
GGKP: Private Sector Initiatives

Paul Dickinson, Chairman, CDP

Friday 5th April 2013

What is CDP?

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** to motivate companies to disclose their impacts on the environment and natural resources and **take action** to reduce them. CDP now holds the largest collection globally of primary climate change, water and forest-risk information and puts these **insights at the heart of strategic business, investment and policy decisions.**



INFORMATION

CDP's evolution

Over 12 years ago, Carbon Disclosure Project was started as project that used carbon disclosure as a means to drive corporations to reduce their carbon emissions.

Now called CDP, it has evolved to cover a wider spectrum of natural capital - water and forests.

CDP works with corporations, cities, major procurers, government and policy makers across the globe.

- ▼ **CARBON ACTION**
- ▼ **CITIES**
- ▼ **CLIMATE CHANGE**
- ▼ **CLIMATE DISCLOSURE STANDARDS BOARD**
- ▼ **FORESTS**
- ▼ **REPORTER SERVICES**
- ▼ **SUPPLY CHAIN**
- ▼ **WATER**

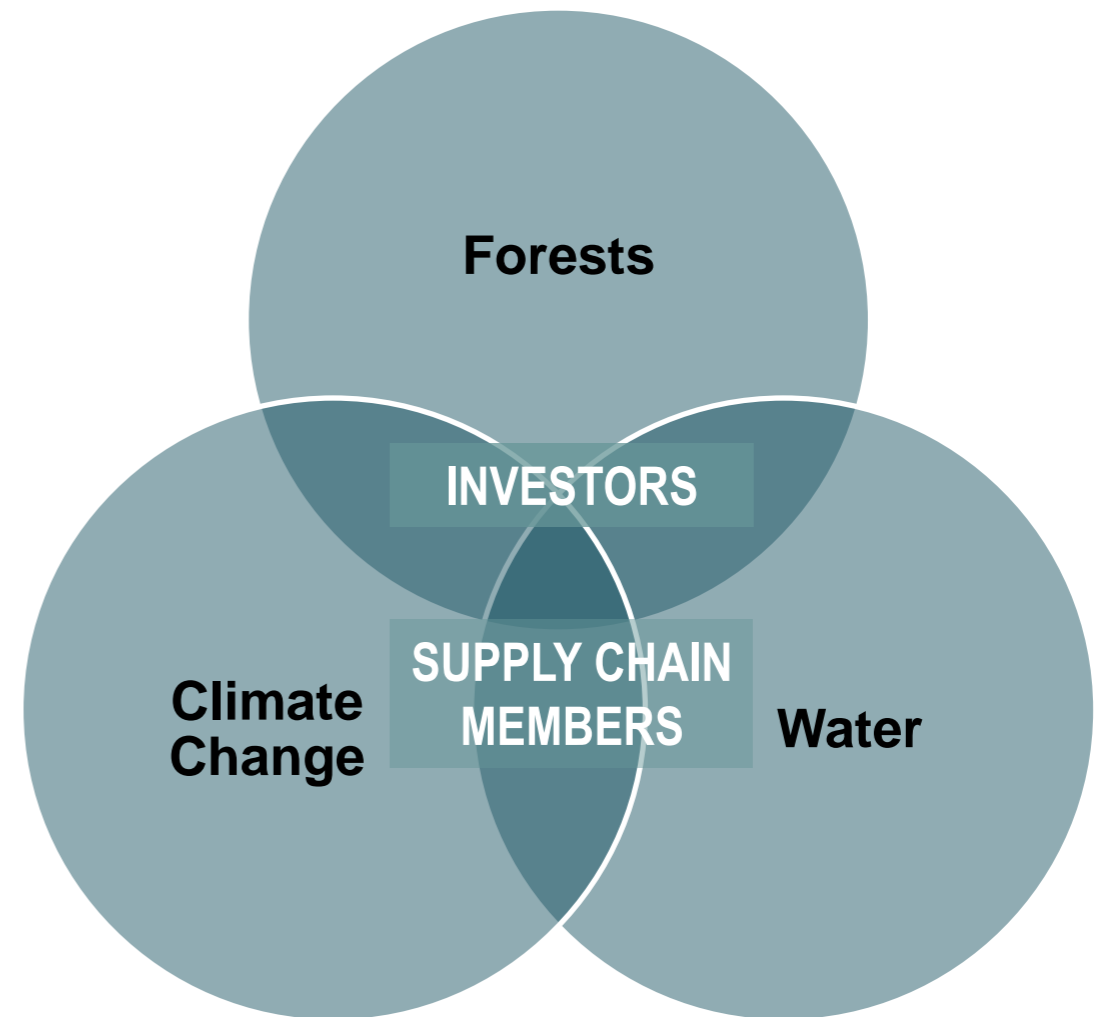
Mission

CDP's mission

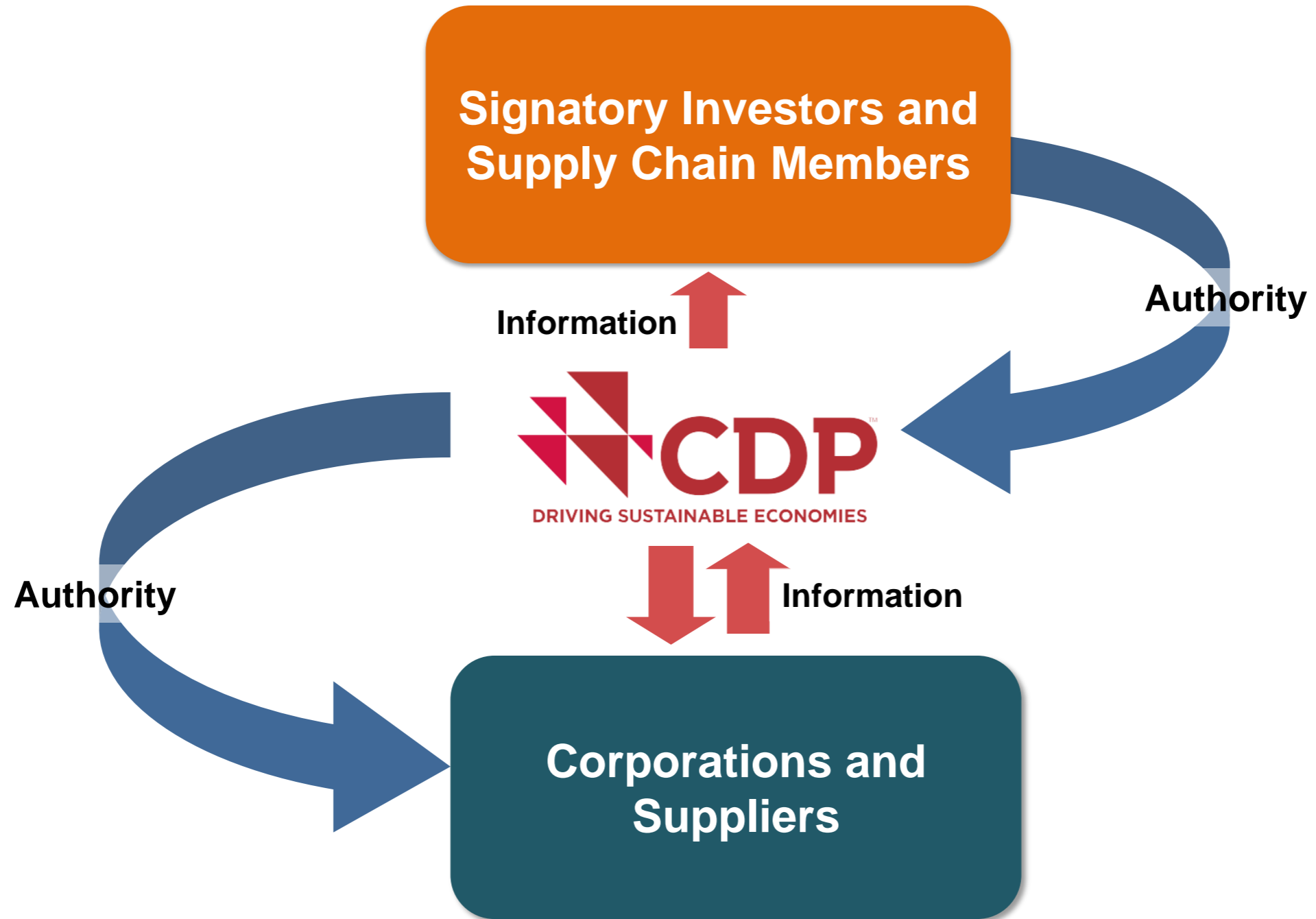
- To transform the global economic system to prevent dangerous climate change and value our natural resources by putting relevant information at the heart of business, investment and policy decisions

CDP's Vision

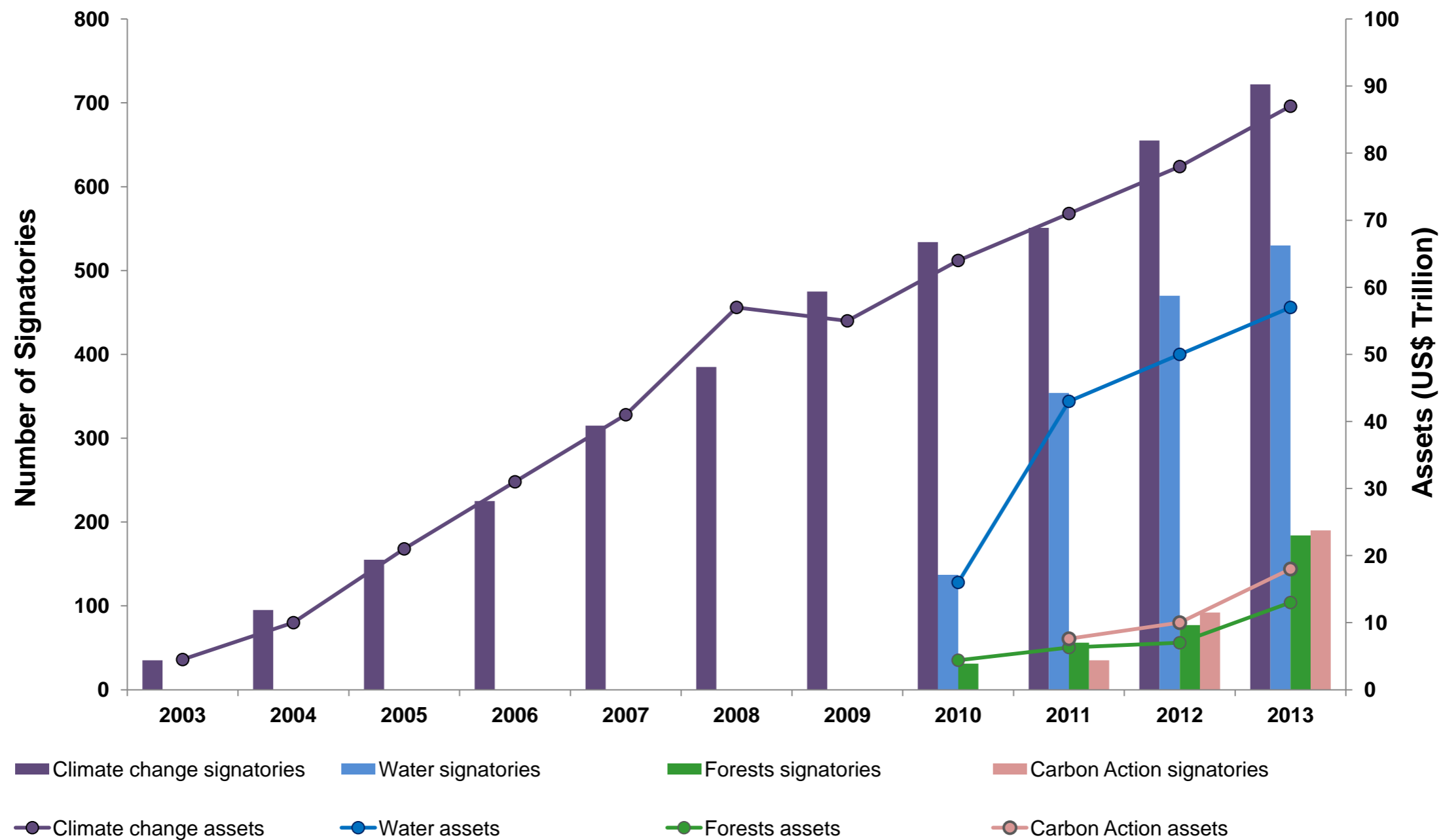
- To prevent dangerous climate change, protect our natural resources and create long-term prosperity through the efficient allocation of capital



