

# How to improve your CDP Score ?

May 2025

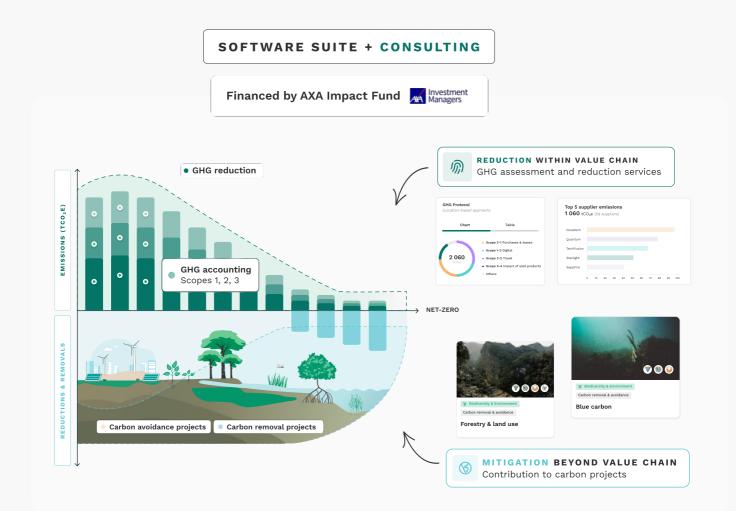


# **About ClimateSeed**

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Founded in 2018, ClimateSeed is an **impact-driven company** that supports over 200 organizations in their decarbonization journey.

ClimateSeed provides **consulting services** and **technological tools** to measure organizations' greenhouse gas emissions (GHG assessment), define reduction strategies aligned with science-based targets (SBTi), and contribute to premium carbon sequestration and avoidance projects, in line with the UN Sustainable Development Goals.



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### Introduction

Against the backdrop of regulations growing strict day by day and increased pressure from stakeholders, today's companies need to build their sustainability strategies around demanding regulatory frameworks. In this dynamic situation, two major reference frameworks are emerging as structuring factors: **The Corporate Sustainability Reporting Directive (CSRD)**, which is gradually establishing itself as the regulatory foundation for sustainability in Europe, and the **Carbon Disclosure Project (CDP)**, a voluntary standard that is now essential for environmental transparency on a global scale.

These two frameworks, although distinct in their origins and objectives, share a convergent methodological foundation. The structure of the CSRD, based on double materiality and the European Sustainability Reporting Standards (ESRS), incorporates requirements which are very similar to those of the CDP in terms of climate reporting: **Identification of Risks and Opportunities (IRO)**, **quantification of emissions according to the three scopes**, **transition plans** aligned with scientific objectives, climate governance and long-term strategy.

By **aligning its questionnaires with the main international standards (TCFD, SBTi, TNFD)**, the CDP anticipates the requirements of the CSRD. Consequently, engaging in rigorous CDP reporting becomes a strategic lever for preparing – and often foreshadowing – a CSRD-compliant sustainability statement. The data collected via CDP can not only be reused within the framework of the CSRD, but also accelerate the internal structuring of ESG data collection, verification and governance processes.

This guide offers a **concrete roadmap for structuring your CDP reporting to meet your CSRD obligations**. It aims to help you identify the necessary data, structure your climate governance, and build a credible transition trajectory, while capitalizing on the synergies between these two major non-financial reporting systems.

## What is CDP ?

The **CDP** (originally the Carbon Disclosure Project) is an international not-for-profit organization that supports companies, cities, governments and states in measuring, managing and reducing their environmental impacts.

