

A landscape photograph of a tea plantation on rolling hills. The sun is low in the sky, creating a hazy, golden light. The tea bushes are arranged in neat, curved rows. In the distance, there are more hills and a small building on a hillside.

SUSTAINABLE

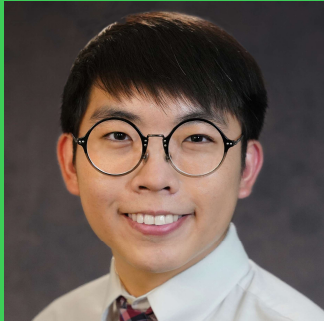
GHG Reporting & CDP Disclosure

Improving sustainability disclosure and performance through partnership

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Electric



Benroy Chan

Sustainability
Associate

Based in Louisville,
Kentucky



Service Role

Benroy serves as a Sustainability Associate on the Sustainability Operations team for Schneider Electric. He assists clients across a wide range of sectors including retail, food and beverage, manufacturing, real estate, and financial services. Although Benroy primarily focuses on constructing energy, GHG, water, and waste inventories, he also works with clients on various strategic projects. Examples of these projects include Science-Based Target setting, CDP and other reporting disclosures, and competitive benchmarking. In addition to client-facing work, Benroy also contributes to corporate blogs, utility emission factor research, and various working groups in ESG and process standardization.

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End in Mind

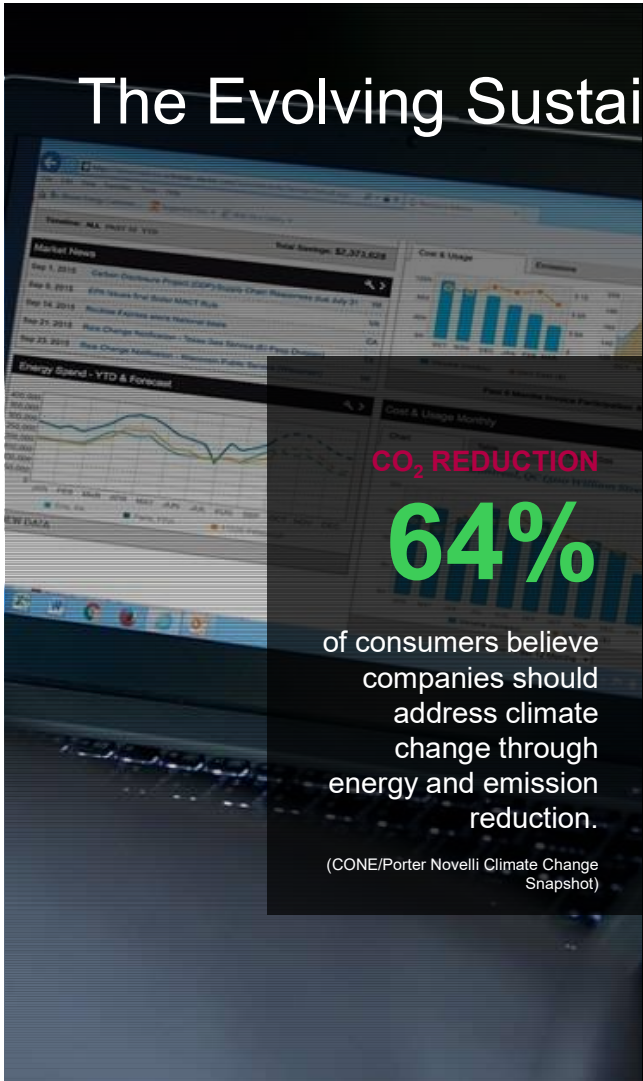
- ① Explore sustainability trends and why investors increasingly value sustainability performance
- ② Help provide foundational information about what CDP is and why companies would report to it
- ③ Discuss key aspects of a CDP response and explore most involved sections
- ④ Outline emerging touchstones as part of a well-rounded sustainability strategy



Meeting Overview

By the end of this meeting, you will have a better understanding of why companies choose to disclose to CDP and how consultants collaborate with corporate clients

The Evolving Sustainability Landscape



CO₂ REDUCTION

64%

of consumers believe companies should address climate change through energy and emission reduction.

