CDSB
Climate Disclosure Standards Board

CDSB Framework consultation summary report

Promoting and advancing disclosure of environmental information

July 2014
www.cdsb.net/consultation

1 About 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. CDSB's purpose is to develop and advocate an international reporting framework for use by companies when making disclosures in, or linked to, their mainstream financial reports. This initially focused on the risks and opportunities that climate change presents to their strategy, financial performance and condition. This consultation expands that scope further.

CDSB's Board provides strategic direction for our work and consists of organizations that are leading work, on a global scale, to develop or influence climate change policy. The Board is chaired by Richard Samans (Managing Director of the World Economic Forum). CDP (formerly the Carbon Disclosure Project) provides the secretariat to CDSB and manages the day-to-day work program on behalf of the consortium. A group of leading industrial and financial services companies together with governmental and non-governmental representatives act in an advisory capacity to CDSB. A Technical Working Group formed of representatives of the major accounting firms and professional bodies coordinates CDSB's work program with expert input from academics and specialist collaborators.

A draft of the original CDSB Framework, the Climate Change Reporting Framework, was released for public consultation at the World Business Summit on Climate Change in May 2009. Edition 1.0 was subsequently published in September 2010. Edition 1.1 was released in October 2012 to reflect updates to some of the International Accounting Standards Board's pronouncements and CDSB's position on organizational boundary setting. In March 2013 guidance on communicating climate change in mainstream reports was published to complement the Framework.

The CDSB Board made the decision to expand its mission to encompass other types of environmental information related to climate change in its Framework, and in particular to include information about water and forest risk commodities. The decision to expand the CDSB Framework was prompted by various factors, including the development of compliance requirements for disclosure of environmental information in some jurisdictions[1,2,3,4,5] and the demand for a more holistic approach to corporate reporting on environmental information. Our approach now takes account of the mutual interdependence between i) finance, ii) the extraction, production and consumption of forest risk commodities and water and iii) associated outputs from business activities, such as greenhouse gas (GHG) emissions, as contributors to current environmental challenges including climate change. In addition, organizations are now affected by and recognize water and forest commodity risks[6,7].

Building on the work of its Board members, CDSB seeks to standardize reporting of certain types of environmental information through collaboration and by identifying and coalescing around the most widely shared and tested reporting approaches that are emerging around the world. CDSB therefore adopts relevant principles from existing standards and practices with which business is already familiar. CDSB has drafted edition 2.0 of the Framework in line with the objectives of financial reporting and updated the text to incorporate other developments in corporate reporting.

---

[1] Government of United Kingdom, The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013. United Kingdom. [online] Available at [http://www.legislation.gov.uk/uksi/2013/1970/made]

[2] Government of Denmark, Act amending the Danish Financial Statements Act (2008) Section 99a. Denmark. [online], Available at [http://csrgov.dk/legislation]

[3] Government of South Africa, Institute of Directors Southern Africa (2009) King Code of Governance Principles and the King Report on Governance (King III). South Africa. [online], Available at [http://www.iodsa.co.za/?page=kingIII]

[4] Government of France. Grenelle II Law (2010) LOI no 2010-788 du 12 Juillet 2010 portant engagement national pour l'environnement. France. [online], Available at [www.legifrance.gouv.fr/jopdf/common/jo_pdf.jsp?numJO=0&dateJO=20100713&numTexte=1&pageDebut=12905&pageFin=1]

[5] Canadian Securities Administrators (2010) Environmental reporting guidance, [online] available at [http://www.securities-administrators.ca/aboutcsa.aspx?id=928]

[6] CDP (2013) A need for a step change in water risk management CDP Global Water Report 2013, [online], Available at [https://www.cdp.net/CDPResults/CDP-Global-Water-Report-2013.pdf]

[7] CDP (2013) Global Forests Report, [online] Available at [https://www.cdp.net/CDPResults/CDP-global-forests-report-2013.pdf]

2 Introduction

This document summarizes the major issues raised by respondents to the CDSB Framework consultation process. It has been prepared by the CDSB Secretariat and highlights a number of issues raised by respondents to the consultation draft and includes a summary of the process followed by CDSB in developing its Framework.

2.1 Background

The CDSB Framework (version 1.1) focuses on climate change-related reporting, in particular corporate risks, opportunities and strategies associated with climate change and the quantification of GHG emissions. However, climate change risks, opportunities and strategies and GHG emissions cannot be separated from their wider effects. Climate change affects and is affected by business, finance and by the elements of nature that produce value to people (known as natural capital[8]), including the material benefits derived from environmental assets and the services provided by the environment (including regulatory, cultural and supporting services)[9]. The CDSB Board therefore decided to expand the Framework to recognize the interdependencies between business, finance, climate change and natural capital. Naturally, other dimensions of society are affected by these interdependencies, including accretion and depletion of social capital. However, CDSB's mission demands focus on reporting that informs investors about how corporate performance is affected by climate change and certain aspects of natural capital. In particular, at this stage in its development, the draft CDSB Framework focuses on greenhouse gas emissions, water use and forest commodities. The CDSB Secretariat secured funding for the project through a joint bid with CDP from the Velux Foundations. The draft expanded CDSB Framework (edition 2.0) was released for public consultation to request views and opinions. This report summarizes the process and outcomes from the consultation.

2.2 Purpose

The expanded CDSB Framework is designed to help organizations prepare and present environmental information in mainstream reports for the benefit of investors. Information prepared in accordance with the CDSB Framework is designed to allow investors to assess the relationship between specific environmental matters and the organization's strategy, performance and prospects. Through the provision of robust information, CDSB hopes to encourage analysis and decision-making by investors that recognizes the dependence of economic and financial stability on a sustainable and healthy environment.

2.3 Timeline

The first phase of CDSB's drafting work included a review of literature, standards and best practice from global sources and a compilation of requirements for regulatory reporting of water and forest information. A working draft was subsequently prepared for and reviewed by the CDSB Technical Working Group[10]. Following approval by the Board, the draft was released for public comment on 11th February 2014[11] for 92 days, with extensions granted to a small number of reviewers. Given the complex nature of the topic, complementary papers on carbon asset stranding risks and boundary issues were released for consultation on 29th April 2014[12] (for 30 days) and 29th May 2014[13] (for 30 days) respectively.

---

8 "*Natural capital refers to the elements of nature that produce value to people, such as the stock of forests, water, land, minerals and oceans*." UK Natural Capital Committee (2014) Second State of Natural Capital report, [online] Available at [https://www.naturalcapitalcommittee.org]

9 Services may be grouped into four types (i) provisioning services (e.g. the provision of timber from forests); (ii) regulatory services (e.g. when forests act as a sink for carbon); (iii) supporting services (e.g. the formation of soils); and (iv) cultural services (e.g. the enjoyment provided to visitors to a national park).2 Generally, provisioning services are related to the material benefits of environmental assets, whereas the other types of ecosystem services are related to the non-material benefits of environmental assets. See TEEB (2014) Ecosystem services, [online], Available at [http://www.teebweb.org/resources/ecosystem-services]

10 See [http://www.cdsb.net/about-cdsb/leadership-governance/technical-working-group]

11 See [http://www.cdsb.net/news/324/cdsb-expands-corporate-reporting-framework-include-additional-natural-capital-risks-and]

12 See [http://www.cdsb.net/news/338/why-are-carbon-asset-stranding-risks-invisible-corporate-reports]

3 The consultation

3.1 Methodology

In parallel with the release of a PDF document an online consultation platform, (Collaborase)[14], was used to publish the draft Framework and collect feedback on it. The platform is managed by Interactive Leader and is also used by others, such as the International Organization for Standardization (IS), for the development of standards. It allows respondents to comment on the draft Framework and on each other's remarks and for all comments to be viewed by anyone registered to use the platform. The CDSB Secretariat received positive feedback about the consultation platform.

A landing page was created on the CDSB website[15], which contained the details and resources required for the consultation. We prepared a short guide for respondents using Collaborase, which focused on registration and usage instructions. In addition, a video was prepared to introduce potential respondents to the consultation and the CDSB Framework. A comprehensive set of frequently asked questions[16] was developed and listed on the CDSB website.

Although CDSB recommended the use of the online consultation tool, it accepted and gave equal weight to consideration of comments received offline. However, it reserved the right to interpret and/or attribute comments received offline to specific passages of consultation text or questions where necessary for the analysis of responses. Comments made by individual respondents are included in Appendix 1 to illustrate certain points. This report represents a neutral discussion of the responses received.

3.2 Due process

The CDSB Board and Technical Working Group agreed a due process[17] which set out the procedures, processes and principles to underpin CDSB's consultation. In particular, it relates to how revisions to the CDSB Framework are managed. CDSB's due process adopts relevant principles from equivalents published by the International Integrated Reporting Council, Global Reporting Initiative and International Federation of Accountants.

The due process specified that all comments made on the consultation platform would be visible to other registered respondents to see and comment on. All comments received through the consultation platform, by email, or post would be considered a matter of public record and would be published through the consultation platform and/or on the CDSB website. An option for private comments was provided for, by prior agreement only, but was not requested.

[13] See [http://www.cdsb.net/news/363/how-set-boundaries-mainstream-reports]
[14] See [http://www.collaborase.com]
[15] See [http://www.cdsb.net/consultation]
[16] See [http://www.cdsb.net/consultationFAQ]
[17] See [http://www.cdsb.net/dueprocess]

3.3 Consultation outreach

CDSB engaged in a number of outreach activities, events, meetings, conferences, etc., associated with preparing for and promoting the consultation exercise (see ***Table 1***). In addition to the direct engagements in the countries listed, many others were facilitated through CDP colleagues and key stakeholders in various countries.

In-person presentations were held at major sustainability reporting events, with positive feedback from attendees. CDSB also held a number of webinars to ensure a global reach.

Details	Location
CDSB's Chairman Richard Samans (also Managing Director of World Economic Forum) discussed the updated Reporting Framework at annual WEF event.	Davos, Switzerland
Presented at World Forum on Natural Capital	Edinburgh, United Kingdom
Presented at the WBCSD MRV event to explore different reporting schemes in the market and how they could be reflected in WBCSD work and 2020/2050 agendas.	Geneva, Switzerland
Presented to IMS Consulting event on reporting & materiality.	London, United Kingdom
Presented to Smarter Sustainability Reporting conference.	London, United Kingdom
Hosted five webinars over multiple time zones to introduce the CDSB Framework and the update activities.	Australia, Asia, Europe, Americas
Presented at CDP Spring workshop and hosted two breakout sessions on reporting environmental information in mainstream corporate reports in the context of the UK regulations.	London, United Kingdom
Attended UNEP raising the bar MRV corporate reporting to feedback and influence the content of an upcoming report to support the Group of Friends of Paragraph 47 global outreach activity.	Paris, France
Presented at ManageCO$_2$ webinar	London, United Kingdom
Discussed developments of sustainability reporting at the International Convention of Environmental Laureates, organized by the European Environment Foundation	Freiburg, Germany
Presented at CSR Europe event	Brussels, Belgium
Presented at Smart Sustainability Conference	Sydney, Australia
Met and briefed Christiana Figueres (Executive Director, UNFCCC) to update her on the development of the Reporting Framework.	London, United Kingdom
Discussed CDSB's Framework and activities at OECD roundtable on sustainable development, alongside WBCSD, SASB, GRI and IIRC	Paris, France
Discussed CDSB's updated Framework in the context of harmonisation and linking of reporting methodologies	New York, USA

Table 1 – Engagement activities

The outreach plan included traditional and social media activities. The external stories, blogs and links are summarized in ***Table 2*** and ***Table 3***. The page outlining the expansion of the Framework was the most visited page throughout the duration of the consultation, with visitors spending an average of four minutes on the page. The consultation also increased traffic by a third to the CDSB website.

With the help of CDSB's wide network, social media was a very effective tool to raise awareness of the expansion of the CDSB Framework. Twitter was a particularly successful channel, with over 880 tweets and retweets that we are aware of referring to the Framework consultation alone.

The discussion paper on Carbon Asset Stranding Risks (CASRs) attracted particularly good interaction due to the popularity of the stranded assets debate. A few reactions follow:

Joel Makower, Editor, Environmental Finance magazine:

UN Principles for Responsible investment (investor coalition):

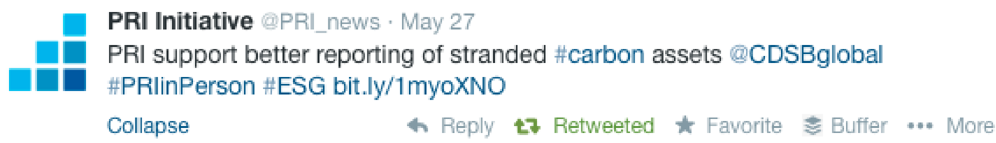

Table 2 below shows individual impressions from various engagement activities. Impressions are not unique, but repeated impressions from various channels are useful in demonstrating the credibility of the consultation and are very helpful in persuading the individual or organization to respond.

Method of outreach	Framework impressions	Carbon Asset impressions	Boundary impressions
CDSB Newsletters	3,271	1,060	1,040
Partner newsletters (approx.)	54,000		
Website views	1,580	300	252
PDF downloads from website	293	N/A	42
Emails	709	198	176
Collaborase registered users	66	112	18
CDSB twitter (unique ~1/day)	883	890	935
Twitter (non-CDSB)	93,734	11,921	14,532
Webinars	19		
Presentations at events	750		
Slideshare presentation views	363		

Table 2 – Outreach and communication impressions

Media coverage of the consultation was focussed on the value of the CDSB Framework as a resource that harmonizes the currently ample environmental reporting landscape, as well as showing that the Framework is unique in the sense that it focuses on presenting environmental information in mainstream corporate reports. In this case, the discussion paper on Carbon Asset Stranding Risks has resulted in a strong response from the press.

Details	Date
RI ESG Briefing, Responsible Investor	18/02/2014
CDSB expands natural capital in new reporting framework, The Sustainability Report	19/02/2014
CDSB seeks views on updated environmental reporting framework, IAS Plus	20/02/2014
Not another reporting Framework?, Institute of Chartered Accountants of Australia	27/02/2014
NatCap13: 100 Days Later, Triple Pundit	01/03/2014
Not another reporting Framework?, ACCA Blog	10/03/2014
Natural Capital - the new sustainability lexicon? Ian Wood	26/03/2014
Another Reporting Framework? Yes, but a Valuable One, IFAC Blog	01/04/2014
Stranded asset risk reporting needs update, says CDSB, Environmental Finance	30/04/2014
Consultation begins on tougher stranded assets reporting regime, UN PRI	01/05/2014
Know Your Boundaries, International Federation of Accountants	23/06/2014

Table 3 – Examples of news stories, articles and blogs

3.4 Responses

Interest in the consultation was expressed by nearly 200 organizations and individuals registering on the online consultation platform and over 300 PDF downloads. Responses to the consultation were received from 46 individuals / organizations. See ***Table 15*** in Appendix 2 for the full list of responders.

Requests for extensions were made and granted to nine respondents, five of which subsequently submitted responses. The public consultation platform remained open for the length of the extension to facilitate these respondents. No other respondents registered or submitted comments in this period. One respondent commented on all three consultations (CDP), while a small number commented on two of the three consultations. Of the total responses, 24 were made using the online consultation platform, 18 were made offline and four were made using both options.

