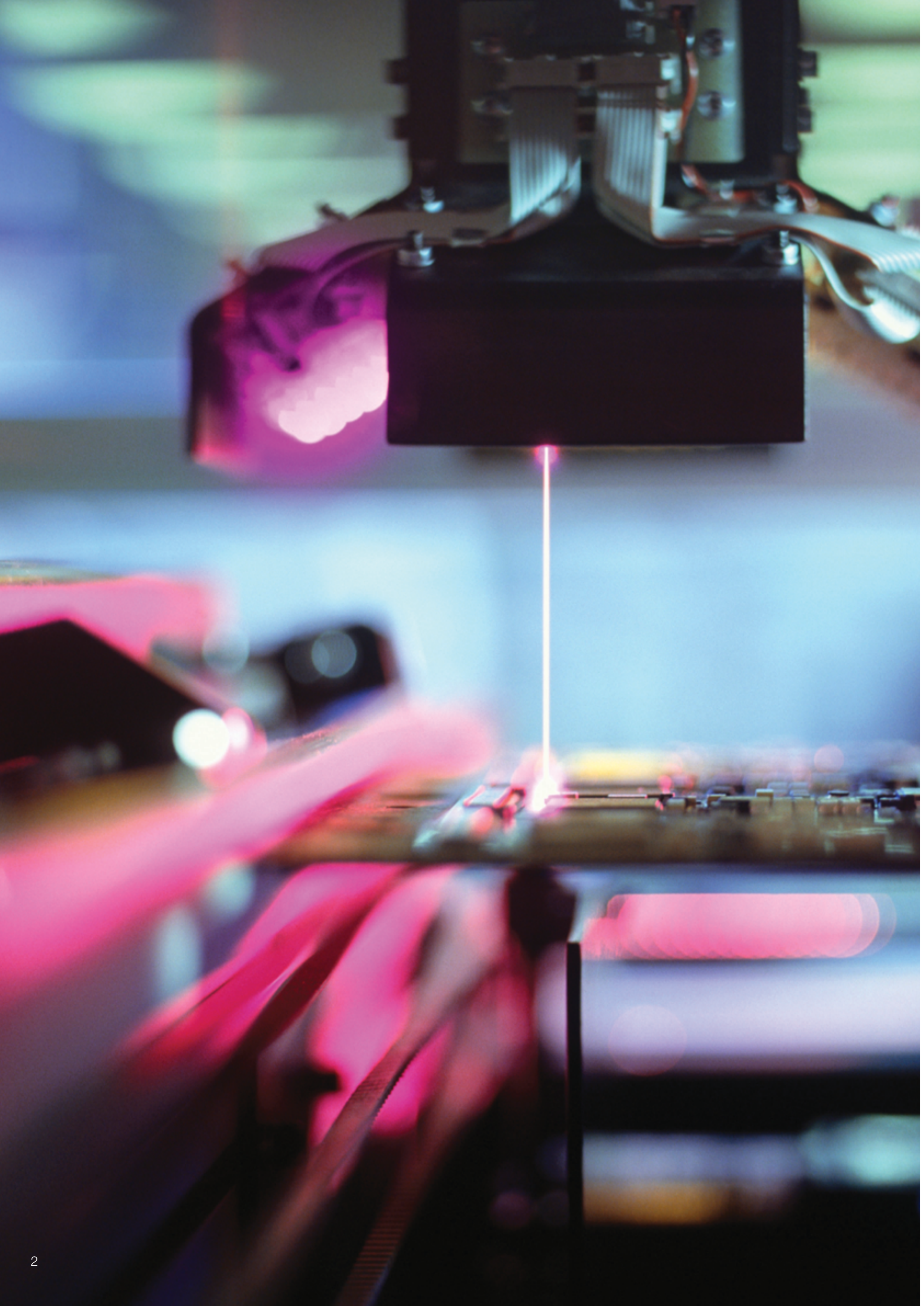
CDP Climate Change Report 2017

United Kingdom Edition

Written on behalf of 803 investors with US$100 trillion in assets



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CEO foreword

The transition to a low-carbon economy will create winners and losers within and across sectors. As new businesses and technologies emerge and scale up, billions of dollars of value are waiting to be unlocked, even as many more are at risk.

A changing climate is becoming more evident. This year has brought intense Atlantic hurricanes, severe wild fires in California, an exceptional monsoon across South Asia, a stifling heatwave across Europe, and record-low wintertime sea ice in the Arctic. These changes threaten ecosystems, communities and our economic well-being, with significant assets at risk from climate change.

This evidence is not going unnoticed. Public concern is growing; and policy makers and regulators are responding. The Chinese government, for example, is set to launch a national carbon emissions trading scheme by the end of this year. Companies around the world, from all sectors, have begun transitioning their business models away from a dependence on fossil fuels and towards the low-carbon economy of the future.

In this year's CDP analysis, which is based on the climate data disclosed to us by over 1,000 of the world's largest, highest-emitting companies, we reveal that a growing number are setting longer-term emissions reduction targets, planning for low-carbon into their business models out to 2030 and beyond. The number of companies in our sample that have committed to set emissions reduction targets in line with or well below a 2 degrees Celsius pathway, via the Science Based Targets initiative, has increased from 94 to 151 in the space of a year. Continuing this momentum, an additional 317 companies plan to commit to a science-based target within two years. EDP and Unilever are two of those companies sharing their story of how and why they decided to set a science-based target in our analysis. Aligned to these targets, the significant increase in companies from our sample that are setting targets to consume renewable energy including through the RE100 initiative, or produce their own, shows how companies are embracing the cheaper, more secure supply of clean energy to meet their low-carbon goals.

Regulators have begun to respond to the risks, notably with the Task Force on Climate-related Financial Disclosures. Established by the Financial Stability Board, the Task Force has moved the climate disclosure agenda forward by emphasizing the link between climate risk and financial stability. The Task Force has recommended that both companies and investors disclose climate change information, including conducting scenario analysis in line with a 2 degrees Celsius pathway and setting out the impacts on their strategy of those scenarios. This amplifies the longstanding call from CDP's investor signatories for companies to disclose comprehensive, comparable environmental data in their mainstream reports, driving climate risk management further into the boardroom.

This year, more than 6,300 companies, accounting for around 55% of the total value of global listed equity markets, have disclosed information on climate change, water and deforestation through our reporting platform. This request from CDP was made on behalf of more than 800 investors with assets of US$100 trillion.

To meet the growing needs of these investors, we are evolving our disclosure platform to introduce sector-based reporting and align our information request with the recommendations of the Task Force for 2018. This will help to further illuminate to company boards and their shareholders the risks and opportunities presented by the low-carbon transition, so they can act swiftly to shift their business models accordingly.

The environmental disclosures that leading companies are making through CDP are providing data across capital markets to inform better decisions and drive action. Companies are reporting how science-based carbon emission reduction targets can drive business and sustainability improvements. They are showing how renewable energy purchases are helping companies to cut emissions and how setting an internal carbon price can drive efficiency and shift investment decisions. They are revealing how their products and services directly enable third parties to avoid greenhouse gas emissions. They are collaborating with cities, states, regions and other companies to drive positive impact in their own operations and through value chains.

This report tracks the progress of corporate action on climate change. Last year, in the wake of the Paris Agreement, we established a baseline for corporate climate action. This year, we measure progress to date. As we show, there are some encouraging trends emerging, with more companies setting further reaching carbon emissions reduction targets, and greater accountability for climate change issues within the boardroom. But, there is no doubt that more companies need to act quickly and the pace of change needs to accelerate if we are to meet the goals of the Paris Agreement and ensure long term financial and climate stability.

Disclosure of quality data is crucial to support this progress. It leads to smarter decisions and informs companies and governments of the actions they need to take. It's encouraging to see more companies setting longer-term targets; data will be key to seeing how they are performing against these over time.

Make no mistake: we are at a tipping point in the low-carbon transition. There are enormous opportunities to be had for the companies that are positioning themselves at the leading edge of this tipping point; and enormous risks for those that haven't yet taken action.

Paul Simpson
CEO, CDP

Picking up the pace:
Tracking corporate action on climate change

CDP's second stock-take of the corporate response to the Paris Agreement finds companies increasingly taking the steps needed to prepare for the low-carbon transition.

The Paris Agreement has provided an unmistakable signal that the transition to a low-carbon global economy is firmly underway. It has given impetus to those companies that had already begun addressing their climate impacts, and has led many others to begin planning in earnest.

In this, CDP's second assessment of the corporate response to Paris, we find growing action by companies to decarbonize their businesses.

More leading companies are embedding low-carbon goals in their long-term business plans and are setting targets aligned with climate science. These targets are driven from the very top of organizations, as climate change becomes a mainstream boardroom topic, while the low-carbon transition is driving innovation and encouraging companies to develop new tools to deliver change.

Current targets take sample companies 31% of the way to being consistent with keeping global warming below 2 degrees, up from 25% in 2016. Positive momentum, however, many companies are yet to publicly respond at all to the threat posed by climate change.

Tracking progress on corporate climate action

CDP provides the essential first step for the business response to environmental challenges. It operates the leading global platform to measure environmental disclosure, insight and action, based on corporate information requested on behalf of more than 800 investors, responsible for assets of over US$100 trillion. In total, more than 6,300 companies disclose environmental data through CDP.

Last year, CDP selected a global sample of 1,839 companies to track the corporate response to the Paris Agreement. This sample is representative of the global economy, although it is weighted towards higher emitters and bigger companies. Each year to 2020, we will analyze the disclosures from this 'High Impact' sample, to assess the progress they are making towards the low-carbon transition.

This year, 1,073 companies from the sample responded to the request for climate disclosure from CDP, representing 12% of total global greenhouse gas emissions (GHGs), and 47% of global market capitalization.

In the UK (those that are based or listed here), 256 companies responded, including 67% of the FTSE 350. The UK analysis is based on the data disclosed by those 256 companies.

