

Scoring Methodology for CDP Financial Services Questionnaire: Climate Change & Forests Pilot 2021

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Introduction to scoring

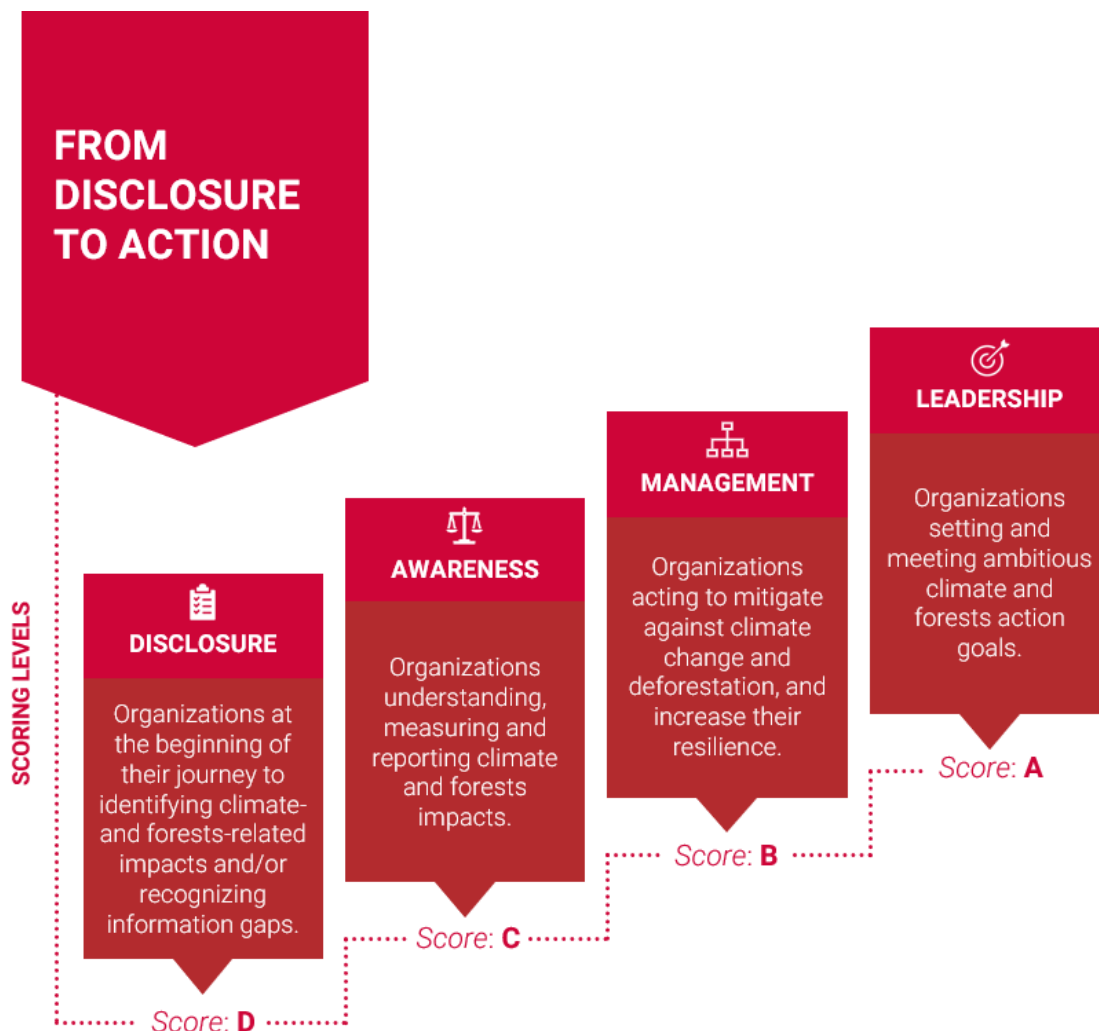
CDP works with organizations to motivate them to disclose their impacts on the environment and take action to reduce negative impacts. The scoring methodology is designed to incentivize actions that are applicable to most financial services companies regardless of geography or level of development. Scoring assesses the level of detail and comprehensiveness of a financial institution's actions as reported in the CDP questionnaire.

This document provides information about our scoring methodology and indicates the steps organizations can take to improve their response – we strongly encourage you to read this document and the reporting guidance when completing the CDP Financial Services Questionnaire: Climate Change & Forests Pilot 2021.

