

Navigating EU Sustainability Reporting

2023 Corporate Disclosure Webinar Series

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About CDP



CDP runs the global disclosure system that enables companies, cities, states and regions to measure and manage their environmental impacts.

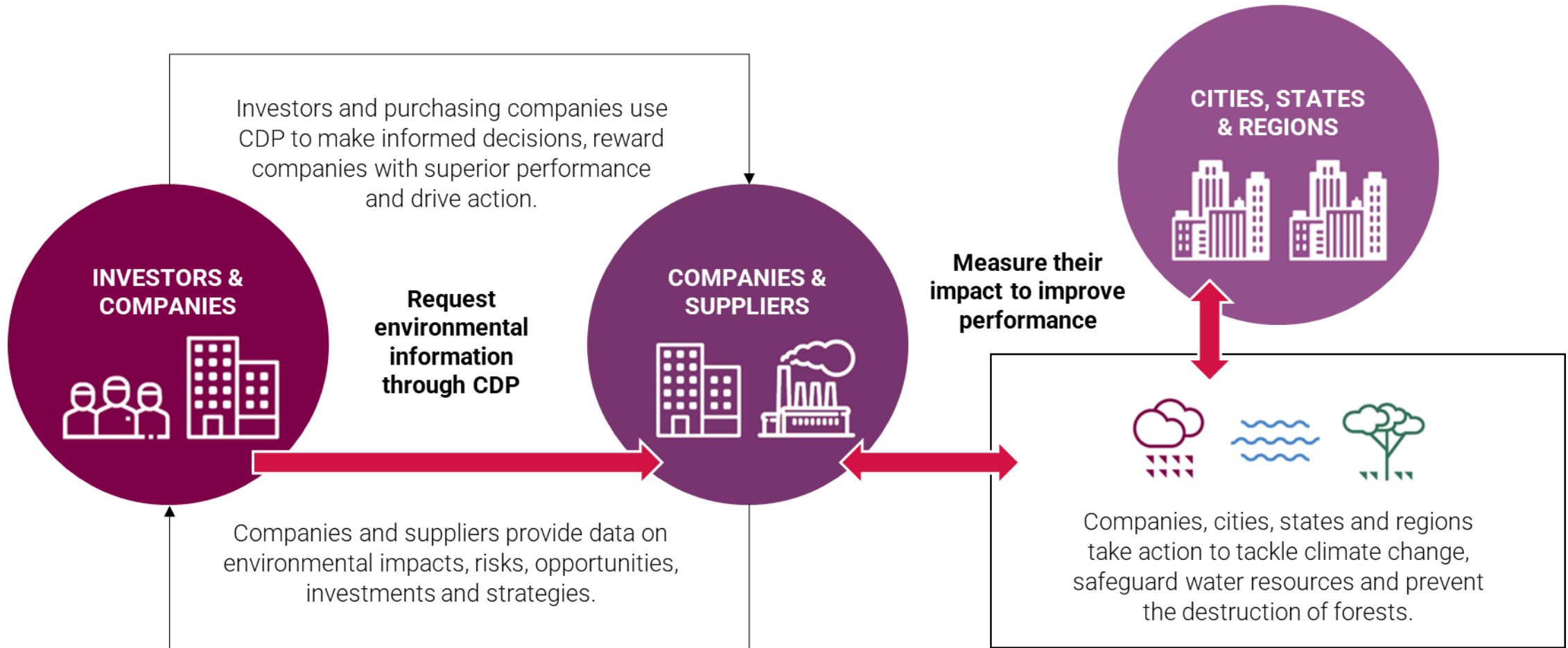


With the world's most comprehensive collection of self-reported data, the world's economy looks to CDP as the gold standard of environmental reporting.



Our network of capital markets, purchasers and policymakers around the globe use our data and insights to make better-informed decisions.

The CDP system: linking finance and business to reduce risks



CDP

IN THE ESG ECOSYSTEM



Bloomberg



NIKKEI

MSCI
ESG Research



EURONEXT

S&P Global



STOXX



URGENTEM!



