

DISCLOSING THROUGH CDP

THE BUSINESS BENEFITS

WWW.CDP.NET

CONTACT
respond@cdp.net

CDP IS THE WORLD'S ENVIRONMENTAL REPORTING SYSTEM.

8400+

companies worth 50% of global market cap use CDP.

515+

investors worth over US\$106 trillion support our request for data.

\$4

trillion in purchasing power represented by our 150+ supply chain members.

CDP is a non-profit which runs the global environmental disclosure system. We support companies in making their environmental impact transparent to stakeholders, better understanding how they can reduce their impact, and acting to become environmental leaders. CDP has the world's largest, most comprehensive set of companies' environmental data, and is utilized by investors and purchasing organizations to make informed decisions, reward high-performing companies, and drive action.

INVESTORS AND PURCHASERS



Request environmental data through CDP



COMPANIES



Disclose and measure their impact to improve performance



Companies take action to tackle climate change, prevent deforestation and safeguard water.



WHY DISCLOSE ENVIRONMENTAL DATA?

75%

of companies say reporting improves their corporate reputation.

55%

say reporting makes them more competitive.

1 in 3

1 in 3 companies say disclosure helps them save money.

Reporting to CDP offers competitive advantage and can keep your company ahead of changes to regulation and policy, help you identify and tackle growing risks, and find new opportunities for action that your investors and customers around the world demand.

INFORM CUSTOMERS

▼ Large buyers use CDP data to benchmark suppliers year-on-year and measure a company's performance against peers.

▼ 42 major purchasers (95% of respondents to a CDP survey) say they are using environmental metrics, including data from CDP, within their procurement processes, or planning to within two years.

▼ In 2019 there was a 25% increase in purchasers asking their suppliers to disclose.

BENCHMARK AGAINST PEERS

▼ Understand your progress and benchmark your company's performance against industry peers through score feedback charts.

▼ Set more ambitious targets: 69% of companies using CDP for over 3 years have emissions targets, compared to just 38% of first time reporters.

▼ Aim for a place on the **CDP A List**: a group of over 200 companies recognized as leaders and which, as a group, outperform the stock market.

ACCESS INVESTORS

▼ CDP data and scores feed into financial markets through Bloomberg, MSCI, STOXX and more.

▼ Investors like Schroders and CalPERS use CDP data to assess the carbon footprint of their portfolio and pick future winners and losers.

▼ CDP data powers financial products, like low carbon indices, and investment funds.

SEE THE OPPORTUNITIES

▼ 55% of companies using CDP say reporting helps their organization be more competitive, by identifying areas to increase efficiency, reduce impacts and reduce costs.

▼ 225 of the world's biggest companies reported to CDP that they see \$2.1 trillion in business opportunities related to climate change.

