

Corporate Disclosure

Key changes for 2024: Part I

February 2024



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Introduction

In 2024, CDP is making changes to our platform and questionnaire to ensure we collect data that drives action.

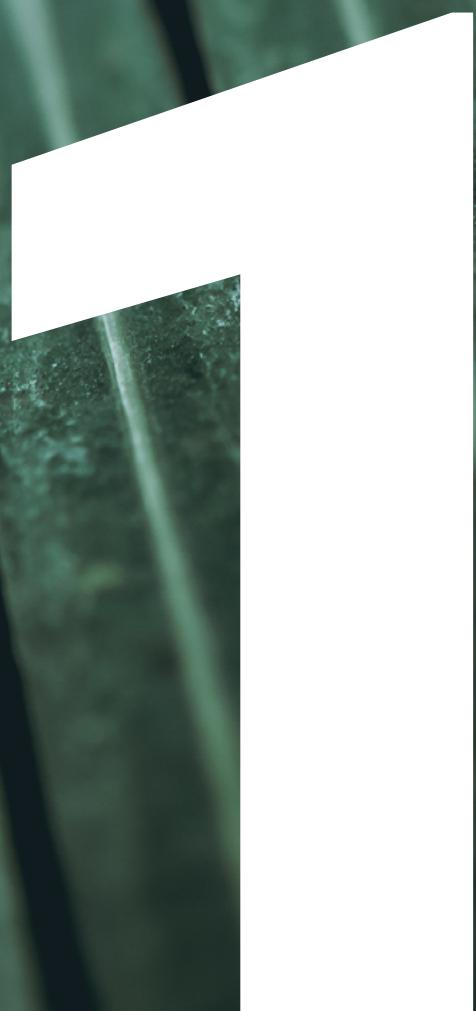
This document details key changes to CDP's 2024 Disclosure Framework for the purpose of supporting companies and data users in understanding what to expect from the 2024 questionnaire.

To ensure CDP collects actionable data, we are scaling environmental data disclosure and strengthening our alignment with relevant frameworks and standards.

Data is the cornerstone of tangible progress. It creates a baseline for transition plans, supports positive action on protecting nature, and underpins the country-level commitments recently reviewed in the Global Stocktake at COP28.

CDP is excited by the challenge ahead, but we cannot do it alone. We look forward to partnering with our stakeholders to tackle climate change and nature loss.

CDP's ambition for corporate environmental action





CDP's ambition for corporate environmental action

Key changes to the 2024 questionnaire

CDP's questionnaires evolve annually to push corporate ambition further, and support companies and financial markets to transition in line with a 1.5°C, nature-positive world.

In 2024, CDP is combining the three existing questionnaires into one CDP Corporate Questionnaire, so that companies asked to respond across multiple environmental issues can do so in a single place, as well as encouraging a more holistic and balanced disclosure across different environmental issues. The CDP Corporate Questionnaire follows the latest science, aligns with new high-quality disclosure frameworks and standards, and includes incremental changes to the data points in our previous climate change, forests and water security questionnaires.

To put protecting climate and nature at the heart of corporate strategy, CDP's new questionnaire challenges corporates to take more effective action across the whole spectrum of environmental issues. It encourages disclosers and data users to assess and manage dependencies, impacts, risks and opportunities throughout ecosystems - including land use, biodiversity and plastics - as an interrelated challenge.

Mandatory disclosure has now been adopted in Europe, Brazil, India and the UK, and is on track to be implemented in other global jurisdictions very soon. In this rapidly evolving landscape, CDP is also aligning further with emerging reporting frameworks and standards.

These changes, along with a transformation in the CDP Portal technology, will support companies and financial institutions to measure, understand and act on their environmental impacts in line with key disclosure requirements expected by investors and regulators.



