

Disclosing through CDP

The business benefits

2022



CDP IS THE WORLD'S ENVIRONMENTAL REPORTING SYSTEM

18,700+

companies representing half of global market capitalization disclose through CDP.

680+

financial institutions worth US\$130+ trillion in assets support our requests for data.

US\$6.4 trillion

in purchasing power represented by our 280+ Supply Chain members.

95%

of companies use environmental metrics, including CDP data in procurement processes or plan to within two years. CDP is a non-profit that runs the global environmental disclosure system. We support organizations in making their environmental impact transparent to stakeholders, better understanding how they can reduce their impact, and acting to become environmental leaders. CDP has the world's largest, most comprehensive set of environmental data, and is utilized by capital markets and purchasing organizations to make informed decisions, reward high-performing companies, and drive action.

CAPITAL MARKETS AND PURCHASERS



Request environmental data through CDP



COMPANIES



Measure and disclose their impacts, risks, opportunities and action



Companies take action to tackle climate change, prevent deforestation and safeguard water







WHY DISCLOSE ENVIRONMENTAL DATA?



Disclosure is increasingly becoming an expected business norm, demanded by capital markets and consumers alike. Reporting through CDP brings wide-reaching business benefits, from brand value to risk management and getting ahead of regulation.

86%

of companies
responding to a 2021
CDP post-disclosure
survey agreed that
"protecting and
improving the reputation
of my organization" is
an important benefit of
disclosing through CDP.

In August 2021, the IPCC issued a "code red for humanity", warning that disastrous tipping points are nearing. The science is clear: two years into the decade of action, urgent, system-wide action is needed to halve global emissions, halt deforestation and tackle the water crisis by 2030. Now is the time for companies to disclose their environmental data on climate change, deforestation, and water security if we are to be in with any chance of limiting global warming to 1.5°C and averting climate catastrophe.

Doing so brings tangible business benefits:

IMPROVE YOUR REPUTATION

- Capital markets, purchasers and end consumers increasingly expect companies to be transparent and take responsibility for their environmental impacts. 86% of companies responding to a 2021 CDP post-disclosure survey agreed that "protecting and improving the reputation of my organization" is a key benefit of disclosure.
- The public is increasingly concerned about environmental issues and expects businesses to manage their environmental impacts and be transparent. In October 2021, according to an ONS survey, three-quarters (75%) of adults in the United Kingdom said they were worried about the impact of climate change.
- Young jobseekers searching for careers that help tackle environmental issues are being advised to look at CDP disclosures to establish which companies are "serious about responding to climate change".¹

GET AHEAD OF REGULATION

- As governments and regulators take steps to respond to climate change and related environmental challenges such as deforestation and water insecurity, environmental legislation is increasingly on the horizon in jurisdictions around the world.
- A growing number of countries (France, Netherlands, Denmark, UK, Sweden) and the European Union have requirements for certain companies to report environmental data. The U.S. Securities and Exchange Commission also recently proposed mandatory climate disclosure for US-listed companies, and China has signaled its intent to introduce reporting rules in the near future.
- CDP disclosure is fully TCFD-aligned. Companies that disclose through CDP are a step ahead, ready for mandatory TCFD-aligned reporting regulations. For example, the UK government announced it will make TCFD-aligned disclosure mandatory by 2025.

WHY DISCLOSE ENVIRONMENTAL DATA?

76%

of organizations said disclosing through CDP helps "boost their competitive advantage".

BOOST COMPETITIVE ADVANTAGE

- Environmental transparency correlates with financial success, with CDP Climate Change A List companies outperforming a reference index by 5.8% per year.²
- 76% of organizations said disclosing through CDP helps "boost their competitive advantage".
- 95% of buyers responding to a CDP survey say they are using environmental metrics, including CDP data, within their procurement process or plan to within two years.

IDENTIFY RISKS AND OPPORTUNITIES

- Companies face material risks to their business from climate change, deforestation and water insecurity, from physical to regulatory to reputational risks.
- A group of the world's biggest companies by market capitalization valued climate risks to their businesses at almost US\$1 trillion.

- Meanwhile, the reported climaterelated opportunities were even higher, totaling over US\$2.1 trillion.
- Measuring and reporting data each year improves awareness and ensures strategy is informed by relevant data.

TRACK AND BENCHMARK

- The disclosure and scoring process helps companies to set ambitious goals and measure their progress towards them, while also providing accountability and trust for stakeholders to track company progress.
- CDP's disclosure system allows companies to benchmark their environmental performance against their industry peers and receive feedback on their progress each year.
- 280+ major companies with US\$6.4 trillion in buying power use CDP to track their suppliers' environmental performance, which contributes to their own Scope 3 emissions across the supply chain.



2 Source: The STOXX Global Climate Change Leaders index – based on CDP's climate change 'A List'. Date range: December 2011 to December 2021.

AIM FOR A POSITION ON CDP'S A LIST OF ENVIRONMENTAL LEADERS

270+
companies
recognized as
environmental
leaders.

5.8%

per annum outperformance over since 2011.



CDP's annual A List names the world's businesses leading on environmental transparency and action. In 2021, we recognized over 270 global corporations as pioneers on climate change, deforestation and water security. CDP scores are the gold standard for environmental performance - and the leading companies outperform the market.

STOXX® Global Climate Change Leaders index.