Scoring levels

Organizations are assessed across four consecutive levels which represent the steps organizations move through as they progress towards environmental stewardship. The levels are:

- **Disclosure (D- or D):** An organization in the Disclosure scoring level has just started the journey of understanding and reporting on climate- and forests-related impacts. These organizations understand the value of collecting data to drive climate/forests action but may not have structures or resources in place to obtain the necessary information. Organizations in the Disclosure level report on the degree to which climate and forests-related impacts and risks have been measured.
- **Awareness (C- or C):** An organization in the Awareness scoring level is in the process of evaluating climate- and forests-related risks. Organizations' evaluations should include the impacts of business activities on the environment, as well as impacts the environment may have on business activities. The awareness score does not indicate that an organization has taken any actions to address environmental issues beyond initial screenings or assessments. Action to address issues is measured in the next level of scoring - Management.
- **Management (B- or B):** An organization in the Management level has understood the main climate- and forests-related risks and impacts and is taking action to reduce negative impacts. These organizations have worked collaboratively with key stakeholders to understand their risks and impacts and now have plans in place to mitigate and adapt.
- **Leadership (A- or A):** A Leadership organization demonstrates best practice standards, has set ambitious but realistic goals and made progress towards achieving those goals. Their responses will have shown a thorough understanding of climate and forests-related risks and opportunities, and will have formulated and implemented strategies to mitigate or capitalize on these risks and opportunities.



In order to progress from one level to the next, organizations must pass the threshold at each scoring level. For example, an organization must receive enough points in the Disclosure level to pass the threshold before they will be scored in the next scoring level - Awareness. The more criteria that are met, the higher the chance that the organization will be able to earn enough points to surpass the threshold and be scored in the following level. In addition to meeting the threshold there are certain criteria associated with each scoring level that must be met in order to receive a score in that level - these are called Essential Criteria and are explained in the 'How responses are scored' section.

Points allocation

All questions have points available for climate and/or forests scoring, except for the Introduction and Additional Metrics modules, questions FS8.2a, FS8.3 and FS-FI, which are not scored. Questions may include criteria for scoring across more than one level. For instance, some questions have disclosure, awareness, management, and leadership level scoring associated with them, while others may only be scored for disclosure and awareness levels. All questions which are scored have points available for the disclosure level.

Climate score and forests score

The CDP Financial Services Questionnaire: Climate Change & Forests Pilot 2021 covers two themes: a climate change theme and a forests theme. The responders to the questionnaire will receive a separate score for each theme – one climate change score and one forests score. All questions asking for information about both the climate theme and forests theme will be scored for both themes. For questions asking for information on either climate or forests, only the respective score of that theme will be affected. When a question is scored for both, the answer provided for climate will not affect the forest score and the answer provided for forests will not affect the climate score.

On occasion, a question which appears to ask for information about both themes will only be scored for one theme because of something indicated in response to a previous question. For example, if you have already indicated that you assess your portfolio for climate-related risks but not for forests-related risks then:

- (FS2.2a) Describe how you assess your portfolio's exposure to climate- and/or forests-related risks. - Will be scored for the climate theme.
- (FS2.2b) Why do you not assess your portfolio's exposure to climate- and/or forests-related risks, and do you plan to do so in the next two years? – Will be scored for the forests theme.

For an answer to be attributed to one of the scores or both it must be clearly indicated which theme(s) are covered in the response. Questions that cover both themes allow the responder to disclose on whether their response relates to climate, forests, or both, and this selection will determine the scoring. If none of the themes are selected for a question, no points for either theme will be awarded for that question. Please note that text responses should include both themes where relevant.

The beginning of each module in the scoring methodology states whether the module is scored for both themes or just the climate change theme. When a module is scored for both, scoring criteria applies to both unless marked as either climate or forests. See the scoring overview table at the end of this document to see a full overview of which questions are scored for climate/forests.

Relevant portfolios

The CDP Financial Services Questionnaire: Climate Change & Forests Pilot 2021 covers the following financial activities:

- Banking (Banks)
- Investing (Asset owners)
- Investing (Asset managers)
- Insurance underwriting (Insurance companies)

The responder will be asked to select which organizational activities it undertakes in question FS0.6 and this will determine which questions will be shown throughout the questionnaire and which response options will be listed within these questions.

Options selected in FS0.6 will also determine relevant portfolios for which the organization will be asked to disclose. For questions asking for information about relevant portfolios, the organization should provide an answer for each activity selected in FS0.6. Failing to do so could impact the organization's score for these questions.

