

13 December 2021

The Honorable Gary Gensler, Chairman
The United States Securities and Exchange Commission
100 F St. NE Washington, D. C., 20549

Re: Addendum to CDP's June 11, 2021 Letter Submission

Dear Chairman Gensler:

We hereby submit this Addendum to CDP North America's June 11, 2021 response to the Commission's request for public comment. This is to supplement the information we provided in our response to SEC QUESTION TWO, regarding information on Scope 3 disclosure. We repeat the question here, and additional information on Scope 3 disclosure follows.

SEC QUESTION TWO: What information related to climate risks can be quantified and measured? How are markets currently using quantified information? Are there specific metrics on which all registrants should report (such as scopes 1, 2, and 3 GHG emissions)? What quantified and measured information or metrics should be disclosed because it may be material to an investment or voting decision? Should disclosures be tied or scaled based on the size or type of registrant? How? Should disclosures be phased in over time? How? How are markets evaluating and pricing externalities of contributions to climate change? Do climate change related impacts affect the cost of capital, and if so, how and in what ways? How have registrants or investors analyzed risks and costs associated with climate change? What are registrants doing internally to evaluate or project climate scenarios, and what information from or about such internal evaluations should be disclosed to investors to inform investment and voting decisions? How does the absence or presence of robust carbon markets impact firms' analysis of the risks and costs associated with climate change?

I. Addendum Note regarding updated data on CDP Global and CDP North America Scope 3 2021 Disclosure

In 2021, CDP performed high-level analysis on scope 3 disclosure for the "Climate High Impact Sample" (comprised of 2186 companies over the last 3 years¹). For this analysis CDP did not consider a company's self-determined relevancy of scope 3 categories and instead focused on the disclosure of a sample of key S3 categories (for non-financial industries – purchased goods and services + use of sold products, and for financial services – investments) Results appear below.

Percentages represent the universe that disclosed Scope 3 to CDP each year; with overall disclosure count of the Climate High Impact sample in parenthesis):

- **2019** – 350 companies, 26.7% (1,312 companies)
- **2020** – 401 companies, 29.0% (1,385 companies)
- **2021** – 475 companies, 31.9% (1,490 companies)

These stats show growth in the response rate of our Climate High Impact Sample year on year, and an increase in the disclosure of important scope 3 categories.

**In essence, the CDP Climate High Impact sample identifies companies deemed high impact based on two main considerations – market cap (US\$, per BBG) and GHG emissions (S1+S2, or S3. There is strong overlap with the MSCI ACWI (all country world index). The GHG emissions data was sourced from CDP's GHG Emissions Dataset that the Data Team produce for our investor signatories and includes public/private disclosed data which is all reviewed for potential errors/gaps, for non-CDP responders*

the data is scraped from mainstream reports where possible, or modelled data. Scope 1 and 2 emissions are considered together, whilst scope 3 is a separate consideration

II. U.S. Only Data--Comparable Scope 3 Disclosure in Climate High Impact Sample

There are 524 U.S. companies in the Climate High Impact Sample.

The total of U.S. companies in the sample that disclosed each year appears in parentheses; percentages are based on the number that disclosed each year and not the full 524 companies:

U.S. companies in the climate high impact sample disclosing key S3 categories (for non-FS – use of sold products + purchased goods and services, for FS – investments only):

- 2019 – 62 companies, 17% (364 US companies disclosed)
- 2020 – 67 companies, 17.7% (379 US companies disclosed)
- 2021 – 89 companies, 22.1% (402 US companies disclosed)

(Above includes financial services companies.)

III. FINANCIAL SERVICES DISCLOSURE TO CDP, ASIDE FROM HIGH CLIMATE IMPACT SAMPLE

Aside from the “High Climate Impact” sample, in 2020, 25% of all financial sector companies disclosing to CDP reported financed emissions (scope 3) to CDP (See: CDP Climate Finance report, 2020):

<https://cdn.cdp.net/cdp-production/cms/reports/documents/000/005/741/original/CDP-Financial-Services-Disclosure-Report-2020.pdf?1619537981>

Costs of disclosure to CDP across all scopes is covered in our administrative fee schedule, included here below and available on www.cdp.net

	UK companies	Western European companies	Japanese companies	All other companies
Subsidized contribution	£785	€925	¥ 97,500	US\$975
Standard contribution	£1,975	€2,475	¥ 272,500	US\$2,725
Enhanced contribution	£5,000	€6,000	¥ 650,000	US\$6,500

CDP remains at your disposal. Thank you.

Sincerely,

Ateli Iyalla, Managing Director, CDP North America [REDACTED]

Elizabeth Small, General Counsel, CDP North America [REDACTED]

Paula DiPerna, Special Advisor, CDP North America, [REDACTED]