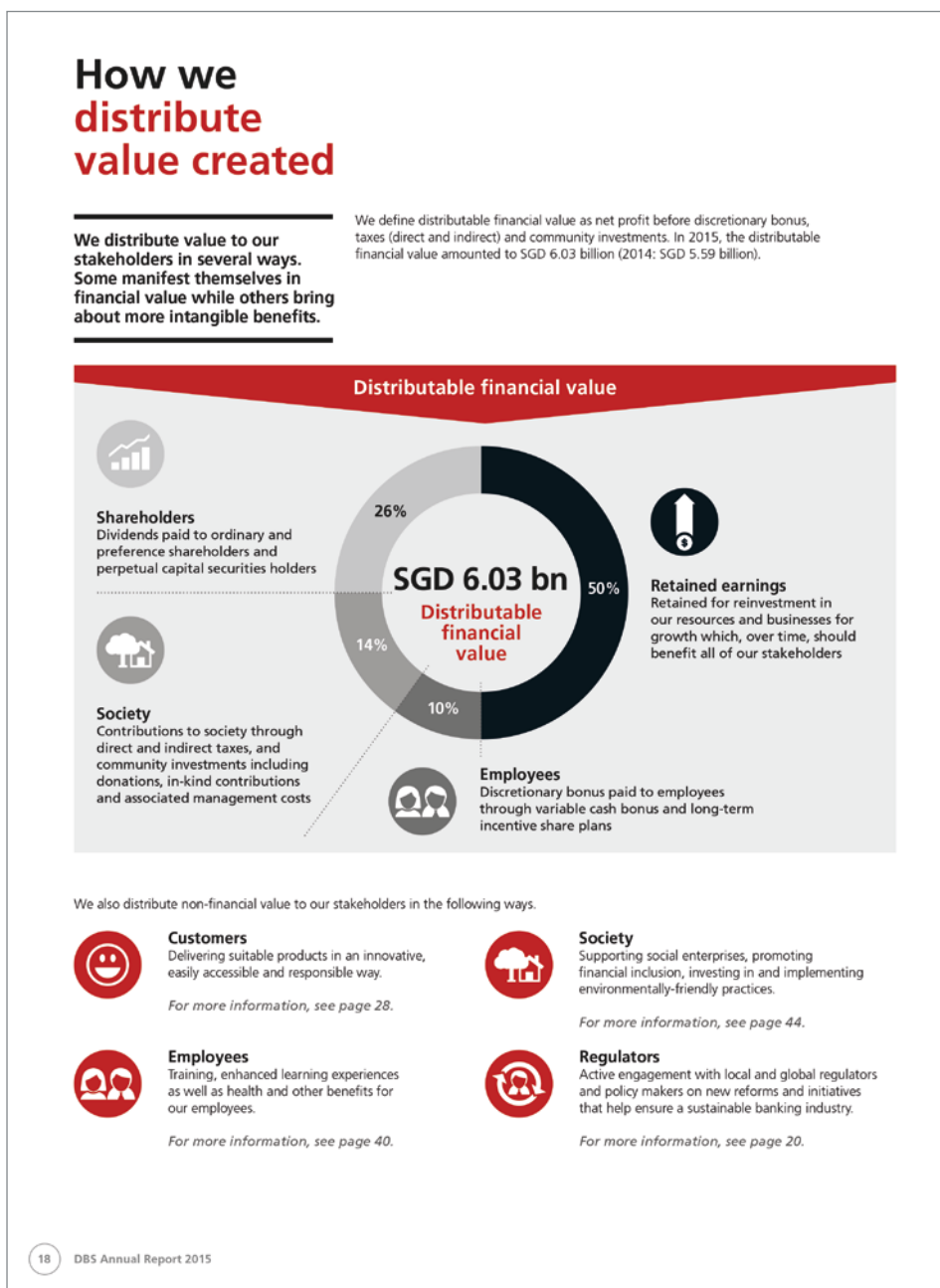
Resources	2014 ⁽¹⁾	How we manage our resources	2015 ⁽²⁾
Brand Our well-recognised name that embodies our values and differentiates us	Brand value ⁽³⁾ USD 4.2 bn	Our brand value in 2015 reached a record high of USD 4.4 billion. The increase was driven by impactful branding and marketing activities, improvements in customer satisfaction, strong business results and positive analysts’ outlook.	USD 4.4 bn
Capital Our strong capital base	Shareholders’ funds SGD 38 bn 11.9%	Another year of record earnings created distributable financial value of SGD 6.03 billion. We retained SGD 3.03 billion and in doing so strengthened our financial soundness, resulting in an increase in our Basel III fully phased-in CET1 CAR from 11.9% to 12.4%. Refer to “Capital management and planning” on page 109.	SGD 40 bn 12.4%
Funding Our diversified funding base	Customer deposits SGD 317 bn	The Group’s funding strategy is anchored on strengthening our core deposit franchise. Despite intense competition, we grew our customer deposits and achieved a significant improvement in the quality of deposit mix.	SGD 320 bn
	Wholesale funding SGD 32 bn	DBS became the inaugural issuer of covered bonds in Singapore in 2015. This enabled us to raise cost-efficient term funding from a new class of institutional investors. Refer to “Liquidity management and funding strategy” on page 96.	SGD 36 bn
Employees The skills, knowledge, engagement and effectiveness of our people	Number of employees >21,000	We grew our workforce by approximately 1,000, primarily in Institutional Banking (IBG) and Consumer Banking (CBG), to support strategic initiatives and meet business needs.	>22,000
	Employee engagement score ⁽⁶⁾ 4.36	We enhanced our human resources through training and development initiatives, which included establishing the DBS Academy and cultivating a digital mindset in our people. 129,000 training days were delivered. Our internal mobility programme also broadens employee skills and exposure.	4.39
	Voluntary attrition rate 13.6%	Refer to “Employees” on page 40.	13.2%
Customer Relationship Our loyal customer base	Number of customers IBG >200,000	We leverage technology to scale up our customer base in an efficient manner. We enhance customers’ loyalty by understanding their needs and improving their experience with us. We achieve this through rigorous account management and initiatives to improve customer journeys.	>200,000
	CBG/Wealth Management >6 m	Our efforts are corroborated by improvements in customer satisfaction scores and by higher cross-selling which indicate deeper relationship.	>6 m
	Customer engagement scores ⁽⁵⁾	Refer to “IBG” on page 30 and “CBG” on page 33.	
	SME 4.08		4.13
	CBG 3.93		3.97
	Wealth Management 4.04		4.10

Value distribution
Refer to page 18

DBS links the change in the value of its capitals with value distribution, on the grounds that value generated (or lost) in a period can either be used to build up (or reduce) the capitals, or be distributed to shareholders.

DBS links the change in the value of its capitals with value distribution, on the grounds that value generated (or lost) in a period can either be used to build up (or reduce) the capitals, or be distributed to shareholders. The bank includes qualitative information when reporting on how it distributes both financial and non-financial value. It explains how financial value, for example, is distributed between shareholders, society (through taxes and community investments), employees (through discretionary bonuses) and

retained earnings. DBS then also outlines how it distributes non-financial value to customers, employees (e.g. through training), society (e.g. through environmentally friendly practices) and regulators (to ensure a sustainable banking industry). 'The amounts given back to society and employees will always be dramatically understated because we don't have the data, and nor do most companies', says Mikkel Larsen. 'We have crude measures of value distribution, but they are better than nothing'.



DBS clearly and succinctly explains its three-step process for identifying the material matters with the most impact on its ability to create long-term value in the example below.

DBS clearly and succinctly explains its three-step process for identifying the material matters with the most impact on its ability to create long-term value in the example below. In doing so, the bank is responding to stakeholder needs. 'It cannot be a paper exercise to come up with material matters. It has to be real and authentic', says Sze Yen Tan of DBS. The bank also explains the risks and opportunities related to each material matter and what it is doing in each area, with references to where additional information can be found.

GOOD PRACTICE IDEAS FOR REPORTING ON VALUE CREATION

- Clearly identify who the organisation's key stakeholders are, and engage with them to find out what value means for them.
- Use the six capitals model as a reference tool for considering how the organisation's strategy and business model will affect each of these capitals.
- Use the understanding of what value means for key stakeholders, and the multiple capitals approach, to inform the organisation's business model, strategy, risk management and performance measurement processes.
- Refer to existing frameworks and sector guidance as a starting point for defining relevant performance indicators.

Material matters

Material matters have the most impact on our ability to create long-term value. These matters influence how the Board and senior management steer the bank.

For more information on Board structure and processes, please refer to page 50.

Our material matters identification process



Identify

We **identify** matters that may impact the execution of our strategy. This is a group-wide effort involving inputs from all business and support units, and takes into account feedback from stakeholders. Refer to page 20 for more information on stakeholder engagement.



Prioritise

From the list of identified matters, we **prioritise** those that most significantly impact our business and relationships with stakeholders.



Integrate

Where relevant, material matters are **integrated** into our balanced scorecard. Please refer to page 27 for more information on our balanced scorecard.

	Material matters	What are the risks?	Where do we see the opportunities?	What are we doing about it?
Operating environment	Challenging macro-economic environment	The macroeconomic environment, characterised by lacklustre global growth, falling commodity prices and market volatility, gives rise to business and credit risks.	As regional and global competitors grapple with weaker earnings prospects and pull out of Asia, we see an opportunity to further expand in the region.	See "CEO reflections" on page 12 and "CRO statement" on page 78
	Evolving regulatory landscape	The Basel Committee continues to calibrate capital requirements, which may affect banks' existing business models.	With capital well above regulatory requirements, we are in a strong position to serve existing and new customers. We also have greater flexibility for capital and liquidity planning.	See "CRO statement" on page 78 and "Capital management and planning" on page 109
Digital transformation	Digital disruption and changing consumer behaviour	Technology and mobility are increasingly shaping consumer behaviour. Traditional banks risk losing their relevance as fintechs rise to capture market share in niche segments.	Digital disruption is also an opportunity if we successfully transform ourselves to capitalise on the shift towards digital and leapfrog the competition.	See "Customers" on page 28
	Cyber security	The prevalent threat of cyber attacks on financial institutions remains one of our top concerns.	A well-defined cyber security strategy and capability gives confidence to customers and can differentiate us.	See "CRO statement" on page 78

Almost half the reports reviewed could be better at showing the connectivity of information.

1. CONNECTIVITY OF INFORMATION

Observations from the report reviews

Almost half the reports reviewed could be better at showing the connectivity of information, to give a holistic picture of the combination, interrelatedness and dependencies between the factors that affect the organisation's ability to create value over time.

