

What is a CDP score?

A CDP score is a snapshot of a company's performance on environmental action. Bold environmental action must begin with an accurate, transparent assessment of environmental impact and progress, which CDP scoring makes possible. Our scores show organizations and their stakeholders where they are on the road towards operating in line with a 1.5-degree, deforestation-free and water-secure future. By disclosing over consecutive years, they can understand the trajectory of their environmental journey.

We use our scoring methodology to incentivize companies to measure and manage environmental impacts through one or more of our climate change, forests and water security questionnaires. Disclosure drives action and by scoring companies from D- to A, we take them on a journey from disclosure through awareness and management, and finally to leadership. It is important to note that companies that achieve an A score are not at the end of their environmental journey - they are among the most transparent when it comes to disclosure and performance on climate change, deforestation or water security.

We also look to engage and inspire companies to galvanize their networks to join them in taking climate action, through our Capital Markets and Supply Chains programs.

Our scoring methodology is fully aligned with the Taskforce for Climate-Related Financial Disclosures (TCFD) and with major environmental standards, and therefore provides a comparable dataset across the market.

Why does scoring matter?

Scoring provides a roadmap to companies, in all sectors and in all geographies, to achieve best practice. It is closely aligned with our [mission](#), and by developing the scoring methodology over time, we can drive changes in company behavior.

For example, in 2009, we created the CDP Water Questionnaire to drive the integration of water security into core company operations and strategy. In 2012, we created a similar questionnaire for deforestation to collect data empowering companies to measure and manage forest-related risk and opportunities, transparently report on progress and commit to proactive action for the restoration of ecosystems.

A CDP score demonstrates a company's commitment and progress towards climate action to customers, investors and other stakeholders, boosting their reputation while identifying areas where you can improve your environmental strategy to reduce climate risks.



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How is a score calculated?

Our scoring methodology assesses the level of detail and comprehensiveness in a response, as well as the company's awareness of environmental issues, its management methods and progress towards environmental stewardship.

Responding companies will be assessed across four consecutive levels, which represent the steps a company moves through on its climate action journey:

Disclosure (D-/D score)

Every question in the questionnaires is scored for disclosure. At disclosure level, companies are awarded roughly one point per data point provided. This level features both D and D- score. To score a D over a D- organizations need to have disclosed a more extensive set of information. However, a D-/D score is just the starting point for organizations that want to demonstrate that they have begun their environmental journey.

Awareness (C-/C score)

A C-/C score indicates awareness-level engagement. Awareness also has C and C- scores, with the differentiator being the level of awareness a company has shown in their response. The awareness score measures the comprehensiveness of a company's evaluation of how environmental issues intersect with its business, and how its operations affect people and ecosystems.

Management (B-/B score)

A B score indicates environmental management. Companies that score a B have addressed the environmental impacts of their business and ensure good environmental management. A B-score indicates that a company is showing some evidence of managing its environmental impact but is not undertaking actions that mark it out as a leader in its field.

Leadership (A score)

To earn an A score from CDP, organizations must show environmental leadership, disclosing action on climate change, deforestation or water security. They must demonstrate best practice in strategy and action as recognized by frameworks such as the TCFD, Accountability Framework and others. As well as having high scores in all other levels these companies will have undertaken actions such as setting science-based targets, creating a climate transition plan, developing water-related risk assessment strategies, or reporting on deforestation impact for all relevant operations, supply chains and commodities.

Companies that are requested to disclose their data and fail to do so, or fail to provide sufficient information to CDP to be evaluated, receive an F score.

Score weighting and calculations

CDP's scoring methodology assesses the level of detail and comprehensiveness in a response, as well as the company's awareness of environmental issues, its management methods and progress towards environmental stewardship.

CDP is continually ratcheting up the requirements of what qualifies as leadership, so there is no guarantee that a company will remain on the A List year-on-year if they do not also evolve their environmental journey alongside the science and market needs.

Our questionnaire scoring is conducted by an accredited scoring partner trained by CDP. Our internal scoring team then collates all scores and runs data quality checks to ensure that scoring standards are accurate and consistent.

Questionnaires are scored in categories for each sector across the three themes. Each scoring category at Management and Leadership levels is weighted according to its relative importance to the overall score. A minimum score on one level is required in order to be assessed on the next level.

For more information on how our scores are calculated, read our full scoring guidance brochure [here](#).



A Lists



Climate

To earn a place on the Climate Change A List, a company must verify at least 70% of Scope 1, Scope 2 and Scope 3 emissions with a CDP-approved verification standard. Among other criteria, to score an A on Climate Change, companies must have robust governance and oversight of climate issues, rigorous risk management processes, verified scope 1 and 2 emissions and be reducing emissions across their value chain. Most Climate Change A List companies now have well established emissions targets that have been approved by the SBTi, and evidence of targets which cover their scope 3 emissions.



