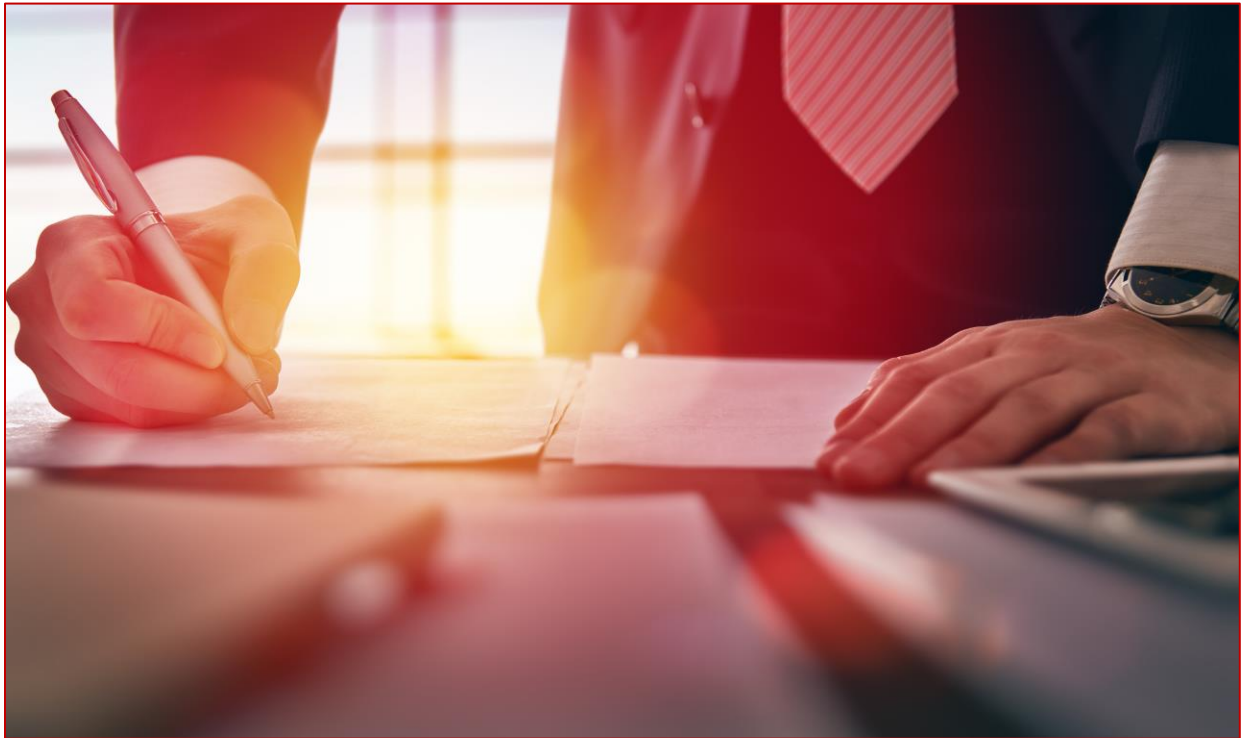


CDP QUESTIONNAIRE DEVELOPMENT CONSULTATION FOR 2020 DISCLOSURE

Feedback Report



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1 INTRODUCTION

Between 8 July and 23 August 2019, CDP conducted a public consultation on proposed substantive developments for CDP’s three questionnaires: climate change, forests, and water security.

This document provides a summary of the responses to the consultation and how CDP has utilized this feedback in developing our approach and finalizing the questionnaires for the 2020 disclosure cycle.

This document is structured to

- ▶ Outline the consultation process
- ▶ Give an overview of the responses for climate change, forests and water security
- ▶ Explain how the responses have been used and present key learning points from the feedback

CDP received a total of 171 responses to the consultation, from a range of stakeholders across each of the three questionnaires.

Table 1: Number of responses per questionnaire

Questionnaire	Number of responses
Climate Change	107
Forests	30
Water Security	34
TOTAL	171

Responses from this consultation have been used as input, alongside our own research and feedback to refine the 2020 CDP questionnaires.

2 CONSULTATION PROCESS

The purpose of the consultation was to:

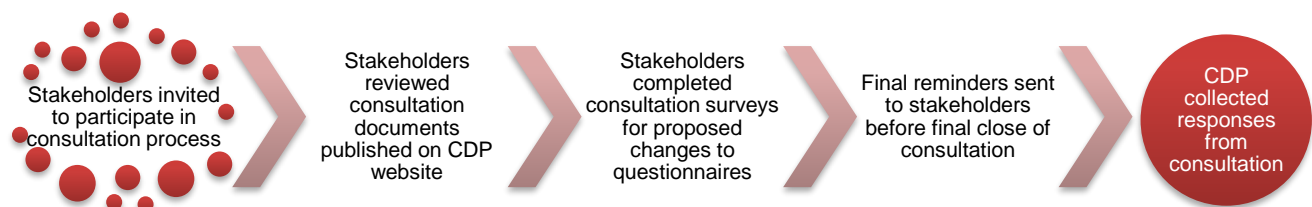
- ▼ Inform stakeholders of the proposed changes and future developments to questions and questionnaire structures.
- ▼ Receive feedback that will inform the development of the questionnaires for 2020 disclosure cycle.

Questionnaire stabilization, simplification & alignment

In 2018, CDP moved to a sectoral approach for the questionnaires, and aligned with 16 out of 22 of the TCFD sectors. Recognizing that this was a significant change for reporting companies, CDP announced a 3-year period of questionnaire stabilization (2018-2020). The 2020 disclosure cycle and 2020 questionnaires form part of CDP's questionnaire stabilization period and as such the 2020 questionnaires will not change significantly from 2019, with developments kept to a minimum. The proposed developments in the consultation were designed for the purposes of simplification, reducing reporting effort and alignment with other frameworks including the TCFD (Task Force on Climate-related Financial Disclosures) and AFI (Accountability Framework Initiative).

Over 10,000 stakeholders were invited to participate in the consultation process, representing investor signatories and members, responding companies, consultancies and not-for-profit organizations.

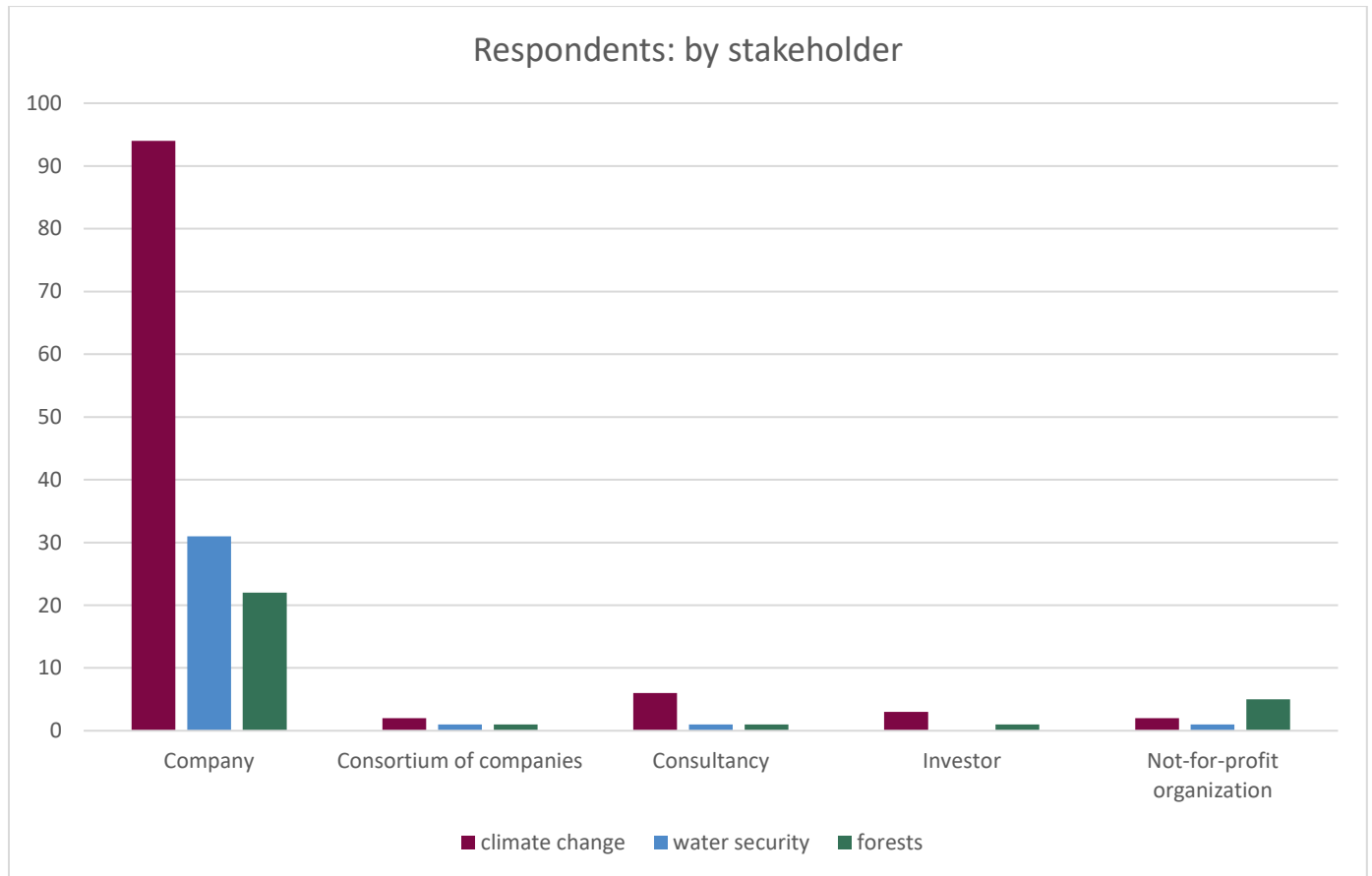
The flow chart below shows CDP's consultation process.



Stakeholders were directed to a dedicated [consultation webpage](#), which included a consultation briefing document, three content documents for climate change, forests and water security questionnaires and links to the feedback requests. A reminder communication, via the CDP newsletter, was sent to stakeholders 10 days ahead of the consultation closing date.

3 OVERVIEW OF RESPONSES

CDP received 171 responses to the consultation, with 107 to climate change, 34 to water security and 30 to forests questionnaires. There were a variety of respondent stakeholder types, with the largest group being responding companies. CDP also received feedback from a consortium of companies, consultancies, investors and not-for-profit organizations.



Please note: There may be some overlap in stakeholder relationships with CDP, as some responding companies may also be investor signatories.

4 HOW RESPONSES HAVE BEEN USED

This section details how the feedback from the consultation has influenced the developments planned for the questionnaires for 2020, and this is covered in the following sections:

- a. Climate change
- b. Forests
- c. Water security

CDP can confirm that the new sector specific questions to be launched in 2020 in the climate change questionnaire will be real estate, construction, capital goods and financial services. (Financial services sector questions were consulted on in 2018 and the report was released in December 2018, and can be found here: [CDP 2018 Consultation.](#)) This report covers the new sector questions consulted on for the real estate, construction and capital goods sectors in the climate change questionnaire as well as the developments to a small number of general questions across all three themes.

Table 2 - Sector-specific questions in the 2020 disclosure cycle

Sector Group	Questionnaire		
	Climate change	Water security	Forests
Agriculture	Agricultural commodities Food, beverage & tobacco Paper & forestry	Food, beverage & tobacco	Paper & forestry
Energy	Coal Electric utilities Oil & gas	Electric utilities Oil & gas	Coal
Materials & Buildings	Cement Chemicals Metals & mining Steel Real Estate Construction Capital Goods	Chemicals Metals & mining	Metals & mining
Transport	Transport OEMS Transport OEMS – Engine Part Manufacturers Transport services		
Financial Services	Banks Insurance Asset Owners Asset Managers		

(Red text shows those sector-specific questions that are new for 2020.)

a. Climate change

The changes for 2020 will complete CDP's alignment with the sectors included in the TCFD recommendations. This section details the feedback received and the outcome for proposed new questions for the real estate, construction and capital goods sectors.

Other changes include revisions to simplify existing modules and questions and improve alignment across the CDP questionnaires.

i) New sector questions for 2020 – real estate and construction

The real estate and construction industries are complex, with different types of companies operating at different points in the value chain; spanning across finance, design, materials manufacturing, construction and life cycle maintenance. Although it is important to draw distinct lines of responsibility for CO₂ emissions within the building value chain, all of the actors in these sectors need to align their actions if we are to achieve the Paris Agreement goals, for which the reduction of building-related emissions will play a critical role.

Buildings are currently responsible for 39% of global GHG emissions. The sizeable part of these emissions is attributable not only to the use of built assets – operational emissions (Scopes 1 and 2), but also to their construction – embodied emissions (Scope 3). With the present global building floor area set to more than double by 2060, there will be increased demand for construction materials for new buildings, extensions, renovations and infrastructure; creating significant and immediate carbon emissions before a project's completion. It is therefore important for the real estate and construction sectors to consider the life cycle impacts of the construction process as well as the emissions from in-building energy use.