(CONE/Porter Novelli Climate Change Snapshot)

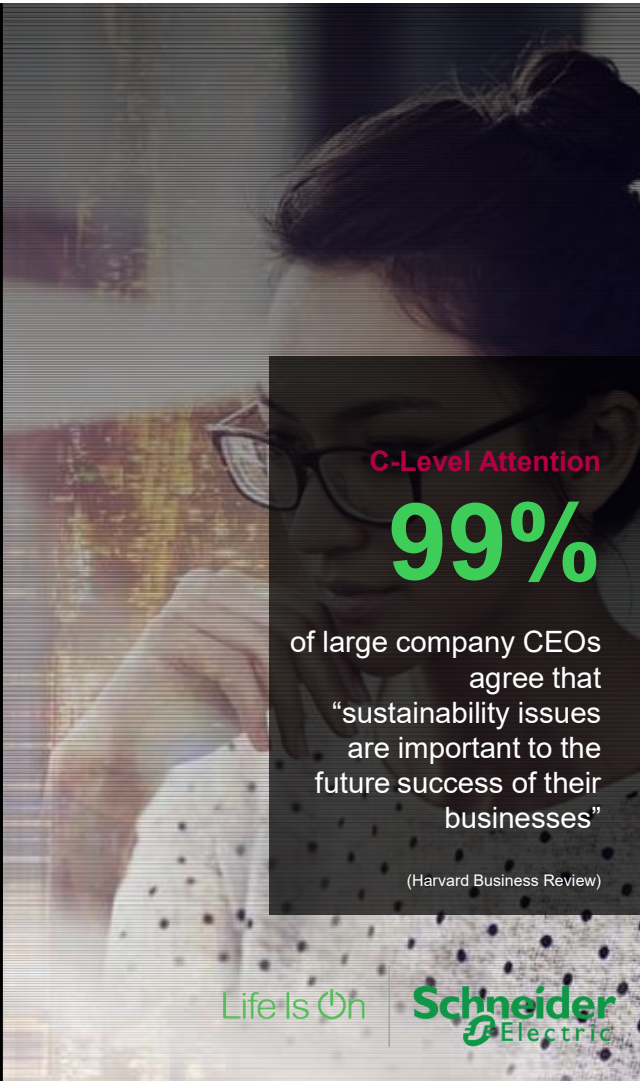


Investor Expectations

75%

of investment executives agree that a company's sustainability performance is important when making investment decisions.

(MIT Sloan Management, Investing for a sustainable future)



C-Level Attention

99%

of large company CEOs agree that "sustainability issues are important to the future success of their businesses"

(Harvard Business Review)

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The Evolving Sustainability Landscape

What's driving your stakeholder decisions?

Consumer Interest

80%

of consumers indicate sustainability is important to them

IBM, 2020

Transparency

86%

of consumers say transparency from businesses is more important than ever

SproutSocial, 2019

Sustainable Investing

\$375B

of sustainable bond issuance predicted for 2020 due to heightened awareness of social issues

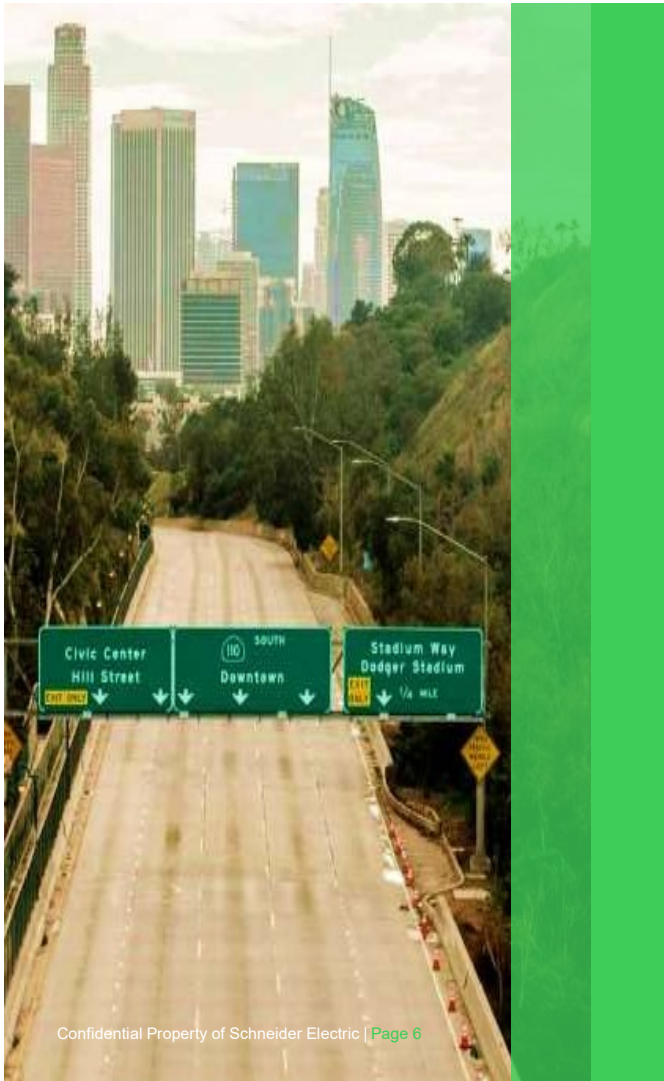
Moody's, August 2020

Preventive Mindset

200

S&P leaders managing climate risk overperform by 33% since COVID-19 disruption

MarketWatch, March 2020



COVID-19 and Sustainability

As companies were getting up to speed with their sustainability efforts, Covid-19 has threatened their very survival. Can they maintain their initiatives?

