

Reporting Since Paris



What happened in 2016

- ▼ The Paris agreement came into effect at unprecedented speed on 4th November 2016, showing great global momentum behind climate action, eagerness to exploit opportunities in the low-carbon economy, and commitment to limiting global temperature increase.
- ▼ At COP22 Marrakesh, Parties agreed to have the Paris Agreement 'rulebook' complete by 2018, finalising how countries account for emission reductions, report on progress and transfer carbon credits; *reiterating the importance of disclosure and transparency*.
 - ▼ Climate reporting has been identified as a vital mechanism for progress, both at COP and through the Task Force on Climate-related Financial Disclosure

2017 and beyond

- ▼ **2017** – Increasing recognition of the importance of companies, cities and investors as the ‘Marrakesh Partnership for Global Climate Action’ seeks to accelerate pre-2020 climate action, bringing it into the mainstream.
- ▼ **2018** – The first ‘Global Stocktake’ (every 5 years) where parties assess implementation and collective progress of their efforts in relation towards the goals.
IPCC report to be released outlining what limiting global warming to 1.5°C would mean and how we could get there.
- ▼ **2020** – New or updated Nationally Defined Contributions (NDC’s) to be submitted, informed by the global stocktake, with increasingly bold targets through this ambition mechanism.

UN Sustainable Development Goals



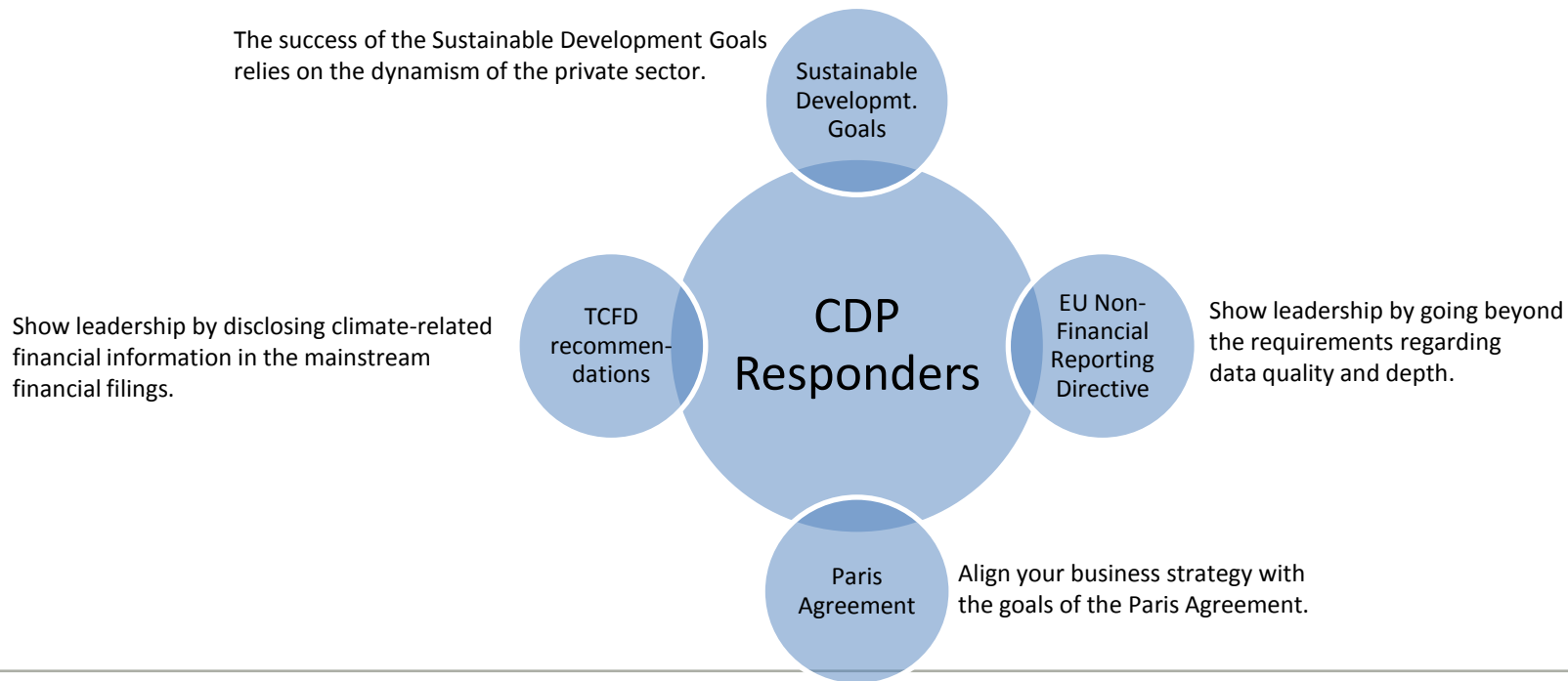
TCFD – an industry-led initiative

The Task Force's 32 international members, led by Michael Bloomberg, are providers of capital, insurers, large non-financial public companies, accounting and consulting firms, and credit rating agencies

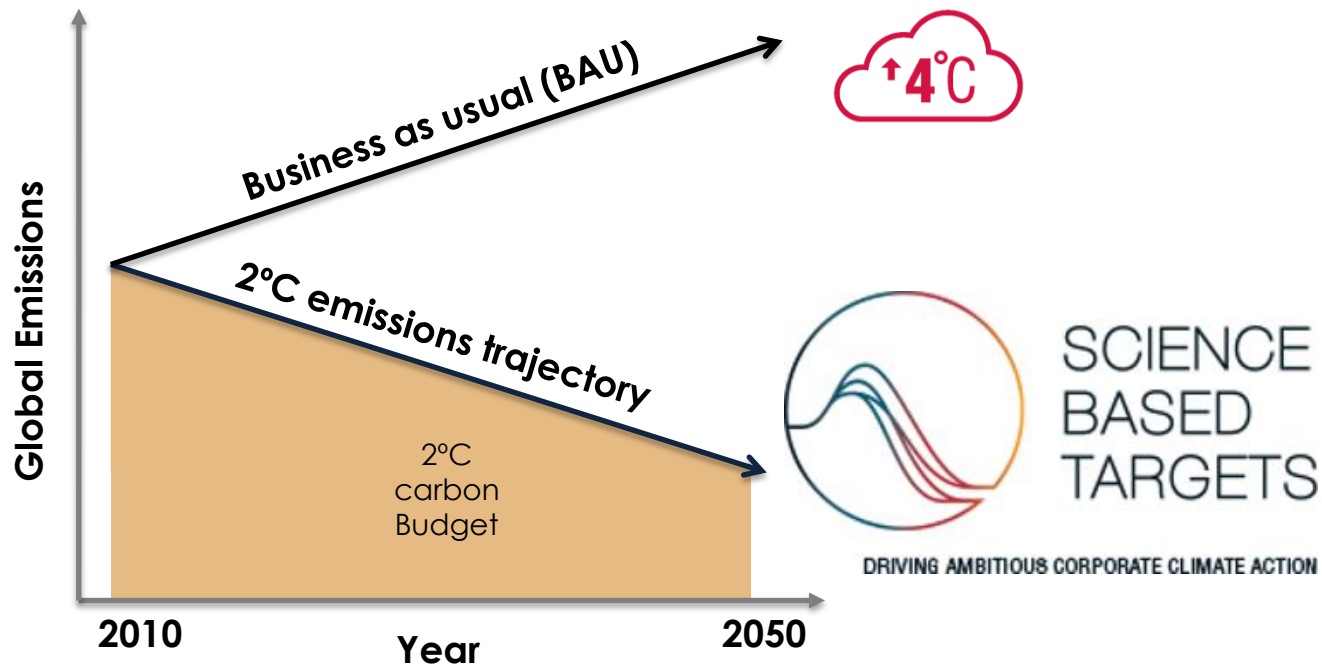


Industry-Led and Geographically Diverse Task Force

CDP Responders and Policy Frameworks



In 2016 - Aligned targets with climate science



<http://www.sciencebasedtargets.org>

www.cdp.net | @CDP

Page 7

Assessing low-Carbon Transition (ACT)

Commitment

Has your company committed to a low-carbon future vision?

