

# 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



**CARBON DISCLOSURE PROJECT**

Winner of the 2012 Zayed Future Energy Prize

# Overview

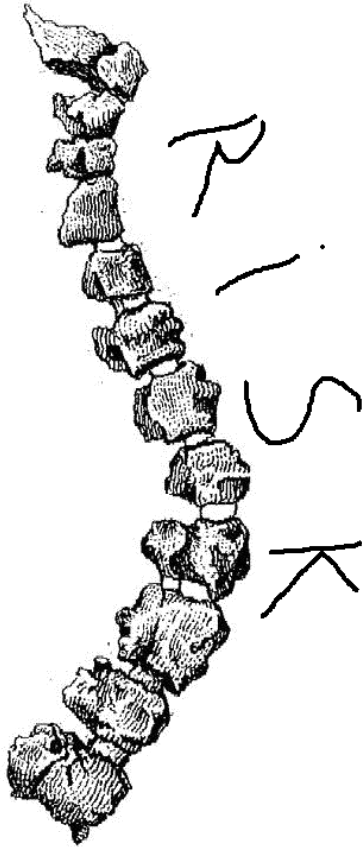
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1. Climate Change disclosure
2. CDP & CDSB: past, present & future
3. Integrated Reporting

# Climate Change Disclosure - 1

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FINANCE



Assessment and transparency of risks across the board helps to prevent systemic risks to the global financial (& economic) system

# Climate Change Disclosure - 2

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**$\beta$  = stock sensitivity to market fluctuation –  
measures the stock risk**

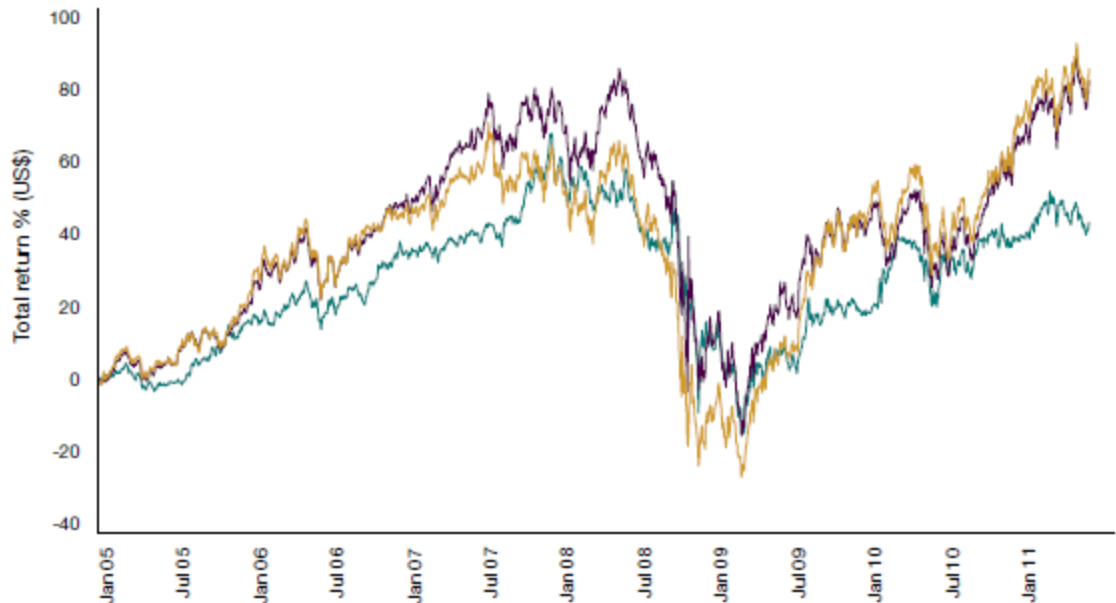
**“analysis of potential beta variations led to  
sustainability impacts of up to  $\pm 10\%$  on the  
target price of companies”**

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

(Valery Lucas-Leclin & Sarbjit Nahal, 2007, Sustainability Analysis, Analysts at Societe Generale )

# Climate Change Disclosure - 3

Figure 8: Total return % (US\$)



— CDLI 2011 — CPLI 2011 — Global 500 2011

Source: Bloomberg

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.

