

Reporting made easy – the role of technology

New technology is changing reporting. Software and digital tools can transform the way that sustainability reports are prepared and shared and are enabling more, better, and easier reporting. Depending on the type of user, different options are available to facilitate reporting. There are, for example, a range of software and tools developed by third parties that can help the reporting organization. Besides simplifying the process of reporting and alleviating the administrative burden, these can also be powerful resources to enable robust and transparent reporting.

GRI works to ensure that its Framework content is used correctly in these powerful new resources. The GRI Certified Software and Tools Program confirms that GRI content in software and digital tools is being used correctly.¹ Using such software can help with:

- Easier data collection
- New and more accessible report formats
- Data integrity

Specifically thought for investors, analysts and other sustainability data users, XBRL is one of the major developments in data communication. XBRL stands for eXtensible Business Reporting Language – an open-source, machine-readable language used for tagging data in reports. XBRL is a format used for presenting data and allows atomized sharing and analyzing of it - it makes data machine readable. Machine readable means that computers can recognize and process data without manual labor. It helps the tracking of relevant information and simplifies the reporting requirements of companies to different bodies.

The use of XBRL is required for financial reporting in a number of countries in the European Union and beyond: It is already mandatory in the China, US, and Japan, and more than a dozen European countries. China requires the use of XBRL across several government ministries; in the US, all registered companies must use XBRL when submitting their financial statements to the Securities and Exchange Commission; and in Japan, companies are required by the Financial Service Agency and the Tokyo Stock Exchange to prepare the financial statement section of their securities filings in XBRL. XBRL filing is also recommended in various other countries, like the Netherlands, Canada, and Australia – where its use is being led by a government initiative.² The main benefits of XBRL include:

- Greater reliability and consistency of information
- Faster data collection, aggregation, and sorting analysis
- Enhanced ability to customize reporting to meet the specific needs of information users
- Compatibility with financial reporting systems and requirements (e.g., SEC, IFRS, Basel II)

GRI's XBRL taxonomy has now made it possible to use XBRL for non-financial reporting. An XBRL taxonomy is an industry-specific categorization scheme, and enables users to uniquely tag and identify

¹ GRI Certified Software and Tools Program: www.globalreporting.org/reporting/reporting-support/certified-software-and-tools/Pages/default.aspx.

² www.sbr.gov.au/about-sbr/about-us/international-sbr-and-xbrl#netherlands

individual, detailed reporting elements which can be easily shared electronically. The GRI Taxonomy allows data to be tagged following the GRI Guidelines. The value of this reporting language will become increasingly significant as more reporters adopt it, making their reports easily searchable and allowing users – including regulators, investors and analysts – to find and analyze more comparable sustainability information.

This document is part of a series of papers on topics related to Sustainability Reporting and should be read in conjunction with the Global Reporting Initiative (GRI) non-paper on the Renewed EU Strategy 2011–2014 for Corporate Social Responsibility (CSR) and the European Commission’s proposal for a Directive on non-financial information disclosure available at: www.globalreporting.org/resourcelibrary/GRI-non-paper-Report-or-Explain.pdf

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The Global Reporting Initiative (GRI) promotes the use of sustainability reporting as a way for organizations to become more sustainable and contribute to a sustainable global economy.

GRI’s mission is to make sustainability reporting standard practice. To enable all companies and organizations to report their economic, environmental, social and governance performance, GRI produces free Sustainability Reporting Guidelines.

GRI is an international not-for-profit organization, with a network-based structure. Its activity involves thousands of professionals and organizations from many sectors, constituencies and regions.

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