

# Sustainability Reporting using the GRI Taxonomy

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**XBRL XXV**

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*TO THE NEXT LEVEL OF BUSINESS REPORTING. AND BEYOND.*



# Outline

- Value GRI Taxonomy for sustainability reporting
- Introduction to the GRI Taxonomy
- Using the GRI taxonomy in sustainability reporting
- Example: The Deloitte Sustainability Report
- Conclusion

# Speaker

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- Involved in XBRL since 2007
- GRI - taxonomy architect
- Dutch Government - taxonomy design for grant requests using XBRL formula
- Deloitte - XBRL instance creation application design
- Dutch Association of Accountants - Assurance Taxonomy Design

# Value of the GRI Taxonomy for sustainability reporting

# Value of XBRL for sustainability reporting

## Standard setters

- **Consistency of reporting standards:** The taxonomy acts as a structured dictionary, providing an explicit definition for each data element that can easily be shared to assure consistent interpretation.

## Reporting organisations

- **Reusability:** XBRL offers format optimized to reuse it for multiple reports.
- XBRL as a basis for automated tools which improve internal data collection processes and eliminates the manual processes of validation, re-entry, and comparison.

## Rating Agencies

- **Accuracy:** The taxonomy specifies the meaning and rules of valid data, while automated tools can insure the compliance with the taxonomy.
- **Efficiency:** By combining taxonomies and XML-based documents, automated tools can be used effectively to eliminate manual processes.

## Investors and Analysts

- **Accuracy and traceability;** Data is provided with a taxonomy providing clearly defined information for a data element reported on.

# The business value of the GRI Taxonomy

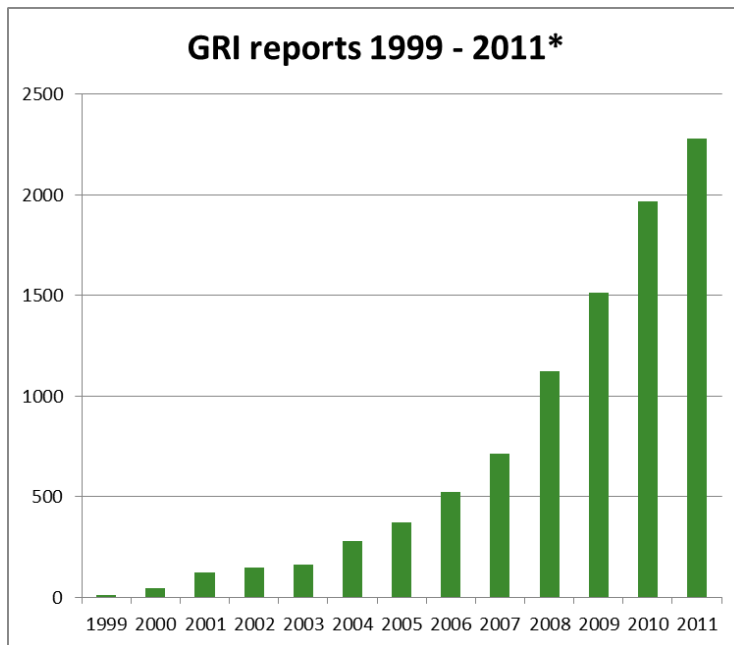
<http://www.youtube.com/watch?v=LsRVfaLSbNI>

# Introduction to the GRI Taxonomy

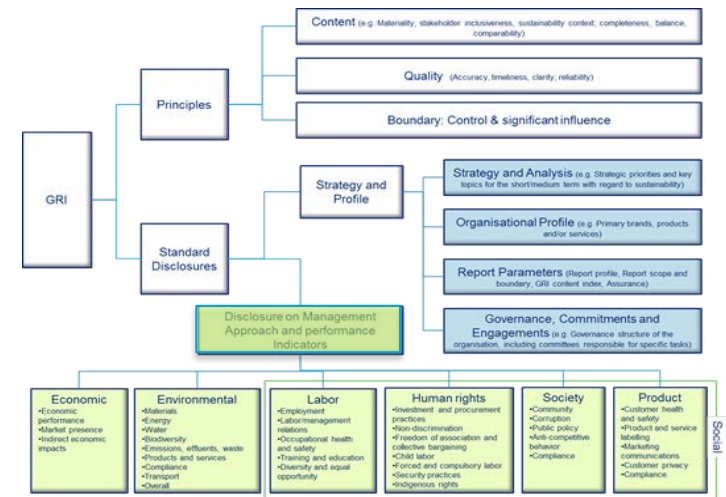
# Introduction to the GRI Taxonomy

The Global Reporting Initiative (GRI) is a non-profit organisation that provides a comprehensive sustainability reporting framework that is widely used around the world.

