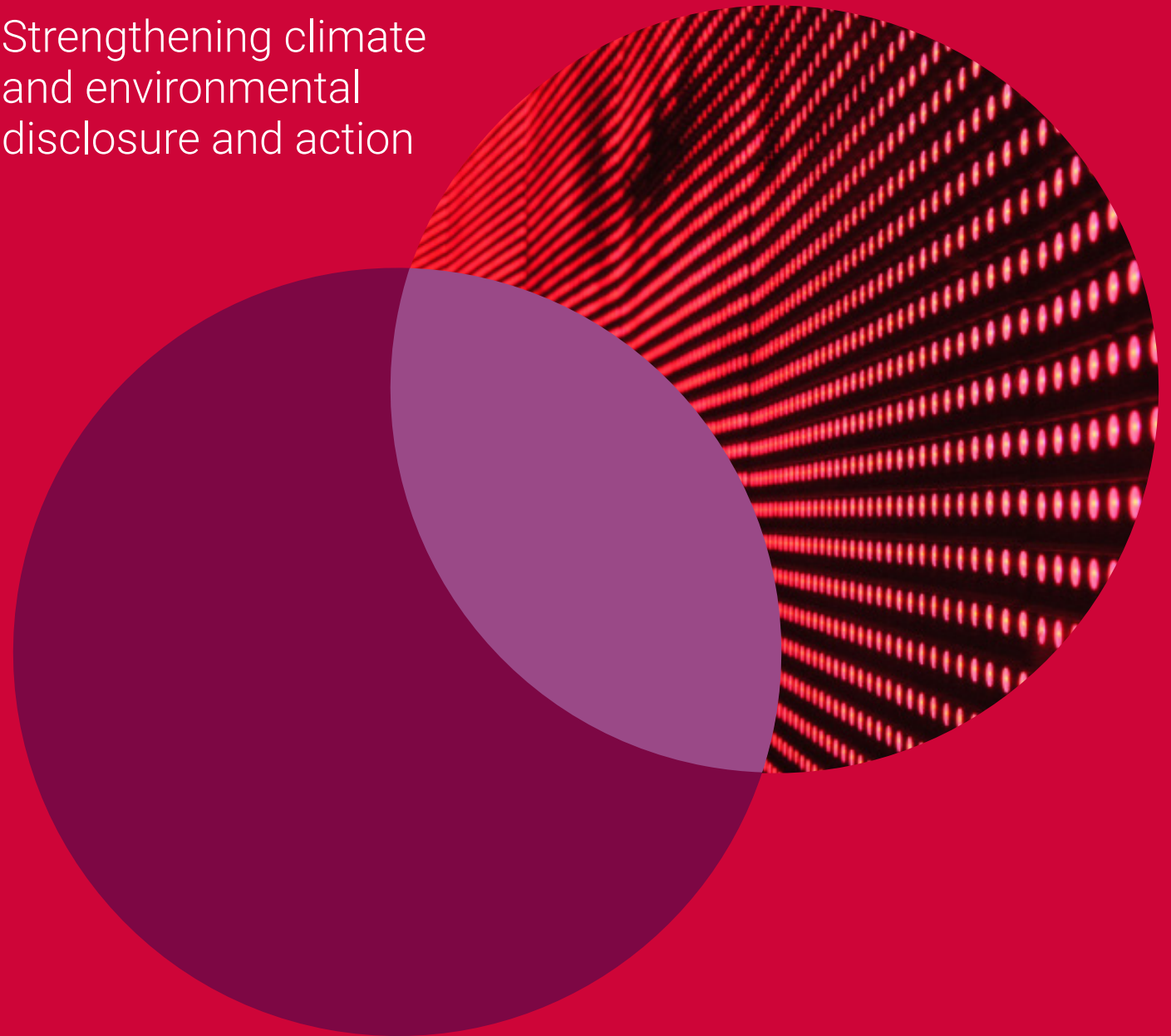
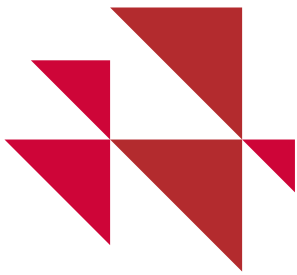


CDP GOVERNMENT PARTNERSHIPS

Strengthening climate
and environmental
disclosure and action





Introduction to CDP

What is CDP?

CDP is an international non-profit charity which runs the global environmental disclosure system. Working to secure a thriving economy that works for people and planet, it helps investors, companies, regions and cities to measure, understand and address their environmental impact. CDP's mission is solely to improve environmental disclosure and action to prevent dangerous climate change and environmental destruction, and it holds the world's largest, most comprehensive set of self-reported climate and environmental data.