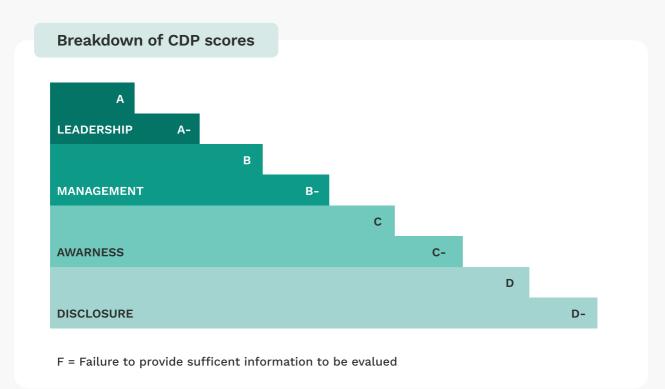
Created in 2000, it plays a central role in promoting environmental transparency through a **standardized public disclosure system**. By encouraging organizations to disclose their environmental data, the CDP provides stakeholders (customers, investors, regulators) with a better understanding of the issues at stake, and helps them to make more informed and responsible decisions.

The CDP focuses on three main areas:

→ Climate change, through the collection of data on greenhouse gas emissions and the reduction strategies implemented by companies.

→ Water, by assessing how organizations manage this resource and the risks associated with its scarcity or pollution.

→ Forests, by monitoring supply chains to limit deforestation and encourage sustainable sourcing practices.



© Source : CDP, data redesigned by ClimateSeed

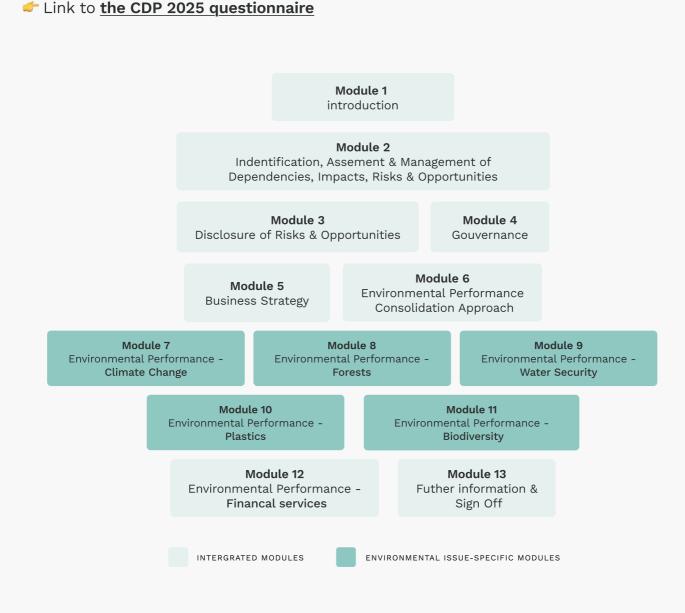
Over the years, the CDP's sphere of influence has extended far beyond the UK borders, where it was founded. Today, it works with thousands of companies, local authorities and financial institutions. This expansion has made it possible to diversify data collection and obtain a global view of environmental practices, taking account of regional specificities.



© Source : CDP, Disclosure Data Factsheet 2023

## Understand what data you need

Start your **CDP reporting** by clearly identifying the data you need. **The Carbon Disclosure Project (CDP)** publishes its annual questionnaire as a guide to gathering key information such as **Greenhouse Gas (GHG) emissions**, water management, resource use and climate risks.



© Source : CDP, data redesigned by ClimateSeed

#### Depending on your sector and size, you will require different information

The CDP allocates its questionnaires according to:

- → The size of the company
- → It's sector of activity
- → The environmental issues that concern it

All organizations receive the climate change questionnaire, while those on plastics and biodiversity are optional. Indeed, in 2025, companies participating in CDP reporting can still choose not to answer the specific modules on plastics and biodiversity. These sections are currently optional and are not taken into account in the overall rating. However, CDP actively encourages companies to adopt a more global approach by integrating these themes, in alignment with initiatives such as CSRD and TNFD.

The **Forest** and **Water Security** questionnaires are allocated according to specific exposure criteria. The obligation to answer these two questionnaires may also come from investors or customers. At the same time, some companies are turning to **sector-specific questionnaires**, designed to reflect the issues specific to their business (energy, finance, transport, etc.), with indicators tailored to their needs. This approach enables targeted reporting, consistent with the real risks and impacts of each company.