This document will support companies and data users to understand what to expect from CDP's questionnaire in 2024, including:

- ▼ Integration of climate change, forests, and water security questionnaires, as well as inclusion of other environmental issues;
- ▼ Alignment with the IFRS S2 (International Sustainability Standards Board - ISSB) Climate Standard;
- ▼ Our work on other standards and frameworks including the Taskforce on Nature-related Financial Disclosures (TNFD) and the European Sustainability Reporting Standards (ESRS);
- ▼ Changes to the focus of the forests questionnaire and forests scoring;
- ▼ Changes to the allocation of themes;
- ▼ Our evolving approach to small and medium enterprises (SMEs); and
- ▼ Other key changes to prepare your business for the 2024 disclosure cycle and beyond.

Alignment with reporting frameworks and standards





Alignment with reporting frameworks and standards

CDP has collaborated with leading reporting standards and frameworks bodies. The current status of associated alignment is:

1. IFRS S2 Climate-related Disclosures – the 2024 questionnaire will be aligned with the IFRS S2 standard issued by the ISSB.
2. European Financial Reporting Advisory Group (EFRAG) – alignment with ESRS is under review.
3. Task Force on Nature-related Financial Disclosures (TNFD) – the questionnaire is currently partially aligned.
4. Securities and Exchange Commission (SEC) proposed climate disclosure rule – alignment is under review.

These collaborations will allow increased alignment, thereby reducing the reporting burden on companies and ensure corporate disclosures have the widest application in the market – driven by the highest ambition – and that they deliver consistent, comparable and decision-useful environmental data to capital markets, procurement teams and policymakers worldwide.

CDP intends to strengthen alignment with all impactful, high-quality global and jurisdictional-level environmental reporting standards and frameworks as they develop.

1. IFRS S2 (ISSB) climate standard

CDP's 2024 disclosure request on climate change will align with the IFRS S2 (ISSB) climate standard. In addition to the value of the disclosed dataset itself, the questionnaire will provide an effective tool to support companies on their path to IFRS S2 (ISSB) compliance. Guidance will be available to support disclosers and stakeholders in understanding their progress against IFRS S2 requirements.

The IFRS S2 specifies what companies should report in terms of Governance, Strategy, Risk and Opportunity Management, including the processes used to identify, assess and prioritize risks and opportunities, metrics and targets, including Scope 1, 2 and 3 emissions. It fully incorporates, and builds from, the Task Force on Climate-related Financial Disclosures (TCFD) recommendations, to which CDP is already fully aligned.

2. ESRS

The ESRS will be legally binding under the EU Corporate Sustainability Reporting Directive (CSRD). The CSRD requires all large companies and all listed companies (with some exceptions) to disclose information on ESG risks and opportunities, and on the impact of their activities.

50,000 companies are in scope, including an estimated 10,000 non-EU companies; the applicability of the ESRS to companies' entire value chains means this regulation will have a vast global reach.

CDP is assessing alignment of the CDP Portal with the ESRS from an environmental perspective, and, supported by EFRAG, will offer webinars and guidance in 2024 to support companies with reporting on ESRS datapoints through CDP.

3. TNFD

In October 2023, CDP announced its intention to align with the TNFD framework. This will ensure investors, purchasers and policymakers can access nature-related information in a consistent, comparable, standardized format.

CDP already has partial alignment - particularly where TNFD parallels the TCFD - as the TNFD framework is rooted in the TCFD recommendations, with which CDP is already aligned. This gives us a running start as certain parts of CDP's questionnaires can be relatively easily adapted to also reflect aspects of the TNFD framework including around governance, strategy, risks and opportunities disclosure.

CDP has committed to expanding coverage across all key environmental issues, as described briefly in section 3 below, which will enable us to provide full disclosure coverage of TNFD's framework. The TNFD framework will enable CDP to further accelerate our incorporation of more environmental topics by providing a robust set of good practice indicators on areas such as oceans and land.

4. SEC's proposed climate disclosure rule

CDP has announced its intention to align with the proposed SEC ruling and is in the process of determining what alignment will look like for each of these frameworks and standards and the timeline for doing so. The 2024 questionnaire already reflects our extensive alignment work with the above.