According to the Framework, organisations should consider connectivity in different forms, including between:

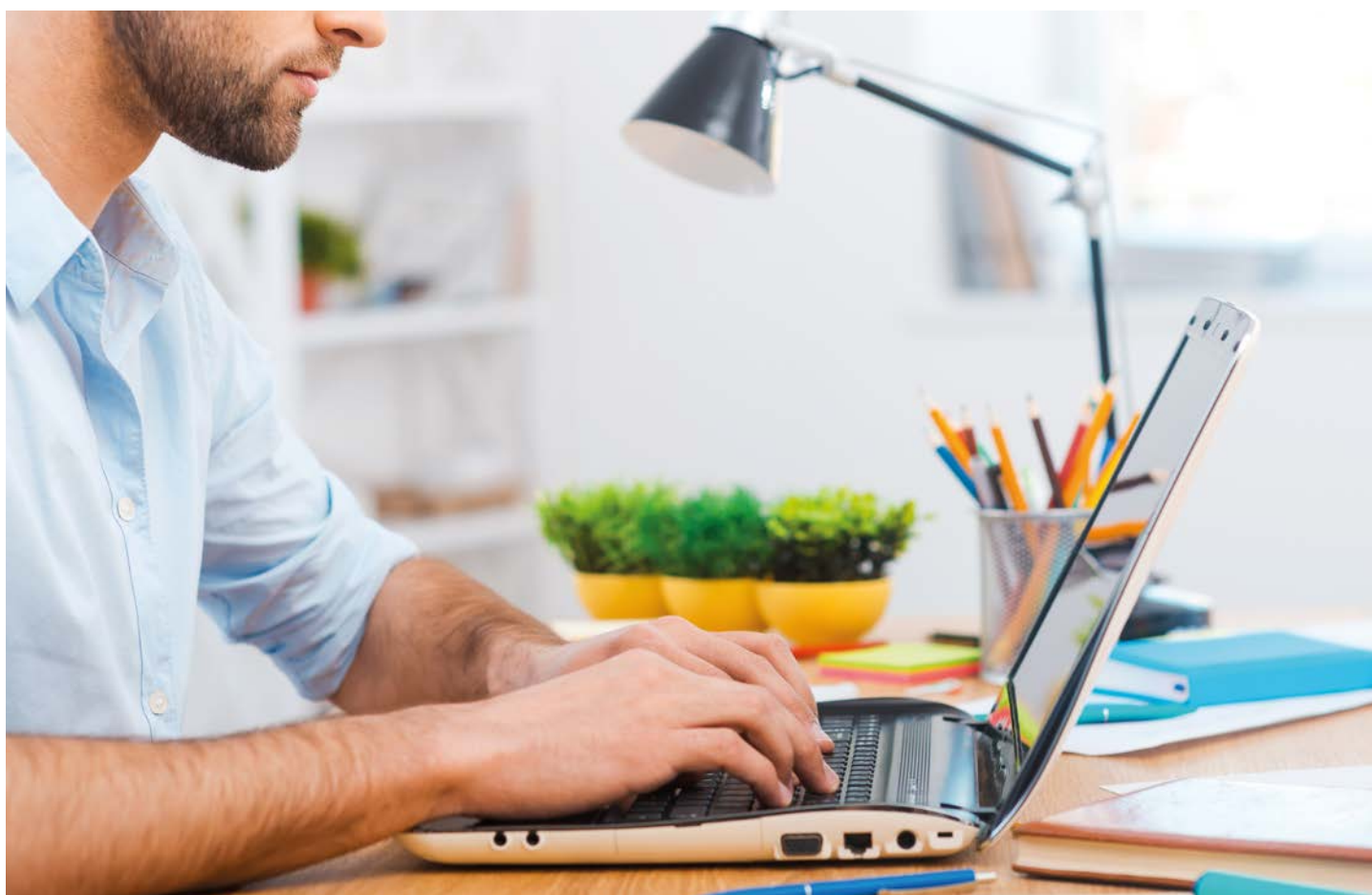
- the content elements
- the past, present and future
- the six capitals
- financial information and other information
- quantitative and qualitative information
- management information, board information, and information reported externally

- information in the integrated report, information in the organisation's other communications, and information from other sources.⁹

Seeing the holistic picture can be made more difficult when organisations provide information across a number of different reports, including annual reports, sustainability reports and corporate governance reports.

As discussed in the 'Spotlight on value creation' section above, organisations are still working to improve the connectivity between content elements, such as strategy, performance, outlook and business model.

Even more difficult to achieve are other forms of connectivity. Focusing on ways of linking different parts of the report, and content elements, together, may be the first step to achieving connectivity in the wider sense.



One of the significant challenges is in 'connecting the concept[s] of past, present and future'.

What challenges do companies identify?

For Novo Nordisk, the connectivity challenge stems in part from how its approach to <IR> has developed over time. The organisation originally produced separate financial and sustainability reports, which it now integrates into one. Starting afresh could perhaps lead to better reporting, through asking 'what is the information my readers will need?' and building from that. Connectivity is 'a nut we haven't cracked yet', Stormer says. For example, financial reporting standards require the reporting of employee costs (eg pensions and salaries). 'That's a major line item in your accounts', she says. 'At the same time, the quality of your employees and their engagement and motivation is one of the strongest leading indicators for success of any company'. Information on employee costs would be in the notes to the accounts, while information on employee engagement, etc. would be elsewhere. Novo Nordisk plans to try to connect the two better, starting with cross-references.

Larsen at DBS recognises the connectivity challenge. The next step in developing <IR> for his organisation will be to improve linkage between risks and the P&L: 'linking through from our strategy to the differentiators, into our risk section, into our resources, and over to when those resources transform themselves into financial resources'. Improving quantification is another goal – to improve understanding of how resource value translates into financial value. 'Because if we build up a heck of an innovation team, at some point hopefully that translates into financial value', Larsen says.

Bande at Solvay also sees difficulty in achieving connectivity between non-financial indicators and financial results. 'It's difficult because when you have a change in your extra-financial indicator, the impact on your financial indicator is not immediate', Bande says. 'It's not in the same year. There is a certain time lag'.

The prescriptions over content in regulatory filings also create challenges. JLL has therefore set up an integrated reporting microsite¹⁰ showing how the company's strategy, governance, performance and prospects lead to the creation of value. 'The microsite brings together information from our annual report and our sustainability report and puts them side by side, highlighting their interdependencies, which is a good first step towards moving beyond the limitations of the [SEC form] 10-K', says Roundell Greene. He adds: 'Trying to apply the principle of connectivity within the limitations of the 10-K is challenging... We are a very complex, quite disparate organisation. Connectivity is more than producing a report and drawing lines between things; it's how you build that understanding within each level of the business'.

'We found organisational challenges when trying to connect information', says Tudela of Enagás. One of the significant challenges is in 'connecting the concept[s] of past, present and future'. The company plans to address this by defining more 'impact indicators'. For example, instead of focusing on 'result' indicators such as the number of employees participating in volunteering initiatives, an impact indicator would look at people in the community who have improved their lives as the outcome of such an initiative.

In the meanwhile, Danone's Laura Palmeiro is on a quest for ways of linking internal management information with externally reported information. Laura Palmeiro says it is her 'holy grail' to find single KPIs that are relevant internally to 'drive the business' and also useful for external stakeholders.

Practical approaches

One aspect of the connectivity principle concerns the way that organisations help readers navigate between different parts of the integrated report, including the use of cross-references. Generali's *Annual Integrated Report and Consolidated Financial Statements 2015* includes a

Companies aim to make use of technology to help readers move between relevant, connected sections of their reports.

helpful page at the front (page 4), titled 'About the report', which introduces symbols used for cross-references to the Web, to other sections of the report or other group reports. The page also explains graphically how sections of the annual integrated report relate to content elements of the International <IR> Framework. Later in a 'Note to the Management Report' (page 124), Generali explains how it has approached the connectivity principle. As part of this explanation, it states that it also publishes an interactive version of the integrated financial statements on its website as 'another tool to further highlight the connectivity of information'.

Companies aim to make use of technology to help readers move between relevant, connected sections of their reports. For example, Munich Airport's annual report for 2015 includes cross-references and website

links. 'We will have even more connectivity in our new online report because we have new technical possibilities', says Eva Schindler, integrated reporting consultant, Business Unit Corporate Communications at Munich Airport.

Good practice ideas for connectivity


- Consider approaching the integrated report as an overarching, concise document that connects other more detailed reports and regulatory information.
- Use clear signposts directing readers to connected information within the integrated report and elsewhere, including online reports.
- Think about connections between management information, boardroom discussions and priority topics relevant for investors and other stakeholders.

Generali Group - Annual Integrated Report and Consolidated Financial Statements 2015


About the report

The structure of the **Management Report** includes also the **Content Elements** provided for by the Framework as set out in the graph below.

Sections of Annual Integrated Report




Elements of the content of the <IR> Framework




Our Group						Our Performance	Outlook
Our history	Vision, Mission and Values	The external context: risks and opportunities for the Group	Our strategy	Our governance and remuneration policies	Our business model		
Overview of the organization and external context			Risks and opportunities	Strategy	Governance	Performance	Outlook
Business model							


The links among the elements above and among these elements and other Group reports will also be displayed with icons highlighting these links:



Cross-reference to the web



Cross-reference to a section of the report or to other Group reports



Focus on a business case

Please refer to the **Appendix to the Management Report** for further details on how the abovementioned Framework was applied, especially regarding the **Guiding Principles**.

Please refer to the **Glossary** at the end of the report for more information on the acronyms.

According to the Framework: 'An integrated report should disclose information about matters that substantively affect the organisation's ability to create value over the short, medium and long term'.

46%

of reports reviewed explained their materiality determination process well

2. MATERIALITY

Observations from the report reviews

According to the Framework: 'An integrated report should disclose information about matters that substantively affect the organisation's ability to create value over the short, medium and long term'.¹¹ The reviewers found that only half of the reports reviewed did this well.

The Framework also sets out four steps to making decisions about materiality, and presenting these decisions:

- identifying relevant matters on the basis of their ability to affect value creation
- evaluating the importance of relevant matters in terms of their known or potential effect on value creation
- prioritising matters according to their relative importance
- determining what information to disclose about material matters.¹²

The review panel found that many organisations did not consider materiality in relation to value creation. In addition, they found that only 46% of reports reviewed explained their materiality determination process well. Among those that did disclose their materiality determination process, many applied the GRI model for a sustainability report rather than the Framework's value creation approach. The GRI model defines material items as 'those that reflect the organisation's significant economic, environmental and social impacts; or that substantively influence the assessments and decisions of stakeholders'.¹³

Improving the materiality determination process could help drive improvements in conciseness, reliability and completeness. Further, disclosing the materiality determination process also helps to enhance the credibility of the reports.

What challenges do companies identify?