#### Questionnaire responses by environmental theme

Climate Change		Given to all disclosers	
Plastics		Given to all non-SME disclosers	
Biodiversity	ÌĆ	Given to all non-Sivie disclosers	
Forests	<u>(</u>	Civen to disclosers if energific conditions are part	
Water Security	~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~	Given to disclosers if specific conditions are met	

 $\ensuremath{\textcircled{O}}$  Source : CDP, Corporate Disclosure Key Changes for 2025, April 2025, Appendix A. Link



#### **Reporting options and thresholds for SMEs**

© Source : CDP, Corporate Disclosure Key Changes for 2025, April 2025 Link

#### □ What is "Supplier engagement assessment" ?

CDP supplier engagement refers to **the process by which a company (often a major customer) invites its suppliers to complete an environmental questionnaire via the CDP platform,** in order to assess their climate impact, in particular GHG emissions (Scopes 1, 2, and sometimes 3).

Suppliers **receive an invitation by email, create an account and complete a questionnaire tailored to their size,** covering their emissions, objectives, governance and exposure to climate risks.

Once submitted, the client can consult the answers, assess the supplier's environmental maturity and use this data to improve the climate performance of its supply chain.



# Identify the risks, opportunities and impacts (ROI) before taking the plunge-Materiality Analysis

It's essential to evaluate the company's current environmental impact. This analysis enables you to assess the effects of your products and processes on the environment, and to identify strengths, weaknesses and opportunities for improvement. A good materiality analysis will enhance the quality of your subsequent reporting. In this way, identifying risks increases your chances of achieving an A rating in CDP reporting.

In addition, several CDP questions directly address risks and opportunities:

→ Governance and strategy (C1 to C3): Clear identification of financial & environmental risks/impacts

→ **Risks & opportunities (C2):** Rigorous methodology for identifying and prioritizing them

→ Impact reporting (C4 to C6): Relevant, complete publication, aligned with CDP expectations

#### Example

Renault, in its <u>Universal Registration Document</u>, assesses the physical and transitional risks linked to climate, and adapts its strategy accordingly to seize opportunities for sustainable innovation.durable.

ITY	Raw		Value chain	Material topics			
MATERIALITY	materials	Air quality	, Biodiversity Packagi				
IMPACT		Building		Water pollution			
	FINANCIAL MATERIALITY						

Figure: Illustrative Double Materiality Matrix © Source : ClimateSeed

# A robust climate strategy: a prerequisite for an A grade

To make the Carbon Disclosure Project's A-list, it's best to have a solid climate strategy.

#### **1** GHG Inventory

The carbon footprint is a cornerstone of the **Carbon Disclosure Project's (CDP)** reporting system, as a central indicator of an organization's climate performance. The CDP requires reporting of greenhouse gas emissions according to **scopes 1, 2 and 3,** in line with the **Greenhouse Gas Protocol (WRI & WBCSD, 2004).** [1].

According to CDP (2023), "**companies that report detailed and verified emissions data have a significantly higher probability of being included in the A-list** and capturing the attention of investors". [2].

This quantification is decisive for the evaluation of companies, influencing their score and potential inclusion in the **A-list** (CDP, 2023). It also serves as a basis for drawing up **climate transition plans**, by linking emissions data, governance and strategy. The carbon footprint is thus becoming a structuring tool, both for climate risk management and for meeting growing demands for **climate financial transparency** (TCFD, 2017) [3].

#### 2 Science Based Targets (SBT)

The climate transition plan is a central element of CDP reporting, as it reflects a company's ability to structure its decarbonization strategy. The CDP particularly values plans aligned with trajectories validated by the **Science Based Targets initiative (SBTi)**, a partner of the CDP, a guarantee of credibility and consistency with the objectives of the **Paris Agreement** (CDP, 2024; SBTi, 2023). [4] [5].