BAIN & COMPANY

Covid-19 Gives Sustainability a Dress Rehearsal

In a crisis where previously unthinkable approaches have become the new normal overnight, companies can keep up their sustainability momentum.

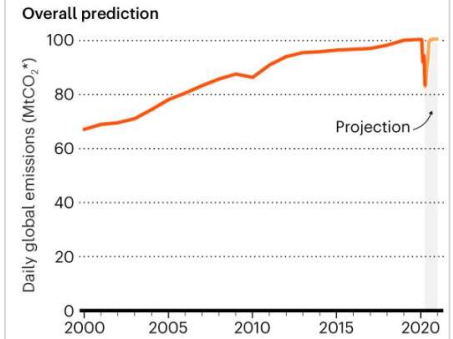
By Jenny Davis-Peccoud and Jean-Charles van den Branden

April 17, 2020

<https://www.bain.com/insights/covid-19-gives-sustainability-a-dress-rehearsal/>

A V-SHAPED RECOVERY?

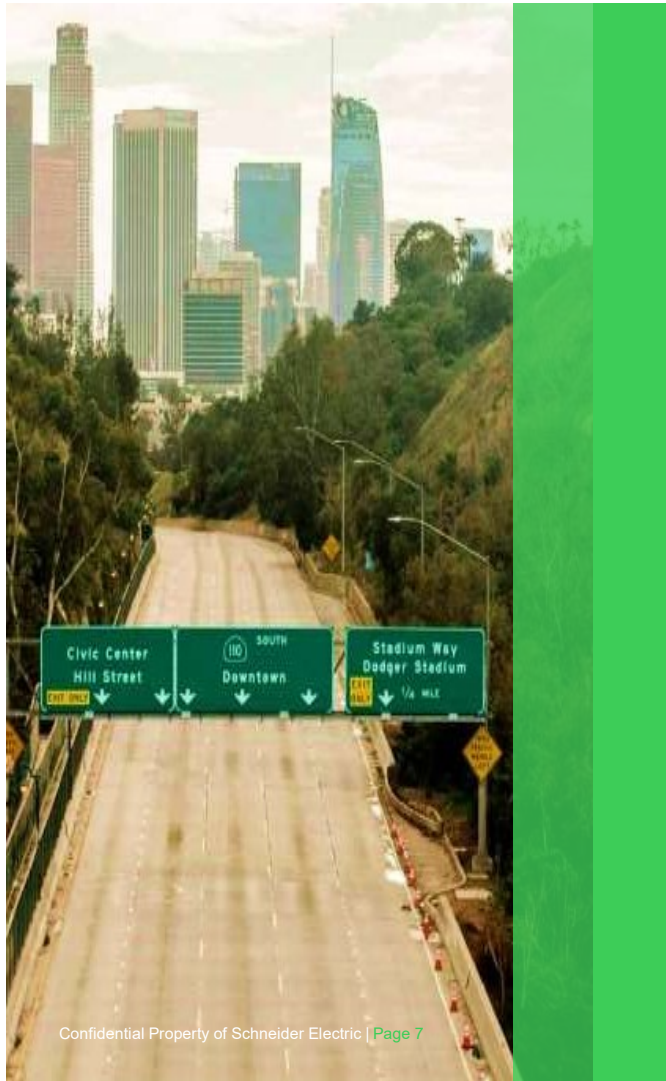
Despite a drop of more than 8% in the first four months of the year, emissions could rise sharply as government lockdowns end over the course of 2020.



<https://www.nature.com/articles/d41586-020-01497-0>

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Sustainability is a Definition of Survival

Practices and tools gained through sustainability work are assets in the battle against pandemic disruptions

- Building close supplier relationships
- Using the same tools for different applications
- Risk mitigation
- ESG Investing continues to grow
- SDGs help future-proof global recovery



United Nations



COVID-19 Response

Natural Boundaries - The pandemic and the health crisis now ravaging all continents has put the spotlight on vulnerabilities and our dependence on the natural environment. It drives home the message that markets do not operate in isolation, but instead are embedded in societies and the natural environment. This realization will fundamentally change our long-term risk perspective and the way we prepare for the looming climate crisis. The lessons to be learned are loud and clear: prevention is better than cure, and decision-making informed by science is the way to build resilience and ensure future survival.