9600

Companies worth over 50% of global market value reported through CDP on climate change, water security and forests in 2020

3000

companies disclosed water security data to CDP in 2020

700

companies disclosed forests data to CDP in 2020

17

Sector specific questionnaires for high impact sectors

515

with \$106 trillion use CDP to request corporate data

TCFD

Fully aligned

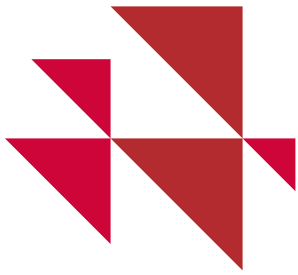
Who discloses what to CDP?

Over 9.600 companies globally have disclosed to CDP in 2020. Among them large stock-listed corporations as well as SMEs, across all sectors. In 2019, over 920 cities and regions disclosed to CDP. They disclose on a range of climate and environment-related forward-looking data such as short, medium and long-term targets, business strategy, deforestation-risks management throughout supply chains, usage of scenario analysis and emissions and water management, city-wide emissions inventories and adaptation plans. These primary data are the basis for measuring and managing the successful implementation of the European Green Deal and the Paris Agreement. Companies that report to CDP represent about 78% of the European market

capitalization and have over \$8 billion in annual revenue. The investor authority behind the CDP disclosure system, global investor signatories with \$106 trillion in assets, drives about 50% of response rate by companies in Europe. Not all companies disclose all the relevant data points and not all companies have the needed climate and environmental management in place yet to deliver on the Union's and Member States' goals. This means that through CDP's market-based mechanism, the capital market lever gets us halfway to driving the green transformation of the European economy. For the remaining 50%, public authority and support is needed to get us to across the finish line.

