Implementation of the Sustainable Finance Disclosure Regulation (SFDR)

CDP response to European Commission targeted consultation

December 2023

European Commission targeted consultation[1] on the implementation of the Sustainable Finance Disclosure Regulation (SFDR)

About the SFDR

The SFDR establishes sustainability-related disclosure requirements for financial market participants (FMPs), financial advisers and financial products. It improves the quality of information about the sustainability-related performance of manufacturers of financial products as well as financial advisers and the financial products they offer to end investors.

Given the EU's increasing exposure to the consequences of climate change and other sustainability-related issues, urgent action is needed from both public policies and the financial services sector to mobilize capital. Therefore, financial market participants and financial advisers should be required to disclose specific information regarding their approaches to the integration of sustainability risks and the consideration of adverse sustainability impacts.

For more information, see the **CDP Policy Explainer on the EU Sustainable Finance Disclosure Regulation (SFDR)**

Context of the targeted consultation

The SFDR has been in application since March 2021. In December 2022, Commissioner Mairead McGuinness announced a comprehensive assessment of the framework to assess potential shortcomings – focusing on legal certainty, the useability of the regulation and its ability to play its part in tackling greenwashing. The open and targeted public consultations are an important part of this assessment. They will be complemented by workshops and roundtables, enabling stakeholders to submit further input.[1]

Important notice to the European Commission and other readers of CDP's response

While we understand the benefit for the analysis of questions with pre-defined answers to be rated, we opted for providing our responses in this attachment only.

This does not mean that CDP evaluates the pre-defined answers, it only means that for CDP it was more appropriate to offer our feedback in free text.

Those questions not answered are deemed not applicable to CDP or outside of CDP evidence and expertise.

[1] Sustainability-related disclosure in the financial services sector (europa.eu)

Responses to the questions

Consultation section 1: Current requirements of the SFDR

Question 1.1 The SFDR seeks to strengthen transparency through sustainability-related disclosures in the financial services sector to support the EU's shift to a sustainable, climate neutral economy.

Yes, it is still relevant. Those first years of disclosures have been pivotal for the transparency of the financial products regarding sustainability characteristics, with many other jurisdictions following the EU example and building on the SFDR framework to design their transparency requirements. Those disclosures were also instrumental to analyze and identify gaps in the framework, and where to focus to take this regulation further.

Question 1.2 Do you think the SFDR disclosure framework is effective in achieving the following specific objectives?

While the SFDR framework has taken significant steps towards increasing transparency towards end investor, the lack of comparability of information disclosed and the way this information is made available to end investors still point at areas of improvements. It is only when those issues are addressed that end investors will truly benefit from enhanced protection by being enabled to compare various financial products, and that tracking capital flows towards sustainable investments using SFDR disclosures will be made possible.

While transparency can help trigger change in processes, ensuring that ESG consideration are integrated into investment processes in a consistent manner and that remuneration policies are consistent with sustainability characteristics are not directly in the remit of the SFDR regulation.

Question 1.3 Do you agree that opting for a disclosure framework at EU level was more effective and efficient in seeking to achieve the objectives mentioned in Question 1.2 than if national measures had been taken at Member State level?

Yes, a disclosure framework at the EU level should be seen as a baseline, on which Member States can build if they wish to add minimum level of ambition for example. It is important to have this common language to talk about funds to facilitate capital flowing across the EU.

Question 1.5 [on how SFDR works in practice and the impact it has had]?

CDP believes that the SFDR has been a key driver for changes in investment practices and for investors to ask for better data from their investee companies. As we observe in our engagement with CDP investor signatories and their demand for data, it certainly raised awareness of adverse impacts, on topics beyond climate change mitigation and introduced the concept of sustainable investments and do no significant harm, which suddenly had to be defined at the entity level for financial market participants, feeding into all funds they manage.

We see this impact as significant.

Question 1.6 [potential issues stakeholders might have encountered regarding the concepts that the SFDR establishes and the disclosures it requires]

CDP agrees that some of the disclosures required are not sufficiently useful and could be presented in a different way to become useful. The very largely subjective and qualitative fields of the disclosure template will never enable a real comparability on topics as important as principal adverse impacts.

The 'sustainable investment" (SI) and 'do no significant harm' (DNSH) concepts would benefit from additional specification. Typically, clarifying if DNSH can be based on company's actions and practices (i.e., the company emits pollutants into water but is putting in place a strategy to address those impacts), or if SI can include a company transitioning in line with sustainable pathway would be beneficial to market participants.