How responses are scored

Unanswered questions

Unanswered questions will be scored zero out of the maximum available points for that question or set of questions. Blank cells within a table will be interpreted as not responding to the question or choosing not to disclose data.

Supplying information as requested

If a question has clearly been answered incorrectly, points will not be awarded for that question. This could include a response which clearly does not answer the question, a text response which does not support or contradicts the selection made from the drop-down menu, or information in the wrong field of a table.

Reports on

Throughout the scoring methodology, some points are awarded in the Disclosure and Awareness levels for “reporting on” requested information. “Reports on” means disclosing information in response to a question, regardless of what information has been selected or provided. For example, when asked to report on board-level oversight of issues related to climate/forests, Disclosure point(s) will be awarded if the response to the question is yes or no, as long as an answer has been given.

Explanations

As well as answering the specific question posed in the questionnaire, explanations should answer the question “Why?” and/or the question “How?”. A statement such as “This is not relevant for our business” will not be considered an explanation since it does not explain why or how the topic is not relevant. A better example is: “As a financial institution, we do not sell intermediate products that require processing into final products and therefore Scope 3 emissions relating to processing of sold products are considered not material.”

Company-specific explanations

Throughout the scoring methodology some points are awarded for "company-specific explanations". These are defined as explanations which reference activities, programs, products, services, methodologies or operating locations which are unique to that company's business or operations. A company-specific explanation should include details that make the answer true for the responding company and are distinct from other companies in the same industry and/or geography. A company-specific explanation gives data users confidence that the issue at hand has been thoroughly considered in the context of the responders' own business, and not simply assessed in general terms.

Case study

For some questions, points are awarded for providing a case study to support a response. A case study must include a description which follows a “Situation-Task-Action-Result” (STAR) approach: 1) Situation: what was the context or background? 2) Task: what needed to be done or what was the problem to be solved? 3) Action: what was the course of action taken? 4) Result: what was the final outcome of the course of action? A case study should describe a process in time and should provide as many company-specific details as possible.

Example

Examples are often requested to support a response. An example does not need to be described following the same STAR approach expected from a case study, and it can be shorter than a case study. However, it should include some company-specific detail.

Demonstrate

For some questions, points are awarded in the Leadership level for demonstrating a particular outcome of an activity. Demonstrating a result or outcome should be linked to the activity that is disclosed on and include some company-specific detail.

Clear rationale

Throughout the scoring methodology, some points are awarded for providing a ‘clear rationale’. These are defined as explanations which provide a logical reasoning for methodologies, descriptions, decisions and actions made by the responding organization.

Essential criteria

Awareness, Management and Leadership levels have essential criteria which must be met in order to receive a score within those levels. For example, if an organization is successful at meeting all essential criteria for

Awareness, they will be eligible to move into the Awareness level. Please note that in addition to the essential criteria the organization also needs to receive enough points in the scoring level below to progress to the next level. In order to receive a Leadership score, all essential criteria in Awareness, Management and Leadership must be met.

The essential criteria for the Financial Services Questionnaire: Climate Change & Forests Pilot 2021 is as follows:

Awareness essential criteria:

- The organization state in FS2.1 that it has a process for identifying, assessing, and managing issues related to climate/forests.
- Climate: Climate-related risks and opportunities are considered in the organization's strategy and/or financial planning as indicated in question FS3.1.
- Forests: The organization discloses how much financing/insuring is provided to companies involved in agricultural commodities.
- The organization indicates in FS6.1 that they engage with their value chain on climate-/forests-related issues.

Management essential criteria:

- As indicated in FS1.1b, board level oversight of issues related to climate/forests includes the impact of lending/investing/insurance activities on climate/forests.
- The organization assess its lending/investing/insurance portfolios' exposure to climate-/forests-related risks indicated in question FS2.2.
- Issues related to climate/forests are integrated in the policy framework of the organization and it is indicated in 4.1a for climate and 4.1c for forests that these policies have been made publicly available.
- Climate: The organization conducts analysis to understand how its lending/investing/insurance portfolios impacts climate as indicated in question FS5.3.
- The organization indicates in question FS6.1a/FS6.1b that they have a targeted engagement strategy with clients/investees on issues related to climate/forests.