AIM FOR A POSITION ON CDP'S A LIST OF ENVIRONMENTAL LEADERS

200+

companies recognized as environmental leaders

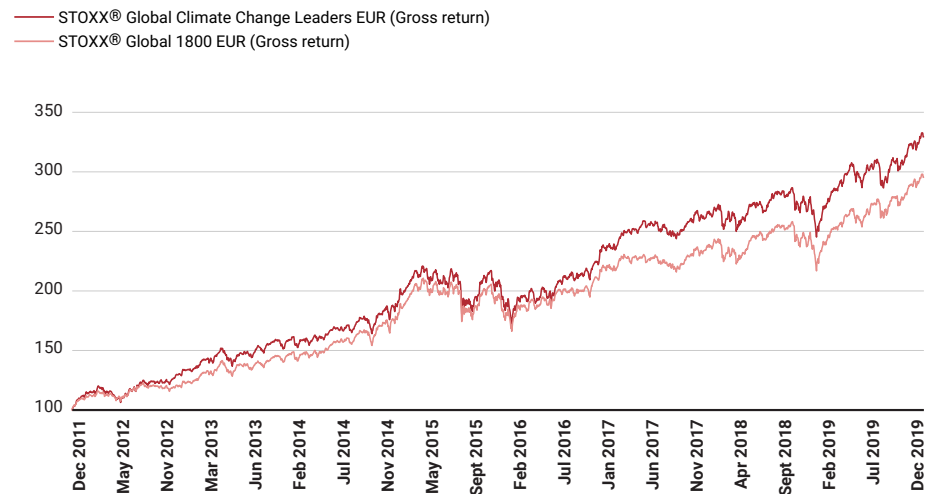
5.3%

per annum outperformance over since 2013

CDP's annual A Lists names the world's businesses leading on environmental performance. In 2019, we recognized more than 200 global corporations as pioneers on climate change, deforestation and water security. CDP scores are the gold standard for environmental performance - and the leading companies outperform the market.

Stoxx® Global Climate Change Leaders index.

From 19/12/2011 to 31/12/2019, the Stoxx® Global Climate Change Leaders index outperformed the Stoxx® Global 1800 index by 5.3% per annum



CDP provides not only a disclosure platform but also a well-established rating mechanism. Being able to say we are on the A List is well-recognised. It shows we have a complete and well performing sustainability program, so we use our CDP score in external communications and investor presentations.