From December 19, 2011 to December 31, 2021, the STOXX® Global Climate Change Leaders index outperformed the STOXX® Global 1800 index by 5.8% per annum

STOXX® Global Climate Change Leaders EUR (Gross return)
STOXX® Global 1800 EUR (Gross return)

400

250

200



CDP provides not only a disclosure platform but also a well-established rating mechanism. Being able to say we are on the A List is well-recognized. It shows we have a complete and well performing sustainability program, so we use our CDP score in external communications and investor presentations, and we get recognition for that.

Signify



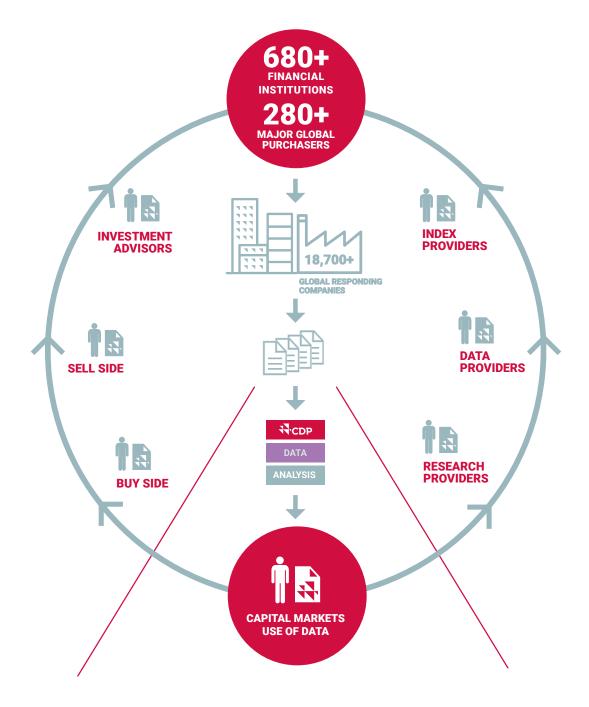


Environmental leadership begins with a robust disclosure and transparency plan. CDP has become the de facto standard for corporate reporting, which is one of the many reasons why Ecolab is proud to have been disclosing carbon and water inventories through CDP for over a decade.

Ecolab



HOW DO FINANCIAL MARKETS USE CDP DATA?



CDP DATA USERS INCLUDE:

- **▼** Bloomberg Terminal
- STOXX
- **▼** Trucost
- **▼** FTSE/Russell
- MSCI ESG
- **▼ ISS ISG**
- Goldman Sachs
- **▼** Amundi

WE POWER NEW FINANCIAL PRODUCTS, DATA TOOLS AND RESEARCH, INCLUDING:

- **▼** STOXX Low Carbon Indices
- **▼** CPR Invest Climate Action fund
- ▼ Climetrics, the climate rating for funds
- Three Euronext CDP Environment indices using climate, forest and water scores for the first time
- ▼ CDP's award-winning sector research for investors

WE HELP DRIVE TRANSFORMATIONAL INITIATIVES, INCLUDING:

- ▼ Climate Action 100+
- ▼ The Investor Agenda
- **▼** Science Based Targets initiative
- **▼** Carbon pricing toolkits
- **▼** RE100 initiative
- ACT initiative

215

of the world's biggest companies identified potential financial impacts of climate risks totalling up to almost US\$1 trillion.

US\$2.1_{trillion}

in potential climate-related opportunities identified by 225 companies.



By disclosing your targets publicly through CDP, you can ensure they will be showcased on the UNFCCC's Global Climate Action Portal, where they can influence policymakers to take bold climate action.



CDP disclosure is fully aligned with the TCFD Framework and will assist in your consistency with TCFD recommendations.

CLIMATE CHANGE

DRIVE CLIMATE ACTION THROUGH DISCLOSURE

Improving corporate awareness through measurement and disclosure is essential to the effective management of GHG emissions and climate change risk. Corporate disclosure on climate change is an established business norm with over 18,000+ companies disclosing on climate change in 2022. Disclosing climate data through CDP brings a range of benefits:

- CDP's Climate Change questionnaire is fully aligned with the TCFD recommendations. Companies that disclose through CDP are a step ahead, ready for mandatory TCFD-aligned reporting regulations.
- Increase transparency to stakeholders including investors, customers, policymakers, regulators and the general public.
- Enhanced ability to identify potential financial impacts, associated costs, financial savings and new opportunities.
- Standardized framework facilitates consistency and comparability for investors, and also allows organizations to gauge performance against peers.
- Better preparedness for the transition to the net-zero economy including emerging mandatory regulatory regimes worldwide.

Sample questions

Have you identified climate-related risks and opportunities substantial to your business?

What are your emission reduction targets and progress made against those?

CDP helps companies **publicly commit** to take **meaningful action** and set ambitious targets to tackle climate change and transition to the low-carbon economy through renewable energy use, science-based targets, carbon pricing and more.



The Science Based Targets initiative (SBTi) is a partnership between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). Commit to adopt a science-based emissions reduction target to generate the innovations needed to transition to a low-carbon, sustainable economy.

RE100

RE100 is led by The Climate Group in partnership with CDP. Commit to using 100% renewable power.



