

# **ANTHESIS GROUP**

## **2018 CDP: REIMAGINING DISCLOSURE OVERVIEW OF 2018 CLIMATE CHANGE UPDATES**

February 15, 2018

# AGENDA



In today's webinar we'll review the 2018 CDP Climate Change reporting program, including the timeline for responses, an overview of the programmatic and questionnaire changes in 2018 compared to 2017, and suggested next steps to prepare your organization and address the changes with internal stakeholders.

## Who we are

Anthesis is a specialist global sustainability services and solutions provider founded on the belief that sustainable business practices are at the heart of long-term commercial success.

We develop value-driven sustainability strategy which is underpinned by technical experience and delivered by innovative, collaborative teams across the world. We not only develop solutions for clients, but act as a delivery partner too.

We combine the reach of big consultancies with the deep expertise of our practice leaders from across the globe.

We specialize in working with both local public and private sector clients and large, global corporations. Anthesis has clients across industry sectors, including corporate multinationals like Coca-Cola, Target, and Ecolab, and we work with many Global 500, S&P500 and FTSE350 companies. Building productive, lasting relationships with clients is at the heart of our approach.

**Pronunciation:** *an-thee-sis*

**Noun: BOTANY;** the flowering and most productive period of a plant, from the opening of the flower bud.



## Global Presence

Anthesis brings together expertise from countries around the world and has offices in the US, Canada, UK, Ireland, Germany, Sweden, Finland, Middle East, China and the Philippines. We have a track record of pioneering new approaches to sustainability.

### At a glance

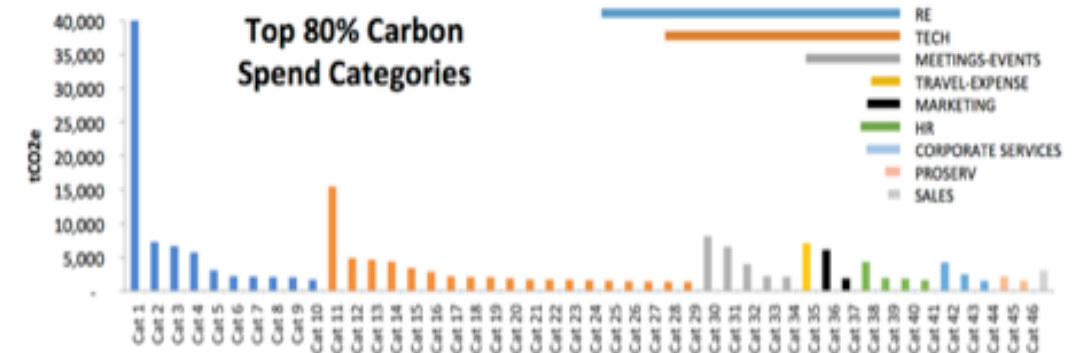
- Launched in March 2013 to meet market demand for an international firm whose core business is providing commercially relevant sustainability services.
- Over 240 staff globally, growing through organic and acquisitive growth
- We blend Consulting, Technology (software development, implementation & analytics), and Managed (outsourced) services
- We currently rank 8<sup>th</sup> in The Sunday Times Lloyds SME Export Track 100
- In the London Stock Exchange Group's 100 Companies to Inspire Britain 2017





# ANTHESIS CDP-RELATED SERVICES

- CDP Climate Change, Water and Supply Chain response writing, benchmarking, gap analysis, scoring assessments...  
to evaluate strategic opportunities within your organization, respond to customer/stakeholder enquiries
- Scope 1 + 2 + 3 GHG emissions inventory data collection, management & reporting using a range of custom and 'off the shelf' 3<sup>rd</sup> party tools, from spreadsheets to cloud software & dashboards...  
to realize cost savings on energy and fuels, reduce emissions, set goals & targets
- Science-Based Target setting  
to target meaningful emissions reductions across the value chain. Prioritize and implement GHG emissions reduction activities.
- Scope 3 GHG emissions hot spot supply chain analysis and reporting...  
to engage suppliers & procurement to manage costs and impact
- Climate Change Risk & Opportunity Assessments...  
to inform Strategy, Risk and Opportunity sections of CDP response and alignment with TCFD. Engage business leaders on risk & opportunity through a new lens.



