

# CDP 2016 Supplier Engagement Rating methodology

## Introduction

By establishing a system to evaluate supplier engagement practices and recognize best practice, CDP aims to increase buyer engagement to accelerate action on emissions in global supply chains.

### Essential reading

This document should be used in conjunction with the CDP climate change questionnaire guidance document 2016, the CDP scoring methodology and the "Introduction to CDP scoring 2016" document. It is strongly recommended to familiarize yourself with the contents of these documents before reading this supplier engagement rating methodology.

All of these documents can be accessed from the "reporting to CDP" section of the CDP website:

<https://www.cdp.net/en-US/Pages/guidance.aspx>

Links to the relevant section of the guidance are also available in the Online Response System.

### Status of this document

This document is intended to provide guidance to companies on how their response will be scored. In common with other scoring processes of this type, we expect to make future adjustments in light of the application of the methodology to the responses received. If you wish to provide feedback on this document, please use the form linked from the "Consultations and Feedback" page of the CDP website here: <https://www.cdp.net/en-US/Pages/consultation.aspx>

# Governance

Number

Question

Num

Denom

Supplier Engagement Rating criteria

## Individual Performance

### CC1.2 "Yes" route

Number	Question	Num	Denom	Supplier Engagement Rating criteria
CC1.2	Do you provide incentives for the management of climate change issues, including the attainment of targets?			Question not scored for Supplier Engagement Rating
CC1.2a	Please provide further details on the incentives provided for the management of climate change issues		6	<p>Points to be awarded:</p> <ul style="list-style-type: none"> <li>i) 'Buyers/purchasers' OR 'All employees' selected in 'Who is entitled to benefit form these incentives' AND 'Monetary reward' in 'The type of incentive' - <b>2 points</b></li> <li>ii) 'Buyers/purchasers' OR 'All employees' selected in 'Who is entitled to benefit form these incentives' AND 'Recognition (non-monetary)' or 'Other non-monetary reward' in 'The type of incentive' - <b>1 points</b></li> <li>iii) 'Chief Purchasing Officer (CPO)' or 'Chief Financial Officer (CFO)' selected in 'Who is entitled to benefit form these incentives' AND 'Monetary reward' in 'The type of incentive' - <b>2 points</b></li> <li>iv) 'Chief Purchasing Officer (CPO)' or 'Chief Financial Officer (CFO)' selected in 'Who is entitled to benefit form these incentives' AND 'Recognition (non-monetary)' or 'Other non-monetary reward' in 'The type of incentive' - <b>1 points</b></li> <li>v) 'Environmental criteria included in purchases' or 'Supply chain engagement' selected in 'Incentivized performance indicator' AND 'Monetary reward' in 'The type of incentive' - <b>2 points</b></li> <li>vi) 'Environmental criteria included in purchases' or 'Supply chain engagement' selected in 'Incentivized performance indicator' AND 'Recognition (non-monetary)' or 'Other non-monetary reward' in 'The type of incentive' - <b>1 points</b></li> </ul>
Total denominator for this route			6	

## Governance

Number	Question	Num	Denom	Supplier Engagement Rating criteria
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### CC1.2 "No" route

Number	Question	Num	Denom	Disclosure scoring criteria
CC1.2	Do you provide incentives for the management of climate change issues, including the attainment of targets?			Question not scored for Supplier Engagement Rating
CC1.2a	Please provide further details on the incentives provided for the management of climate change issues	0	6	No route - <b>0 points</b>
<b>Total denominator for this route</b>		<b>0</b>	<b>6</b>	

### CC1.2 "Questions not answered" route

Number	Question	Num	Denom	Disclosure scoring criteria
CC1.2	Do you provide incentives for the management of climate change issues, including the attainment of targets?			Question not scored for Supplier Engagement Rating
CC1.2a	Please provide further details on the incentives provided for the management of climate change issues	0	6	No selection made - <b>0 points</b>
<b>Total denominator for this route</b>		<b>0</b>	<b>6</b>	