CDP's Climate Change questionnaire is aligned with the TCFD's recommendations, encouraging companies to report climate-related financial disclosures in line with the TCFD

FORESTS

DEMONSTRATING FOREST STEWARDSHIP

Deforestation accounts for approximately 15% of the world's greenhouse gas emissions, equivalent to those of the entire transport sector. Protecting and restoring forests and other natural ecosystems could provide up to 30% of the climate change mitigation needed to limit global warming to 1.5°C.

CDP holds the world's largest and most comprehensive dataset on corporate deforestation data. 1,042 companies disclosed on forest impact in 2022, representing a 20% increase from the previous year.

- The financial impact of risks from deforestation alone is estimated to be US\$53.1 billion. CDP's work on forests helps companies and their investors address their exposure to deforestation risk and seize opportunities from proactively tackling deforestation.
- Reporting through CDP's annual Forests questionnaire is a simple way for companies to demonstrate transparency and share progress with their stakeholders through comprehensive, comparable and credible reporting.
- Companies can report on seven forest-risk commodities: palm oil, timber products, cattle products, soy, rubber, cocoa, and coffee. The first four are scored. Since 2019, metals & mining and coal companies can also report biodiversity information through CDP.
- CDP's Forests questionnaire is aligned with the Accountability Framework.

Sample questions

Did you have any active timebound and quantifiable targets for increasing sustainable production and/or consumption of your disclosed commodities?

For your disclosed commodities, do you have a system to control, monitor, or verify compliance with no conversion and/ or no deforestation commitments?





Palm oil



Timber









Rubber

Coffee

WATER SECURITY

REDUCING WATER RISK

With increasing water stress, pressure is growing for companies to build long-term resilience to water challenges into their businesses. CDP's work to tackle issues of water security is centered on a request for companies to disclose business-critical, water-related information to inform their decision-making processes and drive effective action.

- Companies reported potential financial impacts of US\$301 billion from water risks through CDP in 2021. Companies need to disclose on all relevant environmental themes to be competitive and resilient in the changing market.
- Disclosure through CDP increases the transparency of water security and pollution reduction measures to shareholders and customers.
- By completing CDP's annual Water Security questionnaire, companies can better understand water risks and opportunities, facilitating informed decisionmaking and improving long-term resilience.
- Disclosure helps accelerate the development of standard water impact metrics and performance benchmarks.

Sample questions

Describe your company's water policy, strategy or management plan.

Has your organization experienced any detrimental waterrelated impacts?













Cocoa

hectares of forest cover lost since 2015 - over 70 million soccer fields.

cdp.net/forests

156%

deficit in the global water supply relative to demand by 2030 according to WRI.

cdp.net/water



MEDIA

CDP's work is regularly featured in global top-tier publications such as:

- The Financial Times
- **▼** Economist
- Washington Post
- Wall Street Journal
- New York Times
- **▼** Bloomberg
- **▼** Reuters



Global Supply Chain Report 2021:

Engaging the chain: driving speed and scale

Global Forests Report 2020: The collective effort to end deforestation - a pathway for companies to raise their ambition

Global Water Report 2020: A wave of change: The role of companies in building a water-secure world

Hungry for Change:

Are companies driving a sustainable food system?

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 680 financial institutions with over \$130 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 14,000 organizations around the world disclosed data through CDP in 2021, including more than 13,000 companies worth over 64% of 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.

CONTACT

Visit the CDP Help Center to get support from CDP.

Find answers in our Knowledge Base or sign in to your account to contact our support team.

CDP 4th Floor, 60 Great Tower Street, London EC3R 5AZ

cdp.net



About us Our work Why disclose? Become a member Data and insights

Cities can disclose to CDP, <u>Global Covenant of Mayors</u> and <u>C40</u>, if applicable. Global Covenant questions are integrated in the questionnaires and guidance below. A full suite of support, guidance documents and <u>webinars</u> can be accessed through your dashboard when you <u>log in</u>.

Since 2019, CDP has partnered with ICLEI - Local Governments for Sustainability to present one unified platform for city climate reporting, streamlining the process of reporting and ensuring simplicity and standardisation for reporting cities. Cities will only have to report once, on one platform, to the following questions.

The Online Response System is open. Please sign in to access and submit your 2022 response.

Cities questionnaires



Cities questionnaire

Questionnaire for cities disclosing to this year's cities request



C40 cities questionnaire

Questionnaire for C40 cities disclosing to this year's cities request

CDP provides guidance that explains each question in detail and describes what information to provide, the required format, and where to find tools or further information to construct your answer.

Cities reporting guidance documents



CDP cities reporting guidance

Reporting guidance for cities disclosing to this year's CDP cities questionnaire.



C40 cities reporting guidance

Reporting guidance for C40 cities disclosing to this year's CDP Cities questionnaire



Overview: 2022 cities questionnaire

An introduction to the 2022 cities questionnaire. Including information on questionnaire pathways, key changes, and how cities data is being used.