Figure 1: 2017 High impact sample disclosure rate

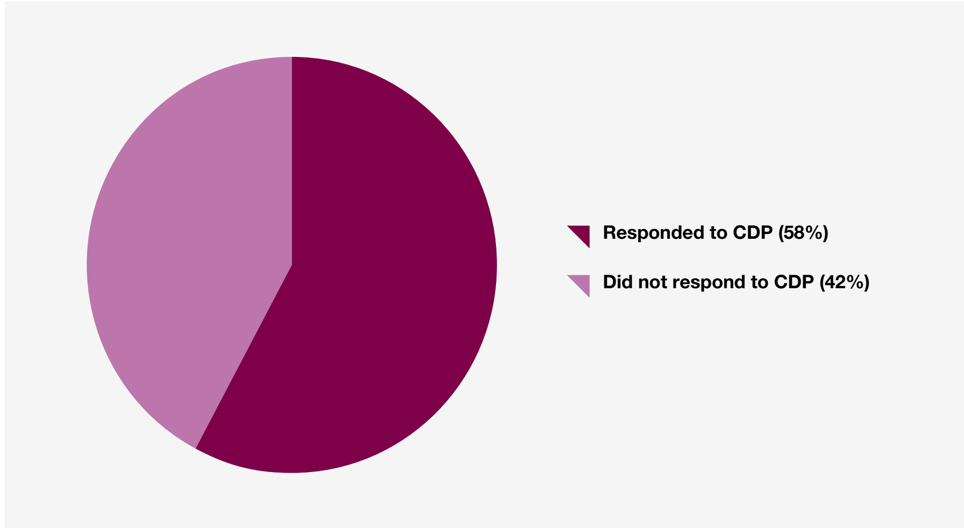
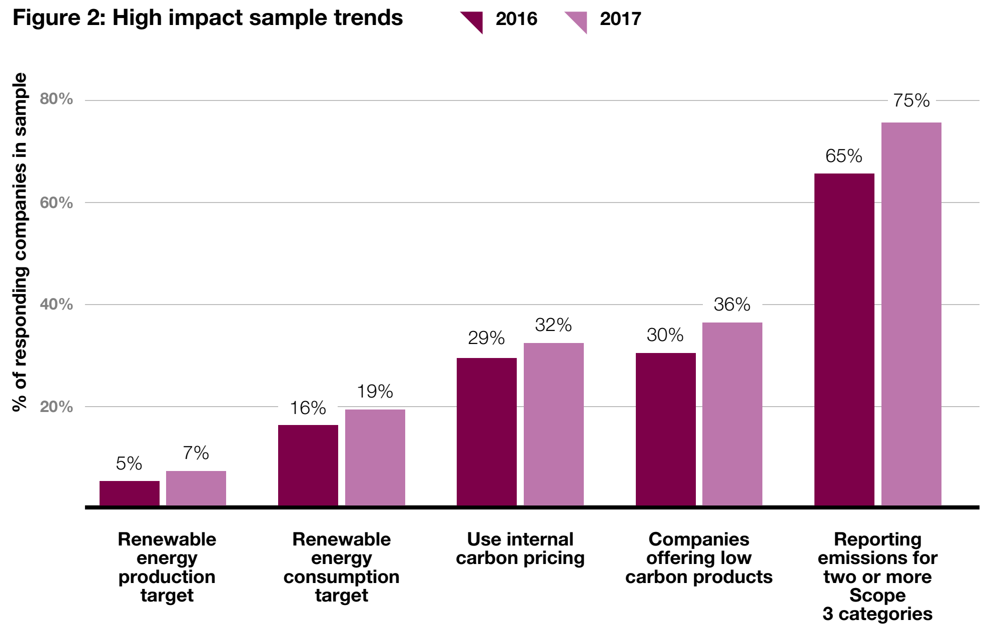


Figure 2: High impact sample trends



More ambitious targets

Spurred by the Paris Agreement, more companies are setting emissions reduction targets, and these targets are increasingly long-term. Within the High impact sample, 89% (UK: 80%) of responding companies reported emissions reduction targets in 2017, up from 85% (UK: 75%) last year. More than two-thirds (UK: 73%) of those are setting targets to at least 2020 and a fifth (UK: 8%) are mapping out sustainability actions to 2030 and beyond, up from 55% (UK: 72%) and 14% (UK: 5%), respectively, last year.

The number of companies in the sample that have committed to the **Science Based Targets** initiative (meaning their target is, or will be, in line with the level of decarbonisation required to keep global temperature increase below 2 degrees Celsius) has increased by 61% (UK: 24%) since 2016, from 94 to **151** companies (making up **14% (UK: 10%)** of the overall sample, compared to 9% (UK: 8%) last year). An additional 30% (UK: 38%) – 317 companies – plan to commit to an SBT within two years. These targets provide frameworks within which companies can plan for the reductions needed to meet the goals of the Paris Agreement.

Adopting such a target, as Anglo-Dutch consumer goods giant **Unilever Plc** did in 2016, has helped provide the context within which its longer-term targets are set, stating that "*having a science-based target gives us all a common framework to work towards emissions reductions in line with the 2-degree scenario.*"

To deliver against their targets, companies are increasingly turning to clean energy, cutting emissions while simultaneously increasing their energy security and reducing their exposure to fluctuating energy prices. Almost a fifth (19%) of respondents have set a **renewable energy consumption target**, while 7% have set a **renewable energy production target**.

Akzo Nobel N.V. has committed to source 100% of its energy from renewables by 2050, a pledge that not only will help the company deliver its emissions reduction targets, but also create new low-carbon business lines. "*People are starting to think about new business models that are possible when we have access to large volumes of renewable energy,*" says André Veneman, the Dutch chemicals giant's head of sustainability.

Climate change in the boardroom and beyond

Without doubt, climate change is now an issue at the very top of corporate decision-making: 97% (UK: 94%) of responding companies within our sample report that **climate change is integrated into their business strategy**. Almost all respondents (98%, UK: 99%) report that responsibility for climate change rests with the board, a board-level individual, or a committee appointed by the board.

Crucially, companies are engaging with key stakeholders: policymakers, suppliers and customers. Almost all (96%, UK: 60%) respondents **engage with policymakers** on climate issues to encourage mitigation or adaptation (a 10%, UK: 0% increase from 2016). Three quarters (UK: 71%) report emissions data from two or more categories of scope 3 emissions, that is, emissions produced by suppliers or customers.

For example, **BT Plc.** has set a target for reducing emissions in its supply chain to 29% below 2016/17 levels by 2030. Not all suppliers consider climate change a priority, but those that engage with BT on the issue are likely to win more business from the UK telecoms firm, as well as put themselves in a strong position to respond to similar requests from other customers, says BT's head of sustainable business policy Gabrielle Ginér.

Embracing the tools for change

The High impact stock-take shows that the transition to a low-carbon economy is driving innovation as companies develop and embrace new tools for change.

97% (UK: 92%) of companies report active **emissions reduction initiatives** in the reporting year, up from 92% (UK: 86%) in 2016. Three-quarters (UK: 55%) of companies now report that their **products and services** directly enable third parties to avoid GHG emissions, up from 64% (UK: 50%) in 2016.

For example, Swedish construction group **Skanska AB** is developing and constructing buildings and infrastructure that enable their users to reduce and avoid GHG emissions, in both construction and operation. It built Solallén, Sweden's first zero-energy neighbourhood, which generates more energy than it uses, saving both carbon and energy costs.

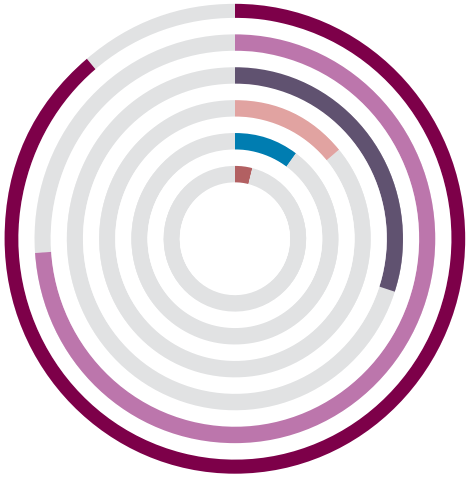
As documented in a recent CDP report, **internal carbon pricing** has emerged as an important mechanism to help companies manage risks and capitalize on emerging opportunities; in the last year, the number of companies using internal carbon pricing has increased from 29% to 32% (UK: 24% to 32%) of the sample. A further 18% (UK: 18%) plan to implement a **price of carbon** in the next two years.

Akzo Nobel has set two carbon prices, a higher one to inform its environmental profit and loss calculation, and another set at the level needed to drive the global transition to zero-net emissions. That latter €50/tonne price is used to assess the company's investment decisions – and has forced its planners back to rethink proposed carbon-intensive investments.

To be effective, internal carbon pricing should operate along four dimensions:

- Width, encompassing as wide emissions coverage as possible;
- Height, providing a sufficiently high carbon price to drive the necessary action;
- Depth, relating to the influence carbon pricing has on the business decisions of the company and its value chain; and
- Time, ensuring that the carbon pricing approach evolves over time.

Figure 3: High impact sample - target setting



- **Has an emissions reduction target (89%)**
- **Target is relevant* (74%)**
- **Ambition to set science-based target within two years (30%)**
- **Self-proclaimed that target is 'science-based' (14%)**
- **Publicly committed to setting a science-based target (10%)**
- **Target approved by Science Based Target initiative (4%)**

* target covers at least 80% of company emissions

Leveraging collaboration

Companies are increasingly collaborating with each other, and with various levels of government, to develop new climate-focused business models.

Nissan Motor Company Ltd., for example, is working with competitors to develop fast electric charging infrastructure, and with municipalities to conduct wide-scale trials of electric vehicles. "*The auto industry must go beyond producing and selling zero-emission vehicles to help put the necessary infrastructure in place to ensure that the vehicles are economical to use. No company can achieve this on its own,*" says its chief sustainability officer Hitoshi Kawaguchi.

Municipalities, too, are pioneering ambitious collaboration projects to tap technology that can help reduce emissions. **San Diego's Smart City** project is bringing together technology and telecoms giants, academic researchers, and its local cleantech sector. "*When you're creating a market as complex as smart cities, you have to accept that no-one can do this on their own; you have to form an ecosystem and alliances,*" says Austin Ashe, general manager of the intelligent cities unit of **GE** subsidiary **Current**, which is a project partner.

The importance of corporate disclosure

Disclosure of environmental risks and impacts is a critical first step for insight and action on climate change. There has been a steady increase in the **completeness** of submissions from disclosing companies. Nine out of ten (89%) submissions were in the most 'complete' quartile this year, compared with 31% in 2010, suggesting that companies are increasingly recognizing the value of comprehensive disclosure through CDP.

A growing number of companies also recognize the importance of **verifying the accuracy of their disclosures**. Last year, less than half (49%, UK: 57%) of responding companies in the sample reported that at least 70% of their direct **Scope 1** emissions data was independently verified; this figure jumped to more than two thirds of companies (68%, UK: 64%) in 2017. Respondents reporting that at least 70% of their data relating to **Scope 2** emissions (associated with electricity generated from third-parties) was independently verified also rose, to 64% (UK: 64%) from 46% (UK: 53%).

More to be done

This progress notwithstanding, a large number of companies still ignore the request from their investors for financially material climate data. Just over 40% of companies in our High impact sample failed to disclose.

Similarly, while the number of companies with science-based targets is growing, the majority of responding companies have yet to commit to emissions reduction goals that are equal to the climate threat we face. Setting long-term targets can help ensure that corporate strategy is aligned with decarbonization, and can drive the innovation needed to transform the global economy away from fossil fuels.

Keeping score

In addition to this year's analysis of the High Impact sample, CDP continues to assess and score the companies that disclose through our platform. The scores show increased corporate transparency around climate, water and forests, with a third more companies reporting now than in 2013.

The CDP A List 2017 recognizes those businesses that are leading in terms of environmental performance, with over 150 companies acknowledged as pioneers. Of these, 54 have signed up to the Science Based Targets initiative, and two – **L'Oreal** and **Unilever** – have achieved A's across all three areas of environmental disclosure.

To view the full 2017 analysis: *Picking up the pace: Tracking corporate action on climate change*, please visit **www.cdp.net**

UK snapshot

The UK sample compares generally favourably with the world's biggest companies.

There is some work to be done however, particularly in their futureproofing as only 8% set targets to 2030 and beyond, unlike a fifth of the High Impact sample. That said, there is more ambition to set SBTs within two years (38% compared to 30% of the High Impact sample) and more companies are verifying their emissions (57% verifying at least 70% of their Scope 1 emissions, compared to just 49%); UK companies are recognising the importance of driving action forward through impactful targets and reliable data.

