GCX
Sustainability & Beyond.

THE BUSINESS CASE FOR CDP.

WHY CARBON DISCLOSURE ISN'T JUST COMPLIANCE— IT'S COMPETITIVE INTELLIGENCE.

Environmental disclosure has moved from voluntary nicety to strategic necessity.

Among the growing list of frameworks and acronyms, CDP stands out—not just for its longevity, but for the way its data is used by investors, regulators, and supply chain decision-makers alike.

This guide presents the business case for CDP in clear, commercial terms.

FROM SCORE TO STRATEGY.

CDP reflects how well your organisation understands, manages, and acts on environmental risk. But more than that, it gives you a practical framework to move from reactive reporting to strategic integration.

How to Use CDP Scores Strategically:

- Baseline & Benchmark: CDP's scoring model acts as a maturity roadmap. Your score shows where you are—and what to focus on next.
- Capital Allocation: Responses help pinpoint high-impact areas, guiding investment and risk-based planning.
- Target Alignment: Strong submissions support alignment with SBTi, TCFD, and net-zero targets.
- Governance: Scores expose oversight gaps, driving better accountability and strategic climate governance.

> **“Companies that improve their CDP score by one level (e.g. from B to A-) are 3.6x more likely to have board-level climate governance and formal transition plans in place.”**
>
> — CDP Scoring Insights, 2023

2»

DRIVING INTERNAL DATA QUALITY & STRATEGY.

Many businesses underestimate the internal value of preparing a CDP submission.

It forces:

- Cross-functional collaboration: Sustainability, risk, finance, operations—everyone has to align.
- Clarity on material risks: Physical and transitional climate risks come into focus.
- Consistency of reporting: CDP supports integration across other frameworks (TCFD, SBTi, CSRD).

Even companies with low initial scores report that the process itself:

- Reveals data gaps
- Drives investment in measurement and systems
- Triggers more robust internal governance

> **“The act of disclosure has significantly improved our understanding of scope 3 emissions and data quality—this has transformed how we engage our supply base.”**
>
> — Procurement Director, Global Consumer Goods Company

3»

THE TIDES ARE CHANGING.

CDP has become one of the most widely used environmental disclosure platforms in the world, with over 23,000 companies disclosing in 2024, including 90% of the world's largest by market cap. More than 700 investors and 300+ major buyers use CDP scores to inform decisions.

What's changed?

- Regulations are tightening: EU CSRD, SEC climate rule, ISSB and IFRS standards are raising the bar for disclosure and assurance.
- Markets are integrating climate risk: Stock exchanges, lenders, and insurers are increasingly building CDP scores and emissions data into financial models.
- Procurement is being filtered: More than 330 global buyers (including Walmart, L'Oréal, and Unilever) now demand CDP disclosure from suppliers.

> **"CDP is no longer just a reporting framework. It's a litmus test for operational credibility in a climate-conscious economy."**

PROTECTING CAPITAL, CREDIT & CONTRACTS.

Companies with poor or non-existent climate disclosure face mounting financial exposure:

- Higher cost of capital: Lenders are under pressure to demonstrate climate-aligned portfolios. A poor CDP score can increase perceived risk.
- Exclusion from green finance: Investors managing ESG or net-zero funds use CDP as a filter.
- Procurement vulnerability: Large buyers use CDP to evaluate supply chain risk—non-disclosure can block contract eligibility.

Conversely, improving CDP performance correlates with:

- Preferential access to sustainable finance
- Enhanced insurance underwriting
- Lower risk-weighted credit assessments

Did you know?

- **H&M Group uses CDP to assess textile supplier risk.**
- **HP, Dell, and Microsoft all use CDP data in vendor evaluation.**
- **Unilever has stated that disclosure through CDP is "an expectation, not an option."**

5»

BUILDING STAKEHOLDER TRUST.

CDP scores are public. That matters. Whether you're courting capital, recruiting talent, or responding to public scrutiny, transparency builds trust. Investors and customers alike are asking:

- What is your emissions profile?
- Are you actively managing climate risk?
- Do you have third-party verification?

A strong CDP submission demonstrates:

- Alignment to global climate goals
- Board-level oversight of climate risk
- Measurable action—not just ambition

This is about showing your work—in a format that decision-makers can trust.

> **In 2023, companies with an "A" score from CDP were over twice as likely to be included in sustainable investment portfolios compared to non-disclosing peers.**
>
> — CDP Global Scores Analysis