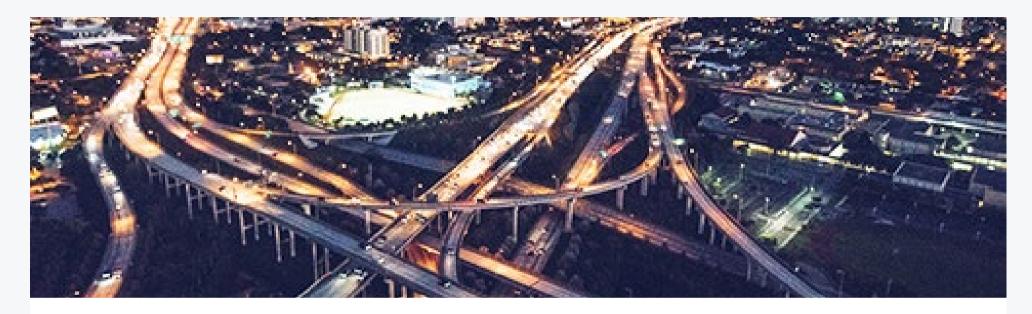


Cities Platform User Guide

Reporting guidance on using CDP-ICLEI Track

Read here (PDF)

Cities Scoring Methodology



Cities scoring introduction and methodology

This document provides an introduction to the Cities 2022 scoring process and outlines the 2022 Cities scoring methodology as per the sections in the Cities questionnaire.

Frequently asked questions (cities)

- General information
- ICLEI CDP collaboration
- Global Covenant of Mayors for Climate & Energy
- Cities Race to Zero
- Science-Based Targets

General information

What is CDP and its work with cities?

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 590 investors with over \$110 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.

Nearly 20,000 organizations around the world disclosed data through CDP in 2022, including more than 18,700 companies worth half of global market capitalization, and over 1,100 cities, states and regions. 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.

View the list of the cities who reported in 2021.

Why should I participate and report our city's climate change data through CDP?

Through CDP, cities can measure, monitor, and manage their impacts on their environment and access networks and shared information from cities all over the world. The main benefits of reporting through us include:

- Ability to participate in several global environmental projects and initiatives such as the Global covenant of Mayors, as well as other initiatives offered by our partners ICLEI and C40 as well as UNFCCC's Cities Race to Zero and Cities Race to Resilience.
- Gain insight and feedback on your city's climate action and response through CDP scoring.
- Receive free support and training through individual support calls, webinars and guidance materials to learn international best practice and improve your city's climate efforts.
- Receive direct support to improve and update your city's climate target so that it is 1.5° aligned.
- Compile all your environmental data in one place.
- Track your city's sustainability and climate efforts annually.
- Access data from 1,000+ cities, 130+ states and regions, and 13,000+ companies on the Open Data Portal. This is a valuable resource where your city can view the actions of other cities and benchmark your progress over time against your peers.
- Have your city's climate action featured on our website and in our media campaigns.

How do I register and gain access to the questionnaire and CDP-ICLEI Track?

<u>CDP and ICLEI work in partnership</u> to present one unified process for subnational climate action reporting. If your city is requested to respond through CDP-ICLEI Track, CDP will notify you by email with an individual link to access the platform. You will need to register for an account on CDP's website to access the platform. CDP-ICLEI Track is a secure online platform which hosts the questionnaire and offers full suite of resources including webinars and guidance documents, and tools to assist with reporting.

If you have not yet been requested to respond but you would like to, please complete and submit this registration form to register your city's interest. After you submit the form, we will check the data you have supplied and send you an email with information on next steps. During busy periods this process may take a few weeks. If you have already received an activation link or have access to your city's response dashboard and questionnaire, you do not need to complete this form and you can sign in here.

Once you have registered you will have access to your city dashboard containing information regarding which questionnaires and reporting

partners your city is being requested to respond to. You can activate and access the questionnaires via this dashboard.

If you need help accessing your city's questionnaire or have not received a link and would like to participate, please visit the <u>CDP Help Center</u>. You will need to be signed in to contact our support team. After you <u>sign in</u>, click the link at the top of the page to navigate to the <u>CDP Help Center</u>.

How do I add another user to my account? What type of user permissions exist?

There is no limit to the number of users that can be added to your account. There are three different types of user roles, and the different permissions for each user role are listed below.

Main User	Contributor	View Only
This person is responsible for the organization's responses. Only one person per organization can be the Main User.	This person has access to the response(s) and can enter, save and edit data. This type of user role can be used to collaborate with multiple colleagues, who can all directly access the online questionnaire via CDP-ICLEI Track.	This person has access to the response(s) but cannot enter, save or edit data. This type of user role can be used for sharing the response(s) with colleagues for review or sign off purposes.
Submits questionnaire(s) on behalf of the organization:		
 Accept terms of responding. 		
Controls access rights to		

the organization's response via the system, or authorize CDP to make these changes:

- Add new users to the system.
- Remove users from the system.
- Change rights for existing users e.g., from contributor to view only.
- Change designation of the Main User rights to another contact within the organization.

Key contact point relating to the reporting period and organization's response(s):

- Receives reminder emails.
- Receives confirmation of submission.
- Receives notifications relating to response(s).
- May be contacted by

CDP with regards	
events, or other relevant	
information or activities.	
Please note that as the Main	
User your details will be	
stored in CDP's systems.	

Is there a fee for responding?

Responding to the Cities Questionnaire is free. CDP has charitable status and seeks to use its limited funds effectively. As such, responses must be prepared and submitted at the expense of responding cities.

Is there a minimum amount of data that needs to be reported?

There is no minimum amount of data that needs to be reported and the response is completely voluntary at all stages. However, if your city is committed to the Global Covenant of Mayors for Climate & Energy, certain requirements should be met. In order to pass the lowest scoring band of 'disclosure' according to CDPs scoring methodology you must provide a fairly complete response to the Cities Questionnaire.