Approach

The proposed questions were developed in consultation with a Technical Working Group (TWG) represented by 15 organizations from various geographical regions. The group included real estate developers, construction companies, consultancies as well another reporting frameworks and an NGO active within the sectors. The initial intention was to address climate-related issues of the complete value chain of buildings in a single set of questions. However, in the development process it became apparent that two distinct sectors should be separated – the real estate sector and the construction sector. This makes the questions more targeted where needed, although many of the questions are shared between both sectors.

The initially proposed new real estate and construction sector questions focused on the following areas:

- ▼ Business strategy, including low-carbon transition planning
- ▼ Embodied carbon emissions
- ▼ Emissions intensity

- ▼ Energy use intensity
- ▼ Net zero carbon buildings
- ▼ Low-carbon investments

The real estate questions were developed in consultation with [GRESB](#), who was an active contributor in the TWG. CDP and GRESB entered into partnership to work together to develop indicators, guidance and best practice for the climate-related issues for companies in the real estate sector for the purpose of better alignment of our reporting frameworks. CDP and GRESB are committed to working closely to align similar indicators and to reduce the reporting effort for the real estate sector.

Companies with operations that fall into one of the following CDP Activities can expect to be invited to respond to the new real estate and construction sector questions in 2020. These classifications are defined by the CDP Activity Classification System ([CDP-ACS](#)):

- ▼ **Real Estate:** Hotels and lodging; Real estate developers; Real Estate Investment Trusts (REIT).
- ▼ **Construction:** Building subcontractors; Non-residential building construction; Residential building construction.

Proposed:

14 questions for both real estate and construction sectors were put out to consultation.

Feedback:

The feedback from stakeholders was positive for the majority of the questions proposed with an average of 64% satisfaction. There were a small number of questions that had lower satisfaction, and were seen as repetition, or a high reporting effort.

Please see the detail on the question level feedback in the table below.

Outcome:

Following consultation, the number of new questions to be presented in the questionnaire has been reduced from 14 to 12 questions for the real estate sector and from 14 to 10 questions for the construction sector. Consultation feedback led to the decision to exclude questions with low satisfaction or to amend them to improve clarity. As a result of the feedback received and further research, the focus areas of new questions have been clarified and reduced to:

- ▼ Assessment of buildings' life cycle emissions and embodied carbon emissions data
- ▼ Net zero carbon buildings
- ▼ Low-carbon investments

Table 3: Question level feedback for proposed real estate and construction sector

Question number	Question text	% Satisfaction	Feedback summary	Outcome	Updated question text for 2020
C-RE0.7a/ C-CN0.7a	Indicate which activities your organization engages in.	70%	Positive response overall	Question included with slight wording change to align with other sector questions.	C-CN0.7/C-RE0.7 Which real estate and/or construction activities does your organization engage in?
C-RE0.7b	Indicate which property types are included in your portfolio in the reporting year.	69%	Positive response overall	Question excluded because the exact portfolio composition is no longer required to respond to follow up questions.	n/a
C-CN0.7b	Indicate for which property types you completed new construction or major renovation in the reporting year.	80%	Positive response overall	Question excluded as above.	n/a
C-RE3.1g/ C-CN3.1g	Indicate whether your organization has developed a low-carbon transition plan to support the long-term business strategy.	56%	Perceived as ambiguous and repetitive (as elements of transition plan are covered in other existing questions)	Question excluded and this information request integrated in question C3.1. Definition of low-carbon transition plan clarified.	n/a
C-RE3.1h/ C-CN3.1h	Disclose details of your organization's low-carbon transition plan	44%	Perceived as ambiguous and repetitive (as elements of transition plan are covered in other existing questions)	Question excluded and this information is captured in other questions in module C3 Strategy. Definition of low-carbon transition plan clarified.	n/a
C-RE6.6/ C-CN6.6	Do you assess embodied carbon for any of your new construction or major renovation projects?	75%	Positive response overall	Question included with slight wording change to capture all life cycle emissions and to allow reporting on qualitative assessments.	C-CN6.6/C-RE6.6 Does your organization assess the life cycle emissions of its new construction or major renovation projects?
C-RE6.6a/ C-CN6.6a	Provide further details on how you assess the embodied carbon.	69%	Positive response overall	Question included with slight wording change to capture all life cycle emissions and to allow reporting on qualitative assessments.	C-CN6.6a/C-RE6.6a Provide details on how your organization assesses the life cycle emissions of new construction or major renovation projects.
C-RE6.6b/ C-CN6.6b	Can you disclose the embodied carbon emissions for the new construction/major renovation projects completed in the reporting year?	73%	Positive response overall	Question included with slight wording change to capture projects completed in the last three years.	C-CN6.6b/C-RE6.6b Can you provide embodied carbon emissions data for any of your organization's new construction or major renovation projects completed in the last three years?
C-RE6.6c/ C-CN6.6c	Disclose the embodied carbon emissions of new construction/major renovation projects in the reporting year by property type.	38%	Concern with difficulty to assess this for the whole portfolio.	Question included with some modifications and clarification that reporting on a project (not portfolio) basis is requested	C-CN6.6c/C-RE6.6c Provide details of the embodied carbon emissions of new construction or major renovation projects completed in the last three years

C-RE6.16	Disclose the operational emissions intensities of the portfolio in the reporting year based on the floor area	56%	Concerns with high reporting effort, unavailability of data, difficulty to report on a floor area basis	Question excluded	n/a
C-CN6.17	Disclose the actual building emission rates of the buildings delivered in the reporting year.	50%	Concerns with high reporting effort, unavailability of data, difficulty to report on a floor area basis	Question excluded	n/a
C-RE9.1	Disclose the energy use intensity of the portfolio by property type.	60%	Concerns with high reporting effort, unavailability of data, difficulty to report on a floor area basis	Question excluded	n/a
C-CN9.1	Disclose the energy use intensity rates of the buildings delivered in the reporting year.	80%	Positive response overall	Question excluded in alignment with C-CN6.17	n/a
C-RE9.2/ C-CN9.2	Does your portfolio/buildings delivered in the reporting year include net zero carbon buildings?	76%	Positive response overall	Question included but split out into two questions as separate metrics are required for operating buildings under management and new construction and major renovation projects.	C-RE9.9 Does your organization manage net zero carbon buildings? C-CN9.10/C-RE9.10 Did your organization complete new construction or major renovations projects designed as net zero carbon in the last three years?
C-RE9.2a/ C-CN9.2a	Provide further details on your net zero carbon buildings.	81%	Positive response overall	Question included but split out into two questions as separate metrics are required for operating buildings under management and new construction and major renovation projects	C-RE9.9a Provide details of the net zero carbon buildings under your organization's management in the reporting year. C-CN9.10a/C-RE9.10a Provide details of new construction or major renovations projects completed in the last 3 years that were designed as net zero carbon.
C-RE9.2b/ C-CN9.2b	Explain why you do not plan to include net zero carbon buildings in your portfolio/buildings you deliver in the next two years.	73%	Positive response overall	Question included with slight wording change	C-CN9.11/C-RE9.11 Explain your plan to manage, develop or construct net zero carbon buildings, or explain why you do not plan to do so.
C-RE9.6/ C-CN9.6	Disclose your organization's low-carbon investments for real estate and construction activities.	40%	Perceived as ambiguous (as to what constitutes a low-carbon investment) and repetitive (unclear how this is different from questions on low-carbon products and emission reduction initiatives).	Question included but split out into two: a new leading question allowing a no-route for companies that are unable to provide this information and a simplified follow-up question clearly defining the requested data	C-CN9.6/C-RE9.6 Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities? C-CN9.6a/C-RE9.6a Provide details of your organization's investments in low-carbon R&D for real estate and construction activities over the last three years.

ii) New sector questions for 2020 – capital goods

The capital goods sector provides the products and services to key high emitting end markets such as power generation, construction, transportation, and industry. It is not an emissions intensive sector from direct emissions (Scope 1) or indirect emissions from energy use (Scope 2). However, indirect emissions in the value chain (Scope 3) are key for the sector, with the majority related to the use of their sold products and services. Capital goods producers must therefore be able to understand their indirect emissions profile and manage their product-related climate change risks if they are to ensure future competitive success and be prepared for any product-related regulation.

This sector will also play an important role in delivering the efficiency improvements required to meet the goals of the Paris Agreement and achieve the International Energy Agency's below 2 degree scenario as global energy demand grows, by producing the technology that will enable their end markets to reach their own efficiency goals. Investment in research and development of energy efficient low-carbon products with scope for system-wide change will therefore be key for the capital goods sector's transition to a low-carbon future.

Approach

The proposed capital goods sector-specific questions focused on the disclosure of:

- ▼ Forward-looking business strategies:
 - Low-carbon transition planning
 - Assessment of product life cycle emissions
- ▼ Year-on-year Scope 3 emissions performance
- ▼ Product-related efficiency metrics
- ▼ Investments in low-carbon technologies

Companies with operations that fall into one of the following CDP Activities can expect to be invited to respond to the new capital goods sector questions in 2020: Agriculture, construction & mining machinery; Batteries; Electrical equipment; Industrial machinery; Other renewable energy equipment; Solar energy equipment. These classifications are defined by the CDP Activity Classification System ([CDP-ACS](#)).

Proposed:

9 questions to be presented to companies with activities in the capital goods sector.

Feedback:

Feedback was mainly positive, with the majority of responses showing high satisfaction with the proposed questions, and an average of 71% satisfaction overall. However, for 6 questions constructive feedback was also provided. Please see the table below for detailed question level feedback.

Outcome:

Following consultation, the 9 proposed questions, were reduced to 8. Three questions were included with minor modifications, 2 were excluded, 4 were amended and an additional ‘leading question’ was included to provide a ‘no route’ and reduce reporting effort. As a result of the feedback received and further research, in total 8 capital goods questions will be added to the climate change questionnaire, with focus areas clarified and reduced to:

- ▾ Life cycle emissions assessment of products and services
- ▾ Year-on-year Scope 3 emissions performance
- ▾ Efficiency metrics for products and services
- ▾ Low-carbon investments

Table 4: Question level feedback for proposed capital goods sector questions

Question number	Question text	% Satisfaction	Feedback summary	Outcome	Updated question text for 2020
C-CG3.1g	Indicate whether your organization has developed a low-carbon transition plan to support the long-term business strategy.	75%, with constructive feedback	Constructive feedback suggesting this question is not just relevant for capital goods sectors.	Question excluded and this information request integrated in question C3.1. Definition of low-carbon transition plan clarified.	n/a
C-CG3.1h	Disclose details of your organization’s low-carbon transition plan, including how it affects your product portfolio	75%, with constructive feedback	As above	Question excluded and this information is captured in other questions in module C3 Strategy. Definition of low-carbon transition plan clarified.	n/a
C-CG3.2	Does your organization assess the life cycle emissions of any of its products?	75%	Positive response, with request to include ‘services’.	Question included with slight wording change to include ‘products and services’. Question moved to C6 Emissions data.	C-CG6.6 Does your organization assess the life cycle emissions of any of its products or services?
C-CG3.2a	Explain how your organization assesses product life cycle emissions.	75%	As above	As above.	C-CG6.6a Provide details of how your organization assesses the life cycle emissions of its products or services.
C-CG7.10	How do your Scope 3 emissions for the reporting year compare to those of the previous reporting year?	100%	All positive feedback	Question included with slight wording change for clarity.	C-CG7.10 How do your total Scope 3 emissions for the reporting year compare to those of the previous reporting year?
C-CG7.10a	Identify the reasons for any change in your Scope 3 emissions, and for each of them specify how your emissions compare to the previous year.	50%	50% of responders identified considerable reporting effort for answering the question.	Question drop down options amended, slight wording change and explanation provided to help reduce reporting effort.	C-CG7.10a For each Scope 3 category calculated in C6.5, specify how your emissions compare to the previous year and identify the reason for any change.

C-CG8.4	Does your organization measure the efficiency of any of its products?	75%	Positive response overall	Question included with slight wording change to include 'products and services', drop-down options amended.	C-CG8.5 Does your organization measure the efficiency of any of its products and services?
C-CG8.4a	Disclose the efficiency metrics appropriate for your organization's products.	60%	Concern with reporting effort, commercial sensitivity, and how to report year-on-year change for long-cycle products.	Question included but request for year-on-year change removed, two columns now optional, drop-down options amended, wording amended to include 'products and services'.	C-CG8.5a Provide details of the metrics used to measure the efficiency of your organization's products or services.
C-CG9.6	Disclose your investments in low-carbon research and development (R&D), equipment, products, and services.	50%	Constructive feedback received on question specifics and for some companies the inability to provide this data. Request for the addition of a leading question.	Question included but split out into two: a new leading question allowing a 'no' route for companies that are unable to provide this information, and a simplified follow-up clearly defining the requested data.	C-CG9.6 Does your organization invest in research and development (R&D) of low carbon products or services relating to your sector activities? C-CG9.6a Provide details of your organization's investments in low-carbon R&D for capital goods products and services over the last 3 years.

iii) Revisions to the climate change questionnaire for 2020

Revisions were proposed to simplify questions, remove repeating data requests, clarify the data requested and improve pathways in the following three modules: Module C2 - Risks and opportunities; Module C3 - Business strategy; Module C4 - Targets and performance.

