

The Social-Financial Responsible Reporting – The Key for Integrated Reporting

Iulia Jianu¹

Abstract: General purpose of financial statements is to satisfy the needs of users who are not in the position to require of the entity to prepare reports tailored to their particular information needs. Because the public is one of these users interested of social information and because the financial statement do not provide sufficient social information to satisfy these needs, the study demonstrate the need to integrate the responsible social reporting into financial reporting. In order to support this reason, taking into account the data supplied by the entities listed on the Global Reporting Initiative regarding the corporate social responsibility. The results of the study show that social indicators can be disclosed in a monetary form which reinforces the need for their integration into financial reporting and the need to define a new concept: the social – financial responsible reporting.

Keywords: accounting; CSR; evaluation; GRI; social responsibility

JEL Classification: M14, M41

1. Introduction

Recent years are marked by exerting a strong pressure on economic entities listed on the major stock exchanges, but also on the regulating institutions to improve the quality of corporate reporting. On the grounds of this pressure, more and more entities promote social responsibility or environmental and social reporting. Accounting does not treat these issues separately, information on environmental and social responsibility being found through the resources used in production. There are germs that confirm that the model of reporting the activity of an entity tends to expand in order to respond to changes of information needs. Descriptive information seems, at least for now, to be the answer of regulators all around the world to the more clearly and present requirements of the users of accounting information.

If it is considered the crucial role (which is existential for the life of entity) of information systems, in which accounting rises at the level of economic entity, its

¹ Senior Lecturer, PhD, Bucharest University of Economic Studies, Department of Accounting, Audit and Economic Analysis, Romania, Address: 15-17 Calea Dorobantilor, Sector 1, 010552 Bucharest, Romania, Tel. +4 021 319.19.00, Corresponding author: jianu.iulia@cig.ase.ro.

redesign, its value readjustment to new aspects related to social and environment must be accepted. Standardization activity should not be viewed through the prism of conservatism, an idea that in the domain of management sciences seems not to operate at the level of objectivity achieved in exact sciences, but it has to be accepted the change and to promote it in the on-going attempt to capture and play as exact as possible the reality of the present time. Researches in recent years regarding the reports made by the entities have highlighted the growing concern to identify and develop new ways of presenting information to facilitate voluntary and qualitative reporting of factors related to social responsibility.

Nowadays, the importance of information on matters of corporate entities is growing. Indicators and internal reports relating to social responsibility issues have contributed to the reorientation of external reporting so that such information should be presented. These actions are carried out both within the organization and especially in cooperation and in favour of local or regional communities, according to the scale and scope in which that entity operates. Such information is produced from two directions (*Figure 1*): the first comes from within, by presenting issues related to human resource, to the promoted social conditions of work, and the second one comes from the adjacent environment of organization, from the micro social with which it reacts through partnerships and common concerns, by providing support and security, through credibility and perspective towards and for the population and the area from the field of action.

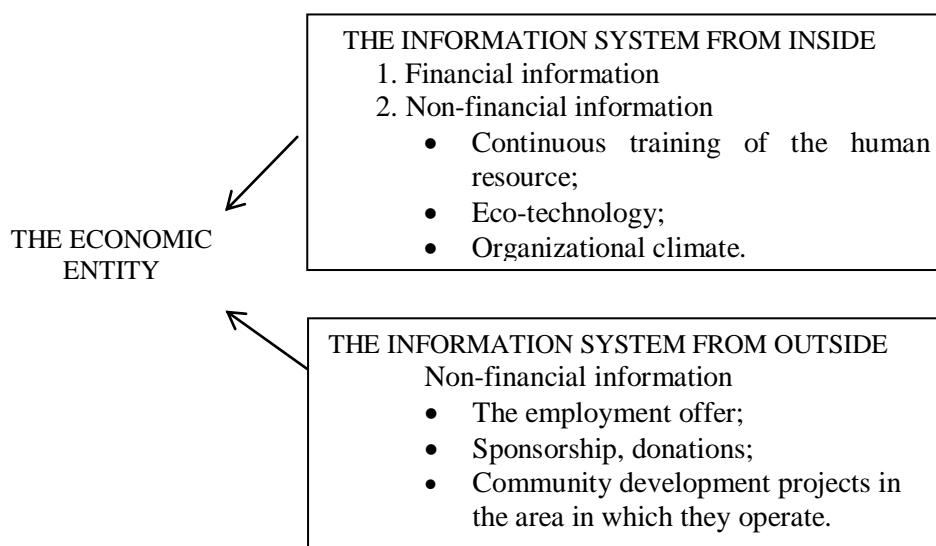


Figure 1. The image of the economic entity

Companies around the world began to realize that their investors are not only interested in financial reporting. As Tschopp (2005) noted, the strong desire for money and service have been replaced with compassion and sustainability. This signifies the need for reporting on corporate social responsibility (CSR). The need for informational completeness regarding the external reporting of activities of economic entities, at least at this time, led to expand the scope of traditional financial reporting by providing certain social and environmental aspects in traditional reporting (Hopwood et al, 2010; Mallin, 2009). This type of reporting is named “one reporting” or “integrated reporting”.

