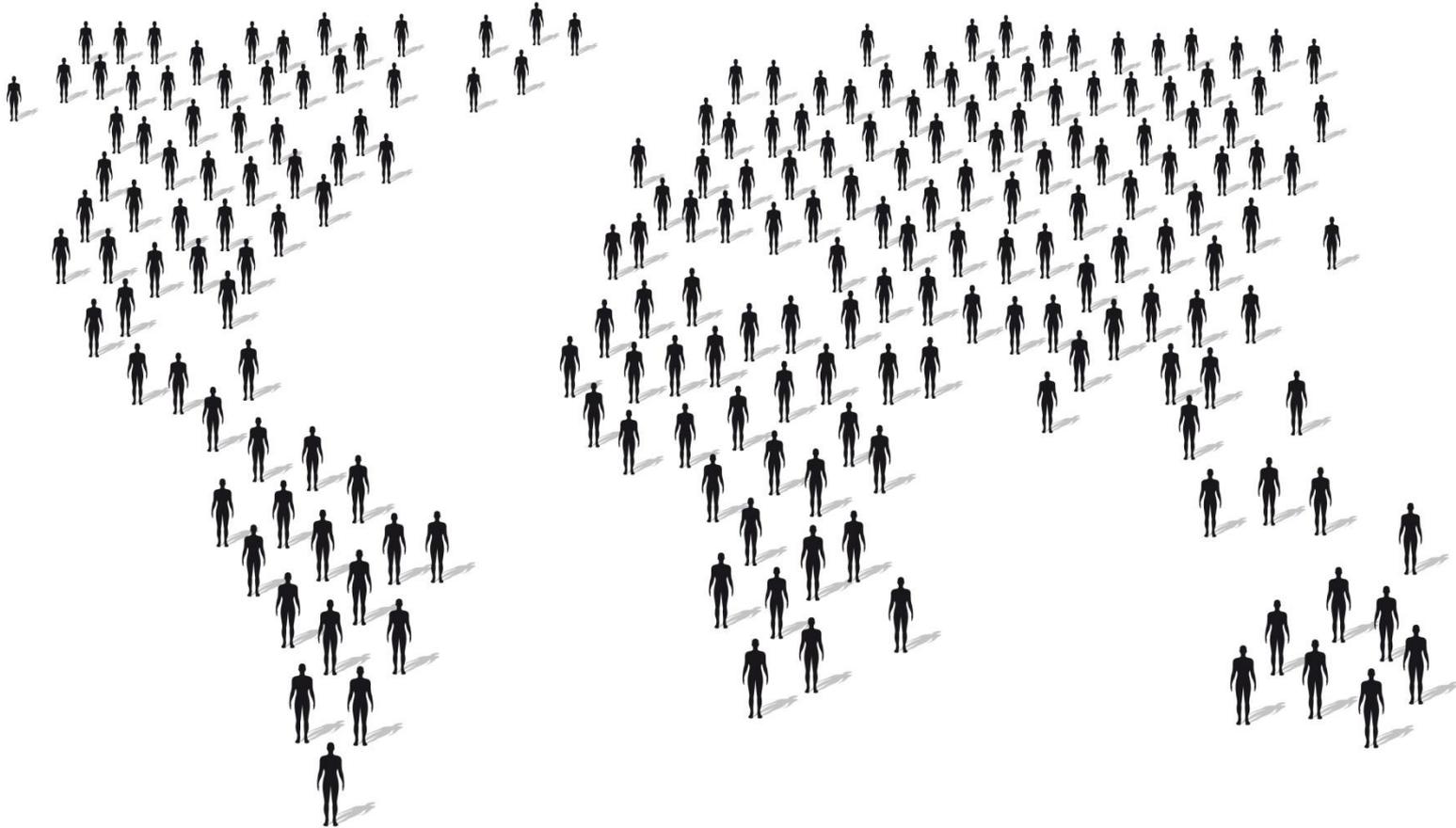




Modernizing Sustainability Reporting – GRI, G4 and XBRL –

*Dr. Nelmara Arbex, Deputy Chief Executive,
“Guidance, Support and Innovations area”*

Global Reporting Initiative



Abu Dhabi , March 2012



GRI: a network organization



GRI: a network organization

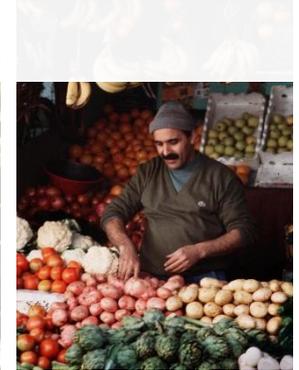
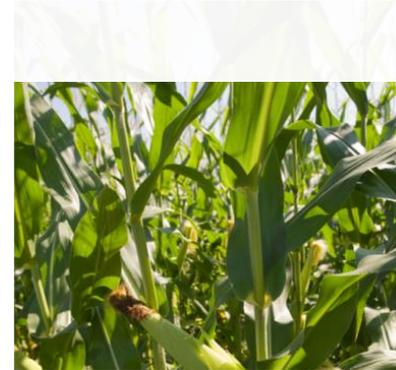
- Business, Labor, Experts, Report Information Users and Civil Society
- Governance Bodies
- Secretariat, Focal Points and Ambassadors
- Organizational Stakeholders
- Governmental Advisory Group
- Training partners and training participants
- Strategic Alliances



The sustainability challenge



How can business be profitable and contribute to solutions at the same time?



Managing change

“What you can’t measure, you cannot manage. What you can’t manage, you cannot change.”

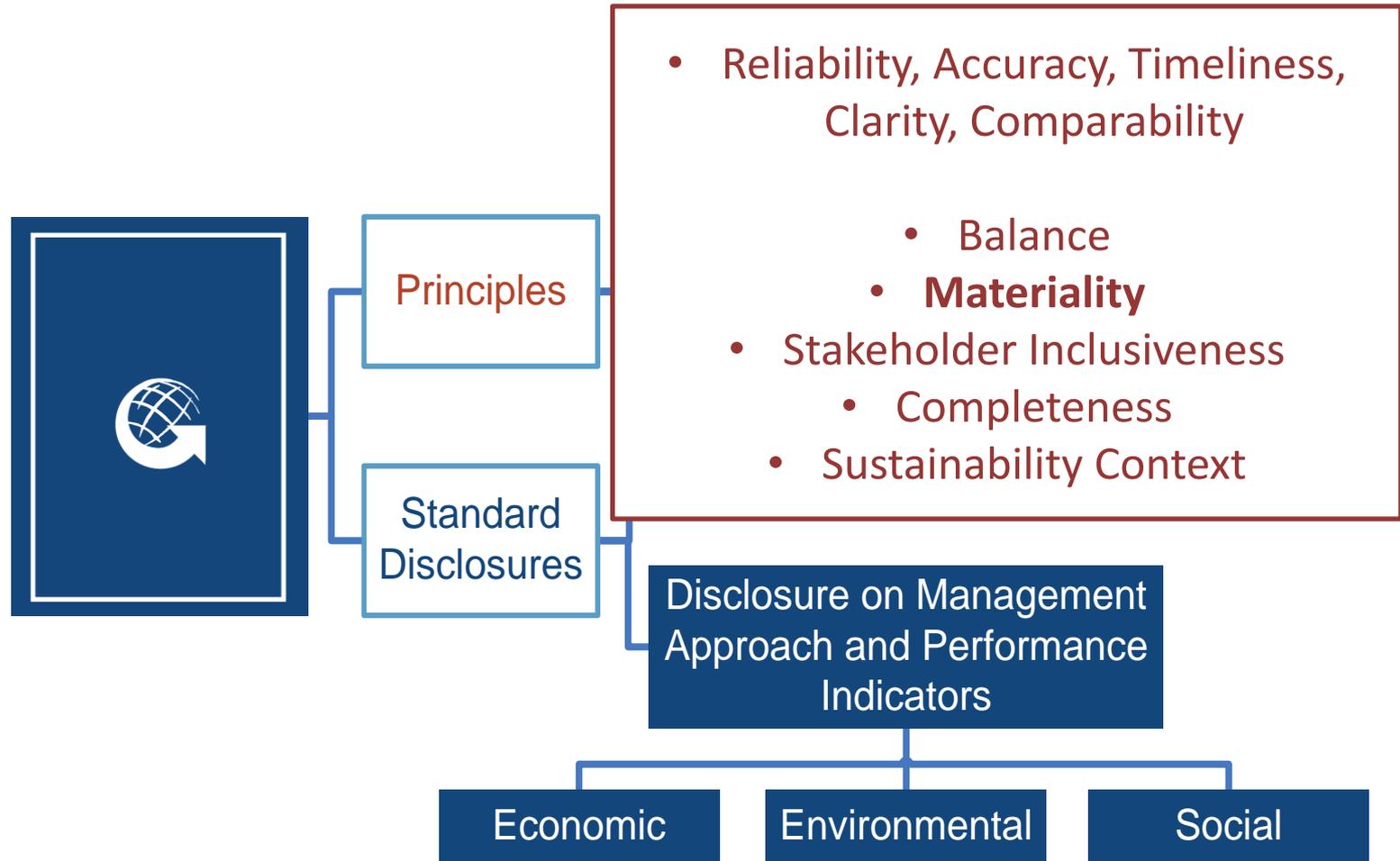
Peter Drucker

Writer, professor and management consultant



GRI Sustainability Reporting Guidelines!