► Proposed: Module C2 – Risks and opportunities: question modifications and restructuring of the module.

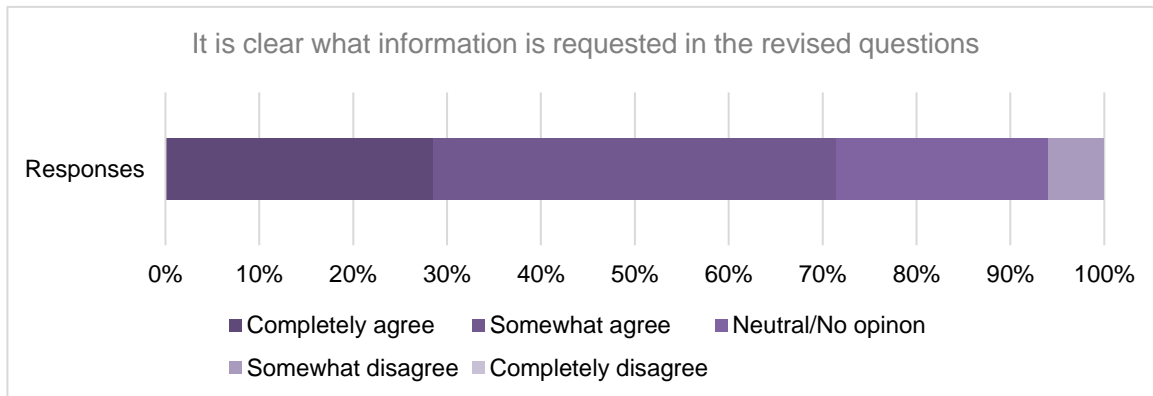
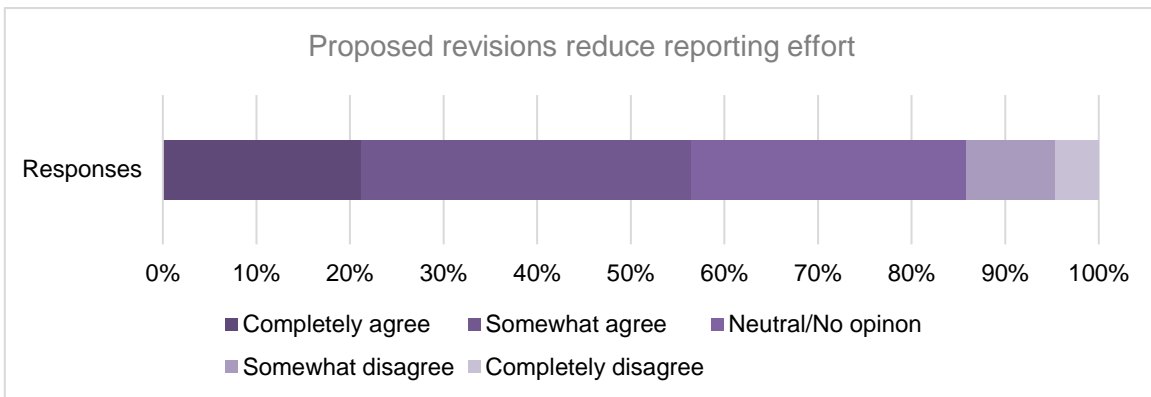
The proposed new structure included:

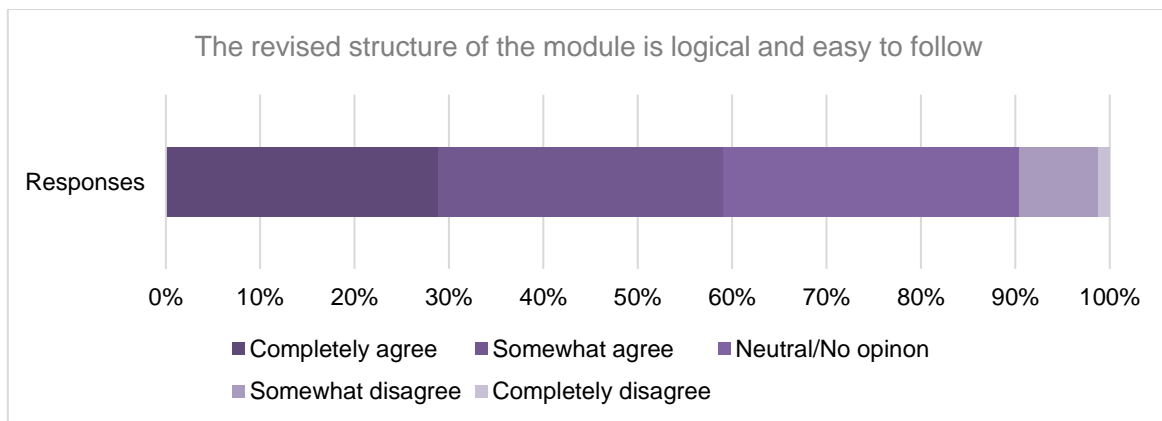
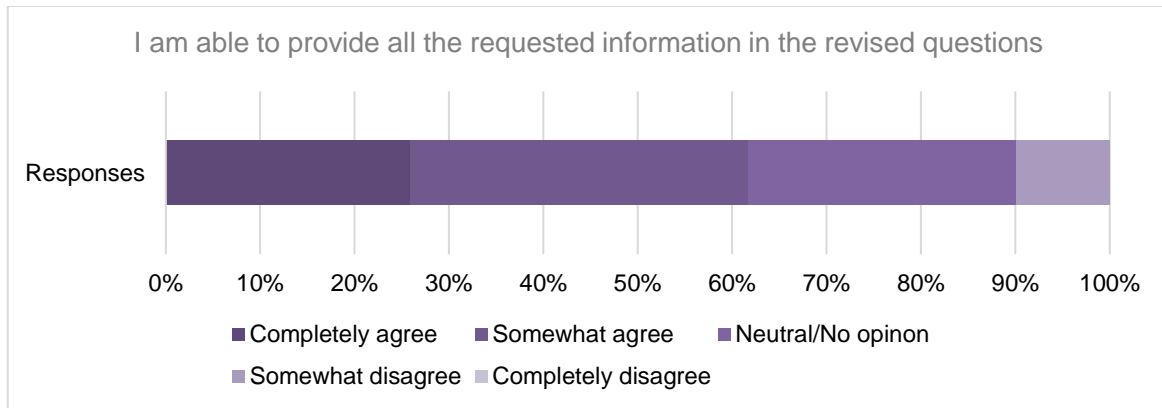
- A new leading question, and a new question to define substantive financial or strategic impact, to align more with CDP's forests and water security questionnaires and to improve the question flow.
- Merging C2.2 and C2.2a to improve clarity of the requested information, reduce repetition and better align with CDP's forests and water security questionnaires.
- Merging of C2.2b and C2.2d to reduce reporting effort associated with open-text process-related questions and to improve clarity of the requested information.
- Modification of C2.2e to update the risk type options to be fully aligned with TCFD and to remove the request to report on relevance and inclusion of upstream and downstream risks, to reduce reporting effort.

Feedback:

- ▼ 57 respondents provided their feedback on the following statements:
 - **Proposed revisions reduce reporting effort** – 56% Completely agree/somewhat agree
 - **It is clear what information is requested in the revised questions** – 72% Completely agree/somewhat agree
 - **I am able to provide all the requested information in the revised questions** – 61% Completely agree/somewhat agree
 - **The revised structure of the module is logical and easy to follow** – 59% Completely agree/somewhat agree

Please see below the bar charts detailing out the responses received for each statement.





Among the constructive feedback received was:

- ▼ Requirement to provide details of risk management processes split by value chain stages was perceived as duplication of reporting effort as many companies said they have a single process covering the complete value chain.
- ▼ The request to describe risk management processes in a separate question C2.2d was perceived by some as repetitive; merging with C2.2c was suggested.
- ▼ Revising the risk type terminology in C2.2e was perceived by some respondents as being an increase in reporting effort.
- ▼ Inconsistent terminology around 'risks/opportunities' and 'climate-related issues' and ambiguity around certain dropdown options was reported.

Outcome:

The feedback was largely in favour and most of the proposed changes to restructure the module have been implemented. However, the constructive feedback was also taken into account and the following changes have been made:

- ▼ Terminology has been aligned throughout the module:

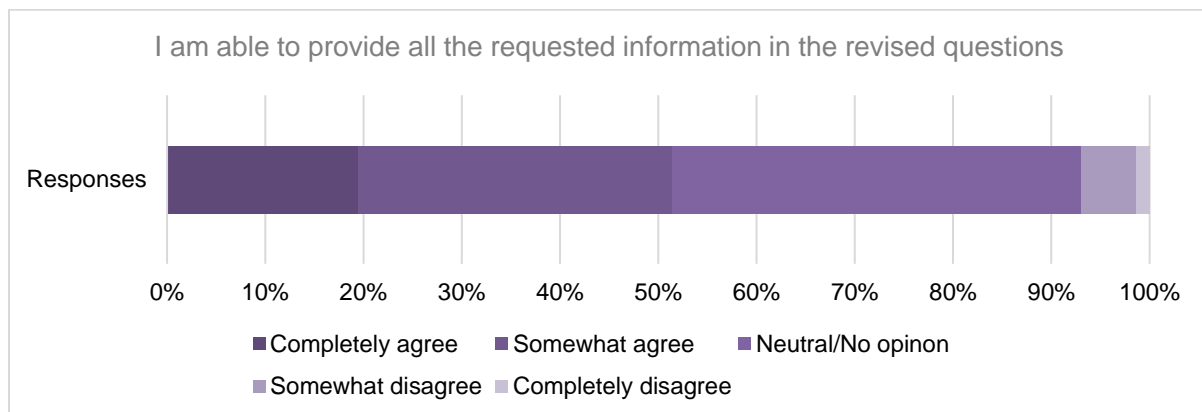
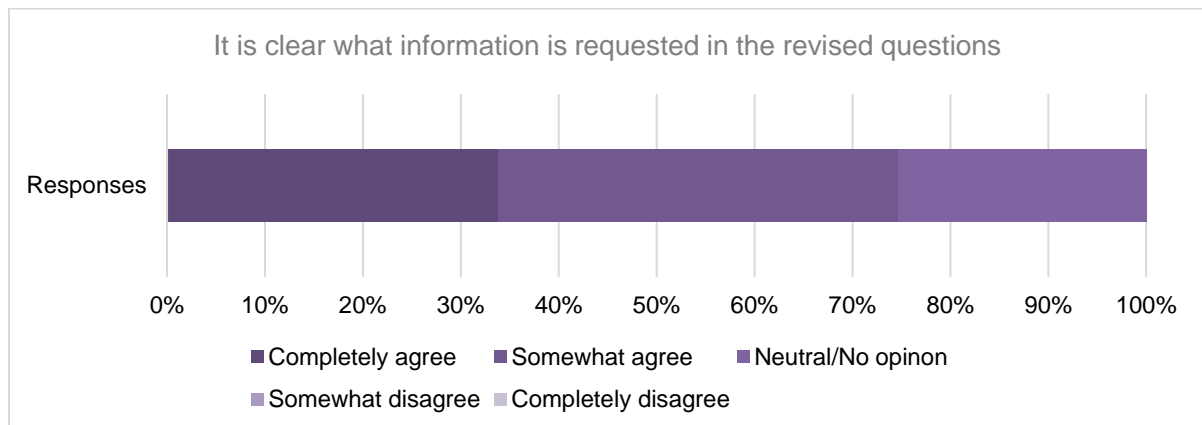
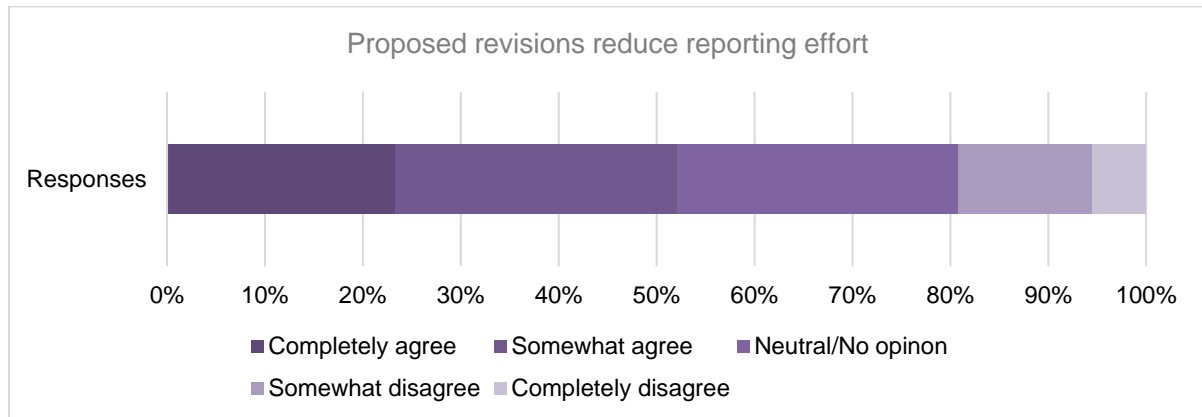
- Questions refer to “risks and opportunities” instead of “issues”;
 - It has been clarified that the term “risk management” refers to all processes of identification, assessment and responding to risks, in line with CDP water security and forests questionnaires.
 - ▼ The new leading question [C2.1](#) has been included with slight wording change.
 - ▼ The request to provide a definition of a substantive financial or strategic impact in a separate new question [C2.1b](#) has been included as proposed.
 - ▼ In response to the feedback received, further integration of process-related questions has gone ahead: 2019 questions C2.2, C2.2a, 2.2b and 2.2d have been merged into one question in 2020 - [C2.2](#). This question now allows providing all the details and description of risk management processes across the whole value chain as a single response, to reduce reporting effort.
 - ▼ The proposed revisions in [C2.2a](#) (2019 C2.2e) have been partly implemented: upstream and downstream risk types have been removed as proposed; other proposed revisions to risk types have not been implemented to avoid the risk of increasing reporting effort.
 - ▼ 2019 questions C2.5 and C2.6 that requested information on impacts of climate-related issues on strategy and financial planning have been integrated into Module 3 Strategy, as proposed.
- ▼ **Proposed: Module C3 – Business strategy: question modifications and restructuring of the module.**

