

ENVIRONMENTAL DISCLOSURE MAKES SOUND BUSINESS SENSE



Put simply: Environmental disclosure makes sound business sense



Environmental disclosure is an enormous business opportunity, as recognized by an increasing number of businesses globally. Since 2010, the proportion of responding companies disclosing emissions reduction activities through CDP has grown from 47% to 89%.

In recognizing the tangible business benefits of disclosure and action, companies are raising their ambitions and taking meaningful steps to address climate change, deforestation and water security. This ensures their long-term sustainability and profitability, as well as equipping them to respond to regulatory and policy changes.

Nearly a **1/5** of global emissions are now managed through CDP, as reported by companies who represent over half of global market cap.



Are you in good company?



The Paris Agreement sends a decisive market signal that the transition to a clean, sustainable economy is inevitable and irreversible. From adopting a science-based emissions reduction target, to tackling commodity-driven deforestation and enhancing water security, companies are spurring ambition and innovation. These actions can redefine companies' bottom lines by creating new business models and by disrupting unsustainable economic systems. Here are some leading companies benefitting from environmental disclosure and taking ambitious action:

**Asahi Group Holdings, Ltd.
Colgate Palmolive Company
Dell Inc.
Enel
General Mills
Google Inc.
H&M Hennes & Mauritz AB
Iberdrola**

**Kellogg Company
Kumba Iron Ore
L'Oréal
Metsä Board
Nissan Motor Co. Ltd.
Siemens AG
Sony Corporation
Unilever**

1 Create bottom-line benefit



Accessing lower-cost capital and attracting investment

On average businesses save US\$1.2m annually in interest when they disclose their carbon emissions via CDP. Furthermore, CDP data is increasingly being used to create financial products, including the STOXX Low Carbon Indices and New York State pension fund's US\$2 billion low-carbon investment fund.



Reaching global decision-makers

In reporting via CDP, companies are able to report once and reach global investment decision-makers across multiple platforms, including Bloomberg and DJSI.



Due to the increased investor usage of climate related data in numerous different investment strategies the need for higher quality and more complete data is bigger than ever. Therefore we encourage companies to report to CDP as it is the main hub globally to collect this data for all the investors in the world.

John Howchin,
Ethical Council of the
Swedish National Pension funds





Improved business valuations

Investors are seeking environmental data like never before. This has business benefits too. An award-winning study by the Swiss Finance Institute shows that companies that are transparent about their carbon risks experience a positive impact on their valuation.

Analysis by BlackRock shows that the companies who reduce their carbon intensity the most, outperform the market.



New revenue streams, with product and service innovations and new market access

The global market for low-carbon goods and services stands at US\$5.5 trillion with a further US\$300 billion attributed to the global water market, both set to continue to grow.



Working with CDP, companies have enhanced and refined their disclosures over the years to make them more relevant to investors.

Michelle Edkins,
Global Head of Responsible
Investment at BlackRock



Nearly half of Siemens' revenue is related to products from its 'Environmental Portfolio'...



which helps customers to reduce carbon emissions by 428 million metric tons per year.

2 Build resilience and manage risk



Disclosing companies are building increasingly sustainable businesses and actively managing risk by:

Building resilient supply chains

Climate, water and commodities

management is increasingly factored into procurement decisions. Organizations with US\$2 trillion in spend are actively seeking to build sustainable supply chains through CDP.

Managing risk for a more sustainable business

Actively mitigating your risks delivers bottom line benefits – seasoned disclosers are more likely to have environmental risk management procedures and on average generate superior savings from carbon cutting projects.



By leveraging the standardized, comparable data captured through CDP's supply chain program, we've been honored to join our corporate peers – including many of our own key suppliers – to track supplier climate performance.

Kevin Kampschroer,
CSO of US General Services Administration



3 Attract recognition and talent



The wider business benefits of increased disclosure and committed environmental action are far-reaching, with positive impacts on corporate reputations and wider stakeholder engagement.

Responsible business practices are material to attracting talent. Adults between the ages of 18-34 now make up one in three American workers and these millennials are demanding purpose beyond profit and evidence of strong commitments to social impact.

In conclusion: 2016 sees growing momentum towards greater disclosure and increased environmental action throughout the corporate world globally. Disclosure and taking meaningful action are now proven to be compelling and sound commercial decisions.



Through our annual CR Report and with our disclosure to CDP we not only satisfy the demands of customers, investors and stakeholders for transparency and accountability, we can add new information to business decisions of all kinds.

Iron Mountain



62% of 20-30 year olds want to work for a company that makes a positive impact.

Source: Guardian

- ▼ For more information on disclosure benefits and process, please contact:

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