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CDP 2024: The global sustainability benchmark for business is changing

We outline the need-to-know facts
for corporates to prepare

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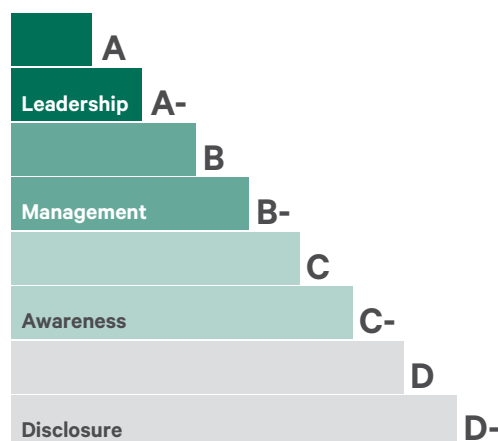
Introduction

CDP (previously Carbon Disclosure Project) is one of the most used global disclosure systems for investors, companies, cities, states and regions covering climate change, water, forests and supply chain data. These provide an accurate and detailed snapshot of the sustainability performance of a business aligned to a rating as illustrated - from basic disclosure (D) up to leadership levels (A).¹

CDP supports over 700 financial institutions, representing more than US\$142 trillion in assets, in accessing high quality environmental data on their investees². In 2023, 75,000 companies globally were invited to disclose, and over 23,000 responded, representing US\$67 trillion in global market capitalisation³. In Europe alone, 7682 companies disclosed their environmental data through CDP, with over 468 companies based in Ireland. Four Irish companies received the top 'A' Leadership rating in 2023 - CRH, Kingspan, Johnson Controls International and Trane Technologies.

For businesses, CDP scores provide an internationally recognised benchmark enabling comparison with industry peers and offering valuable feedback on performance. The score provides reliable information on a company's environmental performance and disclosure practices. It evaluates how well organisations are aligned to science based best practice including 1.5°C climate change targets and a nature positive, water-secure future.

■ **Figure 1: Scoring thresholds**



Source: [CDP Full Corporate Scoring Introduction](#)

¹ cdp_report_2024.pdf (cdpirelandnetwork.net)

² What we do - CDP

³ Record 23,000+ companies disclose environmental impact through CDP, with urgency for action clear in wake of unprecedented global temperatures - CDP

Key changes for 2024⁴

CDP has introduced significant changes in 2024 including a **new CDP portal** for submissions, a **new Full Corporate Questionnaire** with an integrated environment focus. A **questionnaire** designed for Small and Medium Enterprises (**SMEs**) has been introduced to encourage smaller organisations to take and disclose credible action. The **CDP Global Disclosure Dialogue 2024**⁵, on 04 June 2024, brought together stakeholders from around the world to unveil these changes which are summarised below.

New CDP Portal⁶

The new portal is designed to streamline and enhance the environmental disclosure process for companies. It features a more user-friendly interface, making it easier for companies to input, track, and manage their environmental data. One of the key changes is the integration of a more comprehensive questionnaire that consolidates multiple reporting requirements. This integration aims to reduce the reporting burden on companies while ensuring that all critical aspects of climate change, deforestation, and water security are covered. Additionally, the portal now offers advanced analytics and benchmarking tools, enabling companies to better understand their performance relative to industry peers and identify areas for improvement. Enhanced data visualisation and reporting capabilities also allow for more effective communication of sustainability efforts to stakeholders.

Integration of questionnaires

CDP have replaced the previously separate questionnaires on climate change, forests, and water security with a single integrated **Full Corporate Questionnaire**. This enables a more holistic approach to environmental disclosure and less duplication across issues such as governance, risk and strategy. The Questionnaire is separated into modules as illustrated covering:

- Module 1-6, 12, 13 – generic and integrated (scored)
- Module 7-9 Environmental – climate, forests, water (scored)
- Module 10-11 Plastics & Biodiversity – (not scored in 2024)⁷

