

## The Carbon Disclosure Project

# Climate Change and Investment Decisions

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## Background to CDP

Not-for-profit organisation founded in 2000

Annual climate change Information Request sent from:

- **534 investors with assets of \$64 trillion**
- **50 Supply Chain Members**
- **19 public sector bodies**

2,500 companies answered the questions in 2009

**CDP is the global standard for measurement and reporting of climate change information.**

*“To collect and distribute high quality information that motivates investors, corporations and governments to take action to prevent dangerous climate change.”*



“Companies and investors that are able to assess risks and seize new opportunities will be ahead of the curve in terms of global competitiveness... that is why the work of the Carbon Disclosure Project is crucial.”

Ban Ki Moon  
Secretary-General, United Nations

## Structure of the Presentation:

- I) CDP Investor**
  - a) Background
  - b) The CDP Process
  - c) CDP 2010 Information Request
  
- II) Other CDP Programmes and Initiatives**
  - a) CDP Supply Chain
  - b) CDP Water Disclosure Programme
  - c) CDP Cities Programme

# 534 CDP Signatory Investors – \$64 trillion in assets



BLACKROCK



SEB

MUFG



FORTIS



HSBC



UBS



AIG



BARCLAYS



CREDIT SUISSE

Nordea



恒生銀行  
HANG SENG BANK



MACQUARIE BANK

JPMorgan

Deutsche Bank



Allianz



Schroders

“ Analysis of objective measures of performance on a comparable basis is vital to assessment of company’s management of ESG issues. CDP provides a valuable tool for analysis of climate change related aspects of environmental performance.”



Andrew Howard  
Goldman Sachs

## Investor CDP

### **CDP holds the largest database of corporate climate change information in the world**

- Full access for Signatories, enhanced data services for Members
- CDP – a dedicated data resource:
  - Assistance with PRI implementation
  - Analytic Member reports (e.g. Oil & Gas, Metals & Mining)
  - Industry snapshots: Neatly packaged relevant pieces of info, e.g. on emissions targets, renewable investments and more
- CDP data used to create new financial products, e.g. Markit CDLI Index

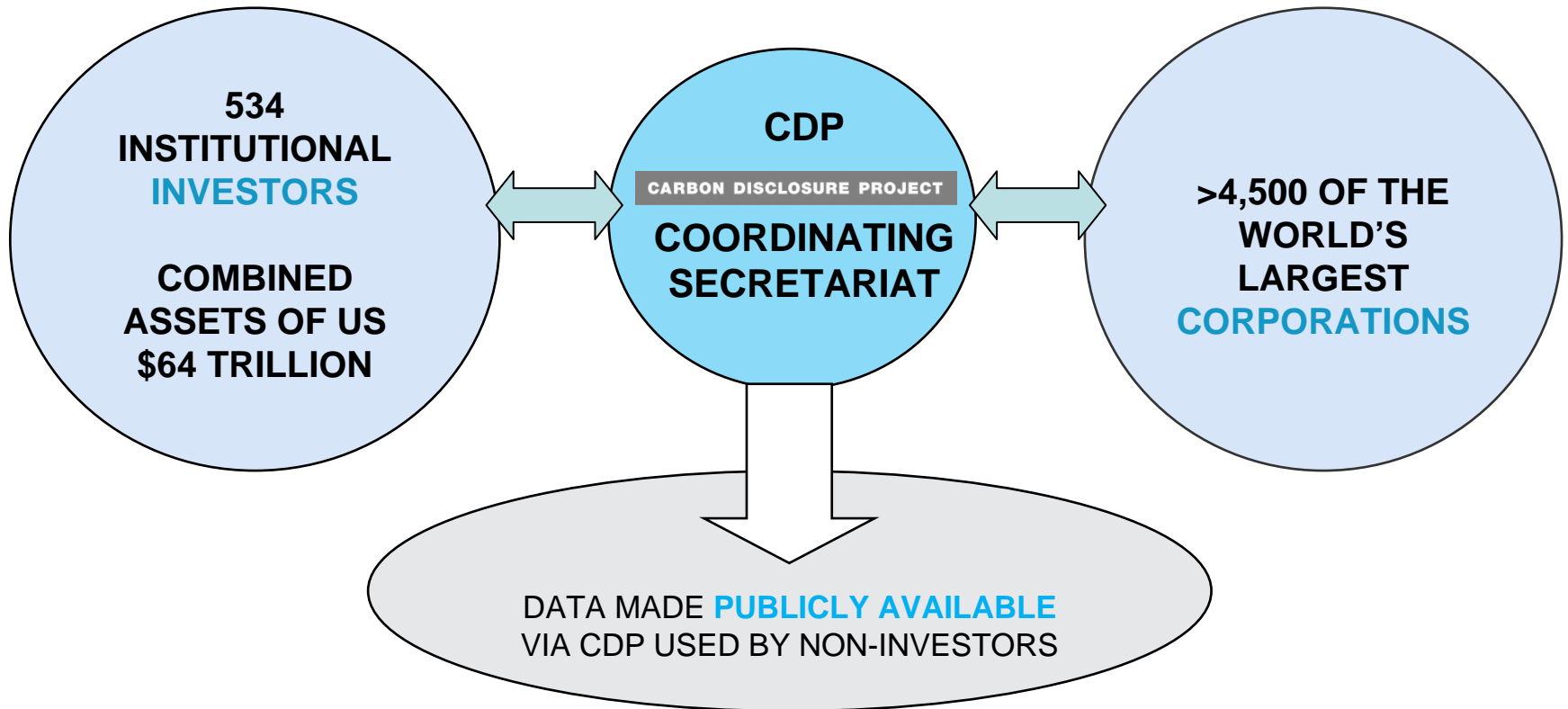
***Our aim is to make understanding climate change easy for the Signatories***