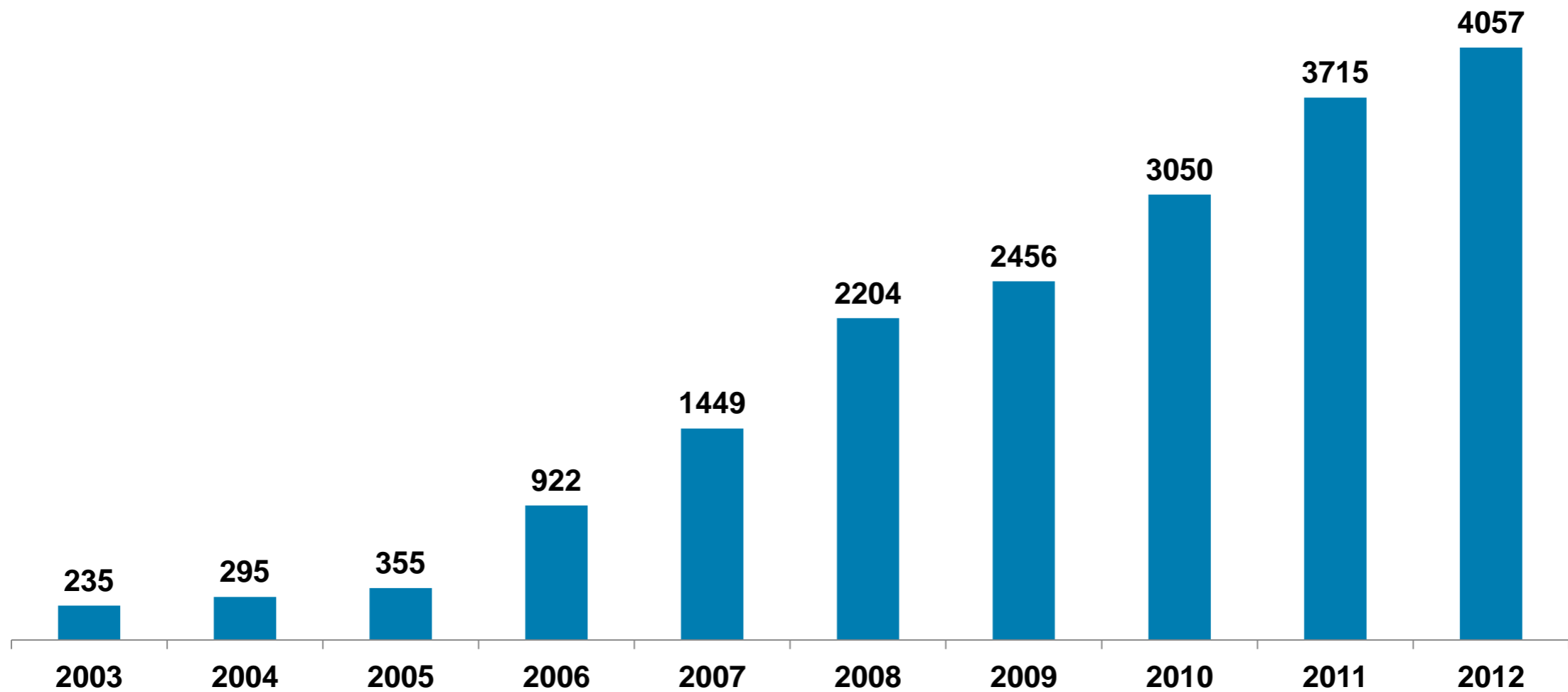
How CDP works



CDP Signatories & Signatory Assets: 2003 - 2013



Responding companies (Climate Change and Supply Chain Program)