CDP Corporate Questionnaire FAQs

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CDP Corporate Questionnaire FAQs

Why is CDP integrating the questionnaire?

Addressing the climate crisis cannot be achieved without simultaneously addressing the nature crisis. Carbon emissions and climate change are only part of the challenge. At least US\$44 trillion in economic value is generated through the exploitation of natural resources every year – and losses to nature continue at unprecedented rates.

The Intergovernmental Panel on Climate Change (IPCC) and the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) agree that climate and nature must be addressed simultaneously and in an equitable way. This includes conserving, protecting, and restoring ecosystems, adopting more sustainable agricultural and forestry practices, and pursuing a circular economy. In this context, it is more important than ever to accelerate corporate action on water security and deforestation and to act on the full range of environmental issues. CDP's move to an integrated questionnaire format will enable our stakeholders to better assess all environmental impacts in their direct operational activity, supply chain, and financial decisions. We are also integrating new data points to encourage companies to address interconnectivity of these issues.

With the CDP Corporate Questionnaire, disclosers will experience an improved interface and a more intuitive workflow. The questionnaire will encourage a shift towards holistic environmental management and prepare disclosers to better respond to market and regulator demands.

The CDP Corporate Questionnaire also enables us to meet our strategic goals of expanding across environmental issues like biodiversity, plastics, and land more systematically and without replicating governance and strategy questions.

We started expanding to a wider coverage of environmental issues with the introduction of biodiversity in 2022, and plastics in 2023. In future years stakeholders should expect to see an expanded coverage of environmental issues.

What other key changes can I expect?

The focus on Risks and Opportunities will be shifted to include the assessment of Environmental Impacts and Dependencies.

In 2024, disclosers should demonstrate visibility and knowledge of the entities they have control over, as well as across their value chain. Additionally, under TNFD guidance, responding organizations should identify priority locations for forests, water and biodiversity.

What does integration mean?

There will still be theme-specific questions and scores in the CDP Corporate Questionnaire, but disclosers will be challenged with a more holistic approach. They will see questions on all the themes that they have been requested to report on, in one unified interface, and will only need to submit one response.

The entire response will need to be either 'public' or 'non-public', except for the content specific to supply chain member requests, which remains private.

Does an integrated questionnaire mean a company will receive one score?

No. In 2024, companies will continue to be scored separately on climate change, water security, and forests. Please note that plastics and biodiversity questions in 2024 will not be scored.

What will the CDP Corporate Questionnaire look like?

Historically, some questions - for example, on governance - were repeated across all three CDP questionnaires. Where possible, we are now combining these questions to offer a better user experience for disclosers and to encourage companies to think holistically about environmental management.

