

Annual Report

Financial year 2021/2022





CDP is changing the way companies, investors, governments and cities behave and accelerating the transition to a sustainable economy.



CDP in 2022

CDP's vision is for a thriving economy that works for people and the planet over the long term. We are a global non-profit that runs the world's environmental disclosure system for investors, companies, cities and governments to assess their impact and take urgent action to build a truly sustainable economy. We collect information on climate change, forests, and water security, and corporate strategies for managing these issues.

We want to see a thriving economy that works for people and planet in the long term. The process of CDP disclosure and the resulting data-driven insights focus investors, companies and cities on taking urgent action to build a truly sustainable economy by measuring and managing their environmental impact.

Since pioneering the global environmental disclosure system, CDP has driven corporations and cities around the world to understand and act on the business case for reducing their impact. Central to CDP's mission is communicating the progress made in addressing environmental issues and highlighting where risks may be unmanaged. To this end, we score disclosers on the information they provide, assessing not only tangible impacts such as emission reduction activities but also how climate change, water risk and deforestation issues are integrated into governance, strategy and risk assessment processes. We produce our annual climate change, water security and forests A Lists to show the market how leading companies and cities are performing.

To increase transparency and drive sustainable investments, CDP provides critical global data that delivers evidence and insights to a wide audience, including investors, companies, policymakers and their advisors, public sector organizations, government bodies, academics and the general public. CDP data enables financial decision-makers to link environmental integrity, fiduciary duty and public interest to make better-informed decisions.

14,000+
companies, cities,
states and regions
disclosed through
CDP in 2021.

CDP has continued its strong progress since the pandemic, with significant growth in our workforce to support the overall increased ambition and record numbers of disclosers. The 2021 disclosure cycle saw over 14,000 companies, cities, states and regions disclose through CDP.

CDP had a significant presence at COP26 in November 2021, featuring in 27 COP26 events, co-organizing a total of 13 events in a hybrid manner and 8 virtual COP26 events. Our delegates held bilateral meetings with governments, UN agencies, corporates, and donor organizations, including the UK Government, UNFCCC, IKEA and CIFF.

The global policy team led CDP's strategy for COP27 in November 2022, as well as COP15 in Montreal in December 2022. As per the preparatory process, the team has successfully secured the inclusion of corporate disclosure in the current draft of the Global Biodiversity Framework and will work to keep it in for the next negotiations rounds.





Expanding into more planetary systems

CDP continues to expand its scope beyond climate, water, and forests to cover the full range of planetary boundaries and earth systems. In 2022, a consultation began on how best to incorporate questions on plastics into the CDP disclosure system. In 2023, 7,000 companies will be requested to disclose on plastics for the first time through CDP's water security questionnaire. This reflects CDP's 2021-2025 strategy, Accelerating the rate of change, and CDP looks forward to embracing more planetary systems in the near future as we expand.

As part of this strategy, CDP will begin scoring all companies against scientific benchmarks and transition plans. We will also further develop systems and processes with the aim of covering 90% of firms with the highest environmental impact by 2025.



+37%



+25%



+14%

Climate

13,100 companies responded to our 2021 disclosure cycle, an increase of 37% on the previous year. Of these, 272 made our prestigious A List, a slight fall in A List numbers reflecting a strengthened methodology for inclusion.

Forests

A total of 864 companies reported to CDP on deforestation-related KPIs in 2021, a growth of over 25% in disclosure. Using this data, CDP in collaboration with the AFi (Accountability Framework initiative) authored a joint report to provide companies with a pathway to further decouple commodity sourcing/production from deforestation.

Water

3,368 companies disclosed on water security in 2021, a 14% year-on-year increase. The 2021 report, *High and Dry*, detailed for the first time how water issues are directly leading to stranded assets across key parts of the global economy. The research found that \$13.5 billion was already stranded, and one-third of listed financial institutions were not assessing their exposure to water issues. We also launched a first-of-its-kind tool, called Water Watch, which ranks over 200 industrial activities according to their potential impact on water resources.

Stakeholder successes

Supply chain: Our supply chain disclosure request, backed by large purchasing organizations such as Google, L'Oréal, Walmart, and Toyota, saw over 11,000 companies disclose through the supply chain, an enormous 40% rise year-on-year. In February 2022, CDP published its 2021 global supply chain report in collaboration with Boston Consulting Group (BCG). The report revealed that only 38%, 47% and 16% of reporting companies are engaging with their suppliers on climate change, deforestation and water security, respectively.

Cities, states and regions: Marking the opening of 2021's reporting platform – the twelfth such occasion since we started cities reporting in 2011 – we launched a new, streamlined questionnaire for cities, and for states and regions. The name of the cities' reporting platform also changed, to CDP-ICLEI Track, to better reflect the purpose and values of the platform.