Signify

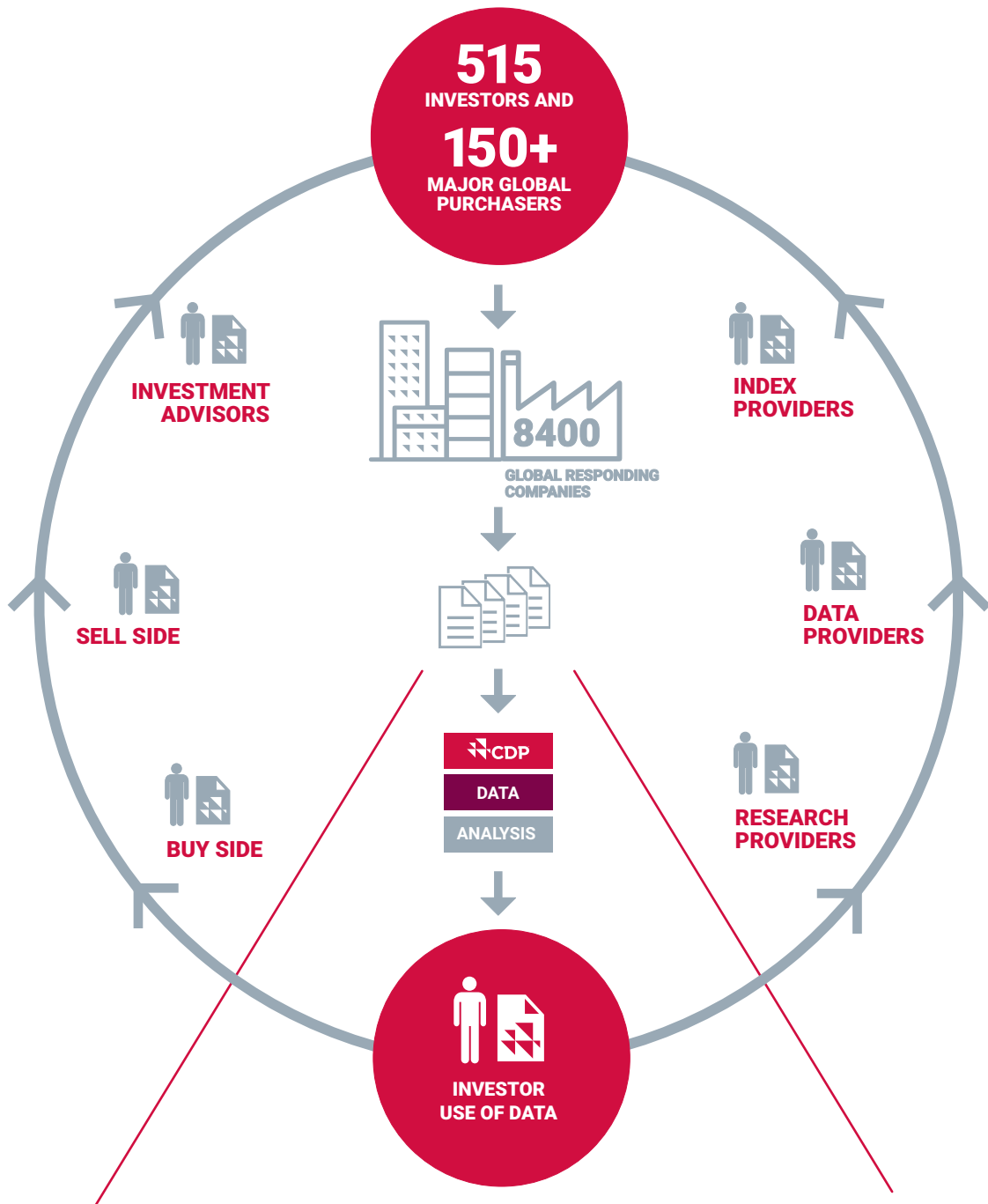


Participating in CDP helps drive performance for Diageo...it enables us to accelerate the speed with which strategic change can be implemented.

Diageo



HOW DO FINANCIAL MARKETS USE CDP DATA?



CDP DATA USERS INCLUDE:

- ▼ Bloomberg Terminal
- ▼ STOXX
- ▼ Trucost
- ▼ FTSE/Russell
- ▼ MSCI ESG
- ▼ ISS ISG
- ▼ Goldman Sachs

WE POWER NEW FINANCIAL PRODUCTS, DATA TOOLS AND RESEARCH, INCLUDING:

- ▼ STOXX Low Carbon Indices
- ▼ CPR Invest Climate Action fund
- ▼ Climetrics, the climate rating for funds
- ▼ Three Euronext CDP Environment indices using climate, forest and water scores for the first time.
- ▼ CDP's award-winning sector research for investors

WE HELP DRIVE TRANSFORMATIONAL INITIATIVES, INCLUDING:

- ▼ Climate Action 100+
- ▼ The Investor Agenda
- ▼ Science Based Targets initiative
- ▼ Carbon pricing toolkits
- ▼ RE100 initiative
- ▼ ACT initiative

215

215 of the world's biggest companies identified potential financial impacts of climate risks totalling up to almost US\$1 trillion.

2.1 trillion

225 companies identified potential climate-related opportunities totalling over US\$2.1 trillion.



CLIMATE CHANGE

DRIVE CLIMATE ACTION THROUGH DISCLOSURE

Improving corporate awareness through measurement and disclosure is essential to the effective management of GHG emissions and climate change risk. Organizations disclosing data in response to the CDP questionnaire enjoy many benefits, including:

- ▼ Increase transparency to stakeholders ranging from investors, customers, policy makers, regulators to the general public
- ▼ Enhanced ability to identify potential financial impacts, associated costs, financial savings and new opportunities
- ▼ Standardized framework facilitates consistency and comparability for investors, and also allows corporates to gauge performance against peers
- ▼ Better preparedness for the transition to the net-zero economy including emerging mandatory regulatory regimes worldwide

Sample questions

Have you identified climate-related risks and opportunities substantial to your business?

What are your emission reduction targets and progress made against those?

CDP helps companies **publicly commit** to take **meaningful action** and set ambitious targets to tackle climate change and transition to the low-carbon economy through renewable energy use, science-based targets, carbon pricing and more.



The Science Based Targets initiative (SBTi) is a partnership between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). Commit to adopt a science-based emissions reduction target to generate the innovations needed to transition to a low-carbon, sustainable economy.

RE 100

RE100 is led by The Climate Group in partnership with CDP. Commit to using 100% renewable power.

TCFD

CDP's climate change questionnaire is aligned with the TCFD's recommendations, encouraging companies to report climate-related financial disclosures in line with the TCFD

cdp.net/climate

FORESTS

DEMONSTRATING FOREST STEWARDSHIP

Deforestation accounts for approximately 15% of the world's greenhouse gas emissions, equivalent to those of the entire transport sector. Protecting and restoring forests and other natural ecosystems could provide up to 30% of the climate change mitigation needed to limit global warming to 1.5-2 degrees Celsius.