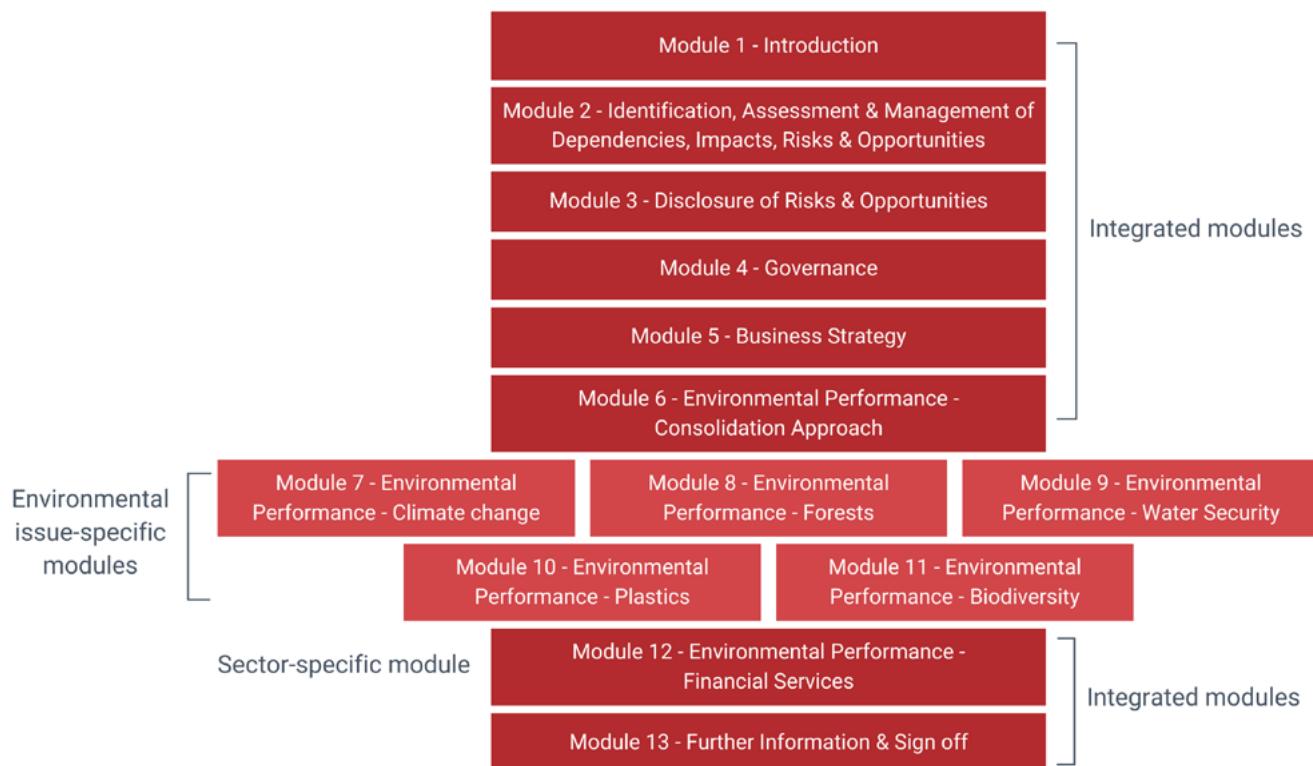
Integration will change the format of the questionnaire, but in 2024 the information we are requesting from companies and the actions we're seeking to drive will not fundamentally change. CDP will still ask for theme-specific datapoints within this integrated dataset. Questions that are only relevant to one environmental issue will be kept separate.

Supply chain questions, presented to supply chain requested organizations, have also been spread throughout the questionnaire and are no longer in a standalone module.

The CDP Corporate Questionnaire has been organized into the following structure and modules.

Questionnaire layout & structure

'Full' Corporate questionnaire



Companies can expect to see integrated questions in all modules with the exception of 'Environmental Performance', which will include distinct sections and questions for each of the environmental themes they are reporting on. This applies to all sectors other than financial services.

For all other modules, the degree of integration within single questions will differ. In many integrated questions, we will still ask for theme-specific datapoints to provide granularity and continuity.

Integrated questions will be structured in a number of different ways – two illustrative examples are provided on the next page to show how integration will work and others will be shared over the coming months.

Example 1

For some topics, companies will be asked to report on all requested themes within a single table, with each theme in a separate row. The ability to copy data from one row to another if it's applicable to multiple themes will reduce work and minimize duplication.

Illustrative approach

Q: Does your organization have a process for identifying, assessing, and managing environmental dependencies, impacts, risks, and opportunities?

	Indicate whether there is a process in place	Primary reason for not having a process	Explain why you do not have a process	Indicate whether this assessment process accounts for other environmental issues
Biodiversity	List of options: • Yes • No, but we plan to do so within the next two years • No, and we do not plan to do so within the next two years	List of options: • Important, but not an immediate priority • Judged to be unimportant, explanation provided • Lack of internal resources / capabilities • Other, please specify	Text field	List of options: • Yes • No
Climate change	As above	As above	As above	As above
Forests	As above	As above	As above	As above
Plastics	As above	As above	As above	As above
Water security	As above	As above	As above	As above

Example 2

In other instances, companies will be able to report information pertaining to multiple environmental issues within the same row by answering the core question and then identifying which theme(s) that answer applies to from a drop-down list.