## CDP Data Partners

# Bloomberg

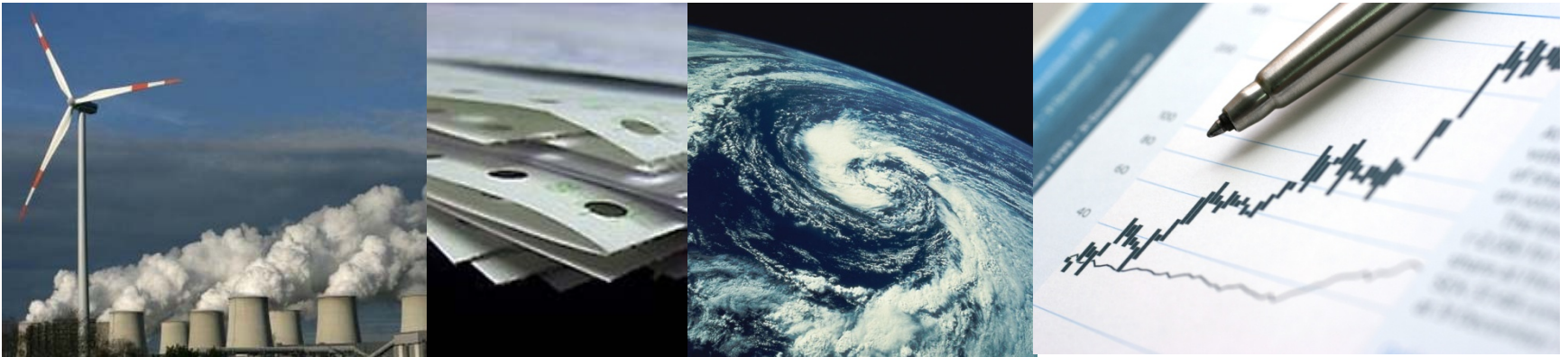


CDP provides a **global intersection** between investors, companies and other stakeholder