By presenting information on social responsibility, the entity becomes more credible by showing full transparency on some of the most important aspects of relational triangle: individual, economic entity, society. Eccles and Krzus (2010) consider that integrated reporting adds tremendous value to the company and all of its stakeholders, including shareholders, and also ultimately contributes to a sustainable society. Another reason for using social responsibility is to provide the desired information for decision making to the actors in the economic entity's life. The increase of the importance of social and environmental factors determined many entities to voluntarily provide such information (Ligteringen E. & Arbex N, 2010). These entities promote their social and environmental achievements either in annual reports or in separate stand-alone reports. Entities in areas such as energy, forestry, manufacturing industry use this type of reporting to answer critics against them. The problem related to the social responsibility reporting is that without the benefit of comparability, given by a common core of development, this report still cannot provide proper information about the position of the entity. Without regular reporting standards or guidelines to follow, the current reporting on social responsibility is nothing but a marketing strategy of the entity.

A solution to the problem described above is the GRI, which was created in 1997 by some of the companies and organizations that belong to CERES (Coalition for Environmentally Responsible Economies), with the mission to develop global guidelines for economic, social and environmental performance reporting, initially for corporations, and now also for small and medium-sized entities, governmental or nongovernmental organizations. Currently, GRI is the best known framework for voluntary reporting on environmental and social terms, being used worldwide (in over 65 countries). The purpose of GRI is to harmonize the many existing reporting systems and to provide a platform for an active dialogue about what sustainable performance is. According to Brown et al. (2009), GRI was created taking into account the U.S. financial reporting system FASB, which has sought to expand it in terms of depth (global), purpose (social, economic and environmental performance indicators), flexibility (descriptive and quantitative indicators) and in terms of public interest (industry, financial sector, accounting profession, civil society, NGOs working on human rights and environment and other stakeholders).

The main reason why such a project developed was the lack of current instruments reporting of what was really happening in the entities and the lack of highlighting the concerns and concrete actions undertaken by them.

Taking into account the data supplied by the entities listed on the Global Reporting Initiative regarding the corporate social responsibility, this study, based on a regulatory-type research, defines a new concept “social – financial responsible reporting”, analyses if social indicators can be financially disclosed, militates for the integration of the social reporting into financial reporting, tries to demonstrate the need for resizing financial reporting in order to integrate the responsible social reporting.

2. Research Methodology

The study is based on a regulatory-type research that establishes connections with the inductive accounting theory and uses scientific methods to identify the theoretical and practical aspects of corporate social reporting. In this context, this study captures interesting aspects of social standards and looks at the issues required for reporting in terms of recipients of accounting information. As a result of the study, it was determined the way in which the social factors affecting the economic entity are identified and quantified in order to include them in another type of reporting: the social – financial responsible reporting.

The data on social responsibility which are used in this study were obtained from the GRI portal (<http://www.globalreporting.org/ReportServices/GRIReportsList/>) where the economic entities are presented and whose social responsibility reports have been either checked by the GRI, or voluntarily introduced by entities, or identified by the GRI from Internet searches. The mandatory requirement for entities to be presented on the website of the GRI is that in the social responsibility report, the content with the reporting indicators should be identified (GRI Content Index). Until the date of data collection, a number of 587 economic entities were posted on the GRI portal.

The indicators recommended by GRI to appear in the social responsibility report are mandated to guide the content of the report and not to offer solutions on how data can be collected for the presentation or calculation of indicators. The importance and recognition that GRI has gained worldwide, determined us to choose this system of reference as the basis for the study of social responsibility reports. A general impression of how indicators are presented in the CSR reports of entities under study is that some of them use the GRI guidelines as a template for their reports, while others use them only as a source of inspiration. Depending on the number and type of presented indicators, there are three levels of applicability of the recommendations developed by the GRI guidelines: A (all indicators

recommended by GRI must present and, in the case of absence of certain indicators, the reason of absence must be justified for each indicator), B (at least 20 indicators must be present, with the requirement that there is at least one indicator of economic and environment category, and from each category of social indicators) and C (at least 10 indicators must be present, with the requirement that there is at least an indicator of each category of social indicators). When social responsibility report was audited, then at the level of applicability is a "+". The 587 entities reported the next level of applicability for social responsibility report: A + 160 entities, A 65 entities, B + 67 entities, B 101 entities, C + 19 entities, C 96 entities, level unreported for 77 entities and level blank for two entities .