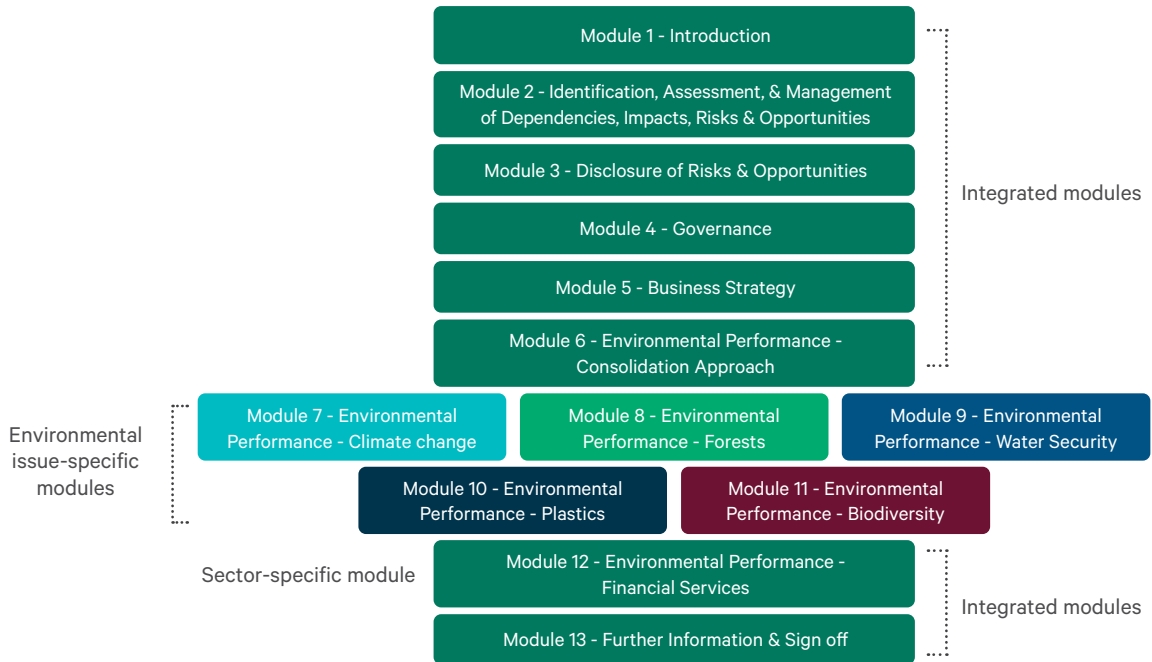
4 CDP_2024_corporate_disclosure_framework_-_headline_changes.pdf
Corporate-Disclosure_Key-changes-for-2024_Part-II.pdf (cdp.net)

5 The Global Disclosure Dialogue - CDP

6 Portal (cdp.net)

7 cdp_report_2024.pdf (cdpirelandnetwork.net)

■ **Figure 2: Questionnaire, layout and structure**



Source: [Corporate-Disclosure Key-changes-for-2024 Part-II](#)

Each of the climate change, forests and water sections still have their own scoring based on specified criteria. For 2024, the questions and scoring criteria have upgrades in ambition on key topics and for specific sectors. Some examples include:⁸

- **Value chain mapping** – companies are asked to disclose value chain engagement (% suppliers mapped per tier), their understanding of actors in their value chain and interconnections between them. This was previously only gathered through the forest questionnaire but is now being collected for all environmental issues.
- **Climate transition plans** – disclosure of climate transition plans must be 1.5°C aligned and associated investment in line with the EU Taxonomy
- **Climate risk** – requires disclosure of risks, impacts and dependencies over specific time horizons and climate scenario analysis used to inform this.
- **Forests** – the forests module has introduced a single forest score as opposed to the previous approach of individual commodity scores for soy, palm oil, timber and cattle.
- **Sector specific** - financial services sector will be scored for water security for the first time, alongside climate change and forests.
- **Essential criteria for A list** - essential criteria for climate change scoring have been introduced at Awareness, Management and Leadership levels for the first time, as well as new requirements to be included in the A List. This reflects the urgency of climate change and the need for ambitious targets that are science based, fully aligned with a 1.5°C scenario with Scope 1-3 disclosures that are verified and subject to assurance.