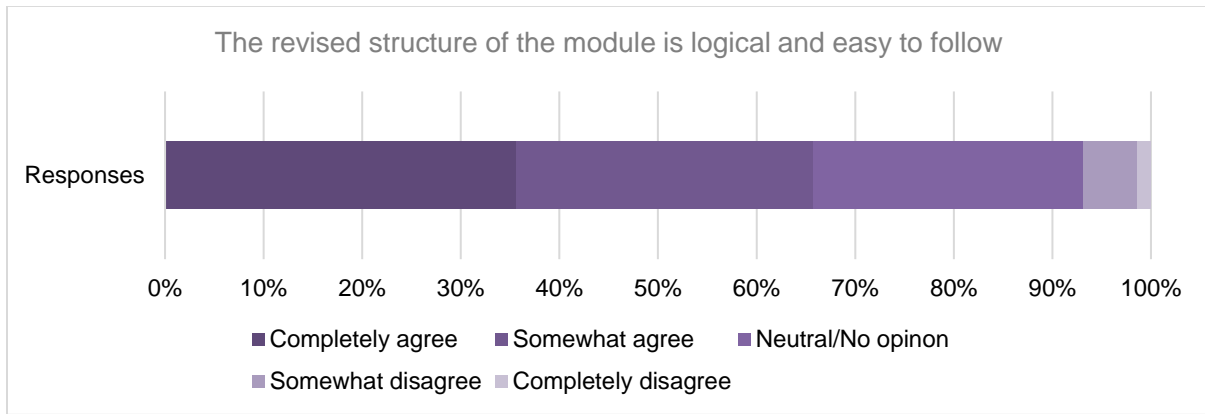
Proposed questions included modifications to C3.1c from open text to a table in 2020 C3.1d, to incorporate elements of 2019 question C2.5. This was being proposed to improve the clarity of the requested information, reduce repetition and improve the data structure. It was also proposed to move C2.6 to Module 3 to and split into two clearer questions for 2020 – C3.1e and C3.1f. This would improve the clarity of the requested information and reduce reporting effort by having a single open-text request to provide description. The order of questions has been revised to improve the flow and remove repeating data requests which has resulted in the change of question numbering.

Feedback:

- ▼ 73 respondents provided their feedback on the following statements:
 - **Proposed revisions reduce reporting effort** – 52% Completely agree/Somewhat agree
 - **It is clear what information is requested in the revised questions** – 73% Completely agree/Somewhat agree
 - **I am able to provide all the requested information in the revised questions** – 51% Completely agree/Somewhat agree
 - **The revised structure of the module is logical and easy to follow** – 66% Completely agree/Somewhat agree

Please see below the bar charts detailing out the responses received for each statement.





Among the constructive feedback received was:

- ▼ Perception that the proposed changes do not fully reduce reporting burden. The introduction of tabular format for previously open-text questions was seen by some as increase in reporting effort.
- ▼ Perceived ambiguity on how this module is linked to the risks and opportunities reported in Module 2.
- ▼ Perceived ambiguity in C3.1d related to linking business area strategies to specific targets.
- ▼ C3.1e was perceived by some as repetitive i.e. some financial planning elements are overlapping and often affected in the same way.

Outcome:

Most of the proposed changes have been implemented with modifications, considering the constructive feedback received:

- ▼ Terminology has been aligned throughout the module: questions now refer to “risks and opportunities” instead of “issues”.
 - ▼ Revisions to [C3.1d](#) integrating 2019 question C2.5 have been implemented with some modifications; request to link strategy to specific targets has been removed.
 - ▼ Proposed questions C3.1e and C3.1f have been merged into one simplified question [C3.1e](#) and the influence on all affected financial planning elements is now requested to be described in a single text field. This will all have the effect of further reducing reporting effort.
 - ▼ An optional question [C3.1f](#) has been added so companies can provide a description of their strategy or any other relevant information for additional context, to supplement the information provided in the preceding tabular questions.
- ▼ **Proposed: Module C4 – Targets and performance: modifications to improve the question flow and the data quality of renewable energy targets.**

Proposed revisions included:

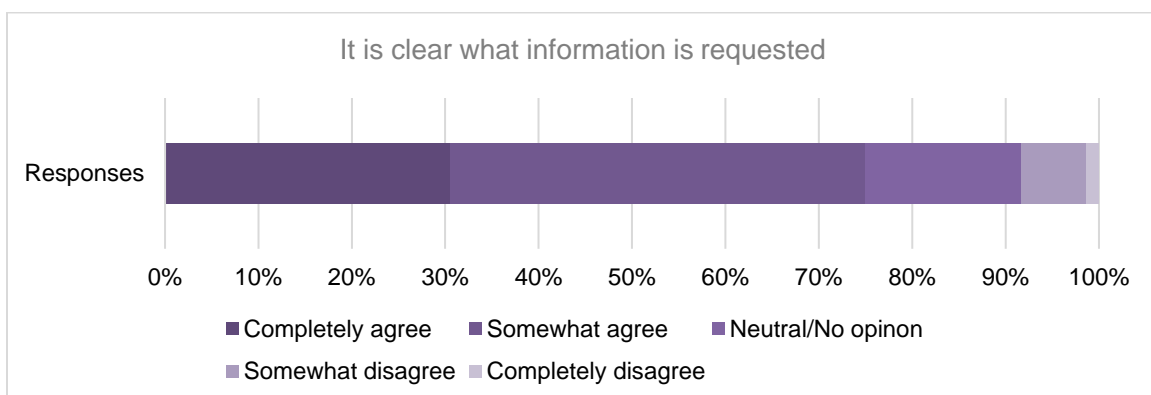
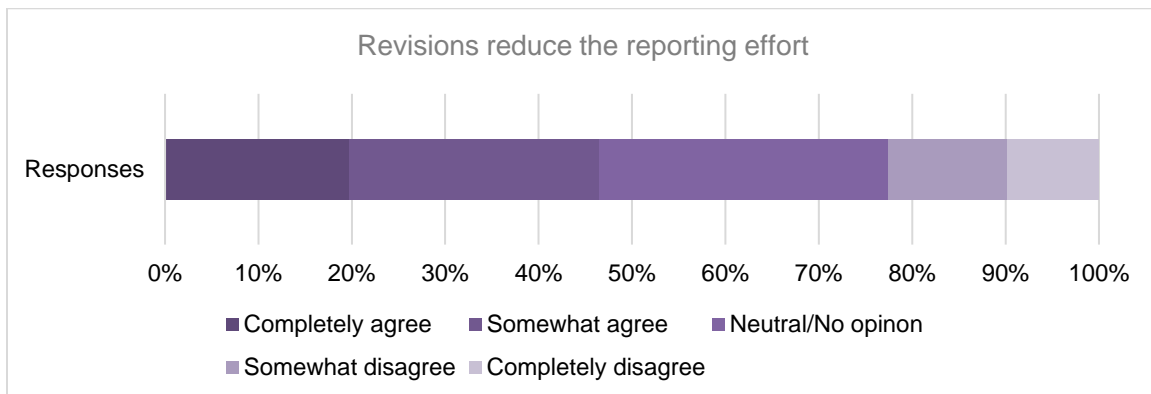
- ▼ A new leading question for section “Other climate-related targets”, to lead the separation of renewable energy targets from other climate-related targets.

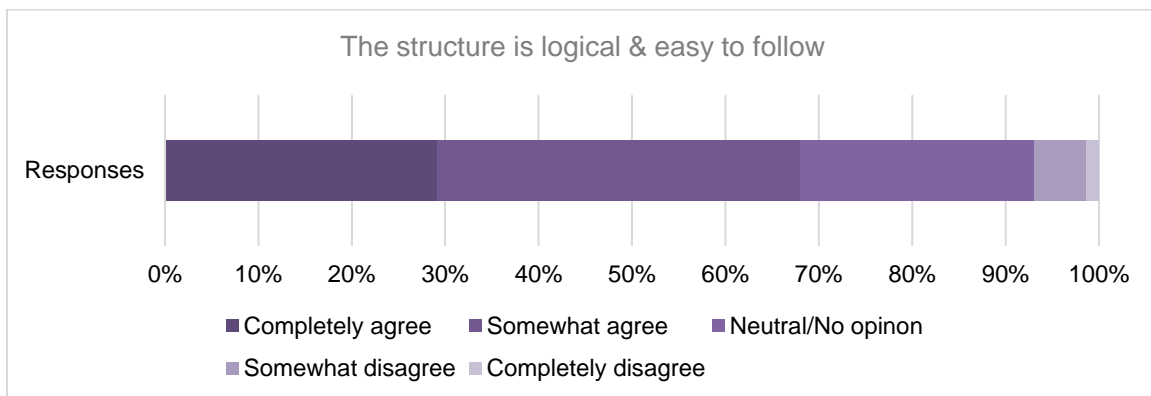
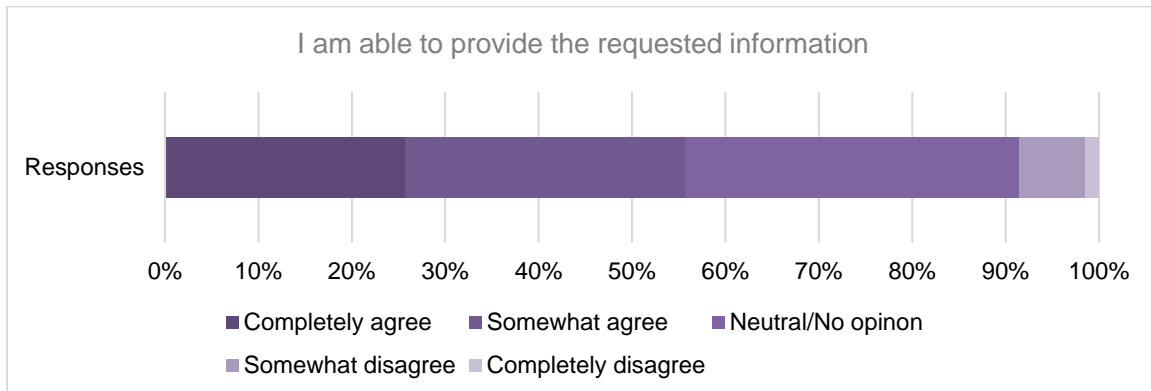
- ▼ C4.2 to be split into two for 2020 – C4.2a asking for other climate-related targets related to renewable energy consumption or production, and C4.2b asking for any other climate-related targets. This was to improve the quality of data and ease of reporting of renewable energy targets.
- ▼ The “Scope” column in C4.3b was proposed to be removed and “Estimated annual CO2e savings” split into three columns, one for each Scope. This was to improve the data quality.

Feedback:

- ▼ 71 respondents provided their feedback on the following statements:
 - **Revisions reduce the reporting effort** - 47% Completely agree/Somewhat agree
 - **It is clear what information is requested** - 75% Completely agree/Somewhat agree
 - **I am able to provide the requested information** – 56% Completely agree/Somewhat agree
 - **The structure is logical & easy to follow** – 68% Completely agree/Somewhat agree

Please see below the bar charts detailing out the responses received for each statement.





Among the constructive feedback received was:

- ▼ The suggestion that C4.2 and C4.2a should allow reporting of low-carbon (i.e. zero emissions) energy targets, as well as renewable energy targets.
- ▼ The request that companies can identify initiatives related to targets reported in C4.2a.
- ▼ Suggestion for columns to be auto-calculated to reduce the reporting effort in C4.2a.
- ▼ The proposed split of the “Estimated annual CO2e savings” column in C4.3b into a column for each of the three Scopes of emissions would increase the reporting effort, as emissions reductions for some initiatives are not easily broken down by scope.

Outcome:

Most of the proposed changes have been implemented with modifications, considering the constructive feedback received:

- ▼ New question [C4.2](#) to lead the separation of low-carbon energy targets from other climate-related targets, and also to improve the question flow for reporting methane reduction targets for the oil & gas and coal sectors.
- ▼ [C4.2a](#) has been modified to allow reporting of low-carbon energy consumption and production targets, enable reporting of intensity targets, and now includes a column to identify overarching initiatives related to the target.