The G3 Guidelines



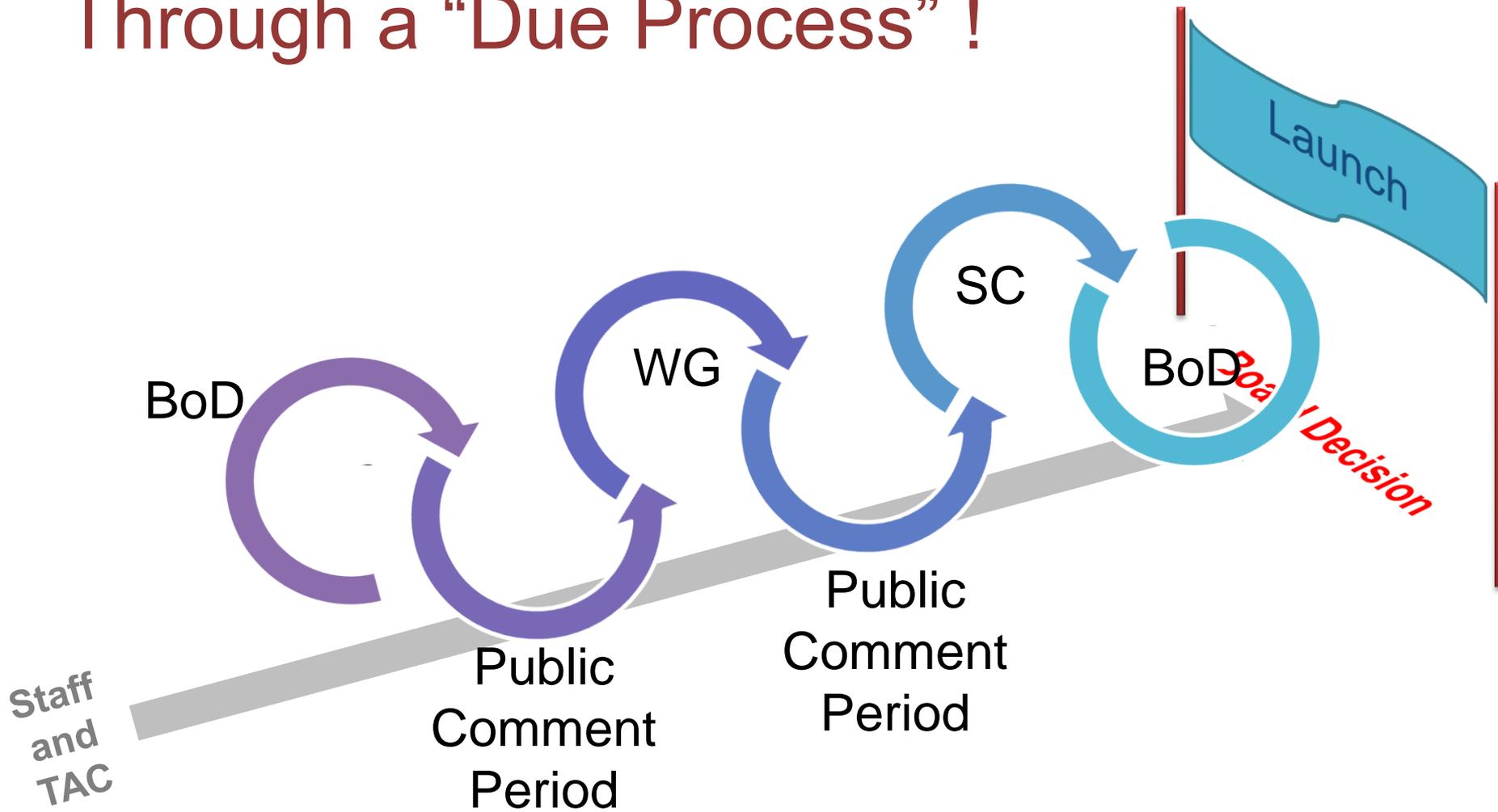
What is sustainability reporting?



- Disclosure on economic, environmental, social and governance performance
- Multistakeholders focused
- Continuous improvement

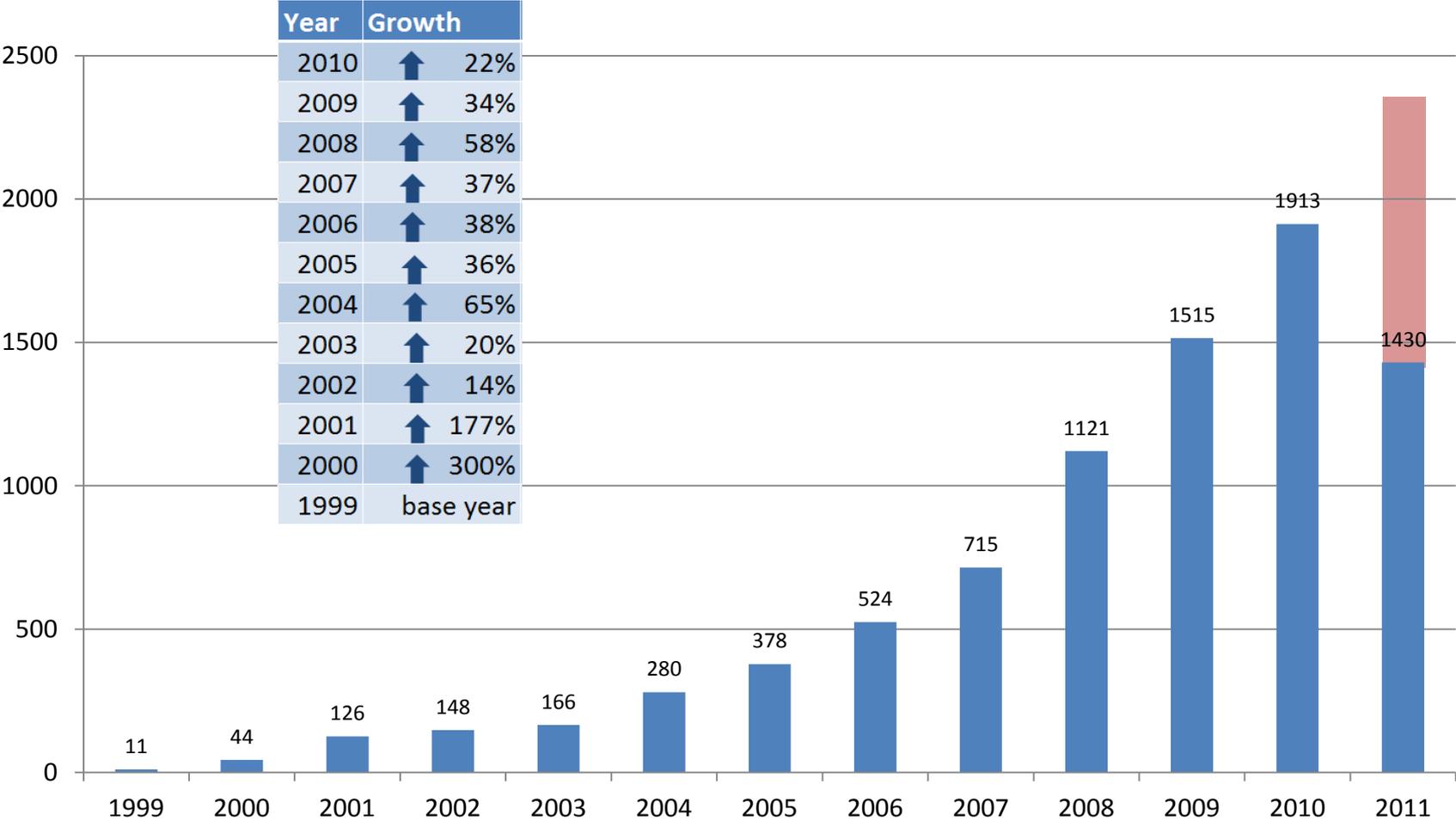
How the GRI network does it?

Through a “Due Process” !



Are companies using GRI guidance?

GRI reports 1999-2011*

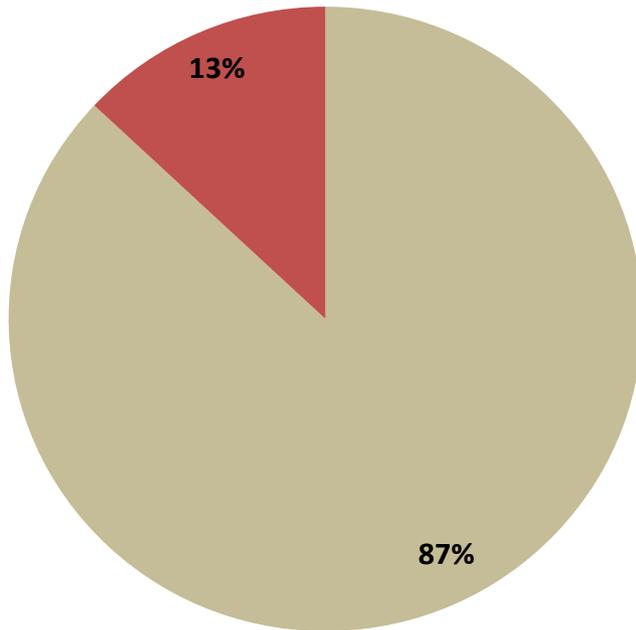


*Sustainability Disclosure Database data from 1 February 2012



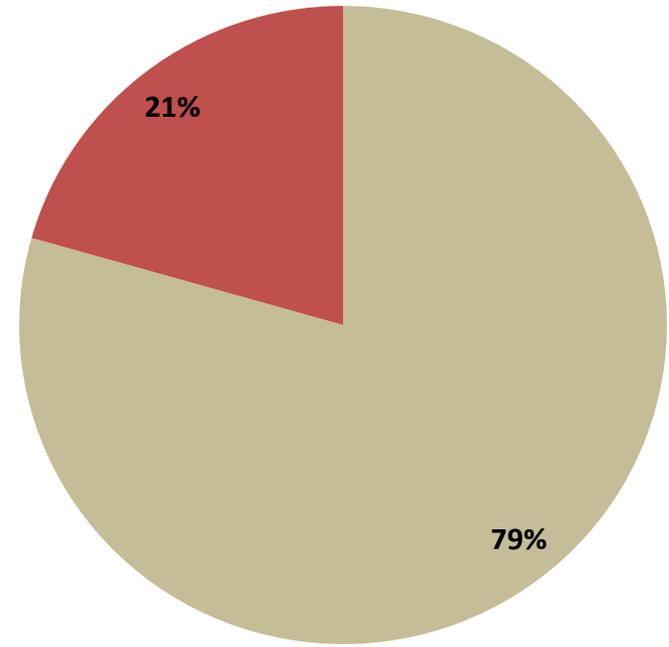
Integrated GRI Reporting* 2010 & 2011

2010



n = 1913

2011



n = 1267

■ Not integrated
■ Integrated

*Sustainability Disclosure Database data from 1 February 2012

Future reporting context

- Demand for sustainability performance information is increasing – also from regulators
- Metrics is not coherent/harmonized
- Lack of precision - leads to high reporting and verification costs
- Most reports lack material focus
- Information in pdf of other formats
- Getting prepared to “Integrated Reporting”

G4 Objectives

- to offer guidance in a **user-friendly** way, beginners and SMEs can easily use the Guidelines
- to improve the technical quality , better definitions
- to align with other frameworks
- to improve guidance on identifying “**material**” content , also by sectors
- to offer guidance on how to link the sustainability reporting and **Integrated Report** - aligned IIRC
 - Provide a system to tag and find all the data!

Preparing XBRL for G4: GRI taxonomy for G3 (G3.1)

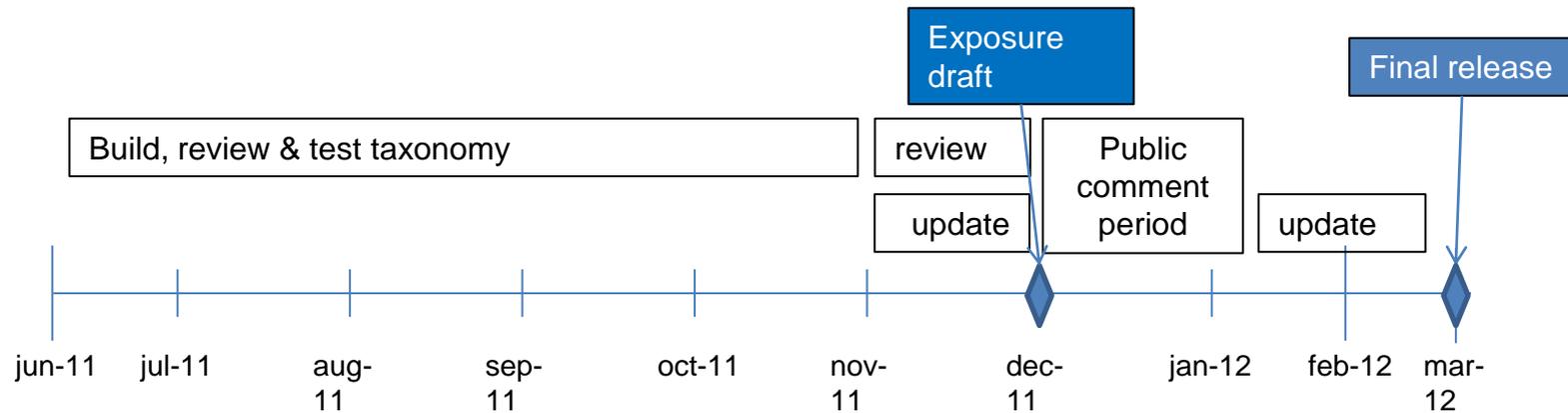
In partnership with

Deloitte.