The challenges reporters have identified include:

- reconciling the needs of different stakeholders when determining materiality – in particular, one issue may be more material to one stakeholder than another
- applying the definitions of materiality in the Framework and other standards/frameworks, in order to meet reporting requirements efficiently and effectively – and without confusing readers.

One of the key challenges for integrated reporters when applying the materiality filter centres on identifying the organisation's key stakeholders. The Framework states (paragraph 1.7 and 1.8): 'The primary purpose of an integrated report is to explain to providers of financial capital how an organisation creates value over time. An integrated report benefits all stakeholders interested in an organisation's ability to create value over time, including employees, customers, suppliers, business partners, local communities, legislators, regulators and policy-makers.' Many organisations seek to include information in their annual reports that is material to the providers of financial capital.

Some companies, however, want to reach out to a wider range of stakeholders. Laura Palmeiro at Danone says: 'The integrated report is such a good tool – in an era where companies gain so much in reputation by being transparent – that it is a pity to invest so much money, work and energy in a tool just to inform our investors'. She therefore bears wider stakeholders in mind when identifying integrated reporting content. She believes that Web-based technology can be used to meet the information needs of all stakeholders – so that companies can provide information material to all of them. She says: 'My utopia would be for the integrated report to be a Web-based tool with all the functionalities that make it

11 International <IR> Framework, paragraph 3.17.

12 International <IR> Framework, paragraph 3.18

13 Source: *Statement of Common Principles of Materiality of the Corporate Reporting Dialogue*, 2016, <http://corporatereportingdialogue.com/wp-content/uploads/2016/03/Statement-of-Common-Principles-of-Materiality1.pdf>

Many would argue that – at least within the constraints of traditional non-interactive reporting formats – it would prove very difficult to report meaningfully to a wide audience without applying a materiality filter.

simple and quick to look for information, no matter whether you are an NGO, a portfolio manager in a big company or one of our suppliers. You can go in, get the big picture first, and then drill down as much as you want to get the smallest granularity of data you are looking for’.

Many would argue that – at least within the constraints of traditional non-interactive reporting formats – it would prove very difficult to report meaningfully to a wide audience without applying a materiality filter. Even so, Laura Palmeiro believes that her vision is consistent with the aim of long-term value creation: what will benefit long-term value creation for investors – providers of financial capital – should align with what will support the long-term interests of other stakeholders. She says:

‘The materiality of the topics that affect financial topics in the long run should be the same as the ones that affect all the other stakeholders, because if you impact your supply chain or consumers or environment, it will come back to you in a few years’ time’.

Even without considering the needs of other stakeholders, different investors may also have different needs. Identifying material risks in a way that meets the needs of different investors is an issue identified by Bande at Solvay. ‘Materiality is an important tool, but [by applying it] you reduce the number of risks you mention in the integrated report’, he says. He refers to the ‘Fukushima syndrome’ – a reference to the nuclear disaster caused by a massive earthquake and tsunami – whereby



Another challenge in applying materiality in a non-financial context is the complexity created by the different reporting frameworks.

companies tend to disclose in their corporate reports risks that are extremely unlikely to materialise. According to the Framework, the materiality of a risk depends on the magnitude of its impact, if it were to materialise, and likelihood that it actually will materialise. The likelihood of natural disasters is low, but the magnitude of their impact could be huge; on the other hand, focusing on such risks could mean that other, more immediate risks are overlooked. One solution could be to include only the material risks in the main body of the report, but give a more extensive list of risks in an appendix – what Bande terms a ‘Rubik’s Cube approach’. This could meet the needs of different types of investor (e.g. long-term and short-term investors) who might have differing expectations of company reporting.

Enagás has changed its materiality assessment approach since adopting <IR>, moving away from an approach where all stakeholders were considered equally, to one that highlights the importance of investors. As its next step in <IR>, Enagás is working to improve its materiality analysis, increasing the level of detail on relevant issues, including feedback from investors. Enagás has updated its materiality matrix with the results obtained from an analysis of the feedback received from investors and the conclusions drawn from the strategic reflection. Both aspects have slightly changed the prioritisation of some of the material aspects (such as the importance of ethics and integrity), and have led to the identification of new material aspects (for example, responsible taxation and cybersecurity).

Tudela says: ‘Climate change has also become more important than we initially assessed’. He adds: ‘The identification of materiality issues, both financial and non-financial, requires a deep knowledge of the business and especially of the future

of the company. Every year we are improving [our analysis] and this year we will conduct another materiality analysis in line with our strategic update’.

PTTGC has established processes for obtaining stakeholder input, as part of its materiality analysis. Nonetheless, Poopair recognises that opinions are by nature subjective and how stakeholders interpret and score rankings can vary. PTTGC therefore aims to follow up any unusual responses to explore and understand them better. ‘We are quite close to our stakeholders, especially commodity investors, so can go directly to them to ask about the impacts they see, if the [stakeholder engagement feedback] data is surprising’, Poopair says.

Another challenge in applying materiality in a non-financial context is the complexity created by the different reporting frameworks. Danone, for example, structures its integrated report so as to comply with the GRI G4 guidelines, which affirm the importance of communication about the economic, environmental, social and societal impacts of the organisations.

Roundell Greene at JLL also emphasises the differences between materiality approaches: ‘The materiality process for <IR> is very much looking at risks and opportunities and the impact of megatrends upon JLL and how we can mitigate or capitalise on those. The materiality process for the sustainability programme is almost the inverse of that – it’s essentially what is JLL’s impact on the outside world. They are two sides of the same coin and interrelated and both inform the integrated reporting’. The Framework does indeed recognise the interrelated nature of these views. This is borne out in the way the Framework’s value creation model focuses on value creation for both the organisation itself and for others, including stakeholders and society at large.¹⁴

Munich Airport's report includes a comprehensive explanation of the risks it faces and the countermeasures it is taking.

Practical approaches

Munich Airport's *Annual Report 2015* provides an example of how to consider risks and opportunities from a value-creation perspective. The report includes a comprehensive explanation of the risks it faces and the countermeasures it is taking. It presents matrices for both its gross and net risks (risks that exist after considering countermeasures), showing the potential financial liability against the likelihood of occurrence or frequency. These are followed by an overview of the opportunities the airport has identified, again with a matrix showing the potential economic advantage against maturity (ranging from the short-term, ie within one year, to the very long-term, ie after 15 years).

Good practice ideas for materiality

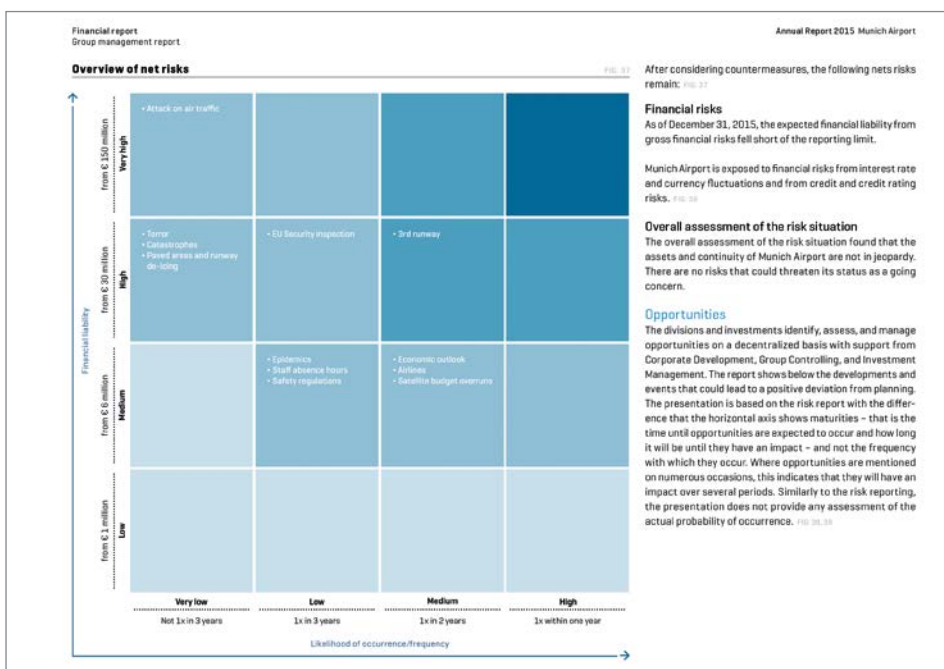
- Identify who the main user of the integrated report is, and determine materiality accordingly – this will be key in determining what to include and what to exclude.
- Clearly explain the process for assessing materiality, including how the organisation has evaluated and prioritised material issues.



Financial report Group management report Annual Report 2015 Munich Airport

Operating risks FIG. 33

Risk	Description and analysis	Countermeasure(s)
Non-renewal of the EASA Certificate	If the European Aviation Safety Agency Certificate is not renewed, then EASA will lose its operating license. Consequently, this is a risk that threatens the very survival of the company.	This risk is countered by making available the necessary evidence and documentation within the given time-scale.
IT failure	Damage to the IT system can result from fire, water ingress, or sabotage. Failure of IT for traffic operations with the corresponding interruptions of operations would be the consequence.	Critical corporate IT systems are fully redundant with systems located in physically separate locations. Property damage and interruptions of operations are insured.
Water damage	Water damage caused by a break in the main drinking water or fire extinguishing water pipelines could lead to the failure of infrastructure systems important for air traffic.	Remotely controlled emergency shut-offs and additional protective devices in the pipeline connections limit the possible damage. Property damage and interruptions of operations are insured.
Safety regulations	The European regulations on aviation security require the rules governing checks on persons and luggage at airports to be extended in phases. Depending on the structure, the conversion work causes the loss of leasable space.	Munich Airport is introducing optimization measures to minimize the loss of space.
Security inspection	The EU's aviation authorities are conducting safety inspections at airports. If an inspection results in a high number of complaints, Munich Airport will lose its security status. The outcome would be a loss of image and put the airport at a competitive disadvantage.	Munich Airport conducts thorough and strict quality controls to manage the quality of all safety aspects at the airport.
Utilities and waste disposal	The inadequate availability of substances necessary for operating activities, such as electricity, heat, cooling energy, drinking and extinguishing water, waste water, and waste, may result in property damage and interruptions of operations.	The service and maintenance programs, network redundancies, and storage reduce the risk of gaps in supply. Property damage and interruptions of operations are insured.
Reorganization of ground handling	The successful reorganization of the former Ground Handling business unit could be put in jeopardy by the following uncertain events and circumstances: handling contracts are not extended, order volumes from existing customers decrease, competitors engage in aggressive pricing resulting in loss of orders.	The profitability and competitiveness of AeroGround are being improved continuously.
Staff absence hours	Staff absence hours at CAP Flughafen München Sicherheits-GmbH could impair the quality of checks on persons and luggage.	To plug staff absence hours, checks on persons and luggage may be temporarily suspended. Munich Airport is looking at pointing additional security service providers to plug shortfalls in capacity at CAP.



