



CDP

Reimagining Disclosure

Building from Paris

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CDP – evolving environmental disclosure

- ▼ CDP is the only global environmental disclosure platform
- ▼ We are the founders and driver of global climate disclosure since 2000, water and forests disclosure since 2010
- ▼ The disclosure marketplace is changing rapidly

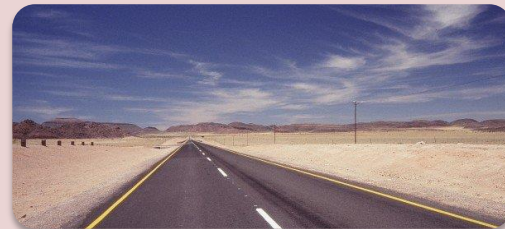
Building from Paris

- ▼ CDP is leading the evolution of disclosure
- ▼ Continue momentum from Paris
- ▼ Provide investors and stakeholders with increased relevant information
- ▼ Optimise the reporting burden for companies
- ▼ Focus reporting on to high impact areas

CDP's Reimagining Disclosure Initiative



TCFD



Sectors

Energy
Transport
Materials
Agriculture

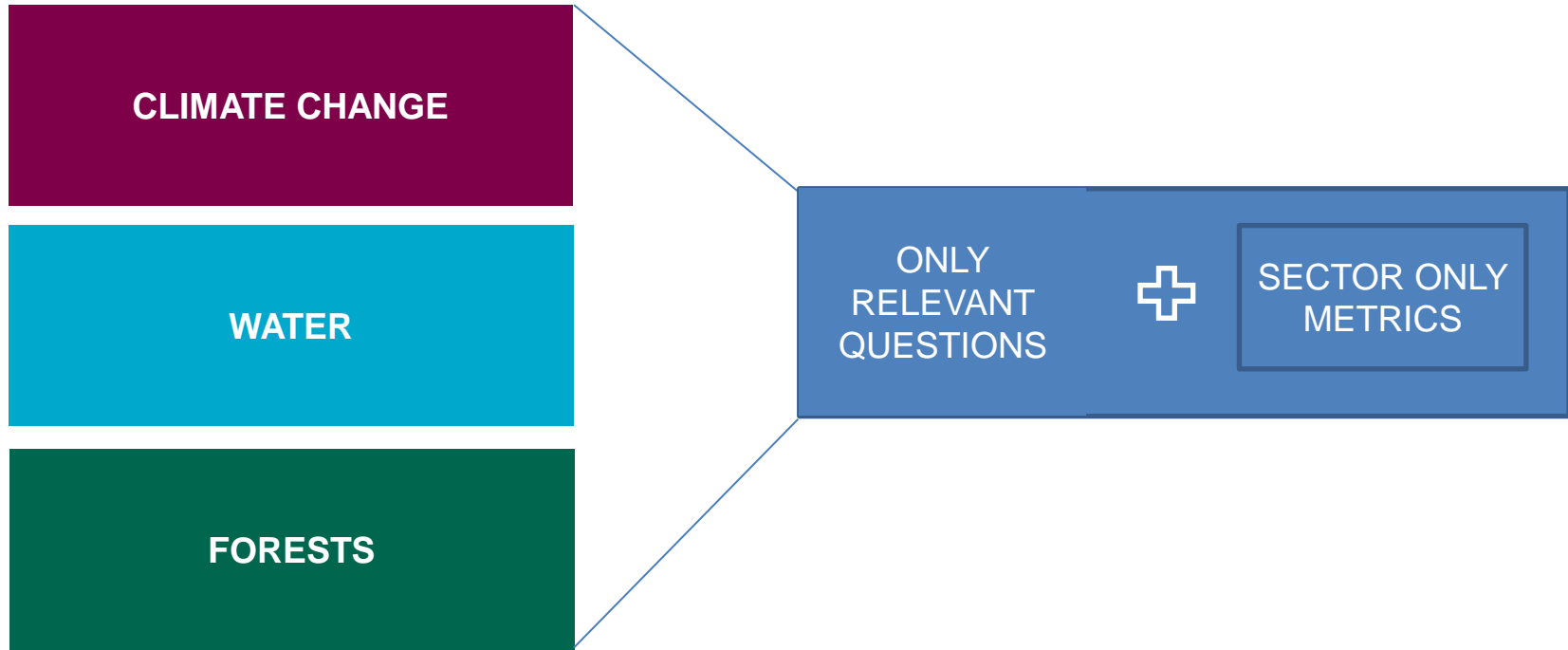
Task Force on Climate-related Financial Disclosures

Adopt
recommendations

Evolution

Forward looking
Align across climate,
water & forests

Our approach: built upon existing questions



1) Sectors for Q4 2017

Energy	Transport	Materials	Agriculture & Land use	General
<ul style="list-style-type: none">• Oil & Gas• Coal• Electric Utilities	<ul style="list-style-type: none">• Transport Services• Transport Vehicle Manufacturers	<ul style="list-style-type: none">• Chemicals• Metals & Mining• Steel• Cement	<ul style="list-style-type: none">• Food, Beverage & Tobacco• Paper & Forestry• Agricultural commodities	<ul style="list-style-type: none">• All other sectors

Sectors considered for Q4 2018 (TBC)

- ▼ Financial Services
- ▼ Logistics, Marine, Road/Rail
- ▼ Capital goods, Construction, Real Estate
- ▼ Apparel
- ▼ ICT, Retail, Consumer staples, Water Utilities, Pharma

Principles for new and refining

▼ We focus on disclosures that are

Most impactful for investors

Most impactful on environment

▼ Disclosures / data need to be

1. Measurable and scorable
2. Verifiable
3. Relevant
4. Aligned with other standards & frameworks
5. Comparable (year on year, co)
6. Conservative (preserves forests, water 4 all, aligns to <2° pathway)

Alignment with other standards and frameworks

▼ Already link / align with

DJSI (climate questions)

GRI (climate & water)

IIGCC (climate, oil & gas)

SDGs

CEO Water Mandate (water)

SASB

GHG Protocol

CDSB

▼ Continue to build on this for sector specific:

DJSI, GRI, SASB, IIGCC, SDGs,

Industry bodies (e.g. IPIECA, ICMM, etc...)