Are your emissions reduction targets ambitious enough to get there?

How quickly are you planning to act?

Transition plan

Do you have a transition plan to achieve your low-carbon vision?

Will it drive the evolution of your business?

Present

Does your current strategy lead to a decrease in emissions in the short-term?

Are your investment decisions today made with the long-term future in mind?

Legacy

How do the business decisions you made in the past influence your emissions trajectory?

Consistency

Is your business strategy consistent with your emissions reduction targets?

Do any of your activities undermine your ability to reach a low-carbon future?

ACT Rating

The ACT rating combines quantitative and qualitative information on your past, present and projected future to reveal your alignment with the low-carbon transition.



ACT | **ASSESSING LOW CARBON TRANSITION**



Introduction to CDP

2017

info@cdp.net

Mission and what we do

CDP's mission

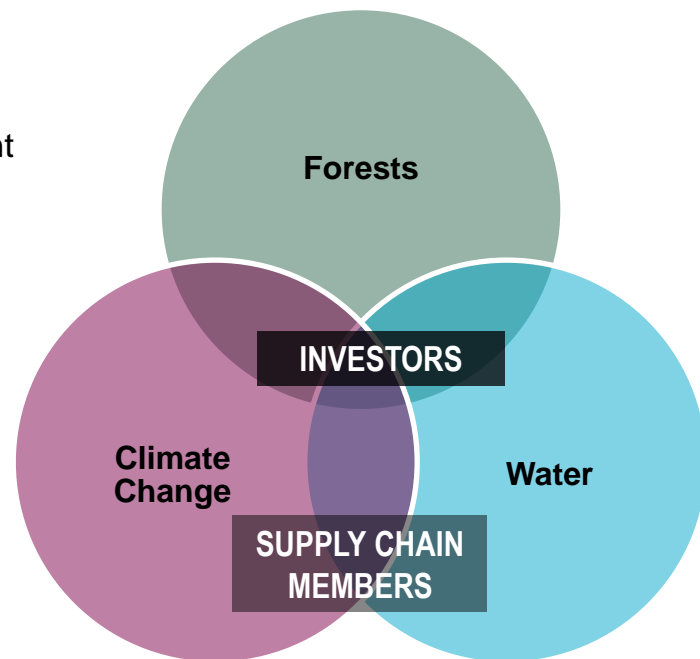
- To transform the global economic system to prevent dangerous climate change and value our natural resources by putting relevant information at the heart of business, investment and policy decisions

CDP collects information on:

- Climate Change
- Water security
- Forests

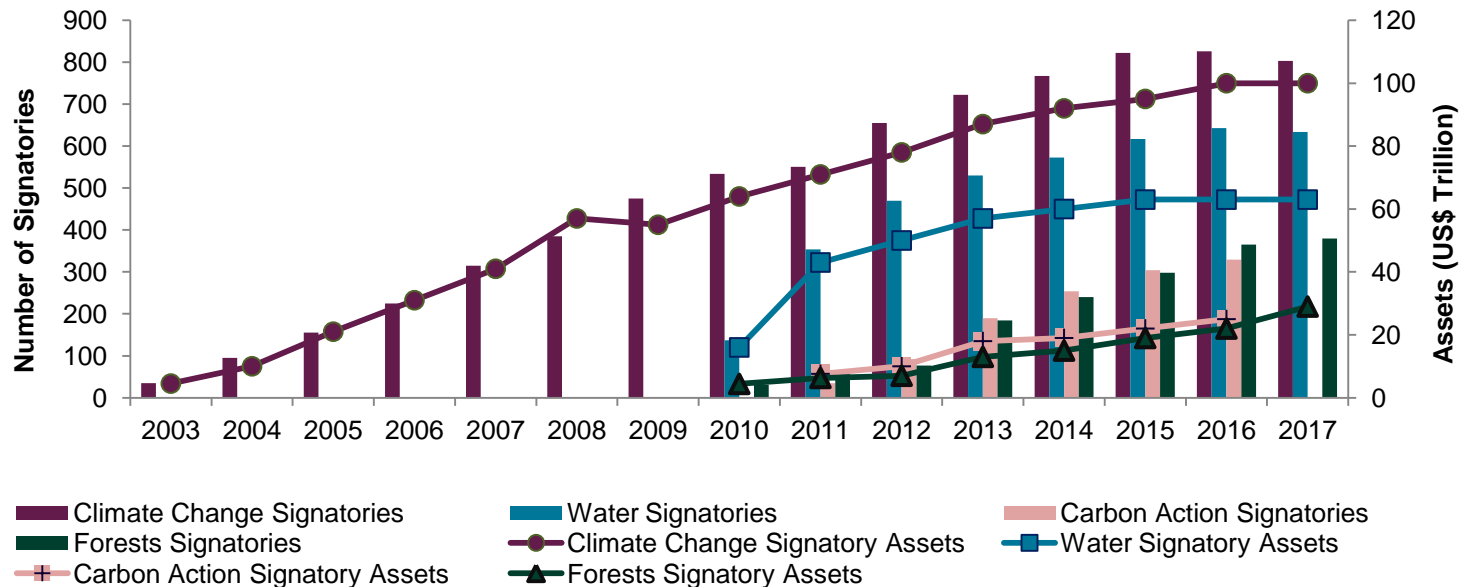
From:

- Publicly listed companies
- Their suppliers
- World's largest cities



Signatories & Assets under management, 2003-17

CDP Signatories & Signatory Assets: 2003 - 2017



Climate change

5856

Reported in 2016

Water

1426

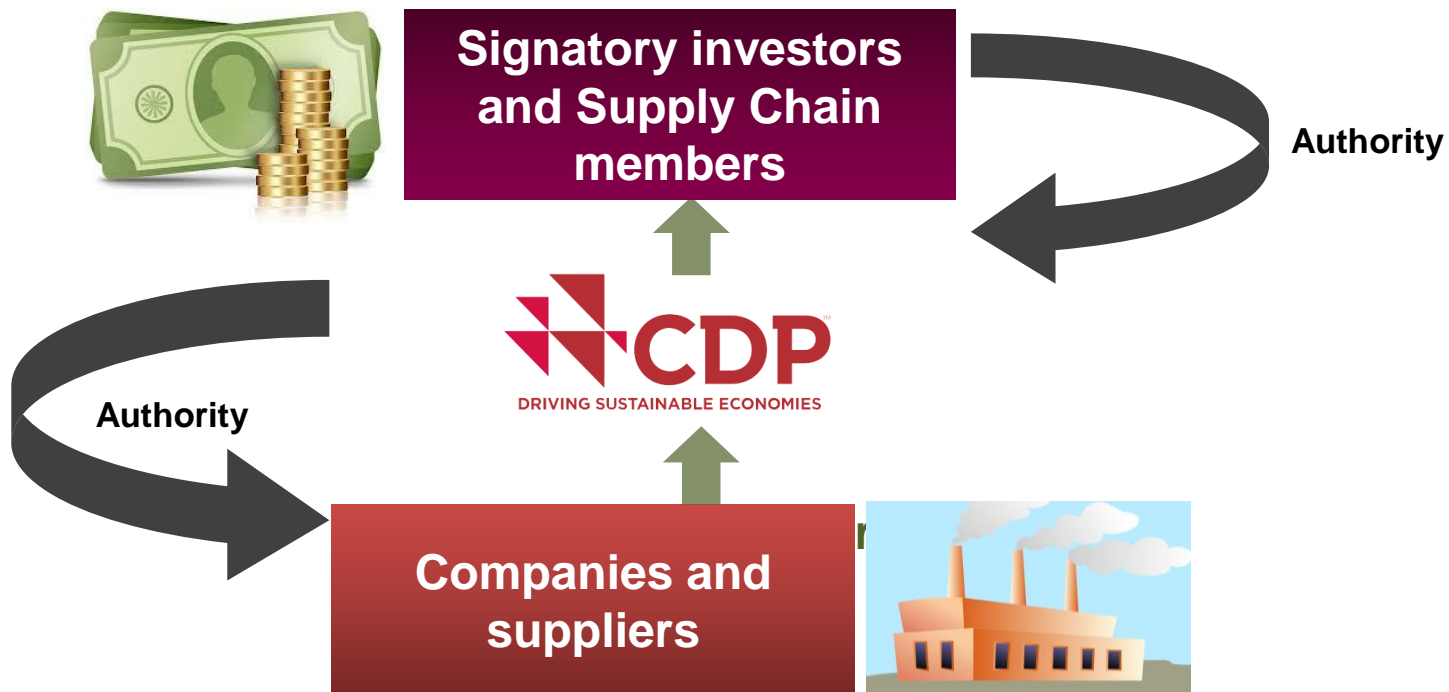
Reported in 2016

Forests

199

Reported in 2016

How We Work



CDP worldwide



Why disclose to CDP?