Can we submit a non-public response? What is the difference to submitting a public response?

Yes, certain cities can submit a non-public response. Your data will still be used by CDP, ICLEI and our partners in aggregate format in our communications. The difference being that your city's data will not be highlighted in our external communications, reports and CDPs Open Data Portal. Moreover, cities that submit a non-public response will not be featured on CDP's A-list according to the methods by which CDP score cities responses and provide feedback.

Please note that the following cities are not able to submit a non-public response:

- Cities committed to the Global Covenant of Mayors for Climate & Energy or indicating on the platform that they intend to commit to the Global Covenant of Mayors for Climate & Energy.
- Cities reporting for Cities Race to Zero and Race to Resilience.

The <u>Terms and Conditions</u> for our Cities Questionnaire provides a comprehensive list of information on what happens to your response after submission. The <u>Terms and Conditions</u> are also available through the 'Submit your response' page of the online questionnaires.

What is the timeline for responding?

The timeline for the 2022 reporting period for cities is as follows:

- Reporting platform will open: early-April 2022.
- Cities response submission deadline: August 4, 2022

This allows city and local governments over 12 weeks to submit their response.

What support is provided to help me respond to the questionnaire?

<u>2022 guide to the reporting platform</u> – This provides you with a comprehensive guide on how to use our reporting platform and explains all of its features.

<u>2022 Cities reporting guidance</u> – This provides detailed step-by-step guidance for completing the online questionnaire that you can use when filling out individual sections and questions in the questionnaire.

2022 Cities Scoring Methodology - This document provides an introduction to the Cities 2022 scoring process and outlines the 2022 Cities scoring

methodology as per the sections in the Cities questionnaire.

<u>Webinars</u> – Webinars are held throughout the reporting cycle. You may sign up through the registration links that will be circulated via email and are found on our <u>Cities events page</u>. These will cover procedures such as signing up, activating the questionnaire, best practices, and specific guidance on certain sections.

For further support, please visit the <u>CDP Help Center</u>. You will need to be signed in to contact our support team. After you <u>sign in</u>, click the link at the top of the page to navigate to the <u>CDP Help Center</u>. You can also contact your regional contact, reach out to your ICLEI regional contact or the carbonn Center - <u>carbonn@iclei.org</u> can direct your query to the appropriate person.

What type of information is requested by CDP?

The Cities Questionnaire requests qualitative and quantitative environmental data for the following themes:

- Governance
- Climate hazards, Adaptation
- City-wide Emissions
- Emissions reduction, Opportunities
- Local Government Emissions
- Energy, Buildings, Transport
- Urban Planning
- Food, Waste
- Water security

Detailed information on each section and question can be found in the 2022 Cities reporting guidance.

What happens to our data once we report?

CDP and ICLEI will both use the self-reported local and regional government data to provide robust analysis - collaboratively or independently - of the climate actions being taken at subnational level across the world.

This data will also serve other ICLEI supported initiatives. See the full list of ICLEI supported initiatives here.

CDP use this data to produce city scores, analytics, snapshot reports, and feedback for local and regional governments on their score. CDP also makes publicly reported data available on their website and through their Open Data Portal. This allows local and regional governments to monitor their progress against their peers worldwide.

ICLEI will continue to use the data to shape and substantiate messages of the Local Governments and Municipal Authorities (LGMA) Constituency to the UNFCCC. These messages are shared with nations and UN agencies, to ensure that they are informed of subnational commitments, plans and activities. ICLEI is also working closely with other partners to call for subnational contributions to be embedded in their respective Nationally Determined Contributions (NDCs).

For Global Covenant of Mayors for Climate & Energy (GCoM) committed cities, the response data is also shared with GCoM, once it has been validated.

How can I check previous responses and update my environmental information?

If you previously reported, you will be able to access your previous response through your response dashboard within CDP-ICLEI Track. Local and regional governments are asked to submit their climate information every year but are able to use information reported the previous year as a basis. If your city submitted a response to the 2021 questionnaire through CDP-ICLEI Track, your answers have been auto-populated in to your 2022 questionnaire where applicable. Please refer to the guide to the reporting platform guide for information on how to identify which questions have been auto-populated. Please note that attachments are not auto-populated into your response.

CDP offer all participating cities with tools and detailed feedback on their score to urge them to improve year on year. Cities are expected to provide a reasonably complete response overall in order to be scored accurately.

Based on the information the cities provide in their response, CDP assigns the city a score within one of four scoring bands: Disclosure – cities starting out in climate disclosure, Awareness – cities with an understanding of climate impacts, Management – cities taking climate action, and Leadership – cities demonstrating strategic best practice. View the 2022 Cities Scoring Methodology.

ICLEI CDP collaboration

What are the benefits of the ICLEI/CDP collaboration

Since April 2019, local and regional governments have been reporting climate action data through one CDP-ICLEI Track. In so doing, they give their permission to both CDP and ICLEI to use their publicly reported data, and in return gain access to a host of services and support offered by both organizations.

Crucially, local and regional governments only have to report once on CDP's platform. Reported data is automatically shared with ICLEI.

What happens if I reported through CDP before but not through carbonn Climate Registry (cCR)?