And involving many others



GRI Taxonomy development process



Credibility of development process:

- Fully documented architecture
- Quality review by the Taxonomy Review Team (experts from software providers, assurance providers, investors, reporters, standard bodies)
- Public Comment Period
- Aligned with taxonomy development approaches used by financial accounting standard bodies (IASB, FASB and EDINET)

More on Thursday, 11:45 am, Taxonomy Summit, Paul Hulst

Voluntary Filing Program

What?

Showcase of XBRL reports
(instances) created

Why?

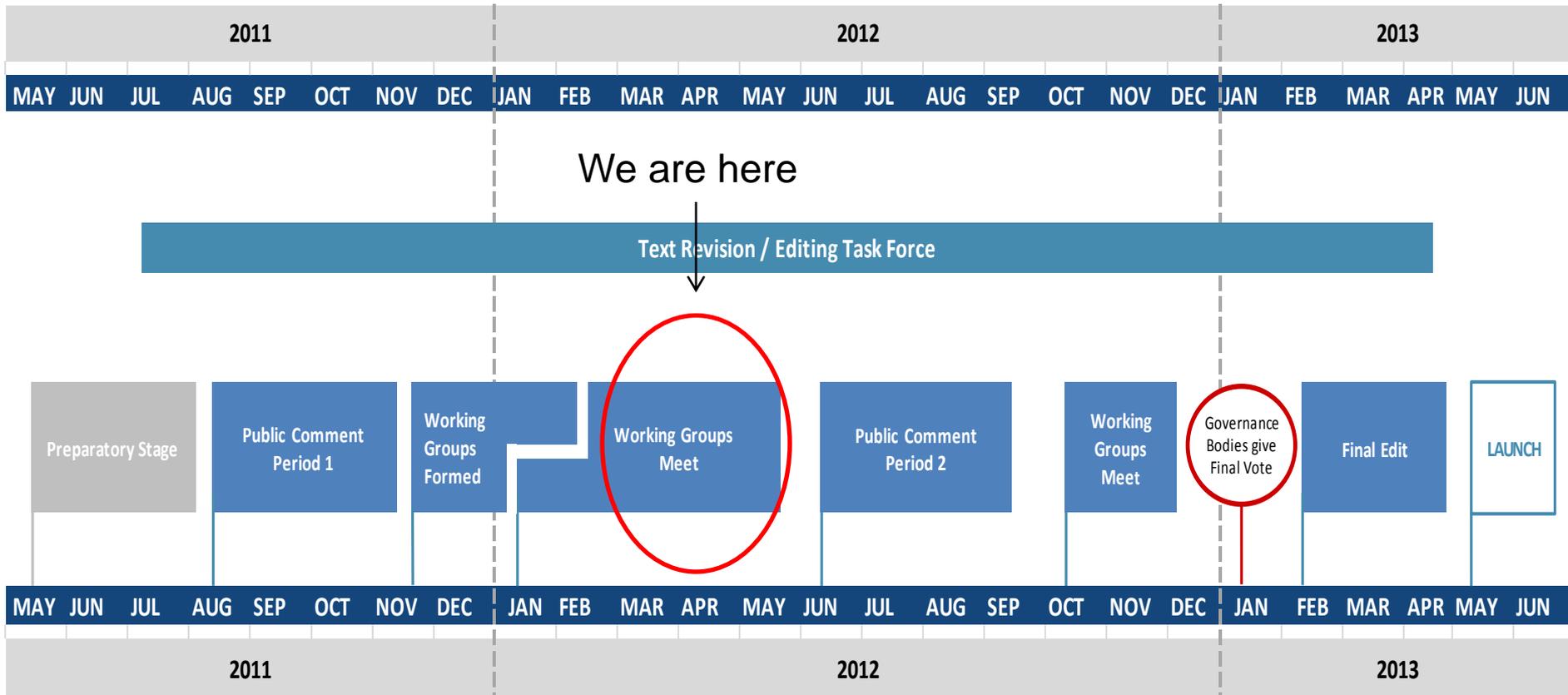
To help sustainability reporters use
the GRI Taxonomy by providing
examples and to acknowledge them

For whom?

Organizations that use the GRI
Taxonomy

Contact XBRL@GlobalReporting.org

G4 timeline



GRI XBRL taxonomy and GRI voluntary filling program



Abu Dhabi , March 2012

The sustainability challenge



Abu Dhabi , March 2012



www.globalreporting.org

User-friendly



Robust



Harmonized



IR-ready

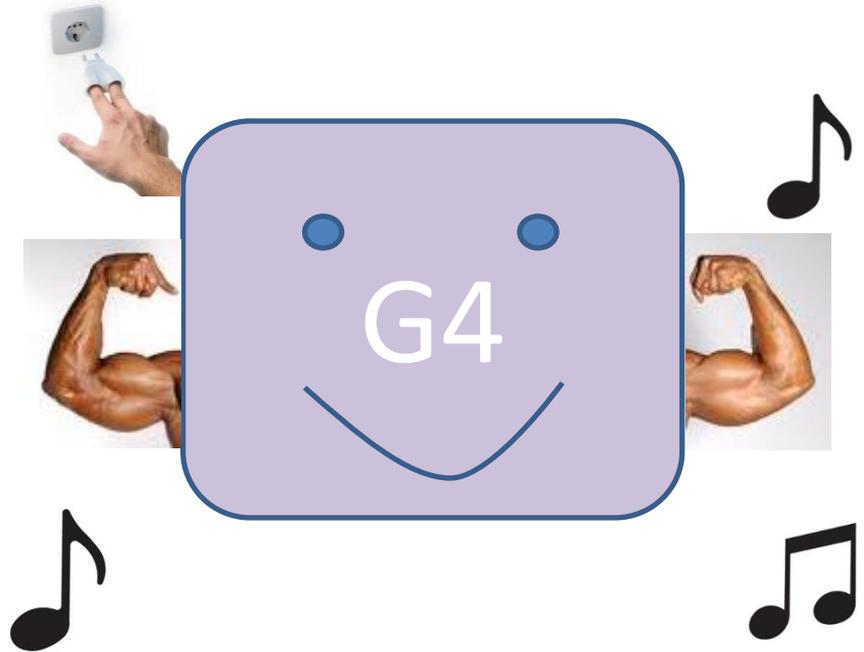


Web-enabled



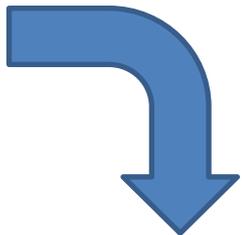
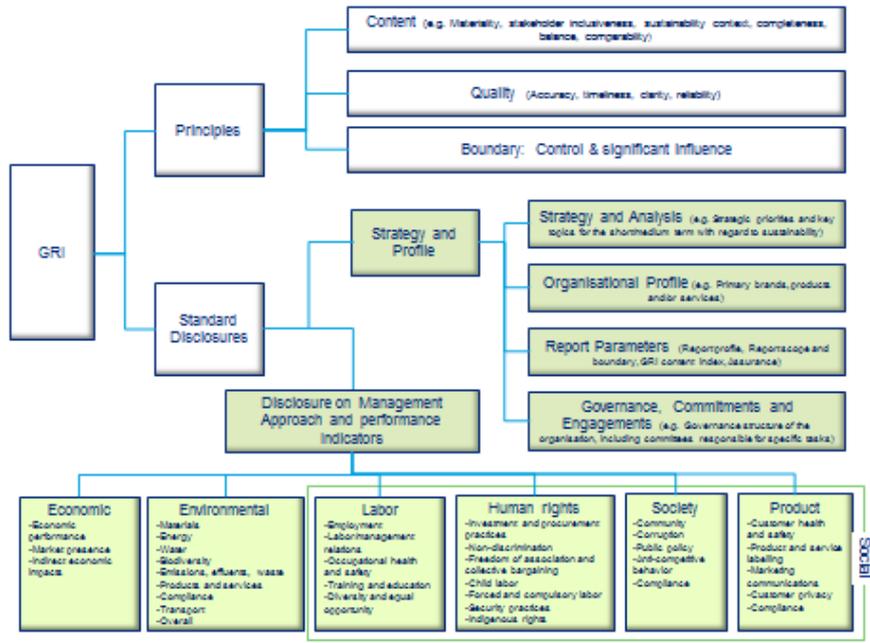
Abu Dhabi , March 2012

G3.1 vs G4



GRI's sustainability reporting framework is covered by the GRI Taxonomy

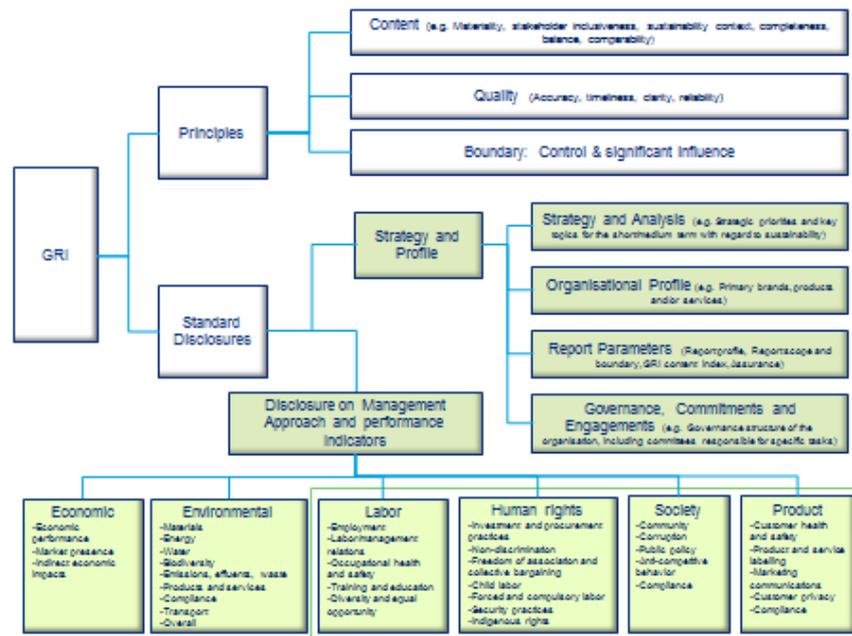
•GRI's sustainability reporting framework:



Element	
	P Presentation Link
+ ...	01 - Content index
+ ...	02 - Strategy and profile disclosure
+ ...	03 - Economic category
+ ...	04 - Environmental category
+ ...	05 - Labor practices and decent work category
+ ...	06 - Human rights category
+ ...	07 - Society category
+ ...	08 - Product Responsibility category
+ ...	09 - Attachments



Size of the GRI Taxonomy



Extended Link	Number of disclosures in G3 Guidelines	Number of checks in G3 Checklist	Number of concepts in G3 Taxonomy
Content index	n.a.	n.a.	210
Strategy and Profile disclosure	42	140	241
Economic category	9	53	124
Environmental category	30	111	385
Labor Practices and Decent Work category	14	49	204
Human Rights category	9	25	71
Society category	8	26	73
Product Responsibility category	9	35	116
Attachments	n.a.	n.a.	9
Total	121	439	1433

The GRI Taxonomy – an example



•GRI’s sustainability reporting framework:

Human Rights

Performance Indicators

Aspect: Investment and Procurement Practices

HR1 Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.