Figure 4: UK sample trends

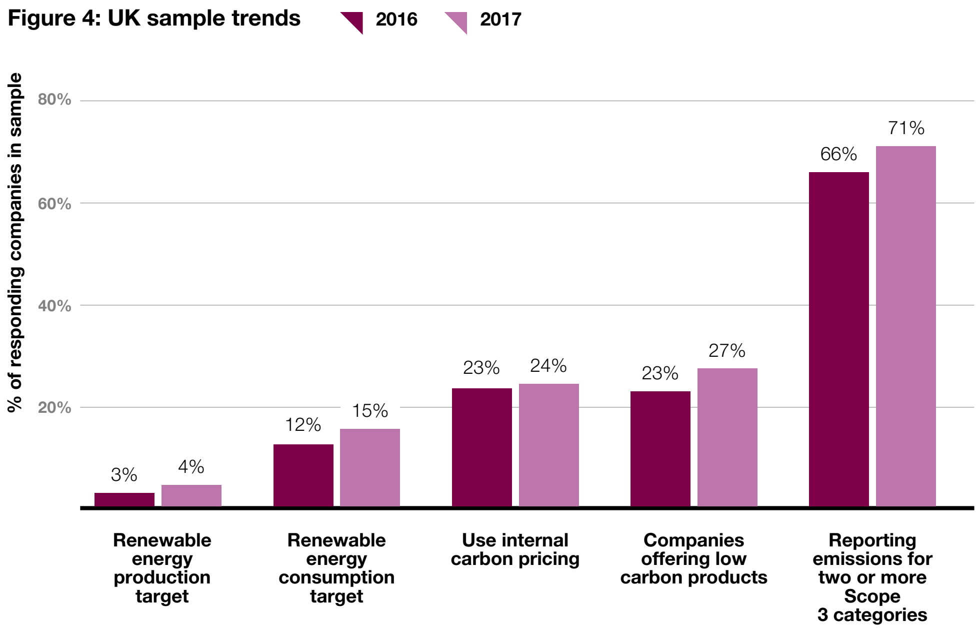
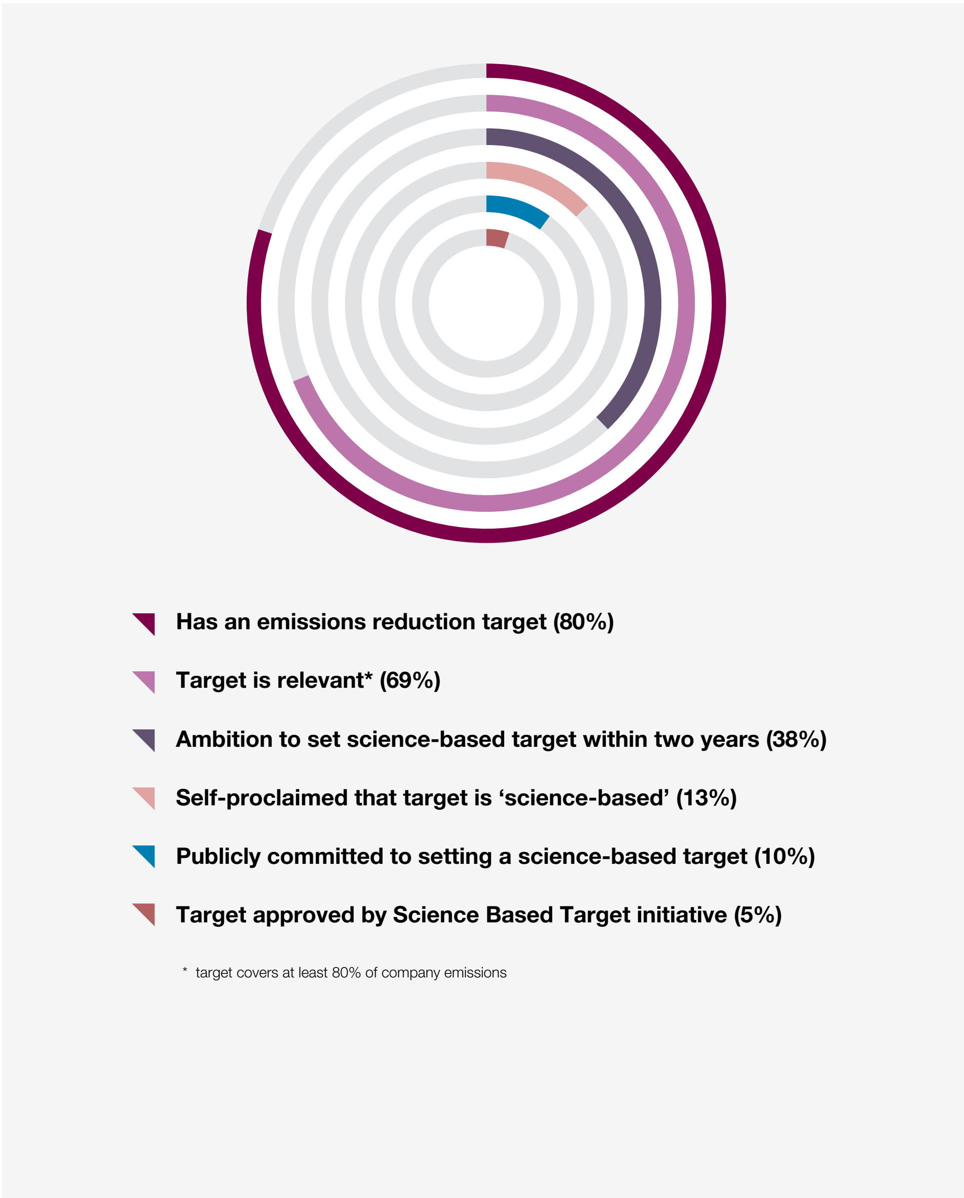
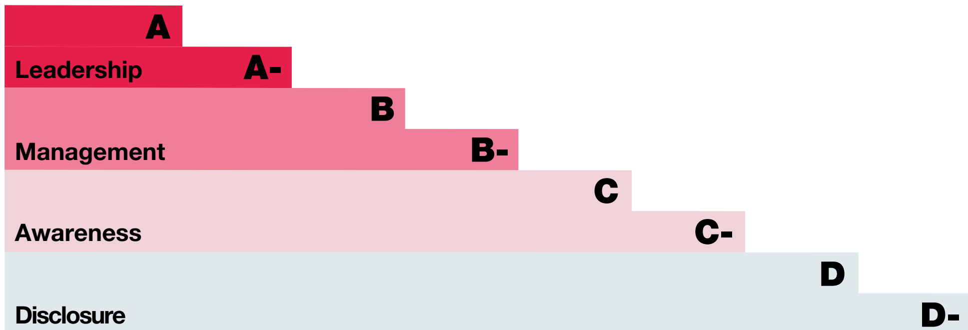


Figure 5: UK sample - target setting



Scoring: A measure of a company's environmental performance

Scoring at CDP is mission-driven, focusing on CDP's principles and values for a sustainable economy and as such scores are a tool to communicate the progress companies have made in addressing environmental issues, and highlighting where risks may be unmanaged. CDP has developed an intuitive approach to presenting scores that highlight a company's progress towards leadership using a 4 step approach: **Disclosure** which measures the completeness of the company's response; **Awareness** which intends to measure the extent to which the company has assessed environmental issues, risks and impacts in relation to its business; **Management** which is a measure of the extent to which the company has implemented actions, policies and strategies to address environmental issues; and **Leadership** which looks for particular steps a company has taken which represent best practice in the field of environmental management.



F = Failure to provide sufficient information to CDP to be evaluated for this purpose[1]

The scoring methodology clearly outlines how many points are allocated for each question and at the end of scoring, the number of points a company has been awarded per level is divided by the maximum number that could have been awarded. The fraction is then converted to a percentage by multiplying by 100. A minimum score of 80%[2], and/or the presence of a minimum number of indicators on one level will be required in order to be assessed on the next level. If the minimum score threshold is not achieved, the company will not be scored on the next level.

The final letter grade is awarded based on the score obtained in the highest achieved level. For example, Company XYZ achieved 88% in Disclosure level, 82% in Awareness and 65% in Management will receive a B. If a company obtains less than 44% in its highest achieved level (with the exception of Leadership), its letter score will have a minus. For example, Company 123 achieved 81% in Disclosure level and 42% in Awareness level resulting in a C-. However, a company must achieve over 80% in Leadership to be eligible for an A and thus be part of the A List. Furthermore, in order for a company to be eligible for inclusion in the A List it must not have reported any significant exclusions in emissions and have at least 70% of its scope 1 and scope 2 emissions verified by a third party verifier using one of the accepted verification standards as outlined in the scoring methodology.

Public scores are available in CDP reports, through Bloomberg terminals, Google Finance and Deutsche Boerse's website. CDP operates a strict conflict of interest policy with regards to scoring and this can be viewed at **https://www.cdp.net/scoring-confict-of-interest**

Leadership	80-100%	A
	0-79%	A-
Management	45-79%	B
	0-44%	B-
Awareness	45-79%	C
	0-44%	C-
Disclosure	45-79%	D
	0-44%	D-

Future of Scoring

As part of its 'Reimagining Disclosure' initiative, CDP developed a series of sector-specific questionnaires integrating the recommendations by the Financial Stability Board's Task Force on Climate-related Financial Disclosure (TCFD) and stakeholder feedback collected via two rounds of consultations. Each sector questionnaire will have a corresponding sector-specific scoring methodology which will be released in the first quarter of 2018.

1 Not all companies requested to respond to CDP do so. Companies who are requested to disclose their data and fail to do so, or fail to provide sufficient information to CDP to be evaluated will receive an F. An F does not indicate a failure in environmental stewardship.

2 CDP's methodology aims to incentivize continuous improvements as reflected by the state of the market and the improvement of scientific knowledge around the environmental issues it evaluates. The methodology thus evolves over time and the weight of some questions might change or some previously unscored questions might start being scored. As part of these improvements for 2017 scoring, CDP has modified the thresholds from last year.

CDP

UK A List 2017

The CDP UK A List 2017

The Climate A List was established in 2011 and introduced for water and forests in 2015 and 2016 respectively. Due to the more established nature of CDP's climate program it has proportionally more responding companies and therefore more companies achieve an A score in climate. A significantly smaller pool of organizations are asked to respond on forests and water. Where relevant, we encourage companies to disclose to all programs to achieve double or triple A status.

Key

The company was not requested to respond to this program as their business activities are not deemed material for that theme or the company did not meet the sample setting criteria.

