

[Date]

Lead Investor
Logo

[Senior stakeholder]
[Job title]
[Company address]

Dear [Senior Stakeholder]

Request to provide a response to the CDP Forests questionnaire

We, the undersigned, encourage all companies in our investment universe to provide the requested information to CDP, which has a scoring deadline of 27th July 2022. You can request to have your score remain private for your first year. A partial response is preferable to no response and the reporting platform also provides an opportunity to explain any incomplete information.

From the commitments made at COP26, capital market interest in assessing the impacts and risks related to climate change on, and by, our investments are greater than ever. Addressing deforestation and forest degradation, which account for approximately 10-15% of the world's annual greenhouse gas emissions, is a key component of climate change mitigation.ⁱ

As you may be aware, breakthrough commitments to end deforestation were announced in Glasgow, at COP26, this past November. 133 world leaders, responsible for around 90% of the world's forests, promised to end and reverse deforestation by 2030.ⁱⁱ Simultaneously, 33 financial institutions with US \$8.7 trillion in assets under management, committed to tackle deforestation this decade.ⁱⁱⁱ

Our beneficiaries hold legitimate interest in your company's financial health and future prosperity. To assess our investment portfolios, we are dependent on reliable, comparable data from companies. In April, your company received a request for information^{iv} on forests-related risk, administered by CDP, on behalf of over [xx] investors globally. Since you have declined to disclose in the past, to compliment that request [#] investors, representing US [#] trillion in AUM, are directly signing this letter requesting your disclosure. The CDP reporting platform provides the financial services community with the most complete source of TCFD-aligned corporate environmental data in a consistent and comparable manner.

It is important for us to know that your company understands the implications of deforestation and environmental degradation for its current and future business; whether it is exposed to substantive commodity-related risk and what actions your organization is taking to mitigate those risks to reduce its risk exposure. 450 financial firms, controlling around 40% of global assets, announced that they would align themselves with the Paris Agreement 1.5°C at COP26.^v It is becoming more and more difficult for financial firms, like the above, to justify investments in any company not actively preventing environmental harm and seeking solutions for a sustainable economy. With this having the potential to unlock trillions of private capital funds to the green transition, we need to be certain that your company will remain relevant and profitable in a net-zero economy.

While we recognize that you may have already published information on this issue in your company's reports, research by CDSB has shown that through these reports disclosure on deforestation is vastly underreported or incomparable. Bringing together information on this issue across sectors and regions using a single, consistent approach is vital to informing investor decisions.

We value your thoughts on this letter and would appreciate a response to this email on [Organization]'s intention to respond to the CDP Information Request. For more information on how to respond to CDP please contact your regional CDP representative found at the bottom of this email. Further guidance can also be found on CDP's website.^{vi}

Sincerely,

[Lead investor name]

[Lead investor job title], [Lead investor organization]

This letter is undersigned by:

Co-signatory 1 name

Co-signatory 1 job title

Co-signatory 1 organization

Etc.

Etc.

Etc.



For questions on how to respond contact CDP:

[CDP Engagement officer]

Firstname.surname@cdp.net

Or the CDP central support at respond@cdp.net

ⁱ <https://www.cdp.net/en/articles/companies/what-companies-should-take-away-from-cop26>

ⁱⁱ <https://www.cdp.net/en/articles/companies/what-companies-should-take-away-from-cop26>

ⁱⁱⁱ <https://www.cdp.net/en/articles/companies/what-companies-should-take-away-from-cop26>

^{iv} You are asked to respond to the CDP Water questionnaire. You may also have been asked to respond to the climate change and/or forest questionnaires.

^v <https://www.cdp.net/en/articles/companies/what-companies-should-take-away-from-cop26>

^{vi} <https://www.cdp.net/en/guidance/guidance-for-companies>