- ▼ All targets questions have been revised for alignment and clarity:
 - The order of columns and column headers have been streamlined for all questions;
 - A new column “Target coverage” have been added to all questions;
 - A new auto-calculation function has been added for some columns.
- ▼ Drop-downs developed for other climate-related targets question [C4.2b](#) (2019 C4.2).
- ▼ Drop-downs revised for emissions reduction initiatives question [C4.3b](#). The other proposed changes to this question have not been implemented following the feedback - the “Scope” column has not been removed and the “Estimated annual CO2e savings” column has not been split into three.

a. Forests

The main drivers of changes to CDP Forests questionnaire for 2020 are related to: 1) simplification (e.g., avoiding duplication and improving data quality); 2) improvement of question design; 3) alignment with the [Accountability Framework initiative \(AFi\)](#); and 4) questionnaire development informed by ongoing projects¹ focused on cattle products, soy and palm oil.

i) Revisions to the forests questionnaire for 2020

- ▼ **Proposed: Module F0 – Introduction: merge questions 2019 F0.4 and F0.5; remove ‘Other’ commodity row; and add ‘Other – Coffee’ and ‘Other – Cocoa’.**

CDP proposed to merge the stages of the value chain and commodity disclosure questions (2019 F0.4 & F0.5). This is intended to improve data quality through simplified question design. The removal of the “Other” row was proposed to focus the disclosure on the most relevant forest risk commodities and also to avoid the incorrect use of the option “Other” (e.g., to disclose on the use of paper and packaging, instead of selecting ‘Timber products’). The commodities most commonly disclosed under “Other” in previous years – coffee and cocoa – were proposed to be added as fixed rows.

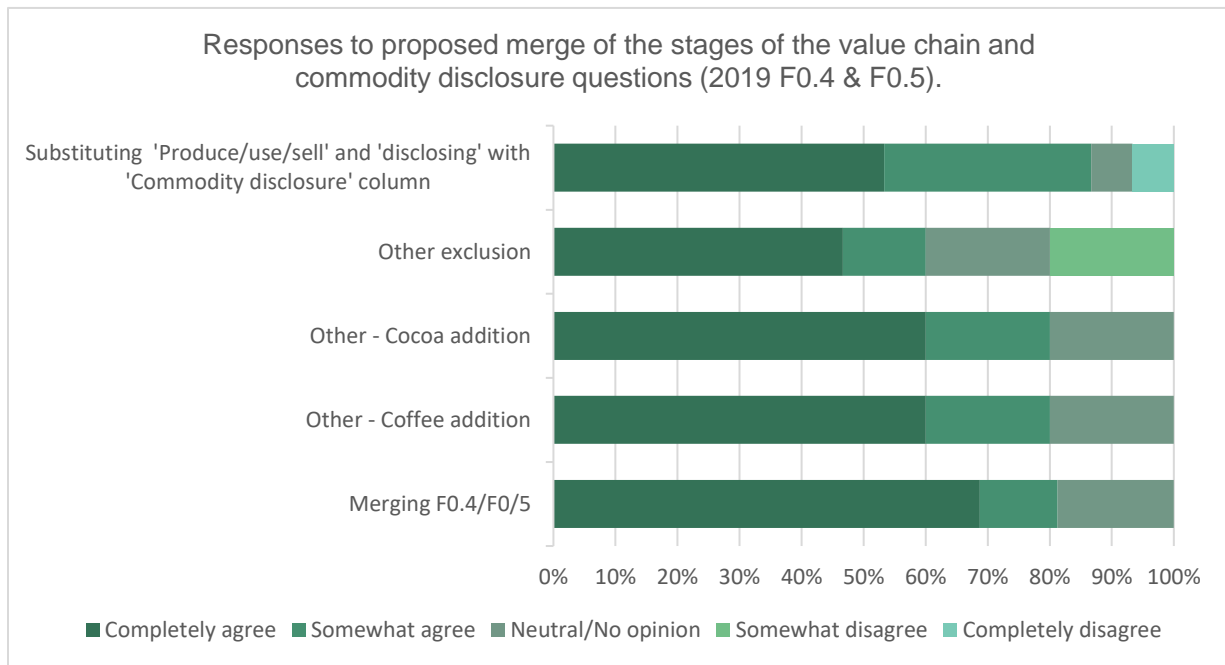
Feedback:

- ▼ 16 responses
- ▼ 88% completely agree/somewhat agree with merging the questions.
- ▼ 74% completely agree/somewhat agree with the addition of *Other – Coffee* and *Other – Cocoa* commodity selections.
- ▼ 60% completely agree/somewhat agree with the exclusion of the *Other* commodity selection.
- ▼ 87% completely agree/somewhat agree with replacing the *Produce, use, sell* and *Disclosing* data points with a single data point – commodity disclosure.

Respondents mostly agreed with the proposed design or are neutral to the revisions proposed.

See below for the bar chart on the feedback received for this proposed revision:

¹ These projects are supported by the Norwegian Agency for Development Cooperation (NORAD), the David & Lucile Packard Foundation and the Waterloo Foundation.



Outcome:

Revisions were implemented as proposed in the consultation document. See [F0.4](#).

There were 3 respondents with concerns that data will be lost due to the exclusion of the “Other” row. However, it is important to note that, with very few exceptions, the “Other” option was used by companies in previous years to disclose on cocoa and coffee (now added for 2020 disclosure) or to incorrectly disclose on the use of packaging and paper products, which should be disclosed under “Timber products” in 2020.

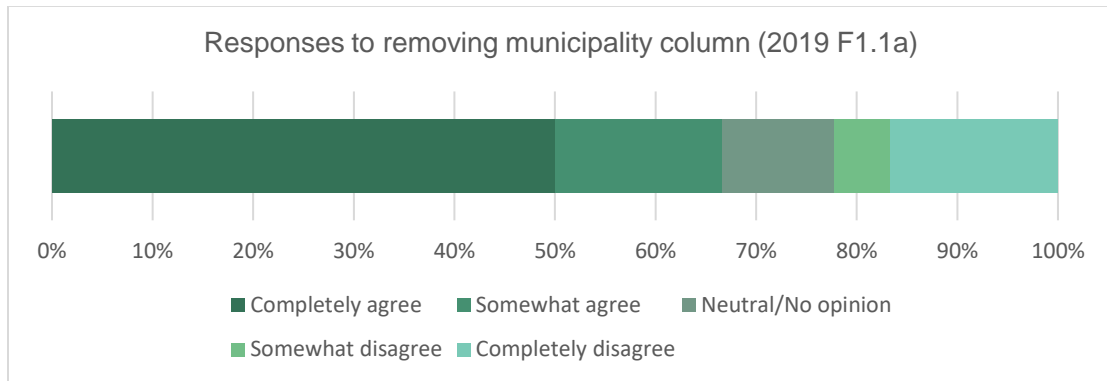
▼ **Proposed: Module F1 – Current state: remove municipality column (2019 F1.1a)**

Providing information on municipalities has proved to be problematic, as companies could only input information on a limited number of municipalities but due to systems limitations, this was a time-consuming activity for companies sourcing multiple commodities from multiple regions. Therefore, it was proposed that the municipality disclosure column should be removed.

Feedback:

- 16 responses
- 75% completely/somewhat agreed.

Although most respondents expressed agreement with the change, there were notable disagreements from investor, NGO and other stakeholders, linked to the fact that the municipality data is an important indicator of risk exposure.



Outcome:

Feedback provided during the consultation has led to changes to final question design.

The municipality column has been removed, as proposed during the consultation, but changes were implemented to improve information on risk exposure. First, the question was moved to a different place in the questionnaire and is now a follow-up of the volume data question (F1.5). Companies sourcing from forest risk countries will be requested to disclose consumption/production volumes by forest risk country and subnational jurisdiction (state or equivalent). Furthermore, companies will be requested to disclose the volume originated from “unknown origins” and from “other countries” (ones not listed as forest risk countries). By doing this CDP expects to get a full picture on known, and unknown, origins of forest risk commodities source or produced by companies.

- Proposed: Module F1 – Current state: Split question 2019 F1.3 (land owned/managed) into two questions; remove columns on type of control; and add columns focused on conversion area.**

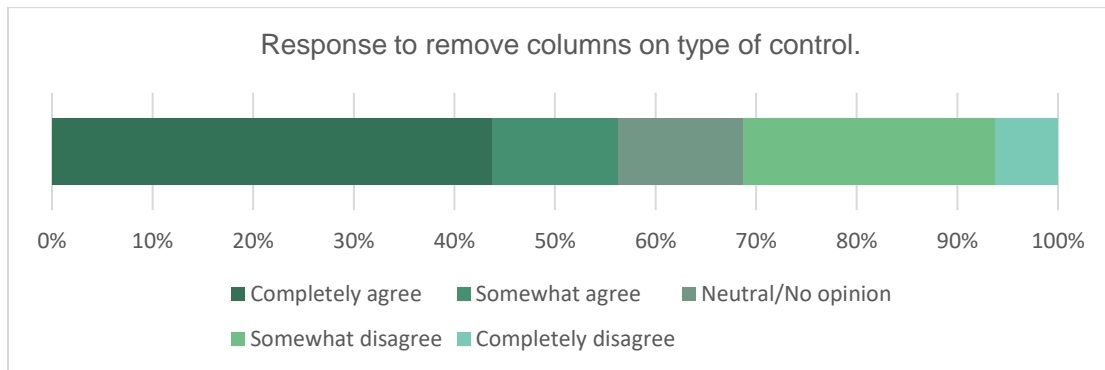
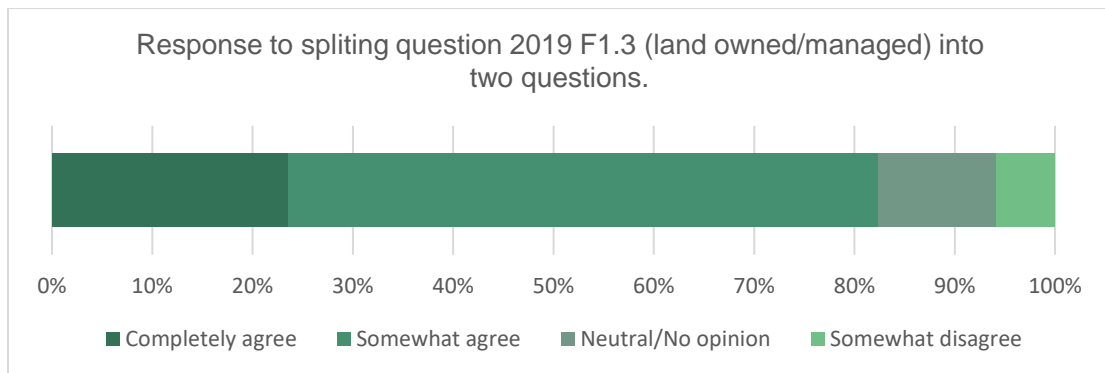
Data on land owned/managed by companies is critical to understanding forest-related risks. Whilst companies were already asked about the area of unplanted land they owned or managed previously, few companies provided data on this and it was often unclear whether companies were reporting on total land holdings or just land under production. To improve data quality on land owned/managed, CDP proposed to divide the question on land owned/managed into two: 1) focusing on land under production; and 2) focusing on land not currently in use for the production of forest risk commodities production; and to simplify the questionnaire, it was proposed that these questions would only be presented to producers.

Feedback:

- 17 responses
 - 82% completely/somewhat agreed with splitting into two questions

- 56% completely/somewhat agreed with excluding the request for infractions/violations data from this question.

There was general agreement with the proposed new question and on the addition of the new data points. There was less agreement about the exclusion of columns, especially due to a perception that the infractions data will not be covered in other sections of the questionnaire.



Outcome:

The new question was added to the questionnaire. See [F1.4](#).

Extra guidance will be added to F0.4 to ensure that companies correctly select 'production' and will therefore see this question.

The monitoring systems datapoints will be captured in a new question in the implementation module. There were also some minor adjustments to the dropdown options in the certification standard column to ensure they remained relevant to producers.

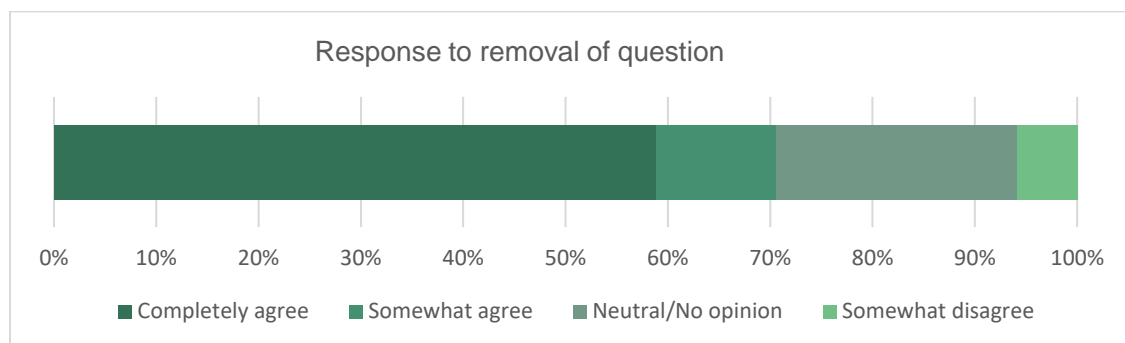
▼ **Proposed: Module F1 – Current state: Sufficient sources of sustainable material – Remove question.**

Much of this information is captured in a more precise way across the implementation module, so its removal helps simplification and prevents companies having to duplicate the information they are disclosing. Another reason for its proposed removal was the lack of a well-accepted definition for “sustainable material”, which meant that the information captured in this question was not fully comparable or informative for data users.