Company	Country	Climate	Water	Forests			
				Cattle Products	Palm Oil	Soy	Timber
Consumer Discretionary							
Burberry Group	United Kingdom		A				
Sky plc	United Kingdom	A					
Consumer Staples							
Associated British Foods	United Kingdom		A				
Coca-Cola European Partners	United Kingdom	A	A				
Coca-Cola HBC AG	Switzerland	A	A				
Diageo Plc	United Kingdom	A	A				
J Sainsbury Plc	United Kingdom	A					
Unilever plc	United Kingdom	A	A	A	A	A	A
Financials							
Lloyds Banking Group	United Kingdom	A					
Health Care							
AstraZeneca	United Kingdom	A	A				
GlaxoSmithKline	United Kingdom		A				
Mediclinic International	South Africa		A				
Industrials							
CNH Industrial NV	United Kingdom		A				
International Consolidated Airlines Group, S.A.	United Kingdom	A					
Materials							
Mondi PLC	United Kingdom		A				
Real Estate							
Capital & Counties Properties	United Kingdom	A					
Landsec	United Kingdom	A					
Telecommunication Services							
BT Group	United Kingdom	A					
Utilities							
Centrica			A				
National Grid PLC		A					

The value of water:
Linking business success and environmental impact

Water security underpins the success of businesses, economies, and climate change mitigation. Too often, the fundamental importance of water is not recognized in countries like the UK, where it is assumed that water is abundant. But there is a growing demand for water. For example, London's population is predicted to grow by 3 million people by 2050. If no action is taken, the city would see a daily water deficit of 520 million liters[3]. Regulations are changing, too. In response to rising demand and the impacts of climate change, the UK government is set to reform water abstraction, and by 2020 all abstractions directly affecting surface water will have measures better linking abstraction volumes to water availability[4].

To take meaningful action on managing water risks and opportunities, companies and investors need measurement and transparency. CDP's water questionnaire provides a framework for companies to identify and manage water risk, capitalize on opportunities, and implement appropriate governance.

In 2016, two thirds of companies (66%) reporting to CDP on water identified opportunities for their business. Many of these companies report that water stewardship makes good business sense. For example, The British water utility and waste management company Pennon Group have capitalized on cost savings and climate change adaption opportunities through their 'Upstream Thinking' program of catchment management, which involves a combination of moorland restoration and agricultural improvement schemes.

Furthermore, sustainable management of water resources is vital for the transition to a low carbon economy. Stable water supply is crucial for many of the technologies that will help to drastically reduce emissions, while better water management reduces energy use and its associated emissions. In 2016, 53% of responding companies realized greenhouse gas emissions reductions as a direct result of improving their water management. For example, **AstraZeneca** have made energy and carbon reductions through improvements in water efficiency. On just one site, the company are projected to save 11,400m^3 of water annually, and the energy savings due to a lower requirement for purified water is projected to save 300 tons of CO_2 annually, representing a project with dual benefits and significant financial savings.

There has never been a better time for companies to start the journey towards improved water management. Below are 5 steps a company can take to mitigate potential water risk, build resilience and become a better water steward:

1. Disclose water-related information via CDP's annual questionnaire;
2. Measure and monitor water withdrawals, discharge and consumption;
3. Conduct a robust, company-wide water risk assessment covering direct operations and the supply chain;
4. Set ambitious targets and goals that account for the local water context;
5. Secure board-level engagement on water issues.

3 https://www.cdp.net/en/research/global-reports/cities-infographic-2017
4 http://researchbriefings.parliament.uk/ResearchBriefing/Summary/POST-PN-0546

CDP's 2017 Water Forum

Stay ahead of the sustainability reporting curve and learn how to bring best practice water management to your business.

Indiabulls Finance Centre, Mumbai
November 7th 2017
12:30 – 18:00 IST

Register online to attend

The value of forests:
Unlocking opportunities by stopping deforestation

The UK is a global consumer of forest-risk products and imports a significant global share of timber[5]. In 2015, the value of imported timber products (including pulp and paper) was £7.5 billion[6], placing the UK as the second largest importer of forestry products that year.

The UK government has led in efforts to legitimise timber imports by enforcing the EU Timber Regulation, which places due diligence on importers. Growing scrutiny surrounding the legality of imported timber has resulted in the rising importance for companies to act and transparently communicate commodity sources.

With increasing regulation around the sustainable sourcing of forest-risk commodities, now is a critical time for companies to ensure deforestation is removed from their supply chains. In the past three years, the UK signed the New York Declaration on Forests and the Amsterdam Declaration, which both commit governments to support the private sector to eliminating deforestation from commodity supply chains of commodities such as palm oil, beef, soy and paper. This impending pressure for transparency has resulted in an urgent need for companies who produce and source forest risk commodities to protect their supply chains from financial, regulatory and reputational risk by ensuring its sustainable procurement. In 2016, up to $906 billion of annual turnover was at risk for publicly listed companies reporting through CDP. Given the sum at stake, future growth is in jeopardy if companies do not establish a clear, long term plan to source these commodities securely and sustainably.

Mitigating deforestation makes business sense, and is vital for the transition to a low-carbon economy. There has been a significant increase in political momentum since the signing of the Paris Agreement; and as stopping tropical deforestation can provide a staggering 30% of the required mitigation of greenhouse gas emissions[7], to keep global average temperature well below 2˚C above pre-industrial levels, urgent action is needed. Companies are seeing increasing encouragement from governments to protect their natural forest assets to achieve a sustainable economy. Moreover, there is an increasing emphasis on company alignment with the SDGs, and for companies handling forest-risk commodities, SDG 15: sustainably managing forests.

Stopping deforestation is inextricably linked to realising a multitude of business opportunities, staying ahead of the ever-shifting regulatory curve, and mitigating financial risk. For example, **Marks and Spencer** notes an increase in brand and shareholder value when disclosing on deforestation issues. **Kingfisher** has also stated that by seeking customer engagement and communication on sustainable timber use presented various business opportunities.

For companies looking to start efforts to halt deforestation:

1. Make a public commitment to remove commodity driven deforestation from global supply chains;
2. Identify your exposure to deforestation risk through a robust risk assessment;
3. Effectively implement your commitment through a series of specific, interim targets;
4. Continue this implementation through certification, traceability and supply chain engagement; and
5. Strive for leadership and unlock the multitude of opportunities which accompanies removing commodity-driven deforestation.

Supplier disclosure also provides the building blocks for organisations to manage and reduce their exposure to deforestation risk at scale. Now, CDP is offering companies the opportunity to gather supply information in a standardised and comparable format on the risks of producing or sourcing timber production, palm oil, soy and cattle products. If you are interested in learning more, visit: **https://www.cdp.net/en/supply-chain**.

Ultimately, transparency is critical to improve company performance. In 2017, 61 companies with headquarters in the UK and whose business activities are dependent on forests risk commodities were asked to report on their efforts to better assess, measure and mitigate risks and capitalise on opportunities. Only 21 responded, resulting in a response rate of 34%. Urgent action is needed by companies to better measure, manage and understand environmental risk. We look forward to continuing to build our forests program and to drive meaningful action to stop deforestation and its impacts in the UK.

5 http://www.fao.org/forestry/statistics/80938@180724/en/
6 https://www.forestry.gov.uk/forestry/infd-7aqdgc
7 https://www.euractiv.com/section/climate-environment/news/figueres-calls-for-eu-action-plan-on-imported-deforestation/

CDP's 2017 Global Forests Report Launch

Discover "How financial institutions can enable the transition to deforestation free supply chains".

London Stock Exchange, London
November 21st 2017
08:00 – 10:30 GMT

Register online to attend

2017 Key Trends

The statistics presented in this key trends table may differ from those in other CDP reports for two reasons: (1) the data in this table is based on all responses received by 1 September 2017; (2) it is based on binary data (e.g. Yes/No or other drop down menu selection) reported to CDP and does not incorporate any validation of the follow up information provided or reflect the scoring methodology. The latter, in particular, is likely to lead to an over-reporting of data in this key trends table.

1 This statistic includes those companies that respond by referencing a parent or holding company's response. However the remaining statistics presented do not include these responses.

2 All investment trusts except 'Property Direct' and 'Private Equity' removed because of their minimal environmental impact. List of trusts to remove taken from: **http://www.theaic.co.uk/aic/find-compare-investment-companies**

3 Includes responses across all samples as well as responses submitted by companies not included in specific geographic or industry samples in 2017.

4 This refers to the total market capitalization of that sample group of companies, as of Q2 2017. Market cap data sourced from Bloomberg.

5 Companies may report multiple targets. However, in these statistics a company will only be counted once.

6 This takes into account companies reporting that verification is complete or underway, but does not include any evaluation of the verification statement provided.

7 Only companies reporting Scope 3 emissions using the Greenhouse Gas Protocol Scope 3 Standard named categories have been included below. Whilst in some cases "Other upstream" or "Other downstream" are legitimate selections, in most circumstances the data contained in these categories should be allocated to one of the named categories. In addition, only those categories for which emissions figures have been provided have been included.

Statistic	Hong Kong & SE Asia	Australia ASX 200	Benelux	Brazil	Canada	Central Eastern Europe	China	DACH (DE, AU, CH)	Emerging Markets
Number of companies in the sample	170	199	150	120	200	100	100	350	800
Number of companies answering CDP 2017[1]	69	75	62	52	99	17	12	151	282
% sample answering CDP 2017[1]	41	38	41	43	50	17	12	43	35
% of sample market capitalization answering CDP 2017[4]	57	82	86	71	73	26	28	85	44
% of responders reporting Board or other senior management responsibility for climate change	98	100	98	98	93	50	92	96	98
% of responders with incentives for the management of climate change issues	78	77	80	74	77	38	58	76	85

Statistic	Euro 300	France	Iberia (ES, PT)	India	Ireland	Italy	Japan	Korea	Latin America	New Zealand NZX 50	Nordic	Portugal	Russia	South Africa	Spain	Turkey	UK FTSE 350[2]	US S&P 500	Overall Figure[3]
Number of companies in the sample	300	250	125	200	30	100	500	200	80	50	260	40	40	100	85	100	304	500	N/A
Number of companies answering CDP 2017[1]	258	100	58	46	11	44	281	52	27	14	151	8	12	74	50	41	202	338	2235
% sample answering CDP 2017[1]	86	40	46	23	37	44	56	26	34	28	58	20	30	74	59	41	66	68	N/A
% of sample market capitalization answering CDP 2017[4]	91	82	93	39	75	70	77	63	48	82	79	73	38	83	94	54	90	78	51
% of responders reporting Board or other senior management responsibility for climate change	100	97	100	100	100	98	97	96	100	93	97	100	92	99	100	95	99	94	97
% of responders with incentives for the management of climate change issues	92	84	91	83	73	86	88	96	76	71	70	86	75	87	92	82	85	85	81