Dow Jones
Sustainability Indexes



AVIVA
INVESTORS

Climetrics
The Climate Rating for Funds



World
Benchmarking
Alliance



BNP PARIBAS
ASSET MANAGEMENT

ACT | ASSESSING LOW
CARBON TRANSITION®



SCIENCE
BASED
TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



asset
management

Disclosure to CDP

2003 - 2022



+50%

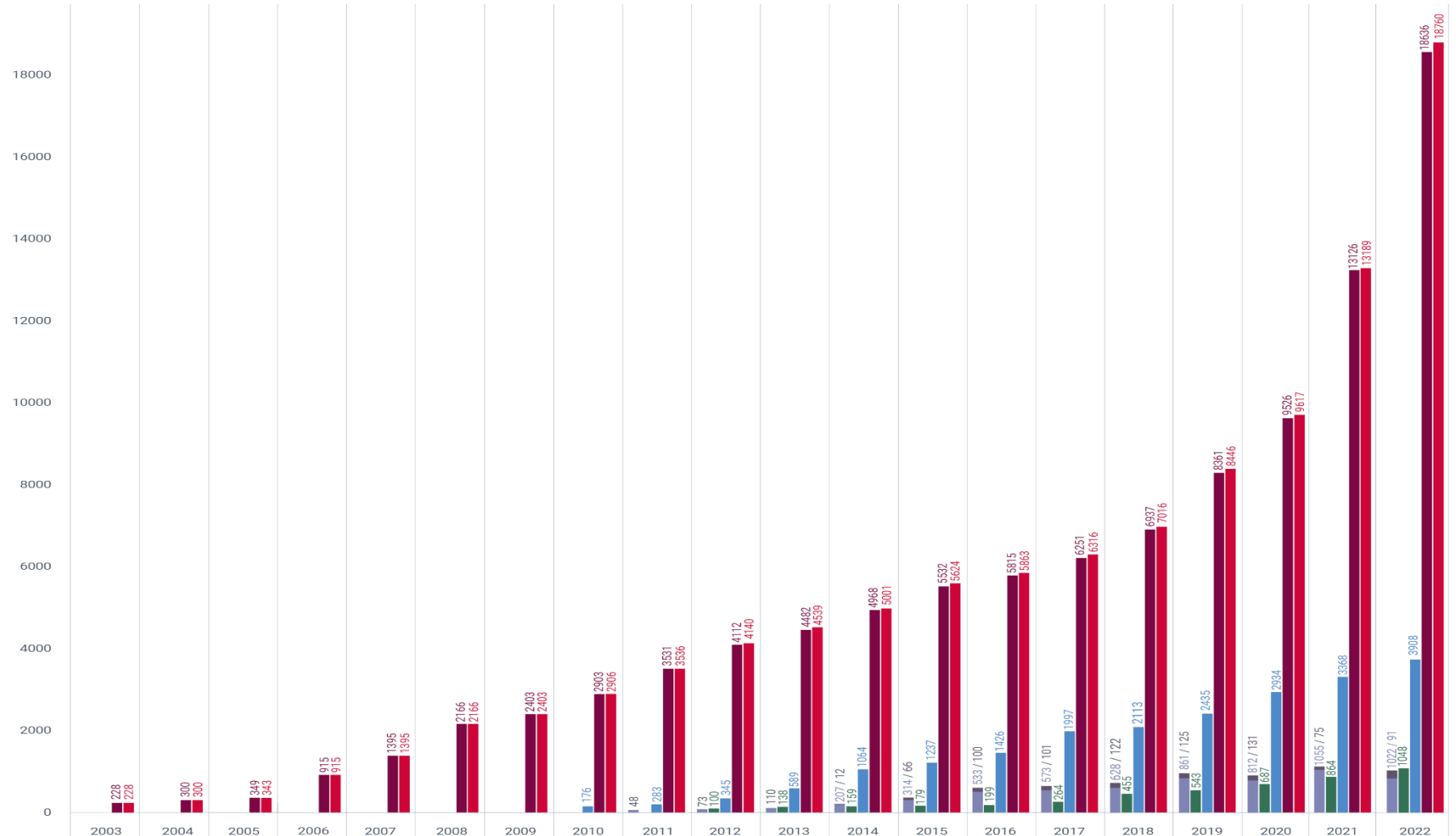
of global companies by market capitalization use CDP.

38%

Increase in disclosure from 2021

18.700

Companies reporting to investors and customers through CDP.



■ TOTAL DISCLOSING COMPANIES
 ■ COMPANIES DISCLOSING ON CLIMATE CHANGE
 ■ COMPANIES DISCLOSING ON WATER SECURITY
 ■ COMPANIES DISCLOSING ON FORESTS
 ■ DISCLOSING STATES & REGIONS DISCLOSING CITIES*

*as of October 2022

Agenda



Overview: EU's Disclosure Regime – 5min



CSRD and ESRS: overview & reporting requirements – 10min



CDP's role in the disclosure landscape – 10min



Investors & CDP Data – 5min



EU Taxonomy in the CDP Questionnaire – 10min



EU Disclosure Regime



POLL

The EU Disclosure Regime



Environmental Objectives

| | | | | |
|--|-----------------------|--------------|----------------------|------------------|
| Climate Change mitigation and adaptation | Sustainable water use | Biodiversity | Pollution prevention | Circular economy |
|--|-----------------------|--------------|----------------------|------------------|



Adverse Impacts

| | | | | |
|------------------------|---------------------------------|--|----------------------------|--------------------|
| GHG emissions & Energy | Water consumption, water stress | Activities near biodiversity sensitive areas | Emission of air pollutants | Non-recycled waste |
|------------------------|---------------------------------|--|----------------------------|--------------------|



EU Taxonomy

Contribution to one or more of the environmental objectives: eligibility and alignment by economic activity

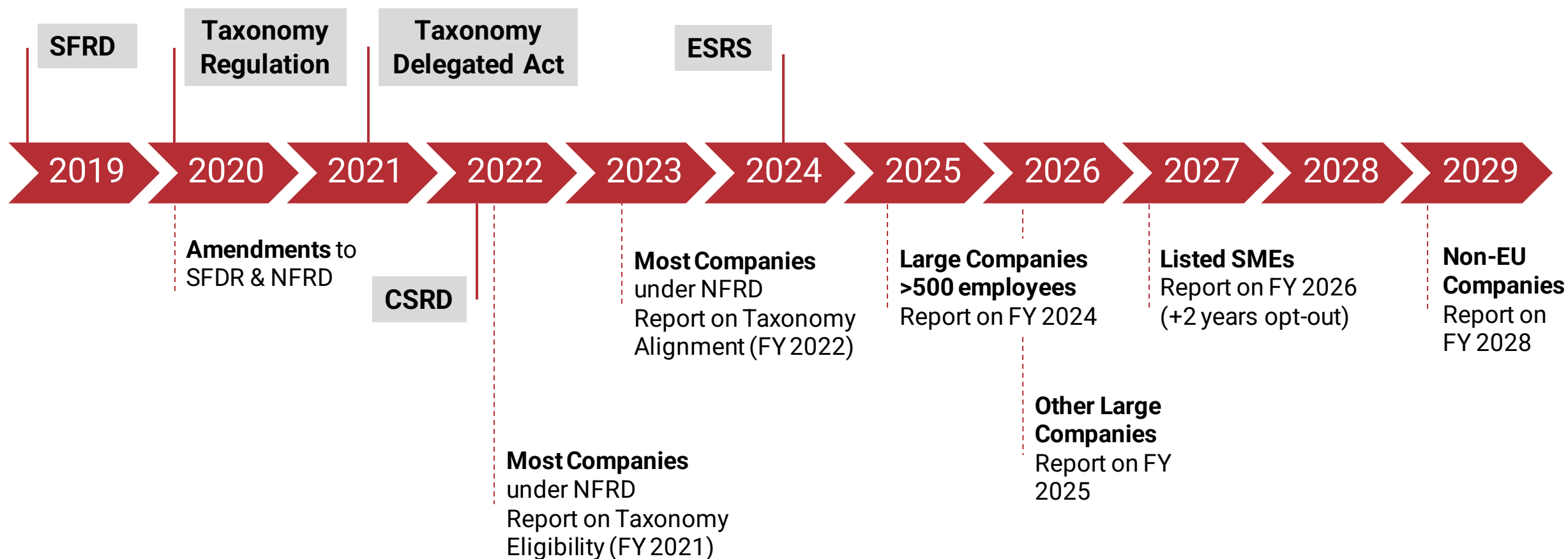


Disclosure Mechanisms

| | |
|--------------------------------------|---------------------------------------|
| Corporate Reporting Standards - CSRD | Sustainable Finance Disclosure - SFDR |
|--------------------------------------|---------------------------------------|