## Your Benefits of Responding to CDP

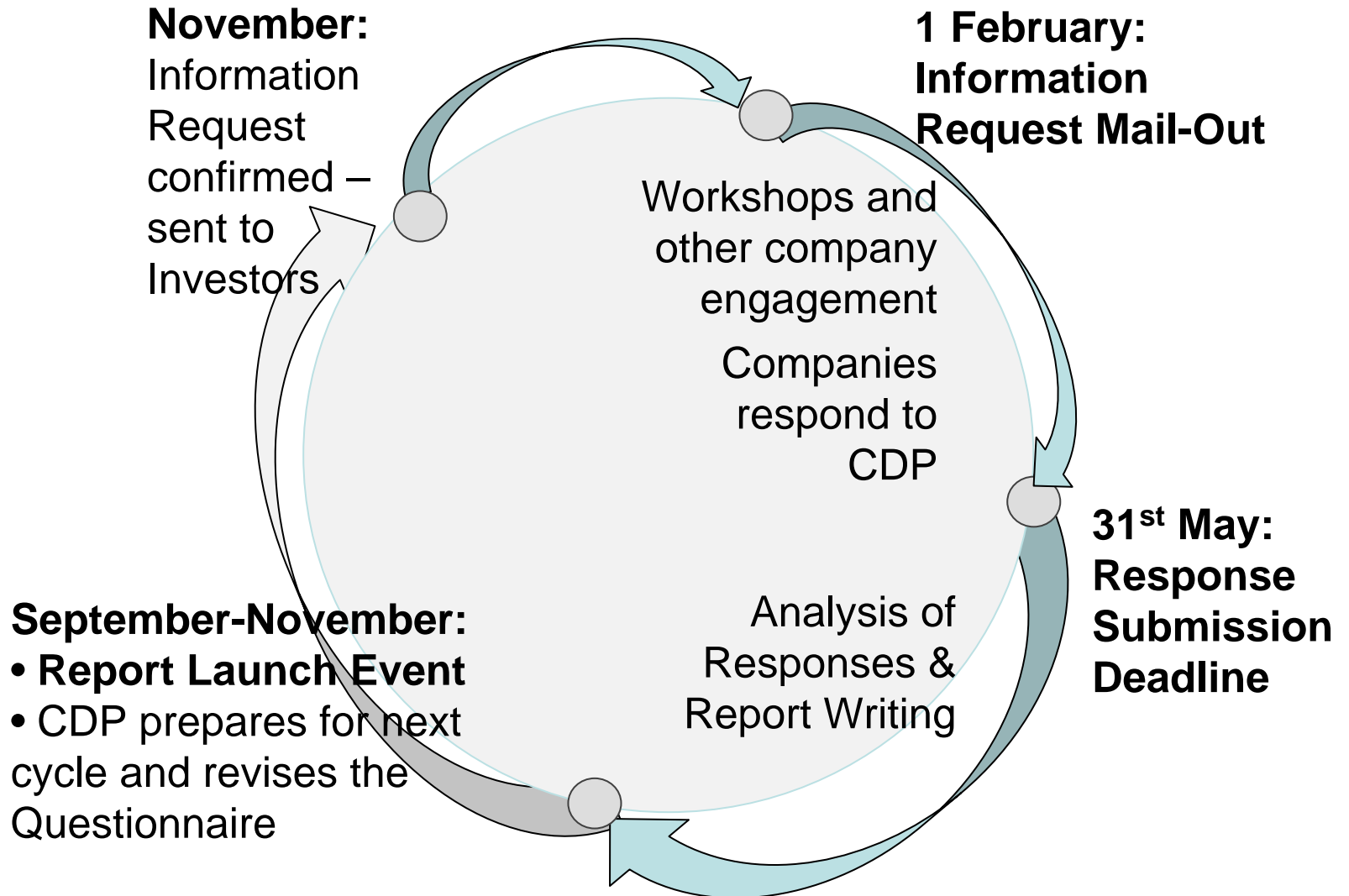
- Effective communication with Investors:  
CDP as a reporting secretariat is efficient (single-request mechanism for 534 investors) & enhances comparability of corporate carbon data
- Climate Change = Risk → Affecting the Sustainability of Businesses
- International standard of carbon reporting: Carbon Reporting and Management as proxy for good risk management practice



## CDP in >60 countries worldwide

Argentina  
Australia  
Austria  
Belgium  
Brazil  
Bulgaria  
Canada  
China  
Chile  
Czech Republic  
Denmark  
Estonia  
Finland  
France  
Germany  
Greece  
Hong Kong  
Hungary  
Iceland  
India  
Indonesia  
Ireland  
Italy  
Japan  
Korea  
Latvia  
Lithuania  
Malaysia  
Mexico  
Netherlands  
New Zealand  
Norway  
Peru  
Philippines  
Poland  
Portugal  
Romania  
Russia  
Singapore  
Slovakia  
Slovenia  
South Africa  
Spain  
Sweden  
Switzerland  
Taiwan  
Thailand  
Turkey  
United Kingdom  
United States





# The CDP Information Request

Covers five key areas related to carbon reporting:

I) Governance (Question 1)

II) Risks and Opportunities (Questions 2-8)

III) Strategy (Question 9)

IV) Emissions Accounting & Measuring (Q10-21)

V) Communications (Question 22)

Developed in consultation with stakeholders (incl. e.g. Signatory Investors, WRI, GRI, PwC, and responding companies).

Companies respond via the **CDP Online Response System (ORS)**.