Date , size 16

Speaker name & address, size 16

Improve your business, make your life easier



▼ Climate change



▼ Forests



▼ Water

**Demonstrate to investors, purchasers and governments
that you are managing these issues**

Only global environmental disclosure platform



Used by companies across more than 80 countries

Independent, trusted and vital

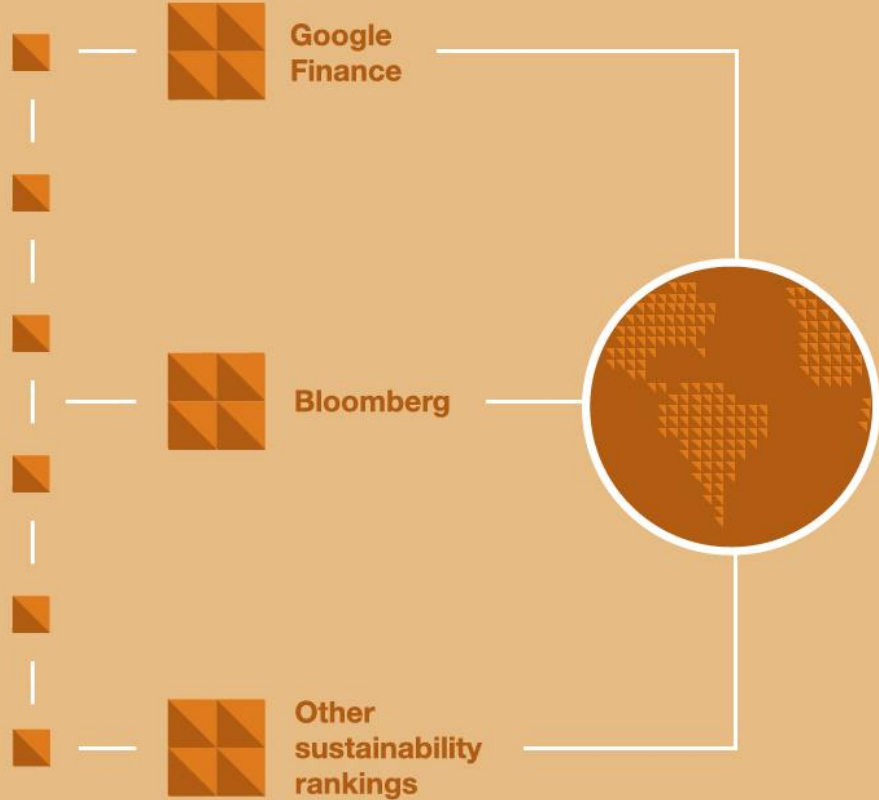
#1 IN
GLOBESCAN'S
RATE THE RATERS



**CDP IS VITAL AND
WE'VE GOT TO
GET EVERYONE
TO PARTICIPATE
IN IT**

Bill Clinton
Former U.S. President

**ENTER YOUR DATA
INTO THE GLOBAL
MARKETPLACE**



The journey



The journey



Leader

Build resilience and trust. Mitigate risks. Make a positive impact. Be accountable to your stakeholders. Profit from your efforts.

Engage and collaborate with your supply chain to help improve their environmental performance too. Enjoy co-benefits.



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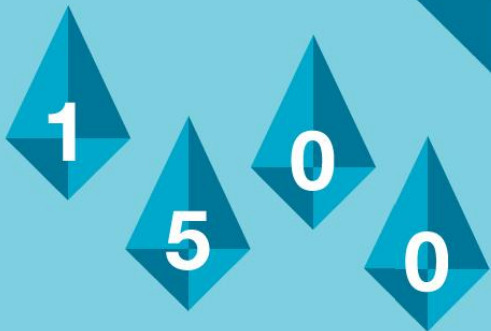
CDP impact

Companies using CDP have identified savings of over

\$53,000,000,000

CDP impact

**MORE THAN 1,500
BUSINESS
OPPORTUNITIES
IDENTIFIED THROUGH
OUR WATER PROGRAM
IN 2014**



**3.5 MILLION METRIC
TONS OF CARBON
REDUCED IN A YEAR**

Expressly from engagement with multinationals' suppliers, that's equivalent to driving 8.3 billion miles.

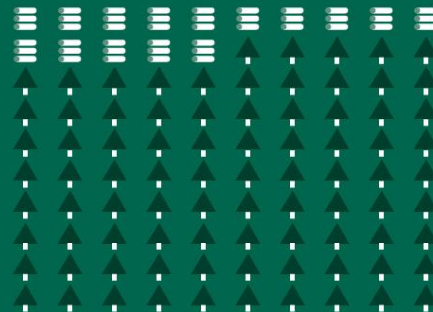


CDP impact

A QUARTER OF THE
WORLD'S 25BN METRIC
TONS OF INDUSTRIAL
CARBON EMISSIONS
ARE MANAGED
THROUGH CDP

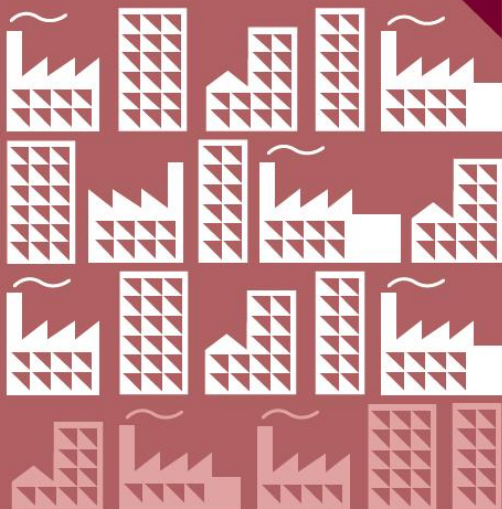


DEFORESTATION
ACCOUNTS FOR
APPROXIMATELY 15%
OF THE WORLD'S
GREENHOUSE GAS
EMISSIONS



CDP impact

**81% OF GLOBAL 500
COMPANIES USE CDP**



**ONE OF THE
MOST
SUCCESSFUL
INVESTOR
ENGAGEMENT
PROJECTS OF
RECENT YEARS**

Financial Times

A global economic system that operates within sustainable environmental boundaries and prevents dangerous climate change.

A US\$5.5 TRILLION GLOBAL MARKET



Take your place in a growing market for low-carbon goods and services.

ENJOY LOWER BORROWING COSTS



Businesses disclosing to CDP save an average of US\$1.2 million in annual loan interest charges.

IMPROVE VALUATIONS



Studies show that companies disclosing their climate risk enjoy improved market valuations - transparency pays.

TACKLING CLIMATE CHANGE IS AN ENORMOUS BUSINESS OPPORTUNITY

AS A RESULT, SINCE 2010, THE NUMBER OF COMPANIES DELIVERING EMISSIONS REDUCTION ACTIVITIES HAS INCREASED FROM 47% TO 89%



ATTRACT INVESTMENT



CDP data is increasingly being used to create financial products, including the STOXX Low Carbon Indices and New York State pension fund's US\$2 billion low-carbon investment fund.

RESILIENT SUPPLY CHAINS



Procurement decisions are increasingly factoring in climate management. Organisations with US\$2 trillion annual spend are actively building sustainable supply chains, through CDP.

RISK MITIGATION



Seasoned disclosers display improved climate-risk management systems and benefit from superior savings from carbon reduction projects.