Timeline of Implementation

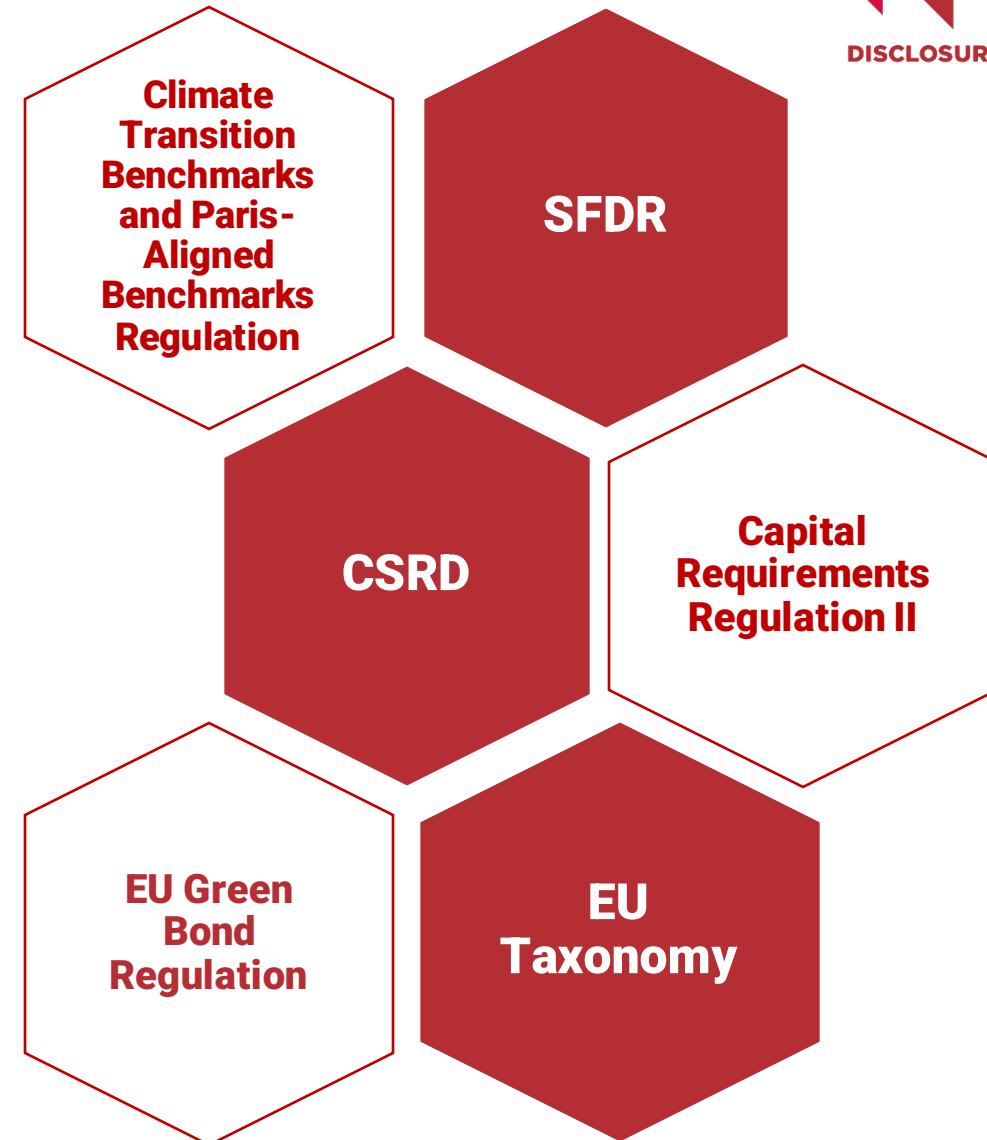


Context of the CSRD

In its communication “**Action Plan: Financing Sustainable Growth**” from 2018, the European Commission set out measures to achieve the following **objectives**:

- ▼ **Reorient capital** flows towards **sustainable** investment;
- ▼ **Manage** financial **risk** stemming from **climate change**, resource depletion, environmental degradation and social issues, and **foster transparency** and **long termism** in financial and economic activity.

The **disclosure** by certain categories of financial and non-financial companies of relevant, comparable and reliable sustainability information **is a prerequisite** for meeting those objectives.



The CSRD: What is it?

The EU Corporate Sustainability Reporting Directive (CSRD) has been **adopted in December 2022** and EU member states are expected to **transpose** it into national legal frameworks by **July 2024**.

It replaces the EU Non-Financial Reporting Directive and is estimated to **apply to about 50.000 EU companies** and at least **10.000 foreign firms**.

Rules requiring all large companies and all listed companies (except listed micro-enterprises) to **disclose** information on what they see as the **risks** and **opportunities** arising from **social** and **environmental issues**, and on the **impact** of their activities **on** people and the **environment**.

This **helps** investors, civil society organisations, consumers and other **stakeholders** to **evaluate** the **sustainability performance** of companies.

