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# CDP and XBRL

evolution with: stock exchanges,  
investors  
and authorities

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# Objectives

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- ▼ Intro to CDP
- ▼ Why [environmental risk]?
- ▼ Stock Exchanges
- ▼ Investors
- ▼ Regulators

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# Mission and what we do

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## CDP's mission

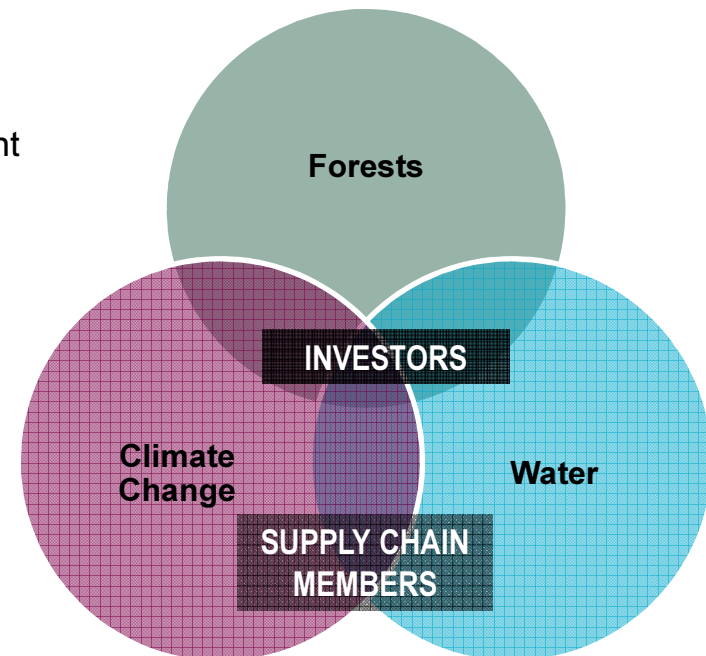
- To transform the global economic system to prevent dangerous climate change and value our natural resources by putting relevant information at the heart of business, investment and policy decisions

