CDP Reporting Roadmap
Supply Chain 2017
For Small & Medium Sized Enterprises

What is the purpose of the roadmap?

This document is designed to help organizations improve the quality of their response. It is aimed at all levels of responders, from those making an initial submission, to those with comprehensive responses, and those aiming to perform and report at the highest level.

One of the benefits of participating in CDP is that by responding to a single questionnaire, you can satisfy multiple customers. Therefore, the same set of questions is presented to all organizations. It is recognized that responders are at different stages of reporting ability and require guidance to move from a focused initial basic response to a comprehensive report.

This roadmap details four stages of responding, and for each stage guides which questions to target and when to prepare for new questions or implement actions.

Will this satisfy the request from my customers?

The roadmap has been developed with input from investor signatories and supply chain members on which are the critical questions they wish to see answered by all responders. If you have been directed by your customer to address particular questions, you should complete these in addition to those in the roadmap.

Some questions are highlighted as a ***Top requested data point***. These have been selected as the most demanded data points based on feedback from investors, supply chain members, and research on the most downloaded CDP data points*.

What are the scoring implications?

Please note that not all organizations will have their response scored. Please check with your local CDP office to confirm CDP scoring policy in your region.

An indicative scoring potential at each stage is on page 3. By responding at a higher stage, a greater number of questions should be covered, in more depth, and there should also be more emission reduction actions taken. By following this progressive path there is the potential to see an improvement in scores across all four scoring levels. However the scoring potential is not a guide to what a final score would be.

Responding at "Best Practice" does not guarantee that you will qualify for the A List, although you will be moving towards a more comprehensive disclosure. Please see the Scoring Introduction for a full explanation of the scoring approach and A-list leadership criteria, and the SME Scoring Methodology to understand how points are allocated across all levels for all questions.

* Eccles, Serafeim, and Krzus "Market Interest in Nonfinancial Information" (2011) Journal of Applied Corporate Finance, vol. 23 no. 4.

What are the limitations of the roadmap?

CDP encourages the most accurate and complete response possible. The roadmap should not restrict your response to one stage throughout the questionnaire if there is capability for a more developed response in other questions.

The roadmap is not intended as a substitute for the Reporting Guidance, which is where responders should look for detailed information on how to answer each question.

Where can I get further help on responding?

CDP provides a range of materials to help responders on our guidance page and within our guidance tool. In particular, the Reporting Guidance is essential reading as it explains each question in detail and includes what information you need to provide, the format it should be provided in, and where to find tools or further information to construct your answer.

Responders can sign up for dedicated support through membership of Reporter Services. Members benefit from the expertise of a dedicated CDP account manager, a Response Check on your submission, enhanced access to CDP data to enable benchmarking against peers, as well as networking opportunities and best practice sharing.

Companies can get a better understanding of their upstream emissions through CDP's Supply Chain program. By becoming a member yourself and sending the CDP request to your suppliers you can get a picture of how resilient your supply chain is to climate change risks, and find opportunities to reduce scope 3 emissions.

CDP's network of accredited solutions providers can deliver operational benefits, support companies through the CDP reporting process and potentially help improve companies' scores.

These include:

- **Consultancy partners** support companies with the technical expertise to establish and implement climate change and sustainability strategies. Partners offer Response Check prior to final submission to ensure it is as complete as possible.
- **Education and training** partners provide a comprehensive array of high quality carbon management training and broader sustainability education programs for organizations to improve the quality of their CDP response
- **Software partners** offer valuable support in switching from complex Excel spread sheets to company wide, integrated management systems.
- **Verification partners** provide companies with independent third party verification and assurance of climate or sustainability data, vital for achieving management and leadership scores.
- **Carbon reduction partners** offer technology and services that help companies reduce carbon emissions across sectors.