In order to select the entities that present most of indicators recommended by the GRI, it was chosen the economic entities which have an A + applicability level for the social responsibility report. Of these entities only 81 offered access to view social responsibility report. By accessing the 81 reports, it was found that only 48 of them were published in English, the remaining 33 reports were published in another language.

Entities may choose to have their social responsibility reports verified by the GRI, which provides the guarantee of a high degree of transparency of the entity. Out of the 48 reports in English, 4 of them were not verified, 16 reports were checked by GRI and 28 reports were checked by another third party (usually the audit firm). For this study was analysed the 16 reports that were verified only by the GRI on the grounds of a better compliance of the report structure as required in the GRI guidance. Entities whose social responsibility reports were the objectives of this study were presented in Annex 1.

3. Results and Discussions

The objective of financial statements is to provide a true picture of the financial position, of the performance and cash flows of the economic entity to a wide range of users (current and potential investors, financial creditors, employees, customers, suppliers, state and public in general), so the objective of social - financial responsible reporting will be to provide a true picture of the social-financial position, of social - financial performance and of cash flows of an economic entity to the same range of users. At present all information presented in the financial statements is expressed as a monetary following as a descriptive presentation of these to achieve in the notes to financial statements.

Currently, information on CSR can be presented either in a separate report on corporate social responsibility, or in the annual report with financial statements and other corporate governance information presented by entities. For the analysed entities, it has been concluded that most of them (12 entities) present a separate

report on social responsibility while only 4 entities present social and environmental information in the annual report.

Accounting has the capacity to find solutions in order to assess monetary and social information. Therefore, social information that is currently occurring in social responsibility reports can be integrated by evaluation in the financial statements. The performance indicators recommended by the GRI are of three types: economic performance indicators (9 indicators), natural environmental performance indicators (30 indicators) and social performance indicators (40 indicators). Social performance indicators recommended by the GRI, presented in Annex 2, are grouped into four categories: employment and decent work practices (LA), human rights (HR), company (SO) and product liability (PR).

For each of the four categories of social performance indicators: labour practices and decent work (14 indicators), human rights (9 indicators), society (8 indicators) and product responsibility (9 indicators), it was examined the nature of the indicator presented in order to identify whether the analysed entities report financial or non-financial information. It was identified at least one entity presenting a certain indicator by financial information, it was considered that a financial reporting of that indicator is possible. As shown in *Annex 3*, the indicators on labour practices and decent work rank the highest position on the possibility of financial indicators expression (for 79% of the indicators there are entities that financially report the indicator). In descending order of the germs of financial reporting of the social performance indicators, the findings were as follows: indicators of society (50%), indicators on product responsibility (33%) and indicators on human rights (22%).

The study results confirm the possibility of monetary assessment for a large part of the indicators of social responsibility. The financial information and the amounts presented by the assessed entities for reporting social performance indicators are summarized in *Annex 4*. It was found that for 11 out of the 14 indicators on labour practices and decent work there are entities to report financial information. As regards to human rights indicators, the number of those expressed as currency is the smallest: 2 indicators out of the total number of 9. In the case of indicators on the society, it is noted that for half of the total number of related indicators, that is 4 indicators out of 8, there are entities that report financial information. As for the indicators of product responsibility, for 3 indicators out of a total of 9, there are entities that present financial information for reporting indicators.

Even if for each entity the number of the indicators expressed as a monetary number is less than 10%, the value of indicators of social performance is significant for most entities, this because, as it can be seen from *Table 1*, for 4 entities, the value of social performance indicators that are financially expressed

exceeds the profit made by the entity, while for 6 entities the value of these indicators is significant (more than 5% of the net result).

Table 1. The significance of the social indicators

<i>Entities (Amount in millions)</i>	<i>Labour Practices & Decent Work</i>	<i>Human Rights</i>	<i>Society</i>	<i>Product Responsibility</i>	<i>Total social financial responsibility</i>	<i>Net income</i>
S1 (\$)	6.133	56.800	838	0	63.771	(268.000)
S2 (\$)	-	-	1.300	0	1.300	1.409.000
S3 (\$)	-	-	-	-	-	8.196.000
S4 (\$)	289.000.000	-	0	0	289.000.000	N/A
S5 (\$)	750	-	0	0	750	5.542.000
S6 (\$)	97.800	-	2.196	-	99.996	(935.000)
S7 (\$)	127.195.000	-	453.871	38	127.648.909	1.700.000
S8 (\$)	4.556.000	800.000	112.600	1.102.000	6.570.600	2.288.000
S9 (\$)	15.320.000	-	454.900	18.000.000	33.774.900	8.510.000
S10 (\$)	5.078.672	13.132.000	-	-	18.210.672	12.718.000
S11 (KRW)	-	-	-	-	-	2.453.000
S12 (€)	-	1.000	8.000	123.000	132.000	1.748.000
S13 (\$)	211.460	-	120	-	211.580	1.146.000
S14 (£)	180	15.546	4.246	-	19.973	295.000
S15 (€)	7.585	-	9.124	-	16.710	289.000
S16 (SEK)	-	-	-	-	-	13.448.000

