Climate Change Reporting Taxonomy
Innovative reporting for a green economy

Innovative uses of XBRL

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The views expressed in this presentation are those of the presenter

Winner of the 2012 Zayed Future Energy Prize
Overview

1. Climate Change disclosure

2. CDP & CDSB: past, present & future

3. Integrated Reporting
Climate Change Disclosure - 1

Assessment and transparency of risks across the board helps to prevent systemic risks to the global financial (\& economic) system.
Climate Change Disclosure - 2

$\beta = \text{stock sensitivity to market fluctuation} – \text{measures the stock risk}

“analysis of potential beta variations led to sustainability impacts of up to ± 10% on the target price of companies”

“Sustainability really matters for financially needy companies” (EBIT<15%)

(Valery Lucas-Leclin & Sarbjit Nahal, 2007, Sustainability Analysis, Analysts at Societe Generale)
Statistical correlation, based on daily returns, between 2011 CDLI and the Global 500 is 0.5, and between the 2011 CPLI and Global 500 is 0.6 (from 1 January 2005 to 31 May 2011). It is likely that other factors will influence the relationship between financial performance and high carbon disclosure and performance scores. These could include the capability of the management team or the company’s broader approach to identifying and capitalizing on opportunities or managing risks.

Source: Bloomberg
Sharp Says Thai Floods to Hurt Sales as Toyota, Ford Cut Output

October 27, 2011, 6:30 AM EDT

By Terje Langeland

Output losses from the floods that have inundated about 10,000 factories are spreading beyond Thailand as supplies of components for cars and computers are disrupted. Operating profit at Toyota may be reduced by 125 billion yen ($1.6 billion) as plant closures cut production by 250,000 vehicles through Nov. 20, analysts at Credit Suisse Group AG led by Kunihiko Shiohara said in a report dated yesterday.

"Difficulties securing electronic components are likely to have increasingly significant impacts," Credit Suisse said in the report.
Who requests information on climate change?

- **Regulators** (financial, securities, environment, energy governance, business)
- **Standard setters**
- **Non-government organizations**
- **Private sector groups and professionals**
- **Academics**
- **Rating agencies**
- **Investors**
- **Consumers**
Accelerate solutions to climate change and water management by putting relevant information at the heart of business, policy and investment decisions.

Investors Signatories to the Carbon Disclosure Project
“CDP is to the future of business what the X-ray was to the then-future of medicine — without it, we would never have seen the insides of the patient's health.”

Christiana Figueres

Executive Secretary of the UN Framework Convention on Climate Change (UNFCCC)
CDP & CDSB – 3 (CDP questionnaire)

Management:
- Governance
- Strategy
- Targets & Initiatives
- Communication

Risks & Opp.

Emissions:
- Methodological & baseline
- Scope 1, 2 and 3 + performance indicators
- Energy
- Verification/Assurance
- Emissions trading

Sector specific:
- Electric Utilities
- Oil & Gas
- Auto
- ICT

Supplier
CDP & CDSB – 4 (CDP data)

NON PUBLIC RESPONSES

SIGNATORY INVESTORS
REQUESTING SC/PP MEMBER

AGGREGATE DATA ONLY

PUBLIC RESPONSES/ SCORES

SIGNATORY INVESTORS
REQUESTING SC/PP MEMBER

CDP WEBSITE
CDP ANALYTICS
CDP REPORTS

BLOOMBERG
GOOGLE FINANCE
THOMSON REUTERS
SUSTAINABILITY INDICIES

OTHER INVESTORS DISCLOSING COMPANIES YOUR CUSTOMERS GENERAL PUBLIC OTHER PUBLICATIONS

CARBON DISCLOSURE PROJECT
Climate Disclosure Standards Board
Fujitsu
XBRL
CDP & CDSB – 5 (CDP data - uses)

CDP DATA

INVESTORS

ACADEMICS

Understanding the environment in which policies are designed

Building knowledge in the areas of management, accounting, and policy

POLICY ACTORS

Informing procurement decisions

PROCURING COMPANIES

Informing strategy & learning from best practice

DISCLOSING COMPANIES

Engaging with companies and incorporating data into financial models

Engaging with companies and incorporating data into financial models

CDP & CDSB – 5 (CDP data - uses)
Mission: promote and advance standardized disclosure of climate change-related information in mainstream reports (Integrated Reporting)
CDP & CDSB – 7 (CCRF)

Climate Change Reporting Framework (CCRF)

• Set out requirements for Climate Change disclosure on what and to what extent report
• Provide suitable criteria for assurance
CDP & CDSB – 8 (Disclosure toolkit)

CDP single & unique, information request

CDSB & CCRF

CDP Guidance

XBRL eXtensible Business Reporting Language
CDP & CDSB – 9 (XBRL)

XBRL
CDP & CDSB – 10 (Toolkit package)

Publicly available:

+ XBRL
Challenges:

1. Long term resourcing and maintenance of taxonomy
2. Adoption
3. Transition from current system
Integrated Reporting

System thinking
(Jay Forrester, Dennis and Donella Meadows)

Sustainability solutions require System thinking

SUSTAINABILITY IS THE MAIN STRATEGIC ISSUE OF 21st CENTURY CORPORATION!

Integrated Thinking
(IIRC 2011,DP)

Integrated Reporting

Ecosystem

Economy

Daly, 1996
THANK YOU!

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