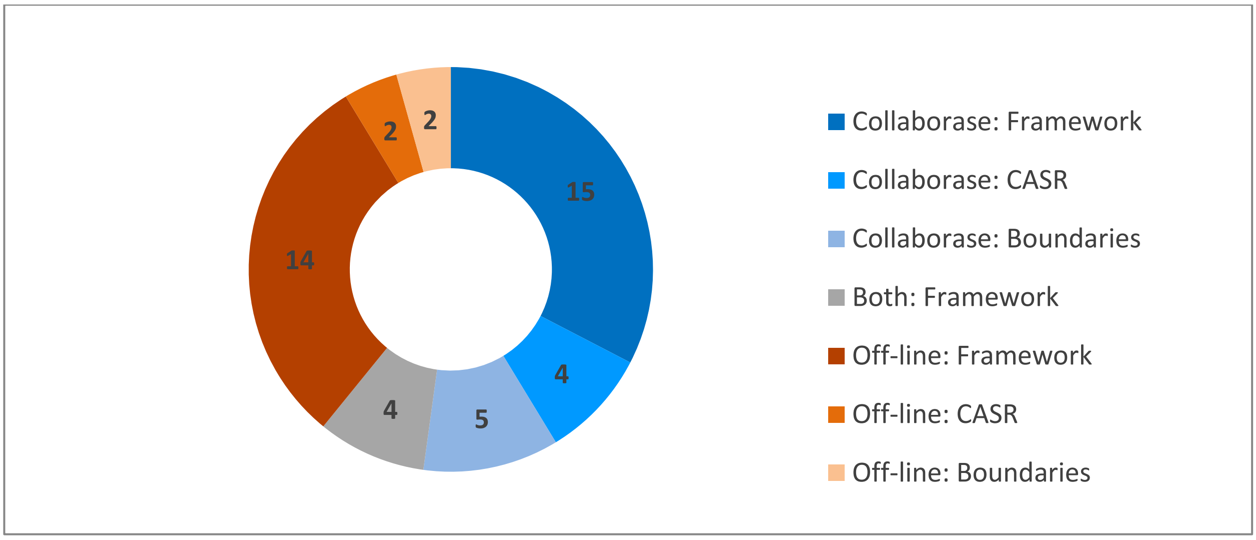

Figure 1 - Respondents by type to consultation(s)

Respondents from five main sector groups were identified; accounting, business, civil society & NGO, consultancy / assurance providers, finance and others. This latter group consists of individual respondents, Government / State Agency and views from the legal profession. The two largest responding sectors (see ***Figure 2***) are consultancy / assurance and civil society & NGO. These respondents in turn have a range of interests, specialisms, missions and outlook. The categorization is not intended to suggest their collective responses are homogeneous, rather the breakdown is for illustrative purposes only.

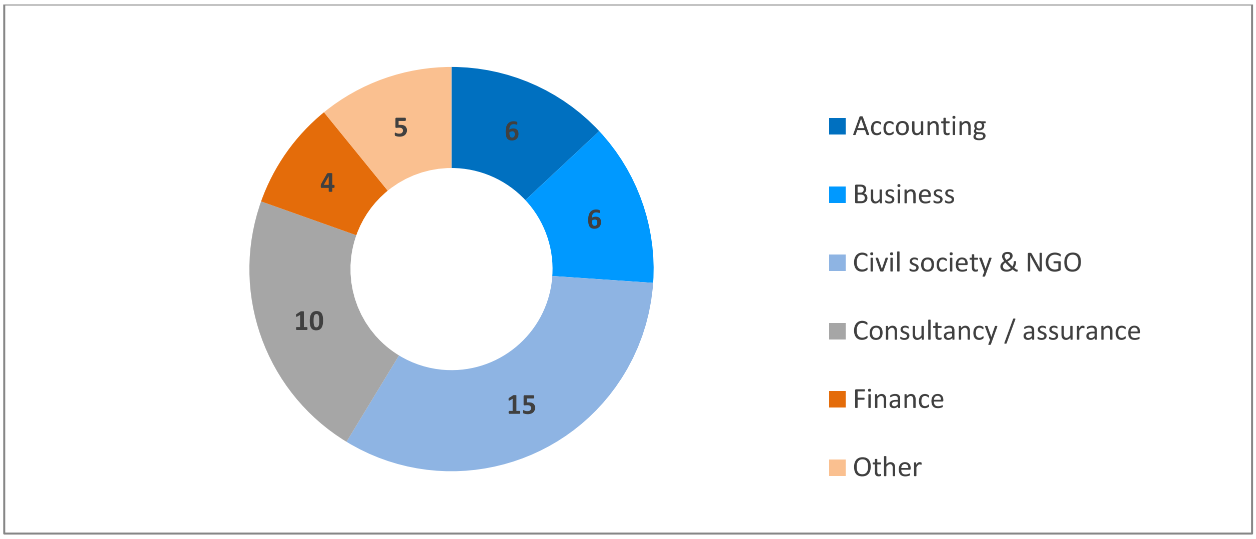

Figure 2 - Respondents by sector

Despite the best efforts of CDSB (see ***Tables 1, 2 and 3***) and the members of its Technical Working Group[18] to engage and solicit views from a variety of representatives, we do recognize the small number of respondents from the business sector and are now planning an appropriate response for the next phase of the development of the CDSB Framework.

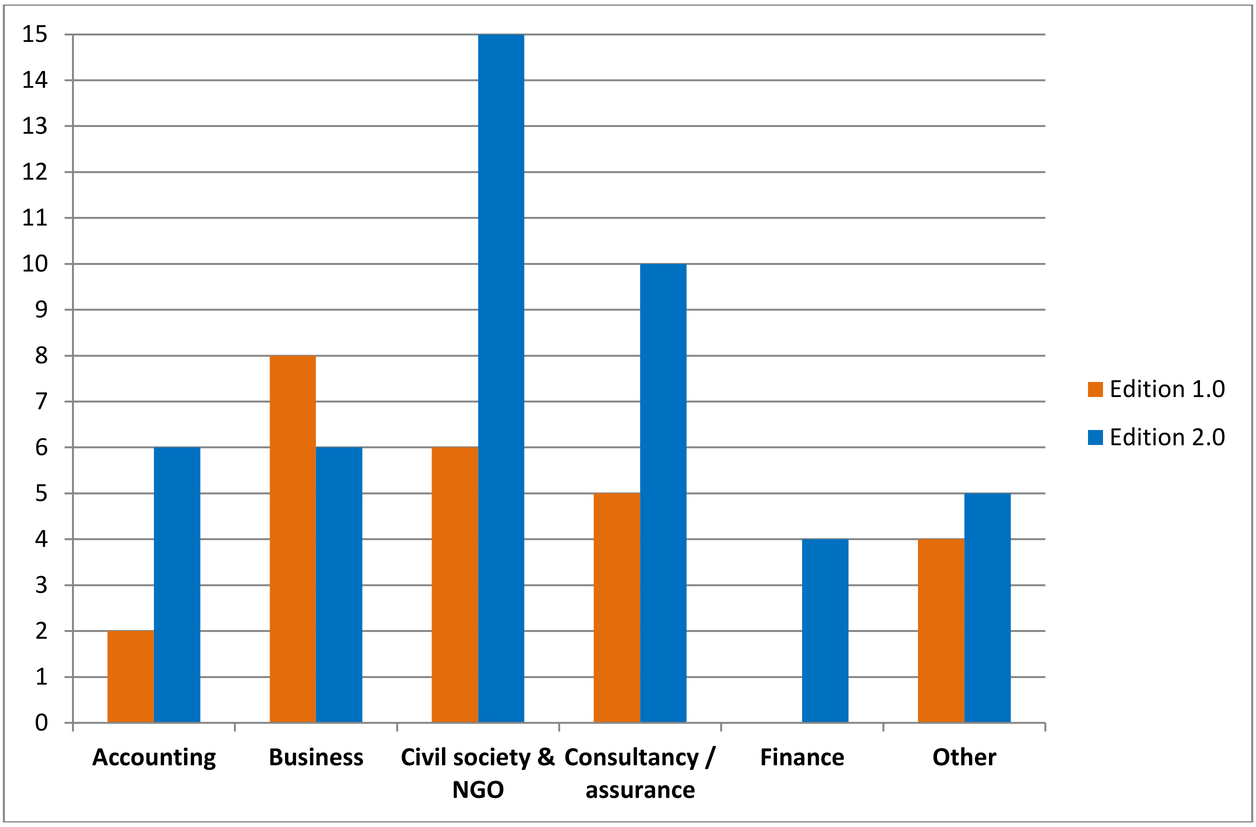

Figure 3 - Comparison of edition 1.0 and 2.0 consultation responses

[18] See [http://www.cdsb.net/about-cdsb/leadership-governance/technical-working-group]

4 Results

The results are listed in the tables in Appendix 1 and are ordered alphabetically, according to the name of the responding organization / individual. The nature of the responses and their agreement / disagreement has no bearing on their listing. A number of key words are bolded through the tables to highlight their occurrence. Some minor changes were made to fix typographical errors. Appendix 1 contains respondents' answers to the Framework consultation questions, in addition to a link to the full set of responses available on the CDSB website for review.

4.1 CDSB Framework

A range of general and specific issues were raised by respondents to the CDSB Framework consultation. This paper does not address each of these individually; rather it highlights those points that capture the essence of the responses.

4.1.1 Purpose of Framework and relevance of mainstream report

There was broad support for CDSB's mission and its activities. A number of respondents specifically made positive reference to the purpose of the CDSB Framework. Some respondents referred to the potential for CDSB's work to serve wider objectives, such as bringing about behavioural change and encouraging consistency in reporting activities. A number of respondents expressed concern that the value CDSB's Framework adds to the reporting landscape is not clear and that another reporting Framework has the potential to add complexity to that landscape. See ***Table 7*** for more information.

4.1.2 Expansion of scope

The majority of respondents broadly supported the expansion of scope to include forest risk commodities and water issues, noting the growing relevance of natural capital discussions. However, two main concerns were expressed about the expansion of scope. First, that the rationale for focussing on greenhouse gas emissions, water and forest commodities had not been adequately justified or explained. Secondly that the expansion was not wide enough and that the Framework should have been expanded further, to include for example waste, land use and food. See ***Table 6*** for more information.

The growing interest in natural capital and integrated reporting is not matched by clarity and alignment in corporate disclosure. As noted above, in expanding the scope of the CDSB Framework, some resistance to addressing issues beyond climate change was encountered. It is clear that better explanation and supporting material is needed to inform, communicate and engage all stakeholders with an interest in environmental reporting.

4.1.3 Alignment

The overwhelming majority of respondents raised the issues of alignment between the CDSB Framework and other reporting Frameworks. There were many comments seeking improved articulation, greater clarity and more transparency with regard to how the CDSB Framework relates to other reporting Framework, standards, protocols etc. There was limited evidence that respondents had found or viewed the "rationale" tab on the online consultation platform, which provided detailed references to reporting Frameworks, standards, protocols etc. from which CDSB has adopted relevant principles and/or with which the requirements in the CDSB Framework are aligned. The CDSB Secretariat has clear plans to address the concerns raised, as outlined further in section 5. See ***Table 12*** and various answers to the other consultation questions in the appendix for more information.

4.1.4 Maturity of draft

There were some concerns raised regarding the level of maturity of the consultation draft. Respondents recommended that CDSB should research and further develop a number of points relating to definitions, structure, referencing, etc. in the Framework.

4.1.5 Technical edits

A number of relatively minor edits, suggestions and amendments were advocated by various respondents.

4.2 Discussion papers

4.2.1 Carbon asset stranding risks (CASRs)

Joining non-financial information with financial information is a relatively new concept and companies need guidance on how to do this. Alongside the Framework consultation, CDSB produced discussion papers on stranded assets and boundaries for consultation. Carbon assets stranded risks (CASRs) are a topical issue, largely due to the work of Carbon Tracker. The discussion paper on stranded assets set out a number of issues and proposals which would help enable fossil fuel companies to report on these matters in their mainstream accounts. The discussion paper also establishes a case for how CDSB may engage further with partners and stakeholders in the future on how companies report other 'stranded assets' e.g. land affected by flooding that can no longer be productively farmed, that can be applied to other natural capital issues.

A small number of general and specific issues were raised by respondents to the discussion paper on stranded assets. Please see Appendix 1 for the link to the full set of responses, available on the CDSB website.

4.2.2 Boundary setting

Traditionally companies have collected non-financial data using an operational boundary approach however, when using the CDSB Framework and reporting in mainstream financial reports, a company must use a consolidated financial boundary so that the information can align with the financial data being reported. The discussion paper set out a number of proposals which support the development of the CDSB Framework in this regard.

A small number of general and specific issues were raised by respondents to the discussion paper on boundary setting, which are highlighted below. Please see Appendix 1 for the link to the full set of responses, available on the CDSB website. There was widespread support for many of the proposals listed in the discussion paper. Respondents raised general and specific issues relating to consolidated group boundaries, scope III emissions, leases, the influence the organization has over its suppliers' boundary setting, emissions from purchased electricity, consistency with external developments in boundary setting, transparency, supply chain matters and definitions.

5 Consultation outcome

5.1 Lessons learned and next steps

5.1.1 Structure of CDSB Framework

During the process of preparing the consultation draft, significant attention was devoted to determining what type of structure should be used for the CDSB Framework in order to make it as practical and intuitive for users. The structure of edition 1.1 does not lend itself to the addition of chapters dealing with water and forest risk commodities and the consultation draft therefore needed a structure that would allow the subject matter within scope (i.e.: GHG emissions, water and forest risk commodities) to be incorporated into all relevant requirements and guidance. Different models offered by other Frameworks, protocols, standards etc. were examined. A decision was made that the structure of the draft Framework should include main sections on:

+ **What to report**, i.e. the content requirements, which included information about the current state of the organization, its context, results, performance and leadership; the business implications and analysis of the business' performance, risks and opportunities etc. in relation to the subject matter within scope of the Framework and finally, the organization's strategic response to those implications.
+ **About the report**, i.e. information about how the organization's report is prepared, including the organizational boundaries used for the report, how information is prepared and presented and what reporting policies are used.
+ **How to report**, i.e. the criteria and principles that should be used to prepare the report (e.g.: relevance, consistency, materiality).

While CDSB's schedule was ambitious, the over-riding factor was to develop a robust Framework that is supported by those who will use it. Considerable effort was employed deconstructing the CDSB Framework (edition 1.1) in to its constituent architecture, methodology, requirements and scope elements. Thereafter the attention shifted to identifying the challenges arising from the expansion of scope. For example, while reporting of water use is not difficult in itself, the indices, metrics and standards used globally are not yet agreed. In the case of forest risk commodities, the maturity of reporting of biofuels, cattle products, palm oil, timber and soy is not yet established. There is a lot of interest in these issues and a subsequent demand for their inclusion, however given the uncertainty on metrics and indicators we noted their evolving maturity in the draft text. Their value and contribution to natural capital is recognized and as a result, it is important that the CDSB Framework allows for further development and innovation in these two areas.

