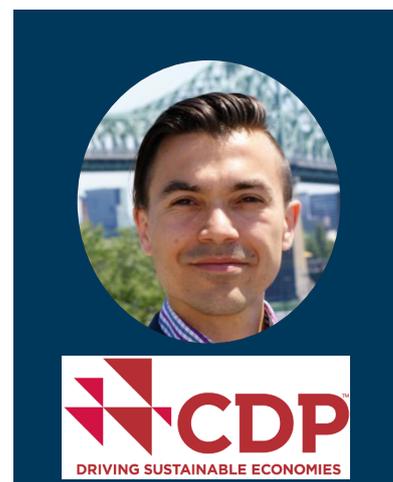


ESG Viewpoint: CDP

RepRisk interviews Lukas Brochard, Senior Manager – Scoring and Verification

CDP is a UK-based global disclosure system for companies, cities, states and regions to manage their environmental impacts and for investors or purchasers to access environmental information for use in financial decisions. As of today, companies, cities, states and regions from over 90 countries disclose through CDP, including more than 5600 companies.

Lukas Brochard joined CDP in 2015 and works as a Senior Manager for Scoring and Verification at CDP's Global Environmental Reporting System. Prior to this, he held positions at Unilever and Bombardier where he gained expertise in various areas of corporate sustainability. Based on the experience Lukas acquired working in international organizations, Lukas now teaches a class on "negotiations" at l'Université du Québec à Montréal.



RepRisk: Could you provide some insight into the work that CDP does?

Lukas Brochard: Climate change, water scarcity, and deforestation are unparalleled global challenges that require a systemic change in market behavior. To achieve this, CDP, formerly the Carbon Disclosure Project, runs the global disclosure system that enables companies, cities, states, and regions to measure and manage their environmental impacts.

We have built the most comprehensive collection of self-reported environmental data in the world. Our network of investors and purchasers, representing over USD 100 trillion, along with policy makers around the globe, use our data and insights to make better-informed decisions.

RR: Which developments have you witnessed over the last decade that are important for each of your programs – water, climate, forests?

LB: Over the past decade, three key elements have played into CDP's progression: growth, increased expectations, and scientific progress.

Since its creation, CDP has seen constant growth in the number of responding companies, cities, and regions. At the same time, investors are requesting more refined data in order to make better-informed decisions. All of this is within a context where our general understanding of these environmental issues is improving as the scientific community pursues its research.

We regularly make modifications to our questionnaires, our guidance, and scoring methodology in order to best reflect investor expectations as well as scientific knowledge. One of the most significant changes we have made recently has been to incentivize companies to set science-based targets.

RR: What main challenges do your respondents face with regards to disclosure and performance?

LB: CDP provides a considerable amount of guidance for responding companies to understand what we are looking for. However, it can be challenging to obtain all of the relevant information to provide a complete picture of a company's situation, especially at the beginning when the processes have not yet been set up. This being said, companies have seen benefits to gathering all of this information – in fact, 87 percent of companies responding to CDP identified business opportunities and are taking action to address climate change risks. This has also led to USD 53 billion in savings for companies that respond to CDP.

RR: How has the global disclosure field developed in the last decade, and what trends do you see on the horizon regarding requirements for non-financial reporting and disclosure?

LB: We have seen a constant uptake of corporate disclosure over the past 16 years, which has been possible thanks to the important outreach CDP and many other similar organizations have done, as well as the implication of investors. As for the main trend for the future, I think that the work being done by the Task Force of Climate-related Financial Disclosures ([TCFD](#)) is an indication of things to come, and signals the importance of the impact that climate change has on corporations and investors. Although there is no mandatory requirement to report this information, we do hope that this will increase the number of companies reporting climate-related information and will help investors in their decisions.

RR: How has your work influenced the work of investors?

LB: CDP provides a considerable amount of data for investors to include in their own analysis. However, we also produce sectoral research papers which have provided some in-depth analysis on some high-emitting sectors. This research has been very well received in the SRI world, and the work and the team involved have won numerous prizes for the analysis they have provided.

RR: What developments are on the horizon for CDP?

LB: We believe that the TCFD recommendations are an important step forward toward enhancing corporate disclosure, and as such CDP has committed to implementing all of the TCFD recommendations by 2018. At the same time, CDP is undergoing a transformational process called Re-Imagining Disclosure in which we are improving our user experience. As part of this process, and in order to optimize our data requests, we are moving toward sectoral-specific questionnaires and scoring methodologies. We are actually starting our consultation on some of the principles and questions we are developing in the next few weeks.

RR: CDP has partnered with RepRisk since 2014. How does RepRisk data support the work of CDP?

LB: Once we have completed our scoring cycle and prior to the score release, the scoring team reviews all companies that achieve the highest scores to ensure that nothing included in the CDP response or available in the public domain calls into question the company's suitability for inclusion in the A List (Leadership Indices) for each of the environmental realms that the company has responded to. We have found that RepRisk's ESG Risk Platform has been an essential tool in this process. Not only does it include all of the issues that we are looking for but it provides us with an important geographic spread by capturing sources in multiple languages, which is essential for CDP's global scope. The systematic approach and coherent methodology adopted by RepRisk has helped us establish a clear process to do this last step before we award our highest grade to responding companies.

Read more on how RepRisk data supports CDP's evaluation process [here](#).