
UNCTAD-ISAR Workshop on the Future Direction of the Corporate Reporting Model

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Workshop material:

***Issues, good practices and main challenges of preparing
reports on sustainable development issues***

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Sustainability reporting – example of stranded assets

Richard Martin – Head of Corporate Reporting

Stranded assets

- Climate change - 2 degree C warming
- Fossil fuel reserves
- Carbon bubble or unburnable carbon?
- IEA World Energy Outlook – 2/3 may need to stay in the ground
- Is corporate reporting addressing the issue adequately?
- How sustainable is the business model?

Corporate reporting and the stranded assets issue

- Financial statements – mineral properties at cost
- Reserves reporting – coal, oil & gas
- Sustainability reports – carbon emissions, but scope issues
- Annual management report (management commentary, MD&A, Strategic report etc.)
- Integrated reports

Current disclosures by extractive companies

- Carbon Avoidance? – ACCA/Carbon Tracker report in 2013
- Survey of 35 major companies
- Reserves – 31
- Mention of climate change – 22
- GHG emissions – 13 (but only 3 for full scope)
- Mention of regulatory climate risk – 20
- Mention of risk of lost revenue – 8

Stranded assets – what might be needed

- Assumptions: climate mitigation actions
- Assumptions: future energy demands and prices
- Reserves analysis – types, locations, CO2
- Sensitivity analysis to assumptions or scenarios
- Implications for capital expenditure on search for new reserves
- Impairment implications for recognised assets
- Strategy – response to issues, risks, forecasts
- Integrated thinking and reporting

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