HR2 Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.

HR3 Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.

Aspect: Non-discrimination

HR4 Total number of incidents of discrimination and actions taken.

Aspect: Freedom of Association and Collective Bargaining

HR5 Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.

Aspect: Child Labor

HR6 Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.

Aspect: Forced and Compulsory Labor

HR7 Operations identified at risk for incidents of forced labor, and measures taken to eliminate or reduce the risk of forced or compulsory labor.

Aspect: Security Practices

HR8 Percentage of security personnel in the organization's portfolio concerning aspects of human rights relevant to operations.

Aspect: Indigenous Rights

HR9 Total number of incidents involving rights of indigenous peoples and actions taken.



Element
P Presentation Link
01 - Content index
02 - Strategy and profile disclosure
03 - Economic category
04 - Environmental category
05 - Labor Practices and Decent Work category
06 - Human Rights category
Human rights performance indicators [abstract]
Investment and procurement practices aspect [abstract]
Non-discrimination aspect [abstract]
Freedom of association and collective bargaining aspect [abstract]
Child labor aspect [abstract]
Forced and compulsory labor aspect [abstract]
Security practices aspect [abstract]
Indigenous rights aspect [abstract]
07 - Society category
08 - Product Responsibility category
09 - Attachments

Every reportable data element is included in the GRI Taxonomy

GRI's sustainability reporting framework:

HR1 Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.

1. Relevance

This measure is one indication of the extent to which human rights are integrated in an organization's economic decisions. This is particularly relevant for organizations that operate within or are partners in ventures in regions where the protection of human rights is of significant concern. Integrating human rights criteria in screening or including human rights in performance requirements can be part of a strategy to reduce the risks of investment. Problems with an organization's human rights record can result in reputational damage for the investing organization and can affect the stability of investments.

2. Compilation

- 2.1 Count only the agreements that are significant in terms of size or strategic importance. The significance may be determined by the level of approval required within the organization for the investment or other criteria that can be consistently applied to agreements. The reporting organization should disclose their **Definition of significant agreements**.
- 2.2 Identify the total number of significant investment agreements finalized during the reporting period that either moved the organization into a position of ownership in another entity or initiated a capital investment project that was material to financial accounts.
- 2.3 If multiple significant investment agreements are undertaken with the same partner, the number of the agreements should reflect the number of separate projects undertaken or entities created.
- 2.4 Report the **total number and percentage of significant investment agreements** that include human rights clauses or that underwent human rights screening.

3. Definitions

Human rights clauses

Specific terms in a written agreement that define minimum expectations of performance with respect to human rights as a requirement for investment.

Human rights screening

A formal or documented process that applies a set of human rights performance criteria as one of the factors in determining whether to proceed with an investment.

4. Documentation

Potential information sources include the reporting organization's legal, investor relations, and financial departments, as well as documentation collected through quality management systems.

5. References

Every reportable data element has

- a unique tag
- data type definition
- labels, multiple languages and types
- a reference to its location in the GRI Guidelines



Element
P Presentation Link
01 - Content index
02 - Strategy and profile disclosure
03 - Economic category
04 - Environmental category
05 - Labor practices and decent work category
06 - Human rights category
Human rights performance indicators [abstract]
Investment and procurement practices aspect [abstract]
Investment and procurement practices aspect management approach
Percentage and number of significant investment agreements and contracts that include human rights clauses or that have undergone human rights screening [abstract]
Overall description of percentage and number of significant investment agreements and contracts that include human rights clauses or that have undergone human rights screening
Number of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening
Percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening
Definition of significant investment agreements
Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken [abstract]
Hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained [abstract]
Non-discrimination aspect [abstract]
Freedom of association and collective bargaining aspect [abstract]
Child labor aspect [abstract]
Forced and compulsory labor aspect [abstract]
Security practices aspect [abstract]
Indigenous rights aspect [abstract]