It is worth noting that a number of 3 entities present all the indicators in a descriptive manner although the nature of some of them required a financial overview, for example: PR9 - the monetary value of significant fines for violations of laws and regulations on the supply and use of products and services, SO6 - the total amount of financial contributions to political parties, politicians, and institutions related to the country, SO8 - monetary value of significant fines and total number of non-monetary penalties for violations of laws and regulations. For two entities, the value of social performance indicators that are financially expressed is insignificant in relation to the profit obtained by the entity, while for the entity the calculation could not be performed because of failure to present the net income value in the social responsibility report.

The results of this study showed that there is a tendency of reporting financial information in the reports of social responsibility not only for indicators that are financial in nature, but for the indicators whose nature is descriptive. The possibility of transforming non-financial information, from the content of socially responsible reporting, in financial responsible information, can be achieved through assessment, which will contribute to a better presentation of social-financial position and performance of the entity.

The evaluation is the process by which it is determined the value at which the items of financial statements are recognized in accounting and disclosed in the balance

sheet and profit and loss account. At this time, the measurement at fair value seems to gain importance (Jianu, 2009). On this background, the focus of future evaluations can be the intention to propose methods for evaluating the activities of social responsibility in order to separately highlight them in profit and loss account or, why not, to recognize them in the balance sheet.

The existence of a common and unique reporting through financial statements on the economic, social and environmental aspects is relevant and reliable because the accounting has the capability to present information not only financially, but also descriptively, thus showing the extent to which the entity is involved in environmental social actions, how much the entity has to pay for such actions and how the result is influenced by social and environmental protection actions promoted by entities. Currently, according to IAS 1 "Presentation of Financial Statements", expenditure can be classified in the profit and loss account either on the nature of expenses: expenses on raw materials, labour expenses, amortization and depreciation expenses, electricity and water expenses, etc., or on the functions of the entity: production, administration, distributions (possibly research - development for entities that perform such activities). The solution proposed for the separate disclosure of social expenses and of environmental protection consists of their analytical highlight in management accounting by creating two distinct functions of collecting expenses: the social and ecological function.

Starting from the already proven premise that social responsibility activities contribute to the increase of financial performance, it can go much deeper into questioning accounting recognition and assert that social responsibility activities could be recognized in the balance sheet by respecting the definition of assets and liabilities in the IASB accounting concepts (*Table 2 and Table 3*).

Table 2. Recognition of social responsibility activities as assets

<i>Categories CSR Elements</i>	<i>Controlled resource</i>	<i>Result of past events</i>	<i>Entries of future economic benefits</i>
Labour practices and decent work	Collective work contract; Records of staff appraisal activity	Signing the documents that give the right to work in the entity	Improving the processes undertaken at the level of entity => profit growth
Human rights	Rules of organization and functioning; State functions; Job description.	Establishing the organization and functioning of the human resources in the entity by the personnel structure	Improving the process of a dignified, educated and treated with responsibility human resource => profit growth
Society	Strategic objectives; Framework contracts related to the involvement of the entity in society	Actions of the management entity	Improving the image of the entity in society => increasing the business turnover

Product responsibility	Product formulation; Product quality standards.	Regulations in the fields of health and consumer protection	Increasing the number of costumers => increasing the business turnover
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Table 3. Recognition of social responsibility activities as liabilities

<i>Categories CSR Elements</i>	<i>Present obligation</i>	<i>Result of past events</i>	<i>Outflows of future economic benefits</i>
Labor practices and decent work	Severance payment; Sick leave and health insurance payments.	Insurance in case of dismissal, illness, death	Cash outflow by obligations paying
Human rights	Moral damages and repairs for violation of human rights against employees	Creating the event that generates damages	Cash outflow by obligations paying
Society	Solving and eliminating the consequences caused by environmental degradation; Failure to comply with the legal obligations and with what one promised.	The legal framework for environmental protection, obligations towards the state authorities and business partners	Cash outflow due to non-compliance with obligations
Product responsibility	Meeting the cost generated by the noncompliance with the rules regarding the impact of products and services on health and consumer protection	Regulations in the fields of health and consumer protection	Cash outflow due to non-compliance with regulations

The information presented for the recognition of social responsibility activities as structures of financial statements may be subject to debate and in-depth for future researches and approaches. At present, there are only proposals by which this study wants to draw attention to the need of creating a different kind of reporting: the social-financial responsible reporting.