[Forbes.com. Covid-19 is Accelerating ESG Investing and Corporate Sustainability Practices. May 19 2020.](#)

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Sustainability drivers vary by organization, but most arise from one of these areas:

EXPIRING & ENHANCING GOALS

Many companies have set initial 2020 goals and will need to re-establish or enhance these goals

BENCHMARKING & COMPETITION

Competitors are actively pursuing sustainability opportunities as a means of differentiation

STAKEHOLDER REQUESTS

Increasing activist investors and stakeholder requests for program development and public reporting

SUPPLY CHAIN OPPORTUNITY

Climate change impacts to raw material and supply chain can drive significant financial opportunities

Sustainability Services Offering

Strategy, Insights, and Performance

STRATEGY

- sustainability roadmap
- strategy & governance
- goal setting



INSIGHTS

- inventory management
- value chain footprint & dashboards/scorecards
- intelligence services

PERFORMANCE

- certifications & compliance
- corporate reporting
- legislative incentives

RENEWABLES

- NEO Network™
- energy sourcing
- operational services
- strategy development

DRIVE

sustainable growth.

Understand environmental risks and rewards to realize tangible, sustainable benefits for your enterprise.

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An aerial photograph of a two-lane asphalt road that curves through a hilly, vegetated landscape. A red car is driving on the road. The text is overlaid on the left side of the image.

Strategizing for Sustainability

Where do I start?

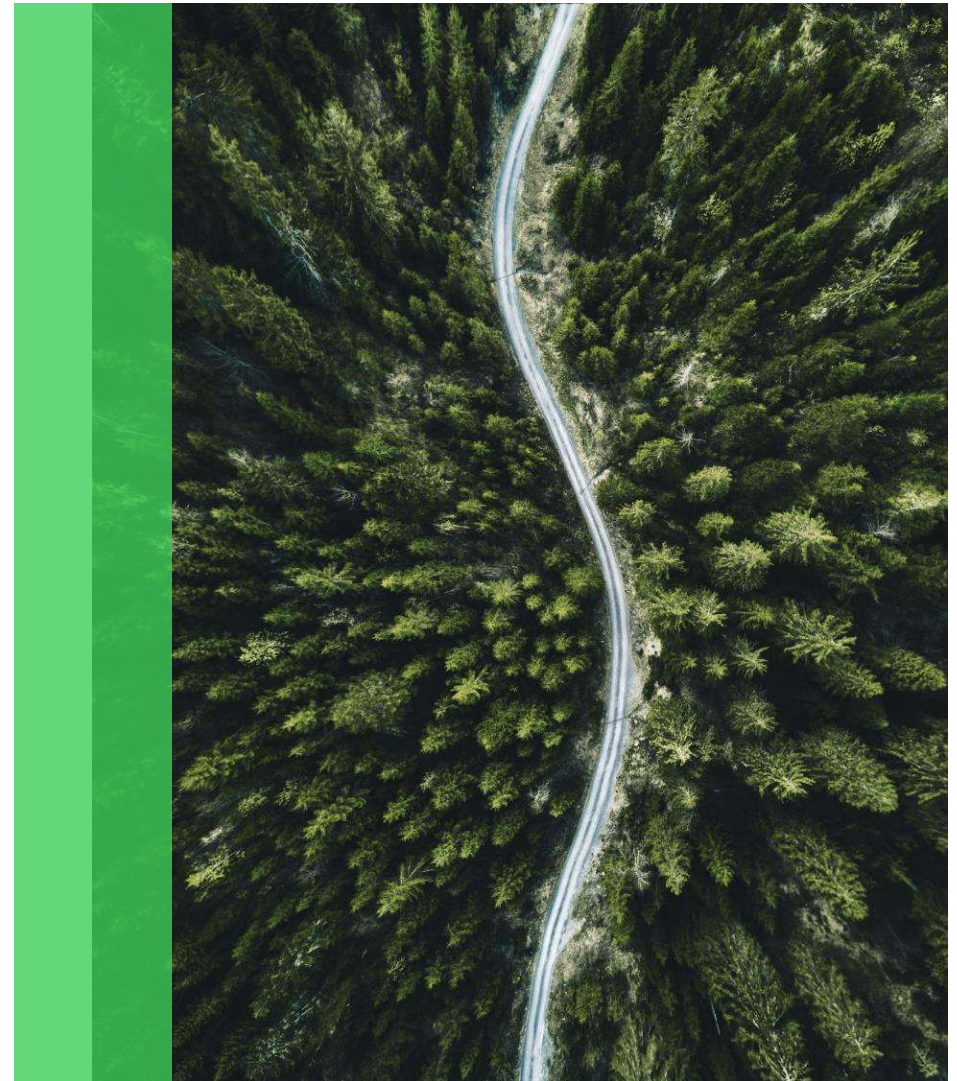
ESG Rankers vs. Disclosure Systems

Why CDP?

- Hundreds of ESG rankers/platforms offering slightly different evaluation metrics, goals, and markets covered
- General goal to provide centralized, benchmarked performance metrics on key ESG areas



- CDP offers an “E”-focused questionnaire streamlined for climate action
- Gives companies a place to start – while passively improving ranks on other platforms



ABOUT CDP



CDP is a global environmental impact non-profit working to secure a thriving economy that works for people and planet.