Statistic	Hong Kong & SE Asia	Australia ASX 200	Benelux	Brazil	Canada	Central Eastern Europe	China	DACH (DE, AU, CH)	Emerging Markets	Euro 300	France	Iberia (ES, PT)	India	Ireland	Italy	Japan	Korea	Latin America	New Zealand NZX 50	Nordic	Portugal	Russia	South Africa	Spain	Turkey	UK FTSE 350*	US S&P 500	Overall Figure[5]
% of responders reporting climate change as being integrated into their business strategy	98	89	93	92	91	88	100	87	98	97	98	95	98	100	98	96	96	92	93	91	100	83	99	94	89	93	93	93
% of responders reporting engagement with policymakers on climate issues to encourage mitigation or adaptation	95	91	82	96	90	63	83	85	96	94	88	95	95	100	93	94	94	92	86	82	100	75	96	94	84	87	88	89
% of responders with emissions reduction targets[5]	80	65	82	76	63	50	50	79	84	96	88	93	85	73	86	96	94	64	79	80	100	58	82	92	76	81	82	81
% of responders reporting absolute emissions reduction targets[5]	56	39	50	50	35	38	25	47	48	58	44	73	22	36	74	62	69	32	64	38	71	25	44	73	34	41	51	48
% of responders reporting intensity emissions reduction targets[5]	45	36	50	44	38	38	25	52	57	71	67	59	76	36	60	72	52	40	29	63	71	42	50	57	63	59	45	55
% of responders reporting active emissions reduction initiatives in the reporting year	97	93	91	88	88	63	83	92	96	98	98	96	100	100	100	97	94	100	86	89	100	83	96	96	82	95	96	93
% of responders indicating that their products and services directly enable third parties to avoid GHG emissions	64	65	79	72	59	50	75	65	75	79	81	77	68	64	81	80	75	64	36	71	71	67	57	78	61	57	61	67
% of responders whose absolute emissions (Scope 1 and 2) have decreased compared to last year due to emissions reduction activities	47	61	66	44	57	38	17	66	62	82	72	82	49	73	86	78	77	52	71	64	86	33	78	82	66	72	74	87
% of responders seeing regulatory risks	86	88	82	90	85	88	75	77	94	93	87	96	95	91	95	95	96	92	93	89	100	67	99	96	89	95	85	89
% of responders seeing regulatory opportunities	84	85	79	90	77	63	83	81	91	96	89	93	95	91	95	93	96	80	86	87	100	42	94	92	82	92	84	87
% of responders seeing physical risks	88	87	79	90	79	75	50	74	92	93	88	88	93	100	86	91	88	96	93	83	100	75	97	86	87	90	84	85
% of responders seeing physical opportunities	70	77	61	78	58	63	33	67	81	85	71	82	85	91	76	87	87	60	79	77	86	42	90	82	74	79	68	74
% of responders independently verifying any portion of Scope 1 emissions data[6]	58	59	57	66	46	38	17	57	73	89	92	80	71	82	81	57	83	64	43	60	100	8	85	78	61	71	61	64
% of responders independently verifying any portion of Scope 2 emissions data[6]	58	60	50	68	35	25	17	51	72	87	91	77	71	82	76	57	83	64	36	55	100	8	84	73	58	70	58	61
% of responders independently verifying least 70% of Scope 1 emissions data[6]	48	51	48	64	36	25	17	54	67	86	82	80	68	73	76	48	75	56	36	57	100	8	79	78	61	67	57	57
% of responders independently verifying least 70% of Scope 2 emissions data[6]	50	51	46	60	30	25	17	49	62	84	76	71	61	82	76	44	63	40	21	51	100	8	75	67	58	65	55	53
% of responders reporting Scope 2 location-based emissions data	88	99	84	90	93	100	50	85	93	94	97	84	95	91	95	70	92	92	79	88	100	67	100	82	82	98	96	89
% of responders reporting Scope 2 market-based emissions data	20	36	64	44	34	50	17	64	35	72	44	61	27	64	64	64	31	44	29	66	100	8	62	55	42	55	61	51
% of responders reporting emissions data for 2 or more named Scope 3 categories[7]	42	68	64	86	51	38	33	68	73	88	83	82	71	73	71	82	81	80	64	69	100	8	91	80	68	70	68	69
% of responders using CDSB framework to report climate change data in mainstream financial report	9	19	18	18	9	0	17	13	19	25	21	23	24	0	5	10	35	24	14	17	29	0	32	22	5	27	6	15

Investor perspective
Steve Waygood, Aviva Investors

> **As investors, the TCFD has given us a very powerful mandate, it has shifted the burden of proof to companies to explain why climate risk isn't an issue. The new norm is that companies should be considering climate risk at the board level. It's created a new concept of climate risk governance.**

For an insurance giant like Aviva, failing to successfully halt climate change is unthinkable. "Our sector has an existential issue with warming above 4 degrees," says Steve Waygood, Aviva Investors' chief responsible investment officer. "It simply won't be possible to price insurance products at a premium we can sustain, and which economies can afford.

"That's a profound macroeconomic problem, given the role of insurance in pricing and redistributing risk."

On the asset side of its balance sheet, meanwhile, Aviva faces challenges relating to the climate risks to which its investments are exposed. He cites a study carried out by Aviva with the Economist[8], which found that 6 degrees of warming would wipe US$43 trillion off the value of global capital markets. "The entire value of the MSCI World equity index is only US$38 trillion – that's obviously a clear and present danger."

For that reason, Aviva has been a prominent voice in the climate change debate: disclosing on climate risk since 2004, incorporating climate risk into strategy and governance, engaging with investee companies, and playing an important role on the Task Force for Climate-Related Financial Disclosures (TCFD), on which Waygood sits.

"As investors, the TCFD has given us a very powerful mandate," he says. "It has shifted the burden of proof to companies to explain why climate risk isn't an issue." And, for those that recognize climate exposures, the "new norm is that companies should be considering climate risk at the board level. It's created a new concept of climate risk governance."

The TCFD recommends that companies disclose how they are likely to perform against various climate scenarios – which Waygood says will provide additional insight, but which are unlikely to tell the whole story. "A good scenario, that has been properly considered by the board, that looks at the downside risk is evidence of good quality management."

But he notes there is, as yet, no standardized way for each sector to produce scenarios, nor sector reference scenarios against which a company's scenario reporting might be compared – although he suggests there may be a role for the TFCD to produce these benchmarks.

Waygood also acknowledges that climate disclosure poses challenges for financial services groups such as his, noting that it is still not yet clear what the most appropriate metrics are for investors to disclose against. "We haven't got it cracked – I'm not happy with the state of the art," he says, noting that simply disclosing the carbon footprinting of a portfolio "doesn't cut it", as emissions can rise and fall for reasons not linked to climate risk management.

"We need a reference scenario for fund management," he suggests, that sketches out what a transition pathway to 2 degrees looks like, allowing investors to disclose how close their portfolio is to matching it.

Aviva will continue to encourage the companies in which it invests to use the TCFD guidance, but Waygood adds that more system-wide pressure needs to be brought to bear.

"It's as important that we use our influence in the political process to encourage those in Brussels, Westminster or Washington to use the TCFD in important international processes such as the International Accounting Standards Board, and the International Organization of Securities Commissions (IOSCO)," he says.

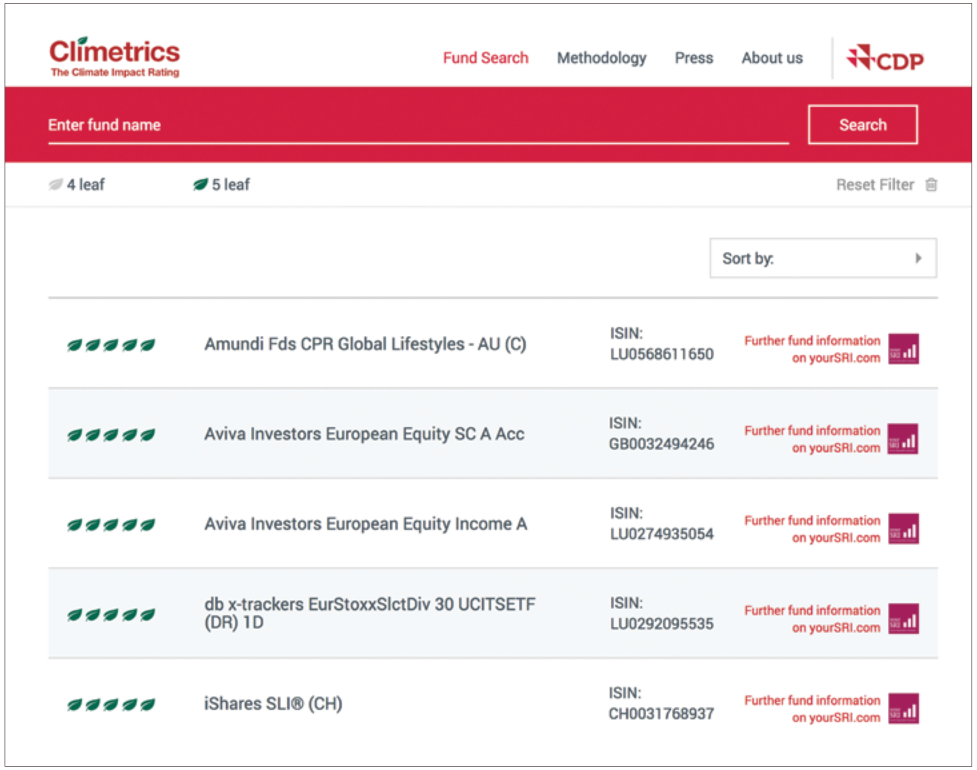
"We need to encourage the system to use this guidance and make it more than voluntary," he says, adding that he would also like to see the proxy voting firms and credit rating agencies explicitly referencing TCFD data, as well as the regulations that govern the financial sector – Basel III for banks and Solvency II for insurers – take climate risk into account.

"We have a role as investors, in terms of influencing the companies we own, as well as in terms of advocating how the financial system evolves," he concludes.

8 https://www.eiuperspectives.economist.com/sites/default/files/The%20cost%20of%20inaction_0.pdf

Climetrics launched: CDP's award-winning new finance tool now available to all fund investors

CDP and ISS-Ethix Climate Solutions launched the world's first climate rating for equity funds in July 2017 – top rating results available online.



Adding a new level of transparency to the fund industry, Climetrics aims to turn the equity fund market – worth more than €3 trillion in Europe – into a significant lever for mitigating climate change and transitioning to a low carbon economy.

Climetrics is the world's first independent and publicly available tool that rates equity funds for their climate impact.

Symbolized by green leaves issued on a scale of 1 to 5, the rating enables investors to easily assess and compare the climate impact of their fund investments, encouraging the growth in climate-responsible fund products.

While Climetrics has a unique and exclusive focus on the climate impact of funds, the rating goes far beyond a standard carbon footprint, also scoring funds on forward-looking indicators. The combination of these indicators into a robust and transparent methodology (3 layers of analysis: asset manager, fund and holdings) is unique in the market.

Top-rated funds can be found for free on **www.climetrics-rating.org**, with a detailed breakdown of a fund's rating available on a paid factsheet. Commercial use of the rating by funds is licensed, allowing asset managers and banks to promote the sale of funds which outrank peers on climate-related impact.

At present, Climetrics covers approximately 2,800 equity funds and ETFs, representing about €2 trillion in fund investments and more than 55% of the total assets invested in equity funds for sale in Europe.

To-date no other rating system allows investors to compare climate-related impacts of thousands of funds on a publicly available platform.

For more information please contact:
climetrics@cdp.net or

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Project Lead Fund Ratings
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Climetrics
The Climate Impact Rating

More than 2,800 equity funds covered, representing about €2 trillion in fund investments.