More broadly, the current SFDR level 1 definition of SI currently focuses on the economic activity level ('sustainable investment' means an investment in an economic activity that contributes to an environmental objective, as measured, for example, by key resource efficiency indicators….) and the requirement is to have 100% of sustainable investment into the fund, in other words 100% of assets that are deemed to be SI.
On the other hand, article 9.3 funds are considered as SI rather because of their investment process, not because of their underlying assets. This means it is possible to pursue an environmental (and sustainable) objective without holding only sustainable investments defined as sustainable assets.
CDP recommends this clarification to be made in the review of level 1 SFDR.

Additionally, CDP recommends that those types of guidance provide more links between the definitions of the various regulatory pieces – for example between the DNSH using PAIs versus Taxonomy-eligibility, or materiality of the CSRD.

The topics of data challenges and machine-readable templates were already addressed in the Regulatory Technical Standard (RTS) consultation.

Question 1.7 [specifying the impacts of the issues raised under question 1.6]

The issues raised in the previous question pose risks of greenwashing, and difficulties in capturing transitioning assets.

Question 1.8 To what extent do you agree with the following statements about entity level disclosures? [in relation to disclosures of principle adverse impacts (PAIs)]

CDP finds it appropriate to consider that some negative impacts are always material, while others depend on the assessments of those principal adverse impacts (i.e., it is not always material to have sustainable agricultural practices if the underlying exposures don't have activities related to land, or it is not always material to have a water policy if the underlying exposures are not water intensive activities etc.). To understand the exposure of a portfolio to those various negative impacts, the financial market participant (FMP) needs to measure it first. It is then possible to find low or very little impact. If a company has disclosed being not material for a certain theme, then it has already been clarified by the European Commission that the FMP can consider this company does not contribute to this negative impact – it does not mean that the indicator is overall not material for the FMP.

Given the diversified exposure of FMPs, especially at the entity level disclosure (mandatory for FMPs with more than 500 employees[2]), it is most likely that there will always be underlying

[2] Since 30 June 2021 SFDR requires disclosure by financial product manufacturers (500+ employees) of their policies in consideration of PAI on sustainability factors.

assets exposed to the various adverse impacts. In the final, adopted ESRS, companies have to disclose on all the indicators related to the PAIs, but can specify if they are not material for one of them. CDP believes that FMPs should still have to disclose on all PAIs, and their own materiality assessment will be dependent on the materiality assessment of their underlying investments.

Question 1.8.1 When following the approach described in the first statement of question 1.8 above, do you agree that the areas covered by the current indicators listed in table 1 of the Delegated Regulation are the right ones to be considered material in all cases?

This is a level 2 RTS question. In general CDP agrees that the current PAI indicators in their absolute form (GHG emission, emissions to water… not adjusted by company's revenues or EVIC or % weight in portfolios) are all indicators that are always 'principal', and in our view can cause irreversible damages or destruction in nature that therefore should be considered material always.

It does not mean that the list is an exhaustive list of indicators. CDP supports harmonization of definitions and indicators across frameworks and would recommend principal adverse impacts related to nature to refer as well to the TNFD core metrics. Additionally, indicators are measured using different methodologies, for example the biodiversity negative impact indicator embeds a 'practice' element into it, where if the company is mitigating the negative impacts, then it is considered as not causing a principal adverse impact. It is not clear what this means for materiality.

Question 1.9 To what extent do you agree with the following statements about product level disclosures?

As mentioned prior, clarification on how to use PAIs for DNSH is essential for harmonization of disclosures. CDP would welcome RTS changes with transparency around the thresholds used for DNSH using PAIs. 'Take into account' is vague and could be understood as a binding or not binding principle in the investment strategy. The notion of 'taking into account' and 'considering' PAIs needs to be clarified further. Here, the 'consideration' of PAI can have so many different levels, with some funds using all PAIs, and some only 1 or 2 (i.e. excluding companies violating HR principles of the UN). This contributes to decreasing comparability between various products that are considering PAIs.

CDP would welcome more precise definitions of 'considering / taking into account', and would recommend that in order to be allowed to use that language, the consideration/accounting for PAIs should be a binding element of the investment strategy of the fund.

Question 1.12.2 Is the SFDR sufficiently flexible to allow for the use of estimates [in relation to data and estimates]?

Estimates are necessary to be able to address the lack of data available for certain indicators, but we note that investors can engage with companies to increase disclosures through organizations such as CDP or GRI, where the information is asked once to companies and then redistributed to hundreds of investors – instead of all investors asking individually to investee companies. There are different types of estimates of various quality that can be used and challenge the comparability of the information disclosed.