Item	Item ID	Item Name	Description	Impact (Risk or Opportunity)	Timeline	Owner	Status
Climate Change	1	Climate Change	Climate Change	Climate Change	2023-2025	John Doe	Not Started
Water	2	Water	Water	Water	2023-2025	John Doe	Not Started
Supply Chain	3	Supply Chain	Supply Chain	Supply Chain	2023-2025	John Doe	Not Started
GHG Emissions	4	GHG Emissions	GHG Emissions	GHG Emissions	2023-2025	John Doe	Not Started
Science-Based Targets	5	Science-Based Targets	Science-Based Targets	Science-Based Targets	2023-2025	John Doe	Not Started
Scope 3 GHG Emissions	6	Scope 3 GHG Emissions	Scope 3 GHG Emissions	Scope 3 GHG Emissions	2023-2025	John Doe	Not Started
Climate Change Risk & Opportunity	7	Climate Change Risk & Opportunity	Climate Change Risk & Opportunity	Climate Change Risk & Opportunity	2023-2025	John Doe	Not Started
Water Risk & Opportunity	8	Water Risk & Opportunity	Water Risk & Opportunity	Water Risk & Opportunity	2023-2025	John Doe	Not Started
Supply Chain Risk & Opportunity	9	Supply Chain Risk & Opportunity	Supply Chain Risk & Opportunity	Supply Chain Risk & Opportunity	2023-2025	John Doe	Not Started
GHG Emissions Risk & Opportunity	10	GHG Emissions Risk & Opportunity	GHG Emissions Risk & Opportunity	GHG Emissions Risk & Opportunity	2023-2025	John Doe	Not Started
Science-Based Targets Risk & Opportunity	11	Science-Based Targets Risk & Opportunity	Science-Based Targets Risk & Opportunity	Science-Based Targets Risk & Opportunity	2023-2025	John Doe	Not Started
Scope 3 GHG Emissions Risk & Opportunity	12	Scope 3 GHG Emissions Risk & Opportunity	Scope 3 GHG Emissions Risk & Opportunity	Scope 3 GHG Emissions Risk & Opportunity	2023-2025	John Doe	Not Started
Climate Change Risk & Opportunity	13	Climate Change Risk & Opportunity	Climate Change Risk & Opportunity	Climate Change Risk & Opportunity	2023-2025	John Doe	Not Started
Water Risk & Opportunity	14	Water Risk & Opportunity	Water Risk & Opportunity	Water Risk & Opportunity	2023-2025	John Doe	Not Started
Supply Chain Risk & Opportunity	15	Supply Chain Risk & Opportunity	Supply Chain Risk & Opportunity	Supply Chain Risk & Opportunity	2023-2025	John Doe	Not Started
GHG Emissions Risk & Opportunity	16	GHG Emissions Risk & Opportunity	GHG Emissions Risk & Opportunity	GHG Emissions Risk & Opportunity	2023-2025	John Doe	Not Started
Science-Based Targets Risk & Opportunity	17	Science-Based Targets Risk & Opportunity	Science-Based Targets Risk & Opportunity	Science-Based Targets Risk & Opportunity	2023-2025	John Doe	Not Started
Scope 3 GHG Emissions Risk & Opportunity	18	Scope 3 GHG Emissions Risk & Opportunity	Scope 3 GHG Emissions Risk & Opportunity	Scope 3 GHG Emissions Risk & Opportunity	2023-2025	John Doe	Not Started
Climate Change Risk & Opportunity	19	Climate Change Risk & Opportunity	Climate Change Risk & Opportunity	Climate Change Risk & Opportunity	2023-2025	John Doe	Not Started
Water Risk & Opportunity	20	Water Risk & Opportunity	Water Risk & Opportunity	Water Risk & Opportunity	2023-2025	John Doe	Not Started
Supply Chain Risk & Opportunity	21	Supply Chain Risk & Opportunity	Supply Chain Risk & Opportunity	Supply Chain Risk & Opportunity	2023-2025	John Doe	Not Started
GHG Emissions Risk & Opportunity	22	GHG Emissions Risk & Opportunity	GHG Emissions Risk & Opportunity	GHG Emissions Risk & Opportunity	2023-2025	John Doe	Not Started
Science-Based Targets Risk & Opportunity	23	Science-Based Targets Risk & Opportunity	Science-Based Targets Risk & Opportunity	Science-Based Targets Risk & Opportunity	2023-2025	John Doe	Not Started
Scope 3 GHG Emissions Risk & Opportunity	24	Scope 3 GHG Emissions Risk & Opportunity	Scope 3 GHG Emissions Risk & Opportunity	Scope 3 GHG Emissions Risk & Opportunity	2023-2025	John Doe	Not Started
