

Getting Started with CDP Disclosures

Everything you need to know about reporting environmental, social and governance data to CDP.



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Introduction

An invitation to disclose to CDP can come from any source — a customer, an investor or even your bank. Regardless of who originated your invitation, your company can benefit from disclosing to CDP. CDP participation can boost your company's reputation, circumvent risks and benchmark progress.

Disclosing to CDP may seem intimidating at first, but as with any new endeavor, the first step is always the hardest. This guide aims to familiarize you with the CDP process and provides detailed information to get you started.



What is CDP?

Formerly known as the Carbon Disclosure Project, CDP operates an integrated environmental disclosure system for investors, companies, cities, states and regions to manage their environmental impacts. CDP asks companies to disclose environmental information at the behest of what CDP calls “requesting authorities,” which is a consortium of investors, large purchasing organizations (customers) and banks (lenders).

Why should I disclose to CDP

Customers care about whether companies are making the right environment-related choices. More than 18,700 companies already provide information to CDP on climate change, water security and forests, while both large investors and purchasers utilize CDP to request environmental data from thousands of companies worldwide, [according to CDP](#).

>18,700

companies disclosed environmental data to CDP in 2022

>47,000

suppliers received environmental data requests from over 280 major buyers in 2022

>\$2.1

trillion USD in climate-related opportunities as reported by 215 of the biggest global companies