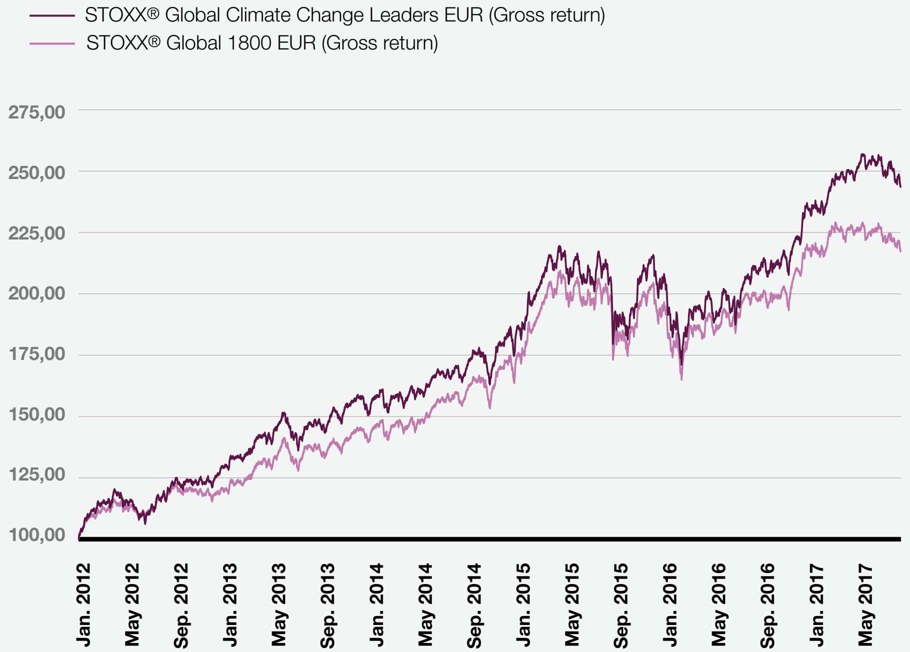
> **Climetrics is a missing link between individual investment choices and the global problem of climate change, and will move the needle in incentivising both investors and companies to contribute to the low-carbon transition.**
>
> **Paul Dickinson,**
> CDP

Investing in CDP's Climate Change Leaders made easy: CDP and STOXX® continue collaboration on Low Carbon Index Family

26%
outperformance
over past five years*

STOXX® Low Carbon Index family now expanded based on CDP's forward-looking scoring methodology.

From 19/12/2011 to 11/8/2017, The STOXX® Global Climate Change Leaders index outperforms the STOXX® Global 1800 index by 26%



Data from Dec. 19, 2011 to Aug. 11, 2017

Building on last year's successful collaboration with STOXX® and South Pole Group (now ISS Ethix Climate Solutions), this year CDP has again provided data and expertise for the continuation and expansion of the STOXX® Low Carbon index family.

As the first index to track CDP's Climate A List available to all market participants, the STOXX® Global Climate Change Leaders Index has made investing in CDP's Climate A List easier than ever before.

Being based on the CDP A List, this unique index includes carbon leaders who are publicly committed to reducing their carbon footprint[9], offering investors a fully transparent and tailored solution to address long-term climate risks, while participating in the sustainable growth of a low-carbon economy.

The index has outperformed a global benchmark by 26% over 5 years.

The Climate A List comprises a strong set of companies who lead on climate change mitigation today and in the future. It is exciting to see the rising investor interest in the STOXX® Global Climate Change Leaders Index.

Willem John Keogh,
Senior Product Development Manager, Director, STOXX® Ltd.

New generation of low carbon indices based on CDP data

This year, STOXX® has expanded its Low Carbon Index family by introducing the STOXX® Climate Impact and STOXX® Climate Awareness Indices. The new indices now include the first three levels of the CDP climate change scoring methodology: Leadership, Management and Awareness.

Investors are showing great interest: STOXX® has recently licensed one of its Global Climate Impact indices to the Varma Mutual Pension Insurance Company, the largest private investor in Finland.

CDP is looking forward to contributing to innovative solutions that can add real value for investors in the future.

For more information please contact:
Laurent Babikian
Director Investor Engagement CDP Europe
laurent.babikian@cdp.net
T +33 658 66 60 13

STOXX

9 The index is price weighted with a weight factor based on the free-float market cap multiplied by the corresponding Z-score carbon intensity factor of each constituent. Components with lower carbon intensities are overweighted, while those with higher carbon emission are underweighted.

* Compared to the STOXX Global 1800 Index in the period from 11/12/2011 to 11/08/2017.

Reimagining Disclosure
Tony Rooke, Director of Technical Reporting

Our 2017-2020 Tipping Point strategy[10] is to build on the momentum of the Paris Agreement and fulfil our mission to mainstream environmental stewardship and action into the economic system. We have been the catalyst for global disclosure over the past 15 years. We want to continue to drive the future of meaningful disclosure to help companies and investors better understand environmental risk and opportunities. This will accelerate the transition to a more sustainable economy and future.

10 https://b8f65cb373b1b7b15feb-c70d8ead6ced550b4d987d7c03fcdd1d.ssl.cf3.rackcdn.com/cms/reports/documents/000/002/292/original/CDP-Strategic-Plan.pdf?1501603727

We set up our Reimagining Disclosure initiative to work in consultation with you and our other key stakeholders to evolve our corporate questionnaires. Our goals of this initiative are to:

- Provide investors and stakeholders with increased relevant information now and into the future; and
- Optimise the reporting burden for companies.

To deliver this, we have focussed development of our questionnaires on the high impact areas through the following three pillars.

1. **Introduction of sector-specific questionnaires.** We have listened to the feedback from both companies and investors that we need to focus on sector-specific disclosures.
2. **Integration of the recommendations of the Task-Force on Climate-Related Financial Disclosures (TCFD).** These recommendations align closely with existing CDP disclosures and will be incorporated principally into our climate change questionnaire, with water- and forest-specific TCFD recommendations also included in these respective questionnaires.
3. **Continued evolution into more forward-looking metrics and reporting harmonisation.** We are building upon forward-looking metrics in carbon pricing and science-based targets to include reporting on scenario analyses, carbon price corridors, and transition pathway planning as key indicators of where companies are and the progress they are making.

What's new for 2018?

We are launching 18 new sector-specific questionnaires across our three themes in 2018, with all other sectors answering the "general" questionnaire for the relevant theme(s):

Cluster	Climate change	Forests	Water
General	All other companies without sector specific questionnaires	All other companies without sector specific questionnaires	All other companies without sector specific questionnaires
Energy	Oil & gas Coal Electric utilities		Oil & gas Electric utilities
Transport	Vehicle manufacturers Service providers		
Materials	Cement Steel Metals & mining Chemicals		Metals & mining Chemicals
Agriculture	Food, beverage & tobacco Agricultural commodities Paper & forestry	Paper & forestry	Food, beverage & tobacco

For climate change, in addition to the inclusion of sector-specific metrics, the majority of changes introduced align both structure and flow with the recommendations of the TCFD. This means an increased focus on financial impacts, and the inclusion of scenario analysis and transition planning. This is designed to help companies in preparing to include TCFD recommended disclosures in their mainstream reporting and accounts, and to provide a place for companies to reference from their reports in providing more detail.

For water, the structure and flow has been retained to maintain alignment with the CEO water mandate. Some questions have had wording and options changed following consultation (e.g. move from supply chain to value chain), and to align with TCFD recommendations.

For forests, the main changes have been to include disclosures from our 2016-17 supply chain pilot, consolidation of questions, and better alignment with climate change and water questionnaires. We have also introduced differentiation between sustainable forestry management for paper & forestry companies, land use change, and differentiation between afforestation, reforestation and restoration projects.

Outreach this year

We have reached over 2000 companies and other stakeholders on our reimagining plans this year through webinars, conferences, meetings, industry groups, and two consultations this year:

1. Over 170 organisations responded to our first consultation on sector-specific disclosures and evolution;

2. We published 6 months earlier than usual our draft sector-specific questionnaires for feedback from organisations in our second consultation.

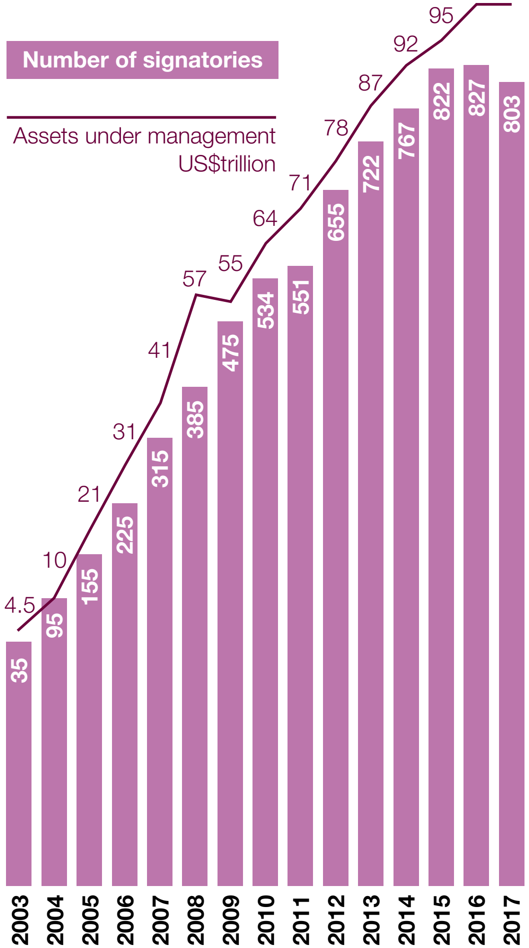
The feedback was processed to look for common responses, agreement/disagreement between stakeholders, and then assessed to see if the feedback would help add to achieving our goals for reimagining disclosure. The final questionnaires will be published in December as a result of this feedback and our own development work.

The consultation is now closed but the results, supporting documents and draft sector-specific questionnaires can still be viewed at **https://www.cdp.net/en/companies/consultation**

Appendix I
Investor signatories and members

CDP's investor program - backed in 2017 by 803 institutional investor signatories representing in excess of US$100 trillion in assets - works with investors to understand their data and analysis requirements and offers tools and solutions to help them.

Figure 6: Investor signatories over time



Our global data from companies and cities in response to climate change, water insecurity and deforestation and our award-winning investor research series is driving investor decision-making. Our analysis helps investors understand the risks they run in their portfolios. Our insights shape engagement and add value not only in financial returns but by building a more sustainable future.

For more information about the CDP investor program, including the benefits of becoming a signatory or member please visit:
http://bit.ly/2vvsrhp

To view the full list of investor signatories please visit:
http://bit.ly/2uW3336

Figure 7: Investor signatories by location

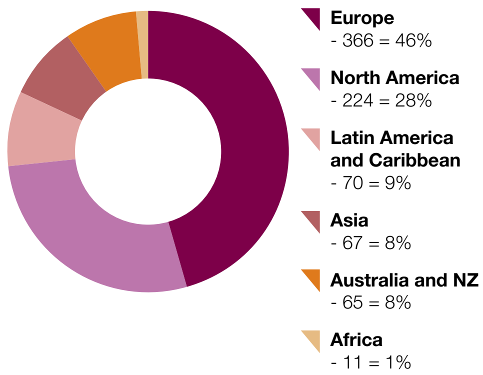
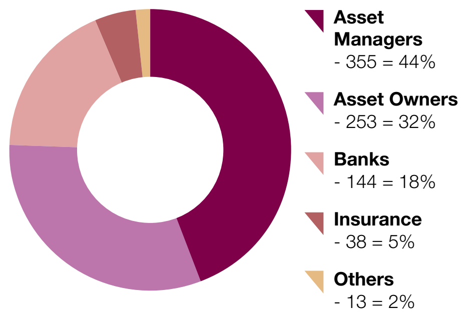