Climate Change Risk & Opportunity	25	Climate Change Risk & Opportunity	Climate Change Risk & Opportunity	Climate Change Risk & Opportunity	2023-2025	John Doe	Not Started
Water Risk & Opportunity	26	Water Risk & Opportunity	Water Risk & Opportunity	Water Risk & Opportunity	2023-2025	John Doe	Not Started
Supply Chain Risk & Opportunity	27	Supply Chain Risk & Opportunity	Supply Chain Risk & Opportunity	Supply Chain Risk & Opportunity	2023-2025	John Doe	Not Started
GHG Emissions Risk & Opportunity	28	GHG Emissions Risk & Opportunity	GHG Emissions Risk & Opportunity	GHG Emissions Risk & Opportunity	2023-2025	John Doe	Not Started
Science-Based Targets Risk & Opportunity	29	Science-Based Targets Risk & Opportunity	Science-Based Targets Risk & Opportunity	Science-Based Targets Risk & Opportunity	2023-2025	John Doe	Not Started
Scope 3 GHG Emissions Risk & Opportunity	30	Scope 3 GHG Emissions Risk & Opportunity	Scope 3 GHG Emissions Risk & Opportunity	Scope 3 GHG Emissions Risk & Opportunity	2023-2025	John Doe	Not Started
Climate Change Risk & Opportunity	31	Climate Change Risk & Opportunity	Climate Change Risk & Opportunity	Climate Change Risk & Opportunity	2023-2025	John Doe	Not Started
Water Risk & Opportunity	32	Water Risk & Opportunity	Water Risk & Opportunity	Water Risk & Opportunity	2023-2025	John Doe	Not Started
Supply Chain Risk & Opportunity	33	Supply Chain Risk & Opportunity	Supply Chain Risk & Opportunity	Supply Chain Risk & Opportunity	2023-2025	John Doe	Not Started
GHG Emissions Risk & Opportunity	34	GHG Emissions Risk & Opportunity	GHG Emissions Risk & Opportunity	GHG Emissions Risk & Opportunity	2023-2025	John Doe	Not Started
Science-Based Targets Risk & Opportunity	35	Science-Based Targets Risk & Opportunity	Science-Based Targets Risk & Opportunity	Science-Based Targets Risk & Opportunity	2023-2025	John Doe	Not Started
Scope 3 GHG Emissions Risk & Opportunity	36	Scope 3 GHG Emissions Risk & Opportunity	Scope 3 GHG Emissions Risk & Opportunity	Scope 3 GHG Emissions Risk & Opportunity	2023-2025	John Doe	Not Started
Climate Change Risk & Opportunity	37	Climate Change Risk & Opportunity	Climate Change Risk & Opportunity	Climate Change Risk & Opportunity	2023-2025	John Doe	Not Started
Water Risk & Opportunity	38	Water Risk & Opportunity	Water Risk & Opportunity	Water Risk & Opportunity	2023-2025	John Doe	Not Started
Supply Chain Risk & Opportunity	39	Supply Chain Risk & Opportunity	Supply Chain Risk & Opportunity	Supply Chain Risk & Opportunity	2023-2025	John Doe	Not Started
GHG Emissions Risk & Opportunity	40	GHG Emissions Risk & Opportunity	GHG Emissions Risk & Opportunity	GHG Emissions Risk & Opportunity	2023-2025	John Doe	Not Started
Science-Based Targets Risk & Opportunity	41	Science-Based Targets Risk & Opportunity	Science-Based Targets Risk & Opportunity	Science-Based Targets Risk & Opportunity	2023-2025	John Doe	Not Started
Scope 3 GHG Emissions Risk & Opportunity	42	Scope 3 GHG Emissions Risk & Opportunity	Scope 3 GHG Emissions Risk & Opportunity	Scope 3 GHG Emissions Risk & Opportunity	2023-2025	John Doe	Not Started
Climate Change Risk & Opportunity	43	Climate Change Risk & Opportunity	Climate Change Risk & Opportunity	Climate Change Risk & Opportunity	2023-2025	John Doe	Not Started
Water Risk & Opportunity	44	Water Risk & Opportunity	Water Risk & Opportunity	Water Risk & Opportunity	2023-2025	John Doe	Not Started
Supply Chain Risk & Opportunity	45	Supply Chain Risk & Opportunity	Supply Chain Risk & Opportunity	Supply Chain Risk & Opportunity	2023-2025	John Doe	Not Started
GHG Emissions Risk & Opportunity	46	GHG Emissions Risk & Opportunity	GHG Emissions Risk & Opportunity	GHG Emissions Risk & Opportunity	2023-2025	John Doe	Not Started