Global 500 Scores

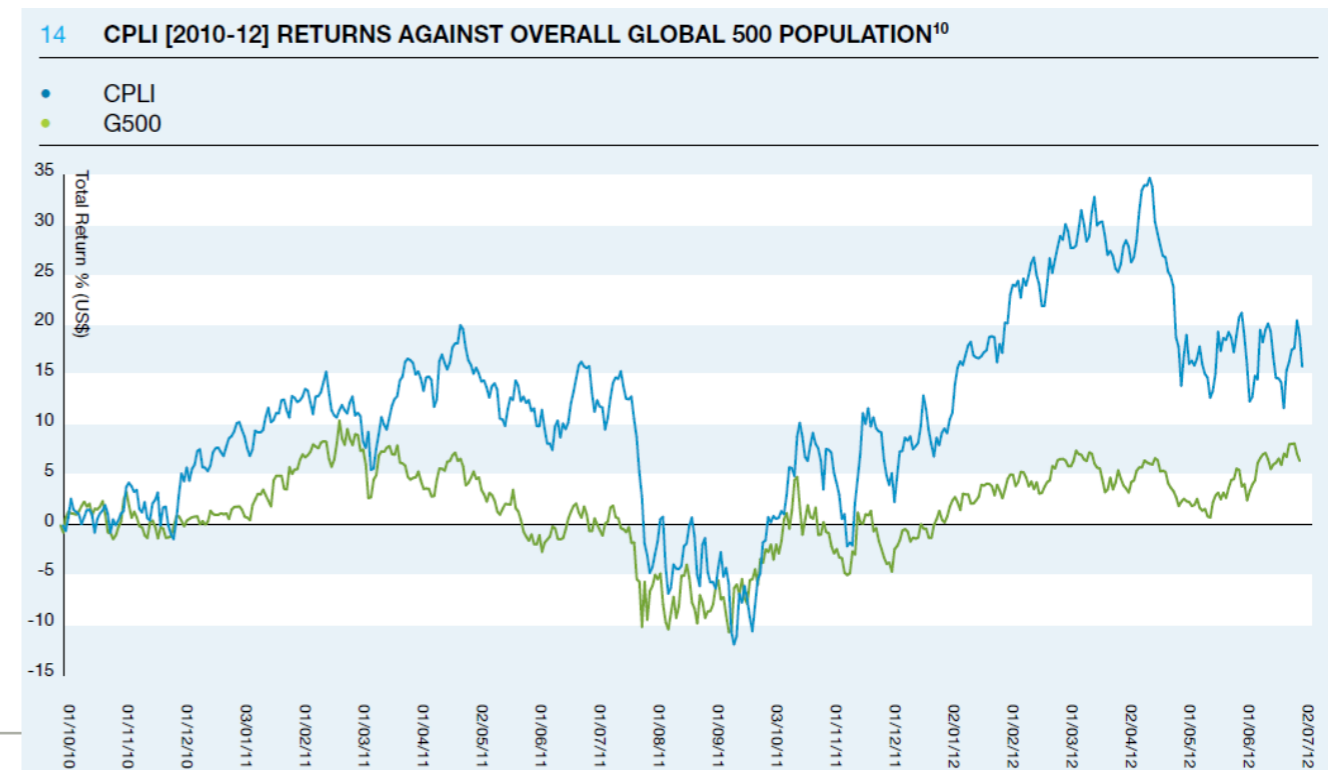
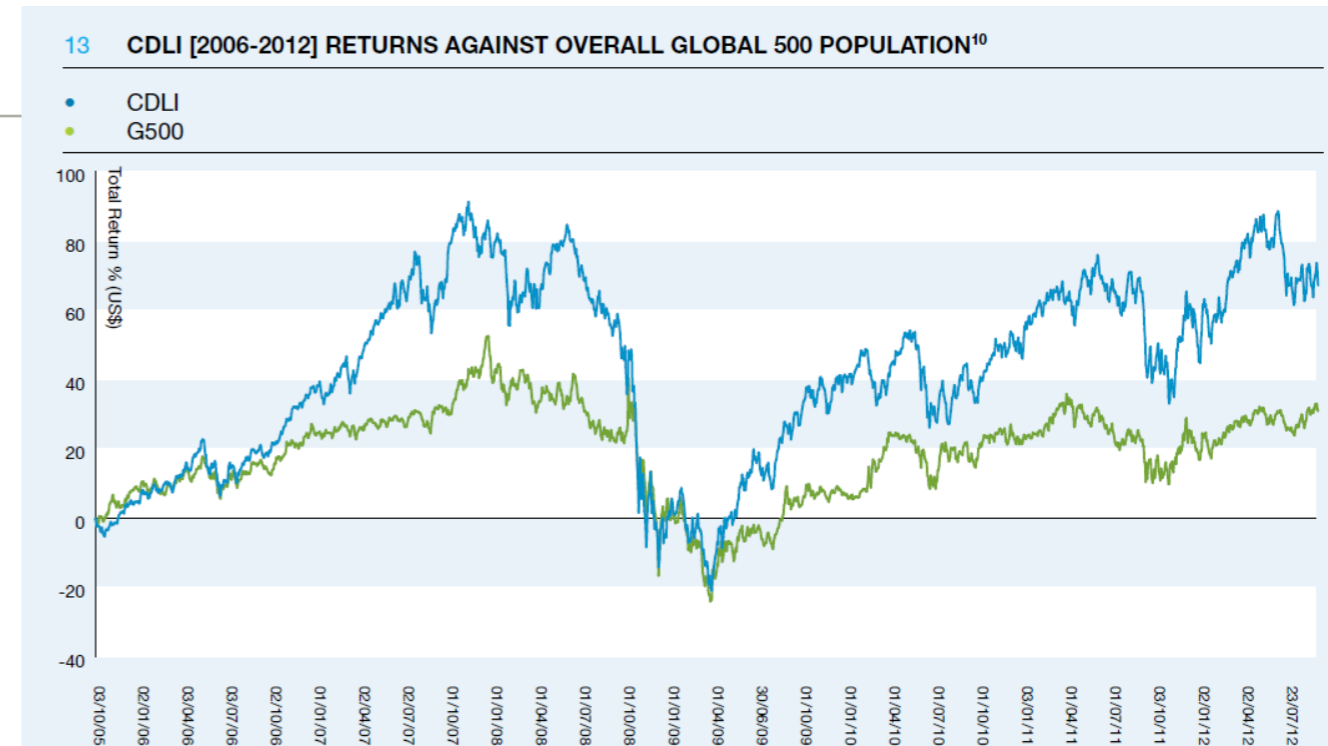
- ▼ Disclosure quality improves
- ▼ 50 companies scored over 94 for CDLI
- ▼ Average disclosure score is 77
- ▼ Threshold for performance 'A' increases from 70 to 85 points
- ▼ Average performance score is 'C'