## CDP collects information on:

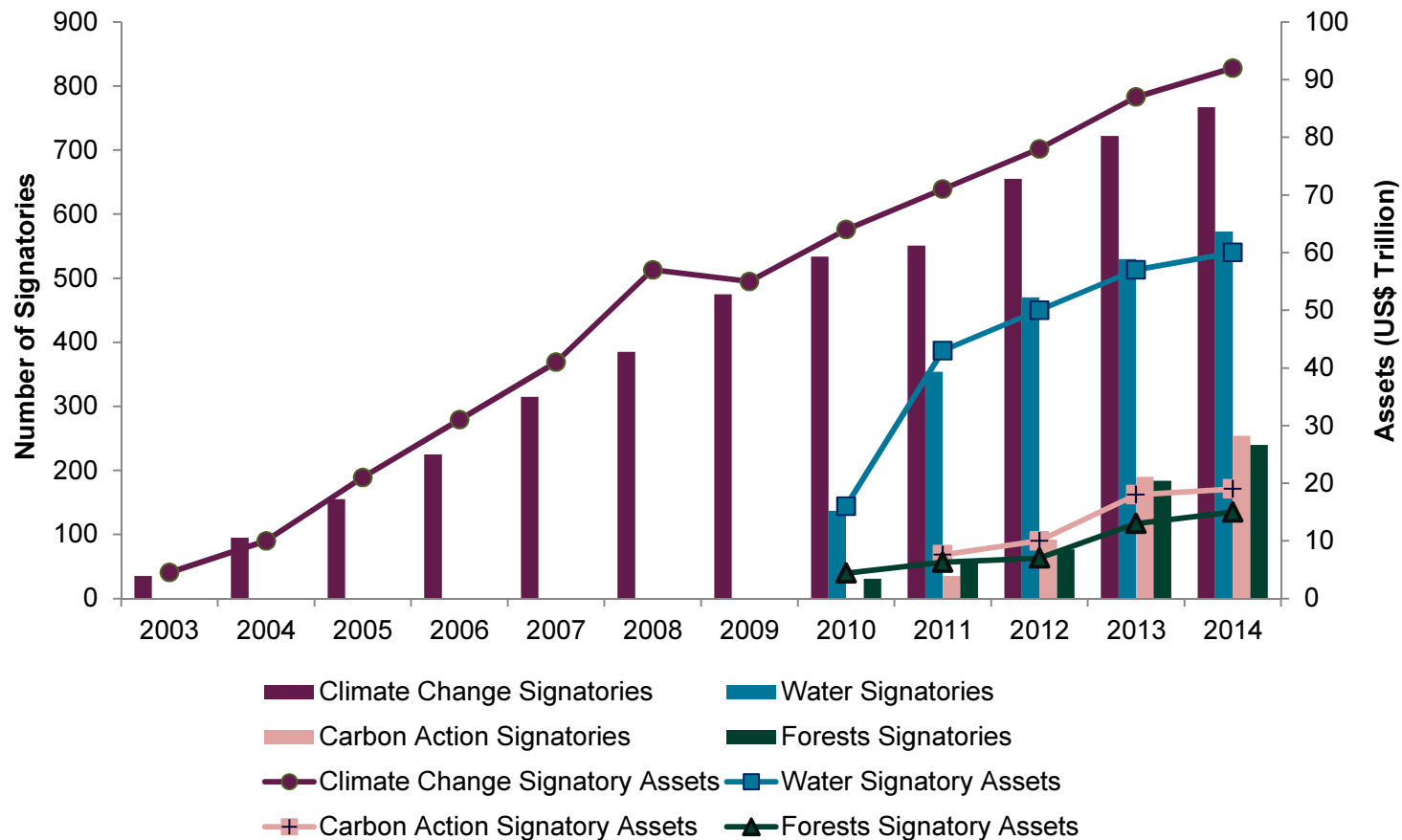
- Climate Change
- Water
- Forests

## From:

- Publicly listed companies
- Their suppliers
- World's largest cities



# Signatories & Assets under management, 2003-14



Climate change

**4,350**

Reported in 2013

