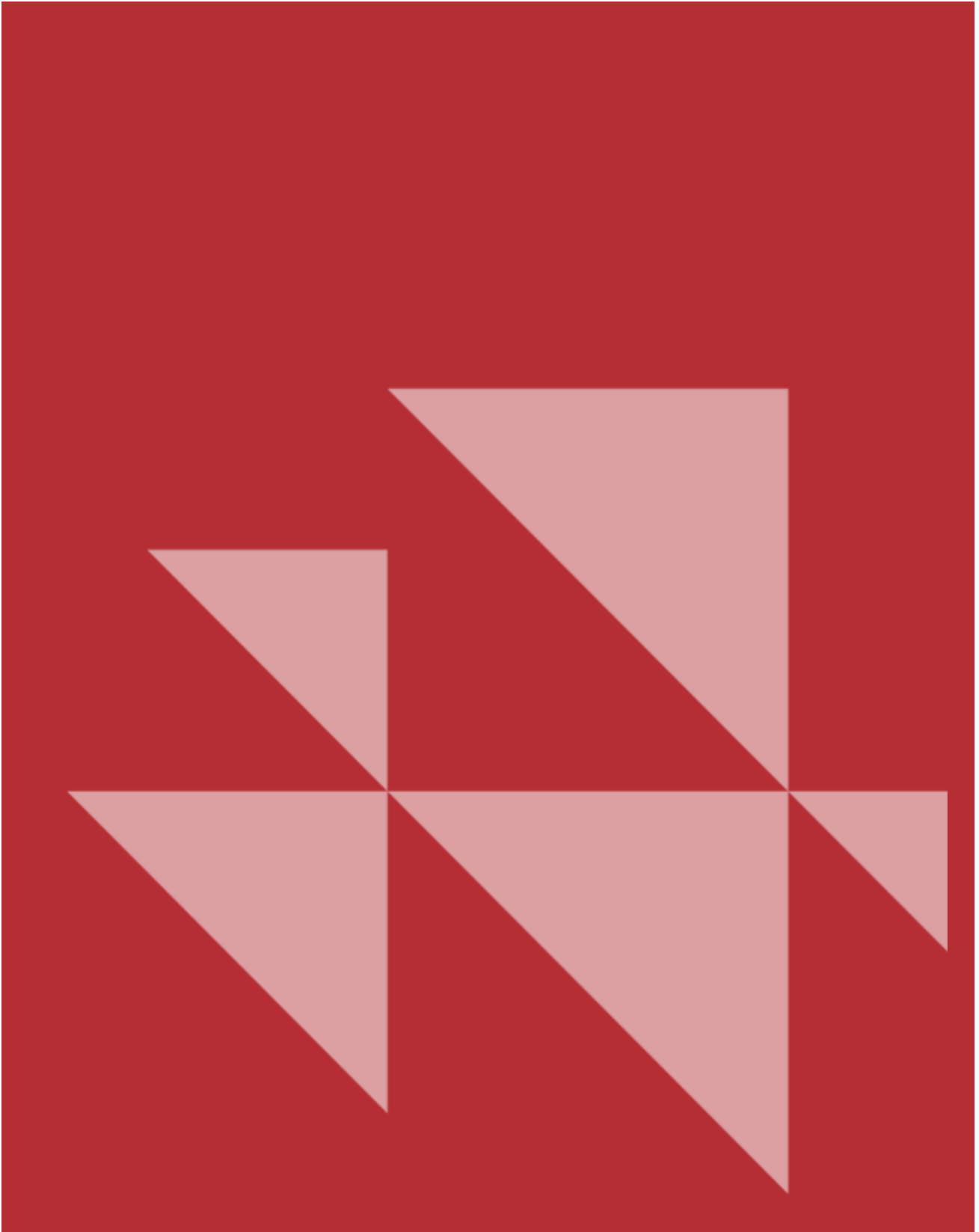


CDP SME Questionnaire

An Overview



Version

Version number	Release / Revision date	Revision summary
1.0	Released: April 30, 2024	Publication of the CDP SME questionnaire overview