GRI Report as an XBRL instance



Table 4: Distribution of economic value generated

Component	€ in millions	Explanation
Direct economic value generated		
Revenues	632.7	Net sales plus revenues from financial investments and sales of assets

```

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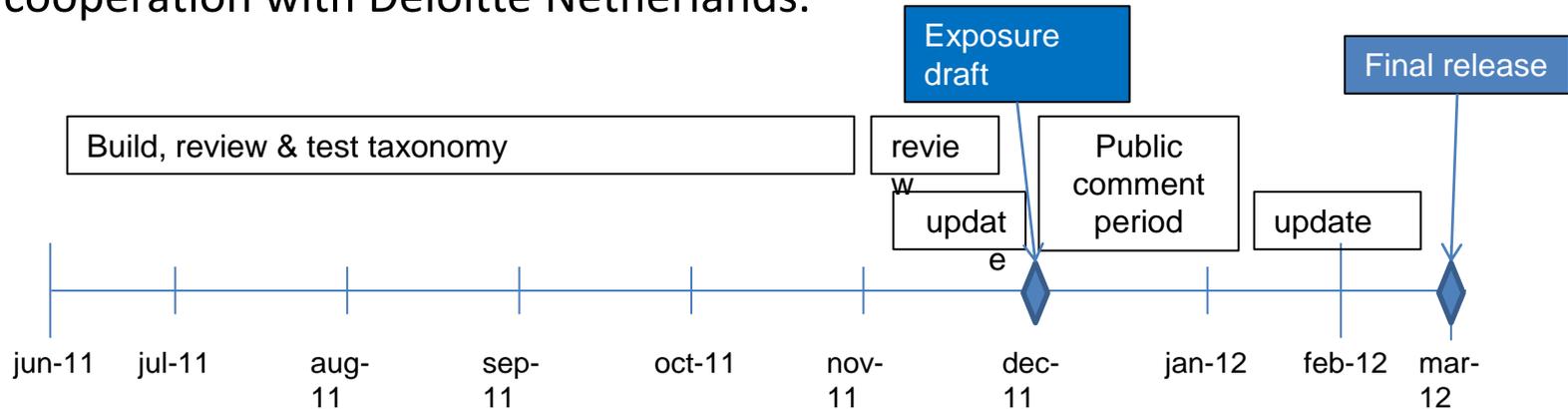
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XBRL instance

Why GRI is developing the GRI Taxonomy

GRI Taxonomy development process

In cooperation with Deloitte Netherlands.

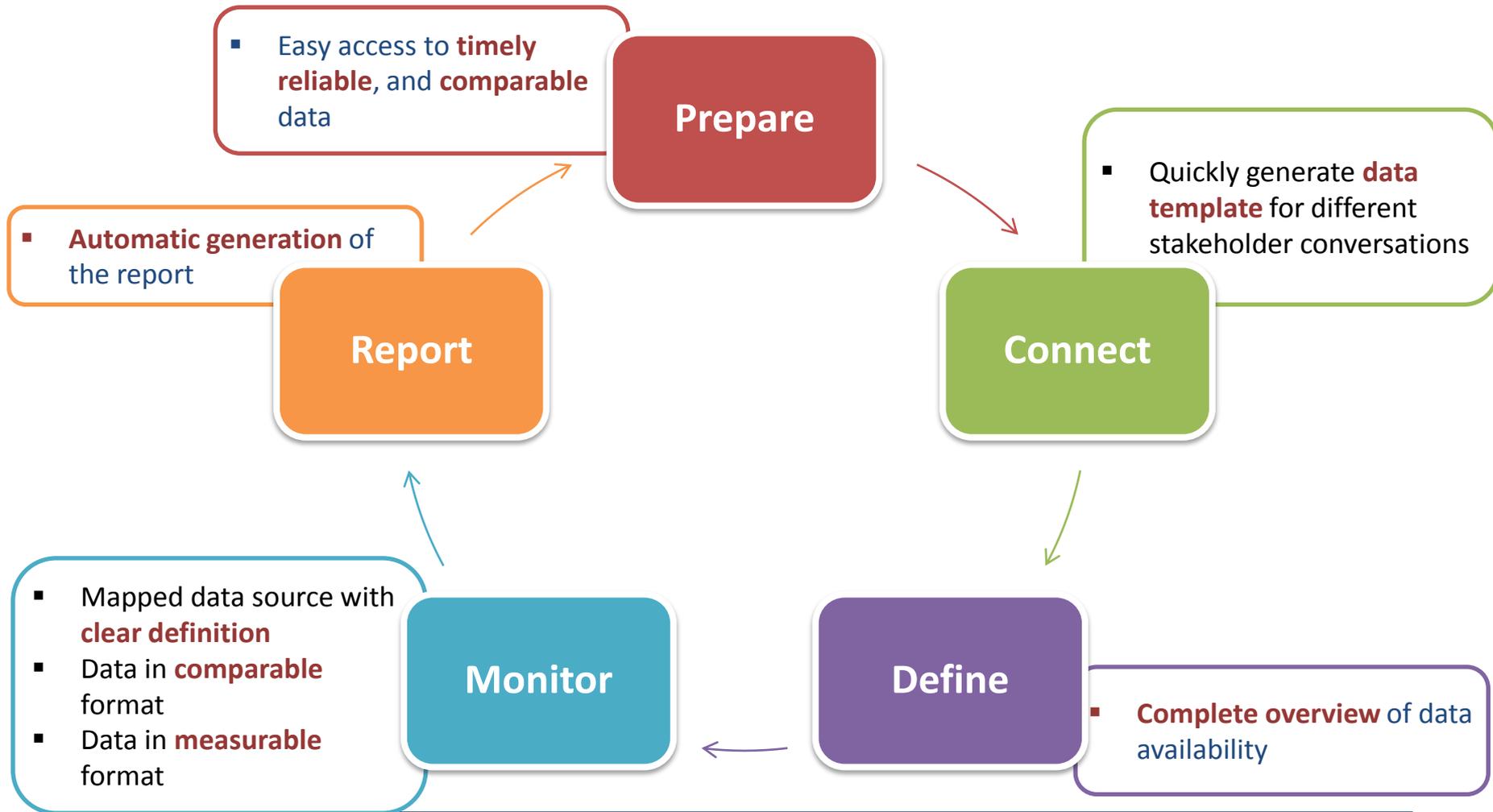


Credibility of development process:

- Fully documented architecture
- Quality review by the Taxonomy Review Team (experts from software providers, assurance providers, investors, reporters, standard bodies)
- Public Comment Period
- Aligned with taxonomy development approaches used by financial accounting standard bodies (IASB, FASB and EDINET)

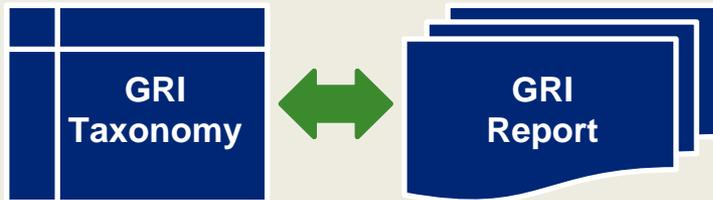
How to use the GRI Taxonomy

How GRI Taxonomy adds value to the reporting process



How to get started

1 understand



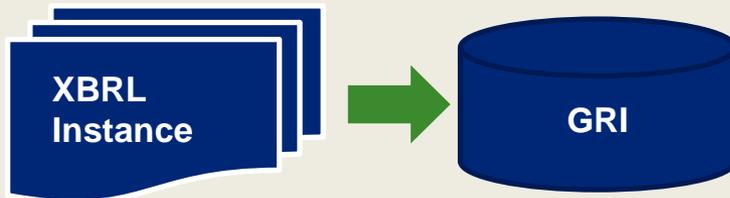
- Obtain knowledge of XBRL
- Select XBRL software tool(s)
- Understand the GRI Taxonomy
- Map sustainability report to the GRI Taxonomy

2 tag



- Tag content index to the GRI Taxonomy
- Tag facts and statements in the sustainability report to the GRI taxonomy

3 submit



- Review and validate instance document
- Submit XBRL report to GRI

Reporting process with the Voluntary Filing Program



Summary

Participants by region & constituency groups

	Business	Civil Society Organization	Financial Markets & Information Users	Labor	Mediating Institution	Total
Total	527	166	79	12	1050	1834
AFRICA	21	5	2	-	36	64
ASIA	96	31	12	-	178	317
EUROPE	232	62	29	8	413	744
LATIN AMERICA	84	26	16	2	215	343
NORTHERN AMERICA	71	34	17	1	143	266
OCEANIA	23	8	3	1	65	100

Amsterdam, March 2012

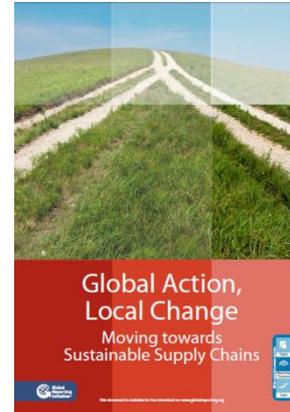
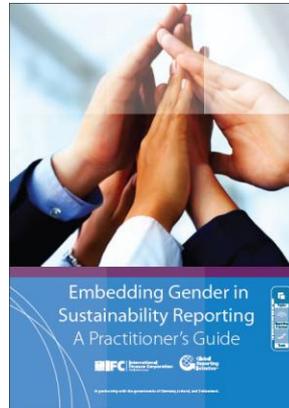
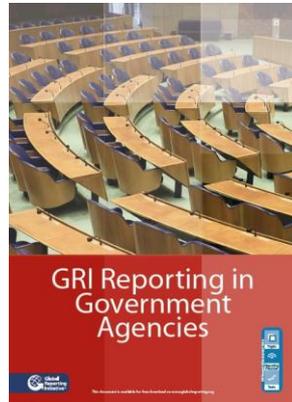
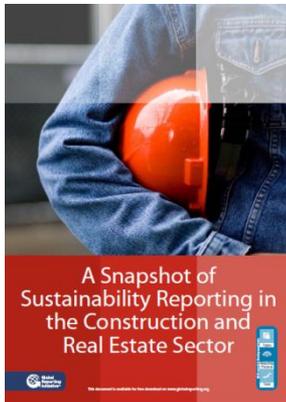
Focus for profound revisions

- Disclosure of management approach
- Governance and ethics
- Boundary
- Minimum level of disclosure required