Figure 8: Investor signatories by type



Investor members

ACTIAM
Aegon
Allianz Global Investors
ATP Group
Aviva Investors
Aviva plc
AXA Group
Bank of America
Bendigo and Adelaide Bank
BlackRock
Boston Common Asset Management LLC
BP Investment Management Limited
British Columbia Investment Management Corporation
California Public Employees' Retirement System
California State Teachers' Retirement System
Calvert Investment Management, Inc
Capricorn Investment Group
Catholic Super
CCLA Investment Management Ltd
ClearBridge Investments
Environment Agency Pension fund
Ethos Foundation
Etica SGR
Eurizon Capital SGR S.p.A.
Fundação Chesf de Assistência e Seguridade Social
Fundação de Assistência e Previdência Social do BNDES
FUNDAÇÃO ITAUBANCO
Generation Investment Management
Goldman Sachs Asset Management
Henderson Global Investors
Hermes Fund Managers
HSBC Global Asset Management
Instituto Infraero de Seguridade Social
KLP
Legal and General Investment Management
Legg Mason, Inc.
London Pensions Fund Authority
Morgan Stanley
National Australia Bank
Neuberger Berman
New York State Common Retirement Fund
Nordea Investment Management
Norges Bank Investment Management
ÖKOWORLD LUX S.A.
Overlook Investments Limited
PFA Pension
PREVI Caixa de Previdência dos Funcionários do Banco do Brasil
Rathbone Greenbank Investments
RBC Global Asset Management
Real Grandeza Fundação de Previdência e Assistência Social
Robeco
RobecoSAM AG
Rockefeller Asset Management
Sampension KP Livsforsikring A/S
Schroders
Skandinaviska Enskilda Banken AB
Sompo Holdings, Inc
Sustainable Insight Capital Management
TIAA
Terra Alpha Investments LLC
The Sustainability Group
The Wellcome Trust
UBS
University of California
University of Toronto Asset Management Corporation (UTAM)
Whitley Asset Management

Appendix II
Scores

Key

Not scored — The company answered the questionnaire late (therefore the response wasn't scored)

DP — The company declined to participate in a program

NR — The company did not provide a response

Bold — The company is in the A List

Green Text — The company took part in a program for the first time

(Green shading) — The company responded voluntarily to a program (i.e. were not asked to do so by our signatory investors)

(Pink shading) — The company responded to all three programs

(Light grey shading) — The company did not report on this commodity

(Dark grey shading) — The company was not requested to respond to this program as their business activities are not deemed material for that theme or the company did not meet the sample setting criteria

Company	Country	Climate	Water	Forests			
				Cattle Products	Palm Oil	Soy	Timber
Consumer Discretionary							
Barratt Developments plc	United Kingdom	A-	DP	DP	DP	DP	DP
Bellway Plc	United Kingdom	C					B
Berkeley Group	United Kingdom	B	DP	DP	DP	DP	DP
Bloomsbury Publishing	United Kingdom	Not scored					
Burberry Group	United Kingdom	A-	**A**	A-	C		A-
Carnival Corporation	USA	B	B	NR	NR	NR	NR
Compass	United Kingdom	A-	B	B	A-	B	A-
Countryside Properties	United Kingdom	C					
Crest Nicholson PLC	United Kingdom	B					B
Debenhams	United Kingdom	B					
Delphi Automotive Plc	United Kingdom	C	B				
Dentsu Aegis Network	United Kingdom	B					
Dignity	United Kingdom	C					
Dixons Carphone	United Kingdom	C	DP				
Domino's Pizza Group plc	United Kingdom	C		NR	NR	NR	NR
Euromoney Institutional Investor PLC	United Kingdom	C					
GKN	United Kingdom	C	C				
Greene King	United Kingdom	D		DP	DP	DP	DP
Intercontinental Hotels Group	United Kingdom	B	B	DP	DP	DP	DP
Jaguar Land Rover Ltd	United Kingdom	C					
JD Sports Fashion	United Kingdom	D		NR	NR	NR	NR
Kingfisher	United Kingdom	A-	DP	B			A-
Liberty Global plc	United Kingdom	A-					
Marks and Spencer Group plc	United Kingdom	B	DP	B	B	B	B
Merlin Entertainments Group	United Kingdom	C	DP				

Company	Country	Climate	Water	Forests			
				Cattle Products	Palm Oil	Soy	Timber
Millennium & Copthorne Hotels	United Kingdom	A-					
N Brown Group Plc	United Kingdom	B					A-
Next	United Kingdom	B	DP	DP	DP	DP	DP
Ocado Group	United Kingdom	C					
Pearson	United Kingdom	B	C				A-
Persimmon	United Kingdom	C	NR	NR	NR	NR	NR
Redrow Homes Ltd	United Kingdom	B		NR	NR	NR	NR
RELX Group Plc	United Kingdom	A-	B				A-
Rightmove	United Kingdom	C-					
Sky plc	United Kingdom	**A**					
SuperGroup	United Kingdom	C					
Taylor Wimpey Plc	United Kingdom	B	A-	DP	DP	DP	DP
Ted Baker Plc	United Kingdom	B					
Thomas Cook Group	United Kingdom	B					C
Trinity Mirror	United Kingdom	C					
TUI Group	United Kingdom	A-	DP	DP	DP	DP	DP
UBM plc	United Kingdom	B					
WH Smith	United Kingdom	D		DP	DP	DP	DP
Whitbread	United Kingdom	B	DP	DP	DP	DP	DP
WPP Group	United Kingdom	B					
Consumer Staples							
A.G. Barr Plc	United Kingdom	D					
Associated British Foods	United Kingdom	B	**A**		C	C	C
British American Tobacco	United Kingdom	A-	A-	NR	NR	NR	NR
Britvic	United Kingdom	C					

Company	Country	Climate	Water	Forests: Cattle Products	Forests: Palm Oil	Forests: Soy	Forests: Timber
Coca-Cola European Partners	United Kingdom	**A**	**A**				
Coca-Cola HBC AG	Switzerland	**A**	**A**				
Cranswick	United Kingdom	D					
Dairy Crest Group	United Kingdom	B		NR	NR	NR	NR
Diageo Plc	United Kingdom	**A**	**A**				
Greencore Group PLC	Ireland	C			B		B
Greggs	United Kingdom	B		NR	NR	NR	NR
Imperial Brands	United Kingdom	A-	B				B
J Sainsbury Plc	United Kingdom	**A**	A-	B	A-	B	B
Morrison Supermarkets	United Kingdom	B	D	D	C	D	D
PZ Cussons	United Kingdom	C		DP	DP	DP	DP
Reckitt Benckiser	United Kingdom	A-	B	A-	A-	A-	A-
Tate & Lyle	United Kingdom	A-	B-	DP	DP	DP	DP
Tesco	United Kingdom	B	DP	D	B	C	B
Unilever plc	United Kingdom	**A**	**A**	**A**	**A**	**A**	**A**
Energy							
Amec Foster Wheeler	United Kingdom	C					
Cairn Energy	United Kingdom	C					
JKX Oil and Gas	United Kingdom	D					
Lamprell Plc	United Arab Emirates	C					
OPHIR ENERGY PLC	United Kingdom	C					
Petrofac	United Kingdom	C	DP				
Premier Oil	United Kingdom	C					
Royal Dutch Shell	Netherlands	B	DP	DP	DP	DP	DP
SOCO International Plc	United Kingdom	C					

Company	Country	Climate	Water	Forests: Cattle Products	Forests: Palm Oil	Forests: Soy	Forests: Timber
Tullow Oil	United Kingdom	C					
Wood Group	United Kingdom	B	C				
Financials							
3i Group	United Kingdom	A-					
Aberdeen Asset Management	United Kingdom	C					
Amlin	United Kingdom	C					
Aon plc	United Kingdom	D					
Aviva plc	United Kingdom	B					
Barclays	United Kingdom	B					
Callcredit Information Group	United Kingdom	C-					
Close Brothers Group	United Kingdom	C-					
Direct Line Insurance Group	United Kingdom	B					
Henderson Group	United Kingdom	B					
Hiscox	United Kingdom	C					
HSBC Holdings plc	United Kingdom	A-					
Impax Environmental Markets	United Kingdom	D					
Jardine Lloyd Thompson Group Plc (JLT)	United Kingdom	C-					
John Laing Infrastructure Fund	Guernsey	C					
JRP Group	United Kingdom	D					
Jupiter Fund Management	United Kingdom	A-					
Kennedy Wilson Europe Real Estate	United Kingdom	C					
Lancashire Holdings	Bermuda	C					
Legal and General Investment Management	United Kingdom	B-					
Lloyds Banking Group	United Kingdom	**A**					
London Stock Exchange	United Kingdom	A-					

Company	Country	Climate	Water	Forests: Cattle Products	Forests: Palm Oil	Forests: Soy	Forests: Timber
Old Mutual Group	United Kingdom	B					
PricewaterhouseCoopers LLP	United Kingdom	A-					
Provident Financial plc	United Kingdom	C					
Prudential PLC	United Kingdom	A-					
Rathbone Brothers plc	United Kingdom	D					
Royal Bank of Scotland Group	United Kingdom	A-					
RSA Insurance Group	United Kingdom	C					
Saga	United Kingdom	B					
Schroders	United Kingdom	C					
St. James Place	United Kingdom	B					
Standard Chartered	United Kingdom	B					
Standard Life	United Kingdom	C					
Virgin Money Holdings	United Kingdom	D					
Health Care							
AstraZeneca	United Kingdom	**A**	**A**				
BTG	United Kingdom	D					
GlaxoSmithKline	United Kingdom	A-	**A**				
Hikma Pharmaceuticals	United Kingdom	C	B				
Indivior	United Kingdom	C-					
Mediclinic International	South Africa	A-	**A**				
Shire	Ireland	A-	B				
Smith & Nephew	United Kingdom	B	C				
Spire Healthcare	United Kingdom	C					
UDG Healthcare PLC	Ireland	C					
Vectura Group	United Kingdom	C					

Company	Country	Climate	Water	Forests			
				Cattle Products	Palm Oil	Soy	Timber
Industrials							
Aggreko	United Kingdom	D					
Ashtead Group	United Kingdom	D	NR				
Atkins	United Kingdom	C					
BAE Systems	United Kingdom	C	DP				
Balfour Beatty	United Kingdom	B		DP	DP	DP	DP
BBA Aviation	United Kingdom	C					
Berendsen plc	United Kingdom	C					
Bodycote plc	United Kingdom	C					
Brammer Plc	United Kingdom	C					
Bunzl plc	United Kingdom	B	DP	DP	DP	DP	DP
Carillion	United Kingdom	B					A-
CNH Industrial NV	United Kingdom	A-	**A**				
Cobham	United Kingdom	A-	DP				
Communisis Plc	United Kingdom	A-					
Costain Group	United Kingdom	B					
DCC PLC	Ireland	C		DP	DP	DP	DP
De La Rue	United Kingdom	C					
Experian Group	Ireland	B					
FirstGroup Plc	United Kingdom	C					
G4S Plc	United Kingdom	C					
Galliford Try Plc	United Kingdom	C		DP	DP	DP	DP
Go-Ahead Group	United Kingdom	C					
Hays	United Kingdom	D					
IMI plc	United Kingdom	C	C-				
International Consolidated Airlines Group, S.A.	United Kingdom	**A**					