“ Disclosure can spur innovation ...  
The CDP has shown that internationally consistent disclosure not only helps to pinpoint risk but also to generate opportunities.”  
Financial Times

The screenshot shows the 'CARBON DISCLOSURE PROJECT' header and the 'Introduction' section of the questionnaire. It includes instructions for users, a 'Question Completion Indicator' for Q1, and a 'Reporting Year' selection interface with a calendar icon. A red arrow points to the 'Reporting Year' field, and another red arrow points to the 'Submit' button at the bottom right.

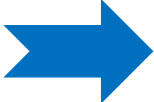

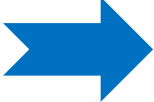



CDP 2010	CDP 2009
<b>Governance</b> – accountability and incentives	<b>Risks and Opportunities</b> – process for identification, regulatory, physical, other
<b>Risks and Opportunities</b> – process for identification, regulatory, physical, other	<b>Emissions Accounting</b> – reporting year, methodology, Scope 1, 2, 3, contractual Scope2, intensity, energy and fuel requirements, verification
<b>Strategy</b> – links with co strategy, emissions reductions/ energy efficiency improvements, engagement	<b>Performance</b> – reduction plans, goal setting, evaluation and achievement, forecasting
<b>Emissions Accounting</b> – methodology, Scope 1, 2, 3, contractual Scope2, intensity, verification	<b>Governance</b> – accountability, incentives, and communications
<b>Communications</b> – other external publications	

## Key changes in the 2010 request

Overall the questionnaire is shorter than in 2009 with a number of sub-questions having been removed. Significant changes from CDP 2009:

- **New Questions:**
  1. Risk identification process
  2. Link between climate change and strategy
- **More granularity** – Data accuracy and assurance questions broken down by emissions scope.
- **A new specific sector supplement for Oil and Gas companies.**

## How to ensure a high response quality:

-  Answer the question
-  Complete all applicable questions
-  Provide answers which are specific to the business of your organization
-  Provide detail, examples and case studies where possible
-  Provide figures where applicable – emissions, costs, investments, savings
-  Where unable or unwilling to answer a question, explain the reason why and any activities in place that will enable you to answer it in the future

## The CDP Rating Methodology 2010

- Based on the responses provided, companies may be presented with additional related questions to answer (see ORS)
- Each question is allocated a certain number of points, based on the amount of data requested and the perceived importance of the information relative to other questions
- The total available points to a company is based upon a combination of question types and the answer route selected
- Companies are able to score points by explaining why a question is not relevant to them
- The final disclosure or performance score is calculated using the following formula:

$$\frac{\text{Score achieved (total points earned)}}{\text{Score available (total points available)}} \times 100 = \text{Overall Disclosure or Performance Score}$$

Range of available points: Disclosure: 131 to 165; Performance: 26.5 to 43

Risks						
Instructions						
Risks and opportunities questions have an initial lead question indicated by yellow highlighting and a second lead question also indicated by yellow highlighting. For this reason, denominator sub-totals are shown. Please see the question map to understand the structure of the questions in this section.						
Number	Question	Disclosure		Answer - This column shows the answer options from which a company is asked to select. If the question is answered in a free text field, this is indicated.	Performance	
		Points automatically awarded for this answer	Denominator		Points automatically awarded for this answer	Denominator
<b>Regulatory Risks</b>						
<b>3.1 Lead question - "Yes" route</b>						
3.1	Do current and/or anticipated regulatory requirements related to climate change present significant risks for your company?	1		1 Drop-down menu option: Yes		
3.2	What are the current and/or anticipated significant regulatory risks related to climate change and the associated countries/regions and timescales?			2 Table format data entry: Selection of risk category (0.5 points), geographical area affected (0.5), timescale of impact (0.5). Elaboration of risk in comment field (0.5). If geography, timescale & comment given, but no risk is selected - 0 points. Text box data entry: Answer must describe risk (1 point), the area affected (0.5), and timescale of impact (0.5). If geography and timescale given, but no risk is described - 0 points		
3.3	Describe the ways in which the identified risks affect or could affect your business and your value chain.			3 Text answer scored under Scale B		
				<b>6 Denominator for this route - sub-total</b>		
<b>3.4 Sub-lead question financial implications - "Yes" route</b>						
3.4	Are there financial implications associated with the identified risks?	1		1 Drop-down menu option: Yes		
3.5	Please describe them.			1 If the financial implications are described (0.5). If they are quantified in some way (0.5).		
				<b>2 Denominator for this route - sub-total</b>		
<b>3.4 Sub-lead question financial implications - "No" route</b>						