# ANTHESIS CDP SERVICES: INVESTOR

*Ad hoc support -> Soup to nuts!*  
*We help unearth and report what is true of each company to maximize scores*

## CLIENT 1

Client role: GHG inventory, response writing, strategic positioning

Anthesis role: Conduct scoring review, provide detailed recommendations for improvement

Limitations: none!

2017 Scores (Climate & Water): A, Leadership – achieved A list for both

## CLIENT 2

Client role: Coordinate stakeholder interviews, provide feedback on draft responses

Anthesis role: GHG inventory, gap analysis, response writing, scoring assessment, submission of final response, future strategic recommendations for improvement

Limitations: slow to develop strategy and update environmental goals

2017 Score (Climate): A-

## CLIENT 3

Client role: Provide feedback on draft responses, strategic positioning

Anthesis role: GHG inventory, response writing, conduct scoring review, provide detailed recommendations for improvement

Limitations: Legal concerns, nascent sustainability program with very modest goals, lack of engagement

2017 Score (Climate): C, Awareness

## ANTHESIS CDP SERVICES: SUPPLY CHAIN\*

*Standardized, Efficient Soup to nuts!*

Client role: Provide GHG inventory data in prepopulated templates, supply qualitative updates in a brief template with customized questions, review near-final draft responses

Anthesis role: Calculate GHG inventory, update previous year's CDP response, address gaps with client, submit response

2017 Scores (Climate): mostly C, Awareness

*\*(Note: For clients using this streamlined approach the goal of their CDP submission is typically to achieve the "Awareness" level)*