Many reporters find conciseness difficult as they try to provide sufficient context to help readers understand the organisation's value-creation process and performance.

3. CONCISENESS

Observations from the report reviews

Only 41% of the reports reviewed were considered to be concise. Of the 20 reports specifically named as integrated reports, eight had over 150 pages. Many reporters find conciseness difficult as they try to provide sufficient context to help readers understand the organisation's value-creation process and performance.

What challenges do companies identify?

PTTGC's Poopair suggests that the Framework is quite detailed, and this can make it hard for companies to produce concise reports that investors can read and understand.

Conciseness is also a challenge when reporters want to include new information, either to meet regulatory requirements or because additional content could be helpful to readers. As Stormer at Novo Nordisk says: 'If there is a requirement to add more into the assurance statement, as in our 2016 report, then something else has to go'. The company tries to tackle this by setting itself the challenge of not allowing the total number of pages to increase.

Some reporters are concerned that focusing rigidly on conciseness risks losing information valuable to some stakeholders. At times, the importance of conciseness may be overplayed. DBS has reduced the size of its financial statements (for example, by removing irrelevant balance sheet lines), but Larsen does not see fewer pages as the ultimate goal. 'If I substitute that with much better, relevant infographics, I don't mind if the report increases in size', he says.

As one of its next steps on its <IR> journey, Enagás is looking at how technology can be used to help stakeholders access the data they need more efficiently. 'We are aware there are a lot of possibilities to display information so it would be easier for our stakeholders, mainly investors, to gather all the data they need and analyse it', says Tudela. Nonetheless, he points out that making primary data accessible online could present risks, for example when the information is used out of context by media.

Conciseness is the next step for Munich Airport. 'We will publish a smaller printed report without the notes', says Schindler. 'The notes will only be published in the online report. So the online report will contain all content, and the printed report only part'. The online report will have interactive features to help readers navigate through the content. Part of the drive towards greater conciseness comes from feedback from users. As well as fewer pages, readers have requested that the financial content be made 'more understandable for people who are not financial analysts', Schindler says. 'So if you look at our financial content, you will find more graphics'.

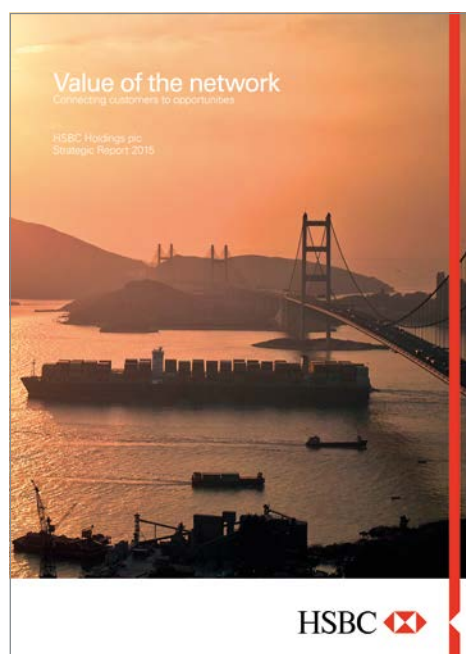
Practical approaches

As Accountancy Europe (formerly the Federation of European Accountants, FEE) identified in its paper, *The Future of Corporate Reporting*,¹⁵ companies could use a modular interactive format of reporting that allows different users to navigate to the parts of the report most relevant to them. Even in this interactive context, however, conciseness remains important if organisations plan to use the integrated report as a core report, leading the user through to more detailed elements.

HSBC's *Strategic Report 2015* provides an example of how to communicate concisely when explaining complex information about an entity's performance.

HSBC's *Strategic Report 2015* provides an example of how to communicate concisely when explaining complex information about an entity's performance (page 23). It provides a brief explanation of what the bank adjusts for (eg effects of foreign currency translation), with a cross-reference to the *Annual Report and Accounts 2015* for readers who want to

see reconciliations of reported results to an adjusted basis. It then includes key numbers (eg operating profit and profit before tax in tabular form, with a prior-year comparison), bullet points highlighting its performance and a graphic illustrating the movement in adjusted profit before tax compared with 2014, vividly explaining percentage changes.



Financial overview

Adjusted performance

Our reported results are prepared in accordance with IFRSs as detailed in the Financial Statements on page 347. We also present adjusted performance measures as we believe these help explain our performance and these are highlighted with the following symbol: ▶

To arrive at adjusted performance, we adjust for:

- the year-on-year effects of foreign currency translation; and
- the effect of significant items that distort year-on-year comparisons and are excluded in order to understand better the underlying trends in the business.

▶ For reconciliations of our reported results to an adjusted basis, including lists of significant items, see pages 66–67 and 77–78 of the *Annual Report and Accounts 2015*.

Adjusted results ▶

This table shows our adjusted results for 2015. These are discussed in more detail on the following pages.

Adjusted results	2015 \$m	2014 \$m
Net operating income before loan income charges and other credit risk provisions (revenue)	57,765	57,227
Loan impairment charges and other credit risk provisions ('LICs')	(3,721)	(3,168)
Total operating expenses	(36,182)	(34,576)
Operating profit	17,862	19,483
Share of profit in associates and joint ventures	2,556	2,493
Profit before tax	20,418	21,976

Adjusted profit before tax ▶

- Our adjusted profit before tax fell by \$1.6bn or 7%.
- We grew adjusted revenue by \$0.5bn or 1%, notably in GB&M (up by \$1.2bn or 7%), CMB (up by \$0.4bn or 3%) and Principal RBWM, which is our RBWM business excluding the US run-off

portfolio (up by \$0.4bn or 2%). These increases were partly offset in GPB (down by \$0.1bn or 6%) and Other (down by \$0.3bn).

- Our LICs were \$0.6bn or 17% higher than in 2014, primarily due to increases in CMB (\$0.5bn) and RBWM (\$0.3bn), partly offset by a reduction in GB&M (\$0.3bn).

- Our adjusted operating expenses increased by \$1.6bn or 5%. Excluding the bank levy, operating expenses in the second half of 2015 were broadly in line with the first half of the year. This was despite investment and inflationary pressures, and partly reflects the initial effect of our cost saving initiatives as well as a strong focus on cost management.

Movement in adjusted profit before tax compared with 2014 ▶

	2015 (\$m)	Change (\$m)	(%)
Revenue	57,765	538	1
LICs	(3,721)	(553)	(17)
Operating expenses	(36,182)	(1,606)	(5)
Share of profits in associates and joint-ventures	2,556	63	3
Profit before tax	20,418	(1,558)	(7)

CPFL Energia's *Annual Report 2015* includes informative diagrams explaining the functioning of the electric sector, visually depicting how the energy supply chain works in both a regulated and a free market.

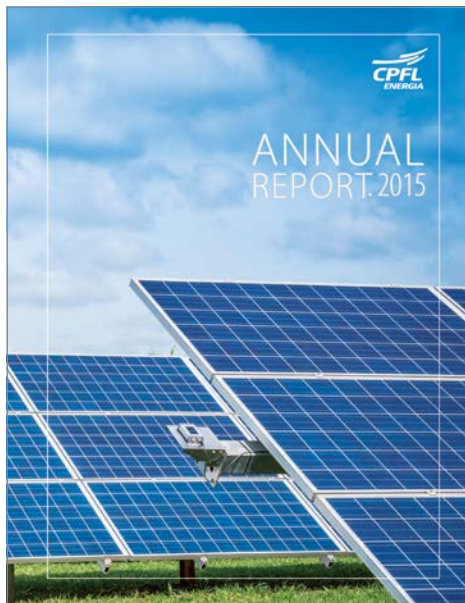
CPFL Energia's *Annual Report 2015* includes informative diagrams explaining the functioning of the electric sector, visually depicting how the energy supply chain works in both a regulated and a free market.

Generali has embraced the conciseness challenge, applying a mantra of 'Rethink, Reuse, Reduce'. By rethinking its approach to interim reporting, it has reduced its quarterly reports from 100 pages across four documents in 2014 to just two pages, glossary included, in 2015. 'We believe that two pages is the most effective way to provide strategic information to our board members and different external readers', Romano says. Even so, he acknowledges that the annual report is a 'different game' because there are more specific regulatory requirements and certain detailed notes must be given. 'But we are trying to connect and solve this corporate reporting puzzle by creating links between the different reports we disclose as a listed company', Romano says. 'Our goal is not to duplicate information, but [to] create highways among the different reports'.

As discussed above, online reporting could help to reconcile the need for conciseness with the desire to provide detailed information that some stakeholders may value. 'In the future I see the potential to have a 40-page document, all the strategic information in hard copy, and then in the digital space other information where analysts or green investors can deep dive and look at numbers', Romano says.

Good practice ideas for conciseness

- Identify relevant matters to report by implementing robust materiality determination processes – this would also help to improve reliability and completeness.
- Apply the robust materiality determination process to filter out matters to exclude (ie those not material to value creation) when evaluating their relative importance.
- Use cross-references (internally and externally to other reports) and make effective use of tables and diagrams.
- Consider how digital technology could help meet wider stakeholder information needs.



Achieving reliability and completeness is important for a report's credibility in the eyes of investors and other stakeholders.

4. RELIABILITY AND COMPLETENESS

Observations from the report reviews

The Framework states that 'an integrated report should include all material matters, both positive and negative, in a balanced way and without material error'.¹⁶

While completeness and the absence of material errors are difficult to judge, taking the reports at face value, the reviewers found that only 51% of the reports reviewed achieved a balance of good and bad news in equal measure. Achieving reliability and completeness is important for a report's credibility in the eyes of investors and other stakeholders.

What challenges do companies identify?

Financial information must be reported in accordance with generally accepted accounting standards, and for larger entities is generally audited in accordance with international auditing standards. Companies are aware that the non-financial, or pre-financial, information they include in an integrated report should be subject to similar levels of rigour if investors are to see it as useful. However, non-financial reporting is not yet mature. There remains a lack of coherence among the many non-financial reporting frameworks and standards that exist, and the widely recognised mechanisms that provide assurance over financial information are yet to emerge in non-financial reporting.

Tudela at Enagás is concerned about the lack of any 'guide or template' that providers of assurance could use when providing assurance on <IR> information. Enagás has addressed this issue by creating an appendix showing how it has

covered the main principles and content areas of the Framework, and seeking external assurance on that. Similarly, in 2016, Danone streamlined its approach to gaining assurance on information provided as part of its integrated reporting – establishing an audit process for it.

By contrast, Larsen of DBS sees limited value in assurance. 'The consistency of reported KPIs keeps people more honest than an audit', he says.