Responses to the consultation suggest that further work is required on structuring the Framework. This includes providing greater clarity and explanation regarding the following:

+ Scope of subject matter (i.e.: GHG emissions, water, forest risk commodities);
+ Reporting requirements;
+ Guidance;
+ Supporting material such as measurement methodologies etc.;
+ Links to other frameworks, standards, protocols etc.;
+ To allow for future iterations, expansion of scope, inclusion of further guidance material etc.

5.1.2 Consider comments in detail and prepare revised draft

The consultation provided valuable and constructive feedback and the comments were generally very positive. As noted above, there were conflicting views on whether the CDSB Framework covers the right subject matter (i.e.: GHG emissions, water and forest risk commodities), whether the subject matter is appropriately defined and described and whether the rationale for the scope has been adequately justified. In response, we propose the following:

+ Reviewing whether the CDSB Framework should continue to focus on climate change and whether there is sufficient scope within that focus area to incorporate content requirements on related subject matter including water and forests;
+ Reviewing the choice of language used to described the scope of subject matter, in particular, the relative merits of using the terms "natural capital" or "environmental information" or others;
+ Developing messaging and explanatory text to explain the scope of subject matter covered by the Framework and the rationale for determining the scope.

5.1.3 Supplementary work

In addition to reviewing and acting on the comments received to date, CDSB proposes to undertake supplementary work which will support the launch of the Framework (edition 2.0). Based on consultation feedback, the CDSB Secretariat proposes issuing supplementary material to explain CDSB's work as follows:

+ An updated list of Frequently Asked Questions, which will be published in a prominent location on the CDSB website and referenced in the next draft Framework;
+ A schematic representation of how the requirements in the CDSB Framework link to, or are influenced by/adopted from other Frameworks, standards, protocols etc.;
+ An explanation of how CDSB aligns with other reporting Frameworks, standards and protocols;
+ An example of information prepared according to the CDSB Framework;
+ We propose to develop messaging and explanatory text to give the appropriate context to the CDSB Framework.

5.1.4 Terminology

There is widespread support and acceptance among companies of an "*environmental reporting framework*", as opposed to a "*natural capital reporting framework*", given the focus on environmental, ESG, sustainability terminology in recent years. While the "*natural capital*" term is becoming more widespread, there is less certainty among businesses about its exact definition. As the recent EU accounting regulations changes refer to "*environmental issues*" it is proposed to maintain consistency with these developments and ensure the CDSB Framework is relevant and clearly understandable in the context of various initiatives and developments.

5.2 Timeline

CDSB's original objectives and timescales for the development of version 2.0 of its Framework were ambitious. Feedback indicates that more time than was originally anticipated must be devoted to reviewing, researching and addressing the issues raised during the consultation and also that a wider range of expertise must be leveraged to prepare the next version. Therefore, following an external peer review, a second draft will be released for a consultation period of 45 days. The second consultation period will also be used to help develop a practical example, working with report preparers and practitioners on the application of the CDSB Framework.

The intention is that the second consultation will begin after the UN Climate Summit in September 2014, in association with CDSB Board members' activities in Climate Week. The intention is to release CDSB Framework edition 2.0 in spring 2015.

Respondents are sincerely thanked for the continued interest, support and constructive feedback throughout the process. Please check the CDSB website for future updates.

Appendix 1

A1.1 CDSB Framework questions posed to respondents

A series of questions were listed in the consultation draft for respondents' review and comment. The answers are set out below and discussed in more detail on the following pages. For the sake of brevity, where a responder indicated "*Not applicable*", "*No suggested amends*", "*No comment*", or did not answer a given question, this is not shown in the table – however the full consultation responses are publicly available on the CDSB website[19].

1. The objective of the Framework is explained in Section I. Do you agree with the objective as stated?

	Organization	Response
1	Association of Chartered Certified Accountants	ACCA believes that CDSB's framework has the potential to help organizations prepare and present environmental information in or linked to their mainstream reports, and to do so in a more comparable way. This is important as it enhances the relevance of the environmental information and allows the respondents of reports to understand the environmental context within which the reporting organization operates. Connecting environmental information with financial information and other disclosures within a mainstream report will allow the respondents of reports to assess the various environmental risks and opportunities facing an organization and help them assess an organization's strategy and commitment in light of the various environmental challenges that are impacting us today.
1	CDP	It should be made clearer that the Framework is about integrating environmental information within mainstream reports rather than linking to other sources.
1	CPA Canada	We do not agree with the objective as stated. As stated, the Objective ("purpose") relates to "environmental information," which is defined on page 2 as information about "environmental elements." "Environmental elements" in turn are defined for the purposes of the Framework as 1) Greenhouse gases, 2) Forest risk commodities, 3) Water, 4) Fossil fuel energy resources. The Consultation Draft (CD) does not explain why these particular types of environmental information are selected for the purposes of the Framework and why other common types of environmental information are not. Further, the explanations and examples of these elements indicate some inconsistency and lack of clarity among them as to their fundamental nature. For example, "forest risk commodities" include specified man-made products as well as related natural resources from which they are derived. "Fossil fuel energy resources" are neither defined nor explained; the discussion paper referred to could not be located, and the remainder of the CD does not make mention of this "element." The definition of "water" is confusing (oceans as part of the inland water system?). The CD does not make the case for a need to help organizations prepare and present information of these selected types in or linked to mainstream reports, as defined and explained on page 2. There is no evidence provided that investors or creditors are demanding that these selected environmental disclosures, and only these selected environmental disclosures, be amassed and disclosed in mainstream corporate reporting at this time. One could speculate that the result could be either less reporting (depending on the materiality lens to be applied) or an unwieldy amount of information being reported in mainstream reporting. There is substantial information already available to investors and creditors, for example in voluntary sustainability/CSR reporting and Carbon Disclosure Project (CDP) reporting. Our experience in Canada with investors, however, has been clear — as long as the environmental information is available, investors generally have been satisfied. There is also no evidence that organizations have expressed a need for help in preparing and presenting this selected environmental information in mainstream corporate reports. Given that the IIRC has already developed and released its Integrated Reporting framework and International Financial Standards deal with some issues related to environmental matters, and there are a number of other reporting frameworks available, such as the GRI G.4 Guidelines, what value add is this Framework delivering? Regarding the final two sentences in Section A) of Section 1: - In the second last sentence the following clause appears: "enables investors to exercise their duty of stewardship in relation to both types of capital." Where is there evidence that investors have a "duty of stewardship" and what are the "both" types of capital (and we note that the IIRC framework describes six types of capital)? - Is the Framework focusing on investors or on investors and creditors (capital providers)? - The last sentence refers to "disclosures." Having regard to the description of the terms "reporting and disclosure" on page 4, should this reference be for "reporting," or "reporting and disclosure?" Finally, discussion of the "Objective of environmental information in mainstream reports" would be strengthened by more discussion of relevance and materiality in the eyes of the intended respondents.
1	Deloitte LLP UK	We agree with the objective of the Framework. Consistent with this objective, it would make sense for the Framework to be renamed the Environmental Information Disclosures Framework. This links into our comments, set out in our cover letter, on the role, strategy and future work stream of CDSB.

[19] See http://www.cdsb.net/frameworkresponses

		It would be useful for there to be a cross-reference from the definitions in bold, italic text in the paragraphs on the Framework's objective (environmental information and environmental elements) to the 'essential definitions' section on page 2.
1	Dow Chemical	Yes. Page 4: Instead of "Report on Natural Capital," say "Report on uses and valuation of Natural Capital."
1	Global Safety, Environmental and Waste Consultants	Yes, however, a statement and list of the environmental aspect being captured should be stated, otherwise the objective should be re-phrased to state that all or all relevant environmental elements or parameters are being referred to. Environmental components or parameters cover; air, water, soil, surface and ground water bodies, air and air pollutants, as well as atmospheric conditions
1	Grant Thornton	We agree with the objective as stated in Section I but consider that the Framework should be of use to a wider stakeholder group than investors and other financial capital providers.
1	G100	We believe that the proposed framework is too prescriptive and directive and expects a detailed level of reporting which has the potential to add to the disclosure overload associated with corporate reporting. The G100 believes that any framework of this nature should provide non-mandatory guidance to potential preparers of environmental reports and for the inclusion of environmental information in other reports. As such it should inform directors and management of the ways in which entities report on their activities. While the existence of a framework is useful for preparers it is important that they have the flexibility to adapt their reporting (format, presentation, content) to the particular circumstances of their company and to best meet the needs of their shareholders and other respondents. Accordingly, the G100 agrees that the framework should be voluntary. We consider that the matters addressed in this framework are better addressed as a component of an integrated report dealing with the whole of the business and operations of a company where the appropriate linkages can be discussed rather than in a stand-alone environmental/sustainability report. Whether a company issues a separate environmental/sustainability report is a matter for the directors and management to determine. If they choose to do so the proposed framework provides useful guidance.
1	James Rohan	From a philosophical viewpoint, my preference for frameworks that consider financial linkage to environmental reporting is to seek to achieve triple bottom line outcomes. Reports should include a wider array of stakeholders than equity investors, lenders and other creditors as collaboration is a potential outcome of such reports. Issues such as food security have not been reported on due to similar thinking and we need to move to much more inclusive reporting structures. Post2015 goals will require this objective and GRI are already discussing UN Global Compact requirements to accommodate this.
1	JP Morgan	I believe that the objective as stated is helpful in the context of overall efforts to improve corporate reporting on non-traditional performance measures.
1	Christian Hell	Yes
1	MICPA	MICPA agrees with the objectives as stated in Section 1
1	Norges Bank	Norges Bank Investment Management supports the objective of ensuring greater transparency into environmental, social and other risk factors, in order to enable us to integrate such information in our investment processes. We seek standardized and granular information which provides insight into a company's material environmental risks. We seek information at geographic, sector, company and site level.
1	PwC UK	Yes - agreed, however, materiality must be included in the consideration of environmental impacts of a company.
1	SASB	SASB is in agreement with the questions posed.
1	Solvay	The real meaning "promoting and advancing disclosure" remains an open question, and should be better addressed to determine the desirable level of disclosure required by this framework (and of other frameworks like CDP) : - Is the aim to allow external analysts to make an overall judgment on how greenhouse gas emission, water abstractions and biological resources are impacted / managed by the company? - Or does it pursue other goals, for example to help companies framing and devising their internal reporting?
1	Standard Life Investments	Broadly yes
1	Synchronicity Earth	The objective refers to the relationship between environmental elements and the strategy, performance and prospects of organizations and allocation of resources. A more accurate description that retains breadth could be environmental resource dependencies, footprint and impacts. The Framework describes a utilitarian approach to the use of natural resources by organizations, with an assumption that organizations need only comply with local regulations, rather than aspire to best practice. Fundamental to a more responsible and sustainable approach to use of natural resources is recognition of the need to conserve natural resources, the complexity of eco-systems and a commitment to endeavour to limit impact. As an investor it is important to know what the ethical approach of an organization is to the exploitation of the natural world, rather than compliance to widely varying standards around the world. Synchronicity Earth is concerned that reducing the natural environment to standards around utility only addresses part of the problem. It fails to recognize complex interactions within and between eco-systems and has so far done little to curb large-scale destruction of natural habitat. Greater emphasis should be placed on encouraging organizations to be clear about the values and ethics on which the policies of the organization are built with respect to the environment and natural resources. This should be the first part of environmental reporting in an organization's report and should be a Board level commitment. It would then be clear how well an organization upholds these values when looking at specific data in the rest of the report.
1	The Parthenon Group	Broadly yes, but I think the objective is about presenting information that allows investors to see the natural capital impact or foot print in the key areas that you have defined (covering 79% of the impact as TEEB says). As I said in the IIRC response I think the objective is about the "requirement for companies to identify their material impacts on natural capital, in a comprehensive "end to end" way."

Table 4 – Q1

2. Do you agree that there is a need for a Framework that focuses on:

a) Reporting requirements for particular reporting organizations (defined in Section I);
b) Specific environmental information (as defined in the draft Framework);
c) A specific audience (investors); and
d) Information presented in mainstream reports?

	Organization	Response
2a	Association of Chartered Certified Accountants	Yes – the emphasis of the framework should be on the reporting process i.e. how a company determines what to report on, which is supported by specific disclosure requirements i.e. guidance on which indicators and reporting standards can be applied. A number of non-financial reporting frameworks exist at present, such as those produced by the GRI and SASB. These contain guidance and specific indicators for companies to report on their environmental impacts. CDSB needs to clearly demonstrate how this framework differs from those already in existence and build a strong case as to why companies should apply the CDSB framework over or in addition to others. This will be necessary to ensure that efforts are not duplicated and reporter support is obtained. CDSB should also communicate how its framework complements others that are already in existence. It would be beneficial to work in collaboration with other organizations such as SASB, the GRI and the IIRC to develop some kind of communication that compares and contrasts the various reporting frameworks, so that stakeholders can see which frameworks are available and how they fit with one another. Existing non-financial reporting frameworks, such as GRI's, are predominantly to produce sustainability reports whilst the focus of the CDSB framework is on how companies can present environmental information in or linked to mainstream reports. This crucial difference is explained in section IV of the framework (how to report). CDSB should include this information earlier in the guideline so that potential respondents can clearly see how this framework differs from others available.
2a	CPA Canada	First, we note that there are frameworks that currently exist such as the GRI G4 Guidelines that focus on "reporting requirements for particular reporting organizations," so we ask whether the question to ask should be "Do you agree that there is a need for another Framework such as that proposed in the CD that focuses on:" Since the use of the Framework would be voluntary, we suggest that the Framework should clarify for the reader what reporting "requirements" means beyond the explanation at the top of page 2. It is unclear whether the Framework applies to any company, entity or group that prepares mainstream reports and reports on environmental information (as stated in the first sentence of the definition) or if it applies to any company, entity or group that is required to complete mainstream reports (as stated in the second paragraph). Please clarify, especially since in the CD the term "environmental information" has a specific defined meaning, as pointed out above under Question 1, and the concept "mainstream reports" is explained on page 2 of the CD, however, the definition is awkwardly worded. Many small and medium enterprises are required to prepare mainstream reports so it is unclear what is meant by "although this Framework specifically targets organizations that are required to complete mainstream reports… small and medium enterprises are welcome to use the Framework." It is unclear why natural capital is set out as a bullet in the definition of reporting organizations. To the extent that the draft Framework is used for disclosures in mainstream reports, we believe information would be more comparable and useful to capital providers if reporting requirements were by industry sector and perhaps even subsector. Water disclosures by retail companies, for example, would be significantly different than those for agricultural or extractive companies. Currently, the Framework does not require disclosures based on industry sectors (as SASB does).
2a,b,d	Grant Thornton	We agree that the primary audience is investors but recognize that the wider audience to include other stakeholders including regulators, employees, customers and suppliers.
2a,b,d	Christian Hell	Yes
2a-c	The Parthenon Group	Yes
2a-d	CDP	It should be clarified how the Framework is bridging a gap that is not filled by the existence of IR and GRI. Previously the framework was filling a gap. However, now that IR and GRI adopted the approach that all reporting should apply a materiality lens the framework seems to overlap with these two. Agree that investors are one key audience but mainstream reports are used by other stakeholders too - not least debt providers, governments, customers and suppliers.
2a-d	Chartered Institute of Management Accountants	Yes, we agree that environmental information should be included in an organization's main report (preferably in, rather than linked to) but only information that is materially relevant to an organization's strategy, future outlook or its business model.
2a-d	Deloitte LLP UK	We acknowledge that CDSB seeks to endorse and enhance the work being done by other organizations to develop tools and other resources to help organizations to report on what is increasingly being called 'natural capital'. Also we support CDSB's endeavour to create specific guidance on a sub-set of elements of natural capital, being greenhouse gases, forest risk commodities, water and fossil fuel resources, particularly as other initiatives may not provide such detailed guidance. However, as environmental information, by its definition, includes elements in addition to those specifically scoped by CDSB into the draft Framework (greenhouse gases, forest risk commodities, water and fossil fuel resources), we believe it would be beneficial for the Framework to explain its limited scope from the outset and that it is CDSB's intention to update its Framework for other elements as and when tools and resources for identifying and measuring other elements develop. This links into the comments set out in our cover letter on the role, strategy and future work stream of CDSB.
2a-d	Dow Chemical	Yes
2a-d	James Rohan	Reporting on environmental issues needs to consider issues that may in the past have not been considered in scope due for a sector. For example, communication and banking industry supply resources