# ANTHESIS CDP-RELATED SERVICES

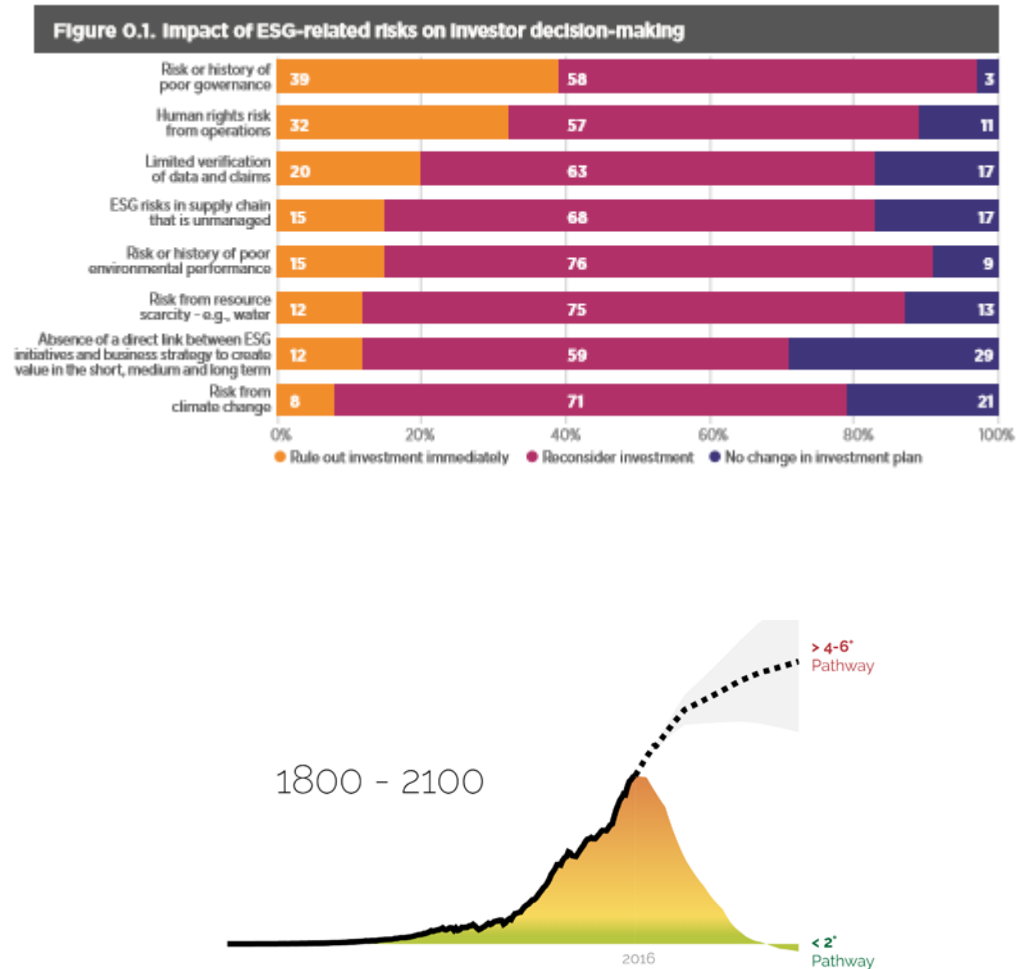
\*2016 scoring assessment example

Question Information	Disclosure Level			Awareness Level			Management Level			Leadership Level		
Section	Est. 2016 Points	Available Points	% Complete	Est. 2016 Points	Available Points	% Complete	Est. 2016 Points	Available Points	% Complete	Est. 2016 Points	Available Points	% Complete
Governance	5	5	100%	3	3	100%	9	9	100%	1	3	33%
Strategy	19	19	100%	14	16	88%	4	7	57%	0	7	0%
Targets & Initiatives	14	14	100%	10	13	77%	12	15	80%	1	3	33%
Communications	1	1	100%	1	3	33%	0	0	100%	0	1	0%
Management	39	39	100%	28	35	80%	25	31	81%	2	14	14%
Climate Change Risks	19	19	100%	8	15	53%	2	12	17%	0	0	100%
Climate Change Opportunities	17	17	100%	9	15	60%	0	12	0%	0	0	100%
Risks & Opportunities	36	36	100%	17	30	57%	2	24	8%	0	0	100%
Emissions Methodology	2	2	100%	0	0	100%	0	0	100%	0	0	100%
Emissions Data	31	44	70%	0	3	0%	0	10	0%	0	2	0%
Scope 1 & 2 Breakdown	10	10	100%	0	0	100%	0	0	100%	0	0	100%
Energy	8.5	8.5	100%	5	5	100%	0	0	100%	0	1	0%
Emissions Performance	8	8	100%	7	7	100%	6	6	100%	1	1	100%
Emissions Trading	1	1	100%	0	0	100%	0	0	100%	0	0	100%
Scope 3 Emissions	11.6	22.5	52%	7.1	13.75	52%	3	11	27%	0	2	0%
Sign Off	1	1	100%	0	0	100%	0.5	1	50%	0	1	0%
Emissions	73.1	97	75%	19.1	28.75	66%	9.5	28	34%	1	7	14%
Total	148.1	172	86%	64.1	93.75	68%	36.5	83	44%	3	21	14%
Estimated Score	86			68	Awareness		44			14		