- Supply Chain
- Revision - topics: Biodiversity, GHG, H&S, Corruption, among many others

And... more on material topics **per sector!**

Support publications

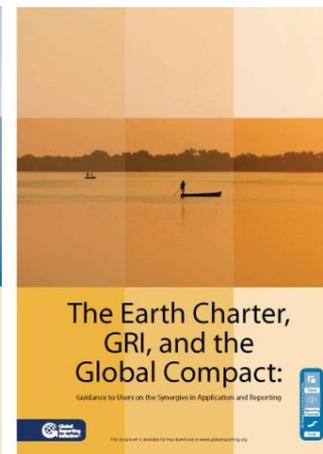
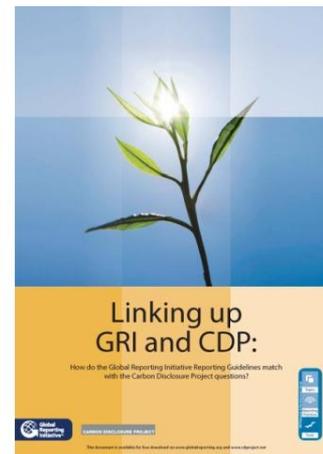
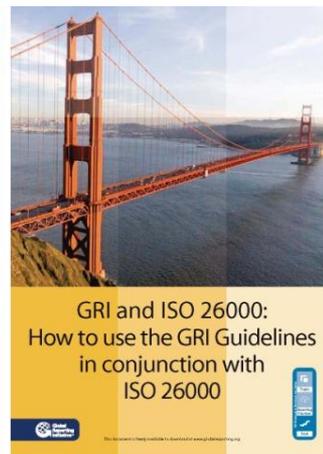
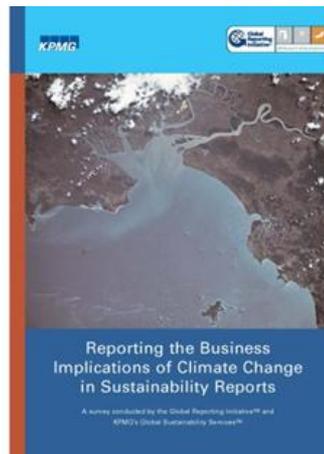
- Topics
- Reporting practices
- Tools



Venue, Date

Linkage documents

- Guidance for using GRI Sustainability Reporting Framework in combination with other frameworks
- UNGC, ISO26000, CDP, Earth Charter



Venue, Date

Learning Series

- Starting points
- Pathways
- Explorations

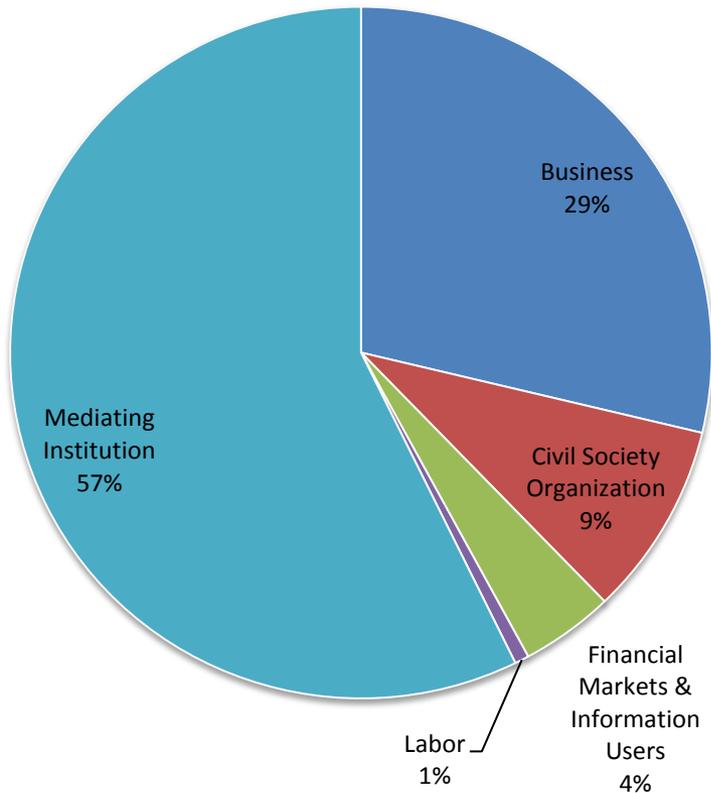


Venue, Date

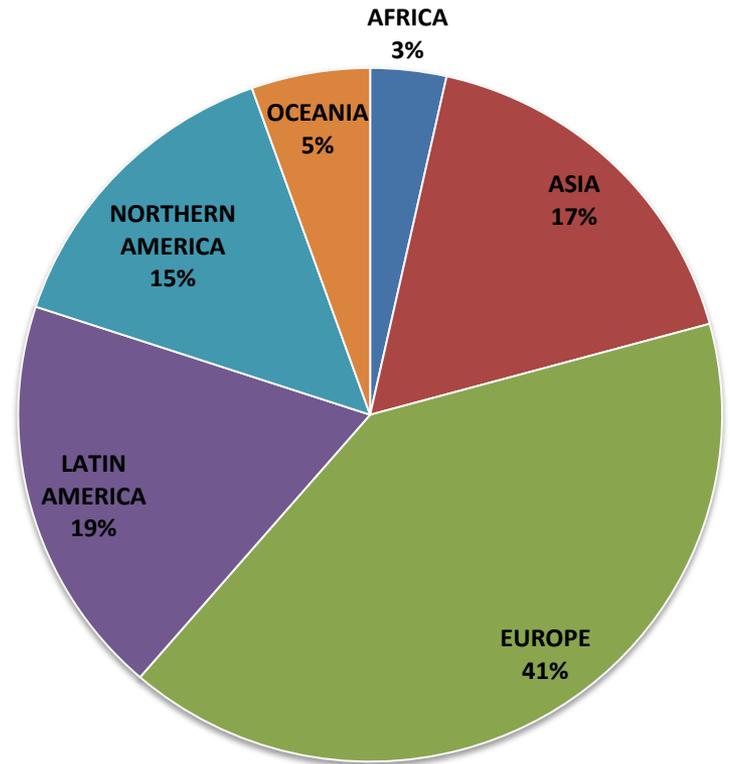
G4 PCP - Participants

Total 1834

Constituency Breakdown



Regional Breakdown



Participants by reporting relationship

	Total	Africa	Asia	Europe	Latin America	North America	Oceania
N=	1834	64	317	744	343	266	100
	%	%	%	%	%	%	%
Reporter	41	44	41	42	37	41	44
Consultant	34	31	37	31	41	34	25
Assurance	11	14	19	9	12	8	7
Report reader	37	28	35	34	43	45	39
Other	17	16	12	16	15	23	24

Participants by region & constituency groups - %

Total 1834

%	Business	Civil Society Organization	Financial Markets & Information Users	Labor	Mediating Institution	Total
Total	28.74	9.05	4.31	0.65	57.25	100%
AFRICA	1.15	0.27	0.11	-	1.96	3.49
ASIA	5.23	1.69	0.65	-	9.71	17.28
EUROPE	12.65	3.38	1.58	0.44	22.52	40.57
LATIN AMERICA	4.58	1.42	0.87	0.11	11.72	18.70
NORTHERN AMERICA	3.87	1.85	0.93	0.05	7.80	14.50
OCEANIA	1.25	0.44	0.16	0.05	3.54	5.45

Main findings - for G4 next steps

Strong indications - from all participants:

1. Which elements stakeholders would like to see covered as a minimum in a sustainability report - Q10 (1714), see p. 11 of report
2. GRI - not regulators or others - and the reporting organization should define the topics to be covered in a report - Q12 (1727), see p. 13 of report
3. GRI should define and require a set of topics and indicators per sector - Q16 (1715), Q17 (1407), Q13 (879), see p. 16 of report
4. GRI G4 should offer guidance on how to link sustainability reporting and IR - Q20 (1693), see p. 19 of report