CDP recommends an increase in transparency regarding the use of estimates, as mentioned in the RTS consultation response.

Consultation section 2: Interaction with other sustainable finance legislation

Question 2.1 The Commission recently adopted a FAQ clarifying that investments in taxonomy-aligned 'environmentally sustainable' economic activities can automatically qualify as 'sustainable investments' in those activities under the SFDR. To what extent do you agree that this FAQ offers sufficient clarity to market participants on how to treat taxonomy-aligned investment in the SFDR product level disclosures?

This clarification was welcomed but there are further issues linked to the definition of economic activities and to the general definition of sustainable investment as mentioned previously.

Funds under SFDR invest mostly in companies, not in economic activities to the exception of certain project-based finance or when a company is involved only in one economic activity. As taxonomy-alignment is expressed in % of revenue or CapEx or OpEx, it is important to consider that for a company to be considered SI, the FMP will still need to set a threshold to define SI (50% or more revenue aligned with EU Taxonomy for example). Different thresholds across FMPs will still yield results that are not comparable. Additionally, it is important to avoid using the various taxonomy KPIs interchangeably.

If the fund makes a pre-contractual commitment regarding taxonomy-alignment, it ought to be on either revenue/CapEx/OpEx, or all of them, but this should be specified. If not, a portfolio aggregated taxonomy-alignment could use CapEx from one company and revenue from another (the pre contractual disclosures do not differentiate across the KPIs).

Finally, if a company has eligible but not taxonomy-aligned revenues, because it fails the DNSH criteria, but has x% of CapEx aligned, can it nonetheless be considered SI knowing it fails DNSH for economic activities from which it generates revenues? I.e., products and services.

Question 2.2 To what extent do you agree or disagree with the following statements [referring to interaction with EU CTB and EU PAB]?

As mentioned above, a revision of the definition of sustainable investments to include both i) investments in assets that fulfil the FMPs' definition of sustainability or ii) an investment process that pursues a certain environmental target that is science-based, but can invest in all sorts of underlying assets, would help broaden the scope of CTB/PAB type products to article 9.

The key element to avoid greenwashing is indeed the exclusion of assets that are doing significant harm. Here the CTB/PAB mention of exclusion based on harm is very vague and responsibility is on the benchmark administrator (Article 12.2), although for PAB the exclusion of companies based on specific thresholds of revenue generated from certain activities is much more precise than for SFDR. In PABs, one exclusion is based on tobacco while tobacco production is not part of the list of the adverse impact indicators. Additionally, the threshold of 100 g co2 / Mwh is well above the DNSH criteria of the EU taxonomy – this threshold is actually used for substantial contribution.

If SFDR wants to include transition assets, it can't use the exclusion criteria of the PAB, but rather the CTB and limit the exclusions to DNSH.

Question 2.3 To what extent do you agree or disagree with the following statements [referring to interaction with CSRD and ESRS]?

The SFDR disclosures are broadly in line with the conceptual framework of ESRS. SFDR disclosures are about sustainability risks, impacts, (although less about opportunities), what is being done to address the impacts, some elements of governance related to remuneration (although less about strategy and transition plans), but there are different in the ground they cover and their suitability for the financial sector.

SFDR is obviously less of an extensive disclosure framework than ESRS, but ESRS as such is also not completely suited to the financial sector:

- Typically, the impact metrics for financial corporates will not be calculated in the same way as for non-financial corporates, as there is a strong role of aggregation methodologies to calculate financial sector's impact (i.e., PCAF, PBAF…).

- The most important difference perhaps is materiality assessment. Real economy companies can conduct a materiality analysis based on their own sector, business model and supply chains. Investors, on the other hand, invest in different companies across sectors. In the context of double materiality, the materiality of investments can only be determined by looking at investee companies/other assets. Investors depend – as is often brought up – largely on information provided by investee companies. An investor materiality assessment would therefore have to analyze investee companies anyways, while it seems very unclear what the standards/benchmarks for materiality might be for investors. For that reason, the mandatory indicators in the Annex of the Delegated Regulation are very important. <u>As for non-financial corporates, financial corporates should report on all indicators that are 'principal', as 'principal adverse impacts' means those impacts on sustainability matters that should always be considered material.</u> If none of the FMPs underlying assets emits any emissions, nor release any pollutants into water, nor has any sites in biodiversity sensitive areas, then it is possible to disclose that there are no adverse impacts of the investments on those sustainability matters. The important rule is that reporting on those indicators is not de facto ruled out without analysis of the underlying assets. The SFDR requirement do enable financial market participants to explain how they identify and prioritize PAIs. In the same way as ESRS, the expectation is not to capture everything about the impacts of underlying assets (value chain for ESRS), but rather first to run the exercise of impact assessment, and then to prioritize.