For many, internal systems and processes hold the key. The process of achieving data of a sufficient standard can result in failure to report some KPIs. For example, as one leading indicator or proxy for social impact, Novo Nordisk used to measure the number of healthcare professionals it was training, but it was possible for one person to attend multiple training sessions. 'We realised the systems and numbers were not robust enough, so we had to kill that indicator', Stormer says. 'So the price we have to pay for <IR> is that, at least in the eyes of some, there is less sustainability information.'

Taking a broader view, Stormer says a key problem is knowing what 'good' reporting looks like: 'So far we haven't come up with a common language for how you assess whether this is a good report or not', she says. '<IR> is a market-led initiative, but nevertheless we need some kind of standard to define what good looks like. At the same time we need room for experimentation. We have developed our approach, but it may not work for other people. Other companies will do their own, and out of that will emerge some... [possible] best principles'.

Enagás, in its *Annual Report 2016*, helpfully explains the standards and principles used in the report's preparation.

Practical approaches

Enagás, in its *Annual Report 2016* (pages 129 to 134), helpfully explains the standards and principles used in the report's preparation. This includes the progress made on the adoption of the principles of the Framework and the fact that Enagás is a participant in the <IR> Business Network. It also refers to the GRI Standards, among others.

In its *Annual Report 2015*, Standard Chartered gives a balanced report on 'The Group in 2015' (as part of its Strategic Report content, page 35). This acknowledges that 2015 was 'a year of considerable challenges and changes', referring to the group's reorganisation and

a £3.3 billion rights issue. It then proceeds to give more details on these various factors, including identifying the main components of the costs incurred by the restructuring. To balance the picture, the page includes boxed bullet points highlighting actions taken to strengthen the balance sheet, tighten risk tolerance, achieve cost efficiencies, etc. On the first page of the Strategic Report, Standard Chartered included consistent comparative figures covering numerous aspects of the group's performance, going back three years. In this way, the report provides a complete and balanced overview of the group's position and performance, while also demonstrating accountability.



Annual Report 2016 

About our Annual Report

[GRI 102-1, GRI 102-5, GRI 102-50, GRI 103-1]

Scope of the financial and non-financial information

The scope of this report includes the information on FY 2016 and is limited to Spain, where the Enagás Group (Enagás S.A., Enagás Transporte S.A.U., Enagás GTS S.A.U., Enagás Internacional S.L.U. and Enagás Financiaciones S.A.U.), hereinafter "Enagás", carries on its business. The following criteria have been applied to the information reported herein:

- The financial information is presented in accordance with the consolidation principles applied in the financial statements.
- Non-financial information relates to operations that are fully controlled by Enagás (100% ownership), including those of Enagás Transporte Norte, in which it holds a 90% stake. The chapters on Human Capital Management and Environmental Management include indicators whose scope encompasses information on affiliates due to the impact of the issues discussed. This applies to biodiversity indicators (the impacts of infrastructures construction in Mexico are included) and workforce indicators (Enagás employees from Enagás México S.A. de CV and Enagás Perú SAC are included).

[GRI 102-45, GRI 102-48, GRI 102-49]

For further details on the scope of the financial information, refer to the Financial Statements, section 2.4 'Basis of consolidation'.

Standards and principles used in its preparation

The following standards and principles were used in preparing this 2016 Annual Report:

- This report has been prepared in accordance with the GRI Standards: Comprehensive option. These guidelines from Global Reporting Initiative (GRI) define the principles and content for compiling sustainability reports, and are subjected to GRI's Context Index Service. The content of the report has been verified by EY. [GRI 102-56]
- The principles in the Integrated Reporting Framework, published by the International Integrated Reporting Council, IIRC (www.theiirc.org), for which Enagás participated in the Integrated Reporting Pilot programme. Enagás is a member of the Integrated Reporting Business Network.
- The principles of standard AA1000: inclusivity, materiality and responsiveness.
- The Sustainable Development Goals approved by the United Nations General Assembly, which Enagás integrates in its strategy and are set out in the Appendix 'Our contribution to the Sustainable Development Goals'.
- The 10 principles of the UN Global Compact, as set out in the Appendix 'Global Compact content index'.

[GRI 102-12]

Novo Nordisk's Annual Report 2016 includes comprehensive data covering the years 2012 to 2016 relating to financial, social, environmental and share performance.

Novo Nordisk's Annual Report 2016 includes comprehensive data covering the years 2012 to 2016 relating to financial, social, environmental and share performance (page 15). It also includes long-term social and environmental targets. A brief explanation of performance against targets for water and energy consumption is also given, further providing context against which to assess the company's performance. In this way, Novo Nordisk also demonstrated accountability over its performance.

In its 2016 Annual Report, Novo Nordisk included for the first time a statement by the board of directors and executive management that the report had 'been prepared in accordance with' the International <IR> Framework (page 107). The statement represents the culmination of much hard work since 2008/9. 'We worked through a process to upgrade the quality and control over the environmental and social data in the report', says Stormer. The Audit Committee required that any non-financial data included in the 'Performance highlights'



ACCOMPLISHMENTS AND RESULTS 2016 | 15

	2012	2013	2014	2015	2016	2015-2016
SOCIAL PERFORMANCE						
Least developed countries where Novo Nordisk sells insulin according to the differential pricing policy	35	35	32	23	22	(4%)
Donations (DKK million) ³	84	83	84	105	106	1%
New patent families (first filings)	65	77	93	77	74	(4%)
Employees (total)	34,731 ⁴	38,436 ⁴	41,450 ⁴	41,122	42,446	3%
Employee turnover	9.1%	8.1%	9.0%	9.2%	9.7%	
Gender in Management (ratio men: women)	61:39	61:39	60:40	59:41	59:41	
Relevant employees trained in business ethics	99%	97%	98%	98%	99%	
Product recalls	6	6	2	2	6	200%
Failed inspections	1	0	0	0	0	-
LONG-TERM SOCIAL TARGETS						
Patients reached with Novo Nordisk diabetes care products (estimate in millions)	22.8	24.3	24.4	26.8	28.0	40 by 2020
Working the Novo Nordisk Way (scale 1-5)	4.3	4.4	4.3	4.3	4.4	4.0
Company reputation (scale 0-100)	N/A	82.9 ⁵	80.8	82.4	79.2	≥80
ENVIRONMENTAL PERFORMANCE						
Energy consumption (1,000 GJ)	2,433	2,572	2,556	2,778	2,935	6%
Water consumption (1,000 m ³)	2,475	2,685	2,959	3,131	3,293	5%
CO ₂ emissions from energy consumption (1,000 tons)	122	125	120	107	92	(14%)
Organic residues (tons)	99,209	110,228	110,095	124,049	114,805	(7%)
Waste (tons)	19,213	20,387	30,720	34,715	37,940	9%
LONG-TERM ENVIRONMENTAL TARGETS						
Energy consumption (vs prior year)	11%	6%	(1%)	9%	6%	Not to exceed 4% ⁶
Water consumption (vs prior year)	16%	8%	10%	6%	5%	Not to exceed 4% ⁶
Share of renewable power for production	74%	74%	73%	78%	78%	100% by 2020
SHARE PERFORMANCE						
Basic earnings per share/ADR in DKK ^{1,7}	7.82	9.40	10.10	13.56	14.99	11%
Diluted earnings per share/ADR in DKK ^{1,7}	7.77	9.35	10.07	13.52	14.96	11%
Total number of shares (million), 31 December	2,800	2,750	2,650	2,600	2,550	(2%)
Treasury shares (million), 31 December	87	103	57	52	46	(12%)
Share capital (DKK million)	560	550	530	520	510	(2%)
Dividend per share in DKK ⁷	3.60	4.50	5.00	6.40	7.60 ⁸	19%
Total dividend (DKK million)	9,715	11,866	12,905	16,230	19,048 ⁸	17%
Share repurchases (DKK million)	12,162	13,989	14,728	17,229	15,057	(13%)
Closing share price (DKK) ⁷	183.30	198.80	260.30	399.90	254.70	(36%)

³ Donations to the World Diabetes Foundation and the Novo Nordisk Haemophilia Foundation, which are working to increase healthcare capacity in developing countries. ⁴ Includes employees in NBIT A/S. ⁵ Data for people with diabetes and employees are not included due to lack of availability. ⁶ The 4% equals 50% of the business growth measured as the increase in sales in local currencies as a three-year average. For detailed target definition, please refer to p 13. ⁷ Share performance-related key figures have been calculated reflecting a trading unit of DKK 0.20. ⁸ Total dividend for the year including interim dividend of DKK 3.00 per share which was paid in August 2016. The remaining DKK 4.60 per share, corresponding to DKK 11,448 million, has not yet been paid.

EMPLOYEES (TOTAL)

Thousand

SALES AND CO₂ EMISSIONS (2012 = INDEX 100)

Index

CASH DISTRIBUTION TO SHAREHOLDERS

DKK billion

NOVO NORDISK ANNUAL REPORT 2016

Establishing a firm line on reporting year-on-year data helps to ensure more balanced reporting of good and bad news.

tables had to have the same validity as financial data. 'We started subjecting our social and environmental statements to the same requirements over internal controls that we have for financial data, which are the Sarbanes-Oxley¹⁷ requirements', Stormer says. 'We streamlined the processes'.

Once that process was complete, the Audit Committee accepted that all data was of equivalent quality. This was part of the limited assurance engagement conducted by PwC that has been performed on Novo Nordisk's annual reports for years, measured against existing assurance standards. Then, for the 2016 annual report to make specific reference to 'adherence to' the <IR> framework, a separate process was undertaken. 'We mapped all the requirements for <IR> with a reference to where we addressed them, and then asked PwC to provide an expert third opinion', Stormer says. PwC had 'no major comments', which gave the Audit Committee confidence that the board could make its statement. PwC's independent limited assurance report on the social and environmental reporting, addressed to the stakeholders of Novo Nordisk, is included in the 2016 Annual Report (page 111) – this describes the scope of the engagement and the limited assurance conclusion.

Establishing a firm line on reporting year-on-year data helps to ensure more balanced reporting of good and bad news. Larsen at DBS says: 'We have insisted on disclosing five-year KPIs for every item on our balanced scorecard, so there is consistent information year-on-year, even for those years we are not doing so well'. Explanations are given on steps being taken to address any issues.

KPIs may need to change to reflect shifts in strategy. Such changes need to be explained so that readers have confidence the adjustment isn't designed to hide poor results. 'KPIs – the relevant scoring and weighting of them – should change [to reflect new strategic priorities]', Larsen says. 'But you should not see them go in and out randomly. There should be a logic to it'. For example, DBS is looking for any better measurements it can use as proxies for the value of its resources (capitals). But if it can't improve on last year's measure, it will retain it for consistency. Novo Nordisk's CFO has also emphasised the importance of including non-financial KPIs, because these are used to run the business and are linked to remuneration schemes (while stopping short of disclosing exactly which KPIs influence remuneration).

