**Information Guide** 



# **CDP** Carbon Disclosure Project



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#### What is CDP?

The Carbon Disclosure Project (CDP) is an internationally recognized nonprofit organization that operates a global disclosure system for environmental data. The primary focus is on collecting and disseminating information related to companies' carbon emissions, climate strategies and environmental risks and opportunities.

The CDP is a platform for companies to voluntarily disclose their carbon emissions and environmental impact data. It provides a standardized framework for reporting and benchmarking environmental performance, enabling companies to measure, manage, and disclose their carbon footprint and related information.

Participating in CDP helps the companies access a wide range of benefits. These include gaining insights into their environmental performance, identifying areas for improvement, and benchmarking against industry peers.

### On what themes is the questionnaires based?

CDP disclosure consists of 3 themes which assess the climate impact of a business and helps determine its sustainability in the long run. The three themes which form the CDP disclosure are:

- **1. Climate Change:** Includes Climate-related risks & opportunities, GHG emissions and energy data and Climate- related targets
- 2. Water Security : Includes Water dependence and management, Facility level water accounting, Assessment of water-related risks & opportunities
- **3.** Forests: Includes the causes major for deforestation, plans to remove deforestation from direct operations and supply chain.

Overall, the CDP plays a crucial role in driving corporate environmental transparency, encouraging companies to take action on climate change, and promoting sustainable business practices globally.

PQSmitra Team helps organizations to implement the requirements and assist them in data collection for CDP questionnaire disclosure in the most simple and systematic manner. The methodology of system implementation covers Initial review, planning followed by implementation, and documentation. PQSmitra Team offers active support and handholding to organizations to achieve successful system implementation and positive disclosure results.

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### What are the benefits of CDP?

- Enhanced climate risk management
- Improved sustainability performance.
- Investor confidence and access to capital
- · Enhanced reputation and stakeholder engagement
- Benchmarking and competitive advantage
- Regulatory compliance and future-proofing
- · Collaboration and knowledge sharing

#### What are the Characteristics of CDP?

The key features of the CDP (formerly known as the Carbon Disclosure Project) include:

- Global Reporting Platform
- Standardized Questionnaires
- Climate Change Reporting
- Investor and Corporate Engagement
- Benchmarking and Scoring
- Sector-Specific Initiatives

These key features of CDP collectively contribute to advancing climate change disclosure, promoting sustainable practices, and driving action towards a low-carbon economy.

#### How did the CDP assessment evolve over the years?

- 2000: CDP is founded as Carbon Disclosure Project
- 2002: CDP expands its scope to include other environmental issues, such as deforestation and water security
- 2008: CDP launches its climate change scoring system.
- 2013: CDP shortens its name to CDP
- 2015: CDP publishes its first water security report
- 2016: CDP launches its Forests programme.
- 2018: CDP launches its supply chain programme.
- 2021: CDP launches its new strategy to cover all planetary boundaries.



### Which Organization are eligible for the assessment?

• There is no eligibility criteria for CDP. Publicly-owned companies, Privately-owned companies and cities can apply for the assessment.

#### What are the Focus points of the CDP assessment?

The CDP assessment evaluates organizations based on several key parameters related to climate change and environmental performance. These parameters include:

Climate Change Governance: Examines the structure of the organization's governance and its level of responsibility for climate-related concerns.

- Climate Change Strategy: Examines the organization's approach for combating climate change, taking into account emissions reduction goals and the deployment of renewable energy sources.
- Emissions Management: Examines the organization's methods for monitoring, recording, and controlling greenhouse gas emissions.
- **Risk and Opportunity Management:** Analyses how the organisation recognises and responds to threats and opportunities associated to the climate.
- Supplier Engagement: Considers the organization's efforts to engage with suppliers on climate-related issues, including assessing and managing their environmental impacts and encouraging emissions reductions.
- Water Management: Examines the organization's methods for controlling water resources and reducing risks associated with water.
- Forests: Examines how the organisation manages the hazards associated with forests and deforestation.
- **Data Transparency:** Take into account how openly the organisation discloses data and information on the climate.