Water

**380**

Reported in 2013

Forests

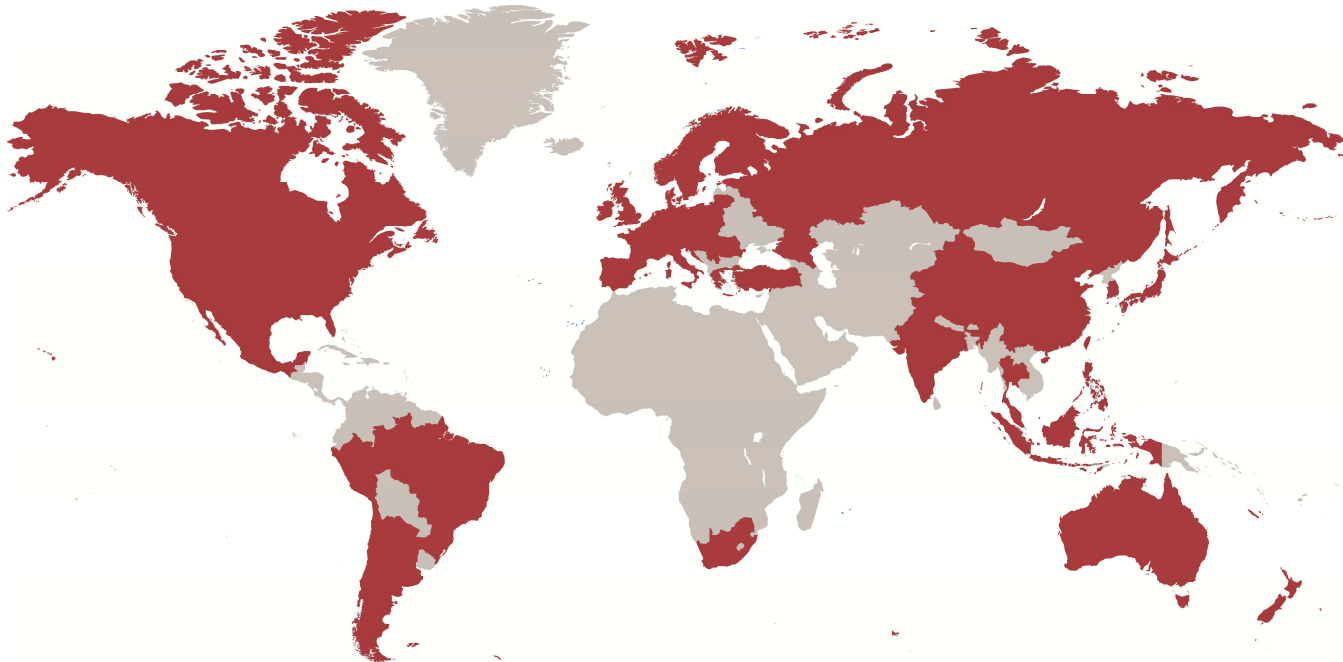
**138**

Reported in 2013

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# CDP worldwide

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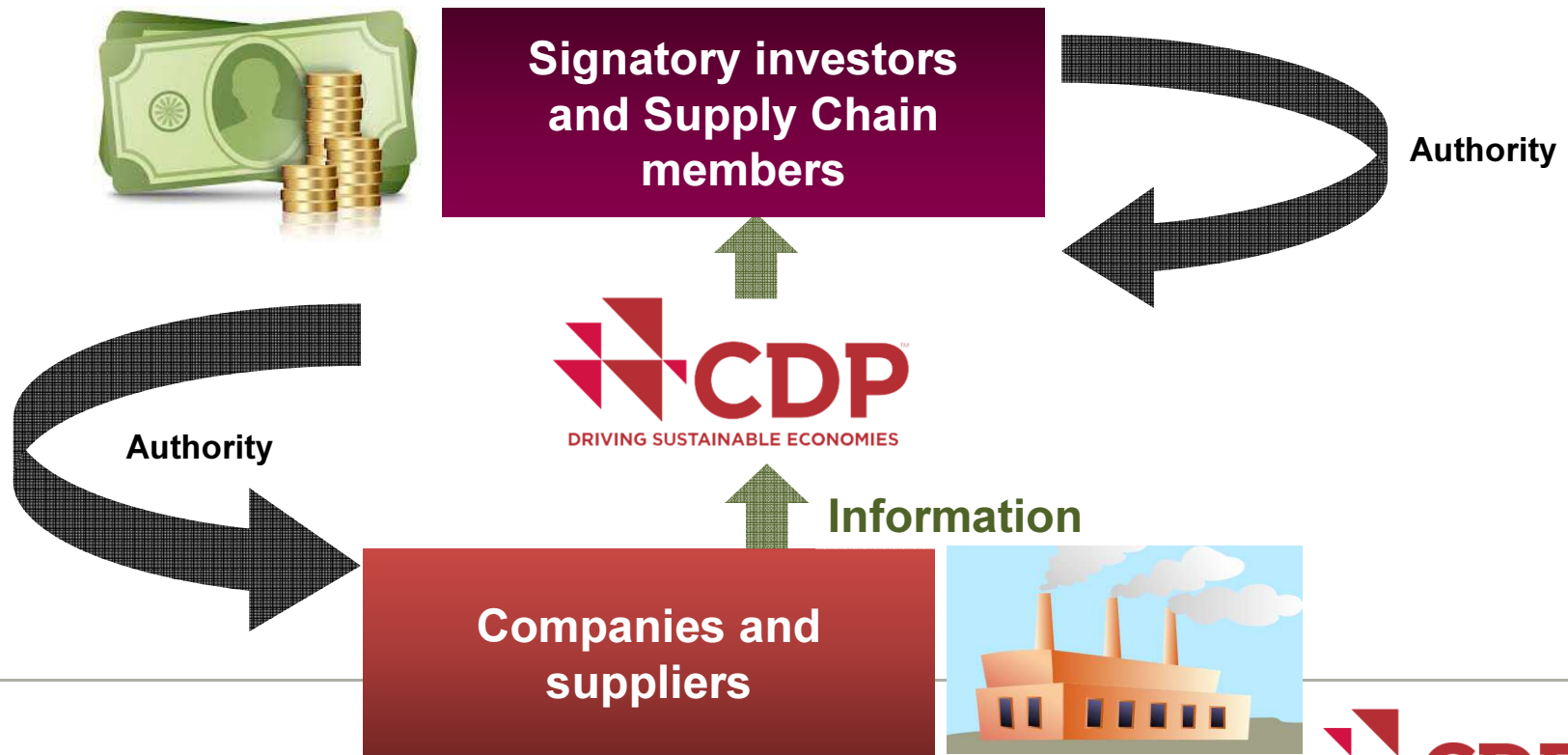