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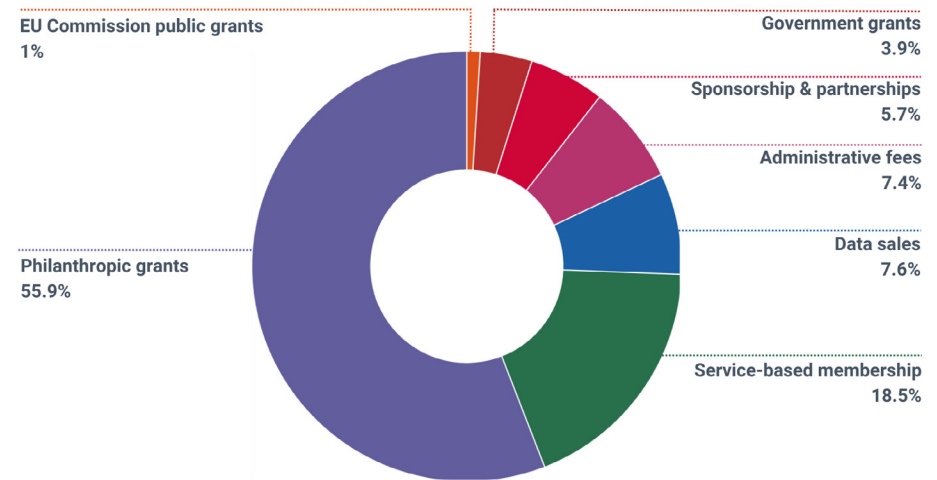
Capital markets: The 2021 Science-Based Target campaign saw 220 global financial institutions holding \$29.3 trillion in assets call on the world's highest impact companies to urgently set science-based emissions reduction targets in line with 1.5°C warming scenarios. The 2021 Non-Disclosure Campaign resulted in the highest response rate to date, with nearly 60% more companies disclosing, after being targeted, compared to 2020. It also showed that companies are more than twice as likely to disclose through CDP when they are directly engaged by investors to do so.

Policy: There have been significant advances in the implementation of mandatory environmental disclosure and disclosure standards since April 2021 which will drive transparency and accountability globally. A landmark moment came in March 2022, when the US Securities and Exchange Commission released its proposed climate disclosure rule for US-registered and foreign private issuer companies. The influence of CDP and impact of our policy work was evident in the proposed rule: CDP is cited throughout.



Donors

We would like to express our gratitude to the following donors who helped make CDP's work in the financial year 2021/2022 possible.



The below funders supported work for CDP Worldwide and CDP Europe during the 2021/22 financial year. Additional funders for CDP NA are listed separately.

Funding above £1,000,000

AKO Foundation

Strategic funding to support CDP in accelerating the rate of change, as we respond to a global need for access to data, and growth in disclosure and accountability. The work supported includes but is not limited to: a focus on momentum and need across the sector; the effective mapping of standards and regulation to identify and align with ever evolving best practice; adapting the questionnaire; and scoring to 1.5°C aligned transition plans. As well as CDP continuing to work with, and be advisor to, all key actors in the global sector.

Bloomberg Philanthropies

Cities and other grants: funding for CDP's Cities program which provides the leading global disclosure platform for cities: CDP-ICLEI Track. Disclosure through CDP-ICLEI Track supports cities to measure, monitor and manage their environmental impacts and risks by collecting key data covering both climate mitigation and adaptation, informing city climate action priorities and efforts. CDP cities data is widely used by policy makers and the scientific community to inform research and decision making, most notably in IPCC reports and the UN's Global Climate Action Portal. CDP-ICLEI Track is an official platform for the Global Covenant of Mayors, the world's largest coalition of city leaders addressing climate change. CDP has strong relationships with and provides the reporting mechanism for C40 Cities, ICLEI – Local Governments for Sustainability, and WWF's One Planet

**For more information,
please see our 'How we
are funded' page:
cdp.net/en/info/finance**

Cities Challenge among many others.

Children's Investment Fund Foundation

Core funding to support CDP's efforts to widen and deepen global environmental disclosure by non-state actors and enable a transformation of CDP's disclosure platform. Further funding is also being provided to support the setup of a new MEL function; kick-start the development of transition plan disclosure efforts; and continue to support CDP's organisational development.

We Mean Business

Funded ten different CDP projects during this financial year, including core funding. The basis of this work was catalysing business action on their environmental impact and driving ambitious policy to halve emissions by 2030 to accelerate an inclusive transition to a net-zero economy by 2050. This support financed: capacity-building at scale to hundreds of cities worldwide; leveraging a systems-based approach to address the demand and supply sides of the market to institutionalise SBT adoption; mobilising the Procurement function of the private sector at scale to implement 1.5°C-aligned business transformation; supporting SME's journey into environmental reporting; targeted engagement with regional supply chains in China and India.

Funding above £250,000

- ▼ Bank of America
- ▼ Bezos Earth Fund
- ▼ Netherlands Enterprise Agency
- ▼ Norwegian Agency for Development Cooperation
- ▼ Swiss Agency for Development and Cooperation

Funding above £25,000

- ▼ Instituto Clima e Sociedade
- ▼ Norges Bank Investment Management
- ▼ Oak Foundation
- ▼ Wellcome Trust

Other

- ▼ Breakthrough Energy Catalyst Foundation
- ▼ ClimateWorks Foundation
- ▼ Hewlett Foundation
- ▼ Laudes Foundation
- ▼ Packard Foundation
- ▼ The Pew Charitable Trusts
- ▼ Walmart Foundations
- ▼ World Business Council for Sustainable Development (WBCSD)
- ▼ World Health Organisation
- ▼ World Wide Fund for Nature (WWF)



Contact our philanthropic funding team

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*We are headquartered in London (UK Charity Registration No. 1122330) and have further operations in Brazil, China, Hong Kong, China, India and Japan and operate through local partners in Colombia, Ireland, Peru, South Africa, South Korea, Taiwan, China and Turkey. North America is served through a legally separate independent 501c3 entity based in New York (CDP North America, Inc EIN 36-4709977) and Europe through a legally separate charity based in Brussels (CDP Europe AISBL, charity number HRB119156 B).