

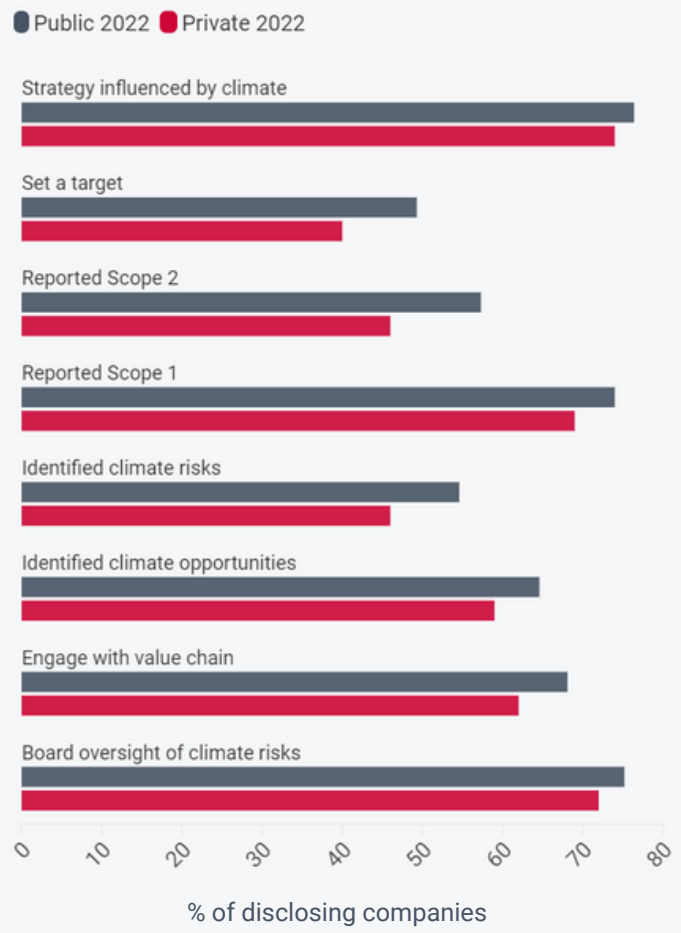
Benchmarking opportunities await private markets at CDP



Private companies and investors have historically faced challenges in measuring and reporting their environmental impact. Many have relied on self-reported data or incomplete information, making it difficult to compare performance across the industry. CDP's expansion into private markets offers a standardized framework, providing a level playing field for companies and investors.

In light of increasingly stringent environmental regulations in Europe and the US, there is a significant opportunity to drive engagement and disclosures on environmental impact of private companies through **CDP's Private Markets Program**.

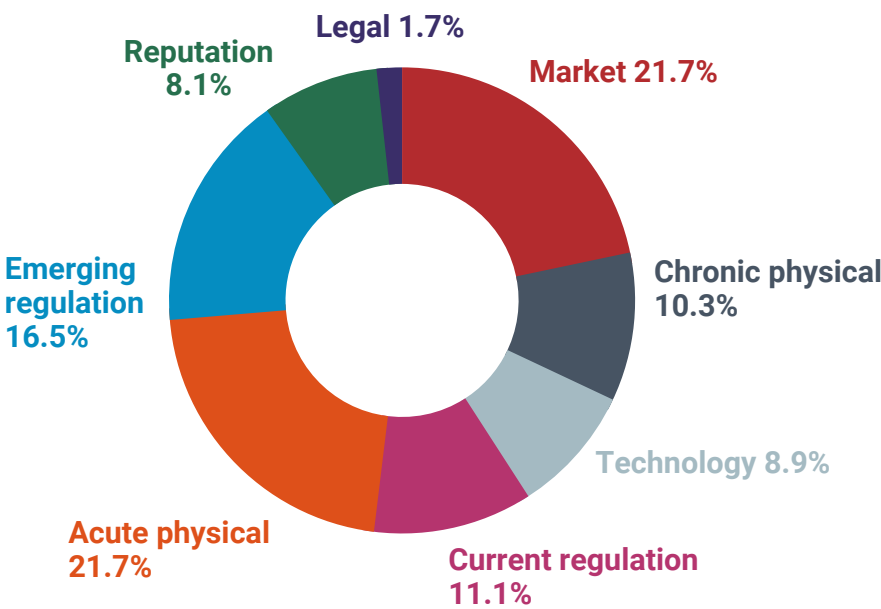
An analysis of CDP's 2022 data, indicates growing coverage of private companies and lends itself to track and benchmark disclosures on TCFD recommended disclosures, particularly on climate risk management.



CDP is continuing to expand into private markets, presenting exciting opportunities for private companies and investors to benchmark their environmental performance against peers and industry standards.

More than **50% of private companies** that disclosed through CDP in 2022 provided details on climate risk assessments. Across all the climate related risks that had the potential to impact business, **physical risks** and **market risks** were most commonly identified. Market risks in particular indicate that private companies, that typically sit across the value chain, are anticipating fluctuations in the demand and supply of their product/services linked to climate management.

Types of risk in private markets

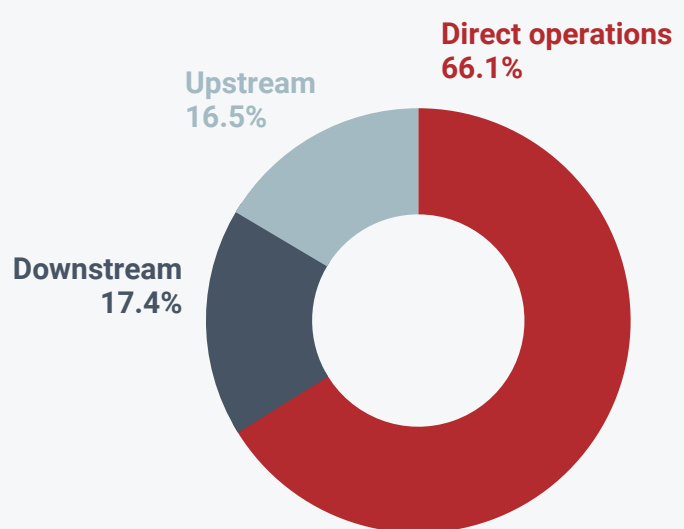


Sector focus: Manufacturing

6,115 manufacturing companies identified climate-related risks.

Companies could provide the potential financial impact of **52%** of these risks.

Distribution of climate risks



By comparing their performance to industry peers, companies can:

- Identify best practices and areas to improve their environmental impact
- Prioritize sustainability initiatives and make data-driven decisions to reduce their environmental footprint
- Position themselves to turn their risk into opportunities