Illustrative approach

Q: Describe where and how environmental risks and opportunities have influenced your strategy.

	Have environmental risks and/or opportunities influenced your strategy in this area?	Environmental issues relevant to the risks and/or opportunities that have influenced your strategy in this area	Describe how environmental risks and/or opportunities have influenced your strategy in this area
Products and services	List of options - select from: • Yes, risks only • Yes, opportunities only • Yes, both risks and opportunities • No • Evaluation in progress • Not evaluated	List of options – select all that apply: • Climate change • Forests • Water	Text field
Supply chain and/or value chain	As above	As above	As above
Investment in R&D	As above	As above	As above
Operations	As above	As above	As above

How will we determine which themes a company is requested to disclose on?

The new CDP Corporate Questionnaire does not mean that all companies will have to answer datapoints on all environmental themes. All companies responding to the full questionnaire will continue to be assigned climate change datapoints in 2024 and will also be asked questions on Plastics and Biodiversity.

Questions on forests and water will continue to be presented to companies based on how relevant these issues are to their business and activities. The relevance of these questions will be assessed using the CDP Activity Classification System (ACS) methodology, following the same process CDP has used to determine requests to large public companies for the last decade.

The approach for investor-requested companies will be the same in 2024 as in previous years and we will release the methodology for assessing whether a sector will receive forests and water questions in early 2024; there will only be minor changes from the 2023 methodology. For forests we will use the sector methodology outlined in [Appendix 1](#), and for assignment of water themes we will use our [Water Watch tool](#).

Companies that have been requested to respond to forests and water security in the past will most likely be presented with these themes again as part of the CDP Corporate Questionnaire. If useful, you can find out which theme(s) a given investor-requested company was asked to respond to in 2023 [here](#).

The more significant change in 2024 is that this methodology will be applied to all companies, so will also be used to determine which themes those requested only by their customer(s) will be assigned. Whereas previously, for example, supply chain members have identified which theme(s) their suppliers are asked to disclose on, going forwards this will be determined by CDP, following assessment using the CDP ACS. This also applies to companies asked to disclose by a bank or private market investor.

CDP supply chain members, banks, and private market investors will still be able to additionally request their stakeholders to disclose on any theme(s) they consider relevant, regardless of CDP's assessment.

We will be making one further change in 2024 - we will be allowing organizations to indicate whether they have identified any dependencies, impacts, risks or opportunities relating to forests and water. If they select yes, they will be presented with the forests and water questions. This will add another layer of verification to ensure our stakeholders are disclosing on and receiving the most relevant information to drive action.

Plastics

In 2023, companies disclosing on water security were also presented with a set of plastics questions. While plastics has a strong impact on water quality, it is also relevant across a wider range of environmental issues so in 2024, all corporate disclosers, with the exception of SMEs and public authorities, will be presented with some basic data points on plastics. High-impact sectors for plastics impact may be presented with a wider range of questions.

From 2024, the plastics activities identification will expand from production/commercialization to provision of waste and/or water management activities, as well as provision of financial products/services for plastics-related activities. This will allow for future expansion of plastics-related metrics to capture the full value chain of activities.

Biodiversity

Biodiversity questions in previous years have been presented to anyone disclosing on the climate change questionnaire. CDP recognises the connectivity between biodiversity, climate change and all nature-related issues, so all corporate disclosers will be presented basic biodiversity datapoints in 2024, with the exception of SMEs and public authorities.

Neither plastics nor biodiversity questions will be scored in 2024.