A robust plan must include quantified objectives, a timetable, clear governance and dedicated resources. It is a strategic extension of the carbon footprint, demonstrating how the company intends to reduce its emissions in a concrete, progressive and verifiable way. A plan aligned with robust science is valued even if it is not validated by the Science based target initiative.



DROPDOWN OPTIONS	AWARNESS POINTS
Yes, and this target has been approved by the Science Based Targets initiative	1
Yes, we consider this a science-based target, and the target is currently being reviewed by the Science Based Targets initiative	1
Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years	1
Yes, we consider this a science-based target, but we have not committed to seek validation of this target by the Science Based Targets initiative within the next two years	0
No, but we are reporting another target that is science- based	1
No, but we anticipate setting one in the next two years	0.5
No, and we do not anticipate setting one in the next two years	0

© Source : CDP, Technical note on Science Based Targets, June 2024 Link

## **Upskilling of Stakeholders**

To achieve an **A rating on the CDP**, it is important to improve the **maturity of internal processes.** This implies a better understanding of data, improved data collection systems and ongoing team training.

Increasing the skills of internal and external stakeholders is a fundamental lever for guaranteeing the quality, consistency and credibility of the information disclosed to the **Carbon Disclosure Project (CDP)**. Indeed, the growing complexity of reporting requirements - particularly in relation to **indirect emissions (Scope 3)**, climate transition plans and physical and transitional risks - presupposes a fine-tuned appropriation of methodologies and reference frameworks by all players involved in the reporting chain.

According to the CDP (2023), one of the positive evaluation criteria lies in companies' ability to demonstrate **extended governance**, including the training of operational teams, suppliers and board members in climate issues. Similarly, the **Task Force on Climate-related Financial Disclosures (TCFD)** stresses the importance of climate competence as a condition of effective governance (TCFD, 2017). [3].

Skills upgrading is therefore not simply a matter of providing support for reporting, but a **strategic prerequisite** for structuring a credible response to the climate emergency, reinforcing the robustness of published data and mobilizing value chains in a dynamic of transition.

## Establish a solid internal management

The success of CDP reporting relies on **rigorous internal management**, where coordination between the **various stakeholders** and the implementation of robust processes are essential to ensure smooth and consistent data collection.

Effective management begins with **internal stakeholder mapping**, which should include **key departments** such as **finance**, **operations**, **human resources**, as well as **sustainability and risk** teams. By involving these **strategic departments** from the outset, companies ensure that the data collection required to meet CDP criteria is not only comprehensive, but also aligned with overall organizational objectives.

For example, Unilever and Schneider Electric, two global leaders in sustainability, have **set up internal processes** dedicated to **data collection** and **validation** in collaboration with several departments, enabling them to provide detailed and accurate CDP reports, thereby strengthening their transparency and credibility in sustainability matters (Unilever, 2023; Schneider Electric, 2023) [6]. In addition, the **involvement of management teams** in monitoring climate performance is crucial to ensuring the integrity of reporting. A 2022 CDP report highlights that senior management at companies such as Microsoft and Apple have played a key role in promoting transparency and managing climate risks within the company, contributing to some of the best disclosure scores (CDP, 2022).

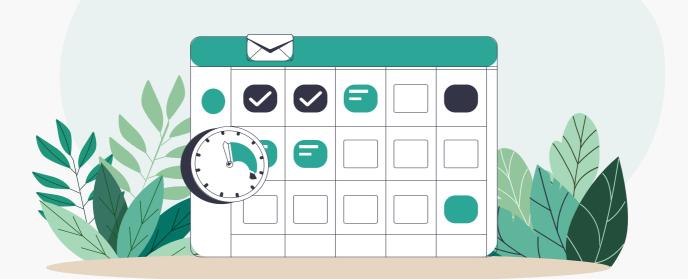
Setting up internal governance mechanisms dedicated to sustainability, such as climate change management committees, plays a key role not only in ensuring rigorous environmental data collection, but also in strengthening the company's strategic alignment with its long-term climate objectives. Indeed, according to a Harvard Business Review study (2022) [7], **companies that integrate climate governance at the highest level of their decision**-making structure, notably through specific committees, are **better prepared to meet CDP reporting requirements**, while optimizing their ESG (Environmental, Social, and Governance) performance.