4. Conclusions

This study militates for the idea that social responsibility reporting should be integrated into the financial statements, because the management as an accounting science has the ability to adapt to changes and to provide useful and relevant information about the social and the environmental. If it considers the requirements for the quality of the presented financial information, which seem to be met in most reports after long years of financial regulation, it could be shown very easily that the course of a separate reporting regarding social responsibility will be hard and difficult; this, in the case where the user's requirements are at a very high level. Therefore, it can rather build on the framework of financial information than in isolation. The idea of force of the convergence of global financial reporting, which it is about to witness in the near future, is still a strong argument that the

course of the two: financial reporting and social responsible reporting should be jointly and not separately.

This study is explained in terms of the continuous evolution that characterizes both the socio-economic environment of the economic entity, and especially the regulation of financial reporting and of the trend that it now forms. The socio-economic environment is governed by social responsibility issues, and the accounting regulation is governed by convergence, by global standardization. The proposal of this study for social - financial responsible reporting comes to harmonize financial reporting with social responsible reporting by incorporating social responsible reporting in the financial statements.

Is preferred the construction on the skeleton of financial reporting because of its presence in the accounting practice for years, thanks to a highly developed and argued framework, thinking that through the implementation of some aspects promoted by the CSR practices, the universal common social good giants (IASB and FASB, UN) will be unified in action. No one gives up to anything, but each one puts together what he has best and they get a product that complies with the new information needs. Thus, this study gets out of the area of rigidity regarding financial reporting and manages to blur the values raised by subjectivity that characterizes social responsibility reports. It should not omit the issue of costs involved in achieving a single reporting model, implicitly lower than those required for separate reporting.

This approach should not be understood as an acquisition of an area of activity from the portfolio of a body and merging it into another one, it should not be seen as a strange creature, but it should be accepted by reference to the qualities of financial information (understandability, relevance, reliability, comparability) to which it can add the qualities of social responsibility information (transparency, inclusion - meeting the informational requirements for all parties involved and interested in the activity of economic entities). It is a new attribute that contributes to the development of social - financial information imposed by the reality of economic environment. The attribute that contributes to "social emancipation" of the economic entity, is the argument which may decide the steps towards development of economic entities. The proposal of this study for integrating the social responsibility reporting in financial reporting is justified also due to the collaboration of the GRI with the IASB and FASB regulatory bodies, the socially responsible reporting framework significantly being inspired by the conceptual accounting framework.

Praising the valences of the new reporting, by distinctly highlighting the social and environmental costs in accounting, it should not omit the importance of keeping in the notes of the GRI reporting formats, thus having at hand the necessary model to provide additional information, element of practice and social responsibility. The

compliance with GRI format, as well as the activity for data collection necessary for social responsible reporting by the economic entities provide an opportunity for these to consolidate their strengths, and to review issues that seem to not work as they should, and to restructure the organizational structures to respond to new information needs in the business environment.

The social - financial responsible reporting is useful not only to external recipients of the entity, but also within the entity. It is useful for everything that is management, for everything that is socio – professional conditions, for everything that is human resource, for the purpose of the economic approach (profit through quality products and complete satisfaction of actors involved in the activity of the entity) and achieving worldwide performance through proper and responsible information of a public, increasingly more alert to issues related to ecology, mutual help, cooperation and joint development partnerships.

The idea of this study takes shape to present, through evaluation, a socially - financially responsible information, to achieve a reconciliation of different approaches but still close in terms of purpose, to show that it can speak about a unity in diversity. This approach is circumscribed to concerns, more pronounced in recent times, of theorizing the field. It has to be seen in the social - financial responsible reporting the theory that can fully promote the valences of the social science that is called accounting. On this background, the empirical and constructivist approaches may bring to light the evidences that this regulatory-type approach offered for acceptance. It is the main message of this paper, by the fact that even if we live, work, create, and evolve in different societies, we are united under the aspect of civilization.

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6. References

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Annex 1

Cod of the entities	Name of the entities	Country	Activity sector	Report pdf/html adress
S1	AngloGold Ashanti	South Africa	Mining	http://www.anglogold.co.za/subwebs/informationforinvestors/reports09/SustainabilityReview09/default.htm
S2	CEMEX	Mexico	Construction	http://www.cemex.com/pdf/SDR2009/CX_SDR2009_eng.pdf cemex.com/sustainability/reports
S3	CLP	China	Energy	https://www.clpgroup.com/ourvalues/report/Pages/sustainabilityreport.aspx
S4	GoLite LLC	United States of America	Textiles and Apparel	http://www.golite.com/resources/pdf/CSR_2009_Report_HR.pdf
S5	Hong Kong Exchanges and Clearing	China	Financial Services	http://www.hkex.com.hk/eng/exchange/csr/csr_report/Documents/efinalCSR09.pdf
S6	ING Group	Netherlands	Financial Services	http://www.ingforsomethingbetter.com/publications/report/
S7	Itau Unibanco	Brazil	Financial Services	http://ww13.itau.com.br/portali/index.aspx?idioma=ing
S8	Rabobank	Netherlands	Financial Services	http://www.annualreportsrabobank.com/
S9	Roche	Germany	Healthcare Products	www.roche.com/investors/annual-reports http://ir2.flife.de/data/roche/igb_ht