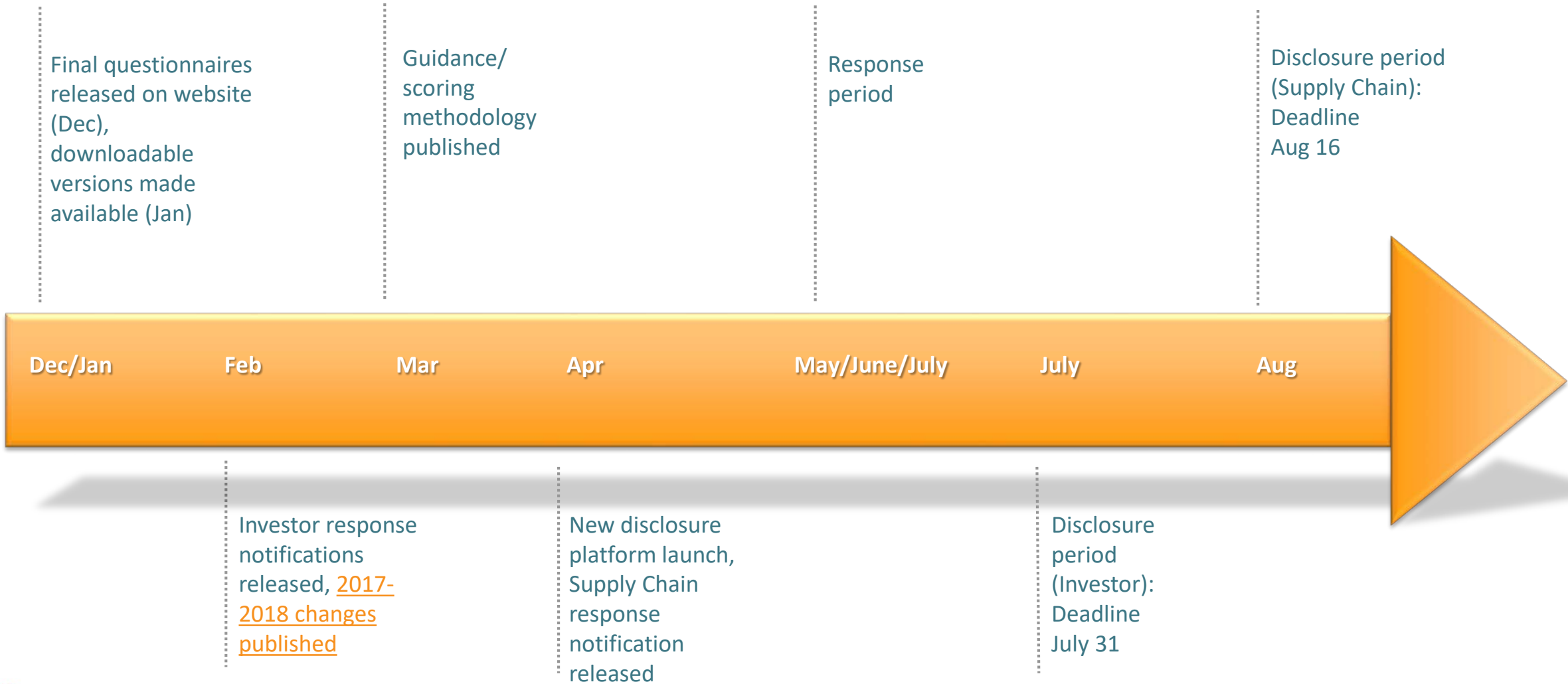


# CONTEXT: MACRO TRENDS IN CLIMATE CHANGE STRATEGIES & REPORTING

1. Mainstreaming the importance of climate-related financial disclosures as stakeholders in the financial markets (including investors, lenders, insurers, regulators, and policy makers) increasingly demand firms provide decision-useful, climate-related information. Evolving recommendations help firms understand and disclose their exposure climate-related issues to align with investors' needs.
2. Focus on integration of ESG risk with Enterprise Risk Management as organizations have increasingly experienced measurable financial and societal impact of not appropriately addressing these topics. According to the World Economic Forum's Global Risks Report 2018, four of the top five risks were societal or environmental, including extreme weather events, water crises, natural disasters and failure of climate change mitigation and adaptation.
3. Setting Science Based Targets (SBTs) via the SBTi. CDP is asking companies to set their greenhouse gas emissions reductions in line with climate science, thereby increasing the level of ambition of their targets. Since 2016, CDP's Climate Change Questionnaires have incentivized companies to set science-based targets.



# 2018 CDP REPORTING SCHEDULE



## **2017-2018 CHANGES**

# ALIGNMENT WITH THE TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURE

## Financial Stability Board's Task Force on Climate-Related Financial Disclosures



### What is TCFD:

- Launched at COP21 (2015 Paris Climate Conference), headed by Michael Bloomberg
- Guides disclosure of climate-related risk in mainstream financial filings (i.e. public annual reports)
  - Four thematic areas: governance, strategy, risk management, and metrics and targets
- The Climate Disclosure Standards Board (CDSB) & CDP committed to [adopting](#) TCFD recommendations; CDSB released a [factsheet](#) answering key questions about TCFD

### What to expect:

- [TCFD recommendations](#) **incorporated into CDP** questionnaire for the 2018 CDP cycle
- **Final impact** is as presented in slide 16 :
  - Greater emphasis on elements such as board oversight, climate risk assessment and management (including integration into a company's business planning processes): See [CDP's Technical Note on the TCFD](#)
  - The use of forward-looking scenario analysis to determine the resilience of a company's strategy to climate risks and low-carbon transition planning: See [CDP's Technical Note on Scenario Analysis](#)
- Will **require** partnerships with **risk management, finance, legal**, etc. to develop response

More information: <https://vimeo.com/223834505>

# SECTOR-SPECIFIC CLIMATE CHANGE QUESTIONNAIRES

Find your company's sector classification through the account dashboard from mid-February.

Sector specific questions incorporated into the General questionnaire for any particular sector (no longer in separate non-scored module)

Sectors introduced in 2018 include:

## **Agriculture**

- Agricultural commodities (AC)
- Food, beverage & tobacco (FB)
- Paper & forestry (PF)

## **Energy**

- Coal (CO)
- Electric utilities (EU)
- Oil & gas (OG)

## **Materials**

- Cement (CE)
- Chemicals (CH)
- Metals & mining (MM)
- Steel (ST)

## **Transport**

- Transport services (TS)
- Transport vehicle manufacturers (TO)

Companies outside of these sectors will receive a general questionnaire, as in previous years. Further sectors will be introduced in 2019.



# 2018 CHANGES

## An updated questionnaire structure:

- 2018 Climate and Water questionnaires features new section headings, a new question numbering convention, and significant re-ordering of content

## Upgrades to CDP's IT systems:

- New disclosure platform that CDP states will exhibit better performance
- Tagging of questions (e.g. sector specific, highlighting of alignment with other frameworks such as GRI and DJSI, indicating which supply chain members are interested in certain disclosures)
- More guidance within the platform

## Other changes that should not affect previous responders:

- Tiered approach to ease in first-time responders
- "Minimum" version contains identical but fewer questions than the "Full" version, and no sector-specific questions
- Minimum version also available for organizations not in one of CDP's environmental samples and that have an annual revenue of less than EUR / \$250 million

# CLIMATE CHANGE GENERAL SURVEY STRUCTURE

2017	2018
Governance	Governance
Strategy	Risks and Opportunities
Targets and Initiatives	Business Strategy
Communications	Targets and Initiatives
Risks and Opportunities	Emissions, Energy
Emissions, Energy, Trading	Carbon Pricing
Value Chain Engagement	Engagement

