

Deloitte

Sustainability reporting using the GRI Taxonomy

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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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- Deloitte Innovation XBRL Team
- 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 a format optimized to use info on 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

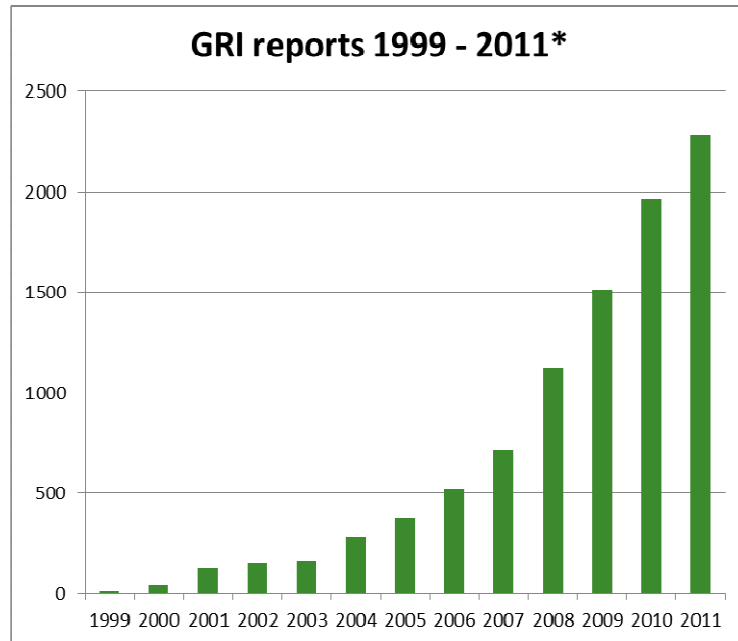
- **Accuracy and traceability;** Data is provided with a taxonomy providing clearly defined information for a data element reported on.

Introduction to the GRI Taxonomy

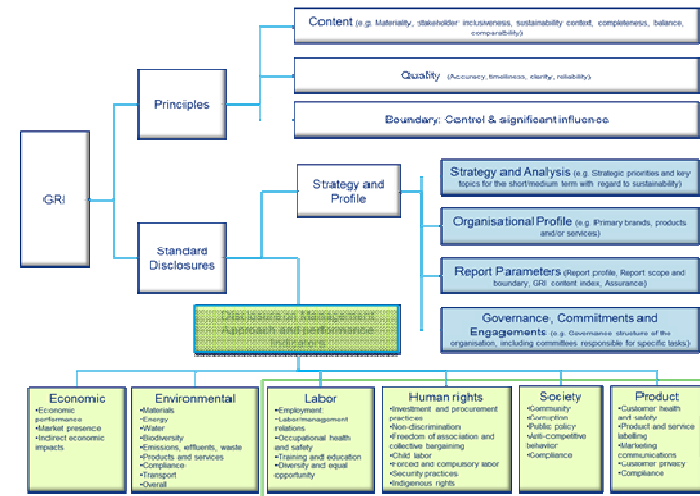
Introduction to the GRI Taxonomy

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 their **definition of significant investment 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

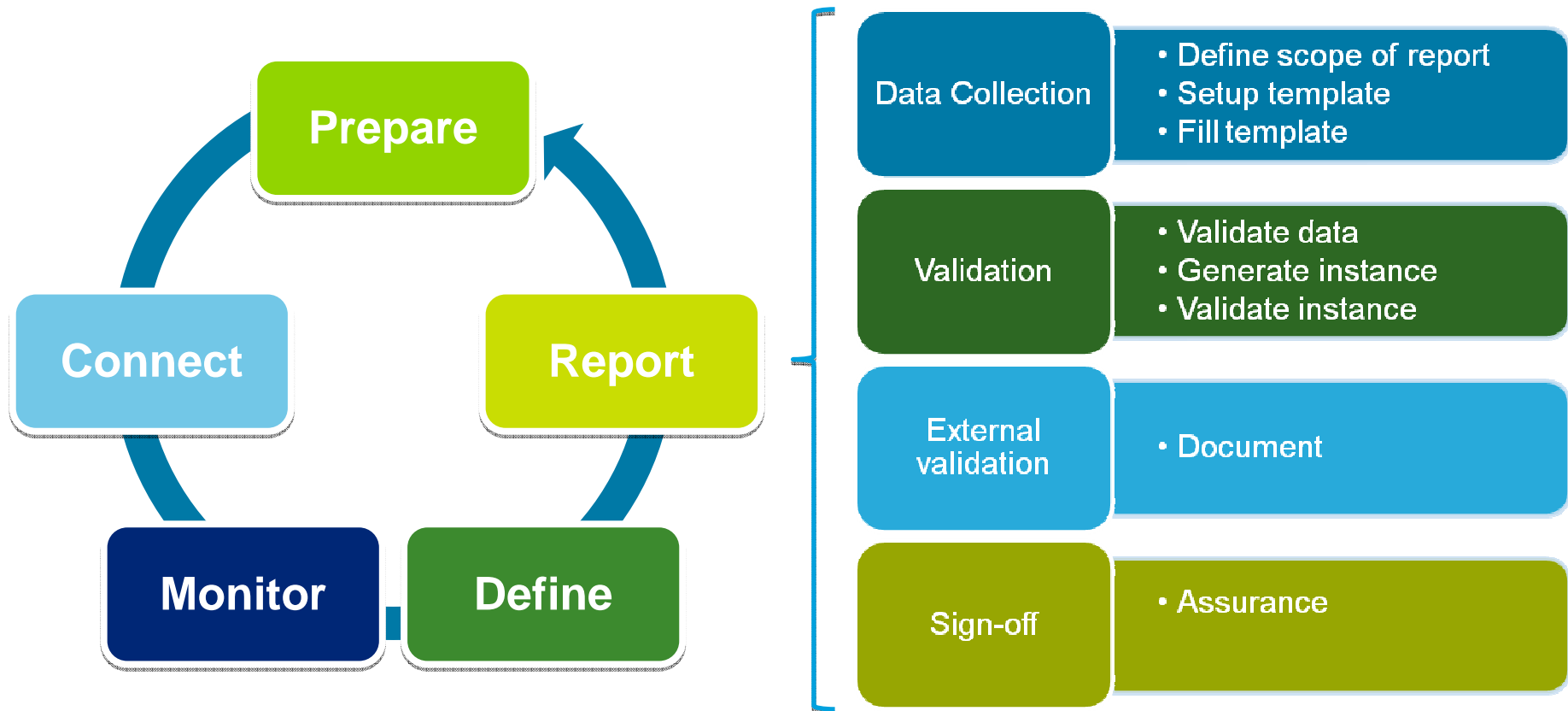
Why Deloitte publishes the XBRL Sustainability Report