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



\*) Graph created by Paul Hulst using data downloaded from GRI website (<https://www.globalreporting.org/resource/library/GRI-Reports-List-1999-2012.zip>) on 06/11/2012.





# Scope of the GRI Taxonomy



## GRI's Sustainability Reporting Guidelines

- Strategy and Profile
  1. Strategy and Analysis
  2. Organizational Profile
  3. Report Parameters (GRI content Index)
  4. Governance, Committees, and Engagement
  5. Management Approach and Performance Indicators

- Economic (EC1 – EC9)
- Environmental (EN1 – EN30)
- Social
  - Labor Practices and Decent Work (LA1 – LA14)
  - Human Rights (HR1 – HR9)
  - Society (SO1 – SO8)
- Product Responsibility (PR1 – PR9)



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
Overall description of percentage and number of significant investment
Number of significant investment agreements and contracts that include
Percentage of significant investment agreements and contracts that include
Definition of 'significant investment agreements'
Percentage of significant suppliers, contractors and other business partners
Hours of employee training on policies and procedures concerning aspects of
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]

# All data included in 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 the 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]

# Using the GRI taxonomy in sustainability reporting

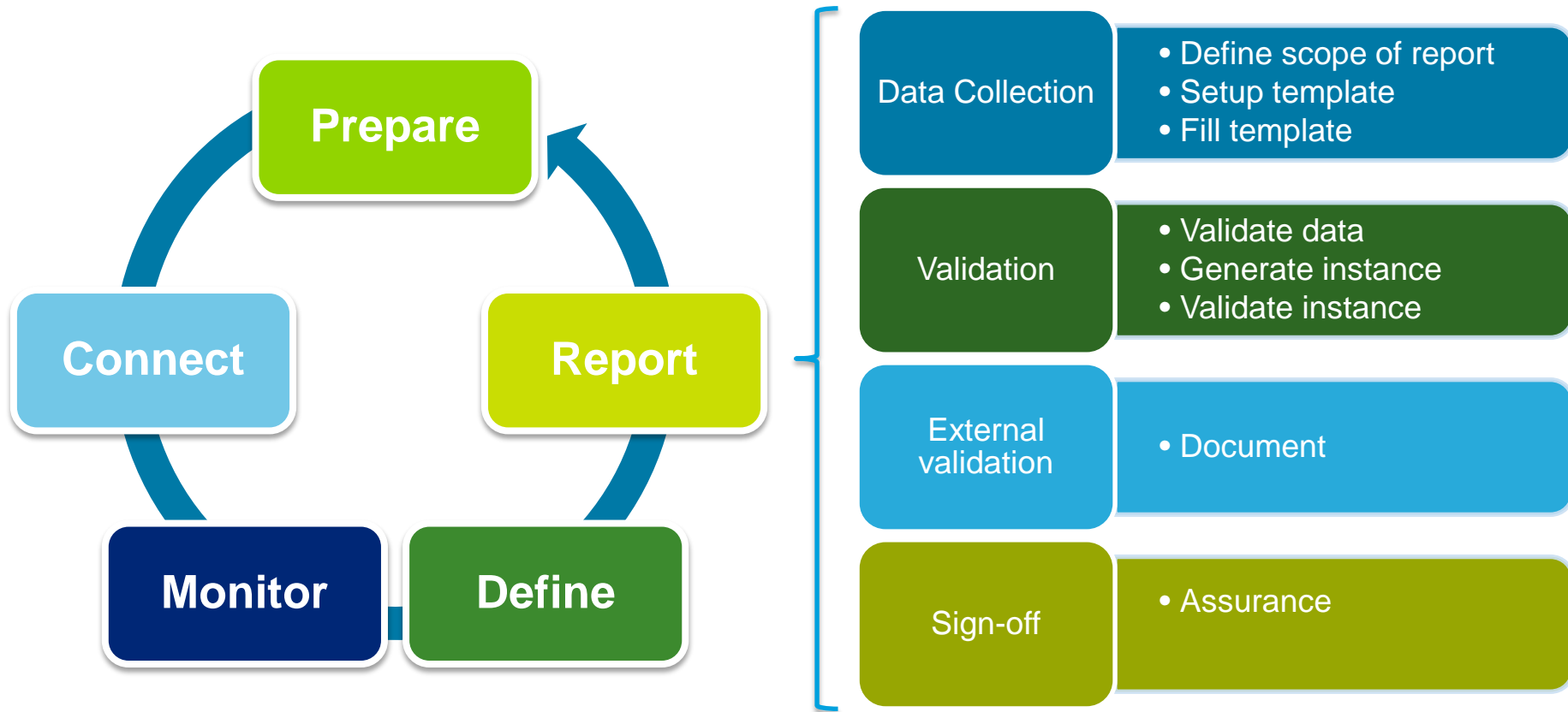
# Why Deloitte publishes the XBRL Sustainability Report