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Overview of the SME questionnaire

CDP's questionnaires evolve annually to drive corporate ambition further, and support companies and financial markets to transition in line with a 1.5°C, deforestation-free, water-secure world. CDP collects environmental data from organizations around the world on behalf of over 700 institutional capital markets signatories with a combined US\$142 trillion in assets, and 330+ major purchasers with over US\$6.4 trillion in procurement spend. Since its launch in 2002, CDP has helped thousands of organizations to measure their environmental impacts, set ambitious targets, and demonstrate progress for key stakeholders.

In 2024, CDP is introducing the SME questionnaire to provide an improved experience for small and medium-sized enterprises (SMEs). The SME questionnaire is replacing the minimum version of the corporate questionnaires from previous cycles and the 2023 pilot SME questionnaire. This allows SMEs to disclose via a streamlined and simplified questionnaire that is more appropriate for organizations of their size. CDP has been working for several years to better support SMEs to measure and act on their environmental impacts through the SME Climate Disclosure Framework and collaboration with the SME Climate Hub, as well as our 2023 pilot SME questionnaire. The new 2024 CDP SME questionnaire will build on these collaborations and the pilot to provide a better, more tailored, disclosure route for SMEs, making it easier to understand where SMEs should focus their attention, build capacity, and act.

Full and SME corporate questionnaires

CDP recognizes that Small and Medium Enterprises (SMEs) may have different reporting capabilities and requirements compared to larger organizations. For this reason, CDP has two corporate questionnaires: the full questionnaire and the SME questionnaire.

The full corporate questionnaire is suitable for large organizations and includes sector-specific datapoints. Meanwhile, the SME questionnaire is tailored to the needs of SMEs and contains fewer and simplified datapoints. Only organizations that meet CDP's SME eligibility thresholds will have the option to complete the SME questionnaire.

Note that this document provides an overview of the SME corporate questionnaire only. You can find more information on the full corporate questionnaire on the [CDP website](#).

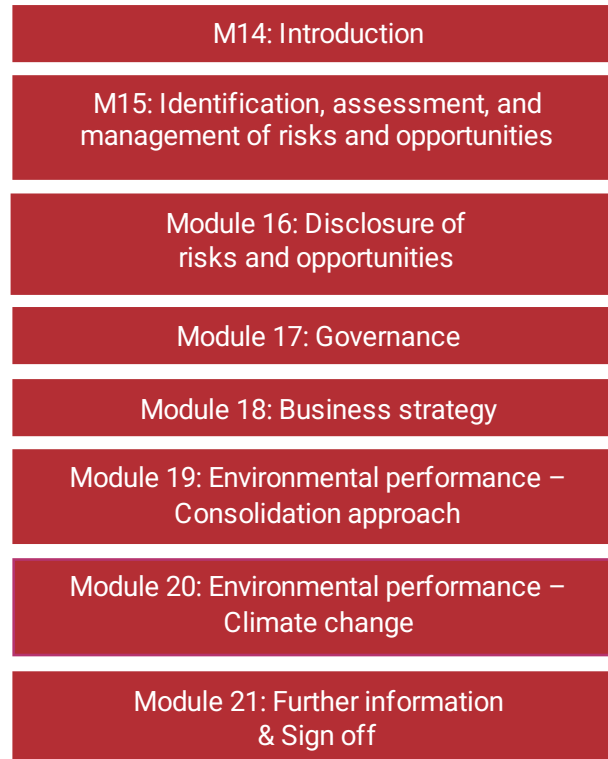
Eligibility to complete the SME questionnaire

- ▶ Organizations with a headcount of less than 500 total employees and annual revenue less than US\$50 million are eligible and recommended to complete the SME questionnaire.
- ▶ Organizations with a headcount of less than 500 total employees and revenue between US\$50M – US\$250M, as well as organizations with a headcount of 500 – 1,000 total employees and annual revenue less than US\$250 million are eligible to complete the SME questionnaire but are recommended to complete the full corporate questionnaire.
- ▶ Organizations with a headcount of more than 1,000 total employees or annual revenue of more than US\$250 million are not eligible to complete the SME questionnaire and can only complete the full corporate questionnaire.