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



Data collection

Based on GRI Taxonomy

- GRI Content Index Table
 - Retrieve which standard disclosures, management approaches and indicators are reported
- 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, example

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			
	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.
	HeadquartersLocationTitle	Location of organizations headquarters [abstract]	
	LocationDescription	Location description	Deloitte
	StreetName	Street name	Wilhelminakade
	HouseNumber	House number	1
	HouseNumberAddition	House number addition	
	PostalBoxNumber	Postal Box number	2031
	PostalCode	Postal code	3072 AP
	CityName	City name	Rotterdam
	CountryNameHeadquarterOrganization	Country name for headquarter of organization	the Netherlands
	CountriesMajorOperationSustainabilityIssuesTitle	Countries where the organization operates and has either major operations or that are specifically relevant to the sustainability issues [abstract]	
	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

Validation

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)

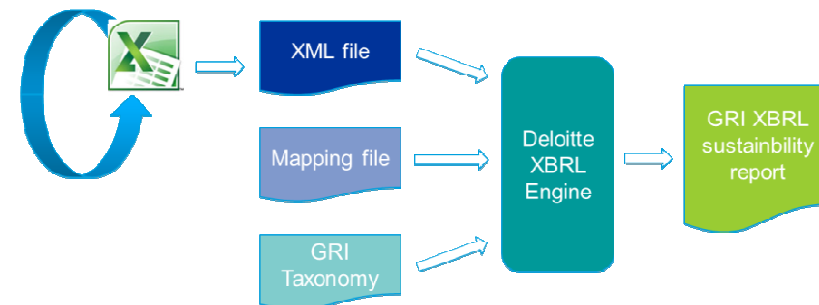
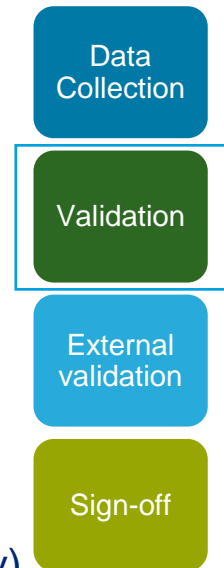
- e.g. training days to training hours

Generate instance from data in template

- use Deloitte internal, mapping based, instance generator

Validate instance:

- XBRL specification
- GRI Implementation Guide



External validation

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

- 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
- Getting internal support for the project was a challenge.
- Out of the box viewers can't handle XBRL dimensional model well
 - Need for table linkbase

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
Profile [abstract]						
Organizational Profile [abstract]						
Name of the organization	Ernst & Young Nederland LLP		Ernst & Young the Netherlands		Deloitte Holding B.V.	
Scale of the organization [abstract]						
Capitalization [abstract]						
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	
Environment performance indicators [abstract]						
Emissions, effluents, and waste aspect [abstract]						
Direct and indirect greenhouse gas emissions by weight [abstract]						
Methodology associated with the greenhouse gas emissions data [abstract]						
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
Labor practices and decent work performance indicators [abstract]						
Occupational health and safety aspect [abstract]						
Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region [abstract]						
Injury, occupational diseases, lost days, and absentee rates and fatalities [abstract]						
Injury, occupational diseases, lost days, and absentee rates and fatalities [line items]						
Absentee rate						
1					0.030	0.035
Workforce [member]						
EYNetherlandsMember	0.033	0.034	0.029	0.028		
Workforce [member]						

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

E&Y http://www.ey.nl/download/overig/EY_NL_sustainability_report_2012_signed_.xml

Added value of GRI Taxonomy for sustainability reporting

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

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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