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[www.cdp.net](http://www.cdp.net) | @CDP



# How We Work

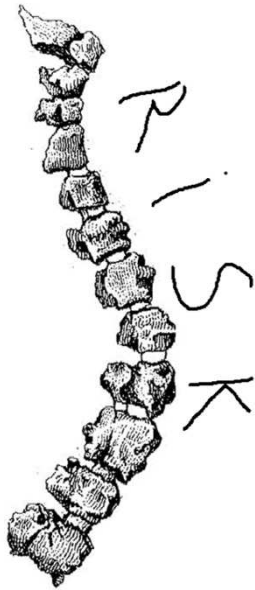


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# Why – backbone of finance

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FINANCE



**“It is arguable that risk is the key concept in modern finance”**

Mark Joshi “The concepts and practices of mathematical finance”

**Risky assets: an asset of uncertain future value**

**Market efficiency: the price already includes all the information available about the asset.**

**Market value is the “true value”.**

# Why – materiality (direct)

5.1c

Please describe your risks that are driven by change in physical climate parameters

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
7	Change in precipitation pattern	Increased frequency and intensity of precipitation events (rain and snow)	Other: Damage to critical infrastructure	Current	Direct	Virtually certain	Medium-high
8	Other physical climate drivers	Changes in frequency of extreme weather events; Likelihood of Category 1 or greater hurricanes making landfall in Con Edison's utility service territories are very likely to increase in the long term.	Other: Damage to critical infrastructure	>10 years	Direct	Likely	High
	Change in	Increased frequency, intensity, and duration of heat waves, as well					

As of March 31, 2013, Con Edison reported that it had incurred \$521 million in response and restoration costs as a result of Superstorm Sandy. The costs are likely to continue mounting for several months to come.



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## Why – materiality (indirect)

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### 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 Kunihiro Shiohara said in a report dated yesterday.

"Difficulties securing electronic components are likely to have increasingly significant impacts," Credit Suisse said in the report.



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# Stock Exchanges

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- ▼ Risk evolves
- ▼ SE should adapt
- ▼ Pre-competitive issue

