

THOUGHT LEADERSHIP

Submissions for CDP: Is your company ready?

By Third Economy Staff, February 2023

One important landmark each year is the submission deadline for CDP questionnaires. This year's deadline is Wednesday, July 26, 2023. We are bringing this deadline to your attention to help determine whether your company should prepare a submission and, if so, important considerations for your questionnaire response.

SHOULD I PREPARE A CDP QUESTIONNAIRE?

Third Economy advises that companies who have received requests from investors, customers, and/or suppliers should consider responding to this questionnaire. Furthermore, we advise that companies aiming to better assess their climate-related risks and impacts or contribute to one of the world's largest databases of related information, respond to this questionnaire. CDP aligns neatly with TCFD, so companies who are looking to align with TCFD should consider utilizing CDP as a resource and alignment exercise.

WHAT TO KNOW IF YOU ARE PREPARING A RESPONSE:

- There are three CDP questionnaires: Climate Change, Water Security, and Forests. All three questionnaires are scored separately. Companies can complete the Climate Change questionnaire without responding to the Water Security and/or Forests questionnaire.
- Companies submitting a CDP response for the first time can complete a minimum version of the questionnaire. This version allows users to begin thinking more critically about their climate-related disclosures before committing to the full submission.
- Work towards submitting your questionnaire early to avoid potential technical challenges. Last year, due to an increased volume of CDP participants, the CDP portal crashed during submission week. The CDP Online Response System opens the w/c 17 April – companies should proactively activate their questionnaires and can submit their responses any time between activation and the scoring deadline.



FAST FACTS:

- *What is CDP?*
 - CDP is a non-profit that maintains a global disclosure system of environmental impacts for investors, companies, cities, states, and regions. CDP requests information from companies and cities to help them measure and manage their environmental impacts.
- *Why complete a CDP questionnaire?*
 - As a company, responding to a CDP questionnaire is strong commitment to mitigating climate change and CDP offers a comprehensive framework to assess the risks posed to your company by climate change, and the opportunities to overcome them.
 - A CDP score also establishes a valuable benchmark that companies can use for goal setting and competitive analysis. It is a chance to benchmark against your peers with a quantifiable measure of performance from an objective third-party.
 - Not to mention the 680+ investors with over US\$130 trillion in assets and 280+ large purchasers that are requesting thousands of companies to disclose their environmental data through CDP.
 - Over 18,700+ companies [disclosed through CDP](#) in 2022 – representing half of global market capitalization, a 42% increase from 2021 and 233% increase from the Paris Agreement in 2015.
- *How will CDP help my organization?*
 - CDP will enable you to understand your exposure to climate risk, identify the measures needed to tackle it, and get a jump on any upcoming regulations. CDP aligns closely with [TCFD](#) and can be used to inform TCFD disclosures.
 - Disclosure is the first step towards action. A poor CDP score or no CDP score at all risks your business facing difficult questions about lack of transparency and a tangible approach to sustainability. An improvement in scores is a boost to any company's reputation and climate credibility.
- *Can scores radically improve over consecutive years?*
 - Absolutely. Improvement is achievable by setting (and reaching) specific targets, seeing opportunity for innovation, and integrating sustainability across your organization.
 - A detailed knowledge of the marking methodology and scoring can make a major difference. Third Economy is here to help.
- *What are the key CDP deadlines in 2023?*
 - April 17, 2023: Online Response System opens
 - July 26, 2023: Companies must submit their responses to investors and/or customers using the ORS by July 26 to be automatically eligible for scoring and inclusion in reports (where applicable).