The global environmental data ecosystem relies on CDP



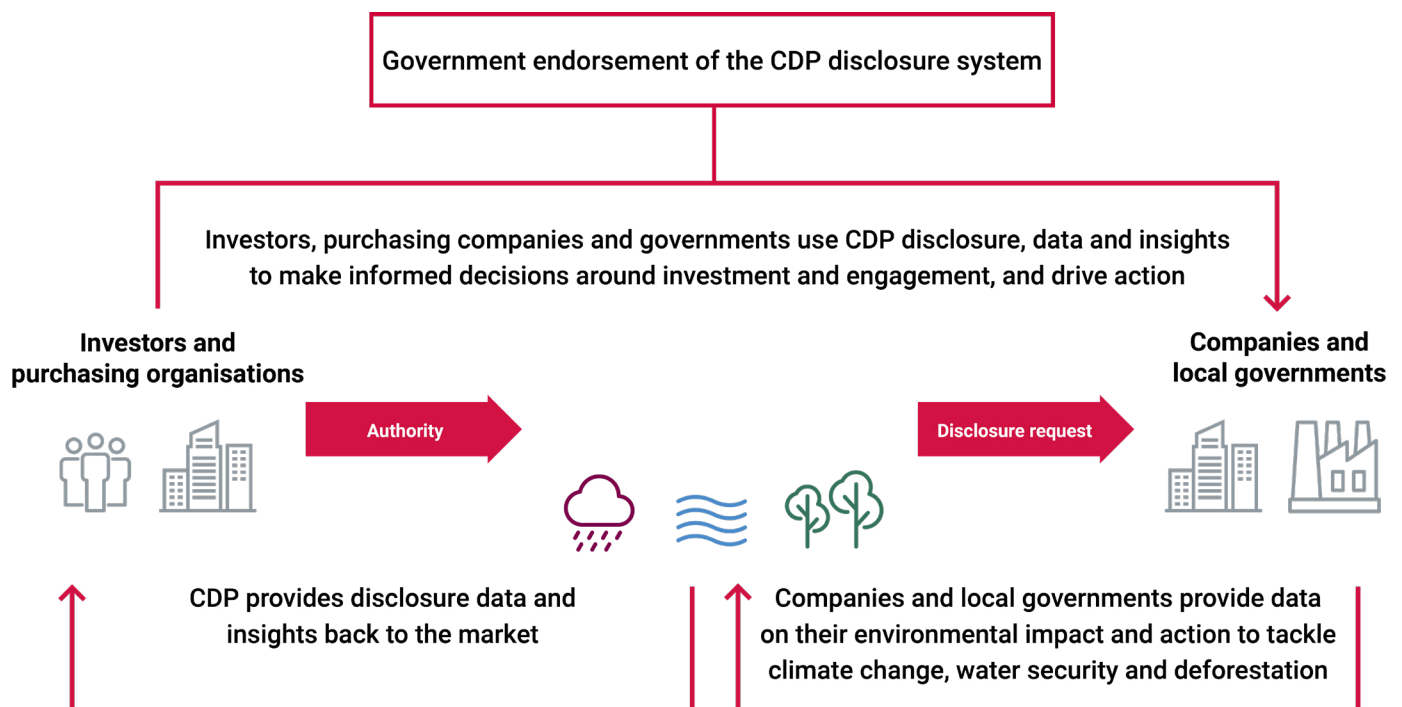


Why endorse CDP's disclosure system?

By endorsing the CDP disclosure system, governments can actively drive the increase in quantity and quality of climate and environmental data of corporates and local governments as well as action on preventing dangerous climate change, water insecurity and global deforestation.

An endorsement is a formal agreement of support by governmental bodies and agencies for CDP's charitable mission and CDP's disclosure invitation. Governments can also use the endorsement to emphasize specific political priorities to be taken forward through CDP's engagement and capacity-building activities. This could be e.g. promoting 1.5 degree (Paris-aligned) science-based emissions reduction targets for companies and cities or promoting zero-deforestation targets throughout entire supply chains.

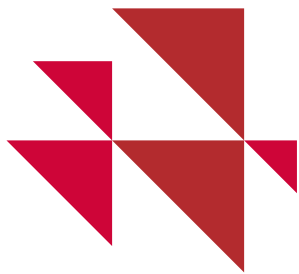
By endorsing CDP, governments lever their authority to promote voluntary corporate and local government climate and environmental disclosure and action.



What environmental data is reported to CDP?

CDP's disclosure system includes three questionnaires which measure companies, cities, states and regions environmental performance: Climate change, water security and forests.

Through the questionnaires, companies, cities, states and regions provide environmental information to their stakeholders, such as on governance and policy, risks and opportunity management, environmental targets, and strategy and scenario analysis.



How does the disclosure cycle work?

The CDP disclosure system opens each year in April and closes at the end of July. The companies requested to disclose through the supply chain request have an extra month to disclose their data. Final scores and impact data are released towards the end of each year.

APRIL: CDP's online disclosure system opens. Disclosure request letters are sent to companies, cities and regions.

MAY: Deadline for submissions of science-based emission reduction targets.

OCTOBER: CDP datasets available for stakeholders.

DECEMBER: Scores of companies and cities available.

APRIL/MAY: Capacity-building workshops are held around Europe for companies, cities and regions.

JULY: Deadline for submissions for CDP online disclosure system.

How does the endorsement work?

1

Anytime: CDP provides governments with a comprehensive list of all companies, cities and regions in their respective country requested to disclose, indicating whether or not the company, city or region followed the request.

2

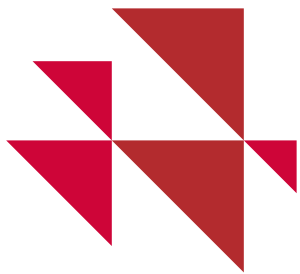
By the end of February: The government provides its logo to CDP with permission to use it for endorsement of the CDP disclosure system. The logo will then be included in the disclosure request letter sent to companies, cities and regions as well as published on the CDP website listed as an endorsement.

3

April until July: CDP takes on all further action and communicates the endorsement through our standard engagement process with companies, cities and regions. If desired by the government, CDP reports back on the progress in disclosure numbers. This includes a disclosure tracker detailing the status of companies', cities' and regions' disclosure effort and progress.

4

After September: At the end of the CDP disclosure cycle, CDP reports back to the government on the final disclosure numbers and expected impact as well as the progress towards delivering on the goals of the European Green Deal and the Paris Agreement.



Which governments endorse CDP?



**MINISTÈRE
DE L'EUROPE
ET DES AFFAIRES
ÉTRANGÈRES**

*Liberté
Égalité
Fraternité*



We fully support the necessary step towards transparency. It is only by assessing the climate risks of our economic activities that we will be able to develop sustainable growth strategies. We therefore support the CDP disclosure cycle and encourage all French companies to be as transparent as possible about the environmental impact of their activities.

Jean-Yves Le Drian,

Minister of Europe and Foreign Affairs, France



Watch the highlights of our CDP Europe Awards, held under the High Patronage of Mr. Emmanuel Macron at the Ministry of Europe and Foreign Affairs, [here](#).