Available on the CDP Website:

[www.cdproject.net/en-US/Respond/Pages/CDP-Investors.aspx](http://www.cdproject.net/en-US/Respond/Pages/CDP-Investors.aspx)

# Resources

- Guidance
- ASrIA
- FAQs in Portal
- Reports
- Peer submissions
- Case studies
- Information in the Online Reporting System (ORS)

**CDP's REPORTING GUIDANCE**

**Introduction to CDP**

The Carbon Disclosure Project (CDP) is a not-for-profit organization working to create leading international business climate change initiatives, including the responses to corporate and non-corporate emissions contained in Climate Change CDP's Questionnaire. It is a global and voluntary high quality disclosure of climate change information, performance and opportunities for better climate change management.

The associated guidance provides to assist those completing the CDP 2010 information request.

From here you can explore a CDP information request online or you can visit the below links to obtain relevant support materials for the CDP 2010. These can also be requested to receive CDP questionnaires and their own reporting systems.

**Guidance covering the following CDP programmes:**

- CDP Water
- CDP Energy
- CDP Air Emissions
- CDP Forests
- CDP Climate Change
- CDP Chemicals
- CDP Mining
- CDP Financial
- CDP Human Rights
- CDP Pollution
- CDP Biodiversity
- CDP Circular Economy
- CDP Supply Chain
- CDP Stakeholder Engagement
- CDP Resilience
- CDP Innovation
- CDP Gender
- CDP Labour
- CDP Human Rights
- CDP Pollution
- CDP Biodiversity
- CDP Circular Economy
- CDP Supply Chain
- CDP Stakeholder Engagement
- CDP Resilience
- CDP Innovation
- CDP Gender
- CDP Labour

**CDP 2010 Questionnaire**

The CDP 2010 information request is composed of a number of sections. They are not intended to be a complete set of questions for CDP or CDP 2010 reporting, but are a central reference resource when completing the CDP 2010 Questionnaire. Reporting can be done via our online system. The guidance below can be used to:

- Understand the CDP 2010 information request
- Understand the CDP 2010 reporting process
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**Carbon Disclosure Project 2010 Information Request**

We request replies to the following questions by 31 May 2010.

Please respond to the information request using our Online Reporting System (ORS) in early February 2010. Instructions on how to access the ORS will be sent to you by email. If you are unable to respond via the ORS, please email [enquiries@cdp.org](mailto:enquiries@cdp.org). You may also be asked to provide your response in those regions with the names of CDP's CDP 2010 and other measurement programs if they are your customers' long-established contractual obligations. If you can, you will be notified by email on 1 April and need for your approval for this.

As a company, you are invited to respond to the CDP 2010 reporting process. [www.cdp.org.uk/cdp2010](http://www.cdp.org.uk/cdp2010) and to use the guidance within the ORS.

Please answer the questions in comprehensive as possible. However, do not focus on if the information has been previously reported and what you have in the past because it is not the objective.

Companies will be asked to explain why some questions are not reported to the business. This includes: include those questions. For example, the question appears the question is:

1. Please provide details of climate change related questions that are relevant to your organization. If you are unable to answer a question, please provide a prompt for an explanation.
2. Please explain why you are unable to answer the question.
3. Please explain why you are unable to answer the question.

We encourage companies to answer the relevance of questions in accordance with the principles of the Greenhouse Gas Protocol, a Corporate Accounting and Reporting Standard (GHG Protocol) developed by the World Resources Institute and the World Business Council for Sustainable Development (WBCSD).

According to these principles, which are set out in the CDP guidance, information is relevant if it contains the data that users will require and compare to the company, year for year decision-making.

Users will be asked to provide CDP 2010 questions in the context of the CDP 2010 question that covered the same subject. Please note the wording may have changed. Please see the guidance for details.

CDP has written a brief handbook which companies are asked to use in reporting their greenhouse gas (GHG) emissions to CDP in 2010. The aim of the handbook is to provide comprehensive and practical guidance on reporting GHG emissions where relevant. It is not intended to provide a full set of rules, rather it offers a guide to reporting requirements and standards, including the GHG Protocol, and will describe the reporting and comparison rules in more detail. The handbook is available at [www.cdp.org.uk/cdp2010](http://www.cdp.org.uk/cdp2010).