# 2018 CDP CLIMATE CHANGE: SECTION MODIFICATIONS

Section	Topic	Key Notes
1	Governance	New and modified questions address TCFD recommendations, eliciting more detail around board-level oversight and management of climate-related risks and opportunities.
2	Risk and Opportunity Management	New and modified questions address TCFD recommendations to understand strategic timescales, understand determination of substantive impacts, elicit detail around processes to identify, assess and manage risks/opportunities related to climate change, add to risk/opportunity disclosures by addressing assets, liabilities, and capital allocation, and understand climate-related impacts to financial planning.
3	Business Strategy	New questions address scenario analysis (how various potential climate pathways affect a company's business model). High impact sectors: new questions address low-carbon transition planning (understand changes that need to be made to the company's business model before the company can adjust to a low-carbon future).
4	Targets and Performance	New and modified questions merge the multitude of targets questions and some performance questions, as well as address 'any other' climate-related targets such as waste/consumption.
5-10	Emissions Methodology; Emissions Data, Emissions Breakdown; Energy; Additional Metrics; Verification	Minimal changes; modifications reduce reporting burden and new questions added related to power production, emissions breakdown by GHG type, and other climate-related metrics.
11	Carbon Pricing	New and modified questions evolve 2017 "Emissions Trading" section into "Carbon Pricing System" to address compliance to general carbon pricing regulations.
12	Engagement	Minimal changes; regrouping/renumbering previous questionnaire consolidates engagement in a single-themed section. Modified questions gather more specific information on the methods that organizations use to engage their supply chain.

# GOVERNANCE EXAMPLES

## **(C1.1) Is there board-level oversight of climate-related issues within your organization?**

- Modified from 2017
- If yes, CDP now requires further details on what this entails in C1.1a and C1.1b:
  - Selection: Frequency with which climate-related issues are a scheduled agenda item
  - Selection: Governance mechanisms into which climate-related issues are integrated
  - Open text field: Please explain
- If no, CDP now requires organizations to explain why not and whether there are plans to change this in C1.1c

## **(C1.2) Below board-level, provide the highest-level management position(s) or committee(s) with responsibility for climate-related issues.**

- New question for 2018
- Complete a table with prewritten selections
  - Name of the position(s) and/or committee(s)
  - Responsibility
  - Frequency of reporting to the board on climate-related issues
- Follow-up open text question C1.2a - Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored.

# RISK & OPPORTUNITY MANAGEMENT EXAMPLES (1 OF 2)

**(C2.2) Select the option that best describes how your organization's processes for identifying, assessing, and managing climate-related issues are integrated into your overall risk management.**

- Modified from 2017
- If yes, CDP has included several follow-up questions (2.2a-d) to elicit details.
- If no, CDP requires organizations to explain why not in C2.2e and provides prewritten selections.

**(C2.2c) Which of the following risk types are considered in your organization's climate-related risk assessments?**

- New question for 2018
- Complete a table with prewritten selections
  - Selection: Risk type
  - Selection: Relevance & inclusion
  - Open text field: Please explain



# RISK & OPPORTUNITY MANAGEMENT EXAMPLES (2 OF 2)

## (C2.5) Describe where and how the identified risks and opportunities have impacted your business.

- New question for 2018
- Complete a table with prewritten selections
  - Selection: Products and Services, Supply Chain, Adaptation and/or mitigation, Investment in R&D, Operations
  - Selection: Impacted, Impacted for some facilities, suppliers and/or product lines, not yet impacted, not evaluated, we have not identified any risks or opportunities
  - Open text field: Description

## (C2.6) Describe where and how the identified risks and opportunities have factored into your financial planning process.

- New question for 2018
- Complete a table with prewritten selections
  - Prewritten rows: Area (Revenues, Operating costs, Capital expenditures/capital allocation, Acquisitions and divestments, Access to capital, Assets, Liabilities, other)
  - Selection: Relevance
  - Open text field: Description

# BUSINESS STRATEGY EXAMPLE

## (C3.1a) Does your organization use climate-related scenario analysis to inform your business strategy?

- New question for 2018 (used to be a sub question under 2.2a in 2017, now a question in its own right)
- If yes, CDP requires further details on what this entails in C3.1d.
  - Selection: Climate-related scenarios
  - Open text field: Details - disclose inputs, assumptions and analytical methods used for scenarios. For existing scenarios (e.g. IEA 450 etc.), disclose whether the inputs, assumptions or analytical methods have been modified to suit your business.
- If no, CDP requires organizations to explain why not in C3.1g.