SME questionnaire structure

There are eight modules in the SME questionnaire. While all disclosers will be presented with datapoints on climate change, there are also several targeted datapoints on forests and water security integrated throughout the questionnaire to help SMEs kickstart their disclosure journey for these themes. The SME questionnaire also contains several questions shown only to organizations responding to a request from CDP Supply Chain members. There are no sector-specific questions in the SME questionnaire.

The journey through CDP's SME questionnaire includes the following:



Environmental issues in CDP's SME questionnaire

Addressing the climate crisis cannot be achieved without simultaneously addressing the nature crisis. Carbon emissions and climate change are only part of the challenge. At least US\$44 trillion in economic value is generated through the exploitation of natural resources every year – and losses to nature continue at unprecedented rates.

Whether in the beginning stages of their environmental journey or at a more advanced stage, CDP's SME questionnaire guides organizations to measure their environmental impact, set commitments, and take effective action to assess and manage environmental issues. In 2024, the SME questionnaire mainly focuses on climate change, but encourages CDP disclosers and data users to assess and manage environmental risks and opportunities as an interrelated challenge.

Note: In the SME questionnaire, 'environmental issues' refers to an organization's risks and opportunities related to the environmental issue areas covered in CDP's corporate questionnaire i.e., climate change, forests, and/or water.

Climate Change

Improving corporate awareness through measurement and disclosure is essential to the effective management of climate change risk. CDP's datapoints on climate change have been evolving over time in line with the latest climate science and global policy development. The 2015 Paris Agreement was a tipping point in the global approach to climate change. By agreeing to limit global temperature rises to well below 2°C and pursue efforts to limit warming to under 1.5°C, governments have committed to a transition to a net-zero carbon economy. Additionally, SMEs are increasingly being requested to commit to reduce their emissions and report progress against their commitments by their stakeholders and lenders.

This transition will create winners and losers within and across business sectors, as the manifestation of climate-related opportunities and risks accelerates in both size and scope. 'Business as usual' will not be a good indicator of how companies will perform. SMEs' flexibility and capability to innovate makes them well placed and crucial for providing climate solutions that are key for limiting the global temperature rise to 1.5°C. However, SMEs that are unable to demonstrate their environmental action risk losing out on important opportunities. This has wider economic and societal impacts as SMEs are a backbone of most economies and significantly contribute to employment and social wellbeing.

Time is fast running out to prevent catastrophic climate change, and an irreversible loss of nature and habitats. There is now an urgent need to ensure that SMEs have the tools and resources needed to set commitments aligned with a 1.5°C future and disclose environmental performance.

In line with CDP's 2021-2025 strategy, from 2024 onwards, all organizations disclosing via CDP will be requested to report climate-related data. Nonetheless, carbon emissions are only one part of the challenge. The climate and nature crises need to be addressed simultaneously, including by conserving, protecting, and restoring ecosystems, adopting more sustainable forestry and water use practices, and ensuring a circular economy.

Forests

Deforestation and forest degradation account for approximately 15% of the world's greenhouse gas emissions. Stopping deforestation and the conversion of other natural ecosystems is vital to significantly reducing greenhouse gas emissions and the loss of natural capital. Global demand for agricultural commodities is the primary driver of deforestation and ecosystem conversion, as timber is extracted unsustainably, and land is cleared for agricultural production. This represents major risks to businesses, as agricultural commodities associated with high levels of deforestation are the building blocks of millions of products traded globally, and thus feature in the value chains of many organizations.

