Climate Disclosure Standards Board (CDSB) Reporting Framework Consultation Paper

This paper provides the Atkins response to the eleven key questions asked as part of the consultation process.

1) Do you agree that a single global framework for climate change related disclosure in mainstream reports is necessary and/or possible, notwithstanding the background of different national developments? If not, please explain why.

   Yes. As a multinational organisation Atkins welcomes a single global framework for climate change related disclosure.

2) Do you agree with CDSB's overall approach of aligning its Guiding principles to existing relevant principles and objectives of financial reporting so as to elicit information of value primarily for investors? If not, please explain why and share with us your ideas for a new/different approach to climate change related reporting.

   Yes. Atkins agrees that the Guiding principles should be aligned with the principles and objectives of financial reporting taking into consideration the points raised in response to the other questions.

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.

   We agree that the Reporting Framework and Reporting Templates can be developed to incorporate sector-specific issues and would welcome this development.

   As a design and engineering consultancy we believe that ideally the Framework should take into account an organisation's ability to reduce other organisations' greenhouse gas emissions and climate change impact. As this is a report aimed at investors we feel that this is a key factor that an investor would be looking for alongside what an organisation is doing to reduce their own emissions. We would welcome the opportunity to provide support on what we feel the sector specific issues should be for our sector.

4) Do you agree with the principles and characteristics of decision useful information that CDSB recommends for making judgements on the information to be disclosed under CDSB's Reporting Framework? If not, what additional principles or characteristics are required, or which ones suggested in the Framework would you change?

   Yes, we agree with the principles and characteristics that CDSB recommend.

5) Do you agree that the CDSB characteristics of decision useful information are practical for companies to apply and sufficient to limit the amount of information disclosed to the most relevant content for users? If not, what additional guidance or information do you suggest CDSB include?

   Yes.

6) Do you agree with the content that CDSB recommends for potential inclusion in disclosures under the CDSB Reporting Framework? If not, what additional areas would you recommend or which types of information in the Reporting Templates would you change?

   We welcome the layout of the Reporting Framework and the main points recommended for inclusion in an organisation's report.

   However we do not believe that climate change reporting should include recommendations to disclose spend on energy consumption. Atkins does not believe that this provides any relevant information related to either energy performance or management of climate change issues when information is already supplied on actual consumption.

7) Does one or more of the jurisdictions in which you operate already have requirements for any of the content in the Reporting Templates to be disclosed according to local rules? If yes, are the requirements consistent

with the proposed CDSB Framework including the Reporting Templates? If they are not consistent, what are the major areas of conflict or difference?

No.

8) CDSB's proposed Reporting Framework requires companies to define and explain the performance measures and indicators they use to track and demonstrate their progress in responding to climate change. CDSB considers performance measures and indicators to be crucial elements of decision useful information as they aid understanding and comparability over time, provided that consistent metrics are used year on year. Do you foresee particular challenges in setting and explaining performance measures and indicators, and using those metrics on a consistent basis over time? If so, please explain those challenges.

We agree that performance measures and indicators are fundamental to the CDSB process to enable organisations to demonstrate progress. It is, and will always be, difficult to "compare apples with pears" making comparison between organisations difficult regardless of the measures and indicators. However we believe that the CDSB Reporting Framework is an appropriate method to use whilst observing that flexibility will be needed.

9) How do you anticipate information for compliance with the CDSB Reporting Framework will be collected in your organisation? If possible, please state whether in-house or proprietary software is likely to be used, which departments would be involved in the collection and review of information, and how long the annual information process is likely to take.

To collect relevant information for the CDSB Reporting Framework Atkins would use a mixture of in house software to collate certain data sets and purchased software for locations where we have remote energy metering systems. Information on specific activities and client engagement on climate change is provided by in house experts on climate change, sustainability and environmental management

The main departments involved in the collection of information are:

- *Energy*
- *Finance*
- *Corporate Facilities Management*
- *Group Communications*
- *Group Quality, Safety and Environment (QSE)*
- *QSE contacts across worldwide operations*

The information is then collated by the Group Quality, Safety and Environment department with the support of Group Communications. Prior to disclosure the information is reviewed by specific in house experts where necessary, Company Secretariat, Finance, Group Communications and the Board of Directors.

We report internally on these issues every quarter so collate the information on a regular basis. However we envisage that it would take one calendar month at year end to collate the information relevant to the CDSB Reporting Framework.

10) What practical issues do you envisage when disclosing under the CDSB Reporting Framework? For example, constraints on the length of the mainstream report or particular requirements applicable in the jurisdiction in which you operate. What could CDSB do to limit any practical difficulties associated with reporting under the CDSB Reporting Framework?

Atkins envisages that constantly changing scopes or boundaries of activity make year on year comparison difficult as with any type of reporting. At face value it can appear that either the organisation is not improving performance on climate change issues or may convey the image that we are not being transparent as an organisation.

11) Is there anything else of relevance you would like to raise?

There are two key questions that we would appreciate clarification on:

Is the CDSB Reporting Framework expected to replace the current Carbon Disclosure Project?

Do you envisage organisations being able to be audited against or certified to the CDSB Reporting Framework?

We would also like to emphasise two particularly positive features of the proposed framework:

a) The strong link to financial reporting standards (with guiding principles based on IASB ED 2008 principles) which will help achieve accountant buy-in.

b) The fact that the work builds on the existing work of its Board members, including the CDP. Too often, exercises such as this start afresh rather than building on what is good.