These parameters provide a comprehensive evaluation of an organization's environmental performance, climate change strategy, and risk management practices. The assessment helps stakeholders understand an organization's commitment to sustainability and its efforts to address climate change challenges



### What all documents are required for CDP?

Following documents are required for answering CDP questionnaire

- **Climate change policy and strategy:** This document should outline the company's overall approach to climate change, including its goals, targets, and measures.
- **Greenhouse gas emissions inventory:** This document should detail the company's greenhouse gas emissions, including their sources and intensity.
- **Climate risk assessment:** This document should identify the company's exposure to climate-related risks, such as physical risks and transition risks.
- Climate adaptation plan: This document should outline the company's plans to adapt to climate change, such as by reducing its emissions, investing in renewable energy, and building resilience to extreme weather events.
- Mitigation plan: This document should outline the company's plans to reduce its greenhouse gas emissions, such as by investing in energy efficiency, switching to renewable energy, and reducing its reliance on fossil fuels.

Few additional information required for CDP are as follows:

- Data on the company's supply chain: This information can help CDP to assess the company's overall climate impact, including the impact of its suppliers.
- Information on the company's climate-related investments: This information can help CDP to assess the company's commitment to climate action. Information on the company's climate-related policies and procedures: This information can help CDP to assess the company's internal governance around climate change.

The specific documents required for CDP assessment on climate change will vary depending on the company's specific circumstances. However, the documents listed above are a good starting point for companies that are preparing for a CDP assessment.

# What are the modules included in the Climate change questionnaire?

- C0 Introduction
- C1 Governance\*
- C2 Risks and opportunities\*
- C3 Business strategy\*
- C4 Targets and performance\*
- C5 Emissions methodology
- C6 Emissions data\*
- C7 Emissions breakdown\*
- C8 Energy\*

Note: \* marked question contain sector specific contents

# What are the modules included in the Water Security questionnaire?

- W0 Introduction
- W1 Current state\*
- W2 Business impacts
- W3 Procedures\*
- W4 Risks and opportunities
- W5 Facility-level accounting

Note: \* marked question contain sector specific contents

# What are the modules included in the Forest questionnaire?

- F0 Introduction
- F1 Current state
- F2 Procedures
- F3 Risks and opportunities
- F4 Governance

Note: \* marked question contain sector specific contents

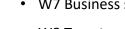
- C9 Additional metrics\*
- C10 Verification
- C11 Carbon pricing
- C12 Engagement\*
- C13 Other land management impacts
- C14 Portfolio impact
- C15 Biodiversity

- W6 Governance
- W7 Business strategy
- W8 Targets
- W10 Plastics

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- F5 Business strategy
- F6 Implementation
- F7 Verification
- F8 Barriers and challenges

#### W9 Verification







# Is there a score allocated for the submitted questionnaire?

 Yes, a score is allocated for the questionnaire if submitted before the scoring deadline on the dashboard. Responses submitted after the deadline are not considered for scoring.

# Is there a penalty for failure to answer all parts of the questionnaire?

 If you receive an investor request and don't respond, your request will be logged as "No Response" or "Declined to Participate" and you will get an "F". Failure to supply us with adequate data to evaluate you results in an "F," which has nothing to do with how you manage the environment. Through the reports, digital platforms, and data products, CDP may additionally disclose this to investors, clients, and other stakeholders.

## How will PQSmitra help you with Hassle Free Questionnaire response submission?

PQSmitra adopts a result oriented approach for the effective system implementation at the organization. This simple and practical method of system implementation helps organizations to enhance the business performance and sustainability.

- The implementation process is described below:
- Initial visit and company registration on CDP portal
- As per CDP theme questionnaire generation
- Training on requirements of the CDP questionnaire
- Data collection as per the questionnaire
- Assistance in Disclosure preparation.
- Disclosure submission on CDP
- Report & Rating generated by CDP



#### **PQSmitra Service Features appreciated by clients**



Simple & Practical Approach



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