	Disclosers
Climate change	All corporate disclosers
Plastics and biodiversity	All corporate disclosers (except SMEs or public authorities) = responding to Full
Forests	Corporate disclosers if at least one of the following is met (for SMEs #2, 4 only) 1. CDP's forests' industry impact classification; a. Sample setting process for investor-requested companies b. Applied in questionnaire setup for non-investor-requested companies 2. Requested to forests by a requesting authority (eg by a supply chain member, etc); 3. Self-assessment: org has identified DIRO relating to forests; 4. Opt-in to forests.
Water security	Corporate disclosers if at least one of the following is met (for SMEs #2, 4 only) 1. CDP's water industry impact classification; a. Sample setting process for investor-requested companies b. Applied in questionnaire setup for non-investor-requested companies 2. Requested to water by a requesting authority (eg by a supply chain member, etc); 3. Self-assessment: org has identified DIRO relating to water; 4. Opt-in to water.

Forests update





Forests update

Deforestation remains one of the key environmental issues captured through CDP's disclosure framework.

The most significant changes to the forests questionnaire in 2024 will be:

- ▼ Whilst maintaining a focus on forests and deforestation, we are increasing the focus on conversion of other natural ecosystems.
- ▼ Moving to a single forests score.
- ▼ Strengthened reporting on Deforestation and Conversion Free (DCF) volumes, the methods used to achieve DCF and progress towards it.

Rereading forests disclosure

In 2024, we will remove the emphasis on commodity-driven datapoints for several of the forests questions, but maintain them where appropriate and important – and reframe them within the land-related lens, covering land use and land use change.

A single forests score

The single forests score will comprise:

1. A general score resulting from the points achieved for all non-commodity driven questions.
2. A combined commodity score derived from commodity-specific questions. We may also introduce a weighting to reflect the company's use of, and dependency on, their disclosed commodities.

This combined commodity score may also be based on a new datapoint on total volumes produced, used or sourced by a company which will be used to obtain a weighting that reflects the use and dependency of a company on their disclosed commodities.

Strengthened reporting on DCF volumes

Through the forests questionnaire, we will continue to incentivize companies to take action on deforestation and conversion of other natural ecosystems in their commodity supply chains. We will strengthen the reporting on DCF volumes, the methods used to achieve DCF, and progress towards DCF.

This update will allow alignment with the Accountability Framework initiative (AFI), the Common Methodology, GRI, and others.



Additional development underway

Recent updates made to the AFI Core Principles and Operational Guidance, as well as the Common Methodology, will guide our thinking in updating the forests questionnaire further and may result in some new datapoints, but also in language changes.

CDP introduced jurisdictional and landscape approaches in previous years. We will keep building on these questions and are working on data points around claims that organizations are making about the investments and/or actions that they are taking in the landscape and jurisdiction they refer to in their disclosure.

Financial services





Financial services

In 2024, financial services (FS) datapoints will be integrated into the CDP questionnaire via a financial services sector tag. FS companies will therefore see a tailored questionnaire with three types of questions:

1. Questions shown to all sectors.
2. Questions shown to all sectors with additional details and datapoints tailored to FS only.
3. FS-specific questions.

Integration of forests and water security for FS

In 2023, forest and water data points for FS companies were included in the climate change questionnaire. In 2024, most questions relating to FS companies' portfolio activities (finance activities) will be integrated. Only a few portfolio questions - along with questions relating to operational activities - will be theme-specific.

While integration has been the primary driver for the changes to the sector questionnaire, standards alignment has also been an important factor in determining changes, particularly in relation to alignment with IFRS S2 and EU taxonomy.

Organizations disclosing to the FS questionnaire will also be shown some unscored biodiversity and plastics datapoints where relevant.

Alignment with the Glasgow Financial Alliance for Net Zero (GFANZ)

We will make the necessary updates to the 2024 questionnaire to ensure that financial institutions have a suitable reporting mechanism to demonstrate progress, including against their net-zero commitments for GFANZ sector-specific alliances, as well against the Investor Agenda Investor Climate Action Plans (ICAPs) framework and the GFANZ voluntary transition plan recommendations and guidance for financial institutions.

Alignment with the Partnership for Carbon Accounting Financials (PCAF)

CDP's 2023 climate change questionnaire was broadly aligned with the first version of PCAF's Global GHG Accounting and Reporting Standard and allowed financial institutions to report their portfolio emissions in a way compatible with the standard. In 2024, CDP's questionnaire will be further aligned with the PCAF standard.