See additional elements of answers in question 3.1.3.

Question 3.1.2: Among the specific entity level principal adverse impact indicators required by the Delegated Regulation of the SFDR adopted pursuant to Article 4 (tables 1, 2 and 3 of Annex I), which indicators do you find the most (and least) useful?

CDP advises that in all cases, the list of indicators should cover all six environmental objectives. Currently there is a much higher proportion of indicators related to climate, including many variations of the same indicator (GHG emission, carbon footprint, carbon intensity), compared to nature-related indicators. This doesn't represent accurately the urgency related to biodiversity losses and water security, nor the actions that some investors have been taking to remove deforestation from their portfolios. In terms of priority, we recommend adding water sourced from areas of stress and deforestation related indicators.

The least useful indicators are the ones covering adverse impacts already covered by another indicator, but using different adjustment factors (i.e., adjustment per revenues, per AuM). We understand that those indicators are here to enable comparability across FMPs or companies of different sizes, but this first year of data from PAI statement has shown us that having that many indicators related to GHG emissions still doesn't help comparability across FMPs and dilutes the insight about the overall impact of the financial institution. Those indicators could be in the list of additional indicators, keeping the financed emissions (PAI 1) as the main indicator for entity level impact. It is expected that a larger FMP with more investments in the real economy will have more negative impact if funding high emitting sectors. CDP sees comparability as important, but ratios and formulas shouldn't be used to favor larger investors that ultimately do have more impact and power to impact the real economy.

It could be envisaged that PAI disclosures at the entity level and fund level cover similar adverse impacts, but using indicators/weighting methodology that are most suited to each. For example, indicators at the entity level are here to capture the overall impact of the entire entity, its purpose is not to be compared to a benchmark, and it needs to capture that larger entities can have a higher impact (it is the same for non-financial corporates) => given this, PAI 1 financed emissions is the most suited indicator to represent the impact at the entity level.

On the other hand, indicators at the fund level and potential used in the investment process to achieve sustainability targets need to account for the various sizes of companies for example, the comparability with a benchmark (that financed emissions don't really allow for), and importantly the exposure to this adverse impact in terms of share of the portfolio (for risk purposes, it is important to investors to understand that a certain asset represent x % of their portfolio) => given this, financed emission intensity of PAI 2 might be the most suited indicator, as it is a weighted average of assets emissions adjusted by an indication of their balance sheet (EVIC).

Consultation section 3: Potential changes to disclosure requirements for financial market participants

Question 3.1.3 In this context, is the SFDR the right place to include entity level disclosures?

In the absence of sector-specific European Sustainability Reporting Standards (ESRS), the SFDR is instrumental to shape future requirements for FMPs disclosures. Entity level disclosures helped raise the issues of aggregation of underlying asset impacts at the entity level – i.e., what formulas to use, definition of all investments, account for low coverage in data.

Under its current form, ESRS is not fully suited for financial sector disclosures. It is much more tailored to corporate impact and actions taken to address those impacts. Metrics are defined units that are meant for non-financial corporates (tons, Mwh, etc.); as mentioned previously, the concept of materiality assessment as well. The financial institutions will rely on the materiality assessment of their underlying exposures to determine if they need to disclose under certain topics. The value chain guidance of the ESRS will be instrumental for this sector.

In the first few years of implementation of CSRD, there will be no sector specific standards, and disclosing entities won't have to include information on their value chain because of the phase-in provisions. This means for the financial sector that SFDR/CRR disclosures will continue to be key for entity level transparency for the coming years.

In the future, to minimize reporting burden for Fis, CDP would recommend one place to hold entity level disclosures for the financial sector where exposures and management of risk/opportunities/impacts are centralized, with specific technical aspects/disclosures that could remain under their specific regulatory remit (CRR, stress tests etc.).

CDP would encourage using the data now available from SFDR entity level disclosure to provide evidence-based recommendations for entity level CSRD disclosures for investors.

Question 3.2.1 Standardised product disclosures - Should the EU impose uniform disclosure requirements for all financial products offered in the EU, regardless of their sustainability-related claims or any other consideration?

