

Most Common Mistakes in CDP Reporting

This document aims to demonstrate the importance of careful examination of CDP's guidance and scoring methodology documents using the examples of most common mistakes that companies in Turkey make when responding to CDP Climate Change questionnaire.

Please click here to reach CDP's guidance and scoring methodology documents.

1- The explanation or case studies are missing or are not explained with enough details

Question:

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Explanation:

The companies choose from the options you can see in the table below in which position of the individual on the Board are responsible for climate-related issues. But most of them leave the "Please Explain" section blank and cannot get Leadership level points from this question. However, in CDP's scoring methodology document, it is clearly stated that this section should be filled in order to get a Leadership level point from this question.

Position of Individual(s)	Please explain
Select from:	Text field [maximum 2,400 characters]
Board Chair	
Director on board	
Chief Executive Officer (CEO)	
Chief Financial Officer (CFO)	
Chief Operating Officer (COO)	
Chief Procurement Officer (CPO)	
Chief Risk Officer (CRO)	
Chief Sustainability Officer (CSO)	
Chief Investment Officer (CIO) [Financial services only]	
Chief Credit Officer (CCO) [Financial services only]	
Chief Underwriting Officer (CUO) [Financial services only]	
Other C-Suite Officer	
President	
Board-level committee	
Other, please specify	

2- Missing quantification for substantive financial or strategic impacts or not involving the departments which can provide the quantitative information

Question:

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Explanation:

Some companies don't share "Potential financial impact" information and cannot get Management level points from this question. However, in <u>CDP's scoring methodology document</u>, it is clearly stated that this information should be provided in order to get Management level point from this question.

Potential financial impact figure (currency)	Potential financial impact figure - minimum (currency)	Potential financial impact figure - maximum (currency)
Numerical field [enter a number from 0 to 999,999,999,999,999 using up to 2 decimal places]	Numerical field [enter a number from 0 to 999,999,999,999,999 using up to 2 decimal places]	Numerical field [enter a number from 0 to 999,999,999,999,999 using up to 2 decimal places]

3- Responses which are not company-specific or too vague

Question:

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Explanation:

<u>In CDP's scoring methodology document</u>, it is clearly stated that you need to give a company-specific explanation in order to get Management level point from this question. You can see an example of "company-specific" explanation below:

Poor response – 0 points	Average response – 0 points	Good response – 1 point
Rising mean temperatures have the potential to negatively affect our operations.	Due to a rise in mean temperatures, there is a risk that the energy consumption needed for air conditioning and refrigeration will increase, leading to an increase in costs. There is a particular risk of energy consumption increasing at our shops, offices, and distribution centers.	60% of our plants are located in central America, an area that has been identified as likely being subject to large increases in mean temperatures. Such increases in temperature may lead to an increase in the energy consumption required for air conditioning and refrigeration to remain effective. This will lead to increased operational costs across our business.

4- Cross-referencing

Explanation:

Sometimes, companies respond to some questions by referencing to other questions as follow: "The answer to this question is given in question X." This usage is undesirable. Since every question in the questionnaire are unique, a company which wants to get high scores from CDP should answer every question on the questionnaire.

5- Inconsistent responses

Explanation:

Inconsistencies are also among the mistakes that make companies lose the most points. To avoid this situation, it is important to check the answers by reading three times after all questions are responded. After the answering process is complete, respondents can easily detect inconsistencies from a holistic perspective. Moreover, during the check you can also notice and fill in the areas that have been accidentally left blank.

6- Skipping a careful examination of CDP's guidance and scoring methodology documents

Explanation:

Fundamentally, all these mistakes arise from skipping a careful examination of CDP's guidance and scoring methodology documents.

Please click here to reach these documents.