Find your stage on the roadmap

Select the description that fits you best	Not currently responding; preparing company processes such as collecting data, determining roles and responsibility, and establishing communication lines.	Limited, partial response, mostly qualitative answers or basic emissions calculations. Company is in early stages of integrating climate change into business practices.	Developed ability for increased question coverage and more complete responses. Beginning to implement changes to company strategy and to reduce emissions or manage risks and opportunities.	Answering all questions and providing more detailed information, such as quantitative data, and company specific information. Taking further steps to reduce emissions; including climate change in annual reports.	Response is detailed and provides case studies and examples. Evidence of successful targets and emissions reductions activities, and verified/assured emissions data. Using CDSB's Framework to include comprehensive and material climate change information in your annual report.
Stage	**0. Non-responder**	**1. Basic response**	**2. Developing ability**	**3. Complete response**	**4. Best practice**
Benefits of responding at this stage (Quotes are for illustration only; companies may not be at these stages)	**Making a first response will demonstrate consideration of climate change:** "If you are a first time responder, or a company who has not gone through this process, we would point to CDP as a very good way to get started with evaluating the impact of climate change for your company. The CDP is a good set of questions for you to discuss internally and identify if this is an issue" – Novo Nordisk. **Additionally, even large companies find that their first CDP response can reveal some surprises:** "Wal-Mart's completion of CDP's 2006 questionnaire provided the company with valuable insight including the fact that the refrigerants used in grocery stores accounted for a larger percentage of Wal-Mart's greenhouse gas footprint than its truck fleet" – Wal-Mart.	**Practice ahead of regulation:** EMC recognizes how valuable the reporting experience has been in preparing for new regulation. "It's a learning process, and you won't get it right the first time. Better to get started when not under the gun." – EMC. **An annual strategy marker:** Reporting to CDP provides a process which not only helps track reduction but assists strategy and management. "The cross functionality aspect of the CDP questionnaire is important, as it is more than just numbers. CDP asks what our strategy and management approach is across climate change – it highlights impacts, risks and opportunities. This has helped to consolidate management of climate change across the organization" – Avaya.	**Corporate self-awareness:** "Completing the questionnaire was a useful exercise in gap analysis between the aspirations of our policies and our performance. We identified areas for improvement as well as areas where we have made significant progress." – Turner Construction Company. **Long term planning:** "CDP makes you think about an organization in a detailed way. It concentrates strategic planning for a longer period than the usual 3 to 5 years for which most corporations plan. CDP makes you consider 10 to 15 years. The CDP process addresses identification of risks and opportunities, awareness of Scope 1, 2 and 3 emissions, responsibilities, reports and monitoring targets and importantly actual achievements." – ADAS.	**Efficiencies leading to cost savings:** Between 2005 and 2010, Novo Nordisk invested approximately 17 million USD in the energy saving program. Since 2005, the energy savings have realised cost savings of 34 million USD, and a 16% reduction in global energy consumption. **Business opportunities:** "There is an effect on the bottom line. Our clients are active in wanting to improve the environment, which means they want to buy from companies who have a good track record. This is also good for investors" – Vestas.	**Advanced business resilience:** "Tools such as stress testing, scenario planning and economic modelling are used to help the Group, business lines and support functions to understand their resilience in the event of a significant event or shock and to help monitor and prepare for future opportunities and threats" – National Australia Bank. **Reputational benefits:** "The ratings and brand of being an active climate change company is important. It can be used as leverage to implement further changes in the organization. We have fully embedded and deployed the CDP process into our business operations and it is an efficient means of communication." – Novo Nordisk. **From measuring to reducing:** "The annual CDP survey provided the impetus to begin measuring and reporting our greenhouse gas emissions. We next began leveraging our CDP reporting in our annual CSR report. As we improved our CDP reporting, we gained the confidence to commit to a GHG reduction goal through EPA Climate Leaders. This goal is now driving the initiatives to actually reduce our emissions." – Cisco.

How to use the roadmap

The roadmap breaks the questionnaire into sections matching the guidance and ORS. Determine your reporting stage on page 2, and complete the tasks in your stage including all tasks in earlier stages. For example, if you are a stage 3 responder, for section "1. Governance", you should cover questions CC1.2, CC1.2a (stage 3), and also CC1.1 and CC1.1a (stage 1 and 2). You can look ahead to stage 4 and anticipate future questions, for example, by setting a performance indicator that incentivizes meeting an emissions reduction target in CC1.2a.

Supply Chain Questionnaire Sections
2. Strategy
3. Targets and Initiatives
5. Risks
6. Opportunities
7, 8, Emissions
12. Emissions Performance
14. Scope 3 Emissions
15. Sign off
SM1. Allocating your emissions to customers
SM2. Collaborative opportunities
SM3. Product (goods and services) level data
SM4. Action exchange

Tasks
The roadmap includes four types of tasks:

Prepare: planning, resourcing, or collecting data for future disclosure.
Disclose: respond to the question.
Add: provide further details to your answer for a more complete response.
Action: steps that will score management and leadership points.