CDP

Reimagining Disclosure

Building from Paris

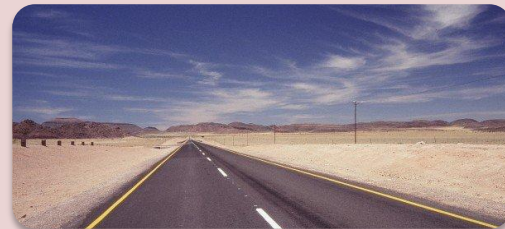
Building from Paris

- ▼ Optimise the reporting burden for companies
- ▼ Provide investors and stakeholders with increased relevant information
- ▼ Focus reporting on to high impact areas
- ▼ Continue momentum from Paris

CDP's Reimagining Disclosure Initiative



TCFD



Sectors

Energy
Transport
Materials
Agriculture

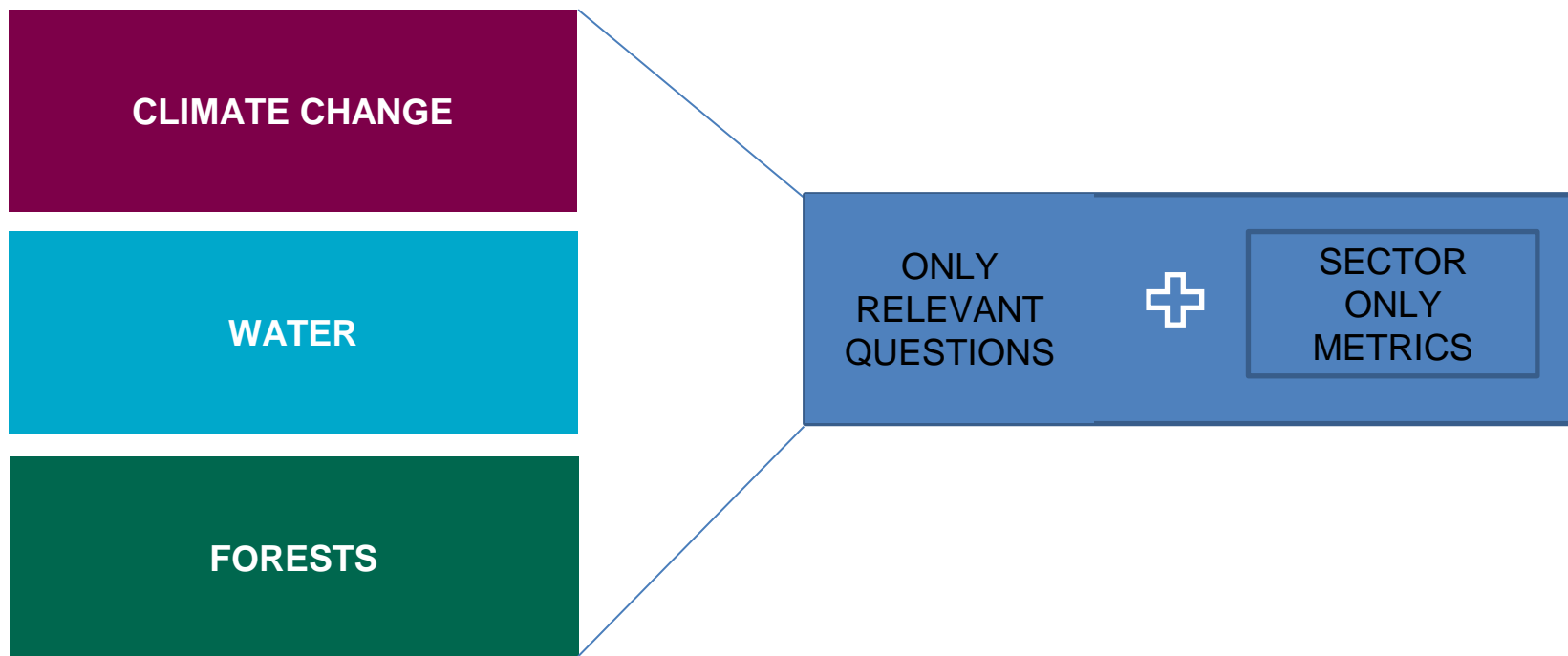
Task Force on Climate-related Financial Disclosures

Adopt
recommendations

Evolution

Forward looking
Align across climate,
water & forests

Our approach: built upon existing questions



1) Sectors for Q4 2017

Energy	Transport	Materials	Agriculture & Land use	General
<ul style="list-style-type: none">• Oil & Gas• Coal• Electric Utilities	<ul style="list-style-type: none">• Automobiles & Components• Aviation	<ul style="list-style-type: none">• Chemicals• Metals & Mining• Steel• Cement	<ul style="list-style-type: none">• Food, Beverage & Tobacco• Paper & Forestry• Agricultural commodities	<ul style="list-style-type: none">• All other sectors

Sectors considered for Q4 2018 (TBC)

- ▼ Financial Services
- ▼ Logistics, Marine, Road/Rail
- ▼ Capital goods, Construction, Real Estate
- ▼ Apparel
- ▼ ICT, Retail, Consumer staples, Water Utilities, Pharma

Principles for new and refining

▼ We focus on disclosures that are

Most impactful for investors

Most impactful on environment

▼ Disclosures / data need to be

1. Measurable and scorable
2. Verifiable
3. Relevant
4. Aligned with other standards & frameworks
5. Comparable (year on year, co)
6. Conservative (preserves forests, water 4 all, aligns to <2° pathway)

Alignment with other standards and frameworks

▼ Already link / align with

DJSI (climate questions)

GRI (climate & water)

IIGCC (climate, oil & gas)

SDGs

CEO Water Mandate (water)

SASB

GHG Protocol

CDSB

▼ Continue to build on this for sector specific:

DJSI, GRI, SASB, IIGCC, SDGs,

Industry bodies (e.g. IPIECA, ICMM, etc...)

Reducing reporting burden: align & integrate

▼ Integrate: single question across climate, water & forests

▼ Align: move to common language

▼ Integrate questions across climate, water and forests for Governance & Strategy in 2018.

▼ Refine for 2019 and 2020.

2) TCFD recommendations fit with CDP structure



Governance

The organization's governance around climate-related risks and opportunities

Strategy

The actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning

Risk Management

The processes used by the organization to identify, assess, and manage climate-related risks

Metrics and Targets

The metrics and targets used to assess and manage relevant climate-related risks and opportunities

TCFD recommendations fit closely with CDP

Governance	Strategy	Risk Management	Metrics and Targets
Disclose the organization's governance around climate-related risks and opportunities.	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Disclose how the organization identifies, assesses, and manages climate-related risks.	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities.
Recommended Disclosures	Recommended Disclosures	Recommended Disclosures	Recommended Disclosures
a) Describe the board's oversight of climate-related risks and opportunities.	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	a) Describe the organization's processes for identifying and assessing climate-related risks.	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.
b) Describe management's role in assessing and managing climate-related risks and opportunities.	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	b) Describe the organization's processes for managing climate-related risks.	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.
	c) Describe the potential impact of different scenarios, including a 2° c scenario, on the organization's businesses, strategy, and financial planning.	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

Currently consulting on this

- ▼ **Draft recommendations published on December 14th 2016
with consultation open until Feb 12, 2017**

<https://www.fsb-tcfd.org/publications/public-consultation/>

- ▼ **CDP Response published early Feb 2017**
- ▼ **TCFD Finalised Report July 2017**