## Carbon Disclosure Project

Climate Resilient Stock Exchanges –  
Beyond the Disclosure Tipping Point



# Stock Exchanges – climate coverage


Exchange	Total Exchange Mkt Cap (Trillion USD)	Companies disclosing to CDP		Companies disclosing scope 1 emissions		Companies disclosing scope 2 emissions		Companies with partial verification scope 1	
		Rank	% of Total Mkt Cap	Rank	% of Total Mkt Cap	Rank	% of Total Mkt Cap	Rank	% of Total Mkt Cap
London	3.36	5	88%	1	80%	2	79%	2	62%
BME Spanish Exchanges	0.62	20	85%	2	82%	1	85%	1	72%
Deutsche Borse	1.49	13	83%	3	77%	5	74%	6	63%
Swiss SIX	1.20	15	81%	4	78%	3	77%	4	66%
Nasdaq OMX Nordic	1.06	16	80%	5	70%	8	72%	7	44%
Johannesburg	0.55	23	79%	6	78%	4	78%	3	48%
Australian Securities Exchange	1.57	11	78%	7	77%	6	76%	5	61%
Euronext	2.65	6	73%	8	71%	7	71%	8	53%
New York	12.01	1	68%	9	63%	10	62%	9	33%
Toronto	1.95	8	67%	10	64%	9	61%	10	28%
Korea	0.99	17	62%	11	55%	12	54%	11	36%
Tokyo	3.89	3	62%	12	47%	13	49%	13	21%
Borsa Italiana	0.60	22	59%	13	58%	11	50%	12	48%
NASDAQ	3.89	2	46%	14	38%	15	37%	15	25%
BM&FBOVESPA	1.52	12	41%	15	39%	14	37%	14	24%
NSE India	1.60	10	36%	16	31%	16	30%	16	7%
Bombay	1.63	9	35%	17	31%	17	29%	17	6%
Taiwan	0.82	19	33%	18	28%	18	28%	18	19%
MICEX	0.88	18	31%	19	25%	19	4%	24	0%
Hong Kong	3.37	4	20%	20	10%	21	5%	22	6%
Shanghai	1.98	7	15%	21	0%	28	0%	29	12%
Stock Exchange of Thailand	0.27	30	13%	22	10%	20	9%	19	0%
Singapore	0.60	21	11%	23	7%	23	6%	21	1%
Bursa Malaysia	0.41	25	9%	24	4%	24	2%	26	0%
Philippines	0.15	31	9%	25	9%	22	9%	20	1%
Mexico	0.49	24	4%	26	4%	25	4%	23	2%
Santiago	0.34	28	2%	27	2%	26	2%	25	0%
Shenzhen	1.28	14	2%	28	0%	28	0%	28	0%
Istanbul	0.30	29	1%	29	1%	27	1%	27	0%
Indonesia	0.36	26	0%	30	0%	38	0%	30	0%
Saudi Arabia	0.35	27	0%	31	0%	31	0%	31	0%
<b>Total</b>	<b>\$52.17</b>		<b>54%</b>		<b>48%</b>		<b>47%</b>		<b>30%</b>

- ▶ CDP provides good coverage
- ▶ CDP represents the investors
- ▶ Alignment is preferable & SE can benefit of out 15 years experience


# Stock Exchanges - Deutsche Börse

Deutsche Börse AG

Equity, ISIN DE0005810055, WKN 581005, DB1



DEUTSCHE BÖRSE



Overview

Charts

News

Price History


Master Data

Company Data

Key Figures

Sustainability

Data of sustainability complete the fundamental financial key figures and increase the transparency of the company in terms of a holistic investment decision [more](#)



Sustainability Figures

Environment Score	72.10
Social Score	85.70
Governance Score	68.30

Carbon Disclosure Project

Disclosure Score

Own Score	89 of 100 Points
Sector Average	64 Points
Total Average	70 Points

Performance Band


Own Score	Rating B
Sector Average	Rating C
Total Average	Rating C

Sector: Financial Services

Overall Result: All companies in Stoxx 1000

Awards

Carbon Disclosure Leadership Index D,A,CH



DRIVING SUSTAINABLE ECONOMIES

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# Stock Exchanges – Rio ESG commitments

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The image shows the cover of a consultation paper titled "INCR LISTING STANDARDS DRAFTING COMMITTEE CONSULTATION PAPER: Proposed Sustainability Disclosure Listing Standard for Global Stock Exchanges" dated April 2013. The cover features a central title in blue and black text. Surrounding the title are various logos of partner organizations, including the Sustainable Stock Exchanges Initiative (SSE), PRI (Principles for Responsible Investment), UNCTAD (United Nations), UNFPA (United Nations Population Fund), Investor Network on Climate Risk, RSA (Rugby South Africa), INBUL (Indian National Bull Market), IASDAQ OMX, EXT (Exchange), and the Warsaw Stock Exchange. The logos are arranged in a grid-like fashion around the central title.