8 CDP_Question_Level_Changes_and_Map_2024.xlsx (live.com)

Alignment with international sustainability reporting requirements:

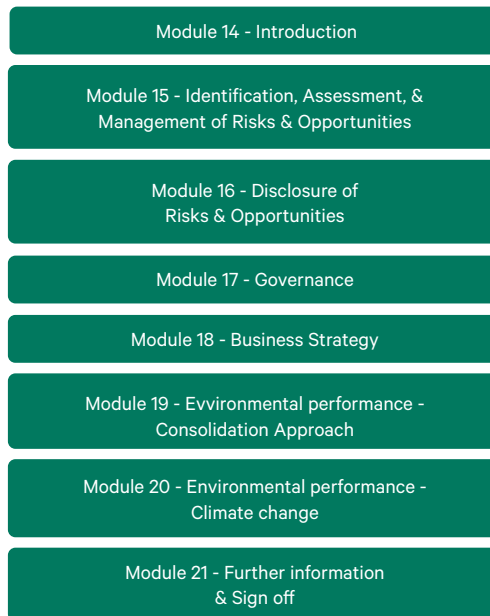
CDP is seeking to align its disclosure with international ESG reporting frameworks and standards for business. The 2024 questionnaire alignment status is:

- **International Financial Reporting Standards (IFRS) S2** climate disclosure standard from the International Sustainability Standards Board (ISSB)⁹ – fully aligned. As the Task Force on Climate-related Financial Disclosures (TCFD) is now part of IFRS, this is also aligned. CDP’s intent is that disclosure through their system enables IFRS S2 disclosure data to be written once – but read and used many times by stakeholders globally.
- **European Sustainability Reporting Standards (ESRS)¹⁰ under the Corporate Sustainability Reporting Directive (CSRD)¹¹** – alignment currently under review.
- **Task Force on Nature-Related Financial Disclosures (TNFD)** - partially aligned.

New SME questionnaire:

The new, simplified and streamlined SME questionnaire aims to meet the needs of smaller businesses. There are eight modules as illustrated mainly focused on climate change, several targeted datapoints on forests and water security, but no sector-specific questions. The SME questionnaire also contains several questions shown only to organisations responding to a request from CDP Supply Chain members.

■ **Figure 3: New SME Questionnaire**



Source: [CDP-SME-questionnaire-overview - 2024](#)

9 Mapping-IFRS-S2-to-CDP-questionnaire_-_2024.pdf

10 The first set of ESRS - the journey from PTF to delegated act (adopted on 31 July 2023) - EFRAG

11 <https://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX:32013L0034>

The thresholds guiding which questionnaire a corporate should use are:

< 500 employees and revenue under US\$50 million - SME questionnaire recommended (with option to use full Corporate Questionnaire);

< 500 employees and revenue US\$50-250 million, as well as 500-1000 employees and revenue < US\$250 million – eligible to complete SME questionnaire but recommended to use full Corporate Questionnaire.

>1000 headcount or revenue > US\$250 million - full corporate questionnaire only.

New disclosure timeline for companies:

The CDP disclosure timeline has moved from the previous annual July submission to September. The new cycle is:

- **4 June:** 2024 reporting window opens.
- **18 September:** scoring deadline for disclosers.
- **2 October:** 2024 reporting window closes.

Next steps for corporates to improve CDP scores in 2024

In summary, CDP 2024 upgrades focus on:

- Integration
- Building alignment with IFRS S2 and other sustainability standards or frameworks including TNFD and CSRD
- General improvements for data quality, analysis and to avoid duplication

The new Full Corporate Questionnaire introduces new questions and scoring criteria that reflect a more integrated and comprehensive approach to environmental reporting. This aims to encourage companies to consider and report on their environmental impact in a more holistic manner, addressing multiple interconnected issues simultaneously.

Companies need to be mindful of the expanded scope of the integrated questionnaire, which includes modules on biodiversity, land-use, and plastics, even though these new areas will not be scored in 2024. This broader scope requires companies to adopt more comprehensive environmental management strategies and integrate these considerations into their governance, risk and reporting processes.

To achieve a good score on the 2024 CDP questionnaire, companies should familiarize themselves with the key changes outlined above.

How Davy Horizons can help

Davy Horizons sustainability advisors work with plc's, large private companies, government bodies, semi-states, and not-for-profits to incorporate sustainability credibly in their organisations and value chains aligned to regulation, industry best practice and customer demand. We complete CDP submissions for corporates, gap analysis studies and supports for improving scores and sustainability strategies to drive long term success. Contact us at sustainability@davy.ie.



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