Leadership essential criteria:

- Climate: Demonstrates in question FS4.1b how the policy has impacted the organization's exposure to climate-related issues.
- Forests: Demonstrates in question FS4.1d how the policy has impacted the organization's exposure to forests-related issues.
- Forests: All forest risk commodity clients are compliant or near-compliant with the organization's forest-related policy expectations as disclosed in FS5.2a
- Demonstrates in FS6.1a/FS6.1b the impact of climate-/forest-related client/investee engagement.

Weightings in the scoring methodology

The scoring level in each module has a percentage value attached to it that shows how much of the criteria in that module makes up your total score for that scoring level. For example, if you meet all of the management criteria for the governance module for climate, you have met 12% of the total Management score.

The percentage value gives an indication of how many points are attached to the criteria listed and for Awareness, Management, and Leadership levels weightings are applied to reflect their relative importance of the module in the overall score for each theme. See tables below for weightings assigned to each module, split out by scoring level, for climate change and forests.

Climate change module weightings by scoring level

MODULE	MODULE WEIGHTINGS FOR CLIMATE CHANGE			
	Disclosure	Awareness	Management	Leadership
Introduction	0%	0%	0%	0%
Governance	7%	12%	12%	11%
Risks and opportunities	14%	24%	18%	18%
Business Strategy	7%	9%	9%	9%
Implementation	4%	12%	12%	13%
Portfolio impact	9%	12%	15%	13%
Engagement	10%	11%	13%	14%
Emissions targets & performance	20%	8%	6%	6%
Emissions methodology	1%	0%	0%	0%
Emissions data	11%	5%	3%	4%
Energy	4%	2%	2%	2%
Additional metric	0%	0%	0%	0%
Carbon pricing	5%	1%	1%	0%
Verification	7%	4%	7%	5%
Sign off	1%	0%	2%	5%
	100%	100%	100%	100%

Forests module weightings by scoring level

MODULE	MODULE WEIGHTINGS FOR FORESTS			
	Disclosure	Awareness	Management	Leadership
Introduction	0%	0%	0%	0%
Governance	14%	16%	16%	14%
Risks and opportunities	31%	27%	20%	16%
Business Strategy	15%	8%	8%	9%
Implementation	14%	18%	22%	24%
Portfolio impact	3%	14%	15%	14%
Engagement	20%	17%	16%	17%
Emissions targets & performance	0%	0%	0%	0%
Emissions methodology	0%	0%	0%	0%
Emissions data	0%	0%	0%	0%
Energy	0%	0%	0%	0%
Additional metric	0%	0%	0%	0%
Carbon pricing	0%	0%	0%	0%
Verification	0%	0%	0%	0%
Sign off	1%	0%	3%	6%
	100%	100%	100%	100%

Scoring criteria

Module 1 – Governance

The questions in this section are scored for Climate and Forests

Disclosure criteria

Climate Disclosure score weighting: 7% Forests Disclosure score weighting: 14%

- Reports on board-level oversight of issues related to climate/forests, including details of the position(s) on the board with responsibility for forest/climate.
- Provides details of the highest management-level position(s) or committee(s) with responsibility for climate/forests issues.
- Reports on whether incentives are provided for the management of issues related to climate/forests.
- Reports on whether the organization offers its employees an employment-based retirement scheme that incorporates ESG principles including climate change and/or forests.

Awareness criteria

Climate Awareness score weighting: 12% Forests Awareness score weighting: 16%

- The organization has board-level oversight of issues related to climate/forests.
- The highest management-level position(s) or committee(s) with responsibility for issues related to climate/forests reports directly to the board on these issues.
- Incentives are provided for the management of issues related to climate/forests and the organization disclose details of these incentives in their disclosure.
- If there is no board-level oversight or incentives for the management of issues related to climate/forests, the organization plans to introduce this in the next two years.

Management criteria

Climate Management score weighting: 12% Forests Management score weighting: 16%

- **Essential criteria: As indicated in FS1.1b, board level oversight of issues related to climate/forests includes the impact of lending/investing/insurance underwriting activities on climate/forests.**
- Provides details of the board's oversight of issues related to climate/forests, including frequency of meeting, the position(s) responsible for these issues and how their responsibilities relate to climate/forests.
- The highest management-level position(s) or committee(s) with responsibility for issues related to climate/forests reports directly to the board on these issues at least quarterly, and is responsible for both assessing and managing risks and opportunities related to these issues in relation to their lending/investing/insurance portfolio(s).
- Monetary incentives are provided for the management of issues related to climate/forests.
- The organization offers its employees an employment-based retirement scheme that incorporates ESG principles, including climate/forests.