CDP runs the global disclosure system that enables companies, cities, states and regions to measure and manage their environmental impacts.



With the world's most comprehensive collection of self reported data, the world's economy looks to CDP as the gold standard of environmental reporting.



Its network of investors, purchasers and policymakers around the globe, use our data and insights to make better-informed decisions.

BY THE NUMBERS



525+ investors with US\$96 trillion in assets



120+ supply chain members with over US\$3 trillion in purchasing power



8,400+ companies responded through CDP



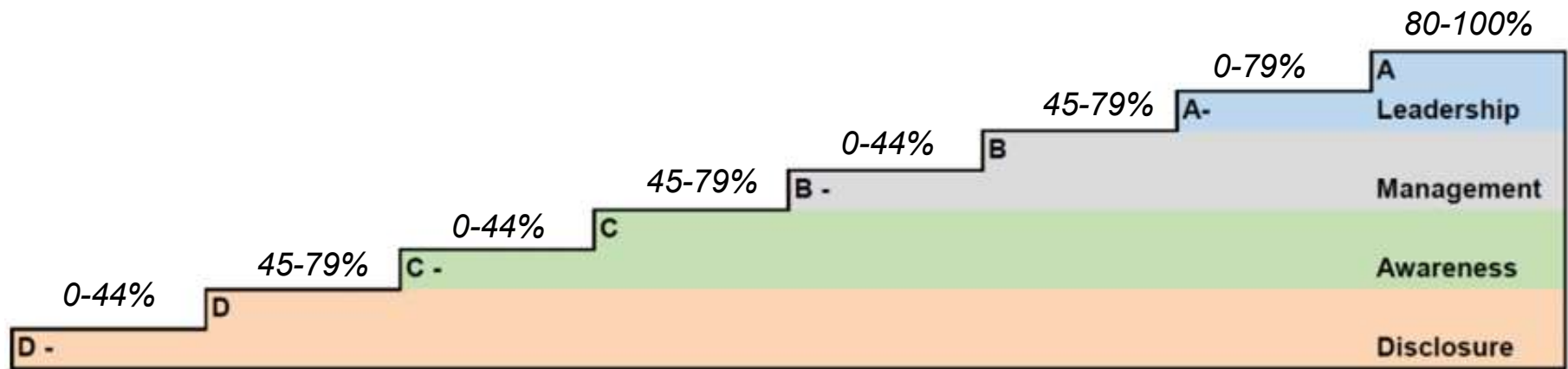
800+ cities disclosed environmental information



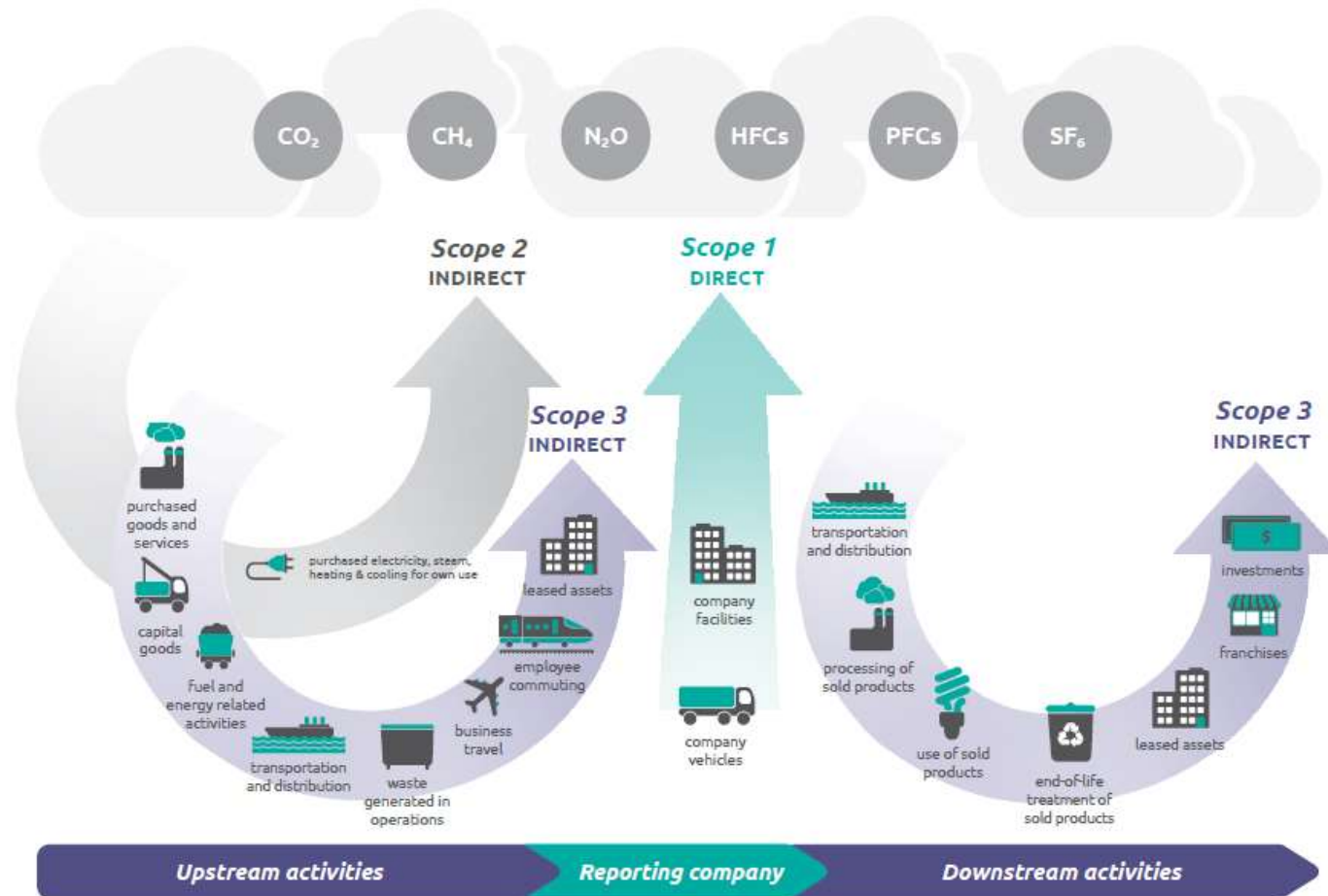
120+ states and regions measured their environmental impacts