# Climate Change Disclosure - 4 (Supply Chain)

## 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.

# Climate Change Disclosure - 5

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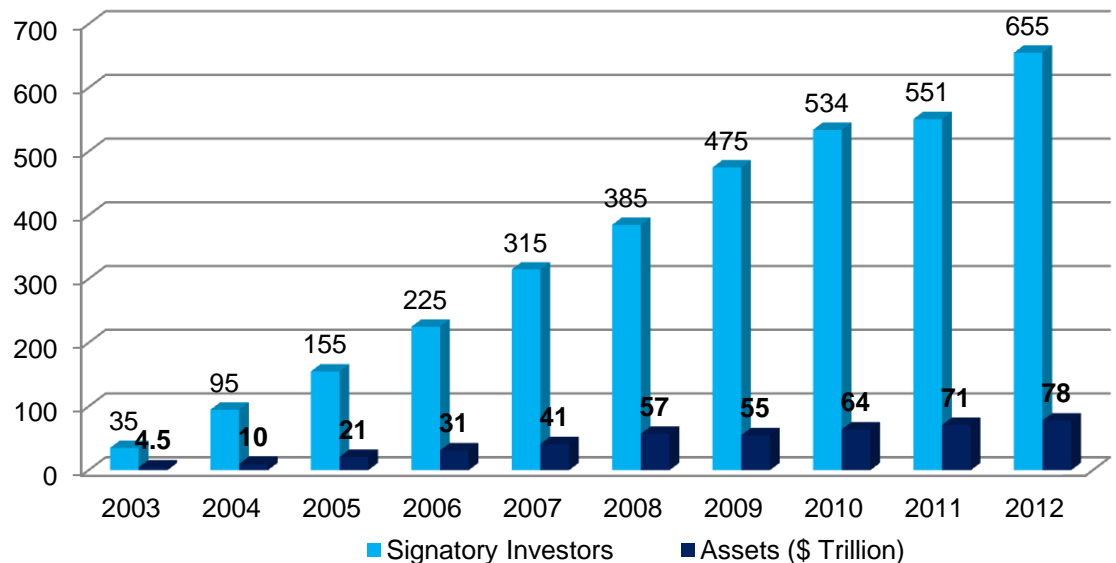
## Who requests information on climate change ?



- **Regulators** (financial, securities, environment, energy governance, business)
- **Standard setters**
- **Non-government organizations**
- **Private sector groups and professionals**
- **Academics**
- **Rating agencies**
- **Investors**
- **Consumers**

# CDP & CDSB – 1 (CDP)

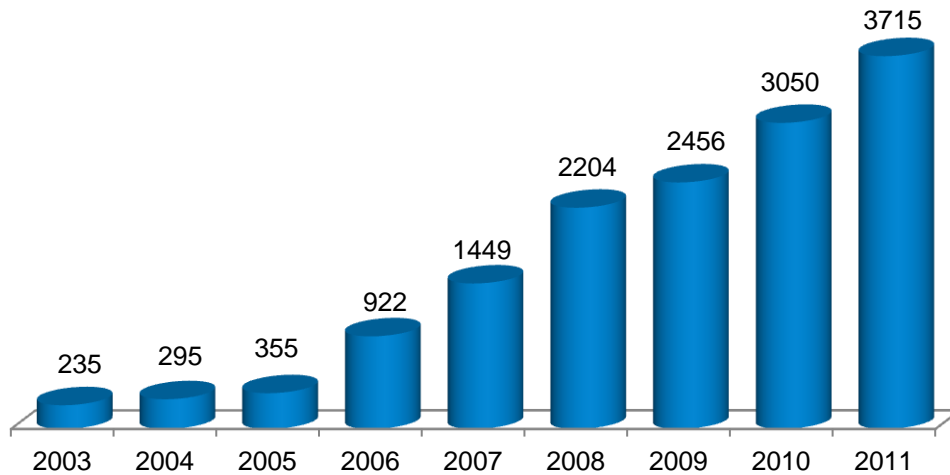
Accelerate solutions to climate change and water management by putting relevant information at the heart of business, policy and investment decisions.