Good practice ideas for reliability and completeness

- Ensure that the board exercises oversight of reporting content.
- Establish sound internal control processes for data to be included in integrated reports.
- Identify the relevant standards and frameworks used, and disclose them in the report.
- Report information used by management in running the business.
- Clearly explain why particular KPIs are used and the reason for any changes in reported KPIs.
- Disclose negative aspects of performance as well as positive aspects, and explain what management will do to tackle challenges.

¹⁷ The Sarbanes-Oxley Act of 2002 was passed by the US Congress to protect investors from the possibility of fraudulent accounting activities by companies, mandating increased financial disclosures.

Integrated reporters are more concerned at present with internal consistency and in reporting consistent measures over time than they are with reporting information comparable with that of other companies.

5. CONSISTENCY AND COMPARABILITY

Observations from the report reviews

The Framework states:

'The information in an integrated report should be presented:

- on a basis that is consistent over time
- in a way that enables comparison with other organisations to the extent it is material to the organisation's own ability to create value over time.¹⁸

For 12 out of the 41 reports reviewed, the reviewers were unable to assess consistency and comparability, because no basis for comparison had been provided. In some cases, this was because the report under review was the first integrated report the organisation had produced and no comparator information was available. Among the reports that did provide comparatives, some were inconsistent: for example, some prior year comparatives were provided but not others, and comparisons were made with different time periods. Few reports gave bases for comparison with other organisations.

What challenges do companies identify?

Laura Palmeiro at Danone appreciates that investors like to see comparative information going back over perhaps 10 years. Providing meaningful information over such a long period can be challenging. For example, disclosing absolute figures, such as tonnes of CO₂ emissions, takes no account of how the business has changed (grown or contracted). Intensity measures, such as kilos of CO₂ per kilo of product sold, were sometimes more meaningful.

Though recognising the importance of consistency, Streck, at Munich Airport, believes it is appropriate to change reported measures where the organisation has good reason to do so and explains this clearly. For example, in its last few annual reports the airport has included its Airport Service Quality (ASQ) index score, calculated by ACI (Airports Council International), as a measure indicating customer satisfaction. 'The ASQ is a good measure and gives an external perspective', says Streck. 'But we have decided to change this indicator and will introduce a new one in our next report.

This will be a Passenger Experience Index, which for us is a better measure because we use it for internal management processes'. The airport will explain the reason for the change and include a comparative figure for the year before.

Integrated reporters are more concerned at present with internal consistency and in reporting consistent measures over time than they are with reporting information comparable with that of other companies. Nonetheless, there is some convergence within sectors. For example, in insurance, more corporations (including Generali) are giving evidence of their net promoter score (NPS)¹⁹ process, since the NPS 'is becoming a strategic KPI in the evolution of the company', Romano says. It's also a KPI associated with social and relationship capital. For human capital, employee engagement measures are becoming common practice. 'In our industry you find more and more pre-financial KPIs', Romano says. 'But comparability among market participants is not a short-term target. Market participants need time to adapt and find the right balance. I don't see comparing different players as a priority. The priority here is to tell your value creation story in a genuine, concrete and substantial way'.

Laura Palmeiro also sees challenges in producing information that can be compared between companies and is concerned that stakeholders will be comparing 'pears with apples' because of the differences in the way companies calculate and present KPIs. 'We are years from having comparability on certain topics', she says. This is partly owing to differing legal regimes around the world, which can require or prohibit the reporting or collection of certain information (eg information about the ethnic origin of employees).

Streck, at Munich Airport, agrees that comparability between organisations is some way off. Firstly, only a few airports currently produce integrated reports. Other airports may publish GRI data, but comparability is difficult because the processes behind the data may be different. Munich Airport does therefore look at what other airports report, but from a limited perspective. 'We look at the kind of content, because if others report on

18 International <IR> Framework, paragraph 3.54.

19 A net promoter score measures the willingness of customers to recommend a company's products or services to others.

Munich Airport's Annual Report 2015 sets out its key economic, environmental and social figures in three tables.

something we don't, we should think about why that issue is not on our agenda', Streck says. 'So you can compare issues, but you cannot really compare data. We also look at the approach other companies use for publishing their reports'. For example, the airport looks at whether other entities publish separate integrated reports or sustainability reports alongside an annual report, and what information they make available on their websites.

JLL's Roundell Greene emphasises that the Framework is principles-based – which he supports – and that <IR> is still in its early days compared with traditional financial reporting. It is therefore too early to expect comparability between organisations. 'It's important that businesses go about this in the way that suits them best and with their own understanding of the Framework as it applies to their own organisations', he says. 'That's much more important than worrying about how comparable reports between organisations are. You may risk squashing the development of some good thinking within organisations if you formalise it. It's hard to have both a principles-based framework and try to ensure comparability between reports'.

Although comparability with other organisations is not currently being achieved, looking at what other reporters do can not only provide potential insights for improved ways of reporting, but could perhaps help to achieve convergence over time. 'We benchmark against the best reporters', says Sze Yen Tan of DBS. 'We always look for inspiration'. DBS is keen to avoid standardisation in the form of 'boilerplate' disclosures 'such that the unique flavour of information is lost'.

Practical approaches

Munich Airport's *Annual Report 2015* sets out its key economic, environmental and social figures in three tables (pages 4–5). It provides prior year comparatives for its financial, social and environmental data, early in the report.

As shown in the 'Reliability and completeness' section earlier, Novo Nordisk's *Annual Report 2016* includes five years (2012 onwards) of data as well as long-term targets. For example, its social performance indicators include the ratio of men to women in management positions and data on product recalls and failed



Key figures

Annual Report 2015 Munich Airport

Key economic figures (IFRS)

In € million	2015	2014	2013	Change in % 2015/14
Group revenue	1,249.3	1,200.1	1,184.4	4.1
Of which is Aviation in %	52	51	51	
Of which is Non-Aviation in %	48	49	49	
EBITDA	489.1	478.7	467.7	2.2
EBIT	274.8	266.5	258.8	3.1
Consolidated earnings after taxes (EAT)	135.4	100.1	98.6	35.3
EBITDA margin in %	39.1	39.9	39.5	
EBITDA/Pax in €	11.9	12.1	12.1	-1.7
EBIT margin in %	22.0	22.2	21.9	
ROCE in %	6.3	6.1	6.1	
Cash flow from operating activities	464.4	429.6	457.0	8.1
Investments	272.1	275.5	284.6	-1.2
Equity	2,026.7	1,907.0	1,839.8	6.3
Equity ratio in %	57.5	36.4	34.1	
Net debt	2,322.3	2,390.3	2,400.5	-2.8
Net debt/EBITDA	4.7	5.0	5.1	
Net gearing (net debt/equity) in %	115	125	130	

Key environmental figures

CO₂ emissions

In tonnes	2015	2014
Direct energy consumption (Scope 1)	84,826	82,339
Indirect energy consumption (Scope 2)	16,811	15,938
Other indirect energy consumption (Scope 3a)	51,565	49,958
Total annual CO₂ emissions open to influence	153,202	148,234

Data accounted for in accordance with the GHG Protocol (Greenhouse Gas Protocol).

«Green spaces» belonging to the airport but outside the airport fence¹⁾

In hectares	2015	2014
Additional green areas in total	746	745
Compensatory mitigation areas, zone III	374	370
Airport periphery, zone II	250	250
Ecological land reserve for future expansion measures	122	125

¹⁾Green areas in Zone II and III (see page 78) that Flughafen München GmbH maintains as natural conservation areas (in contrast to rented farmland or other real estate).

Key social figures

Group	2015			
	Number of employees ¹⁾	Proportion in % ²⁾	Men	Proportion in % ²⁾
Total number of employees	2,703	33.72	5,313	66.28
Full-time	1,726	21.53	4,693	58.55
Part-time	977	12.19	620	7.73
Fixed-term employment contracts	469	5.85	749	9.34
Permanent employment contracts	2,234	27.87	4,564	56.94

¹⁾At December 31: excluding apprentices, workers in minor employment, temporary workers, and interns.
²⁾Percentage relates to the total number of employees.

Consider including comparatives for KPIs for several previous periods where they are available.

inspections. Its long-term environmental targets include the percentage of renewable power used for production.

If Novo Nordisk wants to start using any new KPIs, rigorous internal control procedures must be established first. 'When we develop new KPIs for environmental or special performance, these go through a review by our Disclosure Committee, which is chaired by the CFO,' Stormer says. 'Every year in July the Disclosure Committee reviews the new KPIs we want to pursue. We present comparable data for two previous years, so we know we are not producing something that can be taken out of context. It has to be consistent data. So we cannot introduce a new KPI until we have three years' data'.

Good practice ideas for comparability and consistency

- Include comparatives for KPIs for several previous periods where they are available.
- Stick to reporting the same KPIs from year to year, unless you need to change them to improve the usefulness and relevance of the information to stakeholders.
- Explain any changes to the selection or calculation of KPIs from year to year.
- Adopt a robust process of review for any new KPIs to ensure that they are likely to remain meaningful from one year to another.
- Review the reports of comparable organisations and leading reporters to get inspiration for relevant measures.



Discussions with preparers suggest some core advice for effective Integrated Reporting.

1. Identify <IR> champions

Integrated Reporting needs internal champions with sufficient commitment and interest to make it work. Ideally you need your CEO and CFO on board.

2. Take a multidisciplinary approach

Form a multidisciplinary working party to lead the move to <IR>. Committed individuals from across the business can help to break down silos and encourage integrated thinking. Potential participants could come from finance, sustainability, strategy, governance, corporate affairs, HR, internal audit and investor relations teams.

3. Clarify the audience

The first step in implementing <IR> is to decide the audience for the reports. Some organisations choose to focus on shareholders and potential investors, while others address a wider range of stakeholders. Whatever the choice, this should be clearly explained in the integrated report. (And if there is another report intended for a different set of stakeholders – ie the sustainability report – the integrated report should state this).

4. Determine materiality process

Once you know your audience, you need to determine what aspects of value creation are most relevant to that audience. Depending on the nature of the business and what the organisation wants to achieve with Integrated Reporting, different materiality-determination processes may be appropriate. Most organisations engage with both internal and external stakeholders in this process. It's important to explain in the integrated report how decisions about materiality are made: this gives more credibility and accountability.

5. Activate the data

Don't be afraid to bring the numbers to the front of the report – investors would particularly welcome an early overview of the organisation's performance. To ensure consistency and credibility, disclose your targets, even where you may have missed them. Include prior year comparatives where they are available and explain any changes in measures.

6. Use appropriate language

Remember that the report will be read by users outside your organisation. Avoid technical or organisational jargon and use a neutral, factual tone.