CSRD (Directive (EU) 2022/2464)

The CSRD: who does it apply to? (1/2)

All “large undertakings” (whether listed or not)

Large companies (listed and not listed) are defined as exceeding two of the following three criteria (either as a single entity or on a consolidated group basis):

- ✓ balance sheet total > €20mn
- ✓ net turnover > €40mn
- ✓ employees > 250

Listed SMEs, (except listed micro-enterprises) small and non-complex credit institutions, and captive insurance undertakings

Listed SMEs are defined as having securities listed on a regulated EU market, and meeting at least two of the following criteria:

- ✓ balance sheet total > €4mn
- ✓ net turnover > €8mn
- ✓ employees > 50

Non-EU undertakings

A non-EU parent company with i) an EU-established large/listed subsidiary or a listed SME subsidiary, or ii) a large EU branch, meeting the following criteria:

- ✓ generate a net turnover of more than €150,000,000 in the EU (for two consecutive years) and have either:
 - ✓ for a subsidiary: meets the criteria of a large company or listed company.
 - ✓ for a branch: has a turnover of more than €40 million.

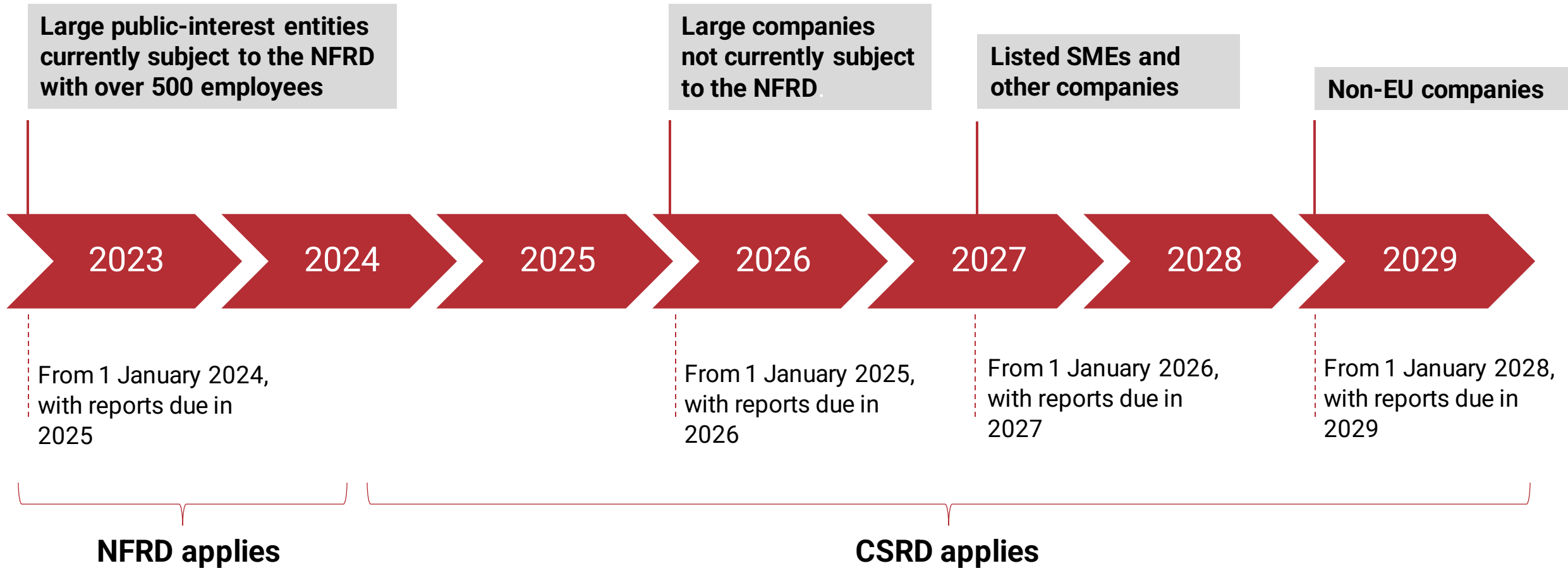
The subsidiary or branch will be responsible for preparing a sustainability report for the third country undertaking at a consolidated level. These sustainability reports will need to be prepared according to one of the following:

- ▶ Separate standards to be adopted by the European Commission by June 30, 2024
- ▶ The standards applicable to EU undertakings;
- ▶ Standards which are deemed equivalent by the Commission.

Corporate Sustainability Reporting Directive (CSRD)

NFRD remains in force until companies have to apply CSRD.

The CSRD: who does it apply to? (2/2)



Where & how to report

- ▼ Companies should report sustainability information in a clearly identifiable dedicated section of the management report



- ▼ Electronic reporting format (EU Reg. 2019/815), in XHTML format
- ▼ Including disclosures required under EU Taxonomy Art. 8
- ▼ EU subsidiaries of third country undertakings shall publish sustainability report

CSRD reporting requirements (1/5)

Information in management report

Undertakings shall include in the management report information that is:

- ▶ necessary to understand the undertaking's **impacts** on **sustainability** matters, and
- ▶ necessary to understand **how sustainability** matters **affect** the **undertaking's** development, performance and position,
- ▶ both related to **short-, medium- and long-term time horizons**, as applicable,
- ▶ on the **process** carried out to identify this information.

CSRD reporting requirements (2/5)



Reporting area

CSRD reporting requirements

**Business
model &
strategy**

A brief **description** of the undertaking's business model and strategy, including:

- (i) the **resilience** of the undertaking's business model and strategy in relation **to risks** related to sustainability matters;
- (ii) the **opportunities** for the undertaking related to sustainability matters;
- (iii) the **plans** of the undertaking, including implementing actions and related financial and investment plans, to **ensure** that its business **model** and **strategy** are **compatible** with the transition to a **sustainable economy** and with the limiting of global warming to 1,5 °C in line with the 'Paris agreement' and the objective of achieving **climate neutrality by 2050** as established in the 'European Climate Law' and, where relevant, the exposure of the undertaking to coal-, oil- and gas-related activities;
- (iv) how the undertaking's business model and strategy **take account** of the **interests** of the undertaking's **stakeholders** and of the impacts of the undertaking on sustainability matters;
- (v) how the undertaking's strategy has been **implemented** with regard to sustainability matters;

CSRD reporting requirements (2/5)



Reporting area

CSRD reporting requirements

Targets

A **description** of the **time-bound targets** related to sustainability matters set by the undertaking, including, where appropriate, **absolute greenhouse gas emission reduction targets** at least for **2030** and **2050**, a description of the **progress the undertaking has made towards achieving those targets**, and a statement of whether the undertaking's targets related to environmental factors are **based on conclusive scientific evidence**;