Advantages over traditional reporting:

- Improved correctness and completeness of the report by validating each data point reported against the GRI Taxonomy
- XBRL instances facilitates data comparability
  - important to all stakeholders
- XBRL instances contains all data
  - no reference to other source of information (e.g. financial report)
  - all information is in this report

Using the GRI taxonomy is a step forward in providing more accurate, reliable and transparent sustainability information

# Using the GRI Taxonomy in sustainability reporting



Example:  
Deloitte Sustainability Report

# Data collection

## Define scope of the report

- Decision had made which version of GRI guidelines to use:
  - Use G3, no sector supplement applicable
- Choose alignment of PDF version and XBRL version of sustainability report
  - Derived of, meaning:
    - the XBRL instance is a complete GRI sustainability report
    - all information in the GRI XBRL sustainability report can be found in the GRI PDF sustainability report, either directly or indirectly
- Not all information in the GRI PDF sustainability report is also in the GRI XBRL sustainability report

Data  
Collection

Validation

External  
validation

Sign-off

# Data collection

## Setup template

- GRI Content Index Table from previous report
  - Retrieve which standard disclosures, management approaches and indicators are reported
- Adjust this set for this year (e.g. additional items to include)
- Retrieve from the GRI Taxonomy the reportable items for that set
- Build template for those reportable items, including dimensional aspects, to help non-XBRL experts capture the actual data reported

Data  
Collection

Validation

External  
validation

Sign-off



# Data collection

## Fill template

- Collect data, numerical and textual
- Connect data to dimensions (where applicable), i.e. define the dimension members for data collected.
  - e.g. Contributions to government per country

Data  
Collection

Validation

External  
validation

Sign-off

# Data collection

## Fill template, example 1

Data  
Collection

Validation

External  
validation

Sign-off

Deloitte Sustainability Report - 2012 08 15.xlsx - Microsoft Excel

1	2	3	4
Link	name	label	Value
http://xbrl.globalreporting.org/G3/rple/02-StrategyProfileDisclosure			
gri-c	OperationalStructureOverallDescription	Operational structure of the organization	Governance Responsibility for our sustainability agenda and related activities falls to the Executive Board, that is in turn guided by the Supervisory Board. Deloitte has created an internal Sustainability Board to safeguard the implementation of sustainability as an integral part of our business. This Board consists of representatives from all our business functions as well as specialists and issue owners within Deloitte. The Sustainability Team within Deloitte Innovation has an external focus and is tasked to develop innovative solutions to sustainability challenges affecting our clients. Our internal Sustainability Office co-ordinates and supervises our internal sustainability priorities. Finally, it is the responsibility of our functions to deliver our sustainability services to the client in an integrated manner.
gri-c	HeadquartersLocationTitle	Location of organizations headquarters [abstract]	
gri-c	LocationDescription	Location description	Deloitte
gri-c	StreetName	Street name	Wilhelminakade
gri-c	HouseNumber	House number	1
gri-c	HouseNumberAddition	House number addition	
gri-c	PostalBoxNumber	Postal Box number	2031
gri-c	PostalCode	Postal code	3072 AP
gri-c	CityName	City name	Rotterdam
gri-c	CountryNameHeadquarterOrganization	Country name for headquarter of organization	the Netherlands
gri-c	CountriesMajorOperationSustainabilityIssuesTitle	Countries where the organization operates and has either major operations or that are specifically relevant to the sustainability issues [abstract]	
gri-c	CountriesMajorOperationSustainabilityIssuesOverallDescription	Overall description of countries where the organization operates and has either major operations or that are specifically relevant to the sustainability issues	Scope In this report, Deloitte refers to Deloitte Holding B.V. and its fully owned subsidiaries as listed in the 'Notes to the specific items on the balance sheet' in the Annual Report 2011/2012. Deloitte Holding B.V. is the Dutch member firm of Deloitte Touch Tohmatsu Limited (DTTL), a UK private company limited by guarantee, hereafter to be referred to as 'our global office'. Please refer to www.deloitte.com/about for a detailed description of DTTL and its member firms. Like all member firms, Deloitte Holding B.V. is a separate and independent legal entity that provides its services subject to applicable local law and regulations. Like all member firms, the results of Deloitte in The Netherlands are reported to DTTL to facilitate the publication of the DTTL Corporate Responsibility Report.