Source: CDP Disclosure Insights, October 19, 2022

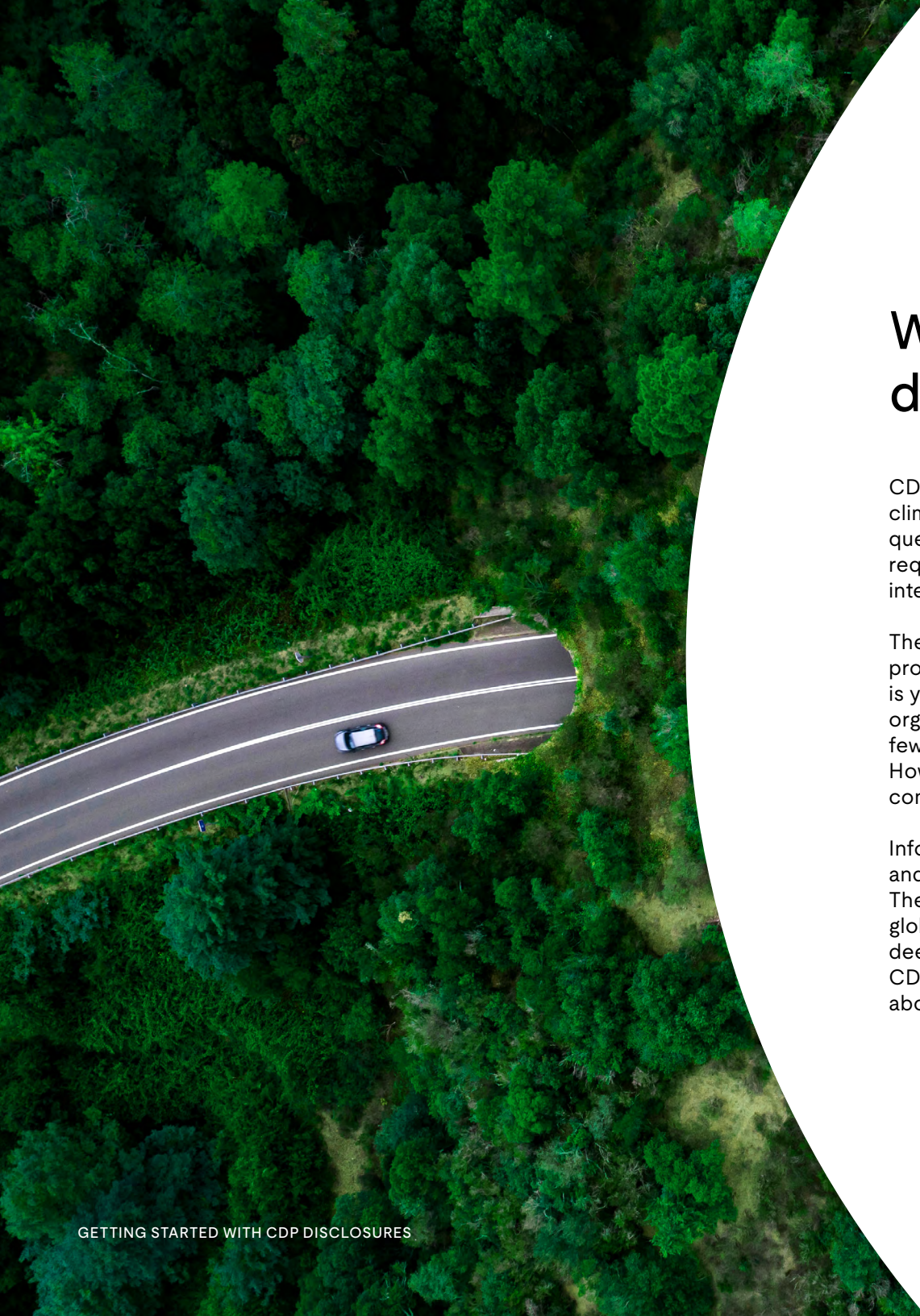


How do I disclose to CDP?

At the start of each disclosure cycle, CDP will email all nominated contacts. If this is your first disclosure invitation, you will receive with your email an activation link that will take you to a registration page for account creation.

As disclosure invitations are driven by government entities, customers and investors, the information needed depends on which program you've been asked to complete.

CDP offers numerous tools and support options, including a list of accredited solutions providers who can help you with all aspects of your disclosure. UL Solutions is a gold accredited solutions provider.

An aerial photograph of a paved road curving through a lush, green forest. A single car is visible on the road. The image is partially obscured by a large white circular graphic on the right side of the page.

What do I need to disclose?

CDP's disclosure framework consists of three questionnaires: climate change, forests and water security. CDP revises its questionnaires annually to reflect the shifting needs of the requesting authorities, provide additional context to areas of interest and improve the disclosure experience.

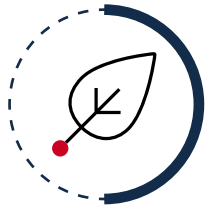
The information you need to disclose depends on which program or programs you've been asked to complete. If this is your first time disclosing to a particular questionnaire, your organization can complete the minimum version, which contains fewer questions and no sector-specific questions or data points. However, you can choose to respond to the full version, if you consider it more beneficial to your organization or stakeholders.

Information related to how you contribute to the climate, forests and water security all factor into CDP's review of your disclosure. The data obtained through CDP disclosure is critical to capturing global progress and identifying gaps. On the next page, we'll dive deeper into the questionnaires. The following areas are where CDP invites companies to disclose and why you should care about disclosing.



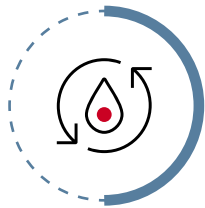
Climate change:

According to CDP, in 2030, roughly \$4 trillion (USD) worth of assets will be at risk due to climate change, which is a significant threat to anyone investing. Companies that have already started to disclose climate change-related information have seen data showing the benefit, amounting to \$53 billion (USD) so far, through responses to CDP's climate change program. Companies that acted on reducing their carbon risks experienced a positive impact, according to [research obtained by CDP](#), which is why CDP asks companies to disclose their climate risks and carbon-based opportunities.



Forest:

Loss of the world's forests presents potentially irreparable damage to the climate and to businesses' interests. The world's forests have a tremendous effect on world climate, as does your supply chain. CDP asks that you disclose how your commodities affect deforestation and ecosystem conversion.



Water security:

Without protection, fresh water sources may become scarce in the future. Research obtained by CDP shows that \$15.5 billion (USD) has already been lost or is at risk of loss due to water-related issues. Water risks may affect the coal, electric utilities, mining and oil and gas industries, per CDP's report "High and Dry: How Water Issues are Stranding Assets," commissioned by the Swiss Federal office of the Environment in 2022. CDP looks at the physical, regulatory, reputational, market and technological risks associated with water security.

How are companies scored?