Feedback:

- ▼ 17 responses
- ▼ 71% completely/somewhat agreed

Most respondents were supportive or neutral to the removal of this question.



Outcome:

Question removed from the questionnaire as proposed.

▼ **Proposed: Module F6 – Implementation: Brazilian Forest Code compliance – Move questions from F1 to F6, addition of new columns on performance.**

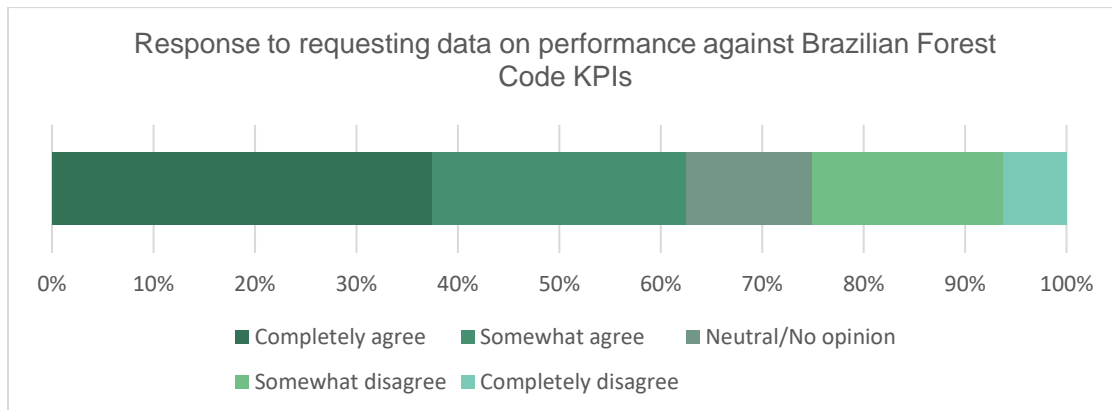
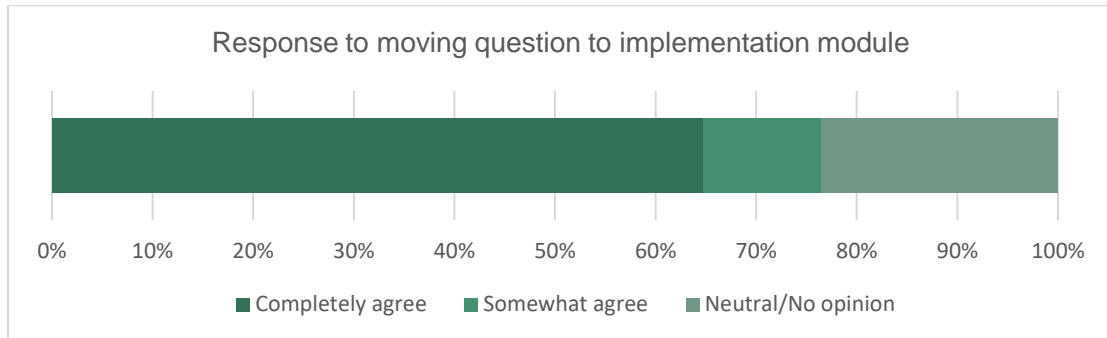
The Brazilian Forest Code questions will be moved from the Current state module (F1) to module F6 (Implementation), as it refers to how companies are implementing compliance with regulation. Additionally, new columns on performance against key performance indicators were added to measure compliance with the Brazilian Forest Code.

Feedback:

- ▼ 17 responses (moving to implementation module), 16 responses (performance column).
- ▼ 76% completely/somewhat agreed with moving to implementation module.

- 63% agreed with requesting data on performance against Brazilian Forest Code KPIs

There were no objections expressed regarding moving the question to module F6 (Implementation). Several respondents, however, raised concerns about the potential reporting effort that measuring compliance with the Brazilian Forest Code could pose, particularly to those downstream in the supply chain.



Outcome:

The questions were moved to the module F6 (Implementation) and will not be presented to retailers and manufacturers. See [F6.5](#).

Addressing feedback received in the public consultation, it was acknowledged that companies upstream of forest risk commodities are best placed to disclose the requested information on compliance with the Brazilian Forest Code. Consequently, these questions will only be displayed to producers, processors and traders. Manufacturers and retailers will still be able to disclose information about the Brazilian Forest Code in the new legal compliance question.

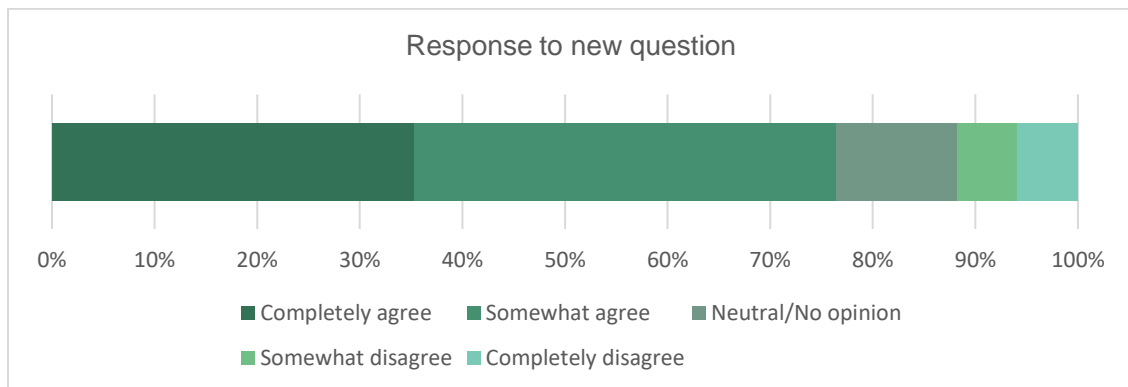
- Proposed: Module F6 – Implementation: New question on legal and regulatory compliance – New questions (F6.6, F6.6a).**

New questions on legal and regulatory compliance were proposed to address the fact that CDP was focused on compliance with regards to the Brazilian Forest Code. These new questions have been added to capture systems for ensuring compliance with regulations and standards in other regions. This creates more consistency in measuring and scoring companies operating in different countries and jurisdictions. The questions will also seek to encourage companies to set up systems to prevent any illegal deforestation in their operations or supply chains.

Feedback:

- ▼ 16 responses
- ▼ 75% completely/somewhat agreed.

Most of respondents agreed with or were neutral to the addition of a question on legal and regulatory compliance. Disagreement with the inclusion of the new question relates to the fact that it is seen as difficult for retailers to report on.



Outcome:

The new question has been added to the questionnaire with changes to address consultation feedback. See [F6.6](#). and [F6.6a](#).

To address valid concerns expressed by retailers, the new question will not ask companies to disclose data on a country-by-country basis, as in the original proposal. Considering the importance of legal compliance in reducing deforestation globally, it is relevant to inform investors and other data users on the mechanisms in place for ensuring compliance, even if this is not focused on specific laws and regulations.

▼ **Proposed: Module F6 – Implementation: targets for sustainable production and consumption of commodity – addition of 2 new columns**

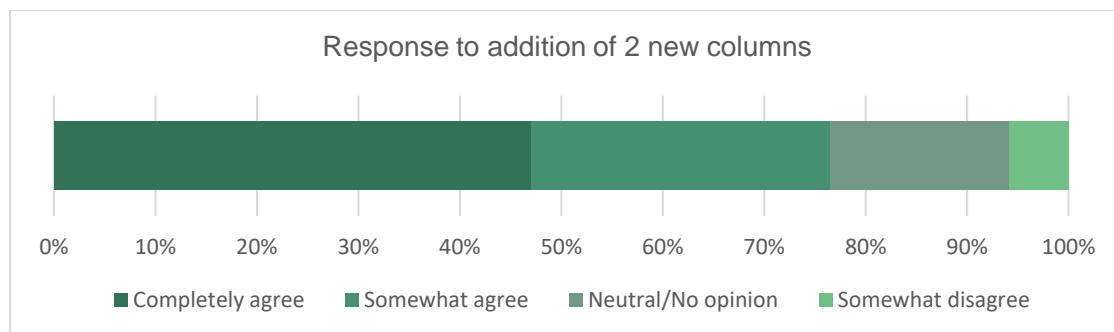
The proposal included adding a commitment column to the target question and a target specification column. The additional commitment column would allow the data disclosed in the target question to be used as a proxy for progress made in meeting high-level commitments. This ensures alignment with the Accountability Framework initiative’s

(AFi) guidance. The addition of a target specification column provides companies with an opportunity to provide a company specific label to the target they have adopted.

Feedback:

- ▼ 17 responses.
- ▼ 76% completely/somewhat agreed.

There was strong agreement with the proposed changes to this question, which were seen as important for tracking progress towards companies’ high-level commitments.



Outcome:

Change implemented with modifications to address the consultation feedback. See [F6.1a](#).

CDP has simplified the options and won’t be presenting the full list of commitments selected in the commitments question.

To ensure data is obtained on progress made towards the key zero deforestation and no conversion commitments, CDP has limited the linked commitments that may be selected to “Zero net/gross deforestation”, “No conversion of natural ecosystems”, “Other environmental commitments” and “Social commitments”. Additionally, columns have been added to allow companies to express progress towards targets as either a percentage or as a numerical figure. Furthermore, the dropdown options in the traceability point column have been adapted for each commodity.

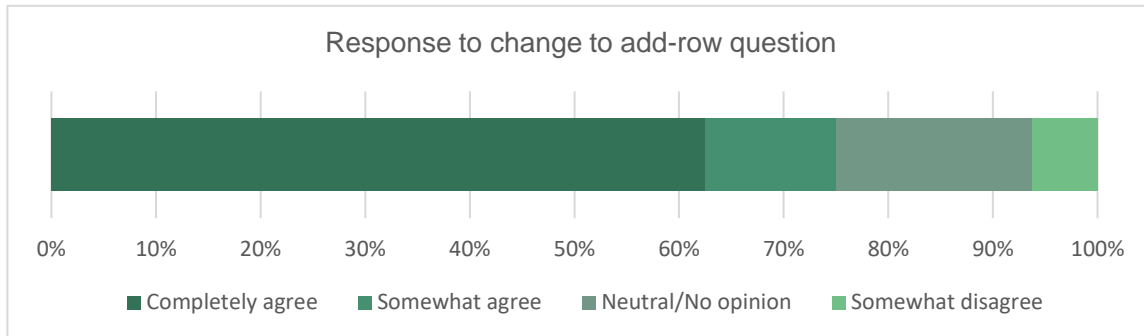
▼ **Proposed: Module F6 – Implementation: Third-party certification schemes – Change to add-row question.**

Previously, the third-party certification scheme question design made it impossible for data users to disaggregate the data from different columns by certification type. By making this an add row question, each question row corresponds to one type of certification.

Feedback:

- ▼ 16 responses.
- ▼ 75% completely/somewhat agreed.

Respondents largely supported this change, recognizing that it would improve data quality. There were concerns expressed by a retailer on how to disclose acceptance of different certification schemes.



Outcome:

The change was implemented with minor modifications to address consultation feedback. See [F6.3](#).

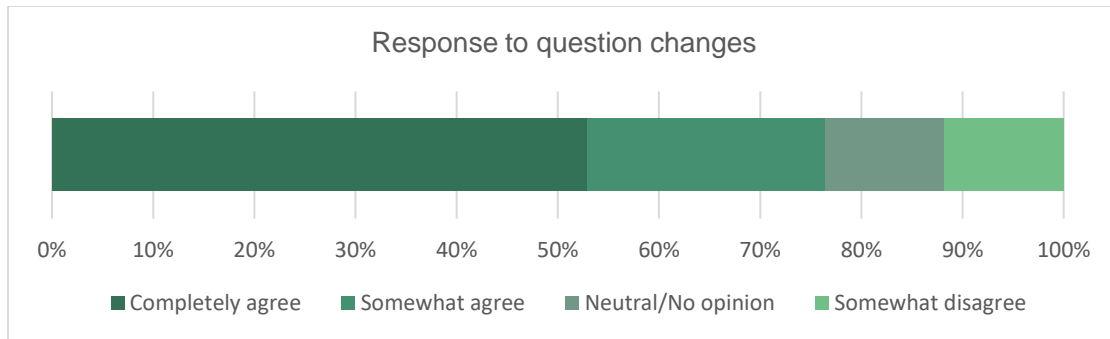
Companies that cannot provide a breakdown by different types of certification within a certification standard will be able to select the standard (e.g., RSPO any). These selection options will be clarified in the reporting guidance.