The forests-related datapoints included in CDP's SME questionnaire provide data users and disclosers with insight on management and governance of current and future forest-related risks and opportunities, as well as the integration of forests into strategic objectives and decision making. These datapoints will help kickstart SMEs' forests disclosure journey and will not be scored in 2024. It is CDP's intention to further expand and tailor forest-related datapoints in the future to continue to support SMEs to disclose on important current state metrics and take steps towards meaningful action.

Water Security

Through transparency and accountability, the CDP questionnaire drives organizations and financial markets to decouple growth from depletion of freshwater resources and allocate capital towards a water secure economy to achieve the Sustainable Development Goals. Specifically, the CDP questionnaire collects information for capital markets actors, customers, and policymakers on an organization's management and governance of water resources. The water security program has grown significantly since it was established in 2010, in terms of the numbers of organizations disclosing water-related data, the value of associated assets, and the number of investors and customers requesting the data. CDP now holds the world's largest corporate water dataset, with more organizations reporting on water than ever before.

The water-related datapoints included in CDP's SME questionnaire provide data users and disclosers with insight on management and governance of current and future water-related risks and opportunities, as well as the integration of water security into strategic objectives and decision making. These datapoints will help kickstart SMEs' water security disclosure journey and will not be scored in 2024. It is CDP's intention to further expand and tailor water security-related datapoints in the future to continue to support SMEs to disclose on important current state metrics and take steps towards meaningful action.

Preparing your CDP response

In this section, you can find information on the support materials and options available to organizations, as well as important notes for completing your disclosure. Review these notes carefully as you prepare your response, even if you have responded to a CDP questionnaire in previous years.

CDP disclosure cycle 2024

For the latest information on the timeline, please refer to the [CDP website](#).

16 April	CDP Portal opens for requesters
30 April	2024 questionnaires available via CDP website
14 May	CDP Portal opens for disclosers/Requesters can submit lists
4 June	2024 reporting window opens
18 September	Scoring deadline for corporate disclosers
2 October	2024 reporting window closes

CDP disclosure support materials

CDP provides a variety of support materials to help organizations disclosing to our questionnaires. Before completing the SME questionnaire, we strongly recommend you read the Reporting Guidance, Scoring Introduction, and Scoring Methodology. There are a range of other guidance materials available from CDP's [guidance tool](#) after signing in to the website, and see the [Frequently Asked Questions](#). If you have any questions that are not answered in the reporting guidance or the additional resources, please contact your local CDP contact or visit the [CDP Help Center](#).

Reporting guidance

The reporting guidance includes the following:

- ▼ Module-level guidance: this guidance provides an overview of the module, as well as important disclosure notes.
- ▼ Question-level guidance: at the question level, guidance is separated into the following elements to provide clarity around questions, terminology, and reporting requirements:
 - Rationale: provides reasoning behind the inclusion of each question;
 - Ambition: outlines the activities, actions, and behaviors that CDP recognizes organizations should be taking and demonstrating through their disclosure;
 - Requested content: offers guidance on how to respond to the requested datapoints;
 - Example responses: for certain questions, this provides an example of a response that would include all information requested; and
 - Explanation of terms: provides detailed definitions for specific terminology;
 - Additional information: for certain questions, this provides further contextual information and sources related to the topics pertinent to a given question.
- ▼ Glossary: this contains a subset of 'Explanation of terms'.

Webinars and workshops

CDP hosts live webinars and workshops designed to aid you with environmental reporting. Visit the [workshops and webinars](#) pages of CDP's website for more details.

CDP Reporter Services

The CDP Reporter Services program offers tailored support, enhanced data access and thought leadership on managing and reporting environmental risk to your business. For year-round, personalized disclosure support from a dedicated CDP account manager, a gap analysis of your previous response, final review before submission and analytics tools to evaluate yourself against peers and understand best practice, contact reporterservices@cdp.net. Visit the [Reporter Services](#) page of CDP's website for more information.