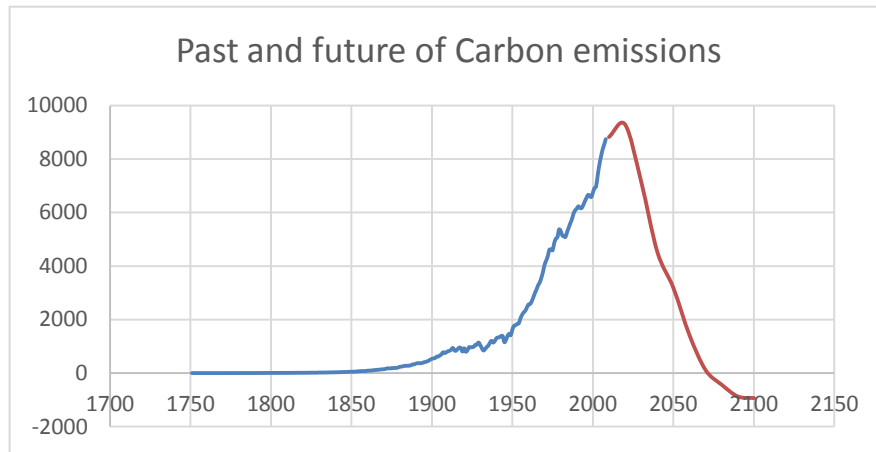
3) Forward looking: Scenarios

- ▼ Scenarios are ways to project how the regulatory, social, environmental world might change
- ▼ They should be a “what if” beyond the current linear progression of “business as usual”
- ▼ Factored into scenarios are what issues are particularly critical and relevant to the company

- ▼ Scenario analysis is recommended for companies to report on how they see the low carbon transition affecting their business (strategy, financial planning)
- ▼ TCFD is recommending different level of complexity of scenarios depending upon exposure to climate risks

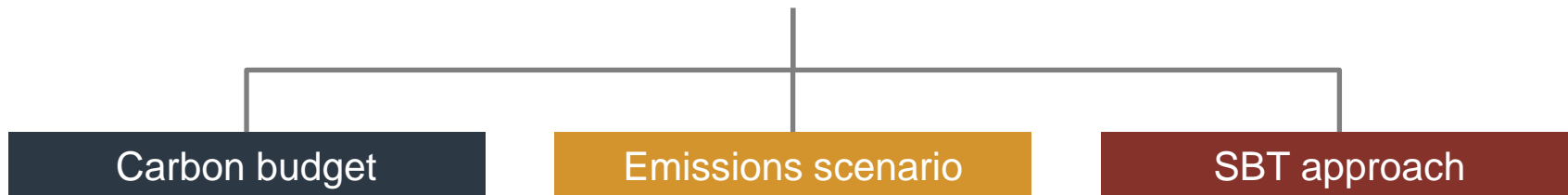
3) Forward Looking: Science Based Targets

▼ Science Based Targets (SBTs) use scenarios to calculate how emissions reductions relate to limiting climate change to 2 degrees



Science based targets

SBT setting methods can be described by
three main elements



Timelines for feedback

▼ Consultation with stakeholders (mid-March 2017)

Written document to feedback on potential new disclosures, potential changes to Climate Change, Water and Forests questionnaires.

<https://www.cdp.net/en/companies/consultation>

▼ Final consultation open in Q3 2017.

CDP's Climate Change Questionnaire 2017

respond@cdp.net

Questionnaire Structure

Management

CC1. Governance

CC2. Strategy

CC3. Targets & initiatives

CC4. Communications

Risks & opportunities

CC5. Climate change risks

CC6. Climate change opportunities

Emissions

CC7. Methodology

CC8. Emissions data

CC9. Scope 1 emissions breakdown

CC10. Scope 2 emissions breakdown

CC11. Energy

CC12. Emissions performance

CC13. Emissions trading

CC14. Scope 3

Sign off

CC15. Sign off

Management

CC0: Introduction

- Organization-specific data and reporting year data
- Determines questionnaire pathway through selection of sector-specific modules that are relevant to a company

CC1. Governance

- Group and individual responsibility for climate change at the organization
- Incentive structure for climate change performance

CC2. Strategy

- Risk management process
- Climate change risk/opportunity integration into business strategy
- Engagement with policy makers

Management

CC3. Targets and initiatives

- Emission reduction targets
 - Absolute emissions targets/ intensity emissions targets/ renewable energy consumption and/or production targets
 - Progress within the reporting year and estimate change in next 5 years
- Emissions reductions initiatives
 - Low carbon products or avoided third party emissions
 - Projects at each stage of development and estimated annual CO2 savings
 - Methods to drive investments for emission reduction initiatives

CC4. Communications

- Published climate change communication outside the CDP response

Risks and Opportunities

CC5 & CC6. Risks & Opportunities

- Aims to determine the awareness of climate change risks and opportunities in the company, their significance to the business and the management methods
- Risks and opportunities
 - Driven by regulation
 - Driven by physical climate parameters
 - Driven by other climate related development

Details to consider

- Risk/opportunity drivers, potential impact, timeframe, directness/indirectness, likelihood, magnitude of impact
- The estimated financial implications of the risk/opportunity before taking action
- Methods the company is using to manage this risk/opportunity
- The costs associated with these actions
- All risks should be inherent, rather than residual. In other words, risks and opportunities present before taking action to manage them

Emissions

- Quantitative data – focusing on emissions accounting
- Direct and indirect emissions data and information on how they have been calculated
- Identifies the degree to which activities are sensitive to energy costs and energy supply as well as companies' awareness of this

CC7. Methodology

- Scope 1 & Scope 2 base year and base year emissions
- The standard, protocol or methodology used to collect activity data and calculate emissions
- Global warming potentials and emissions factors used

CC8. Emissions data

- Scope 1 & 2 boundary used in calculations, emissions data for the reporting year and any exclusions from emissions figures
- Level of uncertainty in data gathering/calculations
- Verification/assurance status that applies both Scope 1 & 2 emissions

Emissions

CC9. Scope 1 emissions breakdown

- Breakdown of Scope 1 emissions by country (if applicable) in metric tonnes CO₂e
- Breakdown of Scope 1 emissions by what a company is able to provide from the following: business division, GHG type, facility, and/or activity

CC10. Scope 2 emissions breakdown

- Breakdown of Scope 2 emissions by what a company is able to provide from the following: business division, facility, and/or activity
- Breakdown of Scope 2 emissions by country (if applicable)
- Breakdown by purchased/consumed regular and low carbon electricity, heat or cooling in MWh
- Breakdown by accounting approach: location-based and market-based

Emissions

CC11. Energy

- Breakdown of operational spend on energy
- Details of heat, steam and cooling purchased and consumed in reporting year
- Amount of fuel purchased and consumed in reporting year, along with a breakdown by fuel
- Details of energy production including low carbon energy and renewable energy production

CC12. Emissions Performance

- How Scope 1 & 2 gross emissions and intensity figures for the reporting year compare to the previous year
 - tCO₂e per unit currency total revenue
 - An additional intensity (normalized) metric that is appropriate to business operations
- Explanation for any changes in either direction

CC13. Emissions Trading

- Participation in emission trading schemes and strategy for complying with schemes
- Details on originated/purchased project-based carbon credits

Emissions

CC14. Scope 3

- Accounting for Scope 3 emissions and disclosing any exclusions
- Verification/assurance status for Scope 3 emissions
- Year to year Scope 3 emissions comparison, and reasons for changes
- Engagement with the value chain on GHG emissions and climate change strategies