- ▼ **Proposed: Module F6 – Implementation: sustainable production/procurement standards – replace with question on control systems for monitoring compliance with policies/commitments.**

This new question merges data points on monitoring systems from F1.3 in the 2019 questionnaire, and data points on the percentage of supplier’s in compliance from F6.5 in the 2019 questionnaire on sustainable production/procurement standards. Further data points are also captured on control systems and responses to supplier non-compliance.

Feedback:

- ▼ 17 responses.
- ▼ 76% agreed.



Outcome:

The new question will be added with modifications. See [F6.4](#) and [F6.4a](#).

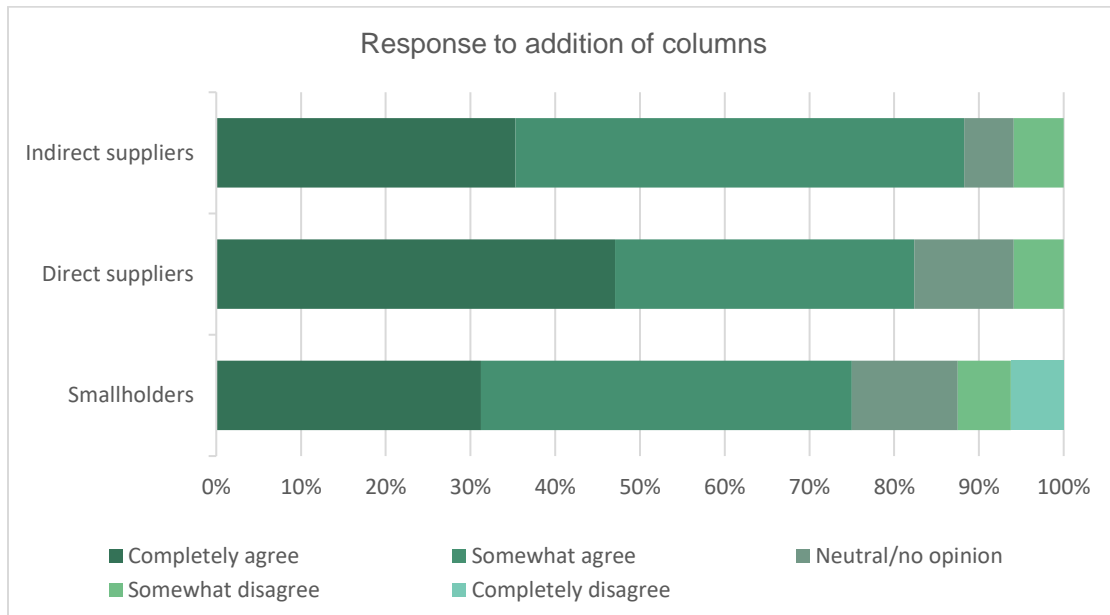
Some feedback expressed that the multiple columns in the question was an issue for disclosers. Consequently, the question was split in two, with the new leading question asking if they have a control system and the follow-up question asking for details on that control system. The question text was also modified to focus on control systems for no conversion and/or no deforestation commitments. Additionally, the “Policies, commitments and other requirements” column was removed. Respondents also highlighted the need for an indicator on the percentage of volume in compliance, to complement the indicator on percentage of suppliers in compliance. Further research showed that best practice for responsible sourcing is increasingly focusing on measuring volume compliance. Consequently, a new column “% of total volume in compliance” was added.

- ▼ **Proposed: Module F6 – Implementation: Smallholder engagement/Direct supplier compliance/Indirect supplier compliance - Addition of columns on type of engagement and impact achieved.**

The question text for the question on smallholder engagement was changed from “reduce or remove deforestation/forest degradation” to “protect forests and other natural ecosystems” to align with AFi. Three additional columns were proposed to be added to each engagement question. The first new column would allow disclosure of the *Type of engagement approach* adopted; in the second column the *Engagement approach* would then be specified; as well as a third open-text column where *Impact achieved* could be assessed.

Feedback:

- ▼ Responses – 16 (Smallholders), 17 (Direct suppliers), 17 (Indirect suppliers).
- ▼ 75% completely/somewhat agreed with the expansion of the smallholder engagement question.
- ▼ 82% completely/somewhat agreed with the expansion of the direct suppliers engagement question.
- ▼ 88% agreed with the expansion of the indirect suppliers engagement question.



Outcome:

The changes will be implemented with modifications to the impact achieved column. See [F6.7](#) , [F6.8](#) and [F6.9](#).

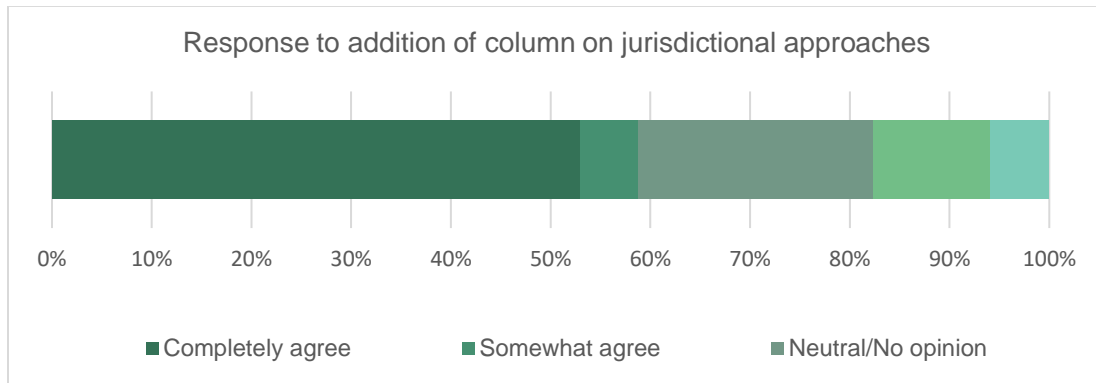
Feedback highlighted that whilst it is important to understand the impact achieved, the approach proposed in the consultation did not provide a way for companies to provide a structured and comparable answer. Therefore, for the smallholder and direct supply engagement questions, a “% of smallholders/suppliers engaged” column was added. A “Please explain” column was also added for all three questions, providing space for companies to provide a qualitative explanation of their engagement approach and the impact achieved.

▼ **Proposed: Module F6 – Implementation: Participation in projects and/or initiatives – addition of column on jurisdictional approaches.**

A new column “*jurisdictional approaches*” was proposed to provide companies with the opportunity to disclose on involvement in jurisdictional approaches. Additionally, new response options were added to the initiatives column to provide more options to disclosers.

Feedback:

- ▼ 17 responses
- ▼ 59% completely/somewhat agreed.



Outcome:

Jurisdictional approaches column will be included with extra dropdowns. See [F6.10](#).

In the feedback for this question, companies requested that an ‘*Other – please specify*’ dropdown option be included. This has been included as jurisdictional approaches are an emerging area and the proposed dropdowns only cover limited geographies. Clear guidance will also be provided on jurisdictional approaches that is consistent with AFI’s definitions, as this a new approach for companies.

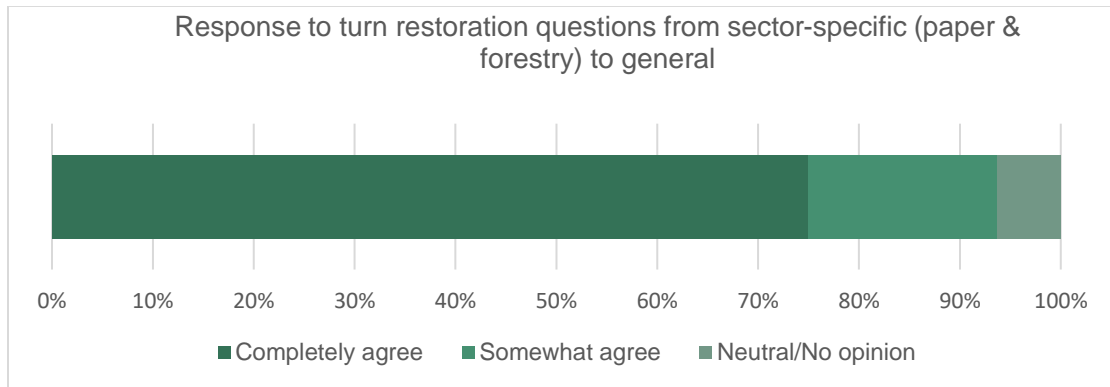
▼ **Proposed: Module F6 – Implementation: Restoration questions – Turn restoration questions from sector-specific (paper & forestry) to general.**

Forest and ecosystem restoration are an increasingly important issue for companies seeking to meet forest, climate and biodiversity targets. This question was therefore deemed relevant for all sectors, not just the paper & forestry sector.

Feedback:

- ▼ 16 responses.
- ▼ 94% completely/somewhat agreed

There were no objections to this question being presented to all companies. Suggestions were made in the sense of linking the question to a “remediation of past harm” commitment, thus aligning with AFI, and to better balance the scoring of the question for paper & forestry companies.



Outcome:

Proposal was implemented with minor revisions post consultation. See [F6.11](#) and [F6.11a](#).

The question will be presented to all companies from 2020. Wording changes were implemented to the question text and dropdowns to make options relevant to a broader number set of companies. A new column has also been added to F6.11a (column “Country/Area”) to enable data users to easily identify the location of the projects being disclosed.

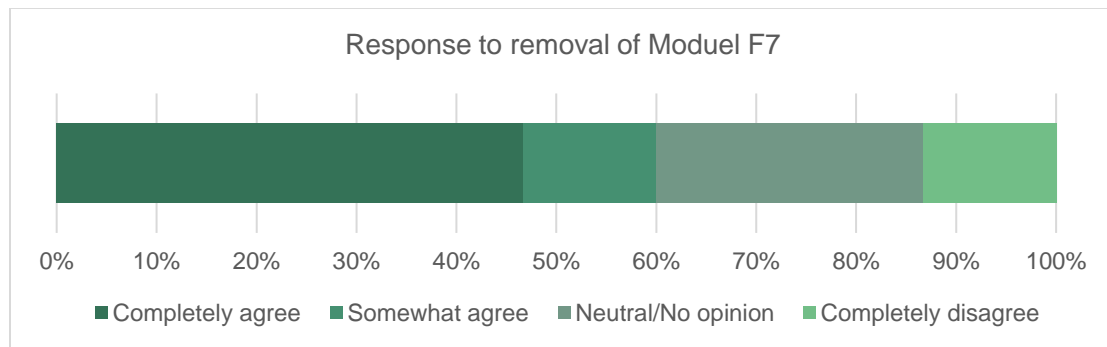
▼ **Proposed: Module F7 - Linkages & trade-offs: removal of entire module (2019 F7.1, F7.1a; F7.1b)**

This module was first introduced in 2018, however, analysis of the data received has shown that the broad nature of the questions leads to data that is usually not comparable and of low quality. Therefore, CDP proposed its removal as the module has low potential of informing action by investors and data users.

Feedback:

- ▼ 16 responses.
- ▼ 60% completely/somewhat agreed.

Most of the feedback received either supported this revision or was neutral to it. Disagreement with the exclusion was expressed by companies from the paper & forestry sectors, based on the fact that the module covers aspects that are not covered other parts of the questionnaire (e.g., ecosystem services, biodiversity) and that this module allowed companies to disclose positive connections to other environmental issues beyond deforestation.



Outcome:

Module excluded from the questionnaire.

There was a cross-theme decision to exclude this module, with the equivalent module also being excluded from the water security questionnaire. The concerns expressed by paper & forestry companies are understandable and CDP will work to further incorporate topics like ecosystem services and biodiversity into other sections of the questionnaire in future years but aiming at approaching these topics in a more focused and standardized way.

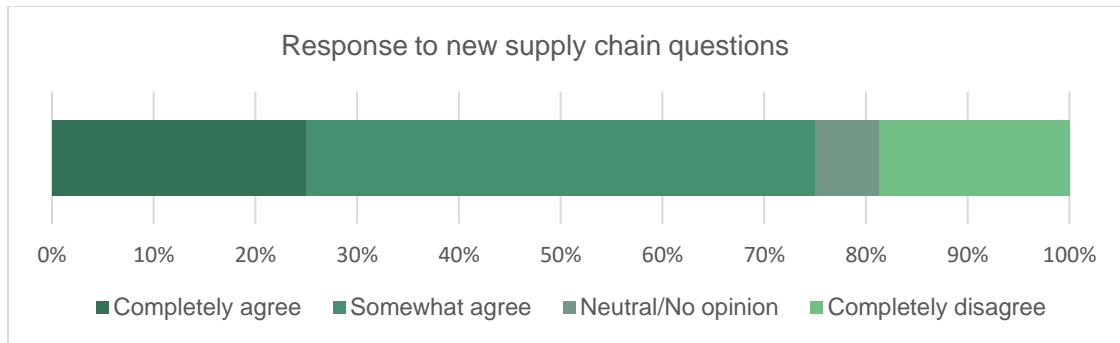
▼ Proposed: Module SF – Supply chain: addition of new questions on greenhouse gas emissions

These questions were proposed to enable CDP data users, including CDP supply chain members, to understand how actions linked to forest risk commodities have impacted emissions. Estimating GHG emission reductions from implementing forest-related policies and commitments should also serve to strengthen action on deforestation.