CSRD reporting requirements (3/5)



Reporting area

CSRD reporting requirements

Governance

A description of the **role** of the administrative, **management** and supervisory bodies with regard to sustainability matters, and of their expertise and skills in relation to **fulfilling** that **role** or the access such bodies have to such expertise and skills;

Policies

A description of the undertaking's **policies** in relation to **sustainability** matters;

Board incentives

Information about the existence of **incentive** schemes **linked** to **sustainability** matters which are offered to members of the administrative, management and supervisory bodies;

CSRD reporting requirements (4/5)



Reporting area

CSRD reporting requirements

Due Diligence & Actions

A description of:

- (i)** the **due diligence** process implemented by the undertaking with regard to sustainability matters, and, where applicable, in line with **Union requirements** on undertakings to conduct a due diligence process;
- (ii)** the principal **actual** or **potential adverse impacts** connected with the undertaking's **own operations** and with its **value chain**, including its products and services, its business relationships and its supply chain, **actions taken** to identify and monitor those impacts, and other adverse impacts which the undertaking is required to identify pursuant to other Union requirements on undertakings to conduct a due diligence process;
- (iii)** any **actions taken** by the undertaking to prevent, mitigate, remediate or bring an end to actual or potential adverse impacts, and the result of such actions;

Risks

A description of the principal **risks** to the undertaking related to sustainability matters, including a description of the undertaking's principal **dependencies** on those matters, and how the undertaking **manages** those risks;

CSRD reporting requirements (5/5)

Reporting area

CSRD reporting requirements

Metrics

Indicators relevant to the **disclosures** referred to in all points above. The information on business model and strategy shall include information related to short-, medium- and long-term time horizons, as applicable.

Own operations & value chain

Where applicable, the information above shall contain information about the undertaking's own operations and about its value chain, **including** its **products** and **services**, its business relationships and its supply chain.

Assurance under the CSRD

Accredited independent auditors or certifiers

- ▼ **Ensure** companies – EU & non-EU – **comply** with reporting rules, methodology, and digital formatting
 - ▼ **Assess** whether companies are also complying with EU Taxonomy Art. 8
 - ▼ Provide a **similar** level of assurance for **financial** and **sustainability** reporting
-
- ▼ Assurance standards for sustainability reporting – **limited assurance**:
 - By **1 October 2026**, the European Commission shall adopt **delegated acts** in order to provide for limited assurance standards setting out the **procedures** that the auditor(s) and the audit firm(s) shall perform in order to draw their **conclusions** on the assurance of **sustainability reporting**, including engagement planning, risk consideration and response to risks and type of conclusions to be included in the assurance report on sustainability reporting, or, where relevant, in the audit report.
 - ▼ Assurance standards for sustainability reporting – **reasonable assurance**:
 - By **1 October 2028**, the European Commission shall adopt **delegated acts** in order to provide for reasonable assurance standards, following an assessment to **determine** if reasonable **assurance is feasible** for auditors and for undertakings.

Scope of the ESRS

- ▼ The ESRS should specify the information that undertakings disclose on all major environmental factors, including their impacts and dependencies on climate, air, land, water and biodiversity as per the environmental objectives of the European Union enacted in the 'EU Taxonomy Regulation'.

- ▼ The ESRS should therefore specify both information that undertakings in **all sectors should disclose** and information that undertakings should disclose **depending on their sector of activity**.

Rules regarding ESRS (1/2)

Provision

ESRS reporting requirements as per CSRD

Double materiality

Building on the double materiality principle, ESRS should cover all information that is material to users of that information.

Environmental factors

The ESRS shall specify the information that undertakings are to disclose about the following environmental factors:

- (i) climate change mitigation, including as regards scope 1, scope 2 and, where relevant, scope 3 greenhouse gas emissions;
- (ii) climate change adaptation;
- (iii) water and marine resources;
- (iv) resource use and the circular economy;
- (v) pollution;
- (vi) biodiversity and ecosystems;

Rules regarding ESRS (2/2)

Provision

ESRS reporting requirements as per CSRD

Governance factors

The ESRS shall specify the information that undertakings are to disclose about the following governance factors:

- (i) the role of the undertaking's administrative, management and supervisory bodies with regard to sustainability matters, and their composition, as well as their **expertise** and **skills** in relation to **fulfilling** that **role** or the access such **bodies** have to such expertise and skills;
- (ii) the main features of the undertaking's **internal control** and **risk management** systems, in relation to the **sustainability reporting** and decision-making process;
- (iii) **business ethics** and corporate **culture**, including anti-corruption and anti-bribery, the protection of whistleblowers and animal welfare;
- (iv) **activities** and **commitments** of the undertaking related to **exerting** its **political influence**, including its lobbying activities;
- (v) the management and quality of **relationships** with **customers**, **suppliers** and **communities** affected by the activities of the undertaking, including payment practices, especially with regard to late payment to small and medium-sized undertakings.