Sign off

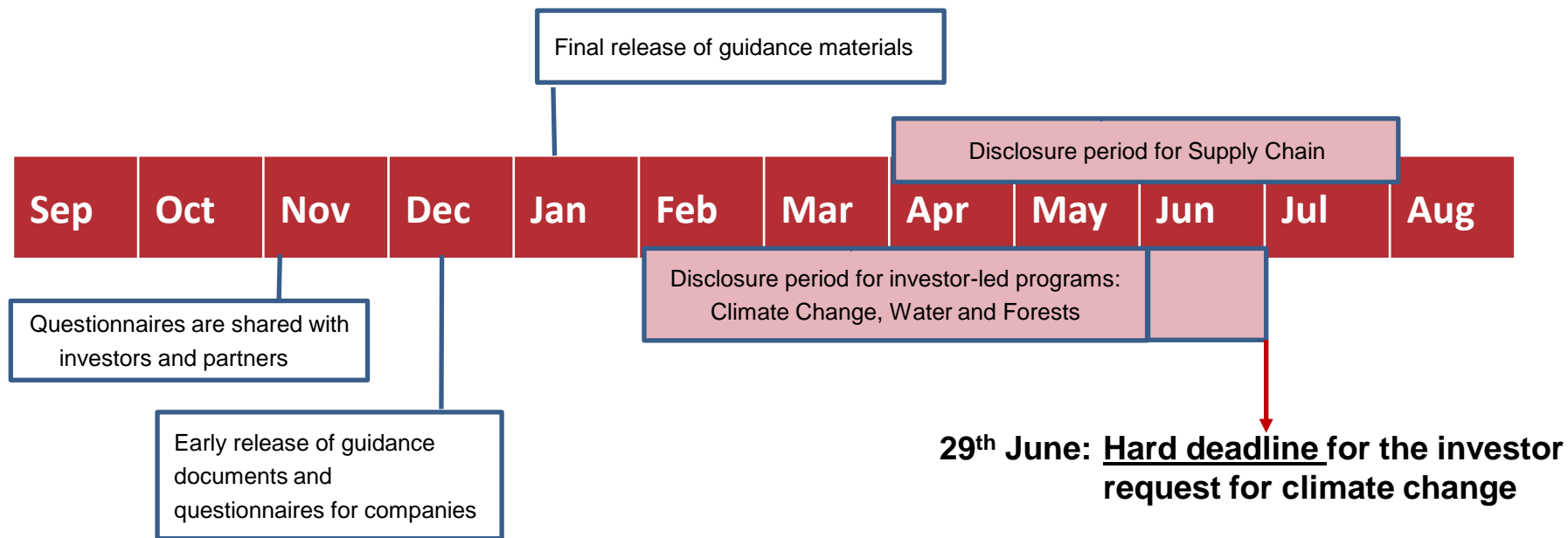
CC15. Sign off

- Identify the person that has signed off (approved) the CDP response



CDP's 2017 Climate Change Cycle

Disclosure cycle – important dates



Principles for questionnaire development

- ▼ Relevance to stakeholders
- ▼ Reflect developments in environmental reporting
- ▼ Improve data quality
- ▼ Make disclosing easier
- ▼ Automate the scoring process
- ▼ Support the realization of one or more of CDP's strategic aims

Changes to the Climate Change Questionnaire in 2017

Changes introduced in 2017

Key: No change Minor change **Moderate changes**

0: Introduction	1: Governance	2: Strategy	3: Targets & initiatives
4: Communications	5: Risks	6: Opportunities	7: Methodology
8: Emissions	9: S1 Breakdown	10: S2 Breakdown	11: Energy
12: Emissions performance	13: Emissions Trading	14: Scope 3	15: Sign off

Summary of changes

- ▼ Removal of questions
- ▼ New data points in CC2.2
- ▼ New Scope 2 question
- ▼ Improved Scope 3 question
- ▼ Minor changes



Removed questions

- ▼ **CC8.3:** Does your company have any operations in markets providing product or supplier specific data in the form of contractual instruments? (Removed and replaced with an improved Scope 2 question)
- ▼ **CC14.4c:** If you have data on your suppliers' GHG emissions and climate change strategies, please explain how you make use of that data (2016 CC14.4d is now CC14.4c)

Moderate change: New data points in CC2.2

CC2.2: Is climate change integrated into your business strategy?

New data points have been incorporated into CC2.2 and ask about:

▼ Paris Agreement: Following ratification of the Paris Agreement, how is company strategy driving action towards a low carbon economy?

▼ TCFD and scenario analysis: In alignment with requirements proposed by Task Force on Climate-related Financial Disclosures, CDP wants to know if companies are using forward-looking scenario analyses

Moderate change: New CC8.3 Scope 2 question

CC8.3: Please describe your approach to reporting Scope 2 emissions

Scope 2, location-based	Scope 2, market-based (if applicable)	Comment
<ul style="list-style-type: none">- We are reporting a Scope 2, location-based figure- We are not reporting a Scope 2, location-based figure	<ul style="list-style-type: none">- We are reporting a Scope 2, market-based figure- We have no operations where we are able to access electricity supplier emissions factors or residual emissions factors and are unable to report a Scope 2, market-based figure- We have operations where we are able to access electricity supplier emissions factors or residual emissions factors, but are unable to report a Scope 2, market-based figure	

Moderate change: Improved Scope 3 question

CC14.4b: To give a sense of the scale of this engagement, please give the number of suppliers with whom you are engaging and the proportion of your total spend that they represent.

Type of engagement	Number of suppliers	% of total spend (direct and indirect)	Impact of engagement
<ul style="list-style-type: none">- Compliance- Active engagement- Collaboration/ innovation- Emissions reductions incentives- Other, please specify			Provide any additional contextual information that you think is relevant

Minor change: New dropdown options

CC3.1a: Please provide details of your absolute target

CC3.1b: Please provide details of your intensity target

ID	Scope	% reduction in Scope	% reduction from base year	Base year	Base year emissions covered by target (metric tonnes CO2e)	Target year	Is this a science-based target?	Comment
							<ul style="list-style-type: none">-Yes, and it has been successfully approved by the SBTi-Yes, but it has not been successfully approved by SBTi-No, as there is currently no established science-based targets methodology in this sector-No, but we are reporting another target which is science-based-No, but we anticipate setting one in the next 2 years-No, and we do not anticipate setting one in the next 2 years	

Minor change: New column and data point

CC11.4: Please provide details of the electricity, heat, steam, or cooling amounts that were accounted at a low carbon emission factor in the market-based Scope 2 figure reported in CC8.3a

Basis for applying a low carbon emission factor	MWh consumed associated with low carbon electricity, heat, steam or cooling	Emissions factor	Comment
		Emissions factor associated with answer provided in first column, in metric tonnes CO2e per MWh	



Thank you
Questions?

Top tips

Responding to CDP 2017

respond@cdp.net

Top tips

- ▼ Make use of respective guidance documents
- ▼ Make use of the 'copy from last year' button in the ORS before entering any data
- ▼ Review responses from companies in the A list for examples of high quality responses in CDP's latest report, "[Out of the Starting Blocks](#)", pgs. 52-54
- ▼ Cross references to other questions are not scored, nor are links to external websites
- ▼ Use the main text fields provided for your responses and NOT the 'Further Information' field
- ▼ Four questions that request attachments (CC4.1, CC8.6, CC8.7, CC14.2) – these will only be checked if attached to the right part of the response

Additional tips

- ▼ Avoid leaving qualitative questions blank, even if your response to the leading question is 'no'. For example, if you have not identified opportunities related to physical aspects of climate change, you will be asked to explain why not and your response will be scored against criteria set out in the scoring methodology
 - ▼ For quantitative questions (for example, your Scope 1 emissions figure), you should enter a figure if you have one. If you know that you have no emissions in this Scope, you should enter a zero in the box. If you have not assessed your emissions in this Scope, then you should leave the question blank
 - ▼ Provide answers that are specific with as much relevant detail as possible. Remember scorers and data users may not be intimately familiar with your company. It will help if you use language that everyone could interpret and avoid internal jargon
-

Tips on Verification

Companies must gain full points in the Scope 1 and 2 verification questions (CC8.6 and CC8.7) to qualify for entry in the A list

- ▼ Make sure that the standard used to conduct the third party verification has been approved by CDP:
<https://www.cdp.net/verification>
- ▼ For full points on verification please note that you need to have verified 70% or more of reported Scope 1 and 2 emissions and have not had reported relevant exclusions in CC8.4
- ▼ The document attached needs to:
 - Clearly relate to GHG emissions;
 - Relate to the relevant scope;
 - Relate to the correct reporting year;
 - State the verification standard used;
 - Contain a verification opinion or finding.
- ▼ If you are unsure about whether the document you have available covers these points, please ask your verifier to complete the [verification template](#) and attach the template to the appropriate question/s
- ▼ Make sure you attach the document to the question

Introduction to Scoring

Climate Change 2017

respond@cdp.net

Overview of scoring

Scoring process

- ▼ **Independent:** scoring is done by partner organizations trained by CDP. All scores are subjected to rigorous quality assurance checks
- ▼ **Comparable:** CDP methodology is the same across sectors and countries – the same key actions need to be demonstrated and same information provided
- ▼ **Transparent:** the full guidance and methodology is available online, alongside webinars and explanations
- ▼ **Wide reaching:** In 2016, over 7100 individual scores were awarded
- ▼ **Influential:** public scores are published in the CDP website and reports, Bloomberg terminals, Google Finance and Deutsche Börse, and shared directly with investors

How does CDP scoring score?