		that indirectly support practices. For ANZ Bank, a loan to a sugar farm in Indonesia may not seem material but an issue like child labour can make the transaction material to reputation. It is likely environmental issues will have similar outcomes. Reports are consumed by third parties who gain access to this information through social media. While it is not possible to consider all issues, it might be advisable to consider the potential for alignment with UN Global compact , World Economic Forum risk profiles or other initiatives.
2a-d	JP Morgan	I agree that there is a need for a framework that is sufficiently flexible to be adopted by a critical mass of reporting organizations yet provides sufficient rigour to generate useful information. It is arguable however that such frameworks already exist (e.g. GRI), however for a variety of reasons many reporters have not seen the value in aligning their reporting with these existing frameworks.
2a-d	MICPA	MICPA agrees with the idea of having a Framework that focuses on given items.
2a-d	Norges Bank	We believe the measurement and reporting of environmental risks should be developed based on characteristics of the company's operations and that it should be comparable to that of other companies within the same sector. We expect differences in the scope of natural capital reporting across companies, industry sectors, and geographies. We expect companies to focus their reporting on elements that are materially relevant to the sector, type of operations or to the individual company. We believe it is important to target the information to specific interested parties. As such, reporting needs to cater for investors' needs rather than to meet several requirements within the same report. The information may be presented in other more appropriate formats and to meet other stakeholder requirements. We believe it is important to target the information to specific interested parties. As such, reporting needs to cater for investors' needs. The information may be presented in other more appropriate formats in order to meet other stakeholders' needs. Regarding integration into mainstream reports, we believe companies should integrate information that is materially to their business, including where relevant information on natural capital.
2a-d	Dow Chemical	Yes
2a-d	SASB	SASB is in agreement with the questions posed.
2a-d	Solvay	The link between this Framework and the existing frameworks, in particular the CDP, should be clearer. In other words does the Framework reflect the CDP, or on the contrary does it frame the future evolution of CDP. The relationships between this framework and the others should be as clear as possible, because it is key for a good understanding of this framework's status. If the key aim is external disclosure and the ability for analysts to make an overall assessment of the company's management, we strongly believe the framework is much too detailed. We should keep in mind the 80/20 rule, and focus on what is necessary and sufficient for analysts to draw a reasonably accurate, overall picture concerning the covered "capitals". Along the same line, we strongly believe, beyond the natural interest we all find to know about all aspects of the management of such capitals, there is a real risk that such requirements will just be unfeasible for most companies, unless unreasonable manpower is devoted to it, without real added value. Along the same line, (and keeping in mind the purpose of such disclosure, which is to enable external stakeholders to assess the overall management of a company), we again question the rationale of yearly reporting. A biannual (every 2 year) reporting should be more than enough for external stakeholders in such areas for our industry and probably for most of them. When Solvay decides on an investment that will reduce environmental impacts, it usually takes 3-4 years before the decision bears it effects. Short termism in this area makes no sense. Environmental management does not change targets. An environmental strategy in a company like Solvay is a long term matter. It makes sense of course to have much more frequent internal reporting on selected key KPIs or management elements for such environmental elements, typically for energy : - Weekly at the level of a plant or of a site - Monthly or bi-monthly at the level of a Business Unit - Yearly at the level of the company - Bi-yearly or so at the level of external analysts
2a-d	Standard Life Investments	Yes
2b	Association of Chartered Certified Accountants	See 2A above.
2b	CPA Canada	We do not see the need for amassing and reporting/disclosing the specific environmental information as defined and called for in the CD in mainstream reporting. It is possible that more manageable, directed and comparable information could be presented in separate environmental reports on the different topics — for example, the CDP survey reports on climate change, water and forests.
2b-c	Global Safety, Environmental and Waste Consultants	Check PS (Performance Standards) of IFC and World Bank Safeguard policy relevant environmental elements and for other important institution document reference
2c	Association of Chartered Certified Accountants	No – investors should be identified as a key audience of reports, but to limit the audience in this way does not recognize the fact that corporate reports are used by a range of different stakeholders in a company, including civil society, employees, suppliers and local communities among others. If the audience is broadened, some guidance on stakeholder engagement will be required as materiality thresholds are different for different stakeholder groups. CDSB could also demonstrate how information that is required / used by investors is also relevant to other stakeholder groups.
2c	CPA Canada	Is the audience just investors or capital providers more broadly? Yes, Frameworks are needed for reporting to investors and other capital providers. International Financial Reporting Standards seek to provide the necessary material financial information for capital providers. The IIRC is advancing a framework for integrated reporting primarily for the benefit of providers of financial capital. Where does this Framework fit in, given the other frameworks in existence or in development?
2c/d	Ceres	We believe there is a need for a framework that focuses on a specific audience— investors—and disclosure in mainstream reports. The U.S. Securities and Exchange Commission took an important step

		towards making this disclosure commonplace by issuing 2010 interpretive guidance on climate change disclosure. While the guidance resulted in more companies reporting climate issues in SEC filings, the quality of reporting remains low. Widespread adoption of the CDSB framework will be important for improving the comparability and consistency of reporting. A February 2014 Ceres report found that percentage of S&P 500 companies that mention climate in 10-K filings increased to only 59% in 2013 from 45% in 2009. The report also found that most S&P 500 climate disclosures in 10-Ks were very brief, provided little discussion of material issues, and did not quantify impacts or risks. In addition, there is a continuing need for improved communications to other stakeholders, such as communities, non--governmental organizations, employees and consumers, through reporting outside mainstream financial reports. Ceres collaborates with other organizations such as the Global Reporting Initiative and leads initiatives that advance this goal. For example, the Ceres Roadmap for Sustainability recommends that companies use a range of disclosure vehicles including stand---alone reports, websites, annual reports and social media, as well as provide performance information about products at the point of sale and through other public channels.
2c	PwC UK	Investors are an important stakeholder group, however other stakeholders are equally important to consider. There should be a case for integrated thinking within these reports and to be able to combine financial and non-financial data in a meaningful manner.
2d	Association of Chartered Certified Accountants	Yes – environmental information should be presented in mainstream reports as doing so allows the respondents of reports to better draw links between environmental impact and financial performance. If financial information and non-financial information is presented in different reports, then there is a risk that the different forms of information are reviewed in silos. Separately disclosing environmental can also indicate that the reporting organization manages its financial performance and environmental performance in silos. Presenting the information in mainstream reports reduces the risk of inconsistent messaging from reporting organizations (which can be construed as spin). It also increases the comparability of an organization's disclosures as it encourages the application of consistent reporting periods of environmental and mainstream disclosures, for example.
2d	PwC UK	Yes - the focus should be the mainstream reports, but equally there should be focus on the separate sustainability report (if the corporate prepares one) and relevant data they include in their website.

Table 5 – Q2

3. Scope of the Framework: The Framework asks for information about "*changes*" by organizations to particular "environmental elements". These environmental elements represent a sub-set of resources and processes often described more widely as "natural capital".

a) Do you believe that the scope of the Framework is appropriate?
b) If not, is the scope too wide or too narrow? Please explain why.
c) If too narrow, which other environmental elements or other subject matter should it cover and why?
d) If your organization already does or is planning to report on natural capital through a mainstream report, do the Framework's requirements help (albeit the environmental elements represent only a subset of natural capital at this stage) and if so, how?

	Organization	Response
3a	Association of Chartered Certified Accountants	As natural capital covers a broader spectrum of issues, it would be helpful to know if and when CDSB intend to cover other areas not covered by this framework, such as marine resources, non-fossil fuel minerals and renewable energy sources to name a few. Waste is another area where the framework could be more detailed. The framework currently refers to greenhouse gas emissions and water discharge, but little nothing has been included on solid waste management, recycling or the management of toxic chemicals for example. As noted in 2A) other non-financial reporting frameworks exist that offer a broader range of environmental aspects, so CDSB could refer to such frameworks. Further to this, the Natural Capital Coalition (NCC) is working on the Natural Capital Protocol (NCP), which is a framework for valuing and reporting on natural capital. CDSB should engage and collaborate with the NCC which would also ensure that efforts to develop natural capital reporting are not duplicated.
3a	CDP	The environmental scope is correct at present because of the infancy of disclosure standards in other environmental elements.
3a	CPA Canada	Please refer to our response to question 1 regarding the Objective of the Framework and the subject matter covered by that Objective. We believe the scope can be assessed as either too broad or too narrow - too broad in that the scope extends beyond that set out in Framework 1.0; too narrow in that it appears to focus on a small set of climate and natural resource related elements and excludes other elements of sustainability. We also believe the Framework needs to provide a better conceptual basis and rationale for why only these environmental elements were selected. One could argue, for example, that waste is an important issue in greenhouse gas emissions and use of natural resources yet this appears to be excluded from the scope. What is the conceptual basis for including environmental issues and excluding social ones? At a time when other frameworks (e.g., SASB, IIRC, GRI) lean towards a full and integrated conceptualization of sustainability, the narrow focus on environmental issues does not align with current positioning in the field. The conceptual basis for the Framework in general appears weak.
3a	Dow Chemical	The Framework's elements help. However, we are looking forward to the more detailed work to be done by the Natural Capital Coalition in development of the Natural Capital Protocol.
3a	Grant Thornton	We agree that the term Natural Capital covers a much wider range of resources and processes but the Framework should be structured to enable the scope to include this term in the future albeit with the focus on the current environmental elements for the time being.
3a	JP Morgan	I believe the scope is appropriate for a framework targeted specifically at improving levels of public domain data on contribution of corporates to climate change drivers. There are many other aspects of sustainability/ESG/CSR/non-financial performance which would obviously not be addressed by this framework.
3a	PwC UK	Yes to be able to understand the flow of resources. However, it is also critical to understand the stock position i.e. the amount of resource owned/managed by the company to begin with to be able to put into context what the movements really mean.
3a	SASB	SASB is in agreement with the questions posed.
3a	The Parthenon Group	The scope is a smart 80:20 based on good data from TEEB and covering tangible issues - excellent what is not clear to me is the boundaries in terms of end to end impact. (do food companies buying commodities have to account for the water and deforestation impacts of those - as this is normally the main impact, they should (but that is CDP - type 3 disclosure)
3a-b	Solvay	We also note 2 additional points about the scope of the Framework. - Missing environmental elements ? the Framework encompasses GHG, Water consumption/abstraction and "Forest risk commodities". Why does it omit even to mention other environmental impacts on the natural capital, in particular the release of harmful substances" - Scope 3: (Again), the focus excludes scope 3, and in particular the (positive or negative) impacts of the disclosing entity on environmental elements via its products during their use (and disposal). Addressing the full life cycle of a company's products is a difficult matter indeed, but we advocate to endeavor taking this important aspects into account. Products and their evolution are probably the real key to curb emissions and to define new product strategies. Why ignore them ? Let us at least open the door to such a disclosure.
3a-c	James Rohan	Planetary Boundaries modelling shows system thinking is required when assessing impact on environmental issues. My initial thought is the model as currently reported is likely to devastate food security but report writers would recognize the risk. Forestry Land reallocation from food production,

		distribution or storage as an example would not readily be reported under the current model. Replacement of water balances by year end also would hide the variability in access to the agricultural sector, at critical times. Perhaps this remains out of scope but food security relies on systemic thinking in environmental management. May edition of National Geographic is showing many of the issues. I am still considering how to demonstrate materiality of actions.
3a-d	Deloitte LLP UK	CDSB's existing Framework 1.1 is a comprehensive tool for reporting climate change-related information, in particular greenhouse gas emissions. The benefit of application of the Framework is that it requires quantitative information accompanied by narrative to provide context and linkage to an organization's strategy, strategic objectives, performance and outlook in respect of the element in question. Extension of such requirements to other environmental elements appears to us to be an elementary next step in the evolution of robust and consistent environmental disclosures, which should benefit reporting organizations and stakeholders alike. We believe that the CDSB could assist reporting organizations in this evolution by better connecting its Framework to the other initiatives in this space and providing an understanding of the environmental information reporting landscape (see our cover letter). Background on the evolving reporting landscape and CDSB's response to it (in the form of draft Framework 2.0) would provide useful context for reporting organizations considering whether to use the Framework or not. Wording: We find the terminology and language in the consultation draft around "changes to environmental elements" unclear. The IIRC Framework spells out that natural capital (which would include environmental elements as defined by the CDSB), is a stock of value that is increased, decreased or transformed through the activities and outputs of an organization. It would be useful for the consultation draft to clarify that changes in environmental elements include increases, decreases and transformation.
3a-d	Norges Bank	The scope of the framework seems to be defined in line with the reporting programs of the CDP which currently focus on climate, water and forestry. However, companies should consider a range of 'environmental elements' that are material to their business.
3b	ACCA	The scope is too narrow (see above).
3b	Global Safety, Environmental and Waste Consultants	Yes
3b	Christian Hell	Too narrow. It should encompass ecosystem services.
3b-c	Standard Life Investments	Natural capital is mentioned on page 4 and then not again. If the objective is to capture natural capital the framework should be extended to include air emissions, waste, water discharge and land conversion. The materiality of environmental impacts depends on the sector, water, GHG and timber does not cover the key environmental impacts for many sectors. For example the natural capital dependence and impact of the mining sector is driven by land conversion, waste management and water discharge.
3c	ACCA	See answer 3A.

Table 6 - Q3

4. Form of reporting environmental information in mainstream reports: Given that the content and presentation of mainstream reports varies, it is difficult to specify exactly where and how information should be reported, but there is a demand for consistency of approach so that readers know where they can expect to access information.

a) Do you think that there is a particular part of a mainstream report that should include environmental information, such as management discussion / analysis / commentary or does it depend on the nature of the information?

b) Do you think we should reproduce the guidance in paragraph 2.34 of Edition 1.1 of the CDSB Framework which outlined options for presenting environmental information within management commentary;
   - as a separate section, under a subheading within the risk section;
   - interspersed in various sections of the management commentary to reflect linkages between environmental information and other aspects of the company's business such as corporate strategy, capital resources, key performance indicators and so on?

c) Should the Framework include guidance on how environmental information should be reported where the mainstream report is communicated online?