# Measurement

Number	Question	Num	Denom	Supplier Engagement Rating criteria
CC14.1	Please provide data on sources of Scope 3 emissions that are relevant to your organization		4	<p>The final score for this question is the sum of the individual scores for the first 8 'upstream' rows. Please note the rows " Other (upstream)" and "Other (downstream)" are optional - please see page 170 of the guidance document for further information.</p> <p><u>i) row 1 'Purchased goods and services':</u></p> <p>A) Where "Evaluation status" is                      -"Relevant, Calculated" AND both "Metric tonnes CO2e" and "Methodology" contain data - <b>0.5 points</b>                      B) Otherwise, - <b>0 points</b></p> <p><u>ii) rows 2 - 8:</u></p> <p>A) Where "Evaluation status" is                      -"Relevant, Calculated" AND both "Metric tonnes CO2e" and "Methodology" contain data;                      - "Not relevant, Calculated" AND both "Metric tonnes CO2e" and "Methodology" contain data;                      - "Not relevant, explanation provided" AND "Explanation" contains data - <b>0.5 points</b>                      B) Where "Evaluation status" is:                      - "Relevant, not yet calculated"; OR "Not evaluated" - <b>0.1 points</b>                      C) Otherwise, - <b>0 points</b></p>
<b>Total denominator for this route</b>			4	

# Supplier Engagement

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## Scope 3: Engaging with the value chain

### CC14.4 "Yes, our suppliers" route

Number	Question	Num	Denom	Supplier Engagement Rating criteria
CC14.4	Do you engage with any of the elements of your value chain on GHG emissions and climate change strategies?	1	1	<p><b>Tick box selection:</b></p> <p>a) Yes, our suppliers - <b>1 point.</b></p> <p>If a company selects multiple options including 'no', please score <b>0 points</b> for this question.</p>
CC14.4b	Please give the number of suppliers with whom you are engaging and the proportion of your total spend that they represent		4	<p>If:</p> <p>i) column "Number of suppliers" is complete - <b>0.5 points</b>;</p> <p>ii) column "% of total spend" is complete - <b>0.5 points.</b></p> <p>AND</p> <p>If:</p> <p>'% of total spend (direct and indirect)' is 0% - <b>0 points</b>;</p> <p>'% of total spend (direct and indirect)' is between 1-24% - <b>1 point</b>;</p> <p>'% of total spend (direct and indirect)' is between 24-50% - <b>2 points</b>;</p> <p>'% of total spend (direct and indirect)' is higher then 50% - <b>3 points</b>;</p>
CC14.4c	If you have data on your suppliers' GHG emissions and climate change strategies, please explain how you make use of that data		1	<p>If 'How you make use of the data' is 'We do not have any data' - <b>0 points</b></p> <p>If 'How you make use of the data' is any other option - <b>1 point</b></p>
<b>Total denominator for this route</b>			<b>6</b>	

# Supplier Engagement

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## CC14.4 "No", Question not answered, or no engagement with suppliers route

Number	Question	Num	Denom	Supplier Engagement Rating criteria
CC14.4	Do you engage with any of the elements of your value chain on GHG emissions and climate change strategies?	0	1	<b>Tick box selection:</b> No engagement with suppliers - <b>0 points</b>
CC14.4b	Please give the number of suppliers with whom you are engaging and the proportion of your total spend that they represent	0	4	No engagement with suppliers - <b>0 points</b>
CC14.4c	If you have data on your suppliers' GHG emissions and climate change strategies, please explain how you make use of that data	0	1	No engagement with suppliers - <b>0 points</b>
<b>Total denominator for this route</b>		<b>0</b>	<b>6</b>	

## Ambition

Number

Question

Num

Denom

Supplier Engagement Rating criteria

### Targets

Where an organization has **more than one target**, targets will be scored across the entire set of questions that apply to that target (either the set of questions relating to an absolute target or the set relating to an intensity target). The score which has the most positive impact on the company's score will be recorded.

