

# A View from Above: Making the Most of Your CDP Response

CDP, formerly known as the Carbon Disclosure Project, is a non-profit that collects voluntarily disclosed data related to a corporation's environmental impacts. CDP's four programs – climate change, water, forests, and supply chain – allow companies to disclose emissions, resource use, and strategy within a defined global framework to address requests from shareholders, stakeholders, and customers. The organization represents more than 800 institutional investors managing \$100 trillion in assets.

## Who asks for the data

### Customers

Through CDP's supply chain program, customers can request that suppliers disclose their approach to climate change and water management.

In 2015, 75 companies and government agencies that spent \$2 trillion in procurement requested information from 7,800 suppliers.

### Shareholders

In 2015, 822 institutional investors requested responses to CDP's climate change program.

Investors have also proposed and passed shareholder resolutions calling for greater disclosure on climate-related issues and risks, increasing the pressure to utilize disclosure frameworks such as CDP.

## Who's responding?

**81%**  
of Global 500  
companies

**70%**  
of S&P 500  
companies



Source: 2003 to 2014 figures, CDP.net; 2015 figure, CDP response database search query.

## Where the data goes



Company submits questionnaire



Once submitted, data is available on CDP.net



Data is also utilized by research services and investment groups:

- Bloomberg
- TruCost
- DJSI
- FTSE
- MSCI
- Goldman Sachs
- Sustainalytics
- Google Finance
- CSRHUB
- oekom research
- ASSET4
- Global 100

### Leveraging your response

Accessing data on CDP.net requires first creating a user profile, which can be a barrier for those following a hyperlink. Make your response available on your own website to provide easier access to investors and other stakeholders.

Also consider including select CDP data in GRI and 10-K disclosures for greater visibility.

## Benefits of participation

### Transparency

A clear view into how a company is performing on environmental issues can support public relations, marketing efforts, and investor relations.

CDP data is increasingly used in financial products like STOXX Low Carbon Indices.

### Insights

Responding to a CDP questionnaire can reveal hidden risks or opportunities, help benchmark against peers, and challenge your company to find competitive advantages.

Respondents have **67%** higher return on investment than non-respondents.<sup>†</sup>

### Efficiency

By identifying and measuring emission sources and resource use, your company can improve efficiency and reduce costs. This process can also lower the cost of capital as it attracts investors.

Respondents save **\$1.2m** in annual interest expense on average compared to those who don't disclose.<sup>‡</sup>

<sup>†</sup>Source: CDP S&P 500 Climate Change Report, 2014.  
<sup>‡</sup>Source: "Environmental Disclosure Makes Sound Business Sense", CDP.

## How it's scored

Scoring methodologies vary across CDP programs, but all are based on four common levels:

**A**

Signifies **leadership**. Includes implementation of the best practices in environmental management.

**C**

Signifies **awareness**. Includes how environmental issues will impact business.

**B**

Signifies **management**. Includes the actions and management methods implemented to address issues.

**D**

Signifies **disclosure**. Includes a detailed and comprehensive response.

## When completing a questionnaire, consider...

- Who in the company needs to be involved in completing a response?
- How have peers and competitors responded to CDP questionnaires in the past?
- How can your response be leveraged across other disclosures, like the GRI, DJSI, and 10-K?
- What questions should receive priority to maximize your company's score?

CDP encourages companies to adopt science-based emissions reduction targets, which align corporate GHG reductions with global emissions budgets generated by climate models.

Report icon by Alfredo Hernandez, wireframe icon by KAPKLAM, spread network icon by Jean Yashu, all from the Noun Project.

## Contact

For more information about completing the DJSI questionnaire, or for a review of your company's ESG profile and key shareholder expectations, please get in touch:

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