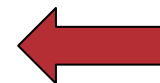
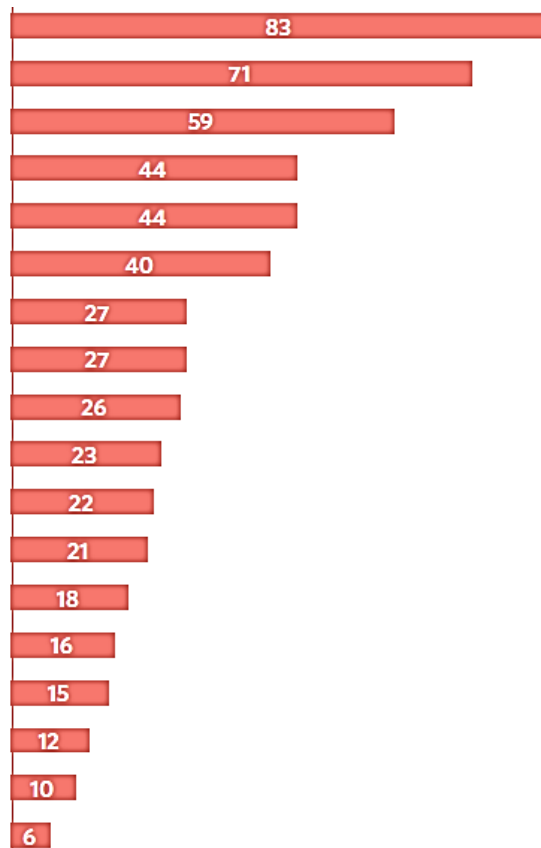
The 2013 Ratings Survey

Polling the Experts

A GlobeScan/SustainAbility Survey

Survey of sustainability experts, a part of “Rate The Raters”

Dow Jones Sustainability Index
Carbon Disclosure Project (CDP)
FTSE4Good Index Series
Fortune's Most Admired Companies
The Global 100 Most Sustainable Corporations in the World
Bloomberg ESG Data
CR Magazine's 100 Best Corporate Citizens List
World's Most Ethical Companies (Ethisphere)
Sustainalytics Company Profiles and Ratings
GoodGuide
Oekom Corporate Ratings
MSCI ESG Research
Climate Counts
Vigeo Ratings
GS SUSTAIN
ASSET4 ESG Data
Access to Medicines Index
Inrate Sustainability Assessment



Question

Please indicate which of the following ratings, rankings and indices you are at least somewhat familiar with.

Carbon Disclosure Project (CDP)

76

3

Dow Jones Sustainability Index

63

9

Access to Medicines Index

58

3

FTSE4Good Index Series

55

9

Oekom Corporate Ratings

54

8

Climate Counts

53

7

Bloomberg ESG Data

53

10

MSCI ESG Research

50

5

GoodGuide

50

14

Sustainalytics Company Profiles and Ratings

49

10

GS SUSTAIN

46

8

The Global 100 Most Sustainable Corporations in the World

45

14

World's Most Ethical Companies (Ethisphere)

44

13

ASSET4 ESG Data

43

11

Inrate Sustainability Assessment

37

19

Vigeo Ratings

35

18

CR Magazine's 100 Best Corporate Citizens List

32

24

Fortune's Most Admired Companies

31

24

Question

How credible do you find the following ratings and rankings to be?

Please use the 5-point scale provided, where 1 is "not at all credible" and 5 is "very credible," or choose "not familiar."



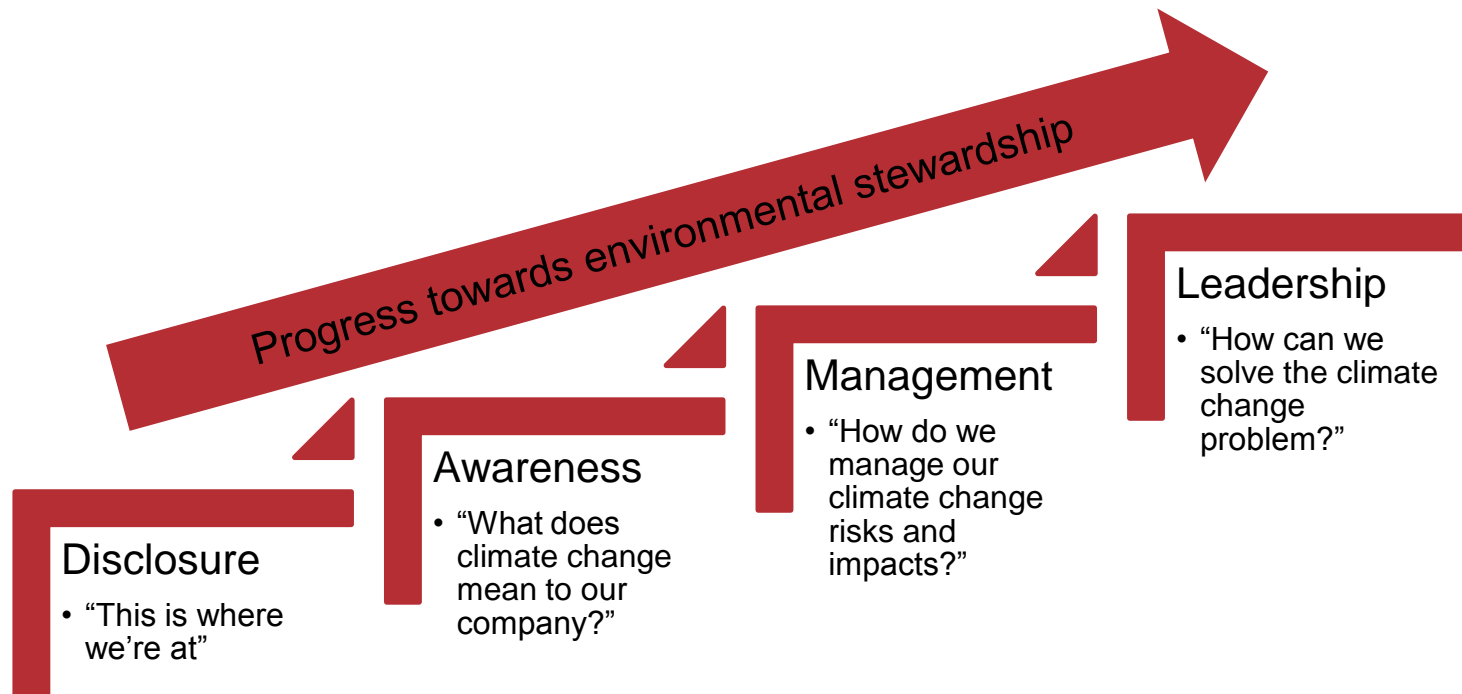
Credible (4+5)



Not credible (1+2)

Scoring approach

CDP's scoring approach: scoring in levels



What the levels will measure: Disclosure

- ▼ **Disclosure** – measures completeness and comprehensiveness of the CDP response
- ▼ Early stage companies can still get a good disclosure score
- ▼ It's the first step because: it is the place to start

What the levels will measure: Awareness

- ▼ **Awareness** will be scored based on a subset of questions
- ▼ Identifies and rewards companies who have looked at the implications of climate change for and on their business
- ▼ Recognises high level, contextual knowledge of environmental issues
- ▼ It's the second step because: awareness is a basis for action

What the levels will measure: Management

- ▼ **Management** criteria relate to climate change management actions
- ▼ Seeks company-specific understanding of climate change related issues
- ▼ It's the third step because: broad-based action precedes developing excellence

What the levels will measure: Leadership

- ▼ **Leadership** will be based on companies disclosing particular actions which mark them as leaders, as well as high scores across all other levels
- ▼ Leadership scoring requires detailed company-specific explanations
- ▼ The requirements to achieve leadership level in 2016 will be challenging, but achievable

Scoring process and thresholds

- ▼ Scores will be calculated as a percentage
- ▼ A minimum score or threshold must be achieved on one level before a company will be scored on the next level.
- ▼ This incentivises:
 - complete reporting
 - action based on assessment of risks and impacts
 - consistent progress across different areas
- ▼ The score in the highest of the 4 levels achieved determines the final score

Levels, scores & thresholds

Leadership	A						>80%
	A-						1-79%
Management	B						45-79%
	B -						<45%
Awareness	C						45-79%
	C -						<45%
Disclosure	D						45-79%
	D -						<45%
F= Failure to provide sufficient information to be evaluated by CDP							

- Each letter score will correspond to a level
- There will 2 bands per level
- This way the score is communicated in a consistent, intuitive way and illustrates the continuous development a company goes through

Non-responding companies in 2017

Zero score for non-responders

In 2017 companies that have **not responded** to CDP Climate Change information request by the response deadline will receive an F.