7. Demonstrate board commitment

Investors and other stakeholders want to see evidence in reports that integrated thinking and reporting are driven from the very top of the organisation. Some organisations are hesitant to make a positive statement acknowledging the board's responsibility for the integrated report, as the Framework suggests.²⁰ You may like to consider demonstrating your organisation's commitment by having the chief executive discuss what the board aims to achieve with Integrated Reporting.

8. Set expectations

<IR> is a journey – a term that experienced integrated reporters frequently use. Internal and external stakeholders need to understand that your integrated report will evolve over time.

'A problem for a company like Solvay is the balance between conciseness and the business model, because we have at least three or four business models, so you need to explain the different models and why their impact on the capitals is different.'

Solvay, an international chemical and advanced materials company, is working towards issuing its first integrated report. This has been a long process, begun under its former CFO, who was particularly attracted to <IR> by the prospect of achieving greater conciseness and connectivity, such as in the linkage between strategy and long-term targets.

His successor, current CFO Karim Hajjar, was initially unfamiliar with <IR>, but after three years, he was finally convinced that Integrated Reporting would benefit the organisation. In 2015, as a first step to implementing Integrated Reporting, he initiated a new, bottom-up approach to materiality analysis, business unit by business unit. 'This was an interesting exercise, because we have roughly 15 active business units and the materiality analysis gives different results from one business unit to another', says Solvay's Michel Bande. 'For example, some are energy-intensive and so energy and CO₂ are really important to them, but not to others'.

Following the materiality analysis, key targets were proposed to and accepted by the executive community, who selected five major targets that are now mandatory for all business units. These include reduced greenhouse gas emissions, improved safety, a more 'green' product portfolio (in terms of environmental and societal impact), increased employee engagement, and increased societal action (eg more employees giving lectures in schools or supporting local hospitals, etc).

Establishing these targets concluded the first phase of Solvay's <IR> journey. In its 2015 annual report, Solvay stated its commitment to implementing <IR>.

The second phase of Solvay's <IR> journey began in 2016, with preparatory work for issuing what will be the company's first integrated report. Solvay is approaching this challenge by focusing on just a few of the Framework principles, particularly connectivity. 'We will insist on a link between all our actions and the strategy we propose and our targets', Bande says. 'We will also keep in mind all the different capitals.'

Bande sees the six capitals as 'really positive' for enriching companies' approach to business. 'A problem for a company like Solvay is the balance between conciseness and the business model, because we have at least three or four business models', he says. 'So you need to explain the different models and why their impact on the capitals is different.'

Solvay's CFO, Karim Hajjar, believes that <IR> – through integrated thinking and management – creates value: for example, through combining forces and taking a 'transversal approach' (ie working across silos). In addition, Solvay has a tool for measuring the societal and environmental impact of its products, and has found that products 'in the green area have substantial growth'. The CFO's target is therefore 'to be sure that this value creation is understood by analysts' and secondly, understood by the firm's bank, in order to reduce the cost of capital.

Integrated Reporting – <IR> – is now established not only as a form of valuable corporate reporting, but also as an approach to sound business management.

Integrated Reporting – <IR> – is now established not only as a form of valuable corporate reporting, but also as an approach to sound business management. The earliest adopters have been applying the principles of <IR> for several years and their experiences can help those just beginning their <IR> journey to make more rapid progress.

<IR> is about much more than reporting – it's also about integrated thinking across organisations. Nevertheless, integrated reports need to be of high quality if providers of financial capital and other stakeholders are to value them. Only if the reports are valued will companies get due credit for preparing them.

This report has built on the 2016 <IR> Business Network Report Critique Project to try to ensure continued reporting quality improvements. Our interviews with participating companies have found passionate support for the aims of <IR> and a strong belief in the benefits it can bring. Our interviewees have found many challenges in the process of applying the Framework, but see this as a long-term journey towards better reporting and the creation of value by their businesses over time. It is hoped that more organisations will be encouraged to begin their own <IR> journey, drawing on the insights and advice shared by the companies leading the way.



ACCA would like to thank the individuals who gave their time to be interviewed for this report.

Michel Bande

Senior Executive Vice President, Solvay s.a.

‘What is important is integrated management based on integrated thinking; a good integrated report is only the evidence of those best practices’.

Michel Bande began his career in 1974 at Solvay and never left. He started as a junior auditor and progressed in the finance department, including five years in Paris, until 1984 when he became successively IT manager and corporate logistics and supply chain manager.

In 1990, Michel took over the management of the SBU Consumer Products, and was partly based in Paris. He then moved to the management of the Corporate Purchasing Competence Centre until 2009, when he became senior executive vice president for sustainable development, the position he held until the end of 2012. Today, he is in charge of coordinating special projects for the Group (including extra-financial, WBCSD Chem. WG).

He is also CSR Europe VP for external relations, a member of the EABIS Advisory Board, UNGC Belgian Chapter VP, IIRC ambassador, and a member of the GRI Stakeholder Council. Since June 2014, he has been a supply chain expert for OECD Belgian SPOC. He also spent 15 years as senior lecturer in Organisation at the University of Brussels (ULB).

Mikkel Bilyk Larsen

Managing Director, Group Head of Tax and Accounting Policy, DBS

‘<IR> creates better dialogues with both internal and external stakeholders’.

Mikkel is also responsible for the implementation of integrated reporting and co-chair of the inaugural Sustainability Council at DBS.

Before joining DBS, Mikkel was CFO for Asia Pacific in UBS from 2009 to 2012, covering investment banking, wealth management and asset management. He was previously the Asia Pacific head of accounting policy and location controller for Hong Kong at UBS and has also worked for Citigroup in London and KPMG in London and Denmark.

Mikkel holds an MBA from London Business School and bachelor's and master's degrees in economics from Copenhagen Business School in his native Denmark, where he also holds his CPA. He has also studied at Harvard University.

Sze Yen Tan

Senior Vice President, Group Accounting Policy, DBS

‘<IR> helps to communicate a well-defined sustainable strategy succinctly to shareholders’.

Sze Yen joined DBS in 2013 and is a specialist in financial instruments accounting. In her current role, she also helps drive the implementation of integrating reporting and sustainability reporting at the bank.

Before joining DBS, Sze Yen was a senior manager with KPMG, with 14 years' experience working in Singapore and London across assurance, advisory and technical accounting.

Sze Yen holds a bachelor of accountancy degree from Nanyang Technological University and is a chartered accountant of Singapore.

Laura Palmeiro

Sustainability Integration Director, Danone

‘Only through integrated thinking and reporting can an organisation capture and demonstrate its value creation in a holistic manner’.

Laura Palmeiro started her career in 1993 as a finance auditor in PWC Buenos Aires, Argentina. In 1997, she joined Aguas Danone Argentina as sales and marketing controller. She became financial controller of Villa Alpina (Groupe Danone) in 1999 and moved to France as sales and marketing controller for the World Wide Waters Division in 2003. In 2006 she took on a group role as investor relations officer. She became VP in the Finance Nature department in 2009, in charge of developing and deploying the environmental reporting for the company, including the CO2 accounting system.

In March 2014, Laura was appointed corporate social responsibility director and, in May 2016, she became sustainability integration director, in charge of coordinating sustainability governance, animation and reporting at corporate level.

Massimo Romano

Head of Group Integrated Reporting and CFO Hub,
Generali

‘Integrated thinking is improving our personal and professional lives’.

Massimo is an ‘evangelist’ of integrated thinking: he and his team are implementing the Generali Integrated Reporting framework. In the last 10 years Massimo has evolved his role in the financial reporting area, starting as project manager of the IFRS implementation in Generali Group. He is programme leader of ‘Galileo’, a global multi-year transformation programme of the CFO finance platform, focusing on streamlining the reporting process, improving the global disclosure of the Group and implementing the best IT solutions.

Massimo is also active in the international working groups on corporate reporting issues. In 2014 he set up and co-chaired with Aegon the Insurance Business Network to spread the ‘gospel’ of integrated reporting and thinking among the insurance sector.

He is a frequent speaker at professional and academic events, sharing his experience on his integrated thinking journey.

Massimo graduated in 1994 (summa cum laude) with an economics degree from Trieste University (Italy) and qualified as a chartered accountant in Italy in 1996.

Tom Roundell Greene

Senior Manager, Reporting & Communications,
Global Sustainability, JLL

‘Integrated Reporting provides a real opportunity for organisations to develop and share a deeper understanding of how they create value for themselves, their investors and for the communities in which they operate’.

Managing reporting and communications within JLL’s Global Sustainability team, Tom Roundell Greene is responsible for the Firm’s Global Sustainability Report, Integrated Reporting efforts and submissions to global awards and indices. He also leads efforts to communicate JLL’s sustainability credentials to a global audience. Tom is working with the Global Sustainability team to develop JLL’s new global sustainability strategy, ‘Building a Better Tomorrow’.

Tom has a background in sustainability strategy, policy and reporting. Before joining JLL, Tom led efforts to improve sustainability within the Cabinet Office and Prime Minister’s Office, among other roles within Her Majesty’s Civil Service.

Susanne Stormer

Vice President of Corporate Sustainability,
Novo Nordisk

‘Corporate reporting will evolve into a more advanced form: Integrated’.

Susanne leads Novo Nordisk’s efforts to be a sustainable business, charged with management of corporate sustainability-driven programmes, the integrated annual report, stakeholder engagements, and communication on the value of the company’s triple bottom line²¹ (TBL) business principle.

Susanne joined the Novo Group in 2000. She is appointed member of the International Integrated Reporting Council (IIRC) and a board member of both the Access to Nutrition Foundation and the Global Initiative for Sustainability Ratings. She was member of the initial advisory board of the Sustainability Accounting Standards Board. She is adjunct professor of corporate sustainability at the Copenhagen Business School and a Berkeley social impact fellow at the UC Berkeley-Haas School of Business.

Susanne holds an MA in English studies and a BA in east Asian area studies, both from Aarhus University, Denmark. She is a graduate of the Stanford Business Executive Programme.

Dr Monica Streck

Head of Strategic Sustainability Management,
Business Unit Strategy and Sustainability,
Munich Airport

‘Integrated reporting at Munich Airport has been a success story from the beginning – influencing the management system, sustainable development and corporate strategy considerably’.

Monica Streck is head of strategic sustainability management at Munich Airport. She is responsible for sustainability reporting, including that under the GRI Guidelines and IIRC Framework, the identification and implementation of relevant strategic topics for sustainable development and the development of the strategic sustainability programme and the materiality process. Monica has worked at Munich Airport since 2006. Her academic background covers strategic management and business ethics. She holds a PhD on business ethics and has a German diploma in business administration.

21 Triple bottom line is an accounting framework that incorporates three elements of performance: social, environmental and financial.

Eva Schindler

Integrated Reporting Consultant, Business Unit
Corporate Communications, Munich Airport

‘Integrated reporting fosters integrated management’.