You can continue reporting as usual. Your data will be shared with ICLEI, for more information on reporting non-publicly please refer to the Terms

and Conditions of the Cities 2021 Questionnaire.
What happens if I reported through both CDP and carbonn Climate Registry (cCR) before?
You now only have to report once through CDP-ICLEI Track and your data will be shared with ICLEI.
What happens if I reported through carbonn Climate Registry (cCR) before but not through CDP?
You should report through CDP-ICLEI Track and the data will be automatically shared with ICLEI. The services you previously received from ICLEI will remain the same and in addition you will receive tools and scoring feedback from CDP.
How is our historical reporting data handled?
If a local or regional government has reported their data publicly through CDP or carbonn Climate Registry (cCR) already, it will be automatically shared with the other. Your historical report will be used by ICLEI to show an overview of trends and allow ICLEI to offer specific guidance for scaling up climate action.

Global Covenant of Mayors for Climate and Energy

How can my city report to GCoM through CDP-ICLEI Track?

Cities committed to the Global covenant of Mayors for Climate & Energy (GCoM) agree to make key data publicly available via regular reporting in order to track progress in achieving the aims of the alliance. CDP-ICLEI Track is one of the GCoM recognized reporting platforms. It is fully aligned with the GCoM Common Reporting Framework (CRF) which means that any data point required by the CRF can be reported through the system.

What is the validation process and how can my city obtain GCoM badges by reporting to CDP-ICLEI?

Once a city has submitted their data through CDP-ICLEI Track, their questionnaire response will be validated against the requirements of the CRF. Cities will receive an email with their provisional compliance results from CDP or ICLEI including comprehensive feedback and recommendations for improving the data. Compliance is achieved once all the associated requirements of the CRF have been met.

Cities that submit earlier in the reporting cycle can participate in several rounds of validation, allowing them to submit amendments to correct common mistakes. In a rolling bases, amendments are reviewed and an email with the non-official results is sent within a month of amendments submission.

After the platform closure, the city's data will be shared with their respective Regional/National Covenant, who will send an official communication on behalf of the Global Covenant of Mayors for Climate & Energy to award the badges earned. These badges will also be displayed on the city's profile on the Global Covenant of Mayors website.

How can my city identify GCoM aligned questions and columns in the 2022 questionnaire?

Cities participating in the Global Covenant of Mayors will be presented with all CRF aligned questions and columns independent on the questionnaire pathway selected. Please refer to the Questionnaire Pathway Map for further information.

CRF mandatory data points are indicated with the "^" symbol. This improvement allows cities to easily identify mandatory indicators and avoid common mistakes. To achieve full compliance, cities must answer all mandatory data points ("^") appropriately.

What if my city is committed to the EU Covenant of Mayor for Climate & Energy?

If you are committed to the EU covenant of Mayor for Climate & Energy, you can either report through CDP-ICLEI Track or the My Covenant Platform.

If you report through CDP-ICLEI Track, your data will be shared with the EU Covenant of Mayors. You will continue to be able to access your online profile and receive benefits.

Cities Race to Zero

What is Race to Zero?

The <u>Race to Zero</u> is a global campaign - <u>led by the UN High-Level Climate Champions for Climate Action – Nigel Topping and Gonzalo Muñoz</u> - to rally non-state actors - businesses, cities, regions and investors – to meet the goals of the Paris Agreement. It aims to achieve a healthy, resilient, zero carbon recovery that prevents future threats, creates decent jobs, and unlocks inclusive, sustainable growth.

Race to Zero mobilizes a coalition of leading net zero initiatives, representing cities, regions, companies, universities and investors. These 'real economy' actors join 120 countries in the largest ever alliance committed to achieving net zero carbon emissions by 2050 at the latest.

What is Cities Race to Zero?

Cities Race to Zero is the official track for cities to join the Race to Zero campaign. It is especially designed to help cities meet the Race's criteria and access the best available expertise along the way. The <u>Cities Race to Zero</u> is organised by C40 Cities, CDP, the Global Covenant of Mayors for Climate & Energy (GCoM), ICLEI – Local Governments for Sustainability (ICLEI), United Cities and Local Governments (UCLG), the World Wide Fund for Nature (WWF) and the World Resources Institute (WRI).

Cities can join the Cities Race to Zero campaign at www.citiesracetozero.org. Joining Race to Zero is a pledge to: reach net zero by 2050, set a science-based interim target, take immediate inclusive action to reduce emissions and report progress annually. Selecting this option and completing the Cities questionnaire fulfils the 2022 reporting requirements of your pledge. Cities who have joined the campaign must report publicly. If your city has not yet joined the Race to Zero, but wishes to do so, select this option and submit your pledge at www.citiesracetozero.org.

How does joining Cities Race to Zero relate to or differ from existing GCoM commitments?

Making a commitment to the Cities Race to Zero remains in line with the GCoM Common Reporting Framework (CRF) and is consistent with existing guidance on targets as part of the CRF and city reporting requirements.

A GCoM compliant mitigation commitment must be at least as ambitious as the relevant national government's NDC. As the Race to Zero target is generally more ambitious, or in some cases equally ambitious, to current NDCs, this type of target meets the criteria for a GCoM mitigation commitment.

At present the Race to Zero only relates to mitigation targets under the GCoM framework. Therefore, while a Race to Zero target may meet requirements for compliance under the mitigation pillar, cities will still need to establish adaptation and energy access commitments and strategies beyond the scope of the Race to Zero to achieve full GCoM compliance.