Score potential	1. Basic response	2. Developing ability	3. Complete response	4. Best practice

Scoring Levels

Chart shows the relation between the stage of the responder and the associated scoring band.

A minimum score has to be achieved in each level to be eligible to be scored in the next level.

The SME Scoring Methodology provides further information on how points are allocated across all levels for all questions, and criteria for entering the A list.

2. Strategy

This section is focused on the processes and strategies that your organization uses to structure its approach to climate change.

0. Non-responder	1. Basic response	2. Developing ability	3. Complete response	4. Best practice
Prepare: Evaluate how climate change is included in your risk management procedures and how it is integrated into business strategy	**Disclose:** Provide a description of how climate change impacts your business strategy and how the internal communication process drives the strategy (CC2.2, CC2.2a, CC2.2b)	**Disclose:** Describe how climate change is intergated into and influences business strategies (CC2.2a)	**Add:** Report both short and long term strategy changes as a result of climate change (CC2.2a)	**Add:** Include the strategic advantage of climate change being integrated into your business strategy and any substantial business decisions influenced by climate change (CC2.2a)

3. Targets and Initiatives

This section focuses on the targets and initiatives you have in place to reduce the emissions derived from your activities, directly or indirectly.

0. Non-responder	1. Basic response	2. Developing ability	3. Complete response	4. Best practice
	Prepare: Plan where emissions reduction targets could be appropriate to reduce carbon emissions, including processes for tracking and evaluating these targets and other emissions reduction initiatives	**Action:** Report an emissions reduction target (CC3.1, CC3.1a, CC3.1b) or a renewable energy target (CC3.1d) *Top requested data point* **Disclose:** Emissions reduction initiatives (CC3.3, CC3.3a, CC3.3b) *If no initiatives,* **Disclose:** Explain why not (CC3.3d)	**Add:** Give details of CO2e saved, and financial information in CC3.3b **Add:** Explain your progress against your targets (CC3.1e)	**Add:** For all initiatives implemented in the reporting year, provide quantitative financial data on investment required and payback period (CC3.3b). **Action:** Reducing overall emissions via emissions reduction initiatives (CC3.3)

5. Climate Change Risks

Climate change will bring changes in the operating environment, which can present inherent risks. This section asks you to describe the inherent risks you have identified where there is a potential for substantive changes in business operations, revenue, or expenditure to arise. There is also the chance to explain what actions are being taken to manage these inherent risks.

0. Non-responder	1. Basic response	2. Developing ability	3. Complete response	4. Best practice
Prepare: Establish a methodical process for identifying and evaluating climate change risks	**Disclose**: Describe identified climate change risks (CC5.1a, b, c – regulatory, physical, other respectively) ***Top requested data points*** *If risks not found to be substantive,* **Disclose**: Explanation of why not (CC5.1d, e, f - regulatory, physical, other respectively)	**Add**: Complete details on the potential impact, timeframe, direct/indirect, likelihood, and magnitude of impact from the risks (CC5.1a, b, c) **Add**: The financial implications and management of these risks (CC5.1a, b, c). ***Top requested data points*** **Action**: Implement methods to manage risks and opportunities from climate change (CC5.1a, b, c)	**Add**: Provide quantitative financial information regarding the potential cost of the risk and the costs required to manage the risk (CC5.1a, b, c) Add: Management method describes an action that is being implemented with examples of case studies (CC5.1a,b,c	**Add**: Provide examples, case studies and quantitative information on the risk management methods (CC5.1a, b, c)

6. Climate Change Opportunities

Describe the inherent opportunities you have identified where there is a potential for substantive changes in business operations, revenue, or expenditure to arise. Please also explain what actions are being taken to capitalize on these inherent opportunities.

