Natural capital &
the mainstream reporting model

Mardi McBrien
Managing Director, CDSB
55 resolutions
filed by investors on sustainability for 2017 in the US alone.

100+ companies
Were not supported by Aviva Investors when it came to the Annual Report and/or Remuneration Report, due to poor disclosure on climate risk, including non-disclosure to CDP.

Less than 20% of corporate risks are covered by financial statements.

US$7.3 trillion
Is the annual economic loss caused by environmental damage in 2009 alone. This includes business use of natural resources and pollution costs.
Trends

The shape of things to come

- CEO liability
- Task Force on Climate-Related Financial Disclosures
- Sustainable Stock Exchanges
- EU Non-Financial Reporting Directive

Number of Stock Exchanges Offering ESG Reporting Guidance

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<tr>
<th>Provide Guidance</th>
<th>Committed to Provide Guidance</th>
<th>No Guidance</th>
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<td>15</td>
<td>23</td>
<td>41</td>
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We are committed to advancing and aligning the global mainstream corporate reporting model to equate natural capital with financial capital.
Environmental information and Natural Capital Framework

Makes reporting for companies easier, helping them disclose information about their impacts and dependencies on the environment and the actions they are taking.

- Helps companies communicate better with investors and stakeholders;
- Inspired by financial reporting standards;
- The information reported is presented in a transparent and comparable way;
- Investors can find all the information they need in one place to make decisions about where to allocate capital; and
- Goes beyond disclosing information about carbon emissions, including waste, water, and use of natural resources.
From management to reporting

Measure & value impacts & dependencies

Management & decision making

ISO 14001
Water tools
GHG Protocol

Natural Capital Protocol

How to communicate with investors

Annual report / Integrated report

CDSB Framework for reporting natural capital

International Integrated Reporting Framework

TCFD

INTERNAL

EXTERNAL
Thank you.

Mardi McBrien
Managing Director, CDSB
Email mardi@cdsb.net
Tel +44 (0) 20 381 83938
@MardiMcB
www.cdsb.net