<https://www.cdp.net/en-US/Pages/global500.aspx>

Company Name	Sector	Disclosure Score	Performance Band
Bayer	Healthcare	100	A
Nestlé	Consumer Staples	100	A
BASF	Materials	99	A
BMW	Consumer Discretionary	99	A
Gas Natural SDG	Utilities	99	A
Diageo	Consumer Staples	98	A
Nokia Group	Information Technology	98	A
Allianz Group	Financials	97	A
UBS	Financials	97	A
Panasonic	Consumer Discretionary	96	A

Global 500 Financial Performance

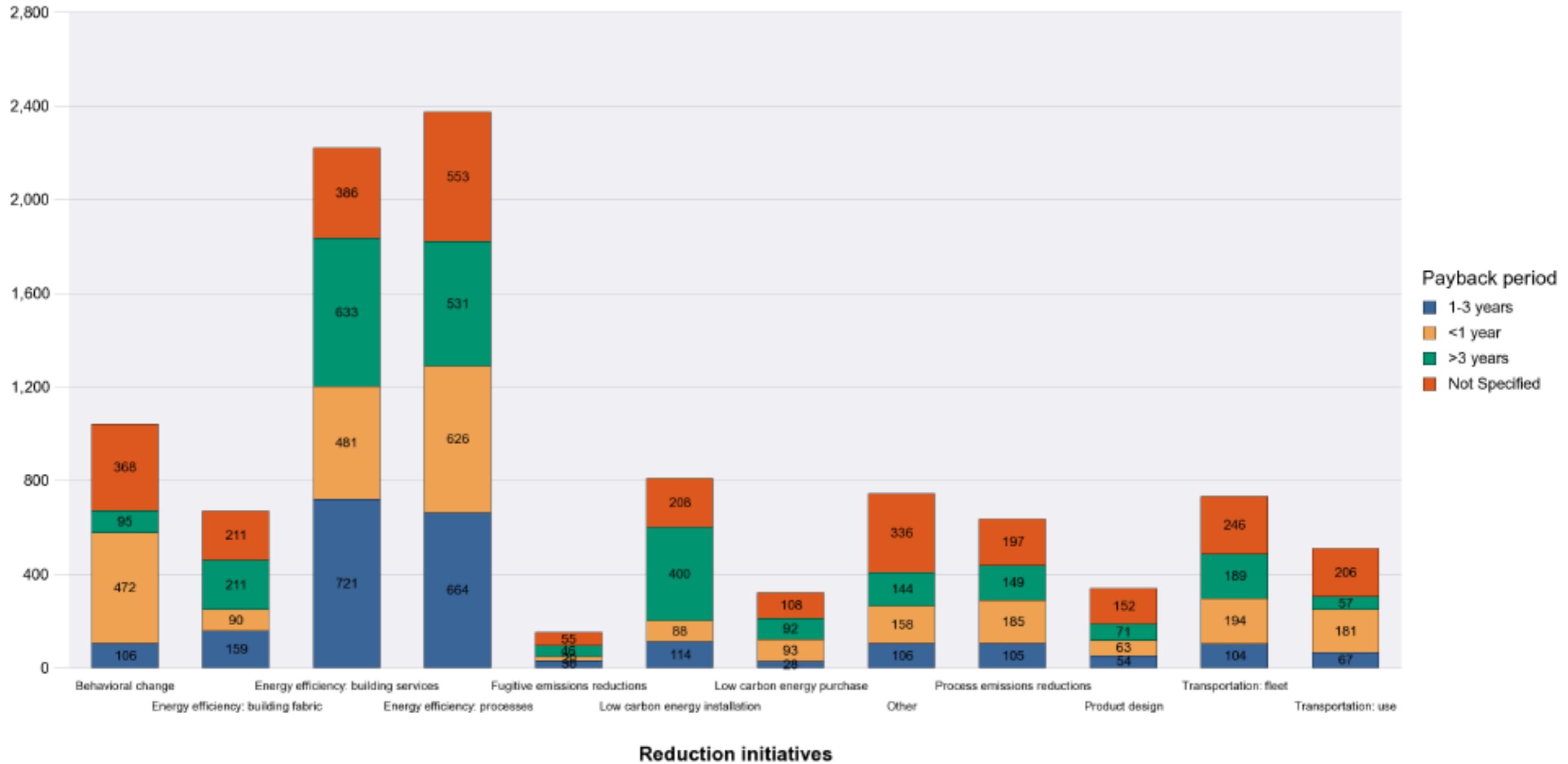
- ▼ New analysis on G500 leaders
- ▼ Re-baselined each year
- ▼ G500 leaders from each year significantly financially outperform the G500 overall
- ▼ CDLI – 5 year analysis
- ▼ CPLI – 2 year analysis