MINISTERO DELL'AMBIENTE
E DELLA TUTELA DEL TERRITORIO E DEL MARE



An important means to drive action by non-Party stakeholders is our partnership with CDP, which aims to increase the number of companies, cities and regions which disclose and manage their climate and environmental risks and impacts. This is towards our goal to deliver on our NDC and the Sustainable Development Goals while stimulating low carbon, sustainable economic growth.

Sergio Costa,

Minister for the Environment, Land and Sea, Italy



Learn more about our collaboration with the Italian Government [here](#).

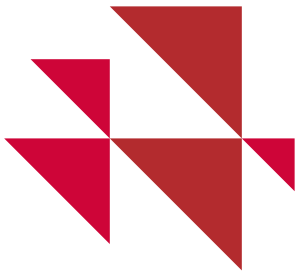


What are the benefits?

Governments endorsing CDP receive a range of benefits and further opportunities to take action.*

Disclosure	Promote disclosure: Promote industrial-scale environmental and climate disclosure and engagement, aligned with the TCFD.	X
	Public recognition: Of your institution's commitment to engaging with companies and local governments on environmental topics.	X
Insight	Be informed: Regular disclosure status updates during the disclosure period.	X
	CDP scores: Access to all public company and local government scores.	X
	CDP data: Access to all current and historical public company and local government CDP responses.	X
	Custom country profiles: CDP country factsheet, showcasing national disclosure and action by companies, financial market actors and local governments.	X
Action	Join impact engagement: Opportunity to support national level non-disclosure engagement to encourage better disclosure in the next CDP disclosure period.	X
	Support higher ambition: Opportunity to support specific non-state actor commitments, such as Business Ambition for 1.5°C , science-based targets , ACT , RE100 , and supply chain engagement .	X
	Support regulatory success: Help companies and financial market actors to better fulfil policy-driven and regulatory transparency requirements.	X
	Speaking opportunities: Be considered with priority to provide speakers for CDP workshops and webinars for companies, financial market actors and local governments.	X

*These benefits for government partners are made possible by the funding support of the European Commission and other donors.



How does CDP disclosure support policy implementation?

CDP provides the public monitoring, reporting and evaluation system for climate and environment-related information of companies, cities, regions and financial institutions. This drives transparency, holds stakeholders accountable, and connects them for knowledge and best-practice exchange. CDP's disclosure system and higher ambition initiatives drive climate and environmental action into comparable performance that can be tracked and monitored over time. By this, CDP achieves that commitments are linked to accountability and action on implementation.

CDP and the European Green Deal

For the European Green Deal (EGD) to succeed, non-state actor climate and environmental action is irreplaceable. CDP already engages on multiple of the actions announced in the EGD, thus positioning its stakeholders well for upcoming legislative changes and business opportunities. Specifically, yet not exclusively, CDP can support companies, investors, governments, cities and regions in the implementation of these EGD action areas: Raise ambition on climate action; Promote clean energy, industry, mobility; Reduce water pollution and deforestation throughout the value chain; Strengthen the sustainable finance agenda and non-financial reporting and governance.

CDP and the NFRD

The CDP disclosure request currently goes far beyond the mandatory reporting requirements set out in the NFRD. To drive laggards in environmental reporting and action and creating a level playing field for the leaders, CDP strongly supports improved mandatory reporting regulation through the revised NFRD, including TCFD-alignment and beyond, especially forward-looking indicators and targets. CDP disclosure supports companies to fulfil their environmental regulatory requirements and other reporting initiatives such as the recommendations of the TCFD, yet also goes beyond, encouraging leadership companies to take more ambitious action.

CDP and the EC Action Plan on Sustainable Finance

In a mapping of the 'Actions' under the Sustainable Finance Action Plan and CDP's disclosure system and the data analysis, tools, metrics and initiatives offered by CDP to implement, and go beyond, the regulatory requirements, CDP shows how to spearhead sustainability leadership. The document provides information to CDP stakeholders on policies under the 'Actions' of the Action Plan, describing the purpose, scope, disclosure requirements and place of reporting, among other information, in a consistent structure that can allow disclosing entities to interconnect their disclosure requirements and develop synergies in reporting under several policies. It also supports policymakers in understanding the gaps, overlaps and how to improve interaction.

How does CDP reduce the reporting burden and collaborate with other frameworks?