Company	Country	Climate	Water	Forests: Cattle Products	Forests: Palm Oil	Forests: Soy	Forests: Timber
Interserve Plc	United Kingdom	A-			B	C	B
Intertek Group	United Kingdom	C					
ISG plc	United Kingdom	A-					
IWG plc	United Kingdom	B					
J MURPHY & SONS LTD	United Kingdom	C					
Keller	United Kingdom	A-					
Kier Group	United Kingdom	C		DP	DP	DP	DP
Logtek Ltd	United Kingdom	C					
Meggitt	United Kingdom	C	D				
MITIE Group	United Kingdom	C					
Morgan Advanced Materials	United Kingdom	B					
Morgan Sindall Group plc	United Kingdom	A-					
National Express Group Plc	United Kingdom	B	C				
NATS	United Kingdom	C					
OCS Group UK Limited	United Kingdom	D					
QinetiQ Group	United Kingdom	C					
Rentokil Initial	United Kingdom	C	DP				
Ricardo Plc	United Kingdom	C					
Rider Levett Bucknall	United Kingdom	D					
Robert Walters	United Kingdom	C					
Rolls-Royce	United Kingdom	A-	DP				
Rotork PLC	United Kingdom	C	B				
Royal Mail Group	United Kingdom	B					
RPS Group Plc	United Kingdom	C					
Senior Plc	United Kingdom	A-					
Serco Group	United Kingdom	B					

Company	Country	Climate	Water	Forests: Cattle Products	Forests: Palm Oil	Forests: Soy	Forests: Timber
Severfield	United Kingdom	C					
Shanks Group	United Kingdom	D					
SIG	United Kingdom	B					
Smiths Group	United Kingdom	C	NR				
Speedy Hire Plc	United Kingdom	D					
Spirax-Sarco Engineering	United Kingdom	C					
Stagecoach Group	United Kingdom	C					
Sthree Plc	United Kingdom	B					
Travis Perkins	United Kingdom	B	C	C			B
Unipart	United Kingdom	D					
Volex Group	United Kingdom	C					
Weir Group	United Kingdom	C	NR				
WHISTL UK LTD	United Kingdom	C					
Wincanton plc	United Kingdom	B-					
Ferguson Plc	United Kingdom	A-	DP	DP	DP	DP	DP

Information Technology							
ARM Holdings	United Kingdom	B	C				
AUGHTON AUTOMATION	United Kingdom	C-					
Electrocomponents	United Kingdom	A-					
Halma	United Kingdom	C					
IHS Markit Ltd.	United Kingdom	C					
Just Eat	United Kingdom	B					
Laird Plc	United Kingdom	C					
Micro Focus International	United Kingdom	C-					
Sage Group	United Kingdom	C					

Company	Country	Climate	Water	Forests			
				Cattle Products	Palm Oil	Soy	Timber
SDL Plc	United Kingdom	C					
Spirent Communications	United Kingdom	B					
TT Electronics Plc	United Kingdom	C					
Worldpay Group	United Kingdom	D					
Materials							
Acacia Mining	United Kingdom	C	DP				
Anglo American	United Kingdom	A-	A-				
Antofagasta	United Kingdom	B	B				
BHP Billiton	United Kingdom	B	A-				
Centamin plc	United Kingdom	C	B				
CRH Plc	Ireland	C	B				
Croda International	United Kingdom	A-	B		B		
DS Smith Plc	United Kingdom	B	B				B
Elementis plc	United Kingdom	C					
Essentra	United Kingdom	D					
Evraz PLC	United Kingdom	C					
Fresnillo plc	Mexico	C	B				
Glencore plc	Switzerland	B	A-			B	
Hill & Smith Holdings	United Kingdom	D					
Johnson Matthey	United Kingdom	B	B				
KAZ Minerals	United Kingdom	D	D				
Lonmin	United Kingdom	B	B				
Marshalls	United Kingdom	B					
Mondi PLC	United Kingdom	A-	**A**				A-
Petra Diamonds Ltd	United Kingdom	C					

Company	Country	Climate	Water	Forests: Cattle Products	Forests: Palm Oil	Forests: Soy	Forests: Timber
Polymetal	Russia	D					
Randgold Resources	United Kingdom	C	D				
Rio Tinto	United Kingdom	B	DP				
RPC Group Plc	United Kingdom	B					
Smurfit Kappa Group PLC	Ireland	C	B				B
Synthomer plc	United Kingdom	C	C				
Vedanta Resources PLC	United Kingdom	C					
Victrex Plc	United Kingdom	D					
Real Estate							
Big Yellow Group	United Kingdom	B					
British Land Company	United Kingdom	B					
Canary Wharf Group Plc	United Kingdom	C					
Capital & Counties Properties	United Kingdom	**A**	NR				
Derwent London	United Kingdom	B					
Grainger plc	United Kingdom	B					
Great Portland Estates	United Kingdom	B					
Hammerson	United Kingdom	B-					
Helical Plc	United Kingdom	C					
Intu Properties plc	United Kingdom	C					
Landsec	United Kingdom	**A**					
Redefine International Plc	South Africa	D-					
Segro	United Kingdom	A-					
Shaftesbury	United Kingdom	C					
Unite Students	United Kingdom	B					
Workspace Group	United Kingdom	B					

Company	Country	Climate	Water	Forests			
				Cattle Products	Palm Oil	Soy	Timber
Telecommunication Services							
BT Group	United Kingdom	**A**					
Inmarsat	United Kingdom	B					
KCOM	United Kingdom	D					
TalkTalk Telecom Group	United Kingdom	B					
Vodacom Group	South Africa	A-					
Vodafone Group	United Kingdom	A-					
Utilities							
Centrica	United Kingdom	A-	**A**				
National Grid PLC	United Kingdom	**A**	B				
Pennon Group	United Kingdom	B	B	DP	DP	DP	DP
Severn Trent	United Kingdom	B					
SSE	United Kingdom	B	B	DP	DP	DP	DP
United Utilities	United Kingdom	A-					

Two FTSE 350 companies submitted data through their parent companies
F&C Commercial Property Trust (see Bank of Montreal)
Investec plc (see Investec Limited)

Seven UK (listed/incorporated) companies submitted their responses after the data cut that was used in the analysis of this report was taken
Babcock International Group
BP
Daisy Group PLC
Ernst & Young LLP UK
Man Group plc
Pendragon
XP Power

Appendix III
Non responding FTSE 350 companies

Key

DP The company declined to participate in a program

NR The company did not provide a response

(grey shading) The company was not requested to respond to this program as their business activities are not deemed material for that theme or the company did not meet the sample setting criteria

Company	Country	Climate	Water	Forests
Consumer Discretionary				
AO World	United Kingdom	NR		
Ascential	United Kingdom	NR		
B&M European Value Retail	Luxembourg	NR		NR
Bovis Homes Group	United Kingdom	DP		DP
Card Factory	United Kingdom	NR		
Cineworld Group	United Kingdom	NR		
Dunelm Group	United Kingdom	DP		
Entertainment One Ltd	Canada	NR		
GVC Holdings	United Kingdom	NR		
Halfords Group	United Kingdom	NR		
Howden Joinery Group Plc	United Kingdom	NR		NR
Inchcape	United Kingdom	NR		
Informa	United Kingdom	DP		DP
ITV	United Kingdom	DP		
Ladbrokes Coral Group	United Kingdom	NR		
Marston’s PLC	United Kingdom	NR		
McCarthy & Stone	United Kingdom	DP		
Mitchells & Butlers	United Kingdom	NR		
Paddy Power Betfair	Ireland	DP	DP	
Pets At Home Group	United Kingdom	NR		NR
Rank Group	United Kingdom	NR		
Restaurant Group	United Kingdom	DP		
Sports Direct International	United Kingdom	NR		NR
SSP	United Kingdom	NR		NR
Wetherspoon	United Kingdom	DP		
William Hill	United Kingdom	NR	NR	

Consumer Staples				
Booker Group	United Kingdom	DP		DP
Energy				
Hunting	United Kingdom	NR		
James Fisher & Sons	United Kingdom	NR		
Nostrum Oil & Gas	Netherlands	NR		
Financials				
Admiral Group	United Kingdom	NR		
Aldermore Group	United Kingdom	NR		
Allied Minds	United Kingdom	NR		
Ashmore Group Plc	United Kingdom	NR		
Assura Group Ltd	United Kingdom	NR		
Bankers Investment Trust	United Kingdom	NR		
BBGI SICAV SA	Luxembourg	NR		
Beazley Group	United Kingdom	NR		
BGEO Group	United Kingdom	NR		
Brewin Dolphin Holdings	United Kingdom	NR		
CLS Holdings plc	United Kingdom	NR		
CMC Markets	United Kingdom	NR		
CYBG Plc	United Kingdom	NR		
Daejan Holdings	United Kingdom	NR		
Electra Private Equity	United Kingdom	NR		
esure Group PLC	United Kingdom	NR		
Hansteen Holdings	United Kingdom	NR		
HarbourVest Global Private Equity	United Kingdom	NR		
Hargreaves Lansdown	United Kingdom	DP		
Hastings Group Holdings	United Kingdom	NR		
IG Group Holdings	United Kingdom	NR		
Intermediate Capital Group	United Kingdom	DP		
International Personal Finance	United Kingdom	DP		
IP Group Plc	United Kingdom	NR		

John Laing	United Kingdom	NR		
LondonMetric Property plc	United Kingdom	DP		
Metro Bank	United Kingdom	NR		
Onesavings Bank	United Kingdom	NR		
Paragon Group of Companies	United Kingdom	NR		
Phoenix Group Holdings	United Kingdom	NR		
Primary Health Properties	United Kingdom	NR		
Safestore Holdings Plc	United Kingdom	NR		
Shawbrook Group	United Kingdom	NR		
St. Modwen Properties	United Kingdom	NR		
SVG Capital	United Kingdom	NR		
TP ICAP	United Kingdom	NR		
UK Commercial Property Trust	United Kingdom	NR		

Health Care				
Dechra Pharmaceuticals	United Kingdom	DP		
Genus	United Kingdom	DP		
NMC Health plc	United Arab Emirates	NR		

Industrials				
AA	United Kingdom	NR		
Capita Group	United Kingdom	NR		
Clarkson Plc	United Kingdom	DP		
Diploma Plc	United Kingdom	DP		
easyJet	United Kingdom	NR		
Grafton Group PLC	Ireland	NR		NR
Homeserve	United Kingdom	NR		
Pagegroup	United Kingdom	NR		
Paypoint	United Kingdom	NR		
Ultra Electronics	United Kingdom	DP		
Vesuvius plc	United Kingdom	NR		
Wizz Air Holdings	United Kingdom	NR		

Information Technology				
Auto Trader Group	United Kingdom	NR		
Aveva Group	United Kingdom	NR		
Computacenter Plc	United Kingdom	NR		
Fidessa Group Plc	United Kingdom	NR		
Imagination Technologies	United Kingdom	NR		
Moneysupermarket.com Group	United Kingdom	NR		
Paysafe Group	United Kingdom	NR		
Playtech	United Kingdom	NR		
Renishaw	United Kingdom	NR		
Softcat	United Kingdom	NR		
Sophos Group	United Kingdom	NR		
Spectris	United Kingdom	DP		
ZPG PLC	United Kingdom	DP		

Materials				
Ferrexpo	Switzerland	NR		
Hochschild Mining	United Kingdom	NR		
Ibstock	United Kingdom	NR		

Real Estate				
Savills	United Kingdom	NR		

Utilities				
Drax Group	United Kingdom	NR	NR	NR
Telecom Plus	United Kingdom	NR		

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Executive Chairman

Paul Simpson
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Frances Way
Co-Chief Operating Officer

Sue Howells
Co-Chief Operating Officer

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