Reducing reporting burden: align & integrate

▼ Integrate: same question across climate, water & forests

▼ Align: move to common language

▼ Integrate questions where possible across climate, water and forests for Governance & Strategy in 2018.

▼ Refine for 2019 and 2020.

2) TCFD recommendations fit with CDP structure



Governance

The organization's governance around climate-related risks and opportunities

Strategy

The actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning

Risk Management

The processes used by the organization to identify, assess, and manage climate-related risks

Metrics and Targets

The metrics and targets used to assess and manage relevant climate-related risks and opportunities

TCFD recommendations fit closely with CDP

Governance	Strategy	Risk Management	Metrics and Targets
Disclose the organization's governance around climate-related risks and opportunities.	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Disclose how the organization identifies, assesses, and manages climate-related risks.	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities.
Recommended Disclosures	Recommended Disclosures	Recommended Disclosures	Recommended Disclosures
a) Describe the board's oversight of climate-related risks and opportunities.	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	a) Describe the organization's processes for identifying and assessing climate-related risks.	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.
b) Describe management's role in assessing and managing climate-related risks and opportunities.	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	b) Describe the organization's processes for managing climate-related risks.	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.
	c) Describe the potential impact of different scenarios, including a 2° c scenario, on the organization's businesses, strategy, and financial planning.	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

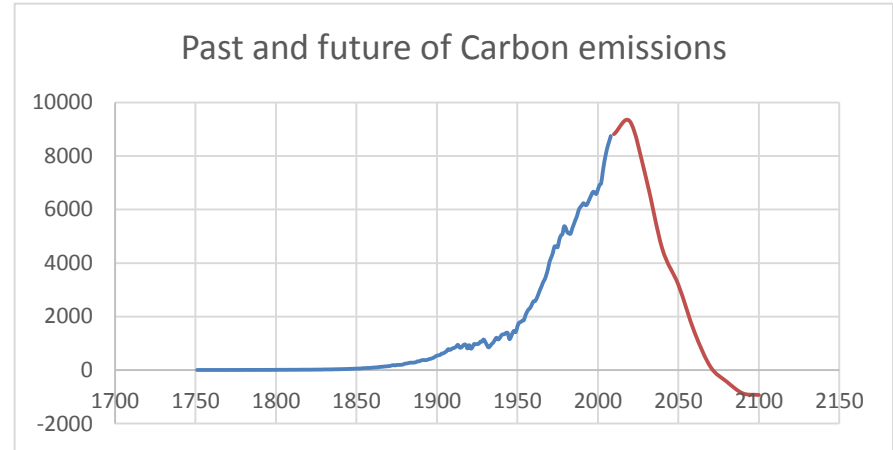
3) Forward looking: Scenarios

- ▼ Scenarios are ways to project how the regulatory, social, environmental world might change
- ▼ They should be a “what if” beyond the current linear progression of “business as usual”
- ▼ Factored into scenarios are what issues are particularly critical and relevant to the company

- ▼ Scenario analysis is recommended for companies to report on how they see the low carbon transition affecting their business (strategy, financial planning)
- ▼ TCFD is recommending different level of complexity of scenarios depending upon exposure to climate risks

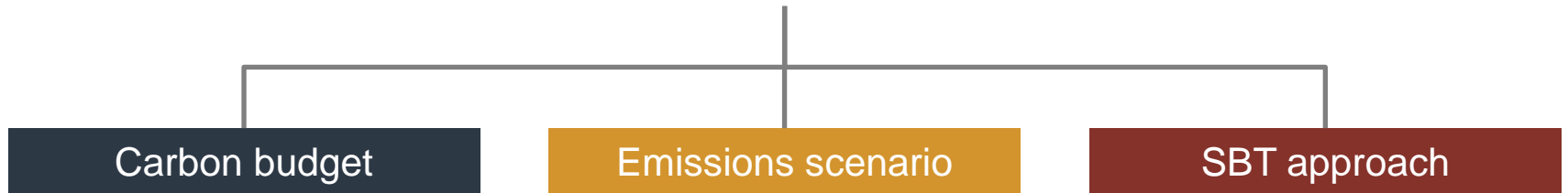
3) Forward Looking: Science Based Targets

▼ Science Based Targets (SBTs) use scenarios to calculate how emissions reductions relate to limiting climate change to 2 degrees



Science based targets

SBT setting methods can be described by
three main elements





Reimagine with us

March 2017 Consultation

Timelines to Reimagine with us

▼ 1st Consultation: Sectors & Evolution: Shaping & Prioritising

Opens: **15th March 2017** Closes: **28th April 2017**

Feedback on potential new disclosures (all sectors and sector specific) & evolutionary changes to Climate Change, Water and Forests questionnaires.

<https://www.cdp.net/en/companies/consultation>

▼ 2nd Consultation: 2018 Questionnaires

Opens: Q3 2017 Closes: end Q3 2017

Draft questionnaires following input from the 1st Consultation

Q&A



Thank you

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