Further, Race to Zero commitments will not be required for GCoM compliance but are a recommended option to meet the mitigation requirements under GCoM.

The **CDP-ICLEI Track** is the progress tracker for the UNFCCC's Race to Resilience. Race to Resilience is a global campaign catalyzing ambition for climate resilience, putting people and nature first and supporting frontline communities to adapt to the impacts of climate change.

To join the campaign, pledge to Cities Race to Resilience or select this option to indicate your interest. You can report your progress against your Race to Resilience pledges by completing the 2022 Cities Questionnaire. Cities who have joined the campaign must report publicly. If you are unsure if your city has already joined, please contact citiesemea@cdp.net.

Science-Based Targets

What is a science-based climate target?

Science-based targets are measurable and actionable targets that allow cities to align their actions with societal sustainability goals and the biophysical limits that define the safety and stability of earth systems.

Targets adopted by cities to reduce greenhouse gas (GHG) emissions are considered "science-based" if they are in line with the goals of the Paris Agreement to pursue efforts to limit warming to 1.5 °C. As well as considering the latest science, a science-based target should account for equity and be comprehensive in the GHGs and emission sources included

Why should cities set science-based targets?

Giving cities the confidence that their targets are ambitious enough: The science is telling us that globally we need to halve emissions by 2030 and reach net zero by 2050 but how does this target translate down to individual cities? What does this mean for a small town in Nepal versus a large city in the United States? A science-based target tells cities what their individual contribution should be to this global goal. It means cities can be confident that their planned emissions reductions are in line with what is needed globally to limit warming to 1.5°C, and confident that they are taking the appropriate action to combat climate change.

Ensuring that cities start making deep emissions cuts now: The IPCC Special Report on Global Warming of 1.5°C shows that to limit global warming to 1.5°C, we have an estimated remaining carbon budget of somewhere between 420 and 770 GtCO2 (although there are large uncertainties in these estimates). Currently, we are depleting that global budget by 42 GtCO2 per year. At that rate, we will use up our remaining carbon budget somewhere between 2030 and 2040, long before our target to be net zero by 2050. To ensure that we do not use up our remaining carbon budget in the next 10 to 20 years, we need to start making deep emissions cuts now. Setting a science-based mid-term target is critical for ensuring that cities do the same. The more progress that can be made now, the easier it will be for cities to reach their long-term net zero targets.

Enabling cities to track their progress: Having a science-based target is important for enabling cities to track their progress towards net zero. This is because they are measurable, connecting percentage reduction targets to cities' actual measured emissions, and because they include midterm target. The mid-term target ensures that cities start reducing their emissions early and that they stay on a pathway designed to reach net zero by 2050.

Meeting the Cities Race to Zero requirements: Setting a science-based target it one of the requirements of the Cities Race to Zero campaign; the UNFCCC's global movement of actors subnational governments committing to reach net zero by 2050.

What is the Science Based Targets Network?

The <u>Science Based Targets Network</u> (SBTN) is one of the four elements of the Global Commons Alliance. SBTN brings together over 50 partner organisations, including NGOs, business associations and consultancies to collectively define what is necessary to do "enough" to stay within Earth's limits and meet society's needs. SBTN develops methods, guidance and tools for cities and companies to set science-based targets for all earth's systems. CDP is one of SBTN's core cities partners, working to support cities in setting science-based targets for climate and nature.

What is the difference between the Science Based Targets Network and the Science Based Targets Initiative?

The <u>Science Based Targets Initiative (SBTI)</u> is the initiative for companies wanting to set science-based targets for climate.

The SBTI are part of, and the source of inspiration for, the Science Based Targets Network (SBTN) - a group of over 50 organisations established to develop the tools and approaches cities and businesses need to set science-based targets for all earth systems, so not just climate but also nature, including water, biodiversity, land and oceans.

The SBTN is building on the SBTI's momentum with companies by extending that approach beyond climate to nature, and beyond companies to cities as well.

What is CDP's role in science-based targets for cities?

CDP is a core city partner (alongside WWF, ICLEI, C40 Cities, Global Covenant of Mayors and World Resources Institute) of the Science Based Targets Network (SBTN) leading on the Science Based Targets for Cities programme.

Since 2018, the SBTN's core city partners have been developing the principles and technical basis of science-based targets for cities, including evaluating existing methodologies against core principles, producing a guide for cities and helping them identify which methodology best suits them.

From 2022 onwards, the core city partners are working to develop criteria to validate cities' targets and deliver technical support to cities to set science-based targets.

How do cities set science-based targets?

There are multiple methodologies and approaches cities can use to set science-based climate targets. The Science Based Targets Network's core cities partners have evaluated a group of methodologies and produced a guide to help cities select the best approach for setting a science-based climate target. Download the guide to get started here.

How were the methodologies in the SBT for Cities guide evaluated and chosen?

The Science Based Targets Network's (SBTN) core cities partners evaluated existing methodologies against the three core principles of science-based targets for cities: comprehensiveness (covering city-wide, scope 1 and 2 emissions), alignment with the latest science (a 1.5°C global pathway), and equity. The methodologies were also tested for their usability by cities. For more information on the evaluation process, read the core city partner's research paper titled: "Results of the assessment of GHG emission reduction target setting methodologies for cities". You can also explore our technical research document underpinning the guide here: "Testing the applicability of science-based target setting methodologies: technical summary document". The SBTN will continue to evaluate new science-based target methodologies as they emerge.

