



# Tracking and reporting environmental data for CDP accreditation

**Q&A with Alvaro E. Pereira, Head of Global Technical Sales and Marketing, Customer Insights at Enel X and Luca Olivi Global Marketing, Customer Insights at Enel X**

Did you know that companies are responsible for as much as 70% of global emissions? Businesses of all sizes have the power to drive meaningful action towards a sustainable future. Disclosing environmental data for independent accreditation enables companies to record and improve their contribution towards a healthier, more environmentally sustainable world.

CDP is a not-for-profit charity and one of the world's most respected carbon disclosure platforms. Investors, companies, cities, states and regions use CDP to manage their environmental impacts. As a CDP Gold Accredited Provider, Enel X help organisations to improve their disclosure capabilities and to execute impactful action towards a sustainable economy.

Energy Matters interviewed Enel X carbon disclosure experts Alvaro E. Pereira and Luca Olivi to learn more about CDP and the role that Enel X plays.

**Energy Matters: Thank you, Alvaro and Luca, for talking to us about the important work that Enel X is doing to help companies track and report emissions. Can we start with an explanation of what CDP is and how it works?**

**Alvaro:** CDP is a global, non-profit organisation that enables companies as well as cities and governmental entities to disclose various types of environmental data. It used to go under the name Climate Disclosure Project but now everyone knows it just as CDP. It started in 2000 recording climate data and has since moved into other areas like forestry and water. They provide a standardised method to report that data, so somebody can go to the CDP website and, for those that elect to be scored, see how a company ranks from A to F on its disclosure scoring system. It's voluntary and very flexible, you can, for example, choose to make your responses private or public.

**Energy Matters: As it's voluntary, why should organisations report their emissions to CDP?**

**Luca:** Essentially, reporting to CDP really drives transparency around the environmental impact of a company or city and their supply chains. It returns three primary tangible benefits:

1. Companies become fully aligned with the Task Force on Climate-related Financial Disclosures (TCFD) best-practice recommendations and are fully prepared for likely mandatory environmental reporting rules
2. Disclosure helps identify emerging environmental risks and opportunities that would otherwise be overlooked
3. Companies and cities can track and benchmark their progress across sectors and receive feedback on their progress each year

The scores help inform customers and potential investors and collaborators. There is a high and growing market demand for environmental disclosure through CDP. Several investors and large purchasers require thousands of businesses to disclose their environmental data through CDP as a condition of doing business with them.

**Energy Matters: What challenges do organisations face in reporting emissions?**

**Alvaro:** One of the biggest challenges companies that face is getting a relatively complete understanding of their data for their global portfolio. Understanding what their energy consumption is, how it's made up, where it comes from, etc., and calculating those emissions. A second challenge is getting data about scope 3 emissions. These

are indirect emissions that come from the value chain, so that's from activities that the reporting company doesn't own or control. Scope 3 emissions can make up the largest proportion of a company's greenhouse gas emission inventory, but many companies haven't tackled that yet. The third challenge is making sure that the governance and incentives are in place to align the whole organisation to achieve its sustainability goals, from the board to the frontline workforce.

**Energy Matters: So, what are the benefits they can expect?**

**Luca:** Disclosure through CDP can give businesses a competitive advantage or access to investment, as I mentioned. It can make the difference between getting on a procurement shortlist or not, for instance. Financially, companies have saved billions of dollars by reducing CO2 waste, for example. As CDP puts the focus on different initiatives, it helps companies prepare for possible mandatory reporting rule changes or to identify emerging environmental risks and opportunities.

**Energy Matters: Let's talk about timing, when are reports required, and how often should they be submitted?**

**Alvaro:** There is an annual disclosure process, and there are certain dates by which submissions must be made if you want to be scored. There are some nuances, for example you can withhold disclosure to certain parties, but the CDP doesn't encourage this as the point is to make the data as widely available as possible. It's important to note that the A-F grades refer to completeness of reporting and progress towards environmental stewardship. It does take effort and involves stakeholders from throughout the company – not just sustainability or energy people – to put the work in to get a really good score.

**Energy Matters: What support does Enel X offer to help with emissions tracking and reporting?**

**Luca:** As a Climate Change Consultancy Partner, Enel X has a strong relationship with CDP. We offer a 360-degree service from emissions reporting to decarbonisation strategy setting to implementation advisory.

Our modular approach includes a broad range of Net-Zero advisory services from data gathering, greenhouse gas (GHG) emission calculation, tracking and reporting to workshops on renewable energy, carbon roadmap definition up to implementation.

This means we can start with curating and submitting data and build up to helping companies understand the consequences of actions and plan a roadmap for improving their CDP score. But it's not just about a score, for some companies it can be a behavioural or mindset shift, especially as they involve partners in their value chain to reduce their scope 3 emissions.

### **Energy Matters: How does working with Enel X help organisations improve their CDP ranking?**

**Alvaro:** Because we are global, Enel X is a one-stop shop for organisations to get their data from all over the world. We can be that single trusted partner that companies can turn to for help not only tracking and recording data, but also to help define decarbonisation strategies to monitor and reduce their scope 1-3 emissions. We are familiar with the areas of the questionnaire that companies should focus on and can benchmark performance against their peers.

I would say that the value we add goes beyond the CDP score. We help even if a business doesn't want to disclose. The CDP questionnaires provide a set of guideposts that show the direction they should be going in – the data that's important, which targets to set, the impact of the strategies they've implemented, etc. A customer may say, 'We don't want to report this year, but can you help us look at implementing renewable energy, or set our emissions target?' With our focus on the energy markets and our global reach, Enel X is ideally positioned to help organisations not just submit their CDP data, but actively work on planning and implementing custom-built strategies and roadmaps to improve their ranking.

### **Energy Matters: Thank you, Alvaro and Luca. Finally, how can people find out more about CDP and Enel X's support services?**

**Luca:** CDP's website is a great resource, it's at [cdp.net](https://cdp.net). That link takes you to the English version but it's also available in several other languages.

**AI:** I recommend that people contact their local Enel X partner to get a personalised assessment of where we can add value to improve their CDP submission and scores.



### **Alvaro Pereira- Head of Global Technical Sales and Marketing, Customer Insights at Enel X**

Alvaro Pereira is an energy economist with 25 years of experience in economic, technical, regulatory and policy analysis with expertise in renewable energy, procurement, carbon accounting and power markets. Alvaro leads Enel X's global technical sales team, which is responsible for assessing customers' global energy management needs and designing solutions that help them achieve their commercial and environmental goals.



### **Luca Olivi- Global Marketing, Customer Insights at Enel X**

Luca joined Enel X in 2017 as business assistant to the CEO. He moved to the e-Industries business line where he has been leading the marketing activities of advisory services at global level since 2019. Before joining Enel X, Luca had been working in Accenture, where he was involved in various change management projects for multinationals clients in the energy industry. Luca has a strong experience in decarbonisation solutions and in helping organisations plan, execute, communicate, and engage on ESG to transition to a 1.5 and nature positive economy.



### **Enel X is a CDP Gold Partner. In this capacity, we can help you:**

- > Track direct and indirect emissions including scopes 1, 2 and 3
- > Organise and report your environmental data
- > Develop and implement an emissions reduction strategy
- > Procure and advise on renewable energy products
- > Measure and understand your environmental impact
- > Analyse the benefits and costs of setting different emissions reduction targets
- > Benchmark your company against your peers