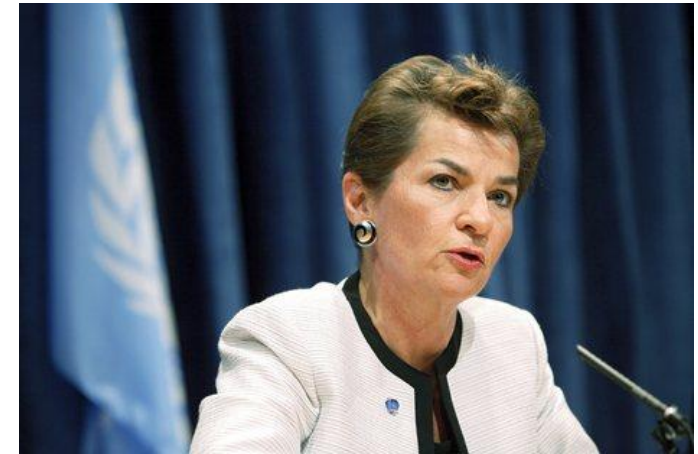
## Investors Signatories to the Carbon Disclosure Project



# CDP & CDSB – 2 (CDP)



**Number of companies disclosing to CDP  
(Investor + Supply Chain)**



**“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)

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## Management:

- Governance
- Strategy
- Targets & Initiatives
- Communication

## Risks & Opp.



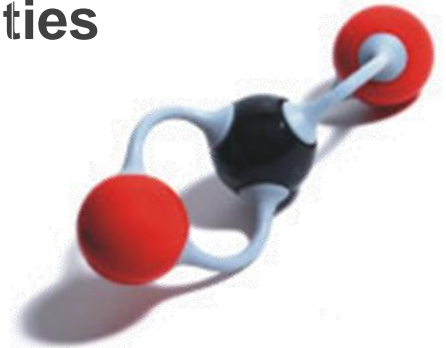
## Emissions:

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

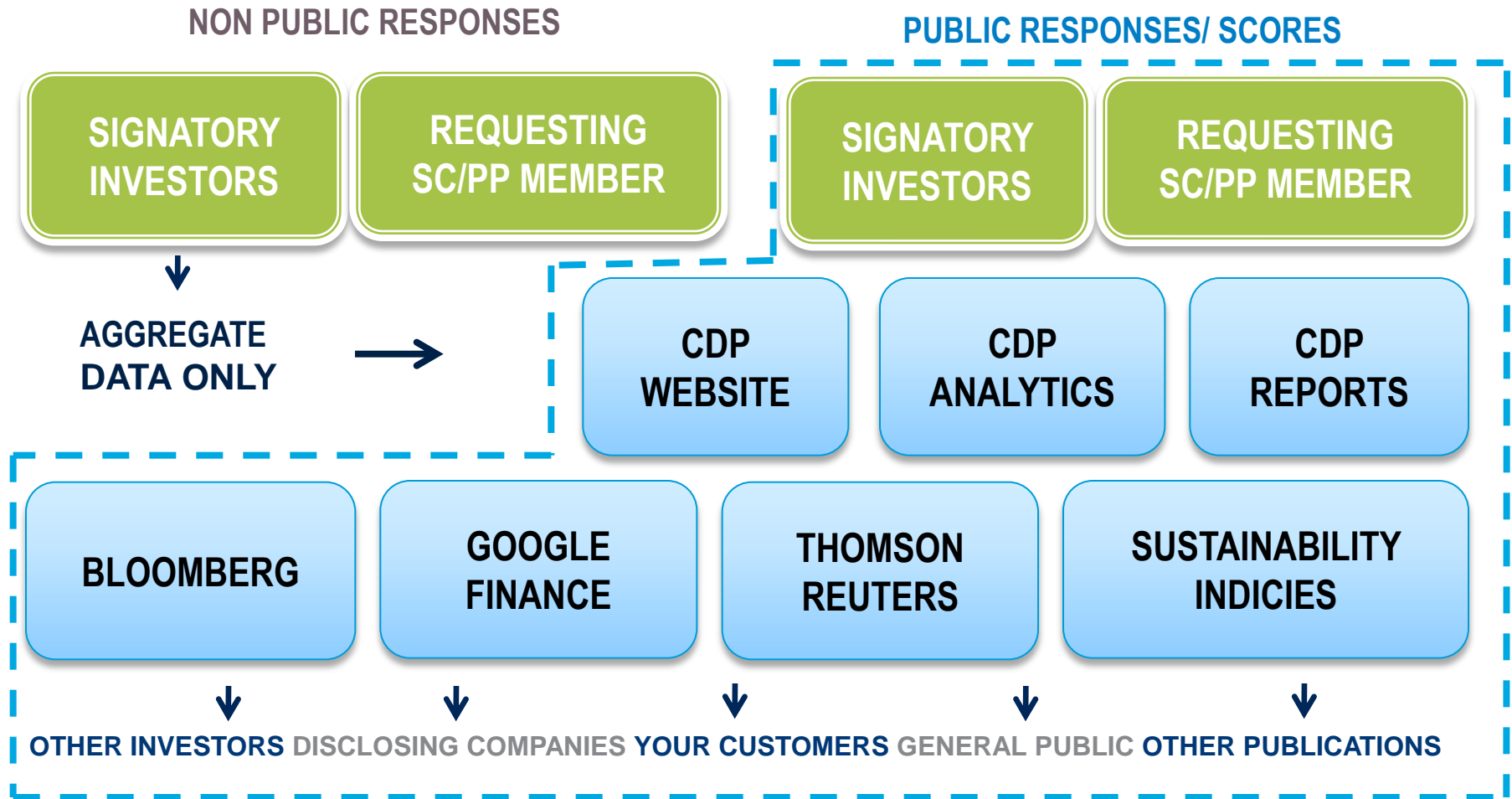
## Sector specific:

- Electric Utilities
- Oil & Gas
- Auto
- ICT

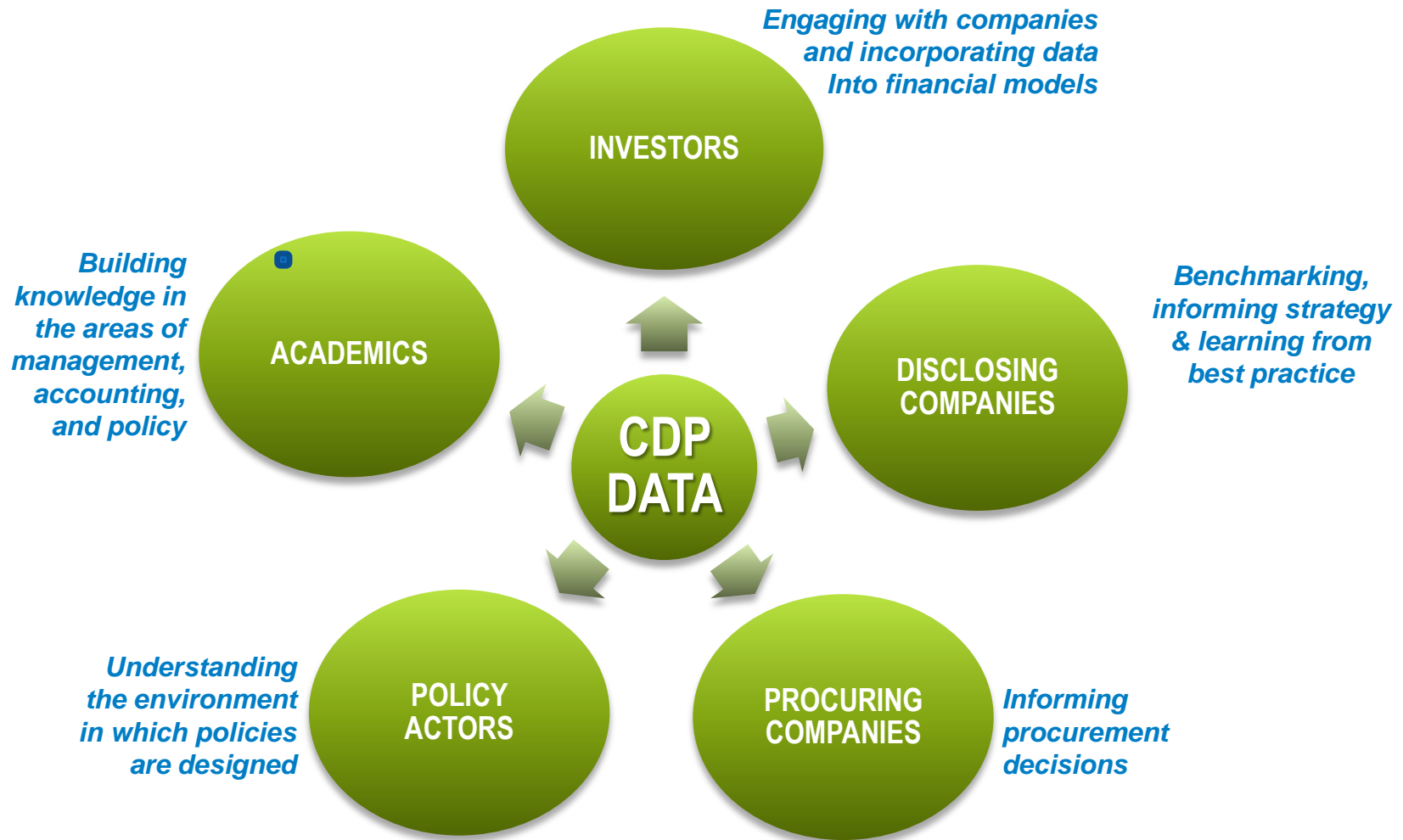
## Supplier



# CDP & CDSB – 4 (CDP data)



# CDP & CDSB – 5 (CDP data - uses)



# CDP & CDSB – 6 (CDSB:Climate Disclosure Standards Board)



Created at WEF Davos (2007), Secretariat provided by CDP

**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



Climate Change Reporting  
Framework – Edition 1.0  
September 2010

Promoting and advancing climate change-related disclosure

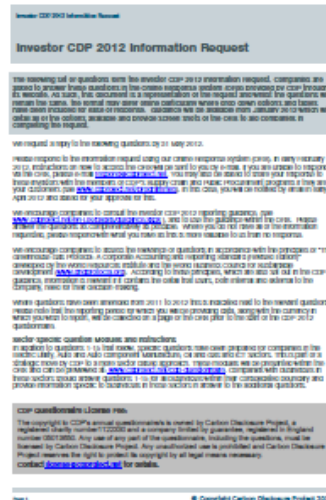


# CDP & CDSB – 8 (Disclosure toolkit)



CDP single & unique, information request

## CDSB & CCRF



CARBON DISCLOSURE PROJECT

Guidance for responding companies  
Investor CDP 2012  
CDP Supply Chain 2012

## CDP Guidance





# CDP & CDSB – 9 (XBRL)

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## XBRL