Number of countries where the organization operates and has either major operations or that are specifically relevant to the sustainability issues

General Info Presentation Link - 02-Strat... Presentation Link - 03-Econo... Presentation Link - 04-Envir... Presentation Link - 06-Human... Presentation Link - 05-Labor... Prese

# Data collection

## Fill template, example 2

Data  
Collection

Validation

External  
validation

Sign-off

Deloitte Sustainability Report - 2012 08 15.xlsx - Microsoft Excel

	A	B	C	D	E	F	G
1	LinkRole	http://xbrl.globalreporting.org/G3/role/02030-QuantityProductsServicesProvided			ProductServiceProvidedName		ProductServiceProvidedQuantity
2	prefix	name	label		Name of products or services provided		Quantity of products or services provided
3	gri-c	QuantityProductsServicesProvidedTitle	Quantity of products or services provided [abstract]				
4	gri-d	QuantityProductsServicesProvidedTable	Quantity of products or services provided [table]				
5	gri-d	ProductServiceProvidedAxis	Product or service provided [axis]				
6	gri-c	QuantityProductsServicesProvidedLineItems	Quantity of products or services provided [line items]				
7	gri-c	ProductServiceProvidedName	Name of products or services provided				
8	gri-c	ProductServiceProvidedQuantity	Quantity of products or services provided				
9							
10							
11			ProductOrServiceProvided-1	Audit		289066000	
12			ProductOrServiceProvided-2	Tax		174550000	
13			ProductOrServiceProvided-3	Consulting		125441000	
14			ProductOrServiceProvided-4	Financial Advisory Services		44299000	
15			ProductOrServiceProvided-5	Innovation		5021000	
16			ProductOrServiceProvided-6	Support/ Holding		177326000	
17			ProductOrServiceProvided-7				
18			ProductOrServiceProvided-8				
19			ProductOrServiceProvided-9				
20			ProductOrServiceProvided-0				
21							

# Validation

## Validate data

- Collect missing information to fully comply with GRI Guidelines:
  - e.g. information on training employees on corruption
- Check data with definitions in GRI Taxonomy
  - e.g. enumeration for type of reasons defined for not reporting
- Conversion of data to comply with GRI Guidelines (expressed in the GRI Taxonomy),
  - e.g. training days to training hours

Data  
Collection

Validation

External  
validation

Sign-off

# Validation

## Generate instance (1)

Options explored:

- Sustainability reporting application capable of creating instance
  - Doesn't exist (yet)
- Generic XBRL instance
  - Too labour intensive
  - Not exchangeable with non-XBRL experts
- Deloitte internal mapping based instance generator