	Organization	Response
4a	Association of Chartered Certified Accountants	The location of environmental information within a mainstream report would depend upon its nature. For example, information on environmental risks and opportunities could fit well within an organization's strategic report, whilst information on the governance structures around environmental management would fit within an organization's corporate governance statement. Quantitative environmental performance data could be linked to financial information, within the notes of the financial statements. Disclosing throughout the report is also an effective way of integrating environmental information rather than having it cordoned off within a section. In order to aid the integration of environmental information into mainstream reports, environmental accounting methodologies should be developed and applied by companies. CDSB should look to work with accounting standard setters such as the IASB on how environmental information can be brought into financial statements.
4a	CDP	If in fact environmental information is material, then one would expect that it could be present in all the parts of the reporting, including management commentary, any analysis as well being presented with a set of key indicators that the company had been tracking consistently for some time to track its performance. Inclusion in management discussion 'front half' of the mainstream report.
4a	Ceres	We believe that where disclosure should be located in U.S. mainstream reports currently depends upon the nature of the information, which is appropriate. For example, the SEC's climate disclosure guidance recommends reporting in various areas—management discussion and analysis, risk factors, description of business, and notes to financial statements—depending upon the issue and the company's assessment of the appropriate location for disclosure. Going forward, we believe that securities regulators worldwide should create uniform rules requiring climate-specific information to be disclosed in mainstream filings. To the extent possible given countries' specific disclosure regimes, the rules should align with the CDSB Framework and require that disclosure be provided in as few locations as possible in a given filing.
4a	Chartered Institute of Management Accountants	To the extent that environmental information is key to a proper understanding of the organization's future value creating capabilities then this information should feature prominently in published reports. Subsidiary compliance-based information should not clutter primary reporting platforms but be easily accessed via, for instance, online portals. Clear links should be made between environmental performance and economic/ financial performance – particularly on future cash flow, strategy, future performance and the business model. To aid comparability the connection should ideally be made in qualitative or economic terms where possible, but if not feasible, in quantitative or narrative terms. Where risk mitigation / management strategies are communicated, an indication of their benefit and expected impact on current and future business performance would be useful.
4a	CPA Canada	Currently, material environmental information (but not necessarily as defined in Section I of the CD) is required to be disclosed in financial reports, management discussion and analysis reports and, in Canada, annual information reports. All these are components of what the CD characterizes as "mainstream reports." Significant additional information is often presented in sustainability reports or on corporate websites. It is not clear that capital providers care where the information is disclosed. Perhaps a GRI index approach could be used to identify where key information could be found in the mainstream reports, whether in print or online. Effective communication should be the objective, not the production of huge, unwieldy mainstream reports.
4a	Dow Chemical	This depends on the nature of the information. Freedom should be allowed for reporting entities to report in specific sections as it best benefits stakeholders.
4a	JP Morgan	Would not recommend specifying which part of the report should contain environmental information. I think it's rather more important that the report allows the reader to understand management's perspective on the relevance of the environmental issues to the business model, understand how the issues are being managed (i.e. what arrangements management have established to respond to risks), and understand what the results of the control arrangements are in terms of performance over time, direction

		of travel etc.
4a	MICPA	MICPA is of the view that environmental reporting should merely complement mainstream reporting. If any reference is made to any environmental information, it should be disclosed in the management commentary.
4a	PwC UK	There should be some form of management discussion. The discussion on risk should be in the strategic reporting section of the mainstream reporting as it should bear equal weighting as a financial risk any further discussions to talk about specific numbers/case studies could be presented in a different section.
4a	SASB	SASB believes this type of information should be presented in the Management's discussion and analysis section of mainstream reports.
4a	The Parthenon Group	I think where it is reported is much less important than what is reported - so some flexibility is fine providing it is signposted.
4a-b	James Rohan	Global, regional, or special interest related risk are not reported. Reports do concentrate on what is in our control. Compliance is no longer enough as in most cases, we need to rejuvenate systems in order ensure continued access. We will need to know performance of environmental systems, some information on competing uses and our activity to manage systems. Environment information will increasingly be included in both management commentary and where material in corporate strategy, capital resources, key performance indicators. Recent IPCC and World Economic Forum reports suggest global issues will become interwoven in business management and due diligence of directors.
4a-c	Global Safety, Environmental and Waste Consultants	Yes
4a-c	Grant Thornton	In a mainstream report, to avoid undue clutter, environmental information should be reported where it is relevant. For example, The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 requires this information to be reported where it is of strategic importance. The guidance in 1.1. of the Framework has been helpful as a reference to companies and where possible the use of hyperlinks to direct companies to appropriate guidance online is recommended.
4a-c	Norges Bank	Management commentary should consider including a brief discussion of the changes in the company's environmental performance figures in the reporting period, and their relevance to a company's business strategy, risk exposure, and financial performance. Companies should consider reporting on interaction with policy-makers and regulators on topics related to environmental policy and regulation. The CDSB framework may provide guidance on how companies can include environmental information in management commentary. However, it should not limit the discretion companies enjoy under existing reporting rules to decide how best to present this information.
4a-d	Deloitte LLP UK	Information on environmental elements could, as a result of their nature, be dispersed throughout an organization's mainstream report. For example, where there is an accounting effect in respect of environmental elements, e.g. through the purchase, use and/or trading of emission allowances or planting of forests or costs of water usage, to name a few, then those effects will be accounted for and in scope of the financial statements section of an organization's annual report. However, the company's effect on and/or use of other elements may not have an accounting (or direct monetary) effect yet be equally important to an understanding of the business's critical success factors, value drivers and performance. We believe the guidance in paragraph 2.34 of Edition 1.1. of the CDSB Framework which outlined options for presenting environmental information within the management commentary is useful hence should be reproduced. We think there is a distinction between the use of consistent methodologies and measures for reporting on environmental effects and consistency of where the information is reported. One of the benefits of management commentary for the user of the annual report is that it provides an account of the business's strategy, objectives, key risks and uncertainties, position and performance through the eyes of management. The extent to which environmental information is integrated into the other aspects and decision-making tools of the company's business can provide insight into whether management has a connected and robust approach to the identification, evaluation and reporting of environmental risks and opportunities and the impacts of its business on the environment. We agree that consistency year-on-year on what is reported by management is critical; this is captured in REQ-14 and REQ-22 of the draft Framework 2.0. At this juncture, however, as enhanced methodologies may evolve for measuring environmental impacts, we think paragraph REQ-16 on restatements should acknowledge this fact, i.e. that some restatements could result from management's wish to use an enhanced methodology.
4b	Association of Chartered Certified Accountants	It would be preferable to have the information interspersed in various sections of the management commentary. It would also be beneficial to provide examples of how the two options could look in practice.
4b	CDP	B) Yes, but not as a requirement, rather as examples of what can be done. In that sense, maybe not reproduced it in the framework, but rather in a set of examples that can set good practice of reporting natural capital aspects in mainstream reports.
4b	Dow Chemical	As a separate section.
4b	JP Morgan	This feels a bit too prescriptive, would refer to previous comment for (A) above.
4b	MICPA	Yes, guidance in paragraph 2.34 of Edition 1.1 should be reproduced.
4b	PwC UK	Integrated thinking is required. The second option may work for preparers of the mainstream report who believe in integrating the financial and non-financial results. However, this structure would depend on how the company is structured and whether it is practical to integrate.
4b	SASB	SASB supports the presentation of this information in a separate section.
4c	Association of Chartered Certified Accountants	Yes, although few companies produce mainstream reports that are exclusively communicated online. This is merely a presentational issue, as the reports include the same information via different media. As such, web designers would need to input into the process. It would be useful for CDSB to clarify what they mean by a mainstream report that is communicated online (i.e. a pdf that is accessible online or an interactive website that replaces a mainstream report).
4c	CDP	As per previous comments

4c	Dow Chemical	Yes
4c	JP Morgan	This would be of lower importance in my view. The value of the information should stand regardless of communication channel.
4c	MICPA	Yes. It would be helpful.
4c	PwC UK	Yes, illustrations are always helpful to a user to understand the types of disclosures needed.

Table 7 - Q4

5. **Environmental information in mainstream reports: The Framework focuses specifically on requirements and guidance that help organizations to report on environmental information in mainstream reports. This is because CDSB believes that organizational performance is affected equally by the economic / financial and the environmental resources that a company needs / uses as well as by the effect of its activities and outputs on economic / financial and environmental resources.**

    a) Do you think that environmental information produced according to the Framework is sufficient to explain how performance is affected by the organization's dependence on, use of and effect on environmental elements?
    b) If not, what requirements should be added or changed?

	Organization	Response
5a	Association of Chartered Certified Accountants	The approach detailed in section II of the framework contains all of the elements necessary to explain how performance is affected by the organization's dependence on, use of and effect on the environmental elements included in the framework. To aid companies in applying the framework, it would be helpful to provide examples or case studies showing what would constitute compliance with the framework. It would be good to have a pilot study where companies using the framework could share their experience and develop best practice reporting. At present, the framework addresses only a few specific issues. It would be good to know about any intentions to expand the framework.
5a	CDP	Yes, we believe that this is mainly captured by Req 5, 6, 7, 21 and 23 and that these are sufficient to explain how the organization depends and is affected by natural capital.
5a	Chartered Institute of Management Accountants	Yes, the suggested scope of the environmental information is wide enough, but selecting the right timescale for this information is also important and should also be mentioned in the guidelines. To gauge the impact of environmental elements on future performance and the business model, forward looking /modelled environmental data should be considered over an appropriate time frame. This time scale will vary depending on the environmental information being looked at and the type of decision.
5a	Deloitte LLP UK	Yes, we agree that the environmental information produced by the draft Framework would be sufficient to explain how performance is affected by the organization's dependence on, use of, and effect on environmental elements, for those elements in the scope of this draft.
5a	Dow Chemical	Yes
5a	Grant Thornton	Yes
5a	JP Morgan	Yes it should be, assuming the reporting organization has the capacity to respond to the Framework requirements in a credible manner.
5a	SASB	SASB believes that the information produced according to the Framework is sufficient to explain how performance is affected by the organization's dependence on, use of, and effect of environmental elements, as they are defined by the framework. SASB's Standards provide additional specificity with regards disclosure of performance on environmental topics in specific industry contexts.
5a	The Parthenon Group	Probably - providing the end to end approach is taken with implications for stranded assets and procuring raw materials
5a-b	CPA Canada	In general, we do not believe reporting according to the Framework will produce useful information. Further, the wording of question 5A above is confusing, because some of the "environmental elements" (e.g. GHG's, forest risk commodity products) are created by organizations — i.e. are not matters of dependence, use and/or effect. We believe the drafting of the requirements is poor. For example: - There appears to be circularity in section B where Requirement 6 is "disclosure shall describe the business implications of the information …" A similar circularity exists under Requirement 8. - Requirement 9 requires disclosures that explain indicators "against which environmental performance is assessed." By definition, indicators are not the only basis against which performance is assessed. This requirement combines unlike items inappropriately. - It is difficult to understand the breadth of the disclosures called for in Requirement 11. - Requirement 12 is simplistic. Do the requirements call for life cycle information and assessment? The boundary for mainstream reporting is usually the entity whose financial statements are presented and perhaps entities over which the reporting entity exerts control or significant influence, but this may not be appropriate for environmental reporting where supply chain performance is also to be included to a greater or lesser extent. - Requirement 16 should include reasons for any restatements. - Is it the intention of Requirement 18 that organizations state whether or not they obtained third party assurance on some or all of the requirements? Or is it the intention that organizations obtain such assurance or explain why they did not? At a minimum, examples of disclosures that would result from each of the requirements should be provided. Finally, each Requirement calls for and specifies "Disclosures," which seems contrary to the intent of what page 4 describes as the meaning of the terms "Reporting and disclosure."
5a-b	James Rohan	Planetary boundaries will continue to highlight importance of issues. If CDSB have not already done so, I would advise a review of reporting against UN Global Compact, World Economic Forum risks, and a primer in Kate Raworths Oxfam Donut.
5a-b	Norges Bank	Please see comment to Q3 above.

5a-b	Standard Life Investments	We focus on risks and opportunities. In terms of risk it is good to break it down to be based on dependence, use and effect on the environment. The framework could provide more guidance of opportunities - i.e. which business lines will benefit from increasing environmental regulation and are there any products and services which benefit the environment?
5b	CDP	B) There needs to be more emphasis on connecting the environmental information with financial data and the way it is reported. For example, companies should be encouraged to use the segmentation they use in financial reporting when reporting environmental information (reporting by business division, by geography, and so on).
5b	Global Safety, Environmental and Waste Consultants	Check WTO Guidelines, PS (Performance Standards) of IFC and World Bank Safeguard policy relevant environmental elements.
5b	Christian Hell	Ensure micro-macro link is conveyed by disclosure requirements.

Table 8 – Q5

6. What are your views on the language and terminology used throughout this Framework? In the interests of clarity and due to the absence of existing definitions, it has been necessary to define certain terms in the Framework, mainly in Section I. In other cases, for consistency, we have adopted language from existing reporting frameworks and standards with which we expect business is already familiar.

a) What are your views on the definitions, style, clarity of language, jargon etc. used in the Framework?
b) Do you have any suggestions for simplifying the language, definitions and terminology without losing clarity?
c) Are the definitions, language and terms used in the Framework consistent with those in other reporting initiatives and standards that you use?