				ml/index.php?bericht_id=1000004&lang=ENG
S10	Royal Dutch Shell	Netherlands	Energy	http://www.shell.com/home/content/environment_society/reporting/
S11	Samsung Securities	Republic of Korea	Financial Services	http://english.samsungfn.com/download/pdf/csr_2009e_full.pdf
S12	SAP	Germany	Other	http://www.sapsustainabilityreport.com
S13	Suncor Energy	Canada	Energy	http://www.suncor.com/en/responsible/1434.aspx
S14	The cooperative	United Kingdom	Retailers	http://www.co-operative.coop/sustainabilityreport
S15	TNT	Netherlands	Logistics	http://group.tnt.com/annualreports/annualreport09/annex/annex-2-global-compact-and-gri-g3-index.html http://group.tnt.com/annualreports/annualreport09/index.html
S16	Vattenfall	Sweden	Energy Utilities	http://www.vattenfall.com/en/file/2-20100331-094929.pdf

Annex 2

Labour Practices & Decent Work (LA)
LA1 : Total workforce by employment type, employment contract, and region LA2: Total number and rate of employee turnover by age group, gender, and region LA3: Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations LA4: Percentage of employees covered by collective bargaining agreements LA5: Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements LA6: Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs LA7: Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities by region LA8: Education, training, counselling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases LA9: Health and safety topics covered in formal agreements with trade unions LA10: Average hours of training per year per employee by employee category LA11: Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings LA12: Percentage of employees receiving regular performance and career development reviews LA13: Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity LA14: Ratio of basic salary of men to women by employee category
Human Right (HR)
HR1: Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening

<p>HR2: Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken</p> <p>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</p> <p>HR4: Total number of incidents of discrimination and actions taken</p> <p>HR5: Operations identified in which the right to exercise freedom of association or collective bargaining may be at significant risk, and actions taken to support these rights</p> <p>HR6: Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour</p> <p>HR7: Operations identified as having significant risk for incidents of forced or compulsory labour, and measures taken to contribute to the elimination of forced or compulsory labour</p> <p>HR8: Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations</p> <p>HR9: Total number of incidents of violations involving rights of indigenous people and actions taken</p>
<p>Society (SO)</p> <p>SO1 : Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting</p> <p>SO2: Percentage and total number of business units analysed for risks related to corruption</p> <p>SO3: Percentage of employees trained in organization's anti-corruption policies and procedures</p> <p>SO4: Actions taken in response to incidents of corruption</p> <p>SO5: Public policy positions and participation in public policy development and lobbying</p> <p>SO6: Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country</p> <p>SO7: Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes</p> <p>SO8: Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations</p>
<p>Product Responsibility (PR)</p> <p>PR1: Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures</p> <p>PR2: Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes</p> <p>PR3: Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements</p> <p>PR4: Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes</p> <p>PR5: Practices related to customer satisfaction, including results of surveys measuring customer satisfaction</p> <p>PR6: Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship</p> <p>PR7: Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes</p> <p>PR8: Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data</p> <p>PR9: Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services</p>