Rewarding Leadership: the A list

A List

Companies that have achieved the highest scores in Leadership are eligible to be included in the A list.

To get into the A list, a company's response must be publicly available and submitted via CDP's ORS

To enter the A list, a company must have:

- ▼ A top score (at least 80% in Leadership)
- ▼ Scope 1 & 2 figures disclosed (CC8.2 & CC8.3a) and full points for verification/assurance of Scopes 1 & 2 (CC8.6a & CC8.7a)
- ▼ No significant relevant exclusions in their emissions (CC8.4 & 8.4a)

CDP reserves the right to exclude a company from the A-List if there is anything in its response or other information publicly available that calls into question its suitability for inclusion

Methodology tips and help

Tips

- ▼ For each question, read the relevant part of the guidance document and scoring methodology. This will help you to answer the question fully.
- ▼ Avoid leaving questions blank. Blank answers reduce a score significantly as they are scored zero out of the maximum available points
- ▼ Scores are based only on information provided in the CDP response
- ▼ Answer each question without pointing to other answers in the response, or links to websites. With few exceptions, cross references are not scored.
- ▼ For questions requiring attachments, check that the document covers the data points requested and is attached in the right place.
- ▼ For a list of accepted verification standards, see CDP verification pages <https://www.cdp.net/en-US/Respond/Pages/verification.aspx>

CDP scoring methodologies

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CDP scoring methodologies

CDP uses the scoring methodology to incentivize companies to measure and manage environmental impacts through participation in CDP's climate change, water, forests and supply chain programs. Each of CDP's questionnaires (Climate change, Water and Forests) has an individual scoring methodology. The scoring of CDP's questionnaires is conducted by accredited scoring partners trained by CDP. CDP's internal scoring team coordinate and collate all scores and run data quality checks and quality assurance processes to ensure that scoring standards are aligned between samples and scoring partners.

Need help?



Climate change scoring methodology
Question-level information on scoring for the 2016 climate change questionnaire.



Water scoring methodology
Question-level information on scoring for the 2016 water questionnaire.



Forests scoring methodology
Question-level information on scoring for the 2016 forests questionnaire.



Scoring Introduction 2016
An introduction to how scoring is applied to all CDP programs.

Jump to...

[Respond to investors](#)[Respond to a customer](#)[Respond to both](#)[Scoring](#)

Scoring methodology structure

Governance page											Additional guidance for scorers			
Number	Question		Disclosure scoring criteria		Awareness scoring criteria		Management scoring criteria		Leadership scoring criteria					
Group and individual responsibility														
CC1.1 "Board/Senior Manager/Officer" routes														
CC1.1	Where is the highest level of direct responsibility for climate change within your organization?	1	1	Drop-down menu options: a) Board or individual/sub-set of the Board or other committee appointed by the Board; b) Senior Manager/Officer.	1	1	Drop-down menu options: a) Board or individual/sub-set of the Board or other committee appointed by the Board; b) Senior Manager/Officer.	Au to	3	Drop-down menu options: a) Board or individual/sub-set of the Board or other committee appointed by the Board - 3 points; b) Senior Manager/Officer - 2 points.	1	1	Drop-down menu options: a) Board or individual/sub-set of the Board or other committee appointed by the Board; b) Senior Manager/Officer.	
CC1.1a	Please identify the position of the individual or name of the committee with this responsibility	Au to	1	Text answer covers the job title of the individual or name of the committee and a description of its/their position in the corporate structure - 1 point	0	0	This question is not scored for Awareness	Ma nu al	2	The answer does not contradict the selection in question CC1.1. and the highest level of direct responsibility for climate change within the organization is Board, individual or subset of the Board or other committee appointed by the Board, a senior manager or a C-suite officer - 2 points.	0	0	This question is not scored for Leadership	If only stated 'CEO and/or executive board' sufficient for 2 performance points as position in corporate structure is obvious. Note that if the company indicates "individual or other committee appointed and then states CEO, scorers should assume either on the board or appointed by the CEO"
Total denominator for this route		2		1		1	5		1		1			
CC1.1 "Other Manager/Officer" route														
CC1.1	Where is the highest level of direct responsibility for climate change within your organization?	1	1	Drop-down menu option: Other Manager/Officer	1	1	Drop-down menu option: Other Manager/Officer	1	3	Drop-down menu option: Other Manager/Officer	1	1	Drop-down menu option: Other Manager/Officer	
CC1.1a	Please identify the position of the individual or name of the committee with this	Au to	1	Text answer covers the job title of the individual or name of the committee and a description of its/their position in	0	0	This question is not scored for Awareness	Ma nu al	2	Text answer does not contradict the answer in CC1.1 - 1 point	0	0	This question is not scored for Leadership	

Resources 2017

Resources - score mapping spreadsheet

Questions		2016 Scoring approach			
	Question text	Disclosure	Awareness	Management	Leadership
CC1.1	Where is the highest level of direct responsibility for climate change within your company?	Same - 2015 Disclosure Scored for completion	Same - 2015 Disclosure Scored for completion	New Scored for selection	Same - 2015 Disclosure Scored for selection
CC1.1a	Please identify the position of the individual or name of the committee with this responsibility	Same - 2015 Disclosure Scored for completion	Not scored	Same - 2015 Performance Scored for explanation	Not scored
CC1.2	Do you provide incentives for the management of climate change issues, including those related to executive compensation?	Same - 2015 Disclosure Scored for completion	Same - 2015 Performance Scored for selection	Same - 2015 Performance Scored for selection	Not scored
CC1.2a	Please provide further details on the incentives provided for the management of climate change issues	Same - 2015 Disclosure Scored for completion	New Scored for explanation	Minor change - 2015 performance Scored for explanation	Same - 2015 Performance Scored for explanation
		Same - 2015 Disclosure scored for completion	Same - 2015 Performance scored for selection	Not scored	Not scored
CC2.1	Please select the option that best describes your risk management procedures with regard to climate change risks and opportunities				
CC2.1a	Please provide further details on your risk management procedures with regard to climate change risks and opportunities	Same - 2015 Disclosure Scored for completion	New Scored for explanation	New Scored for explanation	Minor change - 2015 Performance Scored for explanation
CC2.1b	Please describe how your risk and opportunity identification processes are applied at both company and asset level	New Scored for completion	Same - 2015 Performance Scored for explanation	Not scored	Not scored
CC2.1c	How do you prioritize the risks and opportunities identified?	New Scored for completion	Same - 2015 Performance Scored for explanation	Not scored	Not scored
CC2.1d	Please explain why you do not have a process in place for assessing and managing risks and opportunities from climate change and whether you plan to introduce such a process in the future	New Scored for completion	Same - 2015 Disclosure Scored for explanation	New 0/2 for Management in this route	New 0/3 for Leadership in this route

Resources – Climate change changes for 2017 document

Changes & Rationale Document

For companies reporting on climate change on behalf of investors & supply chain members 2017



CDP score mapping tool webinar

This webinar will clarify how your Climate Change score relates to your score from 2015 and earlier, and how to use the mapping document.




CDP score mapping tool

CDP's mapping tool helps predict a climate change score, based on your 2015 score. Please note: this is only an indicator.



Questionnaire and scoring changes 2017

Understand the changes to this years climate change questionnaire and scoring methodology.



Thank you
Any questions?