What is the difference between a base year (absolute) emissions target, a fixed level target, a base year intensity target and a baseline scenario target?

Both base year absolute emissions targets and fixed level targets are absolute targets. An absolute target refers to the total amount of emissions being emitted.

A **base year absolute emissions target** refers to a target that aims to reduce GHG emissions by a set amount relative to a base year. For example, an emissions target aiming to reduce emissions by 50% by 2030.

A **fixed level target** represents a reduction in emissions to an absolute emissions level by a target year and is not expressed relative to a base year. For example, an emissions target aiming to reach 100,000 tonnes CO2e by 2030. Net zero targets are a common type of fixed level goal, for example: "to reach net zero emissions by 2050".

A base year emissions intensity target aims to reduce a city's emissions intensity (typically per GDP or per capita) by a set amount relative to a base year. For example, an emissions target aiming to reduce emissions per capita by 50% by 2030. This allows a city to set emissions reduction targets while accounting for economic or population growth.

A baseline scenario (business as usual) target is a commitment to reduce emissions by a specified quantity relative to a projected emissions baseline scenario, also referred to as a business as usual scenario. A baseline scenario is a reference case that represents future events or conditions most likely to occur in the absence of activities taken to meet the mitigation goal. For example, a 50% reduction from baseline scenario emissions in 2030.

What's the difference between the terms; carbon neutral, net zero and climate neutral?

Carbon neutrality or net zero carbon dioxide emissions: Net zero carbon dioxide emissions are achieved when anthropogenic CO2 emissions are balanced globally by anthropogenic CO2 removals over a specified period.

Net zero emissions: Net zero emissions are achieved when anthropogenic emissions of greenhouse gases to the atmosphere are balanced by anthropogenic removals over a specified period. Where multiple greenhouse gases are involved, the quantification of net zero emissions depends on the climate metric chosen to compare emissions of different gases (such as global warming potential, global temperature change potential, and others, as well as the chosen time horizon).

Climate neutrality: Concept of a state in which human activities result in no net effect on the climate system. Achieving such a state would require balancing of residual emissions with emission (carbon dioxide) removal as well as accounting for regional or local biogeophysical effects of human activities that, for example, affect surface albedo or local climate.

Which emissions scopes do science-based targets need to cover?

One of the core principles of science-based targets for cities is that they are comprehensive. This means the targets are robust and

comprehensive, taking into account city-wide emissions from a variety of sources (at least scopes 1 and 2) and multiple GHGs. All three methodologies in the science-based targets for cities guide include both scope 1 and 2 emissions. Scope 3 emissions are not currently included in the science-based target methodologies or required for a city to have a science-based target. The SBTN will continue to evaluate new science-based target methodologies as they emerge.

Can cities set science-based targets for areas beyond climate?

The Science Based Targets Network is developing methods, tools and guidance for cities and companies to set targets beyond climate, to include all earth's systems: water, oceans, land and biodiversity. This work is still underway for cities. If you are interested in the development of this area, you can register your interest here.

Do cities' targets need to be validated?

Science-based targets for cities is an exciting and emerging area of work, with some areas still under development. Throughout 2022, a method of validating cities' climate targets will be developed and begin being applied. In the meantime, CDP can support cities in checking the targets they have set. Please report your target through CDP-ICLEI Track in 2022.

My city has a long-term net zero target. Why do we need to set a mid-term target as well?

Reducing emissions is not just about the date that you reach net zero emissions. It is also about knowing and understanding what the remaining carbon budget is and how quickly it is being depleted. The IPCC Special Report on Global Warming of 1.5°C shows that to limit global warming to 1.5°C, we have an estimated remaining carbon budget of somewhere between 420 and 770 GtCO2 (although there are large uncertainties in these estimates). Currently, we are depleting that global budget by approximately 42 GtCO2 per year. At that rate, we will use up our remaining carbon budget somewhere between 2030 and 2040, long before our target to be net zero by 2050. To ensure that we do not use up our remaining carbon budget in the next 10 to 20 years, we need to start making deep emissions cuts now. Setting a science-based mid-term target is critical for ensuring that cities do the same. The more progress that can be made now, the easier it will be for cities to reach their long-term net zero targets.

My city has signed up to Cities Race to Zero, how does this relate to science-based targets for cities?

Setting a science-based emission reduction target is a key element of the Cities Race to Zero pledge. Signatories of the Cities Race to Zero have until 2022 to set a science-based greenhouse gas emissions reduction target. Find out more at www.citiesracetozero.org.

I want support setting a science-based target. Where can I get it from?

CDP is supporting cities to set, check and disclose science-based climate targets. To access this support, report your current or updated target to CDP-ICLEI Track in 2022.

For additional support:

- Read the Science Based Target Network's <u>Guide for Cities</u>
- Watch our recorded and upcoming webinars on our <u>Events</u> page
- Visit the <u>CDP Help Center</u>

Read our guidance on cities disclosure. If you have questions, please visit the <u>CDP Help Center</u>. You will need to be signed in to contact our support team. After you <u>sign in</u>, click the link at the top of the page to navigate to the <u>CDP Help Center</u>.

Cities that are members of ICLEI and C40 Cities will receive target setting support from these organisations.

Still need help?

Find answers or contact our support team on our Help Center

Visit the <u>CDP Help Center</u>



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