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Please note that the reporting process for which you will be providing data will be conducted on a page of the ORS online the latest part of the CDP 2010 Questionnaire.

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**CARBON DISCLOSURE PROJECT**

Home | What We Do | Programs | How To Disclose | Results

Carbon Disclosure Project 2009 Corporate Responses Global 500 Report and S&P 500 Reports Now Available For Download

The Carbon Disclosure Project is an independent not-for-profit organization holding the largest database of primary corporate climate change information in the world.

Thousands of organizations from across the world's major economies measure and disclose their greenhouse gas emissions and climate change strategies through CDP. We put this information at the heart of financial and policy decision-making.

Find out more about CDP

**Latest News**

Centrica and Reckitt Benckiser top the charts as this year's UK corporate climate leaders

**Latest Results**

CDP 2009 Korea Report - Korean PCF 3 Mb

More results

## CDP Carbon Calculation Partners

CARBON DISCLOSURE PROJECT

ACCREDITED PROVIDER



**The Source**

for Critical Information and Insight™



**PE INTERNATIONAL**  
EXPERTS IN SUSTAINABILITY

- Accredited service providers selected based on partner criteria.
- The tools and services provided by these partner organizations have been tested by the Greenhouse Gas Management Institute.

# CDP Reporter Services

Reporters have asked CDP for help building actionable insights from our database

The global sustainability journey creates business risk

The CDP database captures and quantifies the issues

Effective responses require knowledge and insight

**Multiple stakeholder reporting**

**Changing Demand**

**Supply chain upheaval**

**Investor re-evaluation**

...energy scarcity. The gap in demand-supply can result in high operational costs with a resultant impact on profitability...

*Wipro*

... impact how potential investors view Air Canada and the aviation industry...

*Air Canada*

...decrease in sales and profits owing to elevation of production costs and difficult procurement of materials...

*Sanyo Electric Company Ltd*



**CDP Reporter membership**

# CDP provides knowledge and insight to respond to business risk

**Meet obligations**

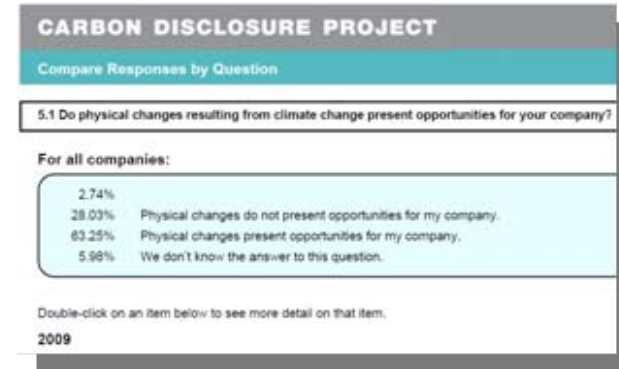
**Information Gathering:**  
The largest global database of primary corporate emissions information

**Reduce risk**

**Reporting & Analysis:**  
Powerful Analytics to identify performance improvements

**Seize opportunities**

**Communication & Networking:**  
Dialogue with peers, industry experts, governments and regulators



## Structure of the Presentation:

- I) CDP Investor**
    - a) Background
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    - a) CDP Supply Chain
    - b) CDP Water Disclosure Programme
    - c) CDP Cities Programme
- 

# CDP Supply Chain – 2009 Members



# CDP Water Disclosure

Launched in 2010: 302 of the world's largest companies in sectors that are water intensive or are exposed to particular water - related risk

Countries in Asia ex-Japan	Number of Companies
China	5
Hong Kong	10
India	8
Korea	4
Malaysia	1
Singapore	1
Taiwan	4
Thailand	1
<b>Total</b>	<b>34</b>

Information Request:  
**1 April 2010**

Response deadline:  
**31 July 2010**



“ As water becomes an increasingly constrained resource, it also becomes an investment issue. It is vital that institutional investors have access to high quality information on how water-related risks threaten corporations in order to make better informed decisions. CDP Water Disclosure will be essential to providing investors with this information.”

Norges Bank Investment  
Management

# CDP Cities Programme



In 2008 some 30 US Cities committed to reporting their carbon emissions, risks and opportunities through CDP.

CDP is currently speaking with cities and stakeholders in the business community about expanding this effort to encompass cities around the world.

**Thank you for your interest.**

**Friederike Jebens**

*Global Operations*

**Carbon Disclosure Project**

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