
CDP Technical Note: Restatements

CDP Climate Change Questionnaire



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Version

Version	Revision date	Revision summary
1.0	2017	First published version.
2.0	2018	Formatting and question numbers updated to align with the 2018 CDP climate change questionnaire.
2.1	April 6, 2020	Minor wording updates.
2.2	January, 7 2021	Revisions to clarify how to correctly report year-on-year changes in emissions in C7.9a after structural changes
3.0	January 21, 2022	Updated to align with the 2022 CDP climate change questionnaire and new question C6.5a on scope 3 restatements.

Introduction

A company that has previously responded to CDP's climate change questionnaire may wish in the current reporting period to restate historical emissions data. While this is not strictly necessary, restatements can be warranted in some cases. Below is an outline of a few cases in which a company may wish to restate historical emissions data, as well as when it is best practice to do so.

Restating emissions data in the CDP Climate Change questionnaire

A prerequisite for a meaningful emissions data comparison is a consistent data set over time, or in other words, comparison of like with like over time. Therefore, previous year emissions recalculation and restatement may be necessary when structural changes (such as acquisitions or divestments) occur in the company that change the inventory boundary.

To make restatements, the responder must first enter the current reporting year (i.e. the latest/most recent 12-month period for which data is reported) followed by the restatement periods in question C0.2. To do this, you are required to report the dates of those reporting periods in C0.2 by selecting 'Yes' in Column 3 "Indicate if you are providing emissions data for past reporting years". Then select how many years of emissions data you will be providing (limited to three years). Once the question is saved, the relevant Scope 1 and Scope 2 emissions data questions (C6.1 and C6.3) will present an additional row in the ORS for your additional specified reporting periods, and the Scope 3 emissions restatement question (C6.5a) will be presented. When entering restatements to C6.1, C6.3, and C6.5a for the restatement periods, please use the Comment column to identify that this is a restatement and the reason for it.

Restatements, and comparing gross global emissions with the previous year in C7.9a

In question C7.9a, respondents are asked how their gross global emissions (Scope 1 and 2 combined) for the reporting year compare to the previous year. The comparison of this year's figure should be made with the total of Scope 1 and Scope 2 figures reported in the previous year unless restatements are made in C6.1 and C6.3. The cases presented below illustrate the correct ways to compare emissions over time.

Case 1: Insufficient data leads to the exclusion of the acquired company in the first year after change

Company A merges with/acquires Company B in Year X but excludes Company B from reporting boundary. (From the perspective of Company A):

Year	Reports	Restatement needed/possible?	When comparing with previous year in C7.9a:
X	<p><u>Company A only reports as Company A</u></p> <p>Company A excludes Company B from their reporting boundary since the major structural change is recent, the transition has not fully taken place, and all necessary data cannot be gathered in time for reporting as a single entity (AB).</p>	<u>Not applicable</u>	Since Company B is excluded in Year X, Company A compares emissions figure in Year X with the one supplied by Company A in Year X - 1.
X + 1	<p><u>Company reports as Company AB</u></p> <p>Company A and Company B have successfully completed major structural change and have gathered all necessary data from both Year X and Year X+1. They can report as a single entity (AB) and can restate what their emissions were in Year X if they wish.</p>	<p><u>Yes</u></p> <p>Company AB may wish to restate data from Year X since it gathered the relevant data from last reporting period (Year X). It can restate data from Year X and effectively compare Year X with Year X+1.</p>	Since Company AB recalculated its data for Year X, Company AB uses the recalculated figure (the sum of restated Scope 1 and Scope 2 in "Past year 1" in C6.1 and C6.3) when comparing this year's emissions figures with last year's.

Case 2: Sufficient data provided in first year after change

Company A merges with/acquires Company B in Year X and includes it in its reporting boundary. Company A has two options, and the comparison of emissions should be done accordingly. (From the perspective of Company A):

Year	Reports	Restatement needed/possible?	When comparing with previous year in C7.9a:
X	<p><u>Company reports as Company AB in first year of change</u></p> <p>Company A and Company B merge in Year X and can gather all necessary data in time for reporting as a single entity (AB).</p>	<p><u>Option 1: no restatement</u></p>	<p>In Year X, Company AB compares emissions figure to Company A emissions figure in Year X-1. Company AB reports the merger/acquisition as the reason that triggered the significant change in emissions figure in C7.9a.</p>
		<p><u>Option 2: Company AB restates its emissions in year X-1</u></p>	<p>Since Company AB recalculated its data for Year X-1, Company AB uses the recalculated figure (the sum of restated Scope 1 and Scope 2 in “Past year 1” in C6.1 and C6.3) when comparing this year’s emissions figures with last year’s. Any change in emissions reported in C7.9a will be due to reasons other than structural changes (i.e. merger/acquisition).</p>
X + 1	<p><u>Company reports as Company AB</u></p> <p>Company AB continue to report as single entity.</p>	<p><u>No*</u></p> <p>Company AB could gather all the necessary reporting data following the major structural change. They have no need to recalculate since they can already compare Year X and Year X+1</p>	<p>In Year X+1, Company AB compares emissions figures with the figures that Company AB provided in Year X.</p>

* Note, that the company has an option to restate emissions in year X-1 if they did not do it in year X. Emissions for up to 3 past reporting years can be restated in C6.1, C6.3, and C6.5a.