

2015 Communication on CDP's Engagement with the United Nations Global Compact

CDP is an international, not-for-profit organization providing the only global system for companies and cities to measure, disclose, manage and share vital environmental information. We work with market forces, including 822 institutional investors with assets of US\$95 trillion, to motivate companies to disclose their impacts on the environment and natural resources and take action to reduce them.

CDP and the UN Global Compact have worked together closely for a decade and share a strong set of common goals, particularly as they relate to driving forward business-focused solutions to climate change. CDP actively supports the UNGC'S 10 core principles through mission-focused collaborations that aim to increase overall impact of common work areas and drive change more effectively.

In the attached description we have laid out our actions to integrate the UNGC into our business strategy and operations.

Sincerely,

Paul Dickinson
Executive Chairman, CDP

Overview of Activities

1. Data and Disclosure

Disclosure via CDP's platform allows companies to comply with the Communication on Progress (COP) for the UNGC Caring for Climate and CEO Water Mandate programs, enabling increased environmental disclosure and broader engagement with UNGC programs.

CDP annually provides data to UNGC to complement the COPs made directly to them, and to allow them to analyze overall progress by member companies.

i. Reporting as a Fiduciary Duty

Climate change is beginning to affect economic activity in various ways and as such, it has become a relevant matter for consideration by fiduciaries irrespective of how they view its moral or societal implications. CDP hosts the Secretariat of the Climate Disclosure Standards Board (CDSB) which coordinates the [*Statement on fiduciary duty & climate change disclosure*](#), with the support of the UNEP Finance Initiative. The Statement is a collective commitment by a leading group of companies and institutional investors to strengthen and align climate-related corporate reporting to the investment community through a common framework out of a sense of fiduciary responsibility. Since the Global Compact has also engaged in the debate around fiduciary duty, the organizations will explore opportunities to collaborate this area of shared interest.

2. Water

CDP and UNGC have a robust collaboration around water, through CDP's water program and the UNGC CEO Water Mandate. CDP amended its water questionnaire in 2014 and worked closely with UNGC to ensure alignment between CEO Water Mandate Disclosure Guidelines and the water questionnaire.

In total CDP serves as a core partner to four UNGC CEO Water Mandate areas, and provides data to UNGC's CEO Water Mandate to populate the CEO Water Mandate Water Action Hub which aims to assist stakeholders to identify potential collaborators and stimulate collective water management in regions of critical strategic interest.

CDP's global water report, questionnaire and supporting guidance are also provided as part of UNGC's CEO Water Mandate Toolbox that aims to support companies starting their work towards improved corporate water stewardship.

3. Climate

As part of its work with Caring for Climate CDP provides UNGC with data and analysis, insights, and case studies from corporate disclosures to CDP, helping inform work in this area. CDP is an active or lead partner in all four Caring for Climate work areas and a lead partner in the Business Forum at COP21.

i. Science-Based Targets

Science Based Targets is a joint initiative by CDP, the UN Global Compact (UNGC), the World Resources Institute (WRI) and WWF intended to increase corporate ambition on climate action by changing the conversation on GHG emissions reduction target setting and creating an expectation that companies will set targets consistent with the level of decarbonization required by science to limit global warming to less than 2°C compared to pre-industrial temperatures.

As part of the Science-based Targets Initiative, CDP is working closely with the UN Global Compact to develop tools, resources and methodologies to support companies in setting emissions reduction targets in line with climate science. CDP has also worked with UNGC and the other partners to launch the Initiative's Call to Action, inviting companies globally to adopt science-based targets.

Outcomes to date: More than 70 companies committed to adopt science-based targets as of October 2015. Throughout 2015, CDP is working with UNGC and the other partners to host workshops and events around the world to inform companies about the Call to Action and to support them in setting and working toward science-based targets.

ii. Business Leadership on Carbon Pricing

Ahead of COP21 in Paris in December 2015, CDP is working closely with the UN Global Compact to invite companies to become Carbon Pricing Champions by aligning with the Business Leadership Criteria on Carbon Pricing.

The criteria constitutes one of the areas of work of the Carbon Pricing Leadership Coalition, led by the World Bank Group, CDP and other partners.

The criteria asks that companies:

1. Set an internal carbon price high enough to materially affect investment decisions to drive down greenhouse gas emissions;
2. Publicly advocate the importance of carbon pricing through policy mechanisms that take into account country specific economies and policy contexts; and

3. Communicate on progress over time on the two criteria above in public corporate reports.

Outcomes to date: As of October 2015, nearly 60 companies have committed to follow the business leadership criteria. CDP will continue to recruit companies in the lead-up to COP21 and beyond.

CDP will also contribute to the forthcoming “Executive Guide on Carbon Pricing,” which will reference internal price on carbon data and CDP’s work on carbon pricing pathways.

iii. Climate Policy Engagement

In the lead-up to COP21 in Paris in December 2015, CDP is working with the UN Global Compact to invite companies to follow best practice in corporate engagement on climate policy.

The “Guide for Responsible Corporate Engagement in Climate Policy,” released by CDP, UNGC, Ceres, The Climate Group, WWF and the World Resources Institute, sets out a program of action for companies wishing to demonstrate best practice in policy engagement.

By making this commitment, companies are agreeing to implement the actions in Section 3 of the Guide to “Identify–Align–Report”:

1. Set up processes to internally audit all activities that a company takes part in that influences climate policy;
2. Work to ensure that all of this activity is consistent; and
3. Communicate on policy positions, actions and outcomes.

Outcomes to date: More than 70 companies have committed to follow the Guide as of October 2015. CDP is one of the co-conveners of a session on this theme at the UNGC Business Forum in Paris for COP21, and will be providing updated data and analysis to inform a publication which will be launched there by UNGC.

CDP has also spoken in a UNGC webinar for companies, and will be speaking in a forthcoming UN PRI webinar on the same theme.

iv. Adaptation

In the lead-up to COP21 CDP is supporting the UNGC’s work to showcase best practice by companies in taking action on climate change adaptation, and in planning adaptation actions that are aligned with the needs of local communities in line with the principles of the Sustainable Development Goals.

CDP's contribution to this work is in the form of providing evidence from corporate disclosures about physical climate risks and opportunities, actions undertaken, etc. The resulting report will be launched at the UNGC Business Forum in Paris at COP21.

Additional areas of joint or complementary work

CDP is engaged in various other programs and projects which are aligned with the goals and work programs of UNGC. We work with UNGC on these wherever possible and hope to work together more going forward. Some examples include:

NAZCA Portal

CDP and UN Global Compact are both data providers to the UNFCCC's NAZCA Portal.

Sustainable Development Goals

CDP is a potential enabler of private sector action that helps implement the Sustainable Development Goals and the CDP reporting platform and database can potentially provide indicator data and/or inform tracking of progress.

Commodities and Supply Chains

CDP's Supply Chain and Forests programs work to address the impact of global purchasing on the environment, using requests and requirements by both investors and customers as levers for change.