CDP's Accredited Solutions Providers

CDP partners with [leading environmental service providers](#) that can support organizations – including SMEs - throughout all stages of the measurement, reporting and management of their climate and sustainability data and impacts. All CDP accredited solutions providers have met specific accreditation criteria. Providers' expertise covers a wide range of environmental topics, including but not limited to renewable energy procurement, sustainability strategy, verification, collection, monitoring, and reporting of environmental data through integrated sustainability software applications, transition planning and emissions reduction initiatives. CDP-accredited forests & land and water consultancy solutions providers support organizations looking to engage with and improve their forest and land, and water management.

Visit the [accredited solutions provider directory](#) to search for the provider best able to support you, or contact partnerships@cdp.net to find out more.

Important notes for completing your CDP response

Personal data

It is important that you do not include the name of any individual or any other personal data in your response. For questions that ask for the positions of staff, out of respect for personal data privacy we are asking only for the position and not for the individual's name or any other information relating to them.

Principles of true and fair reporting

CDP promotes relevant widely accepted reporting principles as adopted by the [Greenhouse Gas Protocol](#) to guide organization's disclosure and to ensure a true and fair account of their environmental data.

These principles are as follows:

- **Relevance:** Ensure the GHG emissions, commodity, and water use inventory appropriately reflect actual emissions, commodity use, and water use, and serve the decision-making needs of data users – both internal and external to the organization.
- **Completeness:** Account for and report on all GHG emission sources, water activities, and activities with the potential for deforestation risk within the chosen inventory boundary. Disclose and justify any specific exclusions.
- **Consistency:** Use consistent methodologies to allow for meaningful comparisons of an organization's environmental performance over time. Ensure there is no conflicting information in your responses, both within a question and across the questionnaire.
- **Transparency:** Address all relevant issues in a factual and coherent manner, based on a clear audit trail. Disclose any relevant assumptions and make appropriate references to the accounting and calculation methodologies and data sources used. Transparently document any changes to the data, inventory boundary, methods, or any other relevant factors in the time series.
- **Accuracy:** Ensure the quantification of GHG emissions, commodity use, and water use is sufficiently accurate to enable users to make decisions with reasonable assurance as to the integrity of the reported information.

Information is considered relevant if it contains the detail that users, both internal and external to the organization, need for their decision-making. When considering what to disclose, identify and report information that is likely to be of use and benefit to the audience requesting it (in this case the capital markets community and other data users).

Acronyms

Avoid using bespoke internal acronyms unless required for your organization's response, in which case you should provide their meaning to enable correct analysis and scoring.

Blank responses

Leaving a response blank is interpreted as non-disclosure. For numeric fields, values of zero (0) imply a measurement has been made, and the value is zero (0).

For numeric fields where no measurement has been made, leave the field blank and provide an explanation in an open text field for that same question, e.g. "Please explain" columns. See [CDP's 2024 Scoring Methodology](#) for more details.

'Comment' columns

Some questions include a column labelled as "Comment". Information provided in these columns will not be scored.

Character limits

The character limits noted in the reporting guidance and in the CDP Portal include spaces.

Context and geographic scale

Environmental issues such as deforestation and water security present significant local challenges. Therefore, they need to be understood and managed at a local level rather than the corporate level only. For example, it is good practice to consider risks and opportunities at least at the country/area level, and specifically at the river basin level when it comes to water-related issues.

Capital markets actors and other CDP data users are increasingly interested in this type of granularity when it comes to assessing the nature-related issues within their portfolios. Specifically, data users wish to assess an organization's access to granular and location-specific data needed for a robust assessment and management of nature-related issues across all its operations and locations.

Regarding water security in particular, CDP invites organizations to report their risks at the river basin level. An organization will not have a comprehensive understanding of its risk exposure and the most appropriate response unless it is able to take account of local basin context and conditions. River basin level assessment is particularly relevant to a water stewardship approach to securing water resources as collaboration with other basin users and external stakeholders is central to understanding and managing risk.