# Establish a robust monitoring process year after year

Once the necessary data and risks have been identified, it is crucial to put in place a **robust system for data collection and monitoring** over several years. This makes it possible to track progress, correct discrepancies and demonstrate commitment to sustainability.

#### Example

ENGIE presents in its *Integrated Report 2024* a structured process for monitoring performance indicators related to the energy transition, with regular checkpoints.



# Use of CDP as a compass for your CSR policy

The CDP serves as a **benchmark for best practice** in sustainability. Aligning with its standards ensures that your company's approach is consistent with the best international requirements, and prepares you for future regulations.

CDP aligns its questionnaires with the best international standards such as the **Task Force on Climate-related Financial Disclosures (TCFD)** or **Science-Based Targets (SBTi)**, while anticipating emerging regulatory requirements such as the European Union's **Corporate Sustainability Reporting Directive (CSRD)** (CDP, 2023) [8].

By 2023, **over 23,000 companies** had responded to CDP questionnaires, representing **over 50% of the world's market capitalization**, illustrating its structuring role (CDP, 2022) [9]. What's more, the growing number of companies submitting to the CDP makes this approach unavoidable, and it is now establishing itself as a standard for the rest of the business community. Aligning with CDP standards enables companies to objectify their commitments, identify gaps in their climate strategies, and achieve comparability within their sector.

CDP's rigorous approach, based on precise, verifiable indicators, makes it a strategic tool for anticipating regulatory compliance, while **meeting the growing expectations of stakeholders on climate transparency**.



# **CDP Checklist**

# Complete your CDP form step-by-step

#### Login on the CDP Portal

#### $\rightarrow$ If you are an *existing user*:

You should have received an e-mail from CDP inviting you to log in to the portal. You can also log in directly on the CDP website.

#### → If you are a *new user*:

You will need to complete the *Register to disclose form* in order to access the portal. Once you have completed the Register form, you will be added to your organization as a new user and will be able to disclose via CDP.

#### **2** Download the main resources needed to understand CDP expectations

- Link to the <u>CDP 2025 questionnaire</u>
- Link to a summary of the main updates to the <u>CDP questionnaire for 2025</u>.

#### **③** Understand the questions you'll have to answer

The CDP platform automatically directs you to the right questionnaire, **depending on the sector you declare in your organization profile** (based on CDP's own classification, which is quite similar to the GICS or SIC system).

Alternatively, you can also check your sector code (NAICS / NACE / GICS), as CDP offers a <u>grid by</u> <u>sector of activity with questionnaire recommendations.</u>

#### Identify Key Stakeholders of the Project

Determine who in your organization will be responsible for each part of the CDP process, from data collection to final submission.

Here are some common stakeholder categories:

→ Management and leadership: Responsible for strategic vision and decision-making.

→ Sustainability (CSR) Department: Team dedicated to managing environmental objectives and compliance.

→ Finance / Controlling: Responsible for financial data and aspects of climate-related financial risk

→ **Operations and Supply Chain Department:** Responsible for data relating to procurement, production and the management of indirect emissions.

→ Technology / Information Systems: Responsible for collecting and integrating data into internal systems, setting up the necessary tools.

→ Human Resources: May be involved in internal training and employee engagement management.

→ Legal/Compliance Department: Ensures that the organization complies with all legal and regulatory requirements relating to the disclosure of environmental data.

#### 6 Get your management onboard

Make sure your senior management is committed to environmental transparency. Their support is essential to mobilize resources and drive the CDP process.