Mainstreaming Global Standards

CDP has Mainstreamed Environmental Transparency



64%

of global companies by market capitalization use CDP

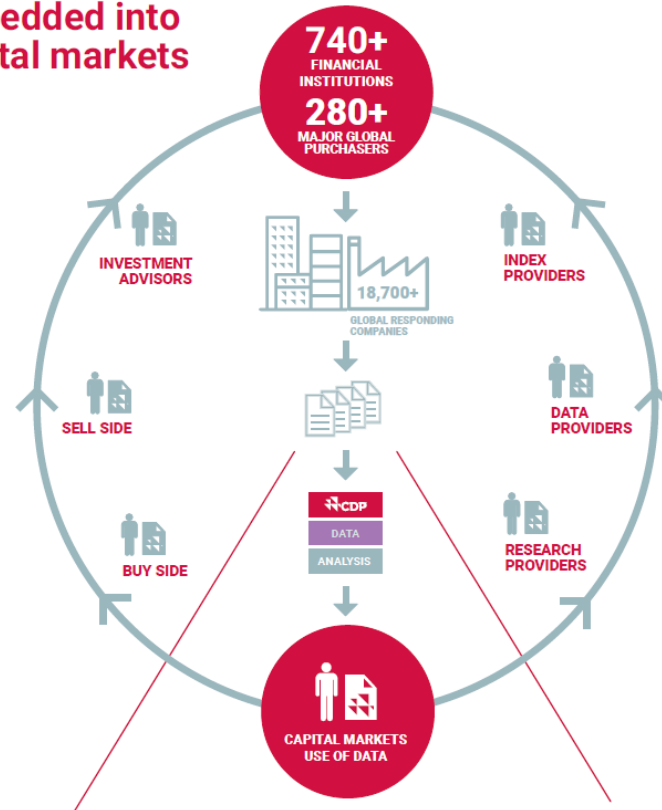
74%

of Europe's companies by market value

18,700

organizations reporting to investors and customers through CDP

How our data is embedded into capital markets



Aligning with Sustainable Taxonomies

- ▼ CDP provides companies, investors and policymakers access to information that is consistent, comprehensive, and comparable across geographies.
- ▼ These datapoints will help drive even more ambitious regulations in line with a science-based transition to a net-zero and nature-positive world.

Alignment with TCFD



- ▼ The EU's Corporate Sustainability Reporting Directive (CSRD) is aligned with TCFD guidelines.
- ▼ By reporting through CDP's questionnaire, companies are well prepared for the new CSRD reporting requirements.

| | | | | | |
|--|------------------------|--------------------------|----------------------------|----------------------------|----------------------------|
| ESRS Reporting Requirements | Business Model | Policies & Due Diligence | Outcome of Policies | Risks & Risk Management | Key Performance Indicators |
| TCFD Recommendations | Strategy | Governance | Metrics & Targets | Risk Management | Metrics & Targets |
| CDP Climate Questionnaire Modules | Business Strategy (C3) | Governance (C1) | Targets & Performance (C4) | Risks & Opportunities (C2) | Emissions Data (C6) |

CDP mapping to draft ESRS*



| Draft ESRS Standard | Draft ESRS Climate Related Disclosure Requirement | Relevant 2023 CDP questions (TCFD aligned questions in green) |
|--------------------------------|---|---|
| Draft ESRS E1 - Climate change | 1 – Transition plan for climate change mitigation | C1.1b, C2.2, C2.3a, C3.1, C3.2a, C3.2b, C3.5a, C3.5b, C4.1a, C4.1b, C4.3, C4.3a, C4.3b, C4.5a, C-FS4.5a |
| | 2 – Policies related to climate change mitigation and adaptation | C2.2 |
| | 3 – Actions and resources in relation to climate change policies | C3.5a, C3.5b, C4.1a, C4.1b, C4.2a, C4.2b, C4.3, C4.3a, C4.3b |
| | 4 – Targets related to climate change mitigation and adaptation | C4.1a, C4.1b, C4.2a, C4.2b, C4.2c |
| | 5 – Energy consumption and mix | C6.10, C8.1, C8.2, C8.2a, C8.2c, C8.2d, C-EU8.2d |
| | 6 – Gross Scopes 1, 2, 3 and Total GHG emissions | C5.1a, C5.1b, C5.1c, C6.1, C6.3, C6.5, C6.10, C11.1b |
| | 7 – GHG removals and GHG mitigation projects financed through carbon credits | C4.2c, C-FS4.5a, C-AC6.8a/C-FB6.8a/C-PF6.8a, C11.2a |
| | 8 – Internal carbon pricing | C11.1b, C11.3, C11.3a |
| | 9 – Potential financial effects from material physical and transition risks and potential climate-related opportunities | C2.3a, C2.4a |

*Mapping subject to change pending adoption of ESRS.

CDP mapping to draft ESRS*



| Draft ESRS Standard | Draft ESRS Climate Related Disclosure Requirement | Relevant 2023 CDP questions (TCFD aligned questions in green) |
|---|---|---|
| Draft ESRS 2 - General, strategy, governance and materiality assessment disclosure requirements | 1 – Basis for preparation | C0.5 |
| | 2 – Governance | C1.1a, C1.1b, C1.1d, C1.2, C1.3a, C2.2, C2.3a |
| | 3 – Strategy | C2.2, C2.3a, C2.4a, C3.3, C3.4 |
| | 4 – Impact, risk and opportunity management | C2.2, C2.2g, C2.4a |
| | 5 – Metrics and targets | C4.1a, C4.1b, C4.1c, C4.2, C4.2a, C4.2b, C4.2c, C10.1, C10.1a, C10.1b, C10.1c, C10.2a |

*Mapping subject to change pending adoption of ESRS.

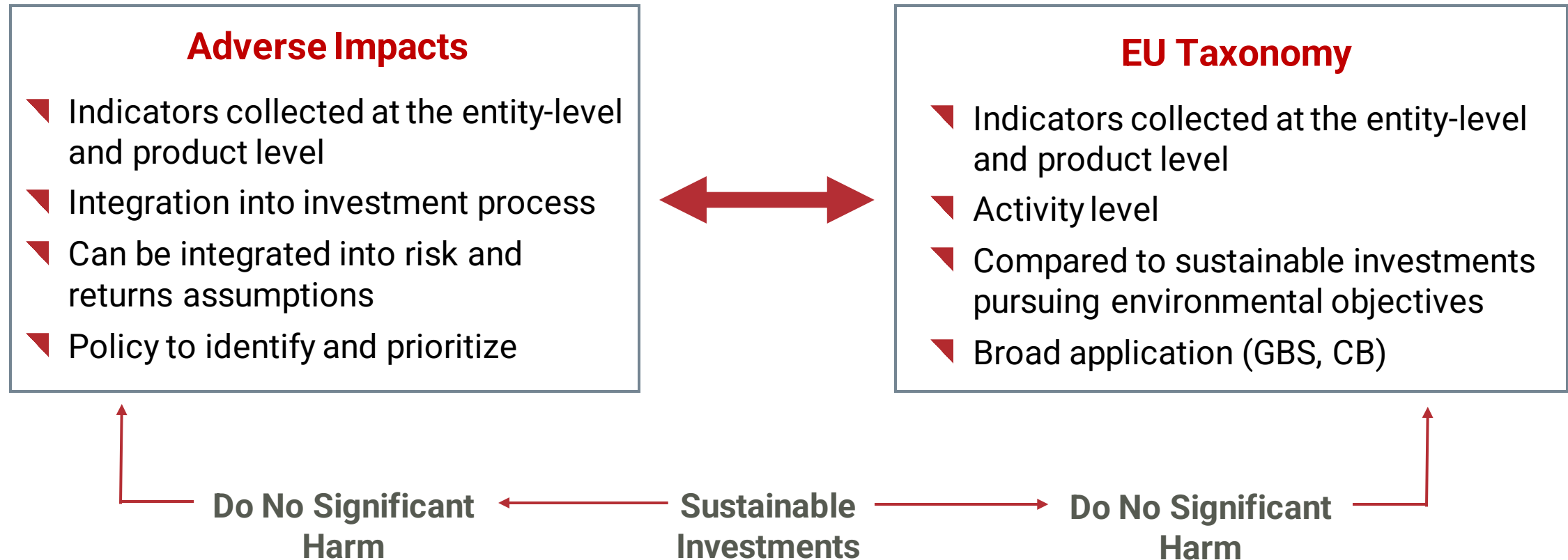
Investors use of CDP's Sustainable Finance Data