- ▼ CDP's work on forests helps companies and their investors address their exposure to deforestation risk and seize opportunities from proactively tackling deforestation.
- ▼ Reporting through CDP's annual forests questionnaire is a simple way for companies to demonstrate transparency and share progress with their stakeholders through comprehensive, comparable and credible reporting.
- ▼ Companies can report on seven forest-risk commodities: palm oil, timber products, cattle products, soy, rubber, cocoa, and coffee. The first four are scored. Since 2019, metals & mining and coal companies can also report biodiversity information through CDP.

Sample questions

Did you have any active timebound and quantifiable targets for increasing sustainable production and/or consumption of your disclosed commodities?

For your disclosed commodities, do you have a system to control, monitor, or verify compliance with no conversion and/or no deforestation commitments?



Soy



Palm oil



Timber



Beef

50m

The world has lost 50 million hectares of forest cover since 2015 - over 70 million soccer fields.

WATER SECURITY

REDUCING WATER RISK

CDP's work to tackle issues of water security is centered on a request for companies to disclose business-critical, water-related information to inform their decision-making processes and drive. With increasing water stress pressure is growing for companies to build long-term resilience to water challenges into their businesses.

- ▼ Increase the transparency of water security and water pollution to shareholders and customers.
- ▼ Promote companies to better understand water risks and opportunities, facilitating informed decision-making and improving long-term resilience.
- ▼ Accelerate the development of standard water metrics and performance benchmarks.

Sample questions

Describe your company's water policy, strategy or management plan.

Has your organization experienced any detrimental water-related impacts?

↓56%

56% deficit in water supply relative to demand expected by 2030 according to WRI



SELECTED AWARDS

CDP Investor Research won **Best ESG/SRI Research** at the Investment Week Awards in 2016 and 2017.

CDP has won **Best Climate Change Research** in the Extel-IRRI survey three years running (2016–2018).

CDP was ranked as the **highest external sustainability rater** by SustainAbility in their 2019 *Rate the Raters* report.

The impact of CDP on accelerating action on climate change was recognized in 2012 with first prize in the NGO & SME category of the **Zayed Future Energy Prize**.



MEDIA

CDP's work is regularly featured in global top-tier publications such as:

- ▼ The Financial Times
- ▼ Economist
- ▼ Washington Post
- ▼ Wall Street Journal
- ▼ New York Times
- ▼ Bloomberg
- ▼ Reuters



LANDMARK RECENT REPORTS

Doubling Down - The CDP Europe Report: analysis of over 850 companies' low carbon investments

CDP Global Water Report 2019: Cleaning up their act: Are companies responding to the risks and opportunities posed by water pollution?

Global Supply Chain Report 2019: analysis of the work by over 5000 suppliers to mitigate their climate impact

Increasing transparency of banks: The transition to sustainable lending to the forest risk commodity sector

CDP China Palm Oil Report 2020: A business case for Chinese companies to decouple deforestation from palm oil supply chains

Playing it cool: Which cooling companies are ready for the low-carbon transition?

ABOUT CDP

CDP is a global non-profit that drives companies and governments to reduce their greenhouse gas emissions, safeguard water resources and protect forests. Voted number one climate research provider by investors and working with institutional investors with assets of over US\$106 trillion, we leverage investor and buyer power to motivate companies to disclose and manage their environmental impacts. Over 8,400 companies with over 50% of global market capitalization disclosed environmental data through CDP in 2019. This is in addition to the over 920 cities, states and regions who disclosed, making CDP's platform one of the richest sources of information globally on how companies and governments are driving environmental change. CDP is a founding member of the We Mean Business Coalition.

Visit <https://cdp.net/en> or follow us @CDP to find out more.

CONTACT

respond@cdp.net
Follow @CDP on Twitter

CDP
4th Floor Plantation Place South,
60 Great Tower Street,
London EC3R 5AD



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