Annex 3

Entities	Labour Practices & Decent Work (LA)													
	Performance Indicators													
	Employment			Labour/Management Relations		Occupational Health and Safety				Training and Education			Diversity and Equal Opportunity	
LA 1	LA 2	LA 3	LA4	LA5	LA 6	LA 7	LA 8	LA 9	LA 10	LA 11	LA 12	LA 13	LA14	
S1	N	N	N	N	N	N	N	F	N	N	F	N	N	N
S2	N	N	-	N	N	-	N	N	-	N	-	-	N	N
S3	N	N	-	-	-	-	N	N	N	-	N	-	-	-
S4	N	N	N	N	N	N	N	N	N	N	N	N	F	N
S5	N	N	N	N	N	N	N	F	N	N	N	N	N	N
S6	N	N	F	N	N	N	N	N	F	N	-	N	-	N
S7	N	N	F	N	N	N	N	F	N	N	F	N	N	N
S8	F	-	-	N	N	-	F	-	-	N	N	F	N	N
S9	N	N	F	N	N	N	N	F	N	F	N	N	N	N
S10	N	N	N	N	N	F	F	N	-	N	N	N	N	F
S11	N	N	N	N	N	-	N	N	N	N	N	N	N	N
S12	N	N	N	N	N	N	N	N	N	N	N	N	N	N
S13	N	N	F	N	N	N	N	N	N	F	F	N	N	N
S14	N	N	N	N	N	N	N	N	N	N	F	-	N	-
S15	N	N	-	N	N	N	N	N	-	N	-	-	N	F
S16	N	N	N	N	N	N	N	N	N	N	N	N	N	N
TOTAL ^(79%)	YES	NO	YES	NO	NO	YES	YES	YES	YES	YES	YES	YES	YES	YES
Human Rights (HR)														
Entities	Investment and Procurement Practices			Non-discrimination	Freedom of Association and Collective Bargaining	Child Labour	Forced and Compulsory Labour	Security Practices	Indigenous Rights					
	HR 1	HR 2	HR 3	HR4	HR5	HR6	HR7	HR8	HR9					
S1	F	N	N	N	N	N	N	N	N					
S2	-	N	-	N	N	N	N	-	-					
S3	-	-	-	-	-	-	-	-	-					
S4	N	N	N	N	N	N	N	N	N					
S5	N	N	N	N	N	N	N	N	N					
S6	N	N	N	-	N	N	N	-	-					
S7	N	N	N	-	N	N	N	N	N					
S8	F	N	-	N	N	N	N	-	-					
S9	-	N	N	N	N	N	N	N	N					
S10	F	N	N	N	N	N	N	N	N					
S11	N	N	N	N	N	N	N	N	N					
S12	N	N	F	N	N	N	N	-	-					
S13	N	N	N	N	N	N	N	N	N					
S14	F	N	N	N	N	N	N	-	N					
S15	N	N	N	-	N	N	N	-	-					
S16	-	N	N	N	N	N	N	-	-					
TOTAL ⁽²⁾	YES	NO	YES	NO	NO	NO	NO	NO	NO					

2%)	S		S							
Entities	Society (SO)									
	Performance Indicators									
	Community		Corruption			Public Policy		Anti-Competitive Behaviour	Compliance	
	SO1	SO2	SO3	SO4	SO5	SO6	SO7	SO8		
S1	N	N	N	N	N	F	N	F		
S2	N	N	N	N	N	-	N	F		
S3	N	-	-	-	N	-	-	-		
S4	N	N	N	N	N	N	N	N		
S5	N	N	N	N	N	N	N	N		
S6	F	N	N	N	N	N	N	N		
S7	F	N	N	N	F	N	N	F		
S8	F	-	-	N	N	-	-	N		
S9	F	N	N	N	N	N	N	N		
S10	N	N	N	N	N	N	N	N		
S11	N	N	N	N	N	-	-	N		
S12	F	N	N	N	N	N	N	F		
S13	F	N	N	N	N	F	N	N		
S14	F	-	-	-	F	F	N	N		
S15	F	N	N	N	N	-	-	N		
S16	N	N	N	N	N	N	N	N		
TOTAL ^(50%)	YES	NO	NO	NO	YES	YES	NO	YES		
	Product Responsibility (PR)									
	Performance Indicators									
Entities	Customer Health and Safety		Product and Service Labelling			Marketing Communications		Customer Privacy	Compliance	
	PR1	PR2	PR3	PR4	PR5	PR6	PR7	PR8	PR9	
S1	N	-	N	-	-	N	-	-	N	
S2	N	-	N	-	N	N	-	-	N	
S3	-	-	-	-	-	-	-	-	-	
S4	N	N	N	N	N	N	N	N	N	
S5	N	N	N	N	N	N	N	N	N	
S6	-	N	N	-	-	N	-	N	N	
S7	N	N	N	-	N	N	-	N	F	
S8	N	-	F	-	N	N	-	N	N	
S9	N	N	N	-	N	F	N	-	N	
S10	N	N	N	-	N	N	-	-	N	
S11	N	N	N	N	N	N	-	N	-	
S12	N	-	N	-	N	N	-	N	F	
S13	N	N	N	N	N	N	-	N	N	
S14	N	-	N	-	N	N	-	-	N	
S15	N	-	N	-	N	N	-	-	N	
S16	N	-	N	-	N	N	N	N	N	
TOTAL ^(33%)	NO	NO	YES	NO	NO	YES	NO	NO	YES	

NOTE: N – there are entities who report financial information about the indicator
 F – there are not entities who report financial information about the indicator
 “-“ the indicator is not disclosed but the entity justifies his non-disclosure
 * „YES” – if there is at least one entity having a financial indicator
 „NO” - if there is not at least one entity having a financial indicator