Yes, CDP supports the view that all products should have minimum disclosure requirements to enable a true comparison and help end-investors achieve their sustainability preferences.

Typically, the disclosure of principal adverse impacts at the fund level could offer a solution to highlight that the financial product is currently no considering certain adverse impacts, or that it is exposed to certain harmful activities such as fossil fuels or controversial weapons. Additional disclosures could then relate to the claims of the funds regarding how they contribute positively.

In our view, this disclosure of negative impacts across funds is instrumental to prevent greenwashing.

Question 3.2.1 a) If the EU was to impose uniform disclosure requirements for all financial products offered in the EU, should disclosures on a limited number of principal adverse impact indicators be required for all financial products offered in the EU?

As mentioned in the previous responses, CDP believes that the exact list of principal adverse impact indicators is a Level 2 regulation question, and in general we support the disclosure of the full list of principal adverse impacts for each fund.

Those disclosures could be harmonized in a way that funds have to be transparent about which PAI they consider and which they do not consider – for the ones they consider a clarification of the definition of considering to be a binding element of a strategy, with quantified reporting following through in periodic disclosures for those indicators.

Question 3.2.2 Standardised product disclosures - Would uniform disclosure requirements for some financial products be a more appropriate approach, regardless of their sustainability-related claims (e.g. products whose assets under management, or equivalent, would exceed a certain threshold to be defined, products intended solely for retail investors, etc.)?

No, standardized product disclosures should apply to all products. As the SFDR is a transparency regulation, there would be no binding obligation for funds to consider PAIs or integrate it in their investment process. More and more data are becoming available, whether in the form of proxies or reported information by companies, and there is room to disclose how much coverage or estimates were used for a certain indicator. All funds should at least be able to report on the list of mandatory PAIs. It would incentivize funds to start looking into their exposure to adverse impacts at least progressively, without having to promote E/S characteristics or pursue a sustainable investment objective. It would also really help comparability if a common list of indicators is used across funds. There could be a phase-in based on size (of the entity managing the fund, not on the size of the fund, given it is the size of the entity, not the fund, who determines its ability to access enough data and measure its adverse impacts), as for ESRS.

Exclusions could apply to funds that are invested exclusively in asset classes for which there are currently no PAI available in the official Annexes (non-covered asset classes), and are not making sustainability related claims.

Question 3.2.3 If requirements were imposed as per question 3.2.1 and/or 3.2.2, should there be some additional disclosure requirements when a product makes a sustainability claim?

Yes, while standardized requirements across financial products on negative impacts would help achieve the objective of sustainability preferences and greenwashing risks, a fund making a sustainability claim should be able to demonstrate it is fulfilling the KPIs related to this commitment.

The current disclosure framework of SFDR has gaps and incoherences that should be addressed, but it is a substantial step towards transparency that should be consolidated further.

Question 3.2.6 To what extent do you agree with the following statements [in relation to mandatory product sustainability information to be publicly available]?

CDP fully agrees that product disclosures being available under SFDR is useful and benefits to civil society in general. The presentation of information and ease of access could be improved, for example leveraging the future capabilities of the European Single Access Point (ESAP), scheduled to be available from 2027 and or European ESG Templates (EETs) to be able to easily compare funds between one another based on certain characteristics (i.e., exposure to fossil fuel, or potential exposure to deforestation etc). It is essential that ESAP leverages available technology to create a database that can actually be used by civil society, end-investors, and even regulators themselves. A simple repository of documents will not fulfill the objectives of the ESAP, which we see as <u>easy access to information that is already public, shared benefits of this public data across economic actors instead of concentrated ownership of the value by data providers, comparability across data points and reporting entities through filters and data tables and/or visualization</u>. We recommend that European policy makers leverage the experience of organizations such as CDP that have been collecting sustainability data in a digital way for many years, creating a final output in the form of a database that can be shared and used by many stakeholders including investors.

Question 3.2.8 Do you believe that sustainability related disclosure requirements at product level should be independent from any entity level disclosure requirements, (i.e. product disclosures should not be conditional on entity disclosures, and vice-versa)?

CDP believes that entity level requirements should be proportional to the size and potential impact of companies, in the same spirit as the CSRD, but both entities and financial products in scope should all have minimum sustainability disclosure requirements. A fund/entity might be invested in all sorts of companies including large and impactful companies regardless of how much their investment represents in the total enterprise value – any exposure even if small in absolute terms can be large in relative terms of a small fund. In theory if all funds disclose on PAIs, then the entity should be able to disclose PAIs as well, but there could be less obligations to disclose on indicators related to strategy, or transition planning for financial institutions, if the entity is small.

