“The Carbon Disclosure Project’s detailed reporting is helping persuade companies throughout the world to measure, manage, disclose and ultimately reduce their greenhouse gas emissions. No other organization is gathering this type of corporate climate change data and providing it to the marketplace.”

Ban Ki-moon
UN Secretary-General

Frances Way, Carbon Disclosure Project
Head of Supply Chain
frances.way@cdproject.net
Introduction to CDP

534
Institutional Signatory Investors

$64 trillion
Assets under management represented by CDP’s signatory investors

56
Companies engaging their suppliers through CDP

2,300
Suppliers requested to disclose

2,500+
Number of Companies responding to CDP in 2009
“The Carbon Disclosure Project is vital and we have to get everybody to participate in it.”

Bill Clinton
CDP Data in the Financial Markets

- Equal-weighted annual portfolios based on the published CDLI constituents
- Calculation of total return index from October 2004 to October 2008

Source: MARKIT
“CDP plays a hugely important role – ensuring that we get good, consistent data on emissions and supply chain risk but don’t place an unnecessary burden on our suppliers.”

Sir Gus O’Donnell (2009)
Head of the Civil Service
“General Services Administration … shall review and provide recommendations … regarding the feasibility of working with the Federal vendor and contractor community to provide information that will assist Federal agencies in tracking and reducing scope 3 greenhouse gas emissions related to the supply of products and services to the Government.

Recommendations should also explore the requiring vendors and contractors to register with a voluntary registry or organization for reporting greenhouse gas emissions;
As of May 21, 2009:

29 of your 43 suppliers had **activated** their accounts.

**67.44%**  CDP Supply Chain Suppliers Activated

**32.16%**  All Members’ Suppliers Activated

34 of your 43 suppliers had **logged into** their accounts.

**79.07%**  CDP Supply Chain Suppliers Logged In

**30.32%**  All Members’ Suppliers Logged In

1 of your 43 suppliers had **completed** their questionnaires.

**2.33%**  CDP Supply Chain Suppliers Complete

**1.13%**  All Members’ Suppliers Complete
Participation and performance of your suppliers have been assessed against the other 43 members.

Overall score of your supply base on each dimension, versus overall member average

<table>
<thead>
<tr>
<th>Participation</th>
<th>‘Example company’</th>
<th>Members average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of participants</td>
<td>?</td>
<td>?</td>
</tr>
<tr>
<td>Number of suppliers requested to participate</td>
<td>?</td>
<td>?</td>
</tr>
<tr>
<td>Participation rate [%]</td>
<td>?</td>
<td>?</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Supply base performance</th>
<th>‘Example company’</th>
<th>Members average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall performance [on a 0 to 100 scale]</td>
<td>?</td>
<td>?</td>
</tr>
<tr>
<td>Strategic awareness [on a 0 to 100 scale]</td>
<td>?</td>
<td>?</td>
</tr>
<tr>
<td>Carbon reduction ambition [on a 0 to 100 scale]</td>
<td>?</td>
<td>?</td>
</tr>
<tr>
<td>Reporting capabilities [on a 0 to 100 scale]</td>
<td>?</td>
<td>?</td>
</tr>
<tr>
<td>Implementation practice [on a 0 to 100 scale]</td>
<td>?</td>
<td>?</td>
</tr>
</tbody>
</table>

1st Quartile  | 2nd Quartile  | 3rd Quartile  | 4th Quartile

Source: CDP Supply Chain Information Request; Scoring methodology (scores based on arithmetical average of results from participating suppliers)
Requirements set to increase

Member willingness to deselect Suppliers for failing to meet carbon management criteria

- Yes: 56% (In the Future), 6% (Today)
- No: 44% (In the Future), 94% (Today)

Source: CDP Supply Chain Report 2010
Year on Year Improvement

Companies with a GHG emissions and/or energy reduction plan

<table>
<thead>
<tr>
<th></th>
<th>Suppliers 2008</th>
<th>Suppliers 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>44%</td>
<td>56%</td>
</tr>
<tr>
<td>Yes – Members</td>
<td></td>
<td></td>
</tr>
<tr>
<td>No</td>
<td>56%</td>
<td>44%</td>
</tr>
<tr>
<td>No – Members</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Members 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>90%</td>
</tr>
<tr>
<td>No</td>
<td>10%</td>
</tr>
<tr>
<td>Yes – Members</td>
<td></td>
</tr>
<tr>
<td>No – Members</td>
<td></td>
</tr>
</tbody>
</table>

Scope 1 and Scope emissions reporting

<table>
<thead>
<tr>
<th></th>
<th>Scope 1</th>
<th>Scope 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>30%</td>
<td>63%</td>
</tr>
<tr>
<td>Yes – Suppliers</td>
<td>62%</td>
<td>93%</td>
</tr>
<tr>
<td>No</td>
<td>97%</td>
<td></td>
</tr>
<tr>
<td>No – Members</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Yes
- No
- Yes – Members
- No – Members
- Suppliers – 2008
- Suppliers – 2009
- Members – 2009
In order to meet Dell’s expectations in quarterly business reviews, Tier-1 suppliers must show that they:

1. Publicly disclose annual GHG emissions by participating in the Carbon Disclosure Project
2. Establish a public goal for reducing operational GHG impacts
3. Set expectations for Tier-2 suppliers to manage and publicly disclose emissions per GHG Protocol

Failure to meet these requirements can impact your ranking and potentially diminish your ability to compete for Dell’s business.
Walmart has selected CDPs standardized reporting system for its suppliers to measure their greenhouse gas (GHG) emissions and reduction targets.

Scores from Supplier Sustainability Assessment to be used to:
- Identify supplier leadership
- Determine what can be done to help drive business success through the lens of sustainability
- Measure overall supplier performance against goals

Walmart plans to eliminate 20 million metric tons of greenhouse gas emissions from their global supply chain by the end of 2015.
Office based organisation saved 95% of their energy consumption by consolidating their computer terminals into one after measuring their emissions and discovering that computers were responsible for the vast majority. This saved them $500,000 per annum.

Before they measured their emissions they did not consider this a business issue.
Conclusions

Risks and Opportunities of Climate Change motivate Investors and Companies to gather information

Global Corporations are increasingly making carbon management a requirement for doing business

Could ROI for clean technology factor in the risk of the company losing business?