



PROMOTING CLIMATE DISCLOSURE AND TARGET-SETTING

Engagement Case Study



PROMOTING CLIMATE DISCLOSURE AND TARGET-SETTING: RESULTS FROM THE CDP NON-DISCLOSURE AND SCIENCE-BASED TARGETS CAMPAIGNS

At ESG-AM, we view transparency on environmental issues as a cornerstone of responsible investment. In support of this, ESG-AM became a CDP signatory in 2022. CDP is a global non-profit organization that operates one of the world's leading platforms for environmental disclosure, helping companies measure and manage their impacts related to climate change, deforestation, and water security¹. Our support for CDP reflects a core belief: that climate-related data and science-based targets provide essential input for sound corporate strategy and informed investment decisions. For companies, disclosure contributes to accountability and credibility. For investors, it offers valuable insights into climate-related risks and readiness for transition. In 2024, we reaffirmed this commitment through active participation in CDP's two key initiatives: the Non-Disclosure Campaign (NDC) and the Science-Based Targets Campaign.

ESG-AM's participation in the **CDP Non-Disclosure Campaign**² continued in 2024 for the third consecutive year. The campaign brought together 276 financial institutions managing more than US\$21 trillion in assets. Collectively, 1,998 high-impact companies were approached, together responsible for over 4,300 megatons of CO₂ equivalent emissions, an amount comparable to the combined annual emissions of India, Brazil, Germany, and the United Kingdom. Of these, 1,329 companies were specifically encouraged to

disclose climate-related data, and 191 responded by submitting information through CDP's platform. Within this climate-focused segment, ESG-AM served as a lead engager, taking on an active role in engagement with one of the targeted companies.

In this role, ESG-AM contacted TriNet Group, a U.S.-based provider of human capital management solutions, encouraging the company to disclose climate-related information via CDP's Climate Change questionnaire. Despite a formal request, follow-up, and an escalation to senior management, the company opted not to participate. Although CDP offered to facilitate further dialogue, no subsequent discussions were held, and the company confirmed it would not submit a response. CDP subsequently assigned TriNet an "F" rating, indicating non-participation. As a result, the company remained ineligible for inclusion in ESG-AM's climate-aligned investment strategies at the end of 2024.

In parallel, ESG-AM supported the final edition of the **CDP Science-Based Targets Campaign**³ advocating for the decarbonization of high-impact sector. This initiative concluded in October 2024 with the backing of 307 financial institutions— a 31% increase compared to the prior year— who collectively engaged over 2,100 companies from October 2023 to September 2024. The campaign encouraged participating companies to adopt emissions reduction targets aligned with the

goals of the Paris Agreement, aiming to limit global temperature rise to well below 2°C, with a stretch target of 1.5°C.

By the end of the engagement cycle, 71 companies had committed to the Science-Based Targets initiative (SBTi)⁴. Among ESG-AM portfolio companies targeted through the campaign, 6 joined the SBTi, 3 expressed interest in joining, and 10 were actively evaluating the feasibility of setting science-based targets.

Our engagement in these two CDP 2024 campaigns underscores ESG-AM's continued dedication to environmental accountability, transparency, and ambition. While our outreach to TriNet did not yield a formal disclosure, the broader campaign underscored a positive trend:

CONTACT

We are committed to continuous improvement and value feedback from our stakeholders. We invite readers to share their feedback on this case study via engagement@esg-am.com. For further inquiries on our engagement framework, please reach out to our Engagement Manager, Paula Krol: paula.krol@esg-am.com



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ENDNOTES

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- ¹ <https://www.cdp.net/en>
 - ² <https://cdp.net/en/campaigns/non-disclosure-campaign>
 - ³ <https://classic.cdp.net/en/investor/engage-with-companies/cdp-science-based-targets-campaign>
 - ⁴ <https://sciencebasedtargets.org/>