Annex 4

Indicators		Labour Practices & Decent Work (LA)	Amount
Employment	LA1	Staff costs (S8)	3.869.000.000 €
	LA3	Remuneration costs in 2009 amounted to 12 billion Swiss francs (S9) Employee benefits (S13)	12.000.000.000 CHF 201.000.000 \$
Occupational Health and Safety	LA6	Contributes to a fund in a five-year programme to improve road safety (S10) Contributes to Global Road Safety Partnership (S10)	10.000.000 \$ 750.000 \$
	LA7	Direct costs of absenteeism representing continued payment of salary during illness (S8) Environmental expenditure (S9) Improving the safety and reliability of our operations continued during the economic downturn (S10)	117.000.000 € 86.000.000 CHF 5.000.000.000 \$
	LA8	HIV/AIDS programme costs in 2009 (S1) Malaria programme costs in 2009 (S1) The support to the Staff Social Club activities (S5) Advancement, training and development programs (S7)	3.294.376 \$ 2.172.541 \$ 750.000 \$ 117.000.000.000 R\$
	LA9	Fixed remuneration for staff, plus their respective charges and benefits (S7) Social benefits for employees and their dependents (S7)	8.600.000.000 R\$ 1.500.000.000 R\$
Training and Education	LA10	Budgets for training (S6)	97.800.000 \$
		Training spend (S9)	146.000.000 CHF
		Training and development (S13)	9.672.000 \$
	LA11	Management Development Programme and Intermediate Management (S1)	533.000 \$
Managerial Mastery Programme at the University of Cape Town’s Graduate School of Business (S1)		133.000 \$	
Training programs for employees (S7) Education assistance plan (S13) Investment in centrally provided training (S14)		95.000.000 R\$ 788.000 \$ 180.000 £	
LA12	Pension contributions (S8)	570.000.000 €	
Diversity and	LA13	The trade association representing the amount of	289.000.000.000

Equal Opportunity		the active outdoor recreation industry (S4)	\$
	LA14	Compensation for services in all capacities for Directors and Senior Management (S10)	48.895.000 \$
		Pension, retirement and similar benefits for Directors and Senior Management (S10)	19.027.000 \$
		Total remuneration Board of Management (S15)	7.585.674 €
Indicators		Human Rights (HR)	Amount
Investment and Procurement Practices	HR1	Acquisition of an effective additional 10% interest in the Kibali gold project (S1)	56.800.000 \$
		Investment (S8)	800.000.000 €
		Social investment (S10)	132.000.000 \$
		Investment on goods and services from locally owned companies in low and middle development countries (S10)	13.000.000.000 \$
	Investment for international development and human rights (S14)	822.000 £	
	HR2	.Ethical Policy training programme (S14)	3,191,000 £
		Process of benchmarking and monitoring suppliers, partners, and vendors (S12)	1.000.000 €
Indicators		Society (SO)	Amount
Community	SO1	UNICEF projects during the ING Global Challenge (S6)	992.801 \$
		US Employee Giving Campaign matched by ING's US Foundation (S6)	1.000.000 \$
		ING Vysya Campaign in India, for local charities (S6)	96.000 \$
		ING Chances for Children (S6)	107.575 \$
		Social and cultural investments (S7)	248.000.000 R\$
		Donates (S7)	902.000 R\$
		Investments in culture (S7)	39.000.000 R\$
		Community investment funds and donations (S8)	54.600.000 €
		Sponsorship of community initiatives (S8)	58.000.000 €
		Programme for development of the local businesses. (S9)	1.900.000 CHF
		Swiss francs in SHE Safety, security, health and environmental protection infrastructure (S9)	159.000.000 CHF
		Safety, security, health and environmental protection operating costs (S9)	294.000.000 CHF
		Donations to non-profit organizations (S12)	8.000.000 €
		Development business ideas from concept to implementation stage (S13)	84.000 \$
		Community contribution (S14)	11.300.000 £
		Contributions to fight global hunger (S15)	7.285.000 €
		Employee donations (S15)	1.839.000 €
Public Policy	SO5	Investments in schools (S7)	7.000.000 R\$
		Programs to improve education management for students (S7)	17.100.000 R\$
			3.495.440 £

		Trade and business association membership fees and donations (S14)	
	SO6	Donation to different political parties (S1)	488.250 \$
		Political donations (S13)	36.900 \$
		Political donation (S14)	751.090 £
Compliance	SO8	Amounts for damages allegedly (S1)	350.000 \$
		Associated fines (S2)	1.300.000 \$
		Fines paid for breaching municipal bylaws dealing with service time (S7)	141.869.160 R\$
Indicators		Product Responsibility (PR)	Amount
Product and Service Labelling	PR3	Total portfolio amounted invested in wind energy projects, in solar energy projects and in biofuel projects (S8)	1.102.000.000 €
Marketing Communications	PR6	Services like consultancy, travel and marketing (S9)	18.000.000.000 CHF
Compliance	PR9	Fines paid for individual complaints about products (S7)	38.040 R\$
		Litigation-related provisions (S12)	123.000.000 €