**Please note that if you are reporting a renewable energy consumption or production target, you also need to report an Intensity and /or Absolute target, otherwise you will be scored as per the "Question not answered" route.**

#### CC3.1 "Absolute and Intensity targets" route

Number	Question	Num	Denom	Supplier Engagement Rating criteria
CC3.1	Did you have an emissions reduction or renewable energy consumption or production target that was active (ongoing or reached completion) in the reporting year?			Question not scored for Supplier Engagement Rating

#### CC3.1 "Absolute targets" route

Number	Question	Num	Denom	Supplier Engagement Rating criteria
CC3.1	Did you have an emissions reduction or renewable energy consumption or production target that was active (ongoing or reached completion) in the reporting year?			Question not scored for Supplier Engagement Rating

# Ambition

Number	Question	Num	Denom	Supplier Engagement Rating criteria
CC3.1a	Please provide details of your absolute target		2	<p>The following columns must all be completed to be eligible for points:</p> <ul style="list-style-type: none"> <li>i) scope;</li> <li>ii) target year;</li> </ul> <p>If 'Scope' is 'Scope 3: Purchased goods and services' or 'Scope 1 + 2 + 3 (upstream)' - <b>2 points</b>;            If 'Scope' is any upstream category (including 'Capital goods', 'Fuel- and energy-related activities (not included in Scopes 1 or 2)', 'Upstream transportation &amp; distribution', 'Waste generated in operations', 'Business travel', 'Employee commuting' OR 'Upstream leased assets') - <b>1 point</b>.</p>
CC3.1b	Please provide details of your intensity target	0	0	
<b>Total denominator for this route</b>			<b>2</b>	



# Ambition

Number

Question

Num

Denom

Supplier Engagement Rating criteria

## CC3.1 "Intensity Targets" route

Number	Question	Num	Denom	Supplier Engagement Rating criteria
CC3.1	Did you have an emissions reduction or renewable energy consumption or production target that was active (ongoing or reached completion) in the reporting year?			Question not scored for Supplier Engagement Rating
CC3.1a	Please provide details of your absolute target	0	0	
CC3.1b	Please provide details of your intensity target		2	The following columns must all be completed to be eligible for points: i) scope; ii) target year;  If 'Scope' is 'Scope 3: Purchased goods and services' or 'Scope 1 + 2 + 3 (upstream)' - <b>2 points</b> ; If 'Scope' is any upstream category (including 'Capital goods', 'Fuel- and energy-related activities (not included in Scopes 1 or 2)', 'Upstream transportation & distribution', 'Waste generated in operations', 'Business travel', 'Employee commuting' OR 'Upstream leased assets') - <b>1 point</b> .
<b>Total denominator for this route</b>			<b>2</b>	

## CC3.1 "No targets" or Question not answered route

Number	Question	Num	Denom	Supplier Engagement Rating criteria
CC3.1	Did you have an emissions reduction or renewable energy consumption or production target that was active (ongoing or reached completion) in the reporting year?			Question not scored for Supplier Engagement Rating
CC3.1a	Please provide details of your absolute target	0	2	No targets - <b>0 points</b>
CC3.1b	Please provide details of your intensity target	0	0	
<b>Total denominator for this route</b>		<b>0</b>	<b>2</b>	

## Climate Change score

Number	Question	Num	Denom
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CDP Climate Change score			
Number	Question	Num	Denom
CC1-CC15	Points will be received based on the companies' 2016 CDP climate change score		10

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Supplier Engagement Rating criteria

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If the company received

- A - **10 points;**
- A- - **9 points;**
- B - **6 points;**
- B- - **5 points;**
- C - **4 points;**
- C- **3 points;**
- D - **2 points;**
- D- - **1 point;**
- F - **0 points.**

<b>New version No.</b>	<b>Date</b>	<b>Owner</b>	<b>Change</b>
V1.0	06/03/2016	Sonya Bhonsle	first version
V2.0	15/6/2016	Lennart Hermans	first external version
V2.1	42551	Lennart Hermans	Extended Governance scoring criteria to include 'All employees'