

THOUGHT LEADERSHIP

Submissions for CDP: Is your company ready?

By Natalie Ganzel, Senior Analyst, May 2024

One important landmark each year is the submission deadline for CDP questionnaires. This year's deadline is Wednesday, September 18, 2024 and has been pushed out roughly two months later than it has been in previous years. 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 fully with the IFRS S2 Standard and TCFD, aligns partially with TNFD, and is currently reviewing its alignment with ESRS and the SEC climate disclosure rule. Therefore, companies looking to align with these reporting frameworks and standards should consider utilizing CDP as a resource and alignment exercise.

What To Know If You Are Preparing A Response:

- This year, the CDP has combined its three questionnaires, Climate Change, Water Security, and Forests, into one integrated questionnaire. With this change, companies benefit from streamlined reporting that limits duplication on core sections such as governance or strategy and provides a more holistic approach to disclosing environmental-related risks, impacts and opportunities in operations, supply chain, and financial decisions.
- Work towards submitting your questionnaire early to avoid potential technical challenges. In years past, due to an increased volume of CDP participants, the CDP portal crashed during submission week. The CDP portal opened May 14 – companies should proactively activate their questionnaire and can submit responses any time between June 4 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 700+ investors with over US\$142 trillion in assets and 300+ large purchasers that are requesting thousands of companies to disclose their environmental data through CDP.
 - Over 23,000+ companies [disclosed through CDP](#) in 2023 – a 24.5% increase in submissions from 2022, representing half of global market capitalization.
- *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 [IFRS S2](#) and [TCFD](#), and can be used to inform these disclosures among other key environmental- and climate-related frameworks and standards.
 - 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 CDP's reporting guidance and scoring methodology can make a major difference. Third Economy is here to help.
- *What are the key CDP deadlines in 2024?*
 - May 14: Portal opens to disclosing organizations
 - June 4: Reporting window begins
 - September 18: Deadline for submitting a CDP response for scoring
 - October 2: Reporting window closes