Integrated Scoreboard Taxonomy: Extending IFRS & COREP

Speaker: María Mora (maria.mora@atos.net)
Agenda

• The **new Corporate Reporting model paradigm**

• **AECA and the Integrated Scoreboard** for Financial, Environmental, Social and Governance information (IS-FESG)

• The *ice* meaning in XBRL: IS-FESG Taxonomy

• **Early future**: Towards the corporate reporting ecosystem- *Integrated model*
The new Corporate Reporting model paradigm

Actual corporate reporting paradigm

Financial

Solvency

Corporate Responsibility/ Sustainability

Social

Environmental

Governance

Legal channels

Voluntary channels

IFRS

Basel

US GAAP

FINREP + XBRL

COREP + XBRL

CARBON DISCLOSURE PROJECT

Global Reporting Initiative™

CGI-RSC

CCI-RSC

aeca

FINREP + ?

COREP + ?

NO FINREP

NO COREP

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The new Corporate Reporting model paradigm

Towards Integrated Reporting

Management Commentary | Integrated Reporting | Sustainability Reporting
Governance and Remuneration | Financial Statements

INTEGRATED REPORTING (IR)

IIRC source: integrated reporting and the source information

Investment in reporting

Value creation
The new Corporate Reporting model paradigm

**Next step:** looking for the integration and the transparency

The value creation from the past to the future

- Company
- Information

- Strategy
- Operations
- Transparency

- Concise and valuable
- Short, medium and long term
- Comparable
- Interconnected

Stakeholders
- Staff
- Client
- Supplier
- Government
- Shareholder
- Investor

The value creation from the past to the future
What is AECA?

- AECA is the Spanish Association of Accounting and Business Administration.

AECA experience in sustainability projects

- Since 2006, AECA has been developing applied researches in the standardization of non-financial information, especially in the areas of environmental, social and corporate governance.

- Promoting the XBRL technology for reporting process, doing it valuable by companies and stakeholders.

AECA and the Integrated Scoreboard for Financial, Environmental, Social and Governance information (IS-FESG)

The Integrated Reporting project working group

- AECA took the initiative in creating the Integrated Reporting Working Group in 2011.

The working group comprises academics, auditors, IT consultants, representatives from Bank of Spain, Spanish Securities Exchange Commission, Business Registers, XBRL jurisdiction and the five Spanish companies participating in the IIRC Pilot Programme: BBVA, ENAGAS, INDITEX, INDRA and TELEFONICA
AECA and the Integrated Scoreboard for Financial, Environmental, Social and Governance information (IS-FESG)

Results

Framework

Integrated Scoreboard (IS-FESG)

Taxonomy

IS-FESG Taxonomy

Real reports

Early adopters

Analyzable

Verifiable

Homogeneous

IT

domain

applicability

BBVA

INDITEX

Telefónica

enagas

indra

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AECA and the Integrated Scoreboard for Financial, Environmental, Social and Governance information (IS-FESG)

Technically, it is the moment: XBRL is ready

<table>
<thead>
<tr>
<th>Year</th>
<th>Information</th>
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<tbody>
<tr>
<td>2003</td>
<td>XBRL 2.1</td>
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<tr>
<td>2005</td>
<td>Dimensions 1.0 Specification</td>
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<td>2009</td>
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The *ice* meaning in XBRL: IS-FESG Taxonomy
The *ice* meaning in XBRL: IS-FESG Taxonomy integration – connection - extension

The **integration** in the **conceptual framework**

**Represent the business reality** through a set of indicators

![Diagram showing integration in the conceptual framework with various indicators and gears representing different levels of complexity.](image-url)
The **ice** meaning in XBRL: IS-FESG Taxonomy integration – connection - extension

The **integration**: XBRL enabled technology

Data Point Model + Dimensions + Formulas
The **ice** meaning in XBRL: IS-FESG Taxonomy integration – **connection** - extension

The **connection** with financial frameworks in the **IS-FESG Taxonomy**

![Diagram](image)
The *ice* meaning in XBRL: IS-FESG Taxonomy integration – *connection* - extension

The *connection* with financial frameworks in the IS-FESG Taxonomy

Suppliers expenses = [320000] Raw materials and consumables used + [320000] Other expenses
The *ice* meaning in XBRL: IS-FESG Taxonomy integration – *connection* - extension

The *connection*: XBRL enabled technology

Formula Specification 1.0

[320000] Raw materials and consumables used

[320000] Other expenses
Connection results: Nurturing the corporate reporting ecosystem

The companies report their financial situation by legal requirements. The financial dimension in an integrated report is directly nurtured thanks to the connection defined in the IS-FESG XBRL taxonomy.
The **ice** meaning in XBRL: IS-FESG Taxonomy integration – connection - **extension**

**COREP extension** in the IS-FESG Taxonomy

- **Basel**
- **Credit**
- **Market**
- **Operational**

- The firms must define their **own risks concepts**
  - from **different natures** (financial, environmental, social and governance)
  - classified by **strategic objectives**
  - aligned with the **loss events according to Basel framework**
- **Internal management orientation**
The *ice* meaning in XBRL: IS-FESG Taxonomy integration – connection - extension

COREP extension in the IS-FESG Taxonomy: XBRL enabled technology

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**Strategic objectives**

The entity will edit its own family of KRIs as a classification for loss data collection and evaluation.

### XBRL 2.1 Specification

**Integration – connection - extension**

**Note:**

- **The meaning in XBRL:** IS-FESG Taxonomy
- **Financial indicators:**
  - **Economic efficiency**
    - KRI_F1
      - Number of events
      - Total loss amount
      - Maximum single loss
  - ... ...
- **Environmental indicators**
  - **Energy efficiency and emissions**
    - KRI_E1
      - Number of events
      - Total loss amount
      - Maximum single loss
  - ... ...
- **Waste management efficiency**
  - KRI_Ei
    - Number of events
    - Total loss amount
    - Maximum single loss
  - ... ...
- **Social indicators**
  - **Human Capital**
    - KRI_S1
      - Number of events
      - Total loss amount
      - Maximum single loss
  - ... ...

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**Event Types**

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**Number of events**

**Total loss amount**

**Maximum single loss**

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Solvency framework Basel *extension* in the IS-FESG Taxonomy

- **Pillar I**: Capital requirement
  - Credit risk
  - Market risk
  - Operational risk
- **Pillar II**: Supervision authority
- **Pillar III**: Market discipline
Early future: Towards the corporate reporting ecosystem - Integrated model
“With Integrated Scoreboard Hecho it is possible to anticipate as competitive advantage what tomorrow will be required by regulators”

Thank you for your attention

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