Data  
Collection

Validation

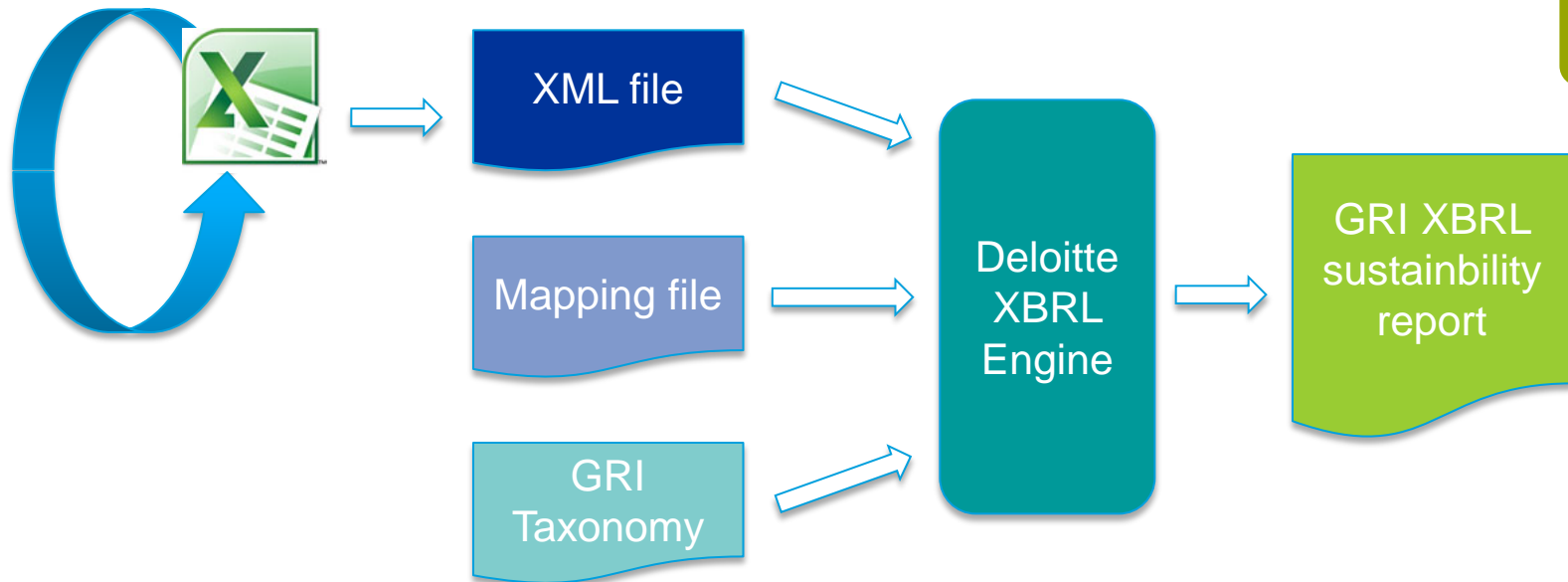
External  
validation

Sign-off

# Validation

## Generate instance (2)

Deloitte internal, mapping based, instance generator



# Validation

## Validate instance

### Technically

- XBRL specification
- FRIS

### Content

- GRI preparer guide: e.g. choice of entity identifier used
- Matching: data in GRI XBRL sustainability report must be the same as data in GRI PDF sustainability report

Data  
Collection

Validation

External  
validation

Sign-off

# External validation Document

## Internal Audit Department

- Instance
- Rendered view
- Explanation of differences between XBRL version and PDF version:
  - taken from financial report
  - recalculation of data from sustainability or financial report

## External

Explanatory document posted on Deloitte website:

- extensive documentation of calculation methods
- clarification of recalculations
- clarification of assurance
- clarification which document prevails in case of discrepancies

Data  
Collection

Validation

External  
validation

Sign-off



# Sign-off

Decide on getting external assurance for the GRI sustainability report

- External assurance on the PDF version, not on the XBRL version

Sign-off by management of the sustainability report

- Based on sign-off by Internal Audit Department

Data  
Collection

Validation

External  
validation

Sign-off

Lessons learned

## Lessons learned (1)

- Overall the approach taken worked well:
  - Primary reason is the integrated development of PDF and XBRL version of the sustainability report.
  - Shared view that XBRL data adds value to sustainability report
- Requires multidisciplinary team
  - Sustainability team: Mark van Rijn & Udeke Huiskamp
  - XBRL reporting team: Paul Hulst & Yaqing Sun
- Requires Internal Audit Department having extensive knowledge of XBRL
  - is essential factor in speedy process