**SSE** Sustainable Stock Exchanges Initiative

**PRI** Principles for Responsible Investment

**UNCTAD** UNITED NATIONS

**UNFPA** United Nations Population Fund

**Investor Network on CLIMATE RISK**

**RSA INBUL**

**IASDAQ OMX**

**EXT**

**WARSAW STOCK EXCHANGE**

**INCR LISTING STANDARDS DRAFTING COMMITTEE CONSULTATION PAPER:**

**Proposed Sustainability Disclosure Listing Standard for Global Stock Exchanges**

April 2013

# Regulators - UK

## UK mandatory Greenhouse Gas reporting

Our priority is to work with companies to use CDSB's Reporting Framework to comply with the new UK greenhouse gas (GHG) regulations.



Source: Neon / sxc.hu

The Companies Act 2006 (Strategic Report and Directors Report) regulations 2013 require UK quoted companies to report on emissions they are responsible for in their Directors Reports. CDSB has been working with the UK Department for Environment, Food and Rural Affairs (DEFRA) around the [regulation](#).

### Other resources

[Regulation](#)

[UK government guide to regulation](#)

[Compliance using CDSB Framework](#)

[Get in touch](#)

### Climate Change Reporting Framework



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# Regulators – UK/EU

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## Overview of the EU ETS Reporting Language

### General

The EU ETS Reporting Language is an electronic reporting language supporting EU ETS activities, such as requesting environmental permits, submitting monitoring plans and reporting annual emissions.

The Reporting Language was updated by the European Commission in 2013 with the support of a Technical Working Group consisting of emissions trading specialists from many Member States.

### Architecture

The EU ETS Reporting Language has been created using the XBRL (eXtensible Business Reporting Language) language, which is an open data standard for business reporting.

The Reporting Language consists of two schemas (EUETSRequest and EUETSReport) and two label linkbase files for both EUETSRequest and EUETSReport.

The EUETSRequest and EUETSReport schemas specify the elements in technical terms

**Current project in  
exploration phase:**

Standardization of  
environmental  
reporting within the  
UK

**Meeting @ Defra**





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## Regulators – Other parts of the world

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- ▼ Japan – voluntary working group [including XBRL]
- ▼ South Korea – voluntary working group [including XBRL]
- ▼ German KlimaReporting
- ▼ EU transparency directive amending accountancy dir.





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# Investors - Index providers (1)

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RobecoSAM: François Vetri // head of corporate communications // +41 44 653 10 02

## **POWERFUL NEW COLLABORATION WILL STREAMLINE CORPORATE SUSTAINABILITY REPORTING TO INFORM INVESTOR RANKINGS**

**18<sup>th</sup> March 2013:** As part of its annual corporate sustainability ranking process, RobecoSAM, the company behind the Dow Jones Sustainability Indices (DJSI), produced with S&P Dow Jones Indices, will now ask public companies the same climate change questions as those developed over the past decade by CDP, provider of the only global environmental disclosure system and producer of the annual Climate Disclosure and Climate Performance Leadership Indexes (CDLI & CPLI). This collaboration will improve the comparability of sustainability data



# Investors - Index providers (2)

## FTSE CDP CARBON STRATEGY INDEX SERIES

Mitigating and adapting to climate change is one of the biggest challenges for the 21st century and will be a major structural driver of economic change. The FTSE CDP Carbon Strategy Index Series aims to support investors in incorporating climate change risks into their investment strategy.

It features future-oriented criteria to assess the exposure of individual companies to higher future costs associated with greenhouse gas emissions. Some companies will be better placed to exploit the transition to a low carbon economy; other companies will see their value diminished if they fail to adapt. These indices are carbon-risk-tilted versions of FTSE's established benchmark indices. The constituent companies remain the same but the weights of the companies are varied on the basis of their exposure to carbon risk relative to their sector peers. The overall weights of each sector are the same as for their benchmark indices, but some companies in each sector are over-weighted, while others are under-weighted.