	Organization	Response
6a	Association of Chartered Certified Accountants	It is beneficial to include the definitions upfront, especially with regard to the environmental elements addressed by the framework. Including a glossary of key terms would be useful. This would help explain what the many words and phrases that have been included in bold are to ease confusion.
6a	CDP	I like the requirements and how they are organized. However, definitions not always clear or not clear its origins, e.g. relevance/materiality; concept of environmental element. Having requirements set out is much easier to consider and use. Most requirements could use some editing (Req 20) for clarity and emphasis.
6a	CPA Canada	The terminology and definitions used in the Framework are confusing and, at times, used inconsistently. Concepts such as reporting boundaries, capitals and stewardship are inadequately explained. We find the conceptual thinking, language and terminology confusing throughout the Framework and the use of terms inconsistent in many places. The logic and conceptual thinking behind the definition of environmental elements is particularly troublesome, as it combines emissions, products, water and something about fossil fuel energy resources (paper was not available for review). It is hard to understand why commodities are considered an environmental element, but not the underlying ecological systems (or their components such as land, soil, flora and fauna). The logic of the definition for environmental requirements ("environmental elements on which the organization depends on to create value for itself and its members") is challenging. Environmental results are defined in relation to this awkward definition of environmental requirements, which in turn is based on the ill-defined environmental elements. It may be helpful to adopt commonly used terminology, such as aspects and indicators, used in other reporting frameworks. Some terms have not been defined e.g. "environmental resources," "environmental challenges," "environmental performance," "environmental outcomes." In several cases the terms and language used in the CD are not consistent with what is used in other widely accepted sources and frameworks.
6a	Institute of Chartered Accountants of Scotland	As far as the references and definitions in the paper are concerned, perhaps some of the definitions, currently included in the main body of the framework, could be moved to a section headed Glossary, which would form an appendix to the framework. For example: references to 'mainstream reports' on page 2 and to 'environmental challenges'; 'natural capital'; and 'global commons' amongst others on page 4.
6a	James Rohan	Preference to use third party terminology to allow collaboration with specialists in the field and therefore ensure real-time updates of material issues in science that have potential for financial impact.
6a	JP Morgan	My view is the clarity of expression etc is broadly fit for purpose (although I work in this field). I think the need to define terms, create taxa of definitions etc. is to some extent unavoidable.
6a	PwC UK	The framework is clear and easy to read. As a general guidance, try to avoid jargon, use consistent language when possible with other initiatives.
6a	The Parthenon Group	Clear and well written
6a-b	Standard Life Investments	The use of environmental elements v environmental matters v environmental information is confusing and messy. The use of the term environmental elements is not something that is widely utilised and could be replaced. Impact and dependency on natural capital would be a better phrase to use.
6a,c	Global Safety, Environmental and Waste Consultants	Terminologies used are familiar and similar to other reporting initiatives and/or standards.
6a-c	Deloitte LLP UK	We note that the draft Framework uses a number of different terms for the reporting entity: organization, company, enterprise. If it is CDSB's aim that the Framework be available for use by all organizations, whether profit-making or not (even if drafted from the perspective of primarily applying to a profit-making organization), it would be best to use a neutral term such as "organization" throughout. We are concerned that the use of the term "environmental results" as opposed to "environmental performance" implies that all environmental effects, or changes in environmental elements, can be measured (or measured reliably). This may be the case for the specific environmental elements scoped into the consultation draft but is not true for all environmental elements. Furthermore, results or quantitative data in the absence of accompanying narrative and contextual commentary, is not meaningful – this fact could be given more emphasis in the draft Framework. Page 5, Objective of environmental information in mainstream reports: The sentence "information provided by organizations according to the Framework enables investors to exercise their duty of stewardship in relation to both types of capital" is a non-sequitur from the previous sentence and is unclear. Additional information would be required to enable investors to exercise their duty of stewardship in relation to financial capital. The Framework focuses on a subset of information which could be relevant

		to both natural capital and financial capital decision-making. Furthermore, we associate the exercise of duty of stewardship with management's decisions over the resources allocated to it by investors, and the resources its business' activities affect or impact in any way. The investor requires information over management's stewardship of all the resources entrusted to the business or affected by its activities in order to inform their capital allocation decisions. We find the roles of management and the investor are confused here.
6a-c	Dow Chemical	We found no issues with understanding the framework.
6a-c	Norges Bank	On terminology, we would suggest to reconsider the use of the term "environmental elements", as this can lead to confusion: "Environmental elements on which the organization depends to create value for itself and its members are described in the Framework as environmental requirements." As it is voluntary for companies to make us of this framework, we would suggest not relying on wording with more regulatory and legal connotations. The use of such terms may also lead to some confusion. For instance, companies may interpret 'environmental requirements' as regulatory compliance requirements they are subjected to under laws and regulations where they operate. Value creation depends on effectively managing risks and opportunities, and there are many pathways to create value. In turn, these should not be described as 'requirements'. Perhaps use 'factors' instead. In addition, the phrase 'access to and rights over environmental elements' may be unclear when left unexplained, and this may also be interpreted differently across jurisdictions. In our experience, the phrases 'environmental elements' and 'environmental requirements' as defined in the Framework are not common in corporate reporting frameworks. Given the objectives of the Framework, terminology should in our view primarily be consistent with CDP questionnaires, and secondarily, with the International Integrated Reporting Framework.
6b	Association of Chartered Certified Accountants	For the definitions around natural capital / global commons, it would be helpful to reference where these definitions have been sourced from and ensure that the definitions are consistent with other established ones being used by organizations such as UNEP, the Natural Capital Declaration or the Natural Capital Coalition. CDSB should align the language and terminology with other reporting frameworks. For example, the CDSB framework refers to reporting on environmental elements / matters whilst the GRI framework refers to reporting on material aspects. Consistency is critical for widespread use and harmonisation.
6c	Association of Chartered Certified Accountants	There is a slight difference in the definition of natural capital used by ACCA: the stock of natural ecosystems that yield a flow of valuable ecosystem goods or services.
6c	Dow Chemical	Yes.
6c	Grant Thornton	We are supportive of the definitions, language and terms used in the Framework.
6c	JP Morgan	Yes, very much aligned with IIRC which I believe is the direction reporting will naturally move.
6c	Christian Hell	Partly, but doesn't need to be consistent.

Table 9 – Q6

7. **Minimum reporting requirements: Various commentaries and reports refer to corporate reports being too long, cluttered and complex, thereby obscuring information that is important for decision-makers. The Framework repeats requirements from previous editions that information should be "*characterized and presented clearly and concisely*".**

   a) Do you think that specifying minimum reporting requirements for "*environmental requirements*" (as defined in the Framework) would help to achieve more relevant and concise disclosures?
   b) If so, what do you think those minimum requirements should be for each environmental element? For example, what are your views on the inclusion of non-Kyoto greenhouse gasses and whether we should provide for voluntary reporting of scope 3 (downstream) GHG emissions?
   c) If not, do you have any other suggestions as to how the Framework's requirements could be refined so as to help reduce the length and complexity of corporate reports that contain environmental information?
   d) How helpful are the requirements in Section IV, particularly about relevance and materiality, in helping to identify the minimum information that should be reported in order to satisfy the objectives of the Framework?

	Organization	Response
7a	Association of Chartered Certified Accountants	Yes. It would also ensure that companies do not report too little and report in a consistent manner.
7a	Ceres	We believe that specifying minimum reporting requirements for "environmental requirements" is important for achieving more relevant and concise disclosures. Minimum reporting requirements may not appropriate for every sustainability issue, since not all issues are material or even significant for every company or industry. However, the issues specified in the consultation draft—greenhouse gases, forest risk commodities, water, and fossil fuel energy resources—are significant or material for many industries, and minimum reporting requirements for these issues would be helpful to investors and would not be burdensome to report. Minimum reporting requirements focused on quantitative information alone would place the burden mainly on investors to analyze the importance of that data, which is problematic since the evaluation of corporate sustainability practices is complicated and evolving quickly. Therefore the requirements should include both quantitative and qualitative information, so investors can fully understand a company's perspective on key sustainability issues. Some of the key elements of the CDSB framework that should be under consideration as minimum reporting requirements include: REQ-03: Disclosures shall include an analysis of the results compared with performance targets set in a previous period and with results reported in previous years. REQ-05: Disclosures shall identify and analyze the main current and anticipated risks & opportunities affecting the organization. REQ-06: Disclosures shall describe the business implications of the information reported in response to requirements 1–5. REQ-07: Disclosures shall describe the organization's future outlook including trends, factors, anticipated risks and opportunities associated with environmental challenges that might affect the organization's strategy business model and future performance. REQ-10: Disclosures shall describe the internal governance processes and organizational resources that have been assigned to support the identification, management and governing body oversight of environmental matters. REQ-11: Disclosures shall list the internal and external current or prospective actions undertaken in support of the organization's policies, objectives, strategy, targets and plans.
7a	Chartered Institute of Management Accountants	Minimum reporting requirements should not be specified as relevance of environmental issues varies from company to company, sector to sector. An organization should only be report environmental information if it is key to a proper understanding of the organization's future value creating capabilities. The information in Section IV on relevance and materiality is therefore helpful. Organizations should be encouraged to explain how material environmental issues were identified, for example what factors were considered, over what time frame, who was involved, the internal process etc.
7a	CDP	Not necessarily. Not all disclosures specified, for example in page 9, will be relevant for all companies - and their inclusion might not lead to concise and relevant reports. There might not be a common set of minimum requirements across all organizations and environmental subject matters. However, in order to contribute to the standardization of disclosures, it will be helpful to state the most common environmental data points.
7a	CPA Canada	We do not support the notion of minimum reporting requirements under this Framework. We fail to see what user is depending on this reporting. We believe it is necessary to analyze "investors" and "lenders" so that the Framework demonstrates a clear understanding of the needs of the respondents and clearly explains the nature of the information useful to "investors" and "lenders."
7a	Dow Chemical	Yes.
7a	JP Morgan	Yes.
7a	Christian Hell	Helpful, however non-expert will find it very difficult to understand conceptually.
7a	PwC UK	Yes- there needs to be a balance between being prescriptive and letting companies making their own

		decisions on how to disclose, hence minimum requirements as long as they are actually minimal would work.
7a	WBCSD	Minimum requirements should not be on subject matters (water, GHG emissions, waste…) - reported content should be determined by a credible and robust materiality process. - Requirements should apply to core "reporting activities" such as: a) the disclosure of the materiality process and of its outcomes; b) evidence that the company has considered its value chain impacts when material; c) evidence of the reliability of the data/metrics used to measure progress on material issues (KPIs); d) a strategic approach to managing sustainability challenges demonstrated by an understanding of specific risks and opportunities which the company is/will face. - An option could be that the Framework suggests minimum requirements on subject matters if these have been identified as material. If an issue is not considered material, the reporter should explain why.
7a-c	Dow Chemical	The inclusion of non-Kyoto greenhouse gasses is important. You should provide for voluntary reporting of scope 3 (downstream) GHG emissions.
7a,c,d	Global Safety, Environmental and Waste Consultants	As minimum, all identified elements of the environment in question should allow reporting of acceptable and special lists of parameters, e.g. as illustrated, GHGs listed in Kyoto protocol and all other existing ones and also give allowance for those that may be discovered in the nearest future. As much as they are useful, however, relevance is a relative word, what is relevant in an organization may be irrelevant in another. Scope 3 GHGs should be reported as it is part of the activities of the organization and overlooking any aspect may bring laxity.
7a,d	Grant Thornton	The principles in Section IV do not specifically refer to 'Conciseness' which if added, would be consistent with the guiding principles of the IIRC framework. We also recommend that the Framework requires companies to disclose the materiality determination process and any key judgements used in the reporting process.
7a-d	Deloitte LLP UK	This question ties into the question of materiality primarily and, at secondary level, into cost-benefit considerations. It may be that not all the information specified as minimum reporting requirements, would be concluded to be 'material' by the reporting entity's materiality determination process (which, for leading businesses, involves regular and multi-stakeholder engagement). As such, it is possible that the costs to prepare the information do not outweigh the benefits of providing it. It is important to remember in this respect that materiality is an entity-specific aspect of relevance and it is also not an absolute. What is material can also change over time. To quote from The Conceptual Framework for Financial Reporting, published by the IASB: "*QC11 the basis of financial information about a specific reporting entity. In other words, materiality is an entity- specific aspect of relevance based on the nature or magnitude, or both, of the items to which the information relates in the context of an individual entity's financial report. Consequently, the Board cannot specify a uniform quantitative threshold for materiality or predetermine what could be material in a particular situation*." To quote from the GRI's Technical Protocol: "The materiality focus of sustainability reports is broader than the traditional measures of financial materiality. In financial reporting, materiality is commonly thought of as a threshold for influencing the economic decisions of those using an organization's financial statements, investors in particular. The concept of a threshold is also important in sustainability reporting, but it is concerned with a wider range of impacts and stakeholders. Materiality for sustainability reporting is not limited only to those sustainability topics that have a significant financial impact on the organization. Determining materiality for a sustainability report also includes considering economic, environmental, and social impacts that cross a threshold in affecting the ability to meet the needs of the present without compromising the needs of future generations. These material topics will often have a significant financial impact in the near-term or long-term on an organization. The International Integrated Reporting <IR> Framework issued by the International Integrated Reporting <IR> Council ('the IIRC') endeavours to synthesise these different definitions by defining material information as information "about matters that substantively affect the organization's ability to create value over the short, medium and long term" and introducing a requirement for entities to disclose their particular materiality determination process. In this way, the user of an integrated report gains insight to management's process for determining materiality hence and its view on what are the material issues hence can form their own assessment of the robustness and credibility of the entity's processes and disclosures. Putting all these considerations together, whether CDSB wishes to introduce minimum requirements or not, is a question of whether CDSB wishes to be the arbiter or leader on what is considered to be material or not or whether, at this time, it wishes simply to encourage further and / or enhanced dialogue between reporting organizations and stakeholders on what is material.
7a-d	Norges Bank	We believe minimum reporting requirements could help achieve more relevant and concise disclosures. Requirements listed under REQ-02 (p.19) provide a sound basis for comparable, standardized reporting of quantitative performance metrics. Companies should measure and report metrics that are materially relevant to their business operations and results.
7b	Association of Chartered Certified Accountants	Each element would require specific minimum reporting requirements. CDSB would need to engage / consult with reporters and also be consistent with other specialist frameworks already available. It would be important to find a balance between these to establish minimum reporting requirements.
7b	CDP	For climate change, non-Kyoto gases can also be important/relevant, particularly for very specific processes. The inclusion of scope 3 emissions can also be relevant, and it should be mentioned in the framework. When the framework discusses "context issues" there is ample space for issues within the value chain to be discussed and even specific indicators, calculated either using the Scope 3 standard or specific LCA studies. These numbers already get included in plenty of sustainability reports that demonstrate the relevance of these disclosures. Even the issue of stranded assets/ assessing the carbon of reserves is, in a certain way, a value chain issue, since those emissions happened in the value chain of the fossil fuel industry. Thus, the complete absence of any references to scope 3 or standards to calculate those emissions feels like a gap. Additionally, the inclusion of forest risk commodity does not make much sense if one considers that this exposure for the big companies happens mainly through the supply chain.

		For the big corporations, this is unlikely to be a direct impact on deforestation, so it is true a "Scope 3" style of figure one is looking for. Similarly, the risks that companies face with regards to water issues are often indirect via the supply chain.
7b	JP Morgan	Believe it would be more sensible to park non Kyoto and Scope 3 for future iterations of framework. Likely to be too onerous right now for many companies. Scope 3 extremely challenging to quantify.
7b	The Parthenon Group	I think you cover the right elements, but the critical element is the end to end part. Recognising the cost of un-priced externalities in supply chains or end use, are likely to dwarf benefits from other actions in many cases.
7c	Association of Chartered Certified Accountants	A focus on the materiality process is key to ensure that the Framework's requirements do not result in long, complex reports – especially if the framework is expanded to include further environmental elements and considering that organizations will likely report on social and governance related information.
7c	CPA Canada	We favour the approach adopted by SASB that establishes minimum disclosures by sector after extensive feedback by respondents and participants in the sectors. The principles itemized in Section IV, including relevance, faithful representation, connection with other information, consistency, usefulness and materiality are critical. We believe they were dealt with much better in Framework 1.0 as "characteristics of decision useful information." In general, Question 7 is overwhelmingly long and complex, and is an example of a question that addresses matters that should have been researched and considered as part of the design, background, definition and development stages of this project.
7c	James Rohan	A master list of issues with reference would allow CDSB respondents to index and limit need for further discussion. The reference would recognize due diligence has been applied by board members and senior management. Also, risks would be identified for stakeholders.
7c	PwC UK	Value chain should be considered for reporting. However, for the moment management should be able to exercise judgement to determine which bits of the value chain is material and has the maximum environmental impact and not just pick a strand of scope 3 emissions because it is easy to calculate and report.
7c	SASB	SASB supports guidance that results in a clear and concise disclosure, as well as any guidance that will result in disclosure that is decision-useful to investors and comparable amongst organizations. To this end, SASB advocates that disclosure, at a minimum, meets the legal requirements for disclosure of material information for the country (or countries) in which the organization is a listed security. Therefore, SASB does not see the need for minimum reporting requirements as disclosure should be governed by the concept of materiality. SASB recommends that CDSB continue to refer to, "frameworks and standards that prescribe quantification approaches." In an effort to enable disclosure that is concise, relevant, decision-useful, and comparable, SASB's industry-specific disclosure standards provide metrics that are likely to be material for organizations within each major industry that are listed on US securities exchanges.
7d	Association of Chartered Certified Accountants	These requirements are very helpful, as without them the framework could result in a tick-box approach to reporting. There is an argument to bring this information up within the guidance (i.e. describe the approach to reporting before the actual matters to report on).
7d	Dow Chemical	The Section IV requirements are helpful and useful guidance.
7d	JP Morgan	Generally helpful.
7d	PwC UK	This is key in determining the minimum threshold for disclosure. The materiality calculation should be prescriptive as far as possible as this will provide a good basis to benchmark across companies, however, understand that a quantitative basis is not the easiest to calculate for these indicators.
7d	Standard Life Investments	This list could be shortened to relevant, consistent and material. Connected with other information is vague.