## Lessons learned (2)

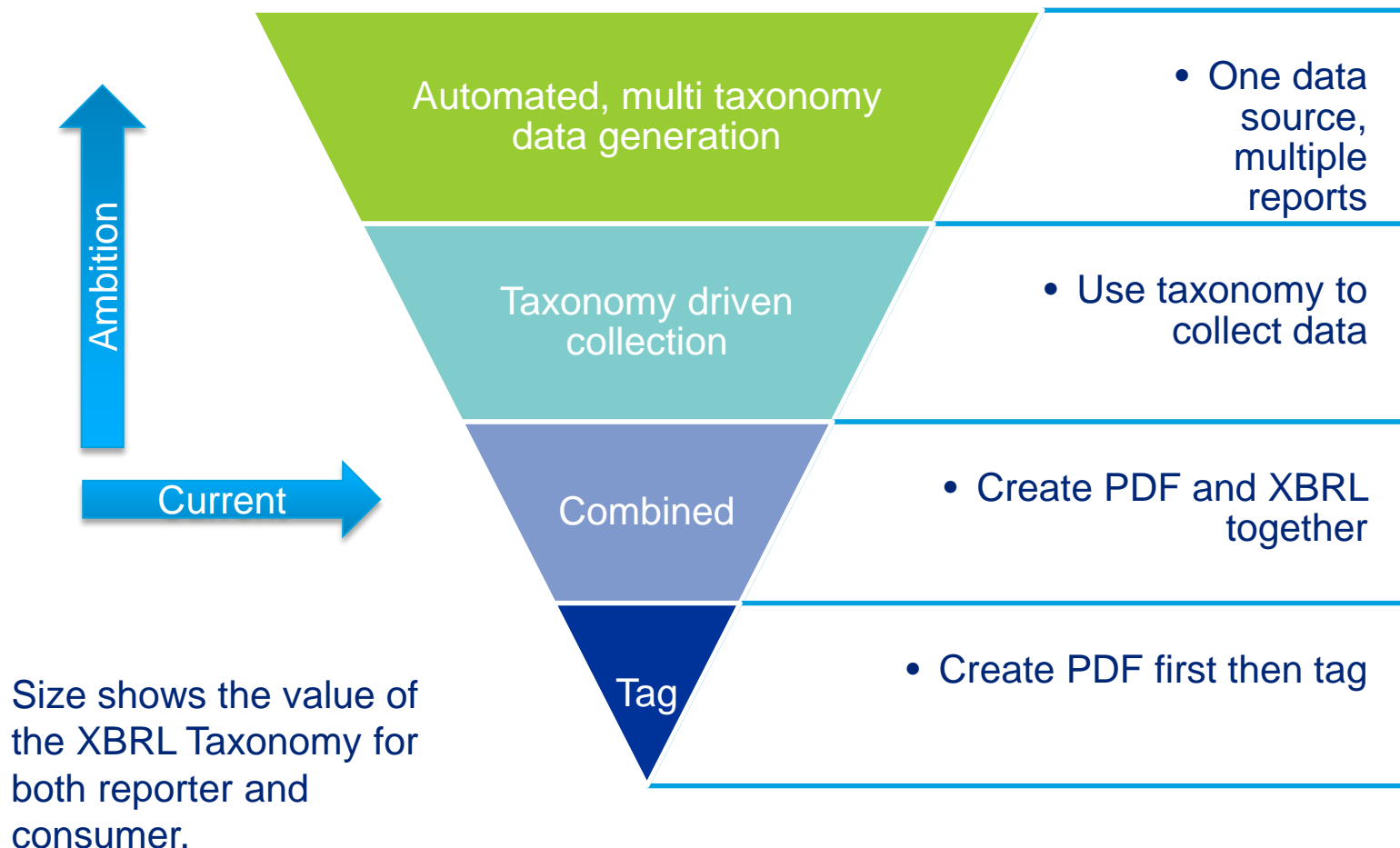
### Challenges

- Internal support for the project
  - Using XBRL for sustainability reporting is new.
  - Convincing people that the effort required is worth it took time.
- Keeping the PDF and XBRL version synchronised
  - A lot of people are involved in the creation of the report
  - Last minute changes to texts and numbers

### Issues

- Out of the box viewers can't handle XBRL dimensional model well
  - Need for table linkbase
- XBRL instance generator approach works well enough, but is limited
  - Template creation lot of work, taxonomy specific
  - Template usage is difficult in multi dimension structures
- Better checking of report required: typos exist