Emissions Reduction Initiatives

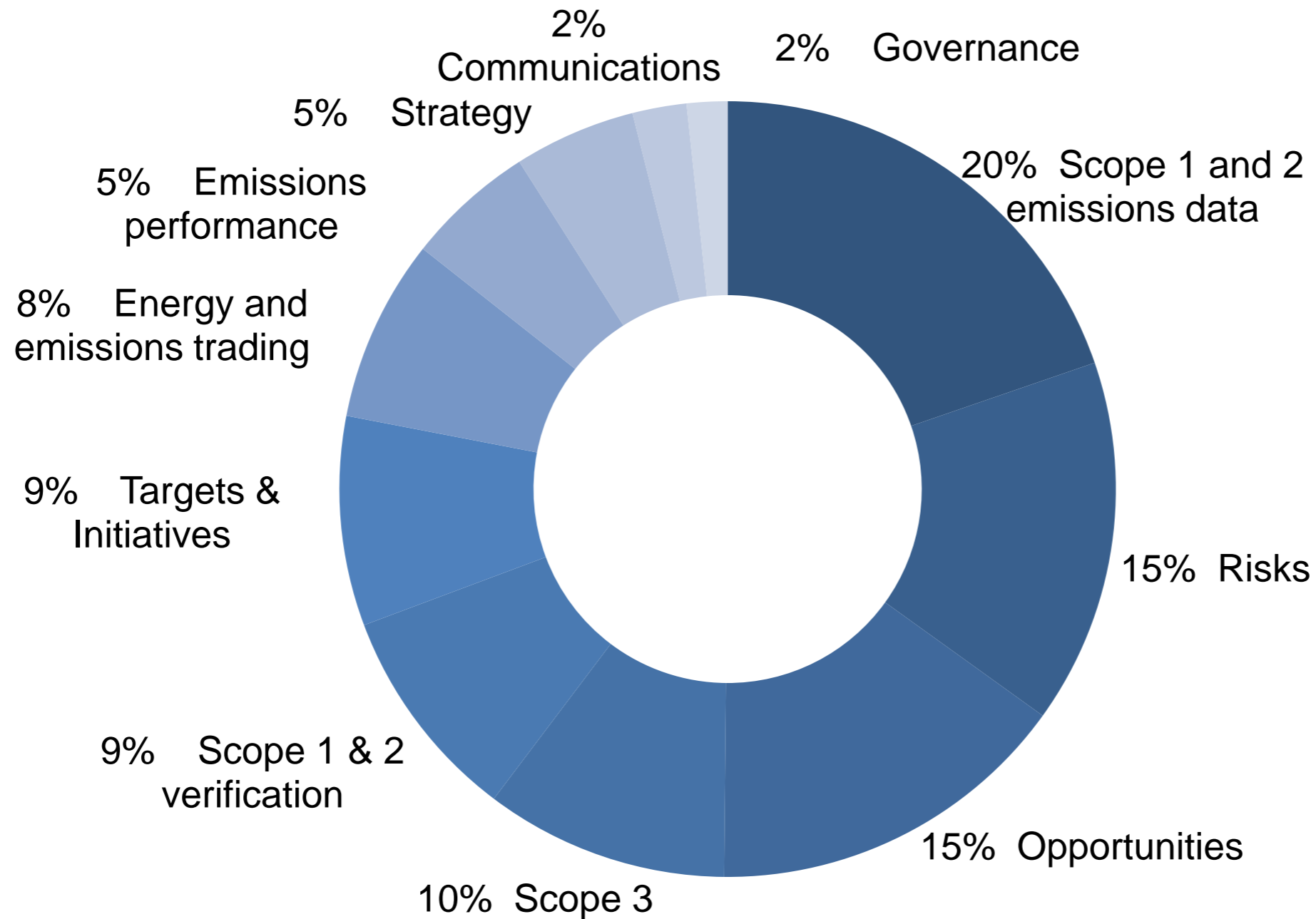
Reduction initiatives

Reported active emissions reduction initiatives broken down by payback period

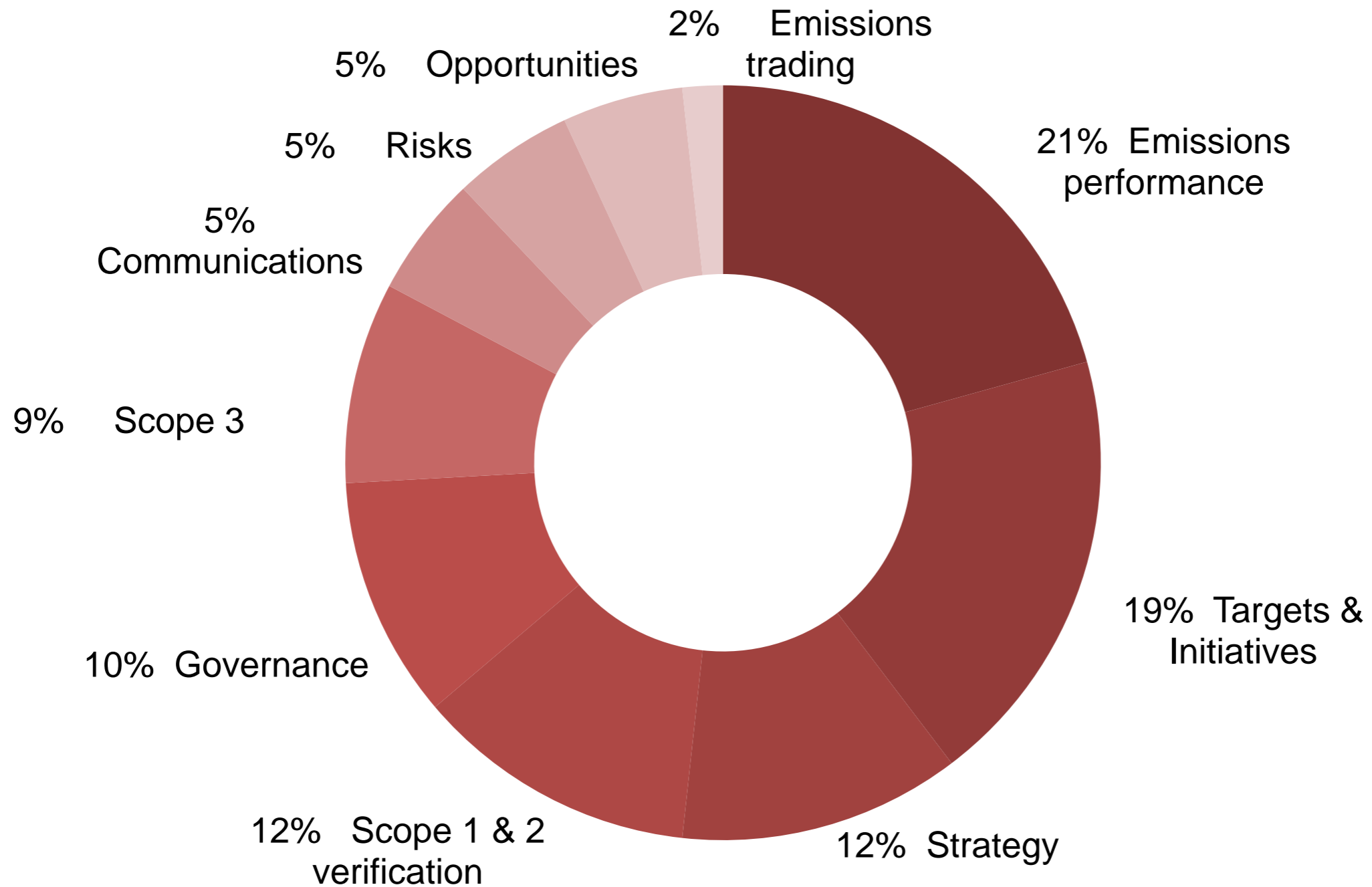


Source: CDP Analytics

Disclosure Score Weighting



Performance Score Weighting



The Future of Reporting: <IR> and XBRL

CDSB's Climate Change Reporting Framework

Climate Disclosure Standards Board is an international organization committed to the integration of climate change-related information into mainstream corporate reporting.

<http://www.cdsb.net/>



The Future of CDP

Evolution of Reporting

- ▼ Climate, water and deforestation to Natural Capital accounting
- ▼ Integrated, tagged with XBRL

Accelerating Action

- ▼ Scoring performance
- ▼ Carbon Action
- ▼ Increase usability of data and training

Policies and Incentives

- ▼ Mandatory reporting
- ▼ Stock Exchanges
- ▼ Improved climate change policy frameworks

Funding

- ▼ Cost covering contribution

CDP Research Agenda

- ▼ CDP / CDSB serve as an institutional home
- ▼ CDP organization is 12 years old and has stability
- ▼ CDP / CDSB have grown through market acceptance
- ▼ CDP / CDSB role is to support government
- ▼ Our mission is to work with UNEP, OECD, GGGI to support coordination

A Personal View

The Bruntland Definition of Sustainable Development is meaningless:

Sustainability is the name we give to Major Global Problems Governments are unable to solve

- ▼ There are legitimate concerns that powerful lobbying from profit making enterprise is effective in preventing government action to tax or regulate Greenhouse Gas (GHG) emissions (Clark, Grantham, Monks et al.)
- ▼ Lobbying against government action to regulate GHG emissions arguably represents the primary threat to National and International security (Climate change a greater threat than terrorism, UK Government Chief Scientific Adviser, King, 2004)
- ▼ Urgent requirement to achieve transparency to evaluate corporate expenditure opposing government action to tax or regulate GHG emissions.
- ▼ As the Global Corporation is increasingly recognized as an important actor in society, these new systems of accountability all need Capacity Building.
- ▼ Reporting can provide an important link between targets and their achievement in terms of tangible results. Outcome based accounting that captures financial, societal and environmental efficiency.
- ▼ CO2e per € of economic activity is key indicator

Problem

“The biggest point about debates on climate change and energy supply is that they bring back the question of limits. If, for example, the entire planet emitted CO₂ at the rate the US does today, global emissions would be almost five times greater. The same, roughly speaking, is true of energy use per head. This is why climate change and energy security are such geopolitically significant issues. For if there are limits to emissions, there may also be limits to growth. But if there are indeed limits to growth, the political underpinnings of our world fall apart. Intense distributional conflicts must then re-emerge – indeed, they are already emerging – within and among countries.”