5. Other topics – top 6: Business Ethics, Greenhouse Gas Emissions, Eco-Innovation, Life Cycle Assessment, Water, Biodiversity, - Q22 (1683), see p. 20 of report

Main findings - for G4 next steps

Strong indications - from reporters:

1. The report format of the future evolves from a Sustainability Report today to an Integrated Report, over a 3 -10 year transition - Q9 (732), see p. 9 of report
2. The breakdown by region and by stakeholder group show convergence around the main 5 reasons for reporting - Q8 (738), see p. 8 of report

Main findings - for G4 next steps

Other important highlights

1. Civil society and labor indicate that they believe GRI should define a set of topics for all organizations, not by sector only
2. The choice of “report elements to be covered as a minimum” shows coherence throughout the stakeholder groups and regions (strategy overview, material impacts, risks, material indicators) with small divergence (2 items for labor and 2 items for financial market) – Q10
3. The survey attracted an important number of opinion makers. E.g. from labor: AFL-CIO, from north America; Council of Global Unions, ITF, TUAC-OECD from Europe (see the list of participating organizations)

Agenda Point 2b – G4 projects

- G4 work streams – in the Reporting Guidelines
 - » Technical improvements and quality
 - » New content and profound revisions (WG)
 - » Harmonization
 - » Sector Guidance
- related strategic content production
 - » Linkage between IIRC framework and GRI
 - » Materiality – from different stakeholders perspective
 - » Auditing – best practices

for 2012 – 16 projects

Speakers



- **Nelmara Arbex**
 - Deputy Chief Executive
 - GRI Taxonomy Project Lead for GRI
- **Elina Sviklina**
 - Manager Report Services
 - GRI Taxonomy Project member
- **Paul Hulst**
 - XBRL team member Innovation
 - GRI Taxonomy Project member

GRI Taxonomy: summary

- GRI Taxonomy enables sustainability reporters to use XBRL
- GRI is developing the GRI Taxonomy to make it easier for report users to find and analyze sustainability information
- GRI Taxonomy adds value to the reporting cycle
- Reporters are invited participate in the Voluntary Filing Program

Questions?

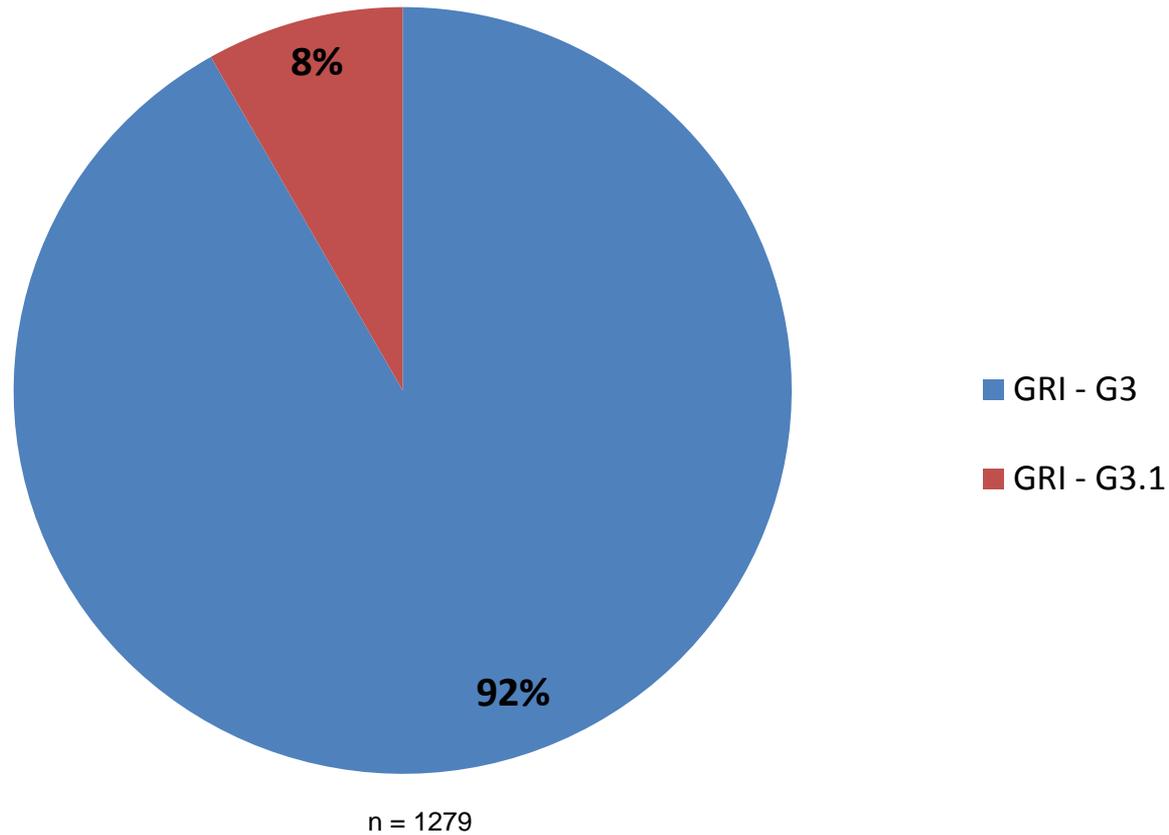