Scoring Tiers

From Disclosure to Leadership



GHG Reporting – Foundation to Sustainability Disclosure



Content Areas: Data Requested by CDP

Risks & Opportunities

Highly weighted section and often requires most amount of data/input/review

Governance

How is your organization governing itself to mitigate climate risks and seize opportunities?

Value Chain Engagement

How are you addressing impacts in your broader value chain?

Strategy

How is climate change integrated into your business's overall strategy?

Targets & Performance

Does your organization have GHG reduction targets? What is your performance against these targets?

Quantitative Reporting

Disclosing GHG emissions

What are climate-related risks & opportunities?



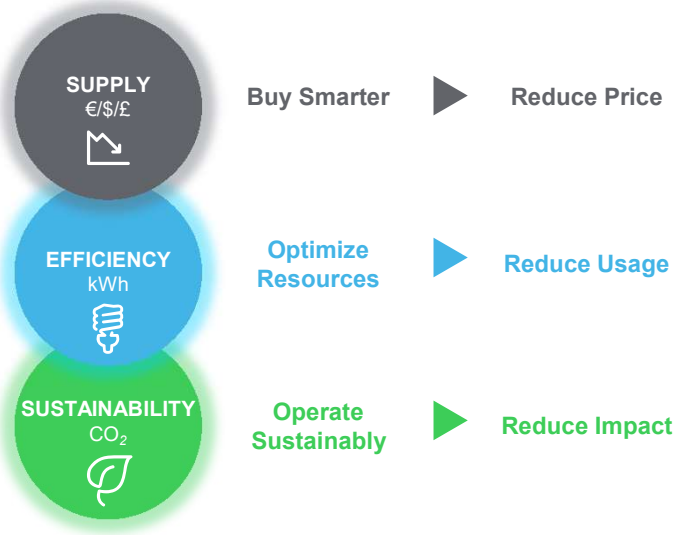
Source: TCFD, "Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures" (June 2017)

Our Passion is Energy & Sustainability

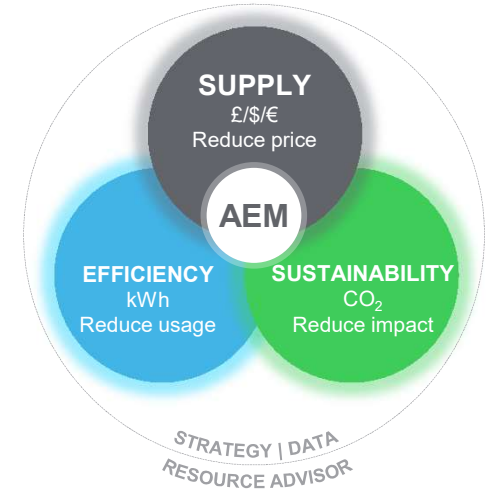
What We Do to Help Clients as a Trusted Advisor

Active Energy Management

ESS leads clients by providing services, enabled by software, to connect, optimize, and impact the business of energy and sustainability.