Eva Schindler has been a consultant on integrated reporting at Munich Airport since 2013. For several years before that, she supervised preparation of the annual reports of various groups as an investor relations and corporate communications expert. She is a trained editor and bank clerk and has a degree in business and cultural studies.

José Miguel Tudela

Organisation and Corporate Responsibility Director,
Enagás

‘Integrated reporting is leading to a greater confidence in the long-term viability of Enagás’ business model’.

José Miguel is responsible for the sustainable management model of Enagás, including the elaboration and implementation of the company’s sustainable management plan, the materiality analysis, and sustainability reporting, among other sustainability-related issues. For sustainability reporting, he has led the journey towards Integrated Reporting at Enagás.

Before Enagás, he worked at PricewaterhouseCoopers, PWC Consulting and IBM Business Consulting Services.

José Miguel is an industrial engineer, having studied at the ETS Ingenieros Industriales of Madrid. He is a graduate of the IESE Management Development Program and the Deusto Business School Corporate Leadership Program in Entrepreneurship and Innovation.

Elena Blanco Lozano

Sustainability Coordinator, Enagás

‘We decided to adopt Integrated Reporting as an improvement of transparency’.

Elena manages the working group for the elaboration of the annual report of Enagás according to international standards and best practices (GRI, integrated reporting). She is also responsible for coordinating the implementation of sustainability projects at the company in the areas of environment, social and governance, leading cross-functional and multidisciplinary teams.

Elena is an industrial organisation engineer, having studied at the University of Navarra. She is a graduate of the IE Business School Advanced Corporate Responsibility Management Program.

Pranee Poopair

Vice President of Sustainability Management, PTT
Global Chemical Public Company Limited (PTTGC)

‘<IR> is the right framework for bringing together financial and sustainability reporting, which should help investors to understand the business and its outcomes’.

Pranee Poopair has had an extensive career holding management posts in information technology and sustainability management. During her tenure with PTTGC, she dedicates her profound experience and insights to the goal of PTTGC becoming a globally recognised company in terms of sustainability management. Its achievements have been internationally recognised, for example, by the Dow Jones Sustainability Index, FTSE4GOOD, Sustainalytics etc. Additionally, Pranee strives to take new opportunities that will promote PTTGC’s position as a sustainability role model. For instance, Pranee introduced an adapted form of <IR> into PTTGC’s reporting framework. PTTGC is the first company in Thailand to publish an integrated sustainability report.

Pranee graduated with a bachelor’s and a master’s degree in statistics from Khon Khaen University and Chulalongkorn University.

Appendix 2: Average ratings from the 2016 <IR> Business Network Report Critique project

For each of the 41 corporate reports reviewed, the expert panel reviewers rated the quality of reporting against each aspect of the Framework. Ratings were on a scale of 1 to 5, where 1 = does not satisfy the Framework guidance at all, and 5 = fully satisfies the Framework guidance. The <IR> Specialist Panel includes: Prof Marvin Wee of the University of Western Australia, Jo Cain from Materiality Counts, and expert reviewers and moderators from the IIRC and from ACCA.

Some organisations in the sample have not yet reported externally using the principles but may be somewhat aligned based on their current practices and regulatory requirements.

The individual reviews are used to inform companies on progress to date and opportunities for improvement.

The table below provides the average ratings given across the sample of 41 reports for each guiding principle, content element and fundamental concept of the International <IR> Framework. It should be noted that the ratings given are subjective in nature, and although the reviews have been subject to peer moderation, judgement may vary from one reviewer to another.

The reports reviewed relate to accounting periods ended up to and including 31 March 2016.

FRAMEWORK TEXT	FRAMEWORK PARAGRAPH REFERENCE	AVERAGE RATING
RESPONSIBILITY FOR AN INTEGRATED REPORT		
<ul style="list-style-type: none"> An integrated report should include a statement from those charged with governance that includes: <ul style="list-style-type: none"> An acknowledgement of their responsibility to ensure the integrity of the integrated report An acknowledgement that they have applied their collective mind to the preparation and presentation of the integrated report Their opinion or conclusion about whether the integrated report is presented in accordance with this Framework 	1.20	2.27
<ul style="list-style-type: none"> or, if it does not include such a statement, it should explain: <ul style="list-style-type: none"> What role those charged with governance played in its preparation and presentation What steps are being taken to include such a statement in future reports The time frame for doing so, which should be no later than the organization's third integrated report that references this Framework. 	1.20	1.20
GUIDING PRINCIPLES		
Strategic focus and future orientation		
<ul style="list-style-type: none"> An integrated report should provide insight into the organisation's strategy... 	3.3	3.78
<ul style="list-style-type: none"> ...and how that relates to its ability to create value in the short, medium and long term and to its use of and effects on the [six] capitals. 	3.3	3.24
Connectivity of information		
<ul style="list-style-type: none"> An integrated report should show a holistic picture of the combination, interrelatedness and dependencies between factors that affect the organisation's ability to create value over time. 	3.6	3.44
Stakeholder relationships		
<ul style="list-style-type: none"> An integrated report should provide insight into the nature and quality of the organisation's relationships with its key stakeholders, including how and to what extent the organisation understands, takes into account and responds to their legitimate needs and interests. 	3.10	3.73
Materiality		
<ul style="list-style-type: none"> An integrated report should disclose information about matters that substantively affect the organisation's ability to create value over the short, medium and long term. 	3.17	3.68
Conciseness		
<ul style="list-style-type: none"> An integrated report should be concise. 	3.36	3.15
Reliability and completeness		
<ul style="list-style-type: none"> An integrated report should include all material matters, both positive and negative, in a balanced way and without material error. 	3.39	3.44

FRAMEWORK TEXT	FRAMEWORK PARAGRAPH REFERENCE	AVERAGE RATING
Consistency and comparability		
• The information in an integrated report should be presented on a basis that is consistent over time...	3.54	2.78
• ...and in a way that enables comparison with other organisations, to the extent it is material to the organisation's own ability to create value over time.	3.54	2.32
CONTENT ELEMENTS		
Organisational overview and external environment		
• An integrated report should answer the question: What does the organisation do and what are the circumstances under which it operates?	4.4	4.32
Governance		
• An integrated report should answer the question: How does the organisation's governance structure support its ability to create value in the short, medium and long term?	4.8	3.39
Business model		
• An integrated report should answer the question: What is the organisation's business model?	4.10	3.54
Risks and opportunities		
• An integrated report should answer the question: What are the specific risks and opportunities that affect the organisation's ability to create value over the short, medium and long term...?	4.23	3.44
• ... and how is the organisation dealing with them?	4.23	3.46
Strategy and resource allocation		
• An integrated report should answer the question: Where does the organisation want to go and how does it intend to get there?	4.27	3.76
Performance		
• An integrated report should answer the question: To what extent has the organisation achieved its strategic objectives for the period...?	4.30	3.54
• ...and what are its outcomes in terms of effects on the capitals?	4.30	3.12
Outlook		
• An integrated report should answer the question: What challenges and uncertainties is the organisation likely to encounter in pursuing its strategy, and what are the potential implications for its business model and future performance?	4.34	3.29
Basis of preparation and presentation		
• An integrated report should answer the question: How does the organisation determine what matters to include in the integrated report and how are such matters quantified or evaluated?	4.40	3.24
FUNDAMENTAL CONCEPTS		
Value creation for the organisation and for others		
• Overall, does the report explain how the organisation creates value for itself and others?	2.4 – 2.9	3.71
The capitals		
• Overall, does the report provide information on the capitals (i.e. Financial, Manufactured, Intellectual, Human, Social and Relationship, Natural) that the organisation uses or affects and which underpin its ability to create value?	2.10 – 2.19	3.71

Appendix 3: <IR> Business Network participants interviewed

ORGANISATION	HEADQUARTER	INDUSTRY	NUMBER OF INTEGRATED REPORTS PREPARED ²²	NOTES
Novo Nordisk	Denmark	Healthcare	12	Novo Nordisk had initiated this type of reporting before the publication of the Framework.
Flughafen München GmbH	Germany	Consumer services	6	Munich Airport published its first integrated report in 2010. After the <IR> Framework was finished in 2013, Munich Airport integrated the Framework principles step by step into its annual report.
Enagás SA	Spain	Oil and gas	4	Enagás has applied <IR> principles for five years in its annual reports, the most recent being its <i>Annual Report 2016</i> . Although it does not call these 'integrated reports', the executive chairman's letter in the <i>Annual Report 2016</i> specifically refers to the fact that this is the fifth report presented in an integrated format.
DBS	Singapore	Banking	4	DBS has followed the Framework principles in its annual reports for 2012 to 2015, claiming compliance in the last of these.
Generali Group	Italy	Insurance	3	
JLL	US	Real estate	2	JLL has included Integrated Reporting information in its SEC Form 10-K/ annual report since 2012, with its 10-K content forming the substantive part of its <IR> efforts. It created a microsite online intended to be a complete integrated report for its 2014 information.
PTT Global Chemical Public Company Limited	Thailand	Petrochemical	1	
Danone	France	Food products	1	

²² Up to and including the reporting period ended 31 December 2015. All the organisations in this table report to December year ends.

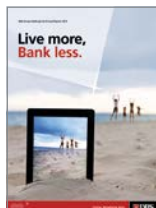
Appendix 4: Links to company reports from which examples have been taken



CPFL Energia

Annual Report 2015

www.unglobalcompact.org/system/attachments/cop_2016/308031/original/CPFL_Energia_Annual_Report_2015.pdf?1470766852



DBS Group Holdings Limited

Annual Report 2015

www.dbs.com/annualreports/2015/pdfs/downloads/full-annual-report-2015.pdf



Enagás

Annual Report 2016

www.enagas.es/stfls/ENAGAS/Relaci%C3%B3n%20con%20inversores/Documentos/JGA/JGA2017/Annual_Report_2016.pdf



Generali

Annual Integrated Report and Consolidated Financial Statements 2015

http://integratedreport2015.generali.com/sites/generali15fin/files/attachments/annual_integrated_report_generali_group_je_2015_5.4.2016.pdf



HSBC Holdings plc

Strategic Report 2015

<http://www.hsbc.com/~ /media/hsbc-com/investorrelationsassets/hsbc-results/2015/annual-results/hsbc-holdings-plc/hsbc-holdings-plc-strategic-report-2015.pdf>



Munich Airport

Integrated Report 2015

www.munich-airport.com/_b/00000000000000000727535bb58591f18/ib2015-en.pdf



Novo Nordisk

Annual Report 2016

www.novonordisk.com/content/dam/Denmark/HQ/AnnualReport/2016/PDF/Novo-Nordisk-Annual-Report-2016.pdf

PI-INSIGHTS-INTO-IR