→ Demonstrate to your management how participation in CDP can enhance the company's reputation, strengthen brand value, attract investors and increase long-term profitability.

→ Emphasize the strategic importance of **climate-related risk management** (physical risks, regulatory risks, market risks, etc.)

→ Emphasize that disclosure is becoming mandatory in many jurisdictions, and that CDP is a valuable tool for staying ahead of the game.

#### **Our Recommendations**

Use case studies and evidence to show how other companies in similar sectors have benefited from CDP disclosure, whether through increased market share, improved risk management or even operational efficiency

Emphasize that cost savings from carbon reduction initiatives (e.g. energy savings, waste reduction) can lead to substantial financial savings, which is an attractive argument for executives.

Call in consultants or experts who can help facilitate cooperation between departments and support the above.

#### **6** Involve your value chain

Work with your suppliers and partners to gather the necessary environmental data from across your value chain. Accurate reporting on Scope 3 emissions often requires collaboration beyond your direct operations.

To go further, involve your suppliers with CDP's "Supplier Engagement Assessment"

CDP's annual Supplier Engagement Assessment (SEA) - formerly known as CDP's Supplier Engagement Rating (SER) - evaluates companies' supply chain engagement on climate issues. The top-rated companies are presented in **the Supplier Engagement Scorecard.** 

#### Ensure accuracy and verification of data

Invest in or upgrade data management systems to accurately track and report environmental impacts. Consider third-party verification to enhance credibility and reliability.

#### Submit, review and improve

Complete the CDP questionnaire thoroughly: Fill in the CDP questionnaire carefully, ensuring that all answers are accurate, complete and in line with the scoring method.

Link Questionnaire guidance for companies

#### Submit before the deadline

Be sure to submit your completed questionnaires via the CDP portal well in advance of the deadline to avoid last-minute problems.

# Conclusion

CDP reporting shouldn't be seen only as a simple annual declaration, but rather as a dynamic tool to steer the evolution of your company's sustainability and prepare for future challenges.

In a rapidly changing regulatory landscape, anticipating requirements is becoming a strategic necessity. The methodological alignment between CDP and CSRD allows you to optimize ESG data collection while reinforcing the coherence of your sustainability strategy. Through your CDP reporting, you structure a robust and credible climate management system, in line with the expectations of regulators, investors and all stakeholders.

More than a declarative exercise, CDP acts as a lever for internal transformation: it encourages you to formalize climate trajectories aligned with science, to rigorously assess risks and opportunities, and to structure effective ESG governance.

Its growing recognition makes it a strategic asset for improving your extra-financial positioning and seamlessly preparing for CSRD compliance. As transparency standards rise, companies that take the lead consolidate their competitive advantage: reporting becomes a structuring tool at the service of transition.



# References

- [1] WRI & WBCSD. (2004). The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard.
- [2] CDP. (2023). CDP Scoring Methodology 2023. Disponible sur : <u>https://www.cdp.net</u>
- [3] TCFD. (2017). Recommandations finales de la Task Force on Climate-related Financial Disclosures.
- [4] CDP. (2023). CDP Technical Note: Climate Transition Plans. Link
- [5] Science Based Targets initiative (SBTi). (2023). Foundations of Science-Based Target Setting. Link
- [6] Unilever (2023). Climate Transition Action Plan.
- [7] Harvard Business Review (2022). 10 ways Boards Can Act on Sustainability in 2022 Link
- [8] CDP (2023). Technical Note on Alignment with TCFD and ISSB.
- [9] CDP. (2024). CDP Climate Change 2024 Questionnaire Guidance. Link

Additional resources used for the elaboration of the checklist

- Knowledge Base- CDP Help Center
- <u>Understand your CDP disclosure request</u>
- Questionnaire guidance for companies
- How to navigate the new CDP corporate questionnaire
- Scoring guidance for companies
- Science based targets
- <u>Scenario analysis</u>
- <u>Carbon pricing</u>



For more information, get in touch with our team of experts.



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