2024 scoring for forests and water security for FS organizations

Forests and water security
for FS companies will be
scored privately in 2024.
The climate change score
for FS will not be impacted
by these scores.



Scoring framework

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Scoring framework

CDP will continue to provide detailed information about how companies will be assessed per question.

While the scoring methodologies are being reviewed in line with the planned questionnaire changes, we don't expect major changes in 2024.

CDP is currently prioritizing the requirements outlined under several reporting standards (ESRS, IFRS, TNFD, TCFD, SEC), and working to identify priorities for companies based on these with the objective of guiding companies to a business model compatible with a 1.5°C, nature-positive world.

This year, we will continue to score based on primary sector assignment. Companies will receive a separate score for climate change, forests and water security. Biodiversity and plastics will remain unscored in 2024.

To raise ambition on environmental action, we are assessing ways of making our scoring system more robust and future proof, and providing clarity on the absolute foundations that companies must have in place to be considered eligible for a certain scoring level through the use of eligibility criteria. These are already well established for our A List.

We will provide more information and illustrative examples at a later stage.



SME disclosure





SME disclosure

An exciting change for 2024 will be the introduction of a dedicated questionnaire for small and medium enterprises (SMEs). This will provide a much-improved experience for SMEs, allowing them to disclose via a streamlined and simplified questionnaire that is more appropriate for organizations of their size.

CDP has been working for several years to better support SMEs to measure and act on their environmental impacts through the SME Climate Disclosure Framework and collaboration with the SME Climate Hub, as well as our pilot Private Markets 2023 CDP SME questionnaire.

The new 2024 CDP SME questionnaire will build on these collaborations and pilots to provide a better, more tailored, disclosure route for SMEs. This will replace both the existing minimum version questionnaire and pilot Private Markets CDP SME questionnaire.

Principles for developing the CDP SME questionnaire

The eligibility threshold and questionnaire will be structured to provide the flexibility to meet SMEs at their current maturity level, make it easy to understand where SMEs should focus their attention, and be challenging enough to build knowledge and drive actionable steps.

The questionnaire will incentivize SMEs to engage in disclosure and start taking action, recognizing that disclosure is an important first step in an organization's environmental journey.

Associated guidance will support SMEs in navigating the ecosystem of resources and best practice.

Focus of the CDP SME questionnaire in 2024

For consistency, the structure of the CDP SME questionnaire will be aligned to the full version; however, the CDP SME questionnaire will consist of fewer questions and data points, simplified question formats and enhanced guidance to ease SMEs' reporting burden.

In 2024, the CDP SME questionnaire will focus on climate change and won't include sector-specific questions or data points.

CDP's intention is to expand to other environmental topics in the future. In the meantime, for 2024 we will include several key forest and water security data points to provide data continuity with the non-climate themes previously covered by the minimum questionnaire.



**Learn more about how we're transforming to ensure
deliver data-driven environmental action [here](#).**

About CDP

CDP is a global non-profit that runs the world's environmental disclosure system for companies, cities, states and regions. Founded in 2000 and working with more than 740 financial institutions with over \$136 trillion in assets, CDP pioneered using capital markets and corporate procurement to motivate companies to disclose their environmental impacts, and to reduce greenhouse gas emissions, safeguard water resources and protect forests. Over 24,000 organizations around the world disclosed data through CDP in 2023, with more than 23,000 companies – including listed companies worth two thirds global market capitalization – and over 1,100 cities, states and regions. Fully TCFD aligned, CDP holds the largest environmental database in the world, and CDP scores are widely used to drive investment and procurement decisions towards a zero carbon, sustainable and resilient economy. CDP is a founding member of the Science Based Targets initiative, We Mean Business Coalition, The Investor Agenda and the Net Zero Asset Managers initiative. Visit cdp.net or follow us @CDP to find out more.