Water

To reach leadership status in our Water questionnaire, companies must have developed water-related risks assessment strategies. Some of the best practices associated with a high score on water include putting an internal price on water to capture its true value (as opposed to relying on the low market price), innovating on water-smart procurement practices and working with municipal governments on water security at the watershed level.



Forests

Scores are awarded separately for each of the four commodities responsible for most global deforestation: timber and paper products, palm oil, cattle products and soy. To achieve an A score, companies should demonstrate willingness to disclose information completely and transparently, a strong commitment to removing deforestation from their supply chain, robust procedures to assess deforestation risks, and sufficient action, strategic planning and appropriate governance systems to manage these risks.

Companies aspiring to an 'A' score must consistently demonstrate actions towards their commitments for whichever questionnaire they disclose through. It is important to note that companies that achieve an A score are not at the end of their sustainability journey - they are simply among the most transparent and impactful companies when it comes to disclosure and performance on climate change, deforestation or water security. CDP is continually ratcheting up the requirements of what qualifies as leadership, so there is no guarantee that a company will remain on the A List year-on-year if they do not also evolve their environmental journey alongside the science and market needs.



Cities

CDP has been scoring cities since 2018, to help them improve climate planning, encourage adoption of best practices, allow them to benchmark their performance and drive climate action.

CDP scoring focuses on the completeness of a city's response and its implementation of climate action. CDP awards scores across the same bands as for companies (Disclosure (D/D-), Awareness

(C/C-), Management (B/B-) and Leadership (A/A-). The process for scoring cities differs in some areas from companies.

Cities are provided with personalised feedback, from written communication to phone calls, to help them understand and act on their scores.

Only cities that get an A are made public and featured on our annual Cities A List. Cities tend to improve their score over time, but many - especially those in developing countries on the front line of climate change - need more resources (such as funding, workers and technology) to be able to report and increase their climate mitigation and adaptation ambition. To find out more about disclosing as a city, click [here](#).

Scoring of the minimum version questionnaire

The minimum version questionnaire is designed to be a shorter, simplified version of our questionnaire for first-time disclosers and small businesses. Organizations responding to the minimum version of the questionnaire will not be scored.

Those responding to the minimum version for a customer request, with an annual revenue of less than EUR/US\$250million will be eligible for scoring using the minimum version of the methodology, but will not be eligible for the A List, as the scores are not comparable to scores resulting from the full version of the scoring methodology. They will be scored privately, meaning the score will be kept private between the disclosing company and requesting customer, and not made publicly visible.

What do CDP scores mean?

At CDP, we're continually iterating to ensure that our questions help companies strive for excellence in an evolving world. Whereas once, we only scored companies for disclosing their climate impacts, this is now only the first step. A large portion of our questionnaires now measures companies on environmental action – the strategies and changes they implement following disclosure. The aim is that, by continuously evolving our methodology, we can ensure that our questions always cover the most important metrics companies need to measure to understand and improve their performance.

In order to receive an A or B score, companies must demonstrate both awareness of their impacts on the environment, deforestation and water security, and appropriate actions taken to reduce these in line with the 1.5-degree trajectory laid out in the Paris Agreement.

The CDP score is based solely on activities and positions disclosed in the CDP response. It therefore does not consider actions or



We focus financial institutions, companies, cities and governments on building a sustainable economy by measuring and acting on their environmental impact.



activities not mentioned in the CDP response.

CDP scores alone are not a comprehensive metric of a company's level of sustainability or 'green-ness', but indicate the level of action reported by the company to assess and manage its environmental impacts during the reporting year.

Scores disclaimer

Data is self-reported. Therefore, it is vital that reporting organizations ensure that the data they report is accurate.

The CDP score is based on information disclosed by a company in its CDP response. Significant actions or activities not mentioned in the CDP response are only considered at a final leadership level.

The score is not a comprehensive metric of a company's level of sustainability or 'green-ness' but indicates the level of action reported by the company to assess and manage its environmental impacts during the reporting year.

All CDP responses are shared with our investor signatories, whether the response is made public or not. Therefore, all companies responding through CDP are advised to ensure that the data they provide is as complete and accurate as possible.

Greenwashing

Our scoring methodology is built over 20 years of pioneering meaningful and actionable environmental disclosure. It is critical that we are inclusive even of the most heavy-emitting sectors as well as those sectors that might have a poor reputation for other social and governance factors. All companies in all sectors need to be held accountable for their impact on the environment – and arguably more so the greater the impact a company has. As such, CDP does not prevent any company from disclosing or from potentially receiving a good score, provided it meets our scoring criteria.

However, we remain highly conscious of the risk of greenwashing, so we are constantly evolving our scoring methodology to mitigate against this, incorporating new metrics and areas to drive ever greater accountability. This means that companies aspiring to Management and Leadership level scores will be measured against progress and action, rather than disclosure and targets alone.

For more information, read our full scoring guidance document [here](#).