### Indices

- ▶ [FTSE CDP Carbon Strategy UK 350](#)

### Further Information

[FTSE CDP Carbon Strategy Index Series Factsheet](#)

[FTSE CDP Carbon Strategy Index Series Methodology Overview Brochure](#)

[Ends Carbon FTSE CDP Carbon Strategy 350 Leaders Report](#)

[FTSE ESG Products Brochure](#)

[Carbon Disclosure Project Website](#)

[Ends Carbon Website](#)



# Investors - Index providers (3)



## Índice de Sustentabilidade Empresarial - ISE

O que é o ISE?

Composição/Carteira do Índice

Estatísticas Históricas

### Apresentação

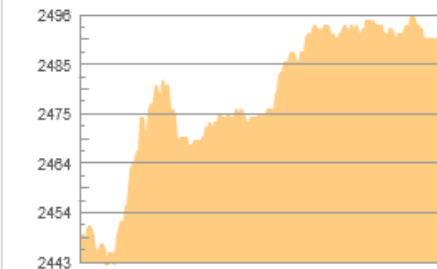
Iniciativa pioneira na América Latina, o Índice de Sustentabilidade Empresarial (ISE) busca criar um ambiente de investimento compatível com as demandas de desenvolvimento sustentável da sociedade contemporânea e estimular a responsabilidade ética das corporações. Iniciado em 2005, foi originalmente financiado pela International Finance Corporation (IFC), braço financeiro do Banco Mundial, seu desenho metodológico é responsabilidade do Centro de Estudos em Sustentabilidade (GVCes) da Escola de Administração de Empresas de São Paulo da Fundação Getúlio Vargas (FGV-EAESP). A Bolsa é responsável pelo cálculo e pela gestão técnica do índice.

O ISE é uma ferramenta para análise comparativa da *performance* das empresas listadas na BM&FBOVESPA sob o aspecto da sustentabilidade corporativa, baseada em eficiência econômica, equilíbrio ambiental, justiça social e governança corporativa. Também amplia o entendimento sobre empresas e grupos comprometidos com a

### Acompanhe o Índice ISE

02/Mai 17:19  
Pregão Encerrado

atualizar



1,59 %

2.485 pts

# Investors – Data providers - Bloomberg

Analyze Equity Security Menu ▾ BARCLAYS PLC Equity ▾ FA ▾ Message ☆ 📄 ⚙️ ?

▸ <HELP> for explanation.  
Click numbers for transparency

BARC LN Equity 96) Settings 97) Actions ▾ 98) Output ▾ 99) Feedback Financial Analysis

Barclays PLC Periods 12 Annuals Currency USD ▾

1) Key Stats 2) I/S 3) B/S 4) C/F 5) Ratios 6) Segments 7) Addl 8) ESG 9) Custom

11) Overview 12) Environmental 13) Social 14) Governance 15) Exec & Dir Comp 16) ESG Ratios 17) CDP

In Millions (except Per Share)	FY 2012	FY 2011	FY 2010	FY 2009	FY 2008	FY 2007	FY 2006
12 Months Ending	2012-12-31	2011-12-31	2010-12-31	2009-12-31	2008-12-31	2007-12-31	2006-12-31
CDP Disclosure Score	92	92	89	87	74	98	--
CDP Reporting Boundaries	OPR	n/a	OPR	OPR	n/a	n/a	n/a
Carbon Emissions Disclosure Indicator	Public	Public	Public	Public	Public	Public	Public
<b>Reporting Period</b>							
Start Date of CDP Reporting Year	2012-01-01	2010-01-01	2010-01-01	2009-01-01	2008-01-01	2007-01-01	n/a
End Date of CDP Reporting Year	2012-12-31	2010-12-31	2010-12-31	2009-12-31	2008-12-31	2007-12-31	2006-12-31
CDP Survey Year	2013	2012	2011	2010	2009	2008	2007
CDP Reported Fiscal Year	2012	2010	2010	2009	2008	2007	2006
<b>Risks and Opportunities</b>							
Regulatory Risk Exposure	Yes	Yes	Yes	Yes	Yes	n/a	n/a
Physical Risk Exposure	Yes	Yes	Yes	Yes	Yes	n/a	n/a
Other Risk Exposure	Yes	Yes	Yes	Yes	Yes	n/a	n/a
Regulatory Opport Present	Yes	Yes	Yes	Yes	Yes	n/a	n/a
Physical Opport Present	Yes	Yes	Yes	Yes	Yes	n/a	n/a
Other Opportunities Present	Yes	Yes	Yes	Yes	Yes	n/a	n/a
<b>GHG Emissions</b>							
Scope 1 Emissions	0.05	--	0.05	0.06	0.03	0.03	0.04
Scope 2 Emissions	0.79	0.82	0.94	0.85	0.58	0.46	0.37
Ret Certs Low Carbon	n/a	Yes	Yes	n/a	No	n/a	n/a
Emissions from Travel	0.17	0.19	0.11	--	0.07	0.08	0.07
CDP Level of Uncertainty Scope 1 E...	10.00	--	10.00	--	--	--	--
CDP Level of Uncertainty Scope 2 E...	10.00	--	10.00	--	--	--	--
CDP Percentage Data Verified Scope 1	100.00	--	100.00	100.00	--	--	--
CDP Percentage Data Verified Scope 2	100.00	--	100.00	100.00	--	--	--
CDP Percentage Data Verified Scope 3	100.00	100.00	100.00	20.00	--	--	--