The Sustainable Finance Framework in Data



6 climate and environmental objectives

Climate (2), Water, Biodiversity, Pollution, Circularity



The data gaps and challenges



Environmental Objectives

| | | | | |
|--|-----------------------|--------------|----------------------|------------------|
| Climate Change mitigation and adaptation | Sustainable water use | Biodiversity | Pollution prevention | Circular economy |
|--|-----------------------|--------------|----------------------|------------------|



Adverse Impacts

| | | | | |
|------------------------|---------------------------------|--|----------------------------|--------------------|
| GHG emissions & Energy | Water consumption, water stress | Activities near biodiversity sensitive areas | Emission of air pollutants | Non-recycled waste |
|------------------------|---------------------------------|--|----------------------------|--------------------|



EU Taxonomy

Contribution to one or more of the environmental objectives: eligibility and alignment by economic activity

Time gap

First adverse impact statements under SFDR

First adverse impact indicators reported under CSRD

Coverage gap

Financial products taxonomy alignment

First taxonomy alignment reported under NFRD



Green Finance Accelerator Overview



The aim is to drive and facilitate the effective implementation of the EU sustainable finance regulations in the real economy.

Data collection



- ▼ Principal adverse impacts
- ▼ EU Taxonomy eligibility
- ▼ EU Taxonomy alignment
- ▼ Other reporting standards

Engagement



- ▼ Raise awareness of investors' data needs
- ▼ Support companies for their mandatory disclosures
- ▼ Manage the impact

Usability



- ▼ **Ensure that this data can be used in a meaningful way by stakeholders**



Introducing: Taxonomy Aligned Data Points & Adverse Impacts

CDP & EU disclosure regime: a non-exhaustive overview



Principal Adverse Impacts

| | | | |
|-------------|----------------------------|---|----------------------|
| | Climate Change | GHG emissions | C6.1 - C6.3 - C6.5 |
| | | Renewable and non-renewable energy consumption/production | C8.2a until C8.2d |
| New! | Biodiversity | Activities near biodiversity sensitive areas with potential for negative impact | C15.4 - C15.4a |
| | Water | Water consumption | W1.2b |
| | | Water sourced from areas of stress | W1.2d |
| New! | | Emissions to water | W1.2k – W3.1 – W3.1a |
| New! | Taxonomy Compliance | Spending & Revenue aligned with taxonomy-compatible sustainable activities. | C3.5a- C3.5b - C3.5c |

CDP & EU disclosure regime: biodiversity



MODIFIED QUESTION

(C15.3) Does your organization assess the impacts and dependencies of its value chain on biodiversity?

- Question text revised to address dependencies on biodiversity in addition to impacts
- Question structure changed to have separate rows for impacts and dependencies
- New columns added to ask details of the tools and methods companies use to assess the impacts and dependencies of their value chain on biodiversity

| New columns | | | | | |
|------------------------------|---|--|--|--|--|
| 1 | 2 | 3 | 4 | 5 | 6 |
| Type of assessment | Indicate whether your organization undertakes this type of assessment | Value chain stage(s) covered* | Portfolio activity [FS only]* | Tools and methods to assess impacts and/or dependencies on biodiversity* | Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)* |
| Impacts on biodiversity | Select from: <ul style="list-style-type: none"> Yes No, but we plan to within the next two years No and we don't plan to within the next two years | Select all that apply: <ul style="list-style-type: none"> Direct operations Upstream Downstream [not shown to FS] Portfolio activity [FS only] | Select all that apply: <ul style="list-style-type: none"> Bank lending portfolio (Bank) Investing portfolio (Asset manager) Investing portfolio (Asset owner) Insurance underwriting portfolio (Insurance company) | Select all that apply from drop-down options below | |
| Dependencies on biodiversity | | | | | |

New rows

CDP & EU disclosure regime: biodiversity



NEW QUESTIONS

(C15.4) Does your organization have activities located in or near to biodiversity-sensitive areas in the reporting year?

(C15.4a) Provide details of your organization's activities in the reporting year located in or near to biodiversity -sensitive areas.

- ▼ Two new questions which request details of activities in or near biodiversity-sensitive areas
- ▼ Aligned with EU Sustainable Finance Disclosure Regulation (SFDR) indicator 7

C15.4a snippet

| 1 | 2 | 3 | 4 | 5 |
|--|---|--|--|--|
| Classification of biodiversity-sensitive area | Country/area | Name of the biodiversity-sensitive area | Proximity | Briefly describe your organization's activities in the reporting year located in or near to the selected area |
| Select from: <ul style="list-style-type: none"> • Natura 2000 network of protected areas • UNESCO World Heritage site • Key Biodiversity Area (KBAs) • Other biodiversity sensitive area, please specify | Select from: [List of countries/areas] | Text field [maximum 500 characters] | Select from: <ul style="list-style-type: none"> • Overlap • Adjacent • Up to 5 km • Up to 10 km • Up to 25 km • Up to 50 km • Up to 70 km • Data not available | Text field [maximum 2,500 characters] |

CDP & EU disclosure regime: water accounting



NEW QUESTIONS

(W1.2k) Provide details of your organization's emissions of nitrates, phosphates, pesticides, and other priority substances to water in the reporting year.