0. Non-responder	1. Basic response	2. Developing ability	3. Complete response	4. Best practice
Prepare: Establish a methodical process for identifying and evaluating climate change opportunities	**Disclose**: Describe identified climate change opportunities (CC6.1a, b, c – regulatory, physical, other respectively) ***Top requested data points*** *If risks not found to be substantive,* **Disclose**: Explanation of why not (CC6.1d, e, f - regulatory, physical, other respectively)	**Add**: Complete details on the potential impact, timeframe, direct/indirect, likelihood, and magnitude of impact from the opportunities (CC6.1a, b, c) **Add**: The financial implications and management of these opportunities (CC6.1a, b, c) ***Top requested data points*** **Action**: Implement methods to manage risks and opportunities from climate change. Across all questions (CC6.1a, b, c)	**Add**: Provide quantitative financial information regarding the potential financial impact of the opportunity and the costs of actions to capitalise on the opportunity (CC6.1a, b, c)	**Add**: Provide examples, case studies and quantitative information on the opportunity management methods (CC6.1a, b, c)

7 and 8: Emissions Methodology and Data

These are the sections where you will be able to report your scope 1 and 2 emissions.

Question	0. Non-responder	1. Basic response	2. Developing ability	3. Complete response	4. Best practice
7. Emissions Methodology	**Prepare** for sections 7, 8: Review methodologies for GHG accounting and decide the most appropriate type for your organization	**Disclose**: State the methodology used to calculate Scope 1 and 2 emissions, and collect activity data (CC7.2) ***Top requested data point***			
8. Emissions Data	Establish tools and practices for collecting GHG emissions and energy data. Decide whether software based data management systems would be appropriate for your business	**Disclose**: Report your gross global Scope 1 emissions (CC8.2) ***Top requested data point*** Report your gross global Scope 2 emissions using either market-based or location-based methodologies (CC8.3, CC8.3a) ***Top requested data point***			

12. Emissions Performance

This section asks for a comparison of your emissions to the previous year by emissions intensity metrics.

0. Non-responder	1. Basic response	2. Developing ability	3. Complete response	4. Best practice
Prepare: Ensure that your inventory process allows for comparisons between years, and collect data for emissions intensity figures	**Disclose**: Give a revenue emissions intensity figure (CC12.2)			**Add**: Provide comparison with the previous year for emissions intensity figures (CC12.2) **Action**: Show that emissions reduction initiatives have brought a decrease in emissions and ensure that the figures behind these calculations are provided in the 'Comment' column (CC12.2)

14. Scope 3

This section is for companies to report their Scope 3 emissions. Scope 3, like Scope 2, is a category of indirect emissions that arise as a consequence of an organization's activities, but from GHG sources that are *owned or controlled by others*.

0. Non-responder	1. Basic response	2. Developing ability	3. Complete response	4. Best practice
Prepare: Map the aspects of the value chain and where GHGs are most relevant. Consider what sources are covered by legislation, particularly high global warming potential (GWP) greenhouse gases. or other specific concerns; relevance is not only about the size of GHG emissions	**Disclose**: Name and describe your Scope 3 emissions (CC14.1) **Prepare**: Consider if you can engage with elements of your value chain on GHG emissions and climate change strategies	**Disclose**: Give a Scope 3 emissions figure and state the methodology for your figure (CC14.1)		**Add**: Provide Scope 3 emissions data for multiple upstream or downstream categories (CC14.1) **Action**: Engagement with the value chain **Action**: Reduce emissions via emissions reduction initiatives

15. Sign off

The sign off module is for companies to identify who has approved their CDP response. It signals that responsibility is being taken for the response and the information contained therein.

0. Non-responder	1. Basic response	2. Developing ability	3. Complete response	4. Best practice
	Disclose: Name and provide information on the person who has signed off (approved) the CDP response (CC15.1)	**Action**: As the capacity develops, the CDP response should be signed off by increasingly senior people with strategic oversight (CC15.1)		**Action**: CDP response signed off by the same individual or an individual from the same committee given as the individual or committee with the highest direct responsibility for climate change within the organization (CC15.1)

SM1. Allocating your emissions to your customers

Emissions from suppliers are often greater than the purchasing organization's own emissions and the Supply Chain members requesting your GHG emissions data would like to better understand the entire impact of their organization on climate change – not just their own direct emissions. This section is designed to help you communicate the allocation of emissions from your company to your customers.