Data accuracy

CDP recognizes that there may be uncertainty linked to data – this can arise from data gaps, assumptions, metering/measurement constraints including equipment accuracy etc. CDP allows estimated data to be submitted. However, an emphasis is placed on reporting transparently and this means that an organization should always provide an explanation when its reported data is not accurate and detail the uncertainty (use the “Please explain” or “Comment” columns provided in the question).

Drop-down options (“Other, please specify”)

Select from the options provided whenever possible, and only select “Other, please specify” when none of the listed options is appropriate. This greatly assists data analysis. If selecting “Other, please specify”, you must add a label that describes the option you are providing data for.

Information specific to your organization

Some questions request information and/or rationales specific to the reporting organization. This level of detail gives data users confidence that the issue at hand has been thoroughly considered in the context of the responding organization's own business and not simply assessed in general terms.

- ▼ Ensure that you include details specific to your organization, such as references to activities, programs, products, services, methodologies, or operating locations unique to your organization's business or operations. Such explanations should include details that make the answer true for the responding organization and are distinct from other organizations in the same industry and/or geography.
- ▼ Clear rationales are those which provide logical reasoning for methodologies, descriptions, decision, and actions.

For more details, refer to the Scoring introduction on the [CDP website](#).

Mergers and acquisitions (M&As)

All disclosure should be defined by the reporting boundary applicable at the time of the stated reporting year. Note that for CDP disclosure, organizations are encouraged to align their reporting period and reporting boundaries with their financial reporting.

Regarding forward-looking disclosure, organizations should include information that was correct at the time of the stated reporting year (for example, for data points referring to the future or “the next two years”). Organizations undergoing (or that have undergone) M&As need to consider the timing of the M&As and reporting period as follows:

- ▼ Organizations that were acquired after the end of the current reporting year: these should respond with what was planned (strategy, targets, etc.) before being acquired (i.e., during the

reporting year). For transparency, where possible they may state where they consider that the forward-looking information may be subject to change due to the very recent acquisition.

- ▼ Organizations that were acquired during the reporting year: these should provide information that was applicable and correct to the best of their knowledge at the end of the reporting year. At the time of submitting their response to CDP, this information may not be the most up to date due to changes underway following the acquisition. For transparency, the organization may state this in their disclosure where possible.

River basins [Water only]

From the drop-down list in specific questions, select the river basin associated with the disclosure, or select “Other, please specify” and provide the name of the river basin.

CDP’s drop-down list of river basins aligns with the CEO Water Mandate’s [Interactive Database of the World’s River Basins](#). For organizations operating in South Africa, the list also includes the nine Water Management Areas for South Africa.

You may wish to enter a sub-basin of a listed river basin. In this case use the “Other, please specify” option in the following format: “Putumayo, Amazon”. For organizations withdrawing water from large, confined aquifers that do not discharge to the river basin they are located in, e.g. Ogallala aquifer in the United States, please select “Other, please specify” and type in the name of the local aquifer source.

If you do not know the river basin associated with the data you are disclosing, the following tools have the functionality to identify the river basin locations of facilities by typing in geolocation coordinates, for example:

- ▼ The [Interactive Database of the World’s River Basins](#) – CEO Water Mandate
- ▼ The [Water Footprint Tools](#) – Water Footprint Network
- ▼ The [Water Risk Filter](#) – WWF
- ▼ The [WRI Aqueduct Water Risk Atlas Tool](#) – the World Resources Institute

Providing feedback to CDP

You can provide feedback to CDP on the content of our questionnaires and supporting documents through our online [feedback form](#).

We are unable to respond individually to all feedback, but please be assured that all form submissions are reviewed and contribute towards our continuous improvement.

However, if you represent a responding organization and would like to request a response, please get in touch with your local CDP contact.