Feedback:

- ▼ 16 responses (addition of question), 10 responses (showing to all companies in future years).
- ▼ 75% completely/somewhat agreed with the addition of a new supply chain question on their emissions impact.
- ▼ 80% completely/somewhat agreed that this question should be displayed to all companies from 2021.

Despite good acceptance, concerns were expressed regarding the focus of the question, indicating it should be focused on land use and land use change, and need of clear guidance on how to respond, including methodological aspects.



Outcome:

Proposal revised to address consultation feedback and the new questions added to the Supply Chain module. See [SF3.1](#) and [SF3.1a](#).

Questions now more explicitly adopt a land use and land use change perspective, including emission reductions and carbon dioxide removals, and links to the forests risk commodities. The guidance has been carefully written to provide reference to the most relevant methodologies, although CDP acknowledges certain aspects of the topic are still in development. Analysis of the responses from companies responding to the question in 2020 will inform eventual inclusion of the question to the core questionnaire from 2021.

b. Water security

i) Revisions to the water security questionnaire for 2020

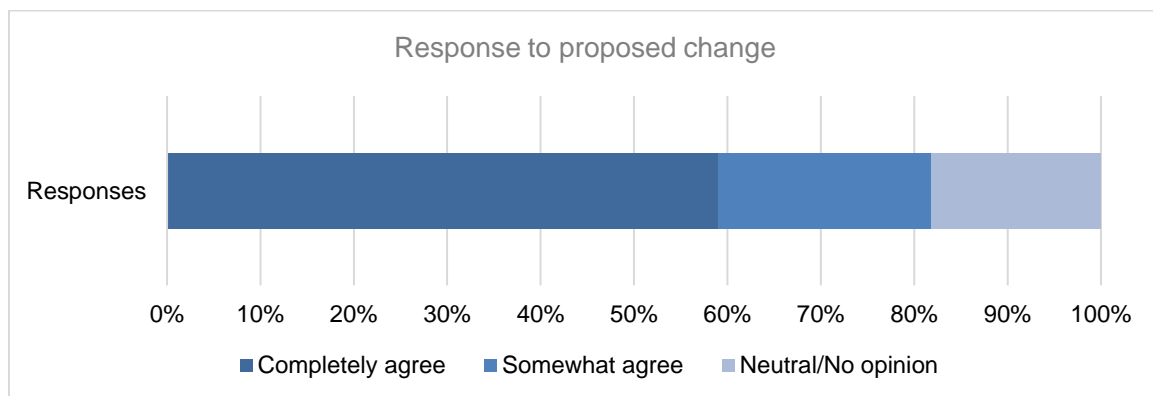
Revisions consulted on were minimal, to continue stabilization of the questionnaire, whilst maintaining its relevance to current water security challenges. Proposed revisions included the simplification of how some information is requested (e.g. metrics related to water stressed regions), as well as the removal and addition of data points.

▼ Proposed: Module W1 - Current state: Activity in water stressed areas – removal of 1 row (W1.2d) & addition of 1 column (W1.2).

To increase the focus of the questionnaire on activity in water stressed areas and increase the level of alignment with other reporting frameworks, it was proposed that organizations are asked if they use water from sources in water stressed regions (W1.2d). This allows the removal of the row on stressed areas from W1.2.

Feedback:

- ▼ 22 responses
- ▼ 82% Completely agree/somewhat agree



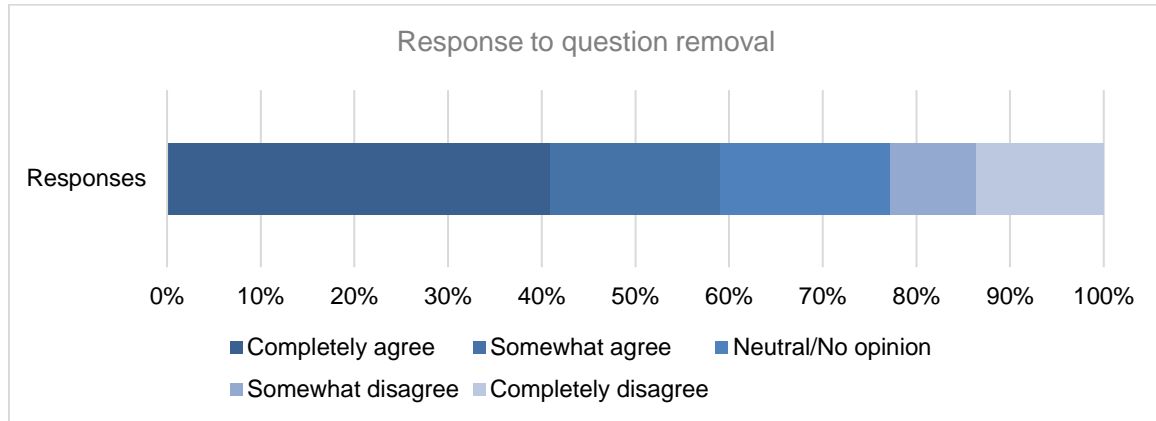
Outcome: Revision will be implemented for 2020. See [W1.2](#) and [W1.2d](#).

▼ Proposed: Module W1 - Current state: Recycling & reuse – removal of 1 question (W1.2j, W-MM1.2j, W-OG1.2j)

Defining “recycled water” is technically difficult and there is no standard approach to measuring it. This makes comparability and the evaluation of trends around volumetric data accounting difficult, and feedback to CDP suggested that this also poses a high reporting challenge for a lot of companies relative to the value of the data.

Feedback:

- ▼ 22 responses
- ▼ 59% Completely agree/somewhat agree



Outcome:

The questions will be removed. The majority of responses were in favor of this. Those disagreeing with the change mentioned the importance of recycling and reuse activity. However, increased recycling activity does not necessarily result in or indicate reduced withdrawals from water stressed areas or sources. Evidence of actual reduced impact on resources is a more useful disclosure. Furthermore, the volumetric information in this question is of limited value and other volumetric questions better capture a company’s impact reduction.

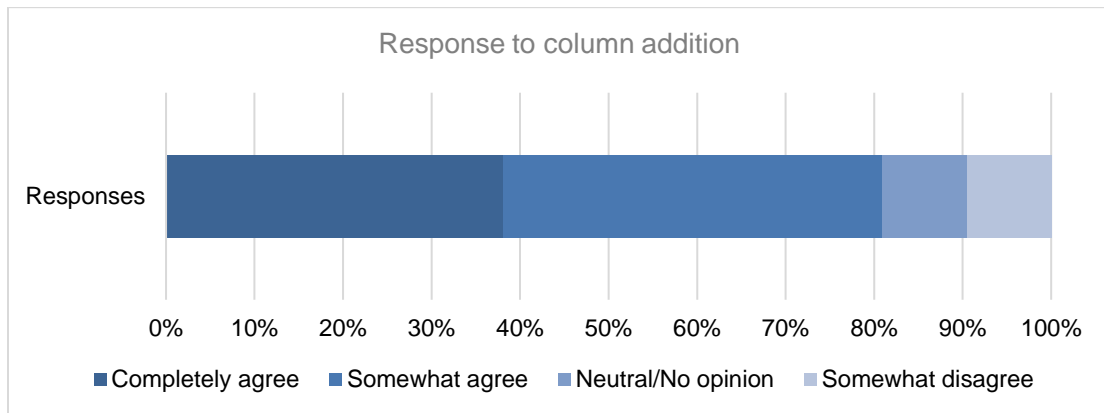
Corporate recycling and reuse activity and innovation is very important for most sectors/business activities requested to disclose through CDP, particularly in relation to SDG6 (Sustainable Development Goal 6). Organizations are able to disclose their activity and innovation elsewhere in the questionnaire in a more meaningful way, where its significance and resource impact reduction can be explained. For example, this can be reported in response to past water-related impacts experienced by the company; in response to current or future risks and opportunities and through the targets they report.

▼ **Proposed: Module W5 - Facility level accounting: Water stressed areas – addition of 1 column (W5.1)**

CDP plans to increase its focus on water stressed areas, in line with other reporting frameworks such as GRI, SASB, and TCFD. This new column will allow organizations to demonstrate they are aware of whether their facilities are located in potentially high impact locations.

Feedback:

- ▼ 21 responses
- ▼ 81% Completely agree/somewhat agree



Outcome:

The revision will be implemented for 2020. See [W5.1](#).

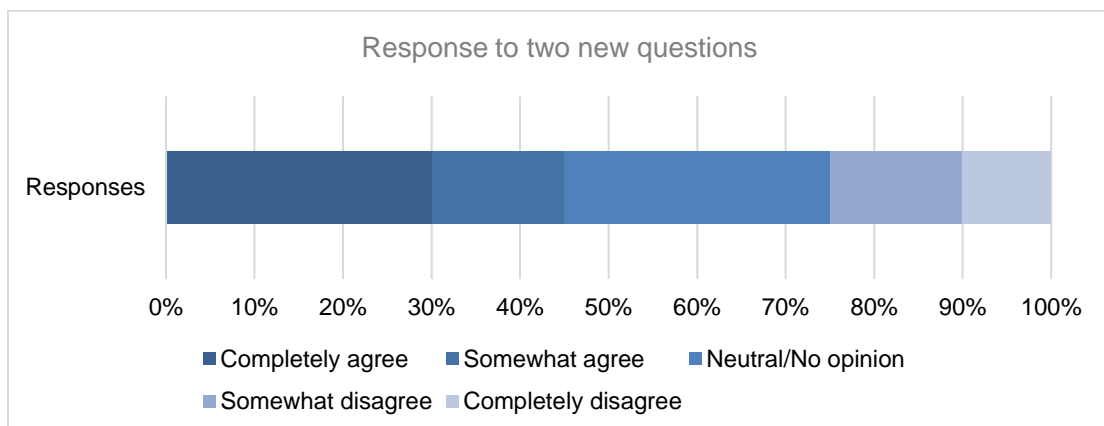
In response to feedback, clear guidance will be provided on thresholds used to define area that are stressed and highly stressed.

▼ **Proposed: Module W6 - Governance: Employee incentives – addition of 2 new questions (W6.4; W6.4a)**

Questions will be presented to all responding companies, not just high-impact sectors. Employee incentives can be used by all organizations dependent on water to embed impact reduction commitments and targets into decision-making.

Feedback:

- ▼ 20 responses
- ▼ 45% Completely agree/somewhat agree



Outcome:

The questions will be included for 2020 to collect information on incentives provided to senior level employees, and potentially to driving action that is strategically and operationally significant). See [W6.4](#) and [W6.4a](#).

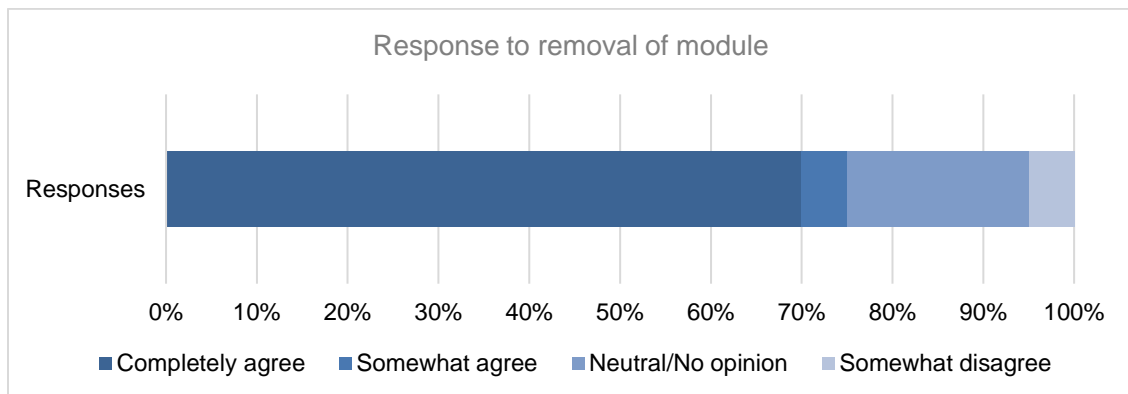
This is a narrower focus than the question in CDP’s climate change questionnaire which asks for details of climate-related incentives throughout an organization which are more commonly reported than incentives for water security.

▼ **Proposed: Module W9 - Linkages & trade-offs: removal of entire module (W9.1, W9.1a; W9.1b)**

Feedback was requested to confirm if the value of this information for data users has declined as awareness has increased of the interlinkages between different environmental challenges and their mitigation.

Feedback:

- ▼ 20 responses
- ▼ 80% Completely agree/somewhat agree



Outcome:

The module will be removed from the water security and forests questionnaires. Although a holistic approach to responding to environmental risks is essential, these questions were not considered by most respondents as critical for driving urgent action for water security.

ii) Revisions to sector specific questions

▼ **Proposed: Module W3 - Procedures- Metals & mining sector only: addition of new question on hazardous tailings dams**

Two new questions on the evaluation and management of ‘hazardous’ tailings dams will provide evidence of an organization’s awareness of the severe risks and liabilities associated with poor management and dam failure. This aligns with the [Investor Mining and Tailings Safety Initiative](#).

Feedback: None received.

Outcome: New questions to be included. See [W-MM3.2a](#) and [W-MM3.2b](#).