CDP uses a scoring methodology to assess the responding company's progress towards environmental stewardship. Each questionnaire has an individual scoring methodology, which can be found online, along with guidance documents fully explaining the elements covered for each questionnaire. In order for response data to be comparable, data must be calculated and reported in the same way by all responding companies. The reporting guidance gives instructions on how to do this ([See CDP's Scoring Introduction document for complete information](#)).

The final output of this process is a rating from D to A, with an F for failure to disclose. That information is placed online for interested parties to access. Scoring well enough may even add you to [CDP's A List](#).

D:

Disclosure is what results when you've answered every question but you need to have disclosed more information to CDP. This can also represent the start of your disclosure journey.

C:

Awareness is demonstrated when showing your company cares about its environmental activities. A C rating can be improved through a more comprehensive evaluation of how your company deals with business, operations, people and the environment.

B:

Management, the start of a B rating, occurs when your company starts to develop good environmental stewardship management with supplied evidence of the environmental impact. The difference between B and A is leadership in the field.

A:

Leadership develops when an organization can demonstrate that they are disclosing everything pertaining to climate change, deforestation and water security data, while also demonstrating Taskforce for Climate-Related Financial Disclosures (TCFD)-recognized best practices and actions.

When do I disclose?

The key to successfully disclosing information to CDP is to understand the time commitment so you can plan ahead. The sample timeline below shows what a company disclosing to CDP can expect:

1. **January:** Annual questionnaires and guidance materials are made available on [CDP.net](#).
2. **April:** CDP opens its submission portal and questionnaires can be activated.
3. **July:** The submission deadline for companies eligible to receive a CDP score. If possible, CDP recommends you submit before this date.
4. **September:** The online response system portal closes. Past this point, companies can elect to submit their information as a part of CDP's self-reported dataset.

While this timeline makes things seem like a simple process, without preparation, the collection of the material can prove difficult and time-consuming. Choosing a strong and experienced science-based partner, such as UL Solutions can greatly benefit you in terms of:

- Building a framework in which to enter and maintain your responses.
- Managing your disclosure review and submission process.
- Identifying disclosure improvement opportunities with our CDP Disclosure Review Advisory Services.



Resources for getting started

Our software and advisory services can guide you through each stage of the CDP disclosure process.

While the benefits of the CDP disclosure program are easy to understand, the actual work proves to be a timely process requiring attention to detail as questions are answered and items sorted. Reporting your results can be made significantly easier by working with a partner who knows what CDP is looking for in a disclosure. This is where UL Solutions can help you succeed.

UL Solutions has been a CDP Gold Accredited Solutions Partner for over 15 years. We can help you report your information directly to CDP through built-in forms, templates and our new ESG Disclosures API.

Companies worldwide look to UL Solutions for help in meeting their disclosure needs through the following services:



CDP disclosure review and advisory services



ESG and sustainability reporting software



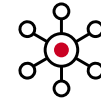
Enhanced scope 3 reporting software



Materiality assessments



Greenhouse gas verification to ISO 14064-3 assurance services



Supply chain management software

Manage disclosure activities from beginning to end. Visit ul.com/360 to gain access to advisory, software and assurance solutions for ESG acceleration.

Introducing a simpler CDP disclosure process

Prepare for CDP disclosures with comprehensive ESG and sustainability software from UL Solutions. First, use the software to automate your data collection, then collate and measure for performance metrics. Once CDP opens its online disclosure portal, use our ESG Disclosures module to seamlessly populate your CDP questionnaire with your data then route for internal review. When your team is satisfied with the quality of your answers, simply transfer the completed questionnaire to the CDP portal to finalize and submit.

Learn more about our ESG disclosures module. Visit [UL.com/CDPreporting](https://www.ul.com/CDPreporting).





Advisory services from UL Solutions

UL Solutions can help you understand ESG terminology, including questions and guidelines. We can also assist your company with carbon calculation, help you prepare data for submission, understand CDP guidelines and address sector-specific questions.

You can benefit from our four-part approach to CDP disclosure review with:

Gap analysis –

Identify where you would forfeit points in your disclosure.

Completion analysis –

Identify where your disclosure can be made better.

Structural analysis –

Compare your disclosure to other companies.

Enhance your disclosure with our findings and recommendations –

Determine your short-term and long-term disclosure enhancements.

Learn more about [CDP advisory services with UL Solutions.](#)





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