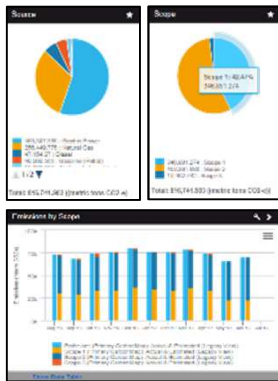


Client Success



Primary Support and Deliverables

Emissions Inventory & Verification Support



Scoring or Reporting “Gap Assessments”

Minimum and maximum denominators for each module expressed as a percentage of the total of the minimum & maximum total for each level

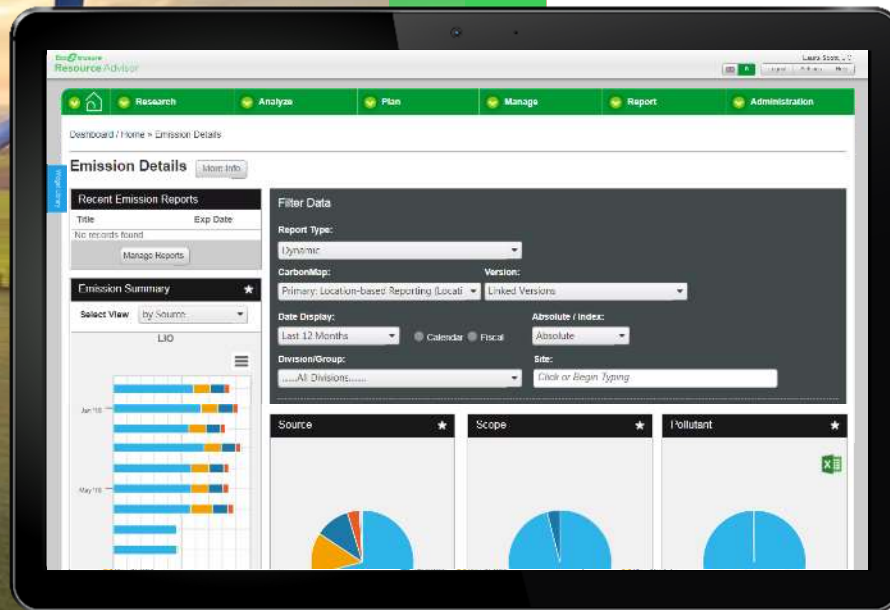
D Denom Min	D Denom Max	A Denom Min	A Denom Max	M Denom Min	M Denom Max	L Denom Min	L Denom Max
1%	3%	3%	3%	13%	11%	5%	7%
13%	13%	18%	21%	8%	8%	22%	33%
5%	5%	12%	15%	13%	15%	15%	14%
1%	1%	4%	3%	0%	0%	5%	5%
11%	11%	20%	15%	17%	14%	0%	0%
11%	11%	20%	15%	17%	14%	0%	0%
1%	1%	0%	0%	0%	0%	0%	0%
25%	24%	4%	4%	13%	12%	11%	8%
1%	3%	0%	0%	0%	0%	0%	0%
1%	3%	0%	0%	0%	0%	0%	0%
7%	5%	4%	3%	0%	0%	5%	5%
3%	4%	5%	7%	8%	7%	11%	8%
1%	2%	0%	0%	0%	1%	0%	0%
14%	12%	9%	12%	10%	13%	11%	9%
1%	1%	0%	0%	1%	1%	5%	5%
n/a	n/a	n/a	n/a	n/a	n/a	5%	5%
100%	100%	100%	100%	100%	100%	100%	100%

Response Support



Carbon Emissions Inventory Management

The global standard for carbon accounting and emissions management



EMISSIONS FACTORS

Manage one of the largest emission factor database in the world within EcoStruxure™ Resource Advisor. Consistently updated, this database includes global and regional factors.



LOCATION VS MARKET

The emission factor database includes supplier-specific factors, and calculates location- and market-based emissions automatically



WRI COMPLIANT

Resource Advisor follows the global standards for carbon accounting while allowing customized solutions for unique customer inventory requirements

CDP Reporting

Support to enhance CDP Performance

1

IDENTIFY

- Initiate a kickoff call to develop project timeline & draft RFI to solicit information
- Gap analysis of current programs & formulate approach for maximizing scores

2

PRIORITIZE

- Make recommendations to prioritize initiatives (Risk, Governance, Goals etc.)
- Lead in drafting comprehensive CDP response leveraging program information