## SUGGESTED NEXT STEPS

- Evaluate Current Status: Complete Gap Analysis against new / modified questions
- Map risks and opportunities you reported in 2017 to new categories of CDP risk and opportunity – so that you can leverage content from previous responses
- Stay up-to-date on additional guidance from CDP including a 2017-2018 questions mapping document, reporting guidance and scoring method
- Initiate or expand conversations with stakeholders in internal groups such as Risk, Legal, Finance, and Investor Relations. Raise their awareness about trends in climate risk assessment and reporting & leverage their knowledge of Enterprise Risk Management to jointly develop preferred approach for your organization. Use the CDP changes as an opportunity to develop and strengthen these relationships.
- Review governance arrangements for climate change – opportunity to elevate within your organization?
- Review guidance
  - [CDP Technical Note on Scenario Analysis](#)
  - [WBCSD/ COSO Guidance](#) on Applying Enterprise Risk Management to Environmental, Social & Governance Risk
  - TCFD resources
- Pilot expanded risk assessment / scenario analysis initially on selected topics, sites or with selected business groups
- Don't try and do everything this CDP season if it's not realistic for your organization. Answer to best of your ability and develop a plan for next 12-18 months to ensure preparedness for CDP 2019 – you may need to align with your organization's ERM / reporting cycle.

# 2018 CDP WATER: SECTION MODIFICATIONS

Section	Topic	Notes
1	Current State	Revised sub-sections - e.g., “Context” changed to “Dependence,” “Supplier Reporting” changed to “Value Chain Engagement;” new questions on company-wide percentage of withdrawals from water stressed areas; recycling/reuse of water
2	Business Impacts	Minor changes to questions
3	Procedures	New question elicits details re: identifying, assessing, and responding to water-related risks
4	Risks and Opportunities	Extended tables for disclosing risks; numerical financial values requested for identified potential impacts
5	Facility level water accounting	New question on recycling/reuse of water
6	Governance	New question on details of board oversight of water issues; public policy influence
7	Business Strategy	New/modified questions request detail on how businesses are integrating water into their long-term business plans - e.g. scenario analysis, internal price on water
8	Targets	“Targets and goals” allow more detail for targets/goals monitored at corporate level
9	Linkages and Trade-offs	Minor changes
10	Verification	New section encouraging third-party verification of additional water-related information

# GENERAL RECOMMENDATIONS

DO	DON'T
<ul style="list-style-type: none"><li>- Answer questions with as much detail and as clearly as possible, including any sub-questions noted in the guidance but NOT explicitly stated in the questionnaires</li><li>- Use guidance and scoring methodology documents as much as possible</li><li>- Review companies in the A list for examples of well written responses: <a href="#">2017 A List</a></li><li>- Make sure any attachments address the requirements of the specific question for which they are provided. Three questions re: verification and public disclosure (C10.1a, C10.1b, C12.4) require attachments.</li></ul>	<ul style="list-style-type: none"><li>- Leave any questions blank. Even if your response to the leading question is “no” try to provide further explanation!</li><li>- Use the “Further Information” boxes at the end of each section to address relevant points requested by actual survey questions. These can be used to provide more context but will not contribute to your score.</li><li>- Provide external links in answer to questions as these will not be accessed - therefore the question will not be scored.</li><li>- Cross reference answers to other questions, even if another question’s response covers the points requested. Better to repeat the narrative than to lose these points.</li></ul>



# CDP RESOURCES

Tool/service	Reference link
General Guidance Page with FAQs:	<a href="https://www.cdp.net/en/guidance">https://www.cdp.net/en/guidance</a>
CDP's "Disclosure in 2018" site	<a href="https://www.cdp.net/en/companies-discloser/disclosure-in-2018">https://www.cdp.net/en/companies-discloser/disclosure-in-2018</a>
Link to webinars/events/reports:	<a href="https://www.cdp.net/en/companies#ab6aef87ead8143aa322f9ea57c986a5">https://www.cdp.net/en/companies#ab6aef87ead8143aa322f9ea57c986a5</a>
Dashboard: <ul style="list-style-type: none"> <li>- Guidance documents</li> <li>- Webinars (e.g. risks &amp; opportunities, accounting boundaries &amp; scope, explaining terminology, etc.)</li> <li>- Other resources for responding</li> </ul>	Available for companies upon registering/upon publication: <a href="https://www.cdp.net/en/dashboards/corporate">https://www.cdp.net/en/dashboards/corporate</a> <a href="https://www.cdp.net/en/guidance_docs">https://www.cdp.net/en/guidance_docs</a>
Client-specific files, including previous score feedback charts	<a href="https://www.cdp.net/en/corporates/files">https://www.cdp.net/en/corporates/files</a>
TCFD Knowledge Hub (available Spring 2018)	<a href="http://tcfdhub.org/">http://tcfdhub.org/</a>
Climate Disclosure Standards Board – specifically TCFD implementation	<a href="https://www.cdsb.net/what-we-do/task-force-climate-related-financial-disclosures">https://www.cdsb.net/what-we-do/task-force-climate-related-financial-disclosures</a>



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