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## Investors – Data providers - Google Finance

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CDP's carbon disclosure scores, which assess the level of companies' climate change reporting, are available on Google Finance. The ratings are displayed in the "Key stats and ratios" section of Google Finance, alongside key financial data.

Key stats and ratios		
	Q4 (Dec '13)	2013
Net profit margin	20.06%	20.42%
Operating margin	23.26%	23.34%
EBITD margin	-	30.23%
Return on average assets	12.56%	11.93%
Return on average equity	15.93%	15.36%
Employees	53,861	-
Carbon Disclosure Rating	-	<a href="#">95/100</a>

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# Investors – Stranded assets

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New disclosures (?)

SEC reserve data

## Why are carbon asset stranding risks invisible in corporate reports?

News 23 Apr 2014

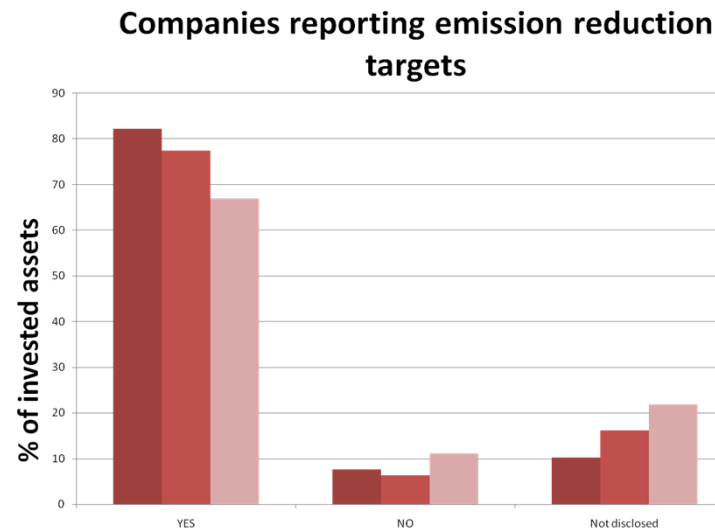


As part of revisions to its Framework CDSB invites comment on options for addressing carbon stranded asset risks in mainstream reports

CDSB has published a [discussion paper](#) that investigates why Carbon Asset Stranding Risks (CASRs) are almost invisible in corporate reports and proposes both amendments to existing legislation and new

requirements to reporting laws, standards and practices. These changes are designed to encourage companies to account for and report in a way that enables investors and other users of mainstream corporate reports to identify, assess and respond to CASRs.

# Investors – Climate portfolio characterization



**Screening tool**

**Engagement tool**

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# XBRL

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1. ~1 FTE working on XBRL
2. RFP scoping study for adaptation/revamp of CDP system to accept, process and produce XBRL
3. Taxonomies for all CDP programmes – Climate, water, forest and cities + SC
4. CDP Open Data



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Thank you!

Questions?