

CDSB welcomes European Parliament decision on corporate reporting

15th April 2014 London: Today's European Parliament decision to increase corporate transparency has the potential to identify previously hidden environmental risks, impact international climate change negotiations and harmonise increasing regulation by European Member States on corporate reporting of non-financial information.

The Climate Disclosure Standards Board (CDSB) has been advocating use of its Framework for reporting of environmental information in mainstream financial reports since 2007. CDSB has the only currently available methodology specifically designed to support companies report this kind of information in their mainstream reports and comply with the new regulations.

CDSB welcomes the vote today as an important step in this journey and look forward to working with many more companies on implementing the CDSB reporting Framework, as well as assisting the European Commission develop additional guidance on non-financial reporting practices. The decision which will affect approximately 6,000 European companies who will shortly be required to include a statement in their mainstream financial reports, detailing their current and foreseeable impacts on the environment.

The approval by the European Parliament marks the approval of a proposal from the European Commission to amend the Accounting Directives (Fourth and Seventh Accounting Directives on Annual and Consolidated Accounts, 78/660/EEC and 83/349/EEC, respectively). In addition to greater transparency on environmental issues, companies will also be required to disclose information dealing with social and employee-related matters, respect for human rights, anti-corruption, bribery issues and diversity on the boards of directors. CDSB and CDP actively promoted this proposal with several other European organisations including Aviva, ACCA, WBCSD, ECCJ, EuroSIF and others.

The outcome of the European Parliament vote today also has potential to impact on international climate change negotiations as part of the UNFCCC process, whereby the UN Secretary General has specifically asked the corporate sector to catalyse ambitious actions to reduce greenhouse gas emissions, ahead of the UN Climate Summit in New York in September 2014.

Denmark, France and the UK have implemented a range of mandatory environmental reporting requirements and are additionally supplemented by a number of Stock Exchanges having similar reporting requirements. These various non-financial reporting requirements differ quite extensively and as a result, CDSB welcomes moves to standardise and harmonise the rules at a European level.

CDSB's Managing Director Mardi McBrien said "CDSB has been working globally for 7 years with companies, investors and regulators to encourage and support the inclusion of non-financial information such as that agreed by the European Parliament today in mainstream corporate reports. CDSB's Framework will now be an essential tool for business in meeting the requirements of the regulation."

CDSB's Executive Director Lois Guthrie said that "CDSB's experience shows that transparency is a key driver towards good leadership and management, trust, overall company performance and good capital allocation decisions over the mid and long-term. The EU must now focus its efforts to ensure that the implementation of these new requirements across the member states will result in consistent and comparable reports by companies to ensure that they are suitable for analysis by the investor community".

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 special project of CDP (formerly the Carbon Disclosure Project) on behalf of the consortium of international business and environmental NGO's on CDSB's Board. For more information visit www.cdsb.net and follow us on twitter [@CDSBGlobal](https://twitter.com/CDSBGlobal).

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