## Lessons learned (3)



# Conclusion

# Value of digital data

## Example

E&Y NL and Deloitte NL both published a GRI XBRL sustainability report

02 - Strategy and profile disclosure							
	http://www.ey.com/NL/nl/Home/xbrl:24432944				http://www.kvk.nl/kvk-id:40346342		
	30-06-2012	30-06-2011	01-07-2011 - 30-06-2012	01-07-2010 - 30-06-2011	31-05-2012	01-06-2011 - 31-05-2012	
<a href="#">Profile [abstract]</a>							
<a href="#">Organizational Profile [abstract]</a>							
Name of the organization		Ernst & Young Nederland LLP		Ernst & Young the Netherlands		Deloitte Holding B.V.	
<a href="#">Scale of the organization [abstract]</a>							
<a href="#">Capitalization [abstract]</a>							
Equity for private sector organizations		EUR 30,940,000	EUR 35,297,000			EUR 6,650,000	

03 - Economic category							
------------------------	--	--	--	--	--	--	--








04 - Environmental category							
	http://www.ey.com/NL/nl/Home/xbrl:24432944				http://www.kvk.nl/kvk-id:40346342		
	01-07-2011 - 30-06-2012	01-07-2010 - 30-06-2011	01-07-2009 - 30-06-2010	01-07-2008 - 30-06-2009	01-06-2011 - 31-05-2012		
<a href="#">Environment performance indicators [abstract]</a>							
<a href="#">Emissions, effluents, and waste aspect [abstract]</a>							
<a href="#">Direct and indirect greenhouse gas emissions by weight [abstract]</a>							
<a href="#">Methodology associated with the greenhouse gas emissions data [abstract]</a>							
Sum of direct and indirect greenhouse gas emissions by weight		t 18,000	t 20,000	t 22,000	t 25,000	t 21,658	

05 - Labor Practices and Decent Work category							
	http://www.ey.com/NL/nl/Home/xbrl:24432944				http://www.kvk.nl/kvk-id:40346342		
	30-06-2012	30-06-2011	30-06-2010	30-06-2009	31-05-2012	31-05-2011	
<a href="#">Labor practices and decent work performance indicators [abstract]</a>							
<a href="#">Occupational health and safety aspect [abstract]</a>							
<a href="#">Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region [abstract]</a>							
<a href="#">Injury, occupational diseases, lost days, and absentee rates and fatalities [abstract]</a>							
<a href="#">Injury, occupational diseases, lost days, and absentee rates and fatalities [line items]</a>							
<a href="#">Absentee rate</a>							
1 Workforce [member]						0.030	0.035
EYNetherlandsMember Workforce [member]		0.033	0.034	0.029	0.028		

Deloitte <http://2011-2012.deloitteannualreport.nl/xbrl/>

E&Y [http://www.ey.nl/download/overig/EY\\_NL\\_sustainability\\_report\\_2012\\_signed\\_.xml](http://www.ey.nl/download/overig/EY_NL_sustainability_report_2012_signed_.xml)

# Added value of GRI Taxonomy

	Value of GRI Taxonomy	Remarks
<b>Define scope of report</b>		GRI Taxonomy is used for discussion → Gives insight into the data points needed for a complete report
<b>Setup template</b>		Template is generated from information and structures in the GRI Taxonomy → Data set will deliver a complete GRI report
<b>Fill template</b>		GRI Taxonomy provides all relevant reportable data points with clear descriptions → Data will be filled in correctly, i.e. comply with GRI Guidelines
<b>Validate data</b>		GRI Taxonomy shows the reportable data points with data types and enumerations → Data will be filled in correctly, i.e. comply with GRI Guidelines
<b>Generate instance</b>		Information from the GRI Taxonomy is used by the XBRL Engine → XBRL is technically compliant with the GRI Taxonomy
<b>Validate instance</b>		XBRL validators use the GRI Taxonomy to check the instance → XBRL GRI report is valid
<b>Document</b>		XBRL viewers rely on the presentation linkbase to show the data in the instance. → Reporting organisation knows how the users will see their information



# Call to Action

## Standard setters

- **Create** taxonomy as a dictionary to define explicit definitions for each data element that can easily be shared to assure consistent interpretation.
- **Reuse** existing taxonomies

## Reporting organisations

- Be **transparent**: use the GRI Taxonomy to supply high quality, accessible data
- **Organise** to develop sector supplements & consistent ways of reporting

## Rating Agencies

- **Ask** for digital data from organisations
- **Use** the GRI Taxonomy based reports to easily retrieve consistent data, without human interpretation and data re-entry errors

## Investors and Analysts

- **Ask** for digital data from organisations
- **Use** the GRI Taxonomy based reports to easily retrieve consistent data, without human interpretation and data re-entry errors



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