FT, Martin Wolff 18 December 2007

DEMATERIALIZATION
(Doing more with less)
This is not rocket science

US industry and household spending on transportation accounts for around \$1.3 trillion.
US corporate spending on travel around \$250 billion.
The cost of congestion reached \$115 billion in wasted time and fuel in the US in 2009. The yearly peak delay for the average commuter was 34 hours.



The transport sector has the fastest growing emissions footprint in OECD countries and the second fastest growing in non-OECD countries between 1990 and 2002 (emissions increasing by 25% and 36% respectively).

We have to change the way we communicate,
now.



Growing competition for natural resources.

Global oil demand is projected to grow by 20 mb/d by 2030. This increase is equivalent to using the entire US strategic oil reserves in a month.

The most competitive businesses of tomorrow will be those that see this resource constraint as an opportunity.



(from Jul 2001 to Jul 2011) (in US dollars per barrel of oil equivalent)

Despite the huge carbon- and financial-savings potential of teleworking and video conferencing, mass uptake by businesses has been slow.



Broadcast news providers have long experienced high quality video technology.



Uptake of video communication technologies by businesses has been hindered by several issues:

Eye contact

Lack of affordable bandwidth

Appearance consciousness



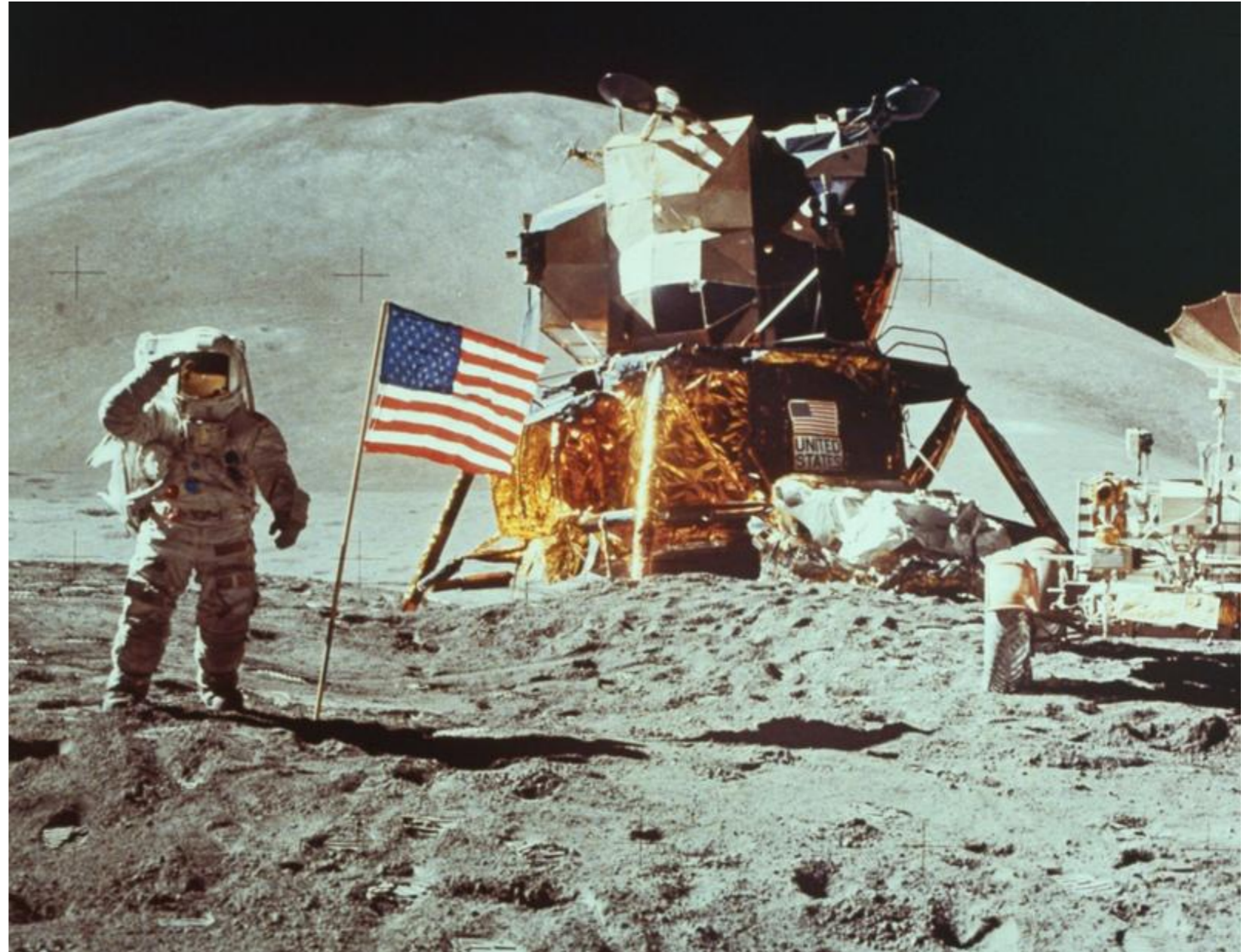
Perceived complexity and technical issues

Signal latency

Humans on the moon in 1969 . .

Very little fibre optic cable to homes and no good videophone.

44 YEARS LATER



Broadcast quality videophones three or thirty years away from deployment – it is our choice.



Thank you

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DRIVING SUSTAINABLE ECONOMIES