3

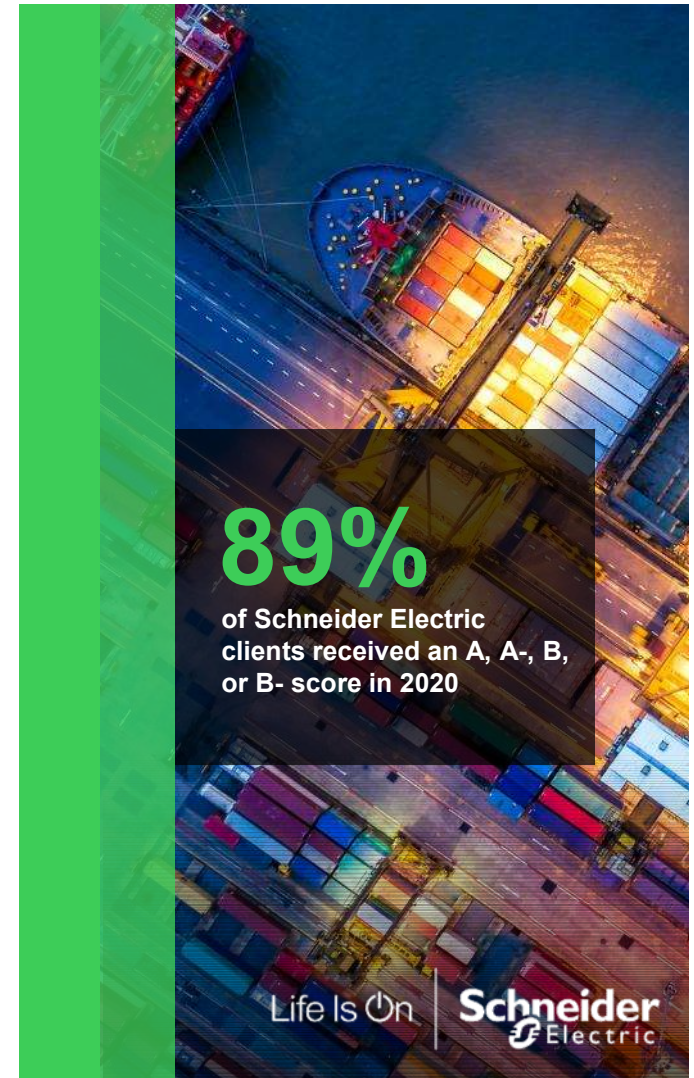
MAP

- Identify gaps and additional info needed to maximize CDP response
- Guide revised drafting & review of CDP response based on stakeholder feedback

4

REPORT

- Guide final drafting and submittal of response into CDP's online response system



Corporate Trends in Sustainability

Increasing Renewable Commitments

284 RE100 signatories

RE100, January 2021

Ambitious Corporate Targets

1146 companies have committed to setting Science-Based Targets

SBTi, January 2021

Carbon Neutral Announcements

25% of Fortune 500 companies have made commitments to carbon neutrality, 100% renewable power, or SBTs by 2030

FastCompany, February 2020



Target & Goal Setting

Establishing public, robust, and achievable targets

Target & Goal Setting



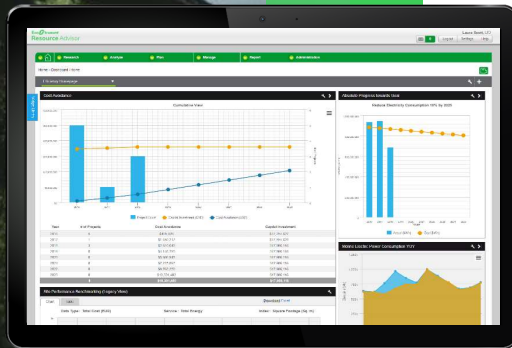
SCIENCE-BASED TARGETS

RE 100

100% RENEWABLE ENERGY

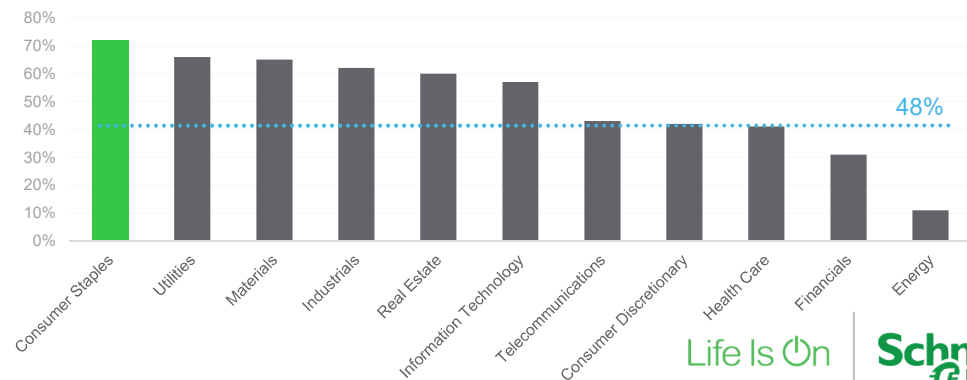


ZERO WASTE TO LANDFILL



Goals & Project Planning

Fortune 500 – Companies with Targets



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An aerial photograph of a wind farm at sunset. The sky is filled with golden light and scattered clouds. In the foreground, a large white wind turbine is partially visible, with its nacelle and part of a blade extending across the frame. In the background, a line of many other wind turbines stretches across a green, rolling landscape. A semi-transparent dark grey rectangular box is overlaid in the center of the image, containing the text "Closing Remarks & Questions" in white.

Closing Remarks & Questions