Response from : Dr. rer. oec. Axel Hesse
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Thank you for your CDSB Reporting Framework Exposure Draft and the opportunity to comment. I would like to comment on question 3.

3. *At the current stage in its development, the CDSB Reporting Framework, including the Reporting Templates, are designed for general use by all companies within the stated scope of applicability. Do you agree that further work is required to develop the Reporting Framework, including the Reporting Templates, to take account of particular sector-specific issues related to climate change? If so, please provide your recommendations, referring to particular sector specific climate change-related initiatives if possible.*

Yes, I do believe that only a sector-specific approach will lead to an effective and efficient climate change reporting in the future.

Regarding to the EU accounting law the annual report of a large company shall include:

"To the extent necessary for an understanding of the company's development, performance or position, the analysis shall include both financial and, where appropriate, non-financial key performance indicators relevant to the particular business, including information relating to environmental and employee matters; [...]".

Investors/analysts are the main target group for annual reports. This is why the copyrighted "Sustainable Development Key Performance Indicators" (SD-KPIs) concept, which I elaborated in several studies for Deloitte and the German Ministry of the Environment (see: http://www.sd-m.de/index.php?option=com_content&task=view&id=138&Itemid=285&lang=en), defines the three most important SD-KPIs for the business development from an investors'/analysts' point of view. SD-KPIs could be seen as a sector-specific minimum reporting requirement regarding sustainability issues in annual reports. SD-KPIs often refer to climate change, however
- sometimes the direct emissions are most important for the sector (e.g. utilities)
- sometimes the indirect emissions are most important (e.g. fleet consumption of car manufacturers)
- sometimes climate change issues are not included in the SD-KPIs (e.g. pharmaceutical industry).

SD-KPIs for more sectors will be defined for the German Ministry of the Environment early in 2010 (see link above).