CDP and the TCFD

CDP recognizes the important role of the TCFD in mainstreaming climate-related information and advancing the availability of financially relevant information for global markets. The TCFD recommendations ensure climate information is integrated into mainstream financial reports, providing transparency and a roadmap to meet the commitments of the Paris Agreement. Therefore in 2018, CDP has aligned its questionnaires with the TCFD's recommendations, alongside introducing a sectoral focus and adopting a forward-looking approach to climate-risk disclosure. This harmonization helps to drive the adoption of TCFD recommendations by reporting companies, optimize the reporting burden, and speed-up the generation of decision-useful information for data users. **In practice this means that companies can use their CDP disclosure to produce TCFD reports.**

CDP and other reporting frameworks

The CDP disclosure system supports reporting towards many standards, frameworks, protocols and regulatory requirements (TCFD, EU NFRD, EU Climate and Paris-aligned Benchmarks, EU Sustainable Finance Disclosure Regulation, GRI, CDSB, CEO Water Mandate, GHG Protocol, Accountability Framework, SDGs, etc.) for environmental information.



CDP as a disclosure innovator

Among CDP's key capacities are global consistency and comparability of data, in addition to mainstreaming reporting requirements among companies. But CDP is also an innovator and driver of environmental disclosure and performance. CDP's questionnaires extend beyond climate to water security and deforestation, and the scoring methodology considers many forward-looking indicators. CDP is also a part of and drives numerous higher ambition initiatives, such as the Science Based Targets initiative and ACT (Assessing low-carbon transitions), creating new standards in the market for ambitious climate action.



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

The Science Based Targets initiative (SBTi) champions science-based target setting as a powerful way of boosting companies' competitive advantage in the transition to the low-carbon economy. It is a collaboration between CDP, World Resources Institute (WRI), the World Wide Fund for Nature (WWF), and the United Nations Global Compact (UNGC). The initiative defines and promotes best practice in science-based target setting, offers resources and guidance to reduce barriers to adoption, and independently assesses and approves targets. Targets adopted by companies to reduce GHG emissions are considered "science-based" if they are in line with what the latest climate science says is necessary to meet the goals of the Paris Agreement – to limit global warming to well-below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C. Cities are now also taking the next step: setting science-based targets to reduce emissions in line with the 1.5 °C mitigation pathway. In November 2020, the toolbox for SBTs for cities was launched as a part of the Race to Zero Dialogues.



In collaboration with ADEME and part of the UNFCCC secretariat Global Climate Agenda (GCA), the ACT project takes a holistic view of a company's operational impacts and dependencies, as well as of its supply chain. Its goal is to drive action by companies and put them on a 2°C compatible path. ACT is the only international initiative that creates an "accountability framework and sectorial methodologies" to assess how companies' strategies and actions are contributing to the Paris Agreement mitigation goals. ACT answers the need for methodologies and tools to support companies with contributing to the Paris Agreement beyond commitment and carbon footprint reporting.



CDP's temperature ratings turn corporate emission targets into long-term temperature pathways. Use them to map national stock exchanges or industrial sectors to the Paris agreement.



Climetrics is the world's first and only dedicated environmental rating for funds, covering 30% of the global fund market.

For further information

General enquiries
policy.europe@cdp.net

CDP government partnerships

Mona Freundt
Policy Engagement Manager
mona.freundt@cdp.net

Mirjam Wolfrum
Director Policy Engagement

CDP Europe and the global CDP system

CDP Worldwide (Europe) gGmbH - 'CDP Europe' - is a charity headquartered in Berlin, Germany, registered on the EU Transparency Register since 2012. It is a wholly owned subsidiary of CDP Europe AISBL, a charity based in Brussels, Belgium. CDP Europe staff members are also based in Belgium (Brussels), Sweden (Stockholm), and Switzerland (Geneva). It has been a grateful recipient of EU LIFE funding since 2012.

CDP Europe is part of the global CDP system that drives companies and governments to reduce their greenhouse gas emissions, safeguard water resources and protect forests. Voted number one climate research provider by investors and working with investors with assets of US\$106 trillion, we leverage investor and buyer power to motivate companies to disclose and manage their environmental impacts. Globally, over 9.600 companies with over 50% of global market capitalization disclosed environmental data through CDP in 2020, including more than 2.400 European companies representing approximately 78% of European market capitalization. This is in addition to the over 950 cities, states and regions globally who disclosed – including more than 215 in Europe – making CDP's platform one of the richest sources of information globally on how companies and governments are driving environmental change. CDP, formerly Carbon Disclosure Project, is a founding member of the We Mean Business Coalition.

CDP Europe's annual report is available [here](#) and its regular policy newsletter can be joined [here](#).

**CDP Europe gratefully acknowledges
EU funding support.**

