

Climate Disclosure Standards Board and CDP welcome new environmental reporting requirement from Australian Securities Exchange

The Australian Securities Exchange (ASX) has updated its "[Corporate Governance Principles and Recommendations](#)", requiring ASX-listed companies to either disclose and identify how they intend to manage environmental, economic and social sustainability risks, or explain why they have not.

This new requirement is based on demand from global investors and businesses that are seeking greater transparency on economic, environmental and social issues affecting a company's prospects, thereby influencing investment decisions, especially by institutional investors.

The ASX has listed CDSB in its recommendations as one of the "*increasing calls globally for the business community to address matters of economic, environmental and social sustainability.*"

CDP and the Climate Disclosure Standards Board (CDSB) have been actively engaging with Stock Exchanges, policymakers and others on disclosure of non-financial information and welcome the development of increased guidance for listed companies in Australia. ASX has listed CDSB in its recommendations as one of the "increasing calls globally for the business community to address matters of economic, environmental and social sustainability."

CDSB's Executive Director Lois Guthrie said:

"I am delighted the Australian Securities Exchange has recognised developments in international reporting and in particular the momentum building behind greater transparency of environmental performance and risk. Similar initiatives are underway at Stock Exchanges around the world and governments are increasingly interested in the potential of integrating environmental and other non-financial information in mainstream reports.

As we prepare for the UN Secretary General's climate change summit in September 2014, it is clear that the corporate sector will have a greater role driving the changes to help the world shift toward a low-carbon economy. CDSB calls on regulators to accelerate the pace at which stock exchanges are setting climate change (inclusive of stranded assets) and environmental listings requirements for companies".

CDSB encourages listed companies to adhere to best practice when disclosing non-financial information, including focusing on reporting harmonisation. In the absence of international agreement by States or Stock Exchanges, it is vital to work together to prevent divergent local reporting requirements developing.

CDP is an international, not-for-profit organization providing the only global system for companies and cities to measure, disclose, manage and share vital environmental information. CDP hosts the Secretariat of CDSB and shares its views on the importance of international consistency in reporting.

CDP's Director – Australia and New Zealand James Day said: "CDP is highly supportive of the ASX's efforts to improve corporate environmental reporting. While a number of ASX companies are improving their disclosure of environmental risks, most need to do more.

CDP believes this move by the ASX could help to improve the resilience and financial performance of ASX-listed companies over time. CDP and Sustainable Insight Capital Management analysis of the world's 500 largest listed companies has shown that companies that provide high quality climate change disclosure financially outperform their peers by generating a superior return on equity, more resilient cash flow generation, and stronger dividend growth.¹

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¹ Sustainable Insight Capital Management and CDP (2013), *Linking Climate Engagement to Financial Performance: An Investor's Perspective*, <https://www.cdp.net/CDPResults/linking-climate-engagement-to-financial-performance.pdf>

Notes to editors:

About CDSB

The Climate Disclosure Standards Board (CDSB) is a consortium of business and environmental organizations formed at the World Economic Forum's annual meeting in 2007. Its purpose is to jointly develop and advocate an international reporting framework for the integration of climate change and environmental information into mainstream corporate reports. The CDSB Secretariat is managed as a project of CDP (formerly the Carbon Disclosure Project) on behalf of the consortium of international business and environmental NGO's on CDSB's Board. Follow us on twitter [@CDSBGlobal](https://twitter.com/CDSBGlobal).

More information on CDSB can be found at www.cdsb.net

About CDP

CDP is an international, not-for-profit organization providing the only global system for companies and cities to measure, disclose, manage and share vital environmental information. CDP works with market forces, including 767 institutional investors with assets of US\$92 trillion, to motivate companies to disclose their impacts on the environment and natural resources and take action to reduce them. CDP now holds the world's largest collection of primary climate change, water and forest risk commodities information and puts these insights at the heart of strategic business, investment and policy decisions. Please follow us [@CDP](https://twitter.com/CDP) to find out more.

More information about CDP can be found at www.cdp.net

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