

Policy Statement

Standing for trust and integrity

July 2009



Sustainability

Carbon Emissions Information

FEE (Fédération des Experts comptables Européens – Federation of European Accountants) wishes to share its strategy on sustainability in the form of a series of policy statements ⁽¹⁾ on core issues in relation to sustainability and the accountancy profession. FEE acknowledges that the urgent nature of the challenge of sustainability is becoming widely recognised. At the level of the organisation, accountants, whether in business, the public sector or within the world of professional practice, must rise to the challenge of sustainability which touches on many areas of traditional competencies.

About FEE

FEE represents 43 professional institutes of accountants and auditors from 32 European countries, including all of the 27 EU Member States. In representing the European accountancy profession, FEE recognises the public interest. It has a combined membership of more than 500.000 professional accountants, working in different capacities in public practice, small and big firms, government and education, who all contribute to a more efficient, transparent, and sustainable European economy.

There are many aspects to the carbon emissions debate. There are national and global policy aspects (which concern governments, regulatory authorities, business and civil society organisations), carbon management aspects (primarily of concern to organisations seeking to reduce their carbon footprints), finance aspects (reflecting how carbon has now become a tradable commodity with its own specialist markets) and there are also measurement, disclosure and assurance aspects (of concern to those – such as accountants – tasked with ensuring the underlying integrity of carbon data used in the afore-mentioned policy, management and finance decisions).

FEE believes that it is in the best interests of all parties to see carbon measurement, disclosure and assurance approaches standardised.

Whilst accountants and accounting firms frequently become involved in policy, management and finance decisions, FEE believes that the key area of the carbon debate where it can add most value is the last area – the measurement, disclosure and assurance area.

FEE recognises that the growing demand for carbon emissions data by users of corporate reports is only being partially satisfied at present. Carbon

emissions data is not yet the subject of formal and generally accepted accounting and reporting standards. Likewise, assurance procedures in respect of carbon disclosures are not yet standardised. The current pattern of carbon disclosure is therefore fragmented and lacking in value for purposes of performance comparability, regulation conformance and as a basis for fiscal intervention. As a result of these reporting deficiencies, FEE believes

that it is in the best interests of all parties to see carbon measurement, disclosure and assurance approaches standardised. We consider that the recognised bodies of global accounting, and assurance standards setters i.e. the IASB and the IAASB must play a leading role in the development of standards and guidance, and FEE will use its influence and the influence of its Member Bodies to assist in this process.

Developing agreed approaches to measurement protocols, disclosure parameters and assurance models will require the accounting profession to work in tandem with other specialist disciplines (such as science and engineering). This need to work in a multi-disciplinary environment is the



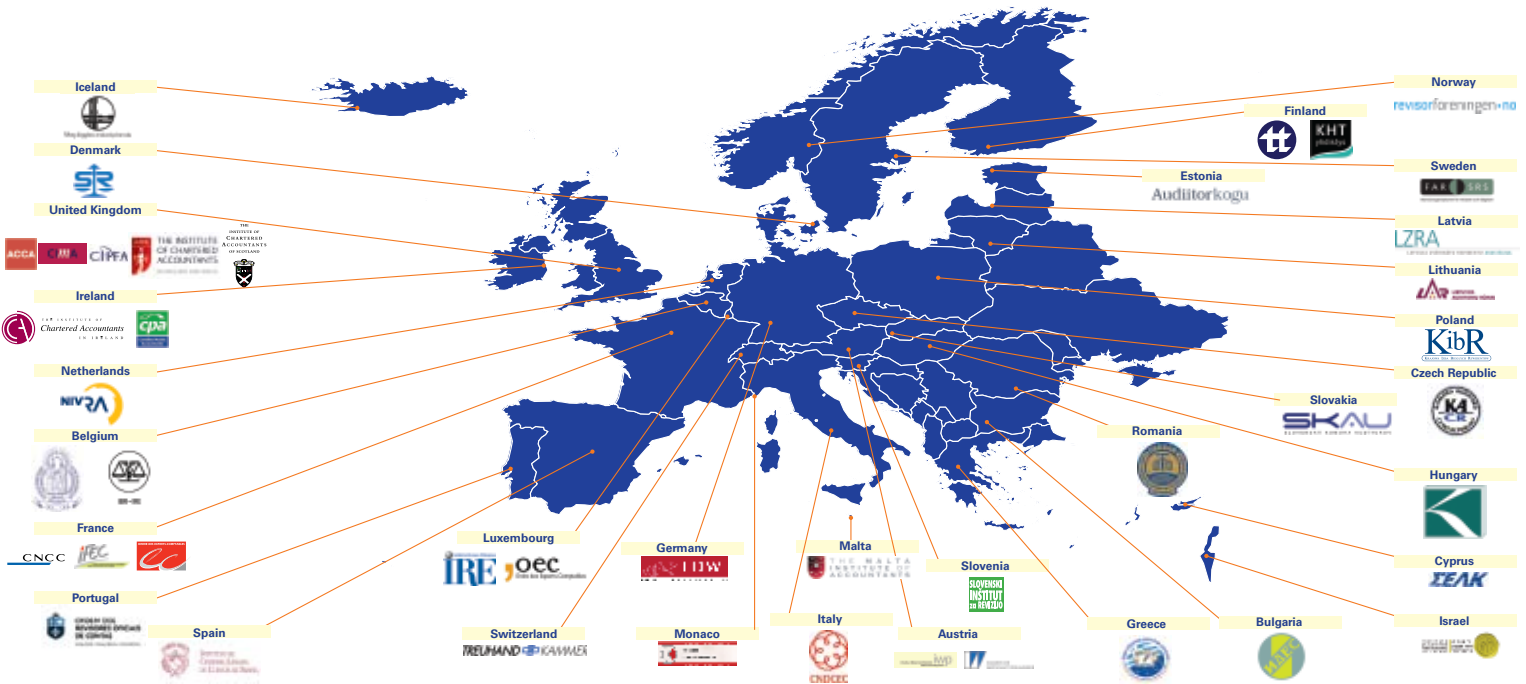
subject of another FEE sustainability policy note. Once they are developed, it is clear that all accountants will need to be trained in these new techniques. This is best achieved through a combination of curriculum reform and new continuing professional development initiatives. FEE itself can play a crucial role by highlighting the new roles accountants might be expected to play in the future and providing guidance as to the specific sustainability issues that need to be incorporated into the professional curriculum and the normal CPD programme. ■

Notes:

- ⁽¹⁾ Other Policy Statements issued in the Sustainability domain:
 - The Contribution of the Accountancy Profession, January 2009
 - Cost Internalisation, January 2009
 - Non-Financial Information, January 2009
 - Multiple-Stakeholders: The Essence of Multidisciplinary Teams, January 2009
 - Shaping a Sustainable Economy, July 2009
 - Towards a Sustainable Economy: the Contribution of Assurance, July 2009
 - Embedding Sustainability into Corporate Governance, July 2009

In addition, FEE has issued a series of policy statements on the Financial Crisis and on Auditing and Assurance.

THE MEMBERS OF FEE



FEE is a Regional Organisation of IFAC, the International Federation of Accountants