0. Non-responder	1. Basic response	2. Developing ability	3. Complete response	4. Best practice
Prepare: Establish tools and practices for collecting GHG emissions and energy data which can be allocated to a particular purchasing client.	**Disclose:** Allocate your emissions to your customers according to the products sold to them in this reporting period: provide details of scope, emissions figure, allocation method and major sources of these emissions (SM 1.1) **Disclose:** Describe the challenges in allocating emissions to different customers and what would help you to overcome these challenges (SM 1.3)	**Disclose:** Explain how you have identified the GHG source, including major limitations to this process and assumptions made (SM 1.1) **Disclose:** Where published information has been used in completing SM 1.1 please provide references (SM 1.2) **Prepare:** Evaluate the requirements for verification/assurance of your emissions	**Disclose:** Describe whether you plan to develop your capabilities to allocate emissions to your customers in the future (SM 1.4a, b) **Add:** State the level of uncertainty for your allocated emissions figures (SM 1.1) **Add:** Get verification/assurance for allocated scope 1 and 2 emissions (SM 1.1)	**Disclose:** Get verification/assurance for allocated scope 3 emissions figures (SM 1.1)

SM2. Collaborative opportunities

This section allows you to propose and report progress on joint initiatives with your requesting clients on reducing GHG emissions.

0. Non-responder	1. Basic response	2. Developing ability	3. Complete response	4. Best practice
	If your customer has initiatives that prompted you to take organizational-level emissions reductions, **Disclose:** Explain the reduction action and provide the figure for reduced emissions in the reporting year (SM2.2) **Prepare:** Investigate areas of opportunities for joint development of GHG emissions reducing projects or products with customers	**Disclose:** Provide details of your proposal (SM2.1)		

SM3. Product (goods and services) level data

Product footprinting methodology is currently becoming more standardized. Increasingly, also, different elements of a product are being measured independently, allowing the final manufacturer or retailer to more easily and accurately calculate the GHG content of a finished product. CDP and our Supply Chain members are encouraging you to start on this path and would like to collect from you more product specific data. If you have a full cradle to gate or cradle to grave footprint for a relevant product, please use the tables below to provide this data.

However, if you have not done a full analysis but you are able to give a breakdown for your own part of a customer's subsequent product, please also use the tables below to do so. In this case, please be clear about the stage/s that you are describing.

0. Non-responder	1. Basic response	2. Developing ability	3. Complete response	4. Best practice
		Prepare: Establish tools and practices for collecting GHG emissions and energy data which allows emissions to be calculated per unit of product	**Disclose**: Report the proportion of your overall emissions which you have tracked at product level (SM 3.1) **Disclose**: Report the emissions per unit of your product (SM 3.2a) **Disclose**: Provide details on emission reduction initiatives for the product, including emissions reduction per unit (SM 3.2c) **Disclose**: If any of the reductions in SM 3.2c were driven by requesting members, provide further details (SM 3.2d, SM 3.2e) **Prepare**: Conduct lifecycle analysis of products	**Disclose**: Compare the emissions per unit of your product to a historical figure, and explain any change (SM 3.2a) **Disclose**: Provide details of product lifecycle, including emissions per unit by lifecycle stage (SM 3.2b)

SM4. Action exchange

The CDP Action Exchange initiative equips responding suppliers with access to the technology, intelligence and solutions that can help suppliers reduce their greenhosue gas emissions and benefit from financial savings. This sections has been included for suppliers to be able to pick the types of emissions reduction projects they are interested in pursuing or are already partici-pating in.

0. Non-responder	1. Basic response	2. Developing ability	3. Complete response	4. Best practice
	Prepare: Consider enrolling onto CDP's Action Exchange initiative. The program provides free support in creating and implementing emission reduction activities through CDP and their accred-ited solution providers	**Disclose:** Enroll on the CDP Action Ex-change Initiative (SM4.1) and specify if this decision was motivated by your requesting customer(s) (SM4.1a) **Disclose:** Select the types of emission reduction activities that your company would like to receive support in analyzing or imple-menting for the next reporting year (SM4.1b) **Disclose:** Select if you wish to implement emissions reductions initiatives down to facility level and receive additional facility-specific Action Exchange resources (SM4.1c). **Action:** Develop your emission reduc-tion initiatives through Action Exchange and CDP's accredited solution providers	**Disclose:** Report your emission reduction initiatives developed through Action Exchange (CC3.3, CC3.3a) **Add**: Provide further details on your emission reduction initiative(s) developed through Action Ex-change such as the description of your activitiy, the monetary and carbon emission savings, the payback period (CC3.3b). **Disclose:** Demonstrate to your customer(s) that you are com-mitted to taking definitive action to manage and reduce your GHG emissions (SM4.2, SM4.2a)	**Add:** Demonstrate your improved cli-mate change performance has been due to emission reduction acitivites developed through the Action Exchange program (CC3.3b, CC12.1)