Table 10 – Q7

8. What are your views on the availability and maturity of metrics and indicators for use in environmental reporting? In particular, we are interested in your views on which metrics and indicators are most widely used and most useful for communicating environmental performance. We would also welcome your views on the further development of metrics and indicators for environmental reporting that would be of assistance to respondents.

	Organization	Response
8	Association of Chartered Certified Accountants	The GRI indicators are well established and used widely by companies around the world. The CDP questionnaires could also be a good source of indicators. CDSB should avoid creating new indicators, but rather harmonise the use of existing indicators. CDSB should also keep abreast of any developments from the NCC and what emerges from their current work programme.
8	CPA Canada	In our opinion, this is another major issue that should have been studied before the Framework was drafted — certainly too complex to be commented upon at this stage.
8	Deloitte LLP UK	Helpfully the draft Framework lists a number of global and methodologies for GHG emissions, forest risk commodities and water that we are familiar with and are used in practice. We suspect that there may be additional national methodologies which perhaps use, as their foundation, some of the global ones listed. We have sent out a request to Deloitte Member Firms around the world for additional methodologies not listed in this draft Framework 2.0 and will share with CDSB any additional methodologies we are made aware of. In terms of our views on the further development of metrics and indicators for environmental reporting that would be of assistance to respondents, we note that those companies who have a record of tracking environmental information for some time are particularly interested in determining the most appropriate metrics for their industry sector. For example, most GHG emissions methodologies advise the disclosure of an intensity metric, i.e. a measure of the intensity of the organization's emissions by reference to a measure that is most relevant to the organization and will provide the most context to respondents of this information. Two commonly used normalising factors are turnover and production output; but there are others which may be relevant, for example organizations with offices or retail operations may normalise to floor space. We think there is merit in assisting and facilitating discussion amongst industry groups and collaborations regarding what are the most relevant metrics for each industry sector to enable respondents to assess environmental performance.
8	Dow Chemical	Metrics are plentiful and available. Appropriate metrics need to be chosen specific to the material issues of a particular company and its context.
8	Global Safety, Environmental and Waste Consultants	LEOPOLD MATRIX, ISO 14001 Environmental aspects Indicators, Colour charts for qualitative estimations of parameters, considering frequency and magnitude,
8	Grant Thornton	For GHG reporting we most commonly see reference to the WRI / WBCSD Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition) and UK Government's "Guidance on how to measure and report your greenhouse gas emissions" (2013 version). We recommend that the Framework recommends the use of 'Intensity ratios' that will improve the comparability and understanding of data reported with an appropriate business metric or financial indicator, such as number of employees, sales revenue or square metres of floor space.
8	James Rohan	Having spent the last few years considering food security, the interconnected nature and inherent risks are not yet developed. Concise disclosure would be an improvement on the limited offering currently available elsewhere although I have not yet concentrated on CDSB affiliations and criticism is not intended.
8	JP Morgan	GRI metrics probably most widely used already. Appropriate metrics do exist, the challenge for reporters is getting data of sufficient quality. Issue is then comparing between reporters on a genuine like for like basis. See comments on variability and inherent non-comparability of business models below.
8	Christian Hell	Current framework does reflect common practice for indicators on energy, GHG emissions and water; commodity metrics will be sth new to most reporters. Current draft lacks linkage to science-based metrics.
8	Norges Bank	We would support using the quantitative metrics developed and used across various CDP reporting frameworks, as identified under REQ-02, p.19. Companies should also consider measuring and reporting on scope 3 emissions.
8	PwC UK	This is very important but depends on the materiality of the impact and the audience for this report. Also, we see waste and water and the gross energy usage being other typical metrics used- there is no mention of waste in this framework. The calculation of these are reasonably standardised.
8	SASB	Wherever possible, SASB supports the use of existing environmental metrics and/or existing metrics that may serve a proxy for environmental performance.
8	The Parthenon Group	The TEEB natural capital paper (TEEB's "Natural Capital at risk" 2013) report referred to has great metrics on valuing natural capital impacts - may be premature but that should be the ambition

Table 11 – Q8

9. Influences: The development of the Framework has been influenced by other frameworks, standards and initiatives that share CDSB's objectives and cover similar subject matter. References to other materials are shown in the Framework. At this stage in development, we are aware that they may not be complete.

a) What other influences should CDSB take into account in developing its Framework?
b) What other references should be included which are helpful for the preparation of environmental information in mainstream reports?

	Organization	Response
9a	Association of Chartered Certified Accountants	CDSB could include some references to sector / commodity focussed standards such as the FSC, RSPO and WRAP for example. This would be particularly relevant if the framework was expanded to include further environmental elements.
9a	CDP	We need confirmation that CFOs can relate environmental information with their financial data. This is CDSB's unique selling point.
9a	CPA Canada	If an organization were to report using this Framework, would it meet the needs of the Global Compact, the Global Reporting Initiative, the Carbon Disclosure Project, etc.? A table setting this out would greatly enhance the credibility of this Framework.
9a	JP Morgan	I believe all the other significant initiatives are already included.
9a	PwC UK	If not already considered, to consider frameworks developed by WBCSD, WAVES (Wealth Accounting and the Value of Ecosystems), NCC (Natural Capital Committee).
9a	Standard Life Investments	Country and sector specific regulation. i.e. environmental impact assessments are mandatory in many countries in order for companies to receive permits for extraction. This is a useful source of information for investors.
9a	The Parthenon Group	TEEB and the PUMA eco P&L have very good methodologies - especially around the impact of scarcity on water value
9a-b	Chartered Institute of Management Accountants	There are a wide range of available metrics for environmental reporting and these should be cross referenced in the Framework. It would also be useful for organizations to also have an overview of these metrics and frameworks (for example GRI and Integrated Reporting framework), an explanation of how they fit together and where there may be overlap. New and developing metrics and methodologies for natural capital accounting and valuation in business should also be mentioned, in particular the work of the Natural Capital Coalition to develop a Protocol for valuing natural capital impacts in business.
9a-b	Deloitte LLP UK	In this respect, we acknowledge CDSB's significant contribution and important role in assimilating information on regulatory requirements and guidance on the reporting of non-financial information, in particular environmental information in the form of 'The Reporting Landscape' overview which forms part of CDSB's consistency project. This is a separate initiative to the development of the Framework, which is as equally important at this stage in the evolution of national and international tools, guidance and requirements in respect of environmental information disclosure in mainstream reports. As set out earlier, a diagrammatic representation of how CDSB's Framework fits into and complements that landscape would be useful, in addition to CDSB's primary influences and sources for its Framework.
9a-b	Dow Chemical	CDSB has been quite comprehensive in its approach. We have no further suggestions.
9a-b	Grant Thornton	We have referred to the IIRC framework and for consistency, we recommend the consistent use of terminology such as reference to Natural Capital in the Framework.
9a-b	Global Safety, Environmental and Waste Consultants	Check, WTO Guidelines, PS (Performance Standards) of IFC, d World Bank Safeguard policy relevant environmental elements, ISO 9001, 14001, 14064-1,2,3, 14065, 14066, 14067, 14068.
9a-b	James Rohan	It would be advisable to collaborate with as many framework partners, especially GRI and IIRC. No system is yet to solve compliance with UN Global Compact and as such human rights issues will continue to haunt the corporate sector. Food is a human right under article 25 but many recognize the adopt the Milton Friedman profit as a single focus principle. While CDSB recognize the importance of nature to deliver financial outcomes, I am unclear what the stance is in relation to human rights obligations (and will try to confirm).
9a-b	Norges Bank	We support the objective of supplementing, rather than duplicating, existing corporate reporting approaches, particularly the mandatory ones. We encourage CDSB to prioritize alignment, particularly with regards to quantitative performance metrics. CDSB should clarify and explain guidance that significantly diverges from other frameworks. To the extent that other frameworks and standards change, which in turn may change the implications of the CDSB recommendations, there may be a need for the CSDB to clarify its own terms or interpretation. In the sub-category 'palm oil' under forest risk commodities, the CDSB should consider making reference to the quantitative metrics in the Annual Communication of Progress (ACOP) that the Roundtable for Sustainable Palm Oil (RSPO) requires its corporate members to submit each year.
9b	Association of Chartered Certified Accountants	CDSB could look to the IIRC, SASB or the King III reporting requirements. These require the presentation of financial and non-financial information within one mainstream report. A useful exercise could be to cross reference other existing frameworks, setting out the complementarity and key differences.

Table 12 – Q9

10. Assurance and verification: REQ-17 asks organizations to disclose whether assurance or verification from third parties has been obtained for some or all of the environmental information disclosed in response to the Framework's requirements.

a) What other standards or approaches may be used for verifying or assuring environmental information?
b) What are your views on whether assurance or verification should be required for environmental information disclosed in mainstream reports?

	Organization	Response
10a	Association of Chartered Certified Accountants	The standards included within the framework appear complete.
10a	CDP	With regards to emissions data, please check the work done by CDP so far by looking at CDP's list of accepted verification standards in the following link: https://www.cdp.net/en-US/Respond/Pages/verification-standards.aspx
10a	Dow Chemical	Existing referenced standards are adequate.
10a	MICPA	MICPA is of the view that there should be universally accepted standards against which environmental information may be measured or compared.
10a	JP Morgan	Internal verification, critical review by stakeholder panel (e.g. Shell's approach).
10a	PwC UK	There should be a recognized international standard around quality that is used to provide such as the International Standard on Quality Control. ISAE3000, 3410 and AA1000 are example frameworks.
10a-b	CPA Canada	Please define the difference between assurance and verification as used in this Framework. If the terms are used interchangeably, select one for use. If GHG data were verified for regulatory or other reasons, would it need to be re-verified for purposes of meeting Requirement 18?
10a-b	Deloitte LLP UK	The following responses are provided from our perspective as an assurance provider. Certain information included in mainstream reports will already be subject to a certain level of third party assurance or verification (for example, the financial statements assured to a reasonable level of assurance and other information sets such as GHG emissions which may be assured to a different level). We understand that assurance over an integrated report, including the different levels of assurance currently available and / or applied in practice, will be the topic of a forthcoming background paper on assurance to be published by the International Integrated Reporting <IR> Council (IIRC). Similar comments apply to assurance over an "environmental elements disclosures report" prepared in accordance with the CDSB's draft Framework 2.0 to those we made in our comments to the IIRC on the consultation draft of its Framework, prior to its release in December 2013. The ability to obtain independent third party assurance on the information presented is important to the integrity and credibility of environmental information included in mainstream reports. The quality of information is fundamental to the success of environmental information disclosures. However, as noted above, the management commentary information set will be driven by management's view of the business and will include judgements in respect of future-oriented information in addition to historical information. For environmental information included in that management commentary to be able to be subject to assurance, it must be capable of consistent evaluation or measurement against identified criteria (that are relevant, complete, reliable, neutral, and understandable) and be able to be subjected to evidence-gathering procedures. set required and the type and level of assurance possible requires investigation and research by the relevant global bodies. For example, it is not possible to answer the question of whether assurance should be obtained over an 'environmental elements disclosures report' prepared in accordance with the CDSB's draft Framework 2.0 as a report as a whole, or on certain data only without considering many factors. Factors to consider include (this is not an exhaustive list): - The intended report respondents and their assurance needs, i.e. the demand from respondents for assurance and whether they desire it on the report as a whole or only on specific aspects. - The type and level of assurance possible. - The cost of an assurance engagement versus the benefits; for example, the costs associated with assuring a report as a whole might outweigh the benefits. - The nature of the entity and the level of public interest in the entity may also have a part to play in the quantum of assurance necessary. - The maturity of a company's reporting systems and processes may also affect the ability to obtain assurance - immature reporting systems and processes may not withstand the scrutiny of independent assurance. - Whether there are relevant international assurance standards for assurance of such reports as a whole. For example, it is important to consider the levels of assurance for historical versus future- orientated information included in the report as well as for the content of the report as a whole. Ultimately, a period of experimentation, and indeed experience, in using the Framework to prepare reports is needed to establish whether or how assurance on such a report as a whole can really be achieved and to identify any inherent limitations in assurance provision. In developing an assurance model it may be necessary to target first those elements that can reasonably be assured and for which there is an assurance demand. To the extent that regulators seek assurance, coordination across jurisdictions by regulators would be beneficial. Currently, the Framework does not acknowledge that varying levels of assurance may be obtained for different content elements, i.e. it is possible that assurance could vary between content elements from