# CDP & CDSB – 10 (Toolkit package)

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**Publicly available:**



**+ XBRL**

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# CDP & CDSB – 11

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## Challenges:

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

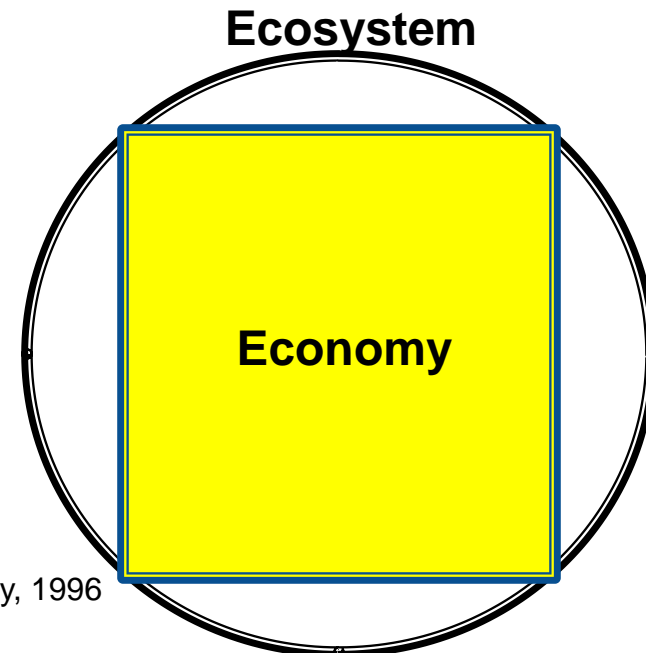
# Integrated Reporting

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**System thinking**  
(Jay Forrester, Dennis and Donella Meadows)

**Sustainability solutions require System thinking**

**SUSTAINABILITY IS THE MAIN STRATEGIC ISSUE OF 21<sup>st</sup> CENTURY CORPORATION!**



Daly, 1996

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# THANK YOU!

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