Sustainability Disclosure Database

January 2012 Usage Stats

Summary

Reported period	Month Jan 2012				
First visit	01 Jan 2012 - 00:05				
Last visit	31 Jan 2012 - 23:46				
	Unique visitors	Number of visits	Pages	Hits	Bandwidth
Viewed traffic *	4871	7911 (1.62 visits/visitor)	126960 (16.04 Pages/Visit)	610373 (77.15 Hits/Visit)	7.59 GB (1005.39 KB/Visit)
Not viewed traffic *			10578	11607	53.05 MB

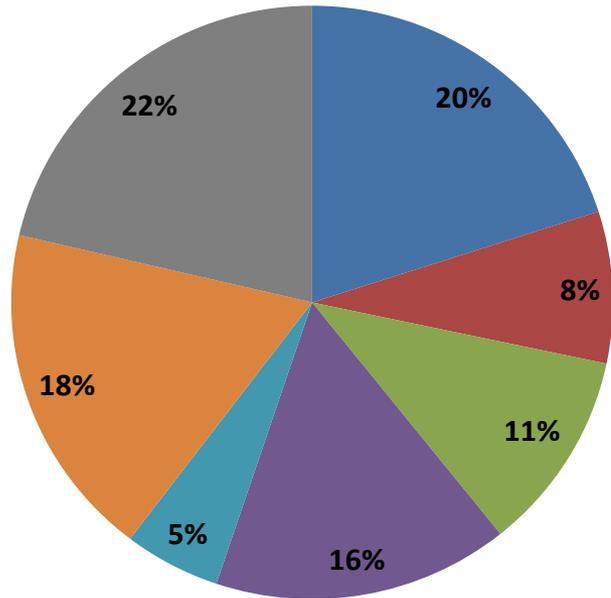
GRI Reporting by Guidelines* 2011



*Sustainability Disclosure Database data from 1 February 2012

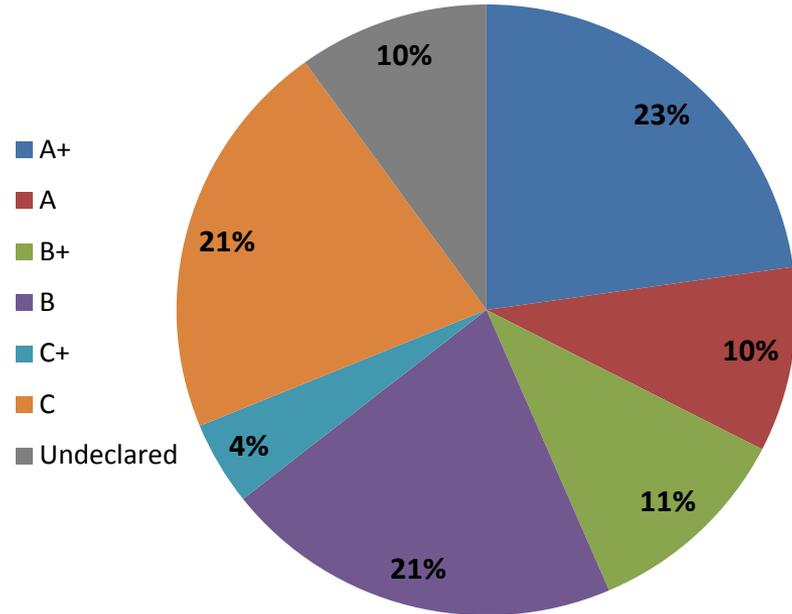
GRI Reporting by Application Level* 2010 & 2011

2010



n = 1911

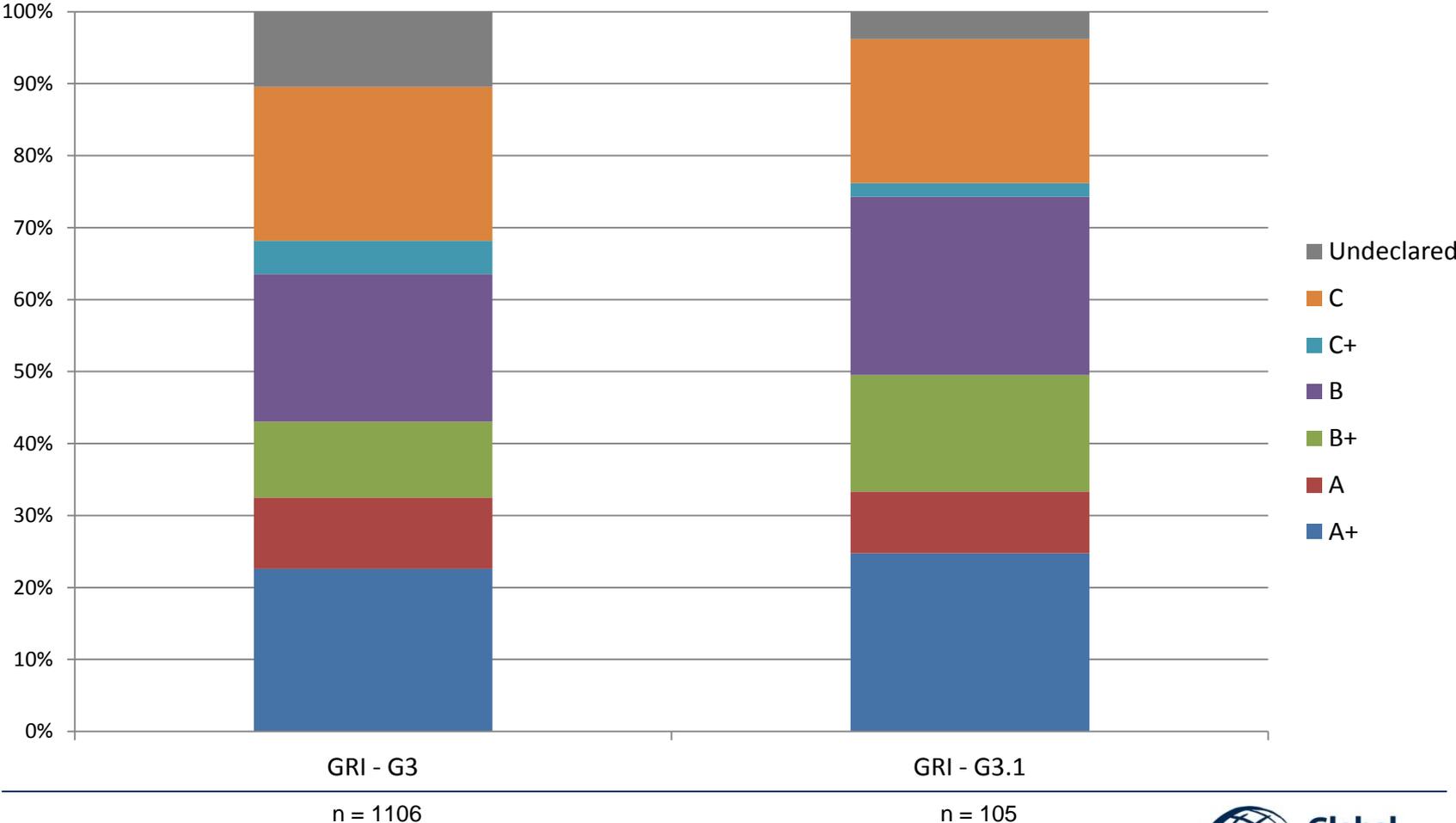
2011



n =
1266

*Sustainability Disclosure Database data from 1 February 2012

Application Level Declaration by GRI Report Type* 2011

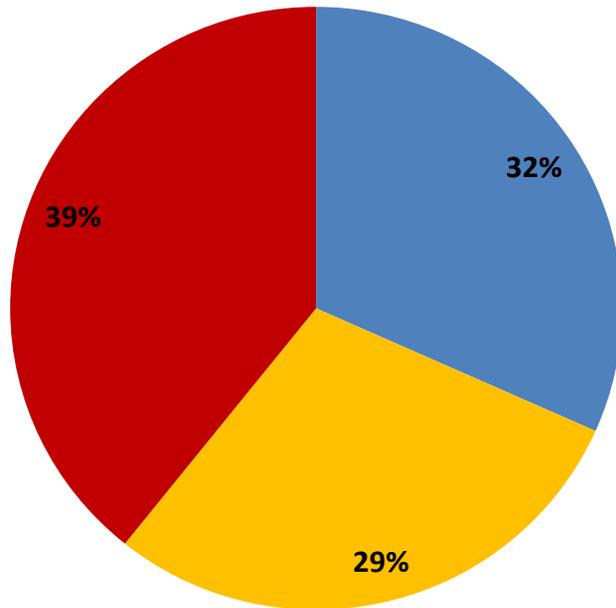


*Sustainability Disclosure Database data from 1 February 2012



GRI Reporting by Application Level Declaration Status* 2010 & 2011

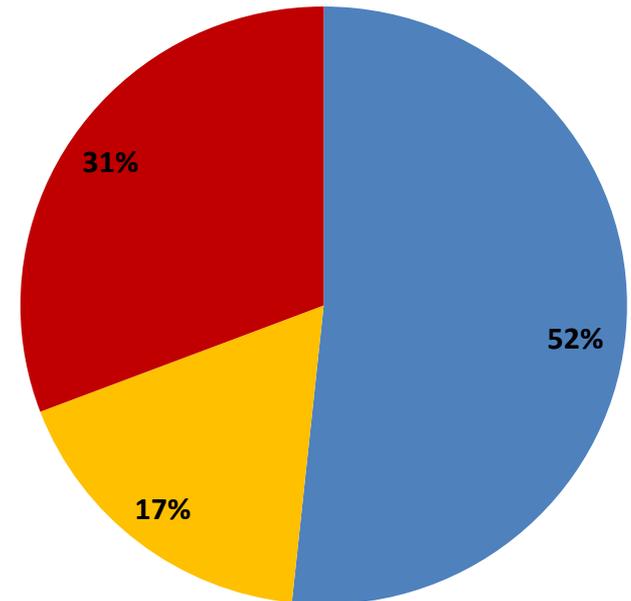
2010



n = 1503

2011

- GRI-checked
- Third-party-checked
- Self-declared

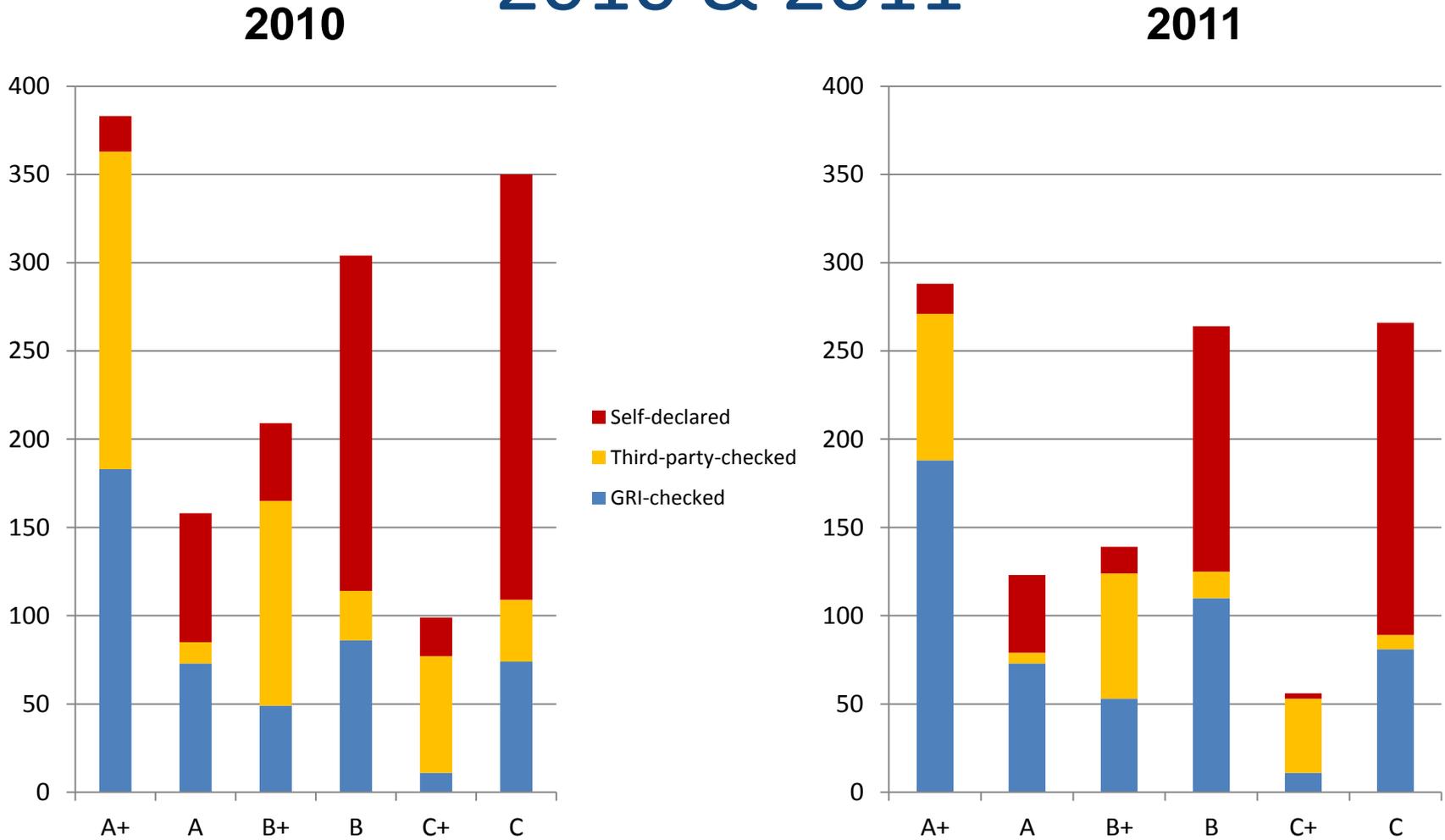


n = 1283

*Sustainability Disclosure Database data from 1 February 2012

Application Level Declaration by Status*

2010 & 2011

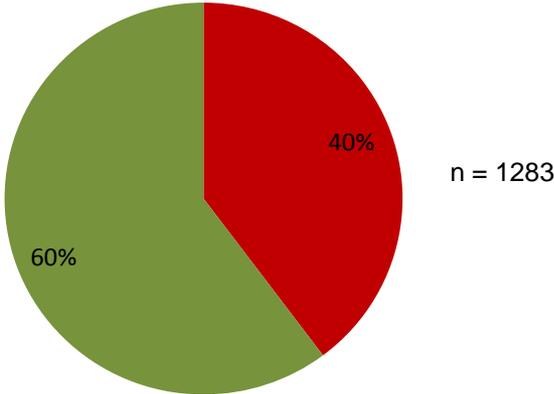


*Sustainability Disclosure Database data from 1 February 2012

Linkages to Other Initiatives*

2011

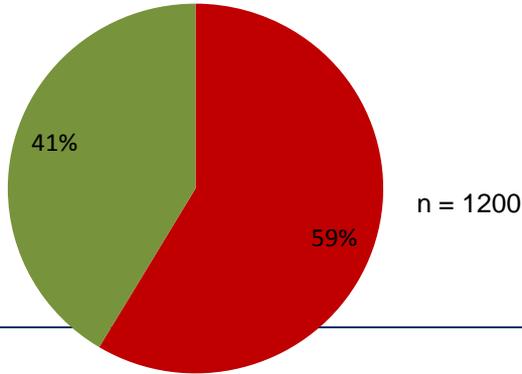
■ No linkages to other initiatives ■ Link to at least 1 other initiative



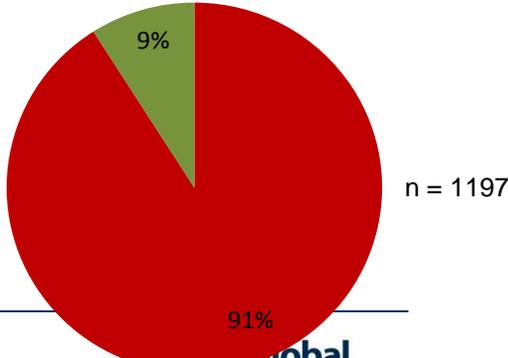
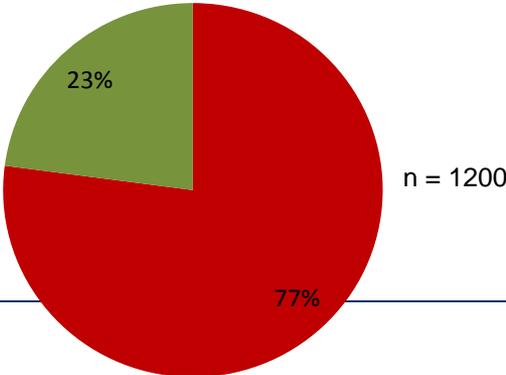
UNGC

■ Not referenced ■ Referenced

ISO 26000



CDP

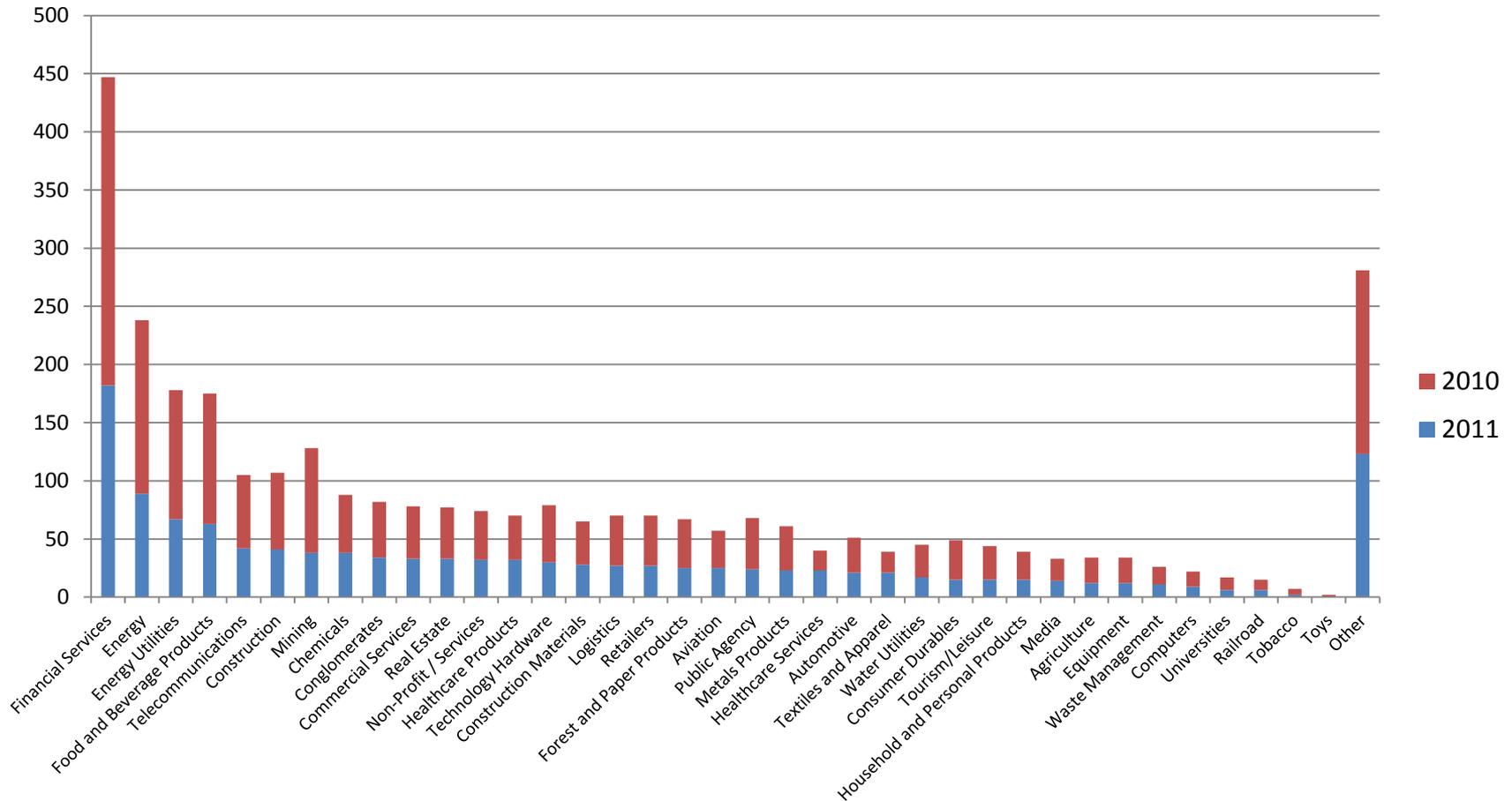


*Sustainability Disclosure Database data from 1 February 2012



GRI Reporting by Sector*

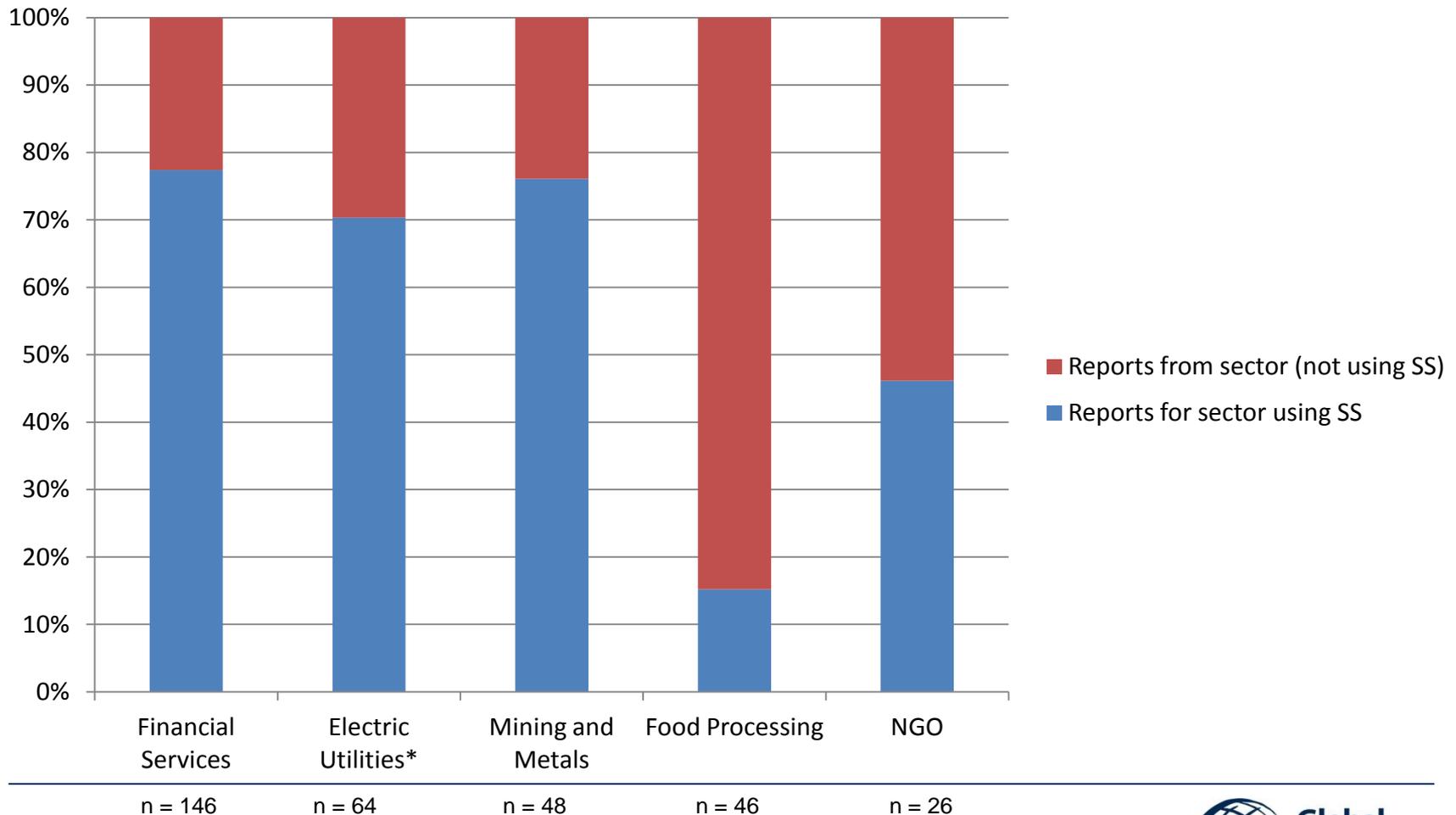
2010 & 2011



*Sustainability Disclosure Database data from 1 February 2012

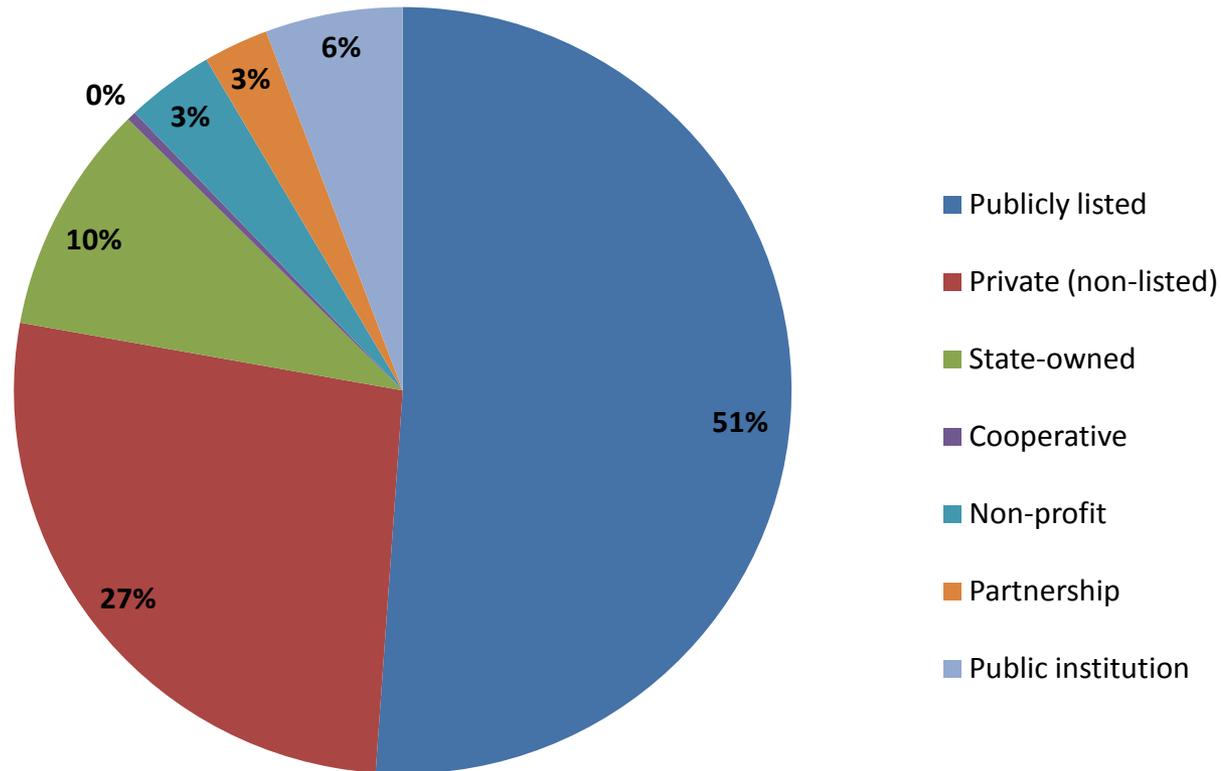
GRI Reporting by Supplement Use*

2011



*Sustainability Disclosure Database data from 16 January 2012

GRI Reporting by Organization Type* 2011



n = 1033

*Sustainability Disclosure Database data from 1 February 2012