		reasonable assurance to limited assurance to no assurance. If varying levels of assurance are obtained, it will be important for both the report and the related assurance report to be structured in such a way as to distinguish clearly between those components on which each level of assurance (or no assurance) is provided. Furthermore, extension of internal quality controls and audit processes currently applied to financial record keeping and data control to the additional information required by CDSB's draft Framework would also enhance quality. If entities capture this information in a rigorous manner, better information should be provided to directors and senior management as they assess the performance and business risks of the entity. This issue should be considered in the context of corporate governance requirements that boards of directors are responsible for the integrity of the mainstream (annual) report and internal audit functions should provide an assessment of the system of internal control as it relates to both financial and non-financial information. From the perspective of assurance provision, we think that it is important for the Framework to clarify how its requirement for a statement of conformance with the requirements of the Framework can be met where some information is included in an organization's mainstream annual report and other information is included elsewhere, for example in a separate document on the organization's website. We understand the requirement to be that the statement of conformance should be provided in respect of the information set as a whole, hence requiring a separate individual report or document with all the information in scope of that statement of conformance, in order to meet the completeness requirement.
10a-b	James Rohan	It is likely that environmental assurance will have different timeframes to financial compliance. As such, reporting may adopt a due diligence model and recognize a plan exists. Reporting on environmental issues could be summarized with details in periodic reporting to stakeholders.
10a-b	Norges Bank	We support REQ-17 and REQ-18. We believe that the influence and usefulness of environmental reporting on capital markets is likely to increase if information is viewed by investors as reliable, credible, and complete. Assurance or verification from a third party could contribute to such credibility, but at the same time costs should be taken into account. As such, rather than making this a general requirement, this could be used by companies where they see a particular need in order to add to the report's credibility.
10a-b	SGS	In the previous framework edition 1.1, under section 1.4 (regarding suitable standards for assurance beyond the minimum level of auditor involvement) a reference was made to ISO 14064-3 as a suitable verification standard that has been removed in the draft edition 2. With the broadening of the scope to include additional environmental information in edition 2, "additional assurance beyond the minimum level of auditor involvement" is likely to require experience of qualified professionals in environmental fields to. It is therefore our view that specific climate change related standards should be highlighted in this section such as ISO 14064-3. It is also our view that attention should be drawn to specific accreditations for specialist verification providers in this area e.g. ISO 14065. Failure to provide transparency in this area could further restrict market competition and consolidate market share in the largest financial audit companies, which may be not in the best interests of the company making the disclosure.
10b	Association of Chartered Certified Accountants	CDSB should encourage assurance or verification as it can enhance stakeholder confidence in the reliability of the data presented by an organization and drive improvements in data capture, management and interpretation. This should encompass an organization's materiality assessment to ensure that all material issues have been addressed. Due to the nature of some of the reporting requirements included within the CDSB framework (contextual, forward looking information) assurance on all areas of the framework may not be possible.
10b	Chartered Institute of Management Accountants	We agree with the view that it is for organizations to work with their professional advisors to establish appropriate levels of assurance on a case by case basis.
10b	CDP	As standards become more mature and usable for decision making the environmental information must become increasingly assured.
10b	Dow Chemical	Assurance should be required. The level of assurance depends on the particular company and context.
10b	Global Safety, Environmental and Waste Consultants	Yes "Assurance and Verification" should be required, standard approach should include all QA/QC known methodologies, statistical analysis of some results, ISO 9001-2008 audit process etc.
10b	Grant Thornton	The form of assurance on environmental information may be different in nature to assurance on financial information due to the difference between verifiable, objective information compared to the subjectivity of some reporting assumptions and other information. However, International Standards on Assurance Engagements (ISAE) such as ISAE 3000 for engagements other than audits or reviews of historical financial information and ISAE3410 for GHG emissions can be used but further development of assurance standards would be welcome in this area. We also believe that assurance reports should be subject to International Standard on Quality Control (ISQC) 1.
10b	JP Morgan	I believe assurance/verification performed by a credible provider of appropriate stature adds significantly to the usefulness of the disclosure.
10b	MICPA	Where disclosure of environmental information is voluntary, MICPA is of the view that assurance or verification should not be required. On the other hand, if such disclosure is mandatory, appropriate environmental specialists should be engaged to report on the information disclosed.
10b	PwC UK	The assurance or verification process provides the reader of such data confidence that it is valid. Just like an audit process is mandatory for financial statements, there should be no dip in the rigour applied to ensure non-financial data is complete and accurate. However, the disclosures should only be applied if material to the company.
10b	SASB	SASB supports the requirement of assurance and verification of environmental disclosure.

Table 13 - Q10

11. Any other comments

	Organization	Response
11	A.P. Møller – Mærsk A/S	Be aware of the IFRS 11 Joint Arrangements, which was in force from 2013, whereby the financial consolidation no longer include joint ventures line-by-line – but only joint operations. For some corporations, especially those with complex ownership structures, this can have significant effect on the consolidated data.
11	CDP	I have commented a few times in the consultation but will re-iterate here. I think the focus on consumption of forests risk commodities in themselves as an environmental result is not the right framing. Surely the result is for a company to be increasing their consumption of sustainably produced (in this case defined as deforestation free) commodities rather than on reducing the use of commodities altogether? Suggest we change the order of the three environmental issues covered here to climate change, water and forest risk commodities to reflect the increasing levels of maturity.
11	Mirova	Current systems of carbon accounting are poorly fitted to the financial sector Carbon accounting tracks the carbon footprint of a business's activities. The systems of measurement currently in place are useful as guidelines to help companies determine their particular risks and opportunities relative to carbon emissions, a necessary first step towards reducing carbon emissions. They make it possible to identify levers for shrinking the carbon footprint of a company. Applying this to the financial sector, one finds that the greatest lever for reducing the sector's overall carbon footprint is to be found at the level of selection: what companies are financed? Scope 1 and 2 emissions carry little weight in the financial sector compared to scope 3 emissions. In other words, members of the financial community have a much greater power to modify the sector's carbon footprint by making carbon a criterion for investment decisions than by reducing energy consumption at headquarters. Furthermore, national and international studies (ecological transition, COP19 etc.) today agree on the tremendous financing required by the struggle against carbon emissions. Indeed, a fundamental reorientation of investment capacity towards a low-carbon economy is the major issue where finance can contribute to the fight against climate change. However, existing carbon accounting tools were not designed for measuring the degree to which financing meets or exceeds a reference case, and are thus not well adapted to the task. In fact, most of the known initiatives for carbon accounting designed for the financial sector attempt to measure the annual carbon footprint of assets, calculated as tCO_2/€ invested. But an effective strategy for financing a low-carbon economy shouldn't necessarily prioritize assets with smaller carbon footprints, but should rather finance the ecological and energy transition ahead of us. Investing in an IT consulting company instead of an oil company heavily invested in renewable energy on the grounds that the latter's revenues are "low-CO_2" does little to balance the global carbon equation. Carbon accounting tools need to evolve significantly if we are to use them for guiding investment choices in the financial sector. This means shifting from the measure of an investment's carbon intensity—difficult to interpret and conducive to cognitive dissonance—to a measure of how well an investment corresponds to a 2°C trajectory. Of course, current systems for carbon accounting have other shortcomings that also bear mention. We might draw attention to the relative dearth of data (hardly 50% of the assets included in financial indices report their carbon footprint), as well as to the excessively broad leeway for interpretation due to methodological differences in how missing data are interpolated and the temporal unit used for accounting purposes. These irregularities will gradually be corrected as the subject progresses in its learning curve and garners the attention of ever greater numbers of stakeholders; currently, however, they translate into crippling structural problems. Things to think about: how can we avoid falling prey to these difficulties? By designing a carbon accounting system that is simpler and more complete. Simpler, how? Answering the question of how carbon emissions are financed requires a carbon accounting system that better reflects economic capital flows. Establishing a SINGLE carbon measure for each organization within a sector: this involves making choices to avoid counting the same items over and over. For instance, should carbon emissions from fuel combustion involved in transport be entered under transport, fuel distribution, or incorporated into the value chain according to a formula yet to be determined? Allocating this type of emission within the value chain according to the distribution of economic value is an interesting idea, but might prove difficult to apply in practice. Allocation to the economic agent at the end of the value chain (as per the method used to calculate value-added taxes) would doubtless be simpler to apply. Developing a carbon tracking system for individuals, i.e. consumers. More complete, in what way? In addition to carbon emissions produced by companies or consumers, a system should be designed to measure the avoidance of carbon emissions, for instance by choice of technology (energy efficiency, renewable energies, nuclear energy, carbon capture). The further development of such technologies should be incorporated into a predictive scenario that provides an evolving frame of reference. Only when such a system for carbon accounting becomes available will the financial sector will be able to gather quantitative data it can build on. Potential uses of such data include: - Adjusting financing costs according to carbon intensity: considering riskier high carbon-intensity sectors in the calculation of prudential ratios, setting loan rates for car and housing purchases based in part on the energy efficiency of the assets being financed, etc. - Orienting capital inflows toward sectors that contribute to reducing carbon emissions. Pending such a carbon accounting system, it seems more advisable for the sector to rely on qualitative analyses of carbon policies than to publish indicators which are unlikely to represent the relevance of such policies.
11	Global Safety, Environmental and Waste Consultants	Water vapour is GHG that can have localised impact on incidences of rainfall, it can be generated in large amount by so many companies, it should be considered for monitoring, Jatropha is a non-edible plant that can be cultivated exclusively for for biofeul production (BIODIESEL), it does not compete with other food item being use, this should be particularly mentioned in the list of boifuel generation parameters. Biofuel can also be produced from farm remnants, weeds and other non-useful parts of trees and shrubs, using fermentation process, this should be specially considered as a cheaper source, however, I am not sure the pathway to production of biofuel (BIOETHANOL) is not more GHG generating, this should be investigated.

11	Grant Thornton	We welcome the opportunity to comment on this consultation. We encourage the CDSB to develop proactive strategies for removing "clutter", not least because if the Framework is not implemented as intended this may lead to more information rather than better information for respondents. Without clarity on how to de-clutter reports, it may be hard to achieve endorsement from long term providers of financial capital who are already overwhelmed by the amount of information provided in annual reports. We suggest that the Framework establish the principle that the information included in reports need only be that which is of strategic importance, needed to communicate its analysis and conclusions in a clear and understandable manner.
11	James Rohan	Thank you and I hope CDSB might collaborate further on the need for significant improvement in food security. Globally 850 million remain hungry and obesity and malnutrition are now significant priorities. Issues from 2007 must be expanded to represent priorities expressed in "post 2015 world we want discussion" and World Economic Forum risks.
11	JP Morgan	It seems to me that the CDSB framework is already largely incorporated into the IIRC IR standard, although I guess the CDSB standard is a little more granular in that it is focused on environmental information only. There is a risk however that the large number of initiatives (IIRC, GRI, SASB etc.) start to compete in a way which creates confusion and frustrates corporate reporters. I believe the real challenge is developing a framework which will allow credible comparison/benchmarking of performance between different companies operating in the same sectors. This would be the most valuable outcome as far as investors are concerned. Whilst this framework is likely to assist in promoting better understanding of how companies are responding, it is unlikely to result in any improvement of the ability investors have to separate companies on (an objective basis) on their environmental performance. Rather investors will still have to use the corporate report information to 'derive/distil' a view on relative performance on this measure. The fundamental problem is that each corporation using natural capitals does so in a different way and against a differing operating environment backdrop, which makes it difficult to compare ability to utilize natural capital efficiently on a like-for-like basis.
11	PwC Poland	So far, the proposed Framework appears to be a combination of and a guide to other existing frameworks and methodologies. It is not clear what is the value added by the framework and why should companies use this Framework instead of looking directly into others guidelines (GRI, CDP, etc.). What is the value added of the Framework in relation to countries, that have their own regulations in this field (i.e. EU directive, Australia, France, Sweden) and what are the benefits that should motivate companies to use CDSB Framework, while having their own guidelines already available (and sometimes legally binding) on national level. As stated in the Framework text "comparability of environmental information provided under the Framework between enterprises and sectors may be limited, pending development of disclosure approaches and practices". Did you consider any type of incentives to increase comparability over time? Does the framework provide any opportunity to gather certain types of information in one place? What is the concept of supporting "development of disclosure approaches" so as it results in increased comparability (as an example – use of CDP by Bloomberg)?
11	Standard Life Investments	Our key concern is that this framework adds more complexity to company reporting. It is hard to see how this framework adds additional value when compared to other frameworks- more clarification on the differentiating factors would be welcomed. As investors companies often ask us to feedback on their ESG disclosure. We will consider this framework amongst the others in those consultations.
11	The Parthenon Group	Overall this is a great step forward and the right direction with a smart take on natural capital. Its objective should be to the requirement for companies to identify their material impacts on natural capitals, in a comprehensive "end to end" way. I think there needs to be some more thought on the scope of impacts considered (i.e. in supply chain or end use,, to make the metrics meaningful and some more thought given to quantifying impacts (building off TEEB) I think.

Table 14 - Q11

Appendix 2

The complete set of responses to the CDSB consultation is publically available[20].

Individual	Title	Organization	Submission		
Dr Jane Thostrup-Jagd	Director, Control Compliance Officer Group Accounting - Risk, Control & CSR	A.P. Møller – Mærsk A/S	Framework	Carbon asset stranding risks	
Gordon Hewitt	Sustainability Advisor	Association of Chartered Certified Accountants	Framework	Carbon asset stranding risks	
Maia Kutner **Esben Masden**	Director, Technical Reporting Senior Technical Officer	CDP	Framework	Carbon asset stranding risks	Boundary setting
Todd Jones	Manager, Green-e Climate	Center for Resource Solutions			Boundary setting
Jim Coburn	Senior Manager, Investor Programs	Ceres	Framework		
Sandra Rapacioli	Head of Sustainability Research and Policy	Chartered Institute of Management Accountants	Framework		
Gordon Beal	Vice-President, Research, Guidance and Support	Chartered Professional Accountants (CPA) Canada	Framework		
Dr Yinpeng Li	Senior Climate Scientist	CLIMsystems	Framework		
Becky Fell	Director, IFRS Global Office	Deloitte LLP UK	Framework		
Mark Weick	Director Sustainability Programs and Enterprise Risk Management	Dow Chemical	Framework		Boundary setting
Dr Klaus Radunsky	Head of Unit of the Emission Trading Registry Department	Environment Agency Austria		Carbon asset stranding risks	Boundary setting
Anjana Seshadri	Focal Point India Coordinator	Global Reporting Initiative	Framework		
Olubukola Betty Olatoye	Technical Director	Global Safety, Environmental and Waste Consultants	Framework	Carbon asset stranding risks	
Mike Reid	Associate Director	Grant Thornton	Framework		
Neville Mitchell	President	Group of 100	Framework		
Anne Adrain	Assistant Director, Sustainability and Assurance	Institute of Chartered Accountants of Scotland	Framework		

[20] See [http://www.cdsb.net/frameworkresponses]

Paul O'Connor	Executive Director, Global Environmental & Social Risk Management	JP Morgan	Framework		
Christian Hell	Manager Sustainability Services	KPMG Germany	Framework		
Foo Yoke Pin	Executive Director	Malaysian Institute of Certified Public Accountants	Framework		
Linda M. Lowson	Managing Partner	Meserve, Mumper & Hughes LLP	Framework		
Cyrille Vecchi	SRI Analyst	Mirova	Framework		
Karina Baratella	Sustainability Coordinator	Natura Cosmetics	Framework		
John Tore Vatnar		Norges Bank	Framework		
Peter Schulte	Research Associate	Pacific Institute	Framework		
Monika Czokajło	Associate	PwC Poland	Framework		
Tulika Dutta	Senior Manager, Performance Assurance	PwC UK	Framework		
Peter Anderson	Global Project Manager - Carbon and Water, Environmental Services	SGS	Framework		
Pierre Coers	HSE Sustainability stakeholders relations	Solvay	Framework		
Rebecca Maclean	Responsible Investment Analyst	Standard Life Investments	Framework		
Jerome Lavigne-Delville **Andrew Collins**	Director, Standards Development Associate Director, Standards Development	Sustainability Accounting Standards Board	Framework		
Catherine Bryan		Synchronicity Earth	Framework		
David Rosenheim **Peggy Kellen**	CEO Director of Policy	The Climate Registry	Framework		Boundary setting
Graham Burr	Senior Advisor	The Parthenon Group	Framework		
Bruce Everett	Adjunct Associate Professor of International Business	Tufts University		Carbon asset stranding risks	
Dr Rodney Irwin	Managing Director, Redefining Value & Education	World Business Council for Sustainable Development	Framework		
Stephen Russell	Senior Associate	World Resources Institute			Boundary setting
James Rohan	Accountant		Framework		
Ian Wood	Consultant				Boundary setting

Table 15 - List of respondents and submissions to consultation

www.cdsb.net

Contact us to get involved in CDSB work

Global:
email: info@cdsb.net
CDSB Secretariat
C/O CDP
40 Bowling Green Lane
London EC1R ONE
United Kingdom

This work has been made possible with the kind support of the Velux Foundations.

VILLUM FONDEN VELUX FONDEN