The question is maybe more importantly whether all entities should disclose PAIs regardless of whether they consider them or not. As of now, an entity can disclose that they don't consider PAIs, but one of their funds does. We see that it is possible in this direction, as a fund manager has the discretion to run its own investment strategy and consider PAIs, while the company doesn't have specific policies related to adverse impacts, but the other way around should be avoided. If an entity has processes in place to consider adverse impact in investment decisions, that should be reflected in all funds they manage.

Question 3.2.9 Do you think that some product-level disclosures should be expressed on a scale (e.g. if the disclosure results for similar products were put on a scale, in which decile would the product fall)?

Scale can be useful if the data across funds is comparable and somewhat normalized. We believe that in these first years of disclosures the focus should be on bringing harmonization to the interpretation of the regulation and improve comparability of data reported.

Then and after careful analysis, scales could be designed for quantified metrics if they prove to be suitable for such methodology.

Consultation section 4: Potential establishment of a categorization system for financial products

Question 4.1.1 To what extent do you agree with the following statements [on the potential benefits of sustainability product categories at EU level]?

While CDP is not rejecting the idea of a classification system in due time, we strongly believe that the issues currently experienced in the transparency requirements of the SFDR will not be addressed by a product classification system, and that in fact to be efficient a product classification system needs robust disclosure requirements that are comparable between products and understandable/verifiable.

Minimum requirements on indicators or concepts for which there is currently not common definition (i.e. Sustainable investments, DNSH, or data dispersion on PAIs given estimates) would currently be impossible to check and make the classification system trivial.

CDP encourages the further development of the transparency framework of the SFDR, leveraging data now available on fund and entity level disclosures to inform the disclosure framework in an evidence-based way. When fund disclosures are comparable and verifiable, perhaps classifications opportunities can be explored further.

For further information

General inquiries
policy.europe@cdp.net

Inquiries from companies
guilherme.cassaro@cdp.net

Inquiries from investors
helene.gorsky@cdp.net

Mirjam Wolfrum
Director Policy Engagement, Europe
mirjam.wolfrum@cdp.net

Mona Freundt
Associate Director Policy & Government Partnerships, Europe
mona.freundt@cdp.net

Hélène Procoudine-Gorsky
Senior Capital Markets and Policy Officer
helene.gorsky@cdp.net

With the contribution of the LIFE Programme of the European Union. The content of this publication is the sole responsibility of CDP Europe and can under no circumstances be regarded as reflecting the position of the European Union.

CDP Europe and the CDP global system

CDP Europe is a charitable organization registered in Brussels and Berlin and on the EU Transparency Register since 2012. It is part of the CDP Global System, a global non-profit that runs the world's environmental disclosure system for companies, cities, states and regions. Founded in 2000 and working with more than 740 financial institutions with over $130 trillion in assets, CDP pioneered using capital markets and corporate procurement to motivate companies to disclose their environmental impacts, and to reduce greenhouse gas emissions, safeguard water resources and protect forests. Nearly 20,000 organizations around the world disclosed data through CDP in 2022, including more than 18,700 companies worth half of global market capitalization, and over 1,100 cities, states and regions. Fully TCFD aligned, CDP holds the largest environmental database in the world, and CDP scores are widely used to drive investment and procurement decisions towards a zero carbon, sustainable and resilient economy. CDP is a founding member of the Science Based Targets initiative, We Mean Business Coalition, The Investor Agenda and the Net Zero Asset Managers initiative. Visit cdp.net or follow us @CDP and on LinkedIn to find out more.

In Europe, CDP Worldwide (Europe) gGmbH is a charitable limited liability company 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 (together: "CDP Europe"). CDP Europe is part of the non-profit CDP Global System ("CDP"), which refers to three legally separate organizations: CDP Europe (BE), the CDP Worldwide Group (UK), and CDP North America, Inc. (US).

More information on CDP Europe's governance and finances can be found here.

CDP FinACTION project

Under the EU-funded FinACTION project, CDP leverages EU LIFE funding to drive market uptake and scale EU ambition and best practice globally through the CDP system while engaging and enabling companies to disclose and act on their environmental impacts in line with ambitious European regulatory requirements and a science-based transition to a net-zero and nature-positive economy.

More information about this project can be found here.

CDP Europe in European and international media

Les Echos FINANCIAL TIMES Bloomberg euronews.