▼ This question allows organizations to indicate their emissions to water of priority substances, helping them understand, manage, and reduce the use of nitrates, phosphates, pesticides, and other priority substances listed under the EU Water Framework Directive.

| Emissions to water in the reporting year (metric tonnes) | Category(ies) of substances included | List the specific substances included* | Please explain |
|---|---|--|---------------------------------------|
| Numerical field [enter a number from 0-999,999,999,999 using a maximum of 2 decimal places] | Select all that apply: <ul style="list-style-type: none">• Nitrates• Phosphates• Pesticides• Priority substances listed under the EU Water Framework Directive | Text field [maximum 1,000 characters] | Text field [maximum 1,500 characters] |

Scoring: This question is scored at the Disclosure and Awareness level for completion.

Introduction of Taxonomy Questions in 2023



MODIFIED QUESTION

(C3.5) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?

- ▼ Question text has been revised to indicate if you identify the alignment of your spending/revenue with your climate transition plan, a sustainable finance taxonomy, or both. The response options have been reformatted into a table to drive the new taxonomy questions, C3.5b and c.
- ▼ Due to the addition of datapoints related to sustainable finance taxonomies in this section, C3.5 is no longer only shown to organizations who have indicated that they have a climate transition plan in C3.1

| Identification of spending/revenue that is aligned with your organization's climate transition | Indicate the level at which you identify the alignment of your spending/revenue with a sustainable finance taxonomy* |
|--|--|
| <p>Select from:</p> <ul style="list-style-type: none">• Yes, we identify alignment with our climate transition plan• Yes, we identify alignment with a sustainable finance taxonomy• Yes, we identify alignment with both our climate transition plan and a sustainable finance taxonomy• No but we plan to in the next two years• No, and we do not plan to in the next two years | <p>Select from:</p> <ul style="list-style-type: none">• At both the company and activity level• At the company level only |

Introduction of Taxonomy Questions in 2023



MODIFIED QUESTION

(C3.5a) Quantify the percentage share of your spending/revenue that is aligned with your organization’s climate transition.

- Column 2 and 5 added for all companies and columns 3 and 4 added only for companies who are reporting on their taxonomy alignment.
- This question appears if you select “Yes, we identify alignment with our climate transition plan” in column 1 of C3.5 or “At both the company and activity level” or “At the company level only” in column 2 of C3.5.

| 1 | 2 | 3 | 4 | 5 |
|---|--|--|--|--|
| Financial metric | Type of alignment being reported for this financial metric | Taxonomy under which information is being reported* | Objective under which alignment is being reported | Amount of selected financial metric that is aligned in the reporting year (unit currency as selected in C0.4) |
| Select from: <ul style="list-style-type: none"> Revenue/Turnover CAPEX OPEX Other, please specify | Select from: <ul style="list-style-type: none"> Alignment with a sustainable finance taxonomy Alignment with our climate transition plan | Select from: <ul style="list-style-type: none"> EU Taxonomy for Sustainable Activities Other, please specify | Select from: <ul style="list-style-type: none"> Climate change mitigation Climate change adaptation Total across all objectives | Numerical field [enter a number from 0-999,999,999,999,999 using a maximum of 2 decimal places] |



Introduction of Taxonomy Questions in 2023



NEW QUESTION

(C3.5b) Quantify the percentage share of your spending/revenue that was associated with eligible and aligned activities under the sustainable finance taxonomy in the reporting year.

- Asks about the share of spending and revenue aligned with sustainable finance taxonomies at the activity level.
- This allows companies to provide evidence of the extent to which their spending and revenue is directed at/derived from activities defined as sustainable by a sustainable finance taxonomy.

C3.5b snippet

| 1 | 2 | 3 | 4 | 5 |
|-------------------------------------|--|--|--|--|
| Economic activity | Taxonomy under which information is being reported | Taxonomy alignment | Financial metric(s) | Taxonomy-aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)* |
| Select from drop-down options below | Select from: <ul style="list-style-type: none"> EU Taxonomy for Sustainable Activities Other, please specify | Select from: <ul style="list-style-type: none"> Taxonomy-aligned Taxonomy-eligible but not aligned | Select all that apply: <ul style="list-style-type: none"> Turnover CAPEX OPEX | Numerical field [enter a number from 0-999,999,999,999,999 using a maximum of 2 decimal places] |

Introduction of Taxonomy Questions in 2023



NEW QUESTION

(C3.5c) Provide any additional contextual and/or verification/assurance information relevant to your organization's taxonomy alignment.

- ▼ Requests additional contextual information relevant to taxonomy alignment. This helps CDP data users interpret the information companies provide on the alignment of their spending/revenue with a sustainable finance taxonomy. Assurance and verification provide confidence in the accuracy of data reported.

[Open text question with a limit of 5,000 characters]



POLL

Useful Resources

CDP Resources

- ▼ [CDP's integration of the EU disclosure regime: Insight Note](#)
- ▼ [CDP Policy Explainer on CSRD and ESRS](#)
- ▼ [CDP is piloting EU Taxonomy questions in 2023 - what does that mean for your company?](#)

CDP Reporting Guidance

- ▼ [CDP Technical Note: EU Taxonomy](#)
- ▼ [CDP 2023 Climate Change Reporting Guidance](#)
- ▼ [CDP 2023 Water Security Reporting Guidance](#)
- ▼ [CDP 2023 Forests Reporting Guidance](#)

EU Taxonomy Regulation and Taxonomy Tools

- ▼ [EU Taxonomy for Sustainable Activities \(europa.eu\)](#)
- ▼ [EU Taxonomy Compass \(europa.eu\)](#)



Give us your feedback



Thank you!

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More information about how CDP can help you prepare for upcoming mandatory disclosures [here](#).



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