Leadership criteria

Climate Leadership score weighting: 11% *Forests Leadership score weighting: 14%*

- Person(s)/committee(s) on the board responsible for climate/forests issues is C-suite employee(s) in the organization.
- Provides at least one example of an environment-related decision made by the person(s)/committee(s) on the board responsible for climate/forests issues.
- The highest management-level position(s) or committee(s) with responsibility for climate- and/or forests-related issues is a C-suite employee in the organization.
- Incentives provided for the management of climate- and/or forests-related issues is a C-suite employee in the organization.

Module 2 – Risks and opportunities

The questions in this section are scored for Climate and Forests

Disclosure criteria

Climate Disclosure score weighting: 14% *Forests Disclosure score weighting: 31%*

- Reports on practices for identifying, assessing, and managing issues related to climate/forests.
- Disclose the organization's definitions for short-, medium- and long-term horizons and their definition for substantive financial or strategic impact in relation to their business.
- Reports status of assessing portfolios' exposure to risk related to climate/forests.
- Reports whether climate/forests information about clients/investees is considered when conducting due diligence and/or risk assessment practices.
- Reports whether any inherent climate-/forests-related risks and/or opportunities with the potential to have a substantive financial or strategic impact on their business have been identified.

Awareness criteria

Climate Awareness score weighting: 24% *Forests Awareness score weighting: 27%*

- **Essential criteria: The organization state in FS2.1 that it has a process for identifying, assessing, and managing issues related to climate/forests.**
- Definitions of short-, medium-, and long-term horizons are in consecutive order.
- Processes for identifying, assessing, and managing climate/forests issues covers at least two time horizons, relates to banking/investing/insurance portfolio(s), and is monitored at least annually.
- If the organization does not have a process in place for identifying, assessing, and managing climate- and/or forests-related risks and opportunities, they plan to do so in the next two years.
- All risk types listed in question FS2.1d that are considered relevant are included in the organization's climate/forests risk assessments. For risk types that are not considered relevant, a clear rationale as to why the specific risk type is not relevant is provided.
- If portfolio exposure to climate-/forests-related risk is not assessed, the organization plan to do so in the next two years.
- Climate/forests information about clients is considered when conducting due diligence and/or undertaking risk assessment practices, or the organization plan to do so in the next two years.
- Provides comprehensive information about risks and opportunities identified with the potential to have a substantive financial or strategic impact on the business.

Management criteria

Climate Management score weighting: 18% *Forests Management score weighting: 20%*

- **Essential criteria: The organization assess its banking/investing/insurance portfolios' exposure to climate-/forests-related risks indicated in question FS2.2.**
- Provides a description of the process used to determine which risks and/or opportunities could have a substantive financial or strategic impact.
- Provides examples of the inclusion of risk types listed in question FS2.1d in the organization's climate/forests risk assessments, or if the risk type is not relevant, a clear rationale of why the risk type is not relevant is provided.
- Portfolio exposure to climate-/forests-related risk is assessed and description of tools and methodologies used to assess portfolio exposure is provided.
- Explain what type of climate-/forests-related information is considered and how it is obtained when conducting due diligence and/or risk assessment on clients.
- Regarding information provided about risks (FS2.4a) and opportunities (FS2.5a) identified with the potential to have substantive financial or strategic impact on the business:
 - Relates to the organization's portfolio
 - Company-specific descriptions of the risk and/or opportunity are provided
 - Potential financial impact figures and calculation assumptions are provided
 - Response strategy to the risk is implemented or expected to be implemented
 - A strategy to realize opportunity is implemented or expected to be implemented.

Leadership criteria

Climate Leadership score weighting: 18% Forests Leadership score weighting: 16%

- Processes for identifying, assessing, and responding to climate-/forests-related risks and opportunities in the financing portfolio covers short-term, medium-term, and long-term time horizons.
- At least three different risk types are considered in the organization's climate- /forests-related risk assessment
- Explains whether the assessment of portfolios' exposure to climate- /forests-related risks has resulted in any decisions impacting the portfolio.
- For risks identified with the potential to have a substantive financial or strategic impact on the business a case study providing a description of company-specific activities, projects, products and/or services which aim to address the risk is provided.
- For opportunities identified with the potential to have a substantive financial or strategic impact on the business a case study providing a description of company-specific activities, projects, products and/or services which are aiming to realize the opportunity is provided.

Module 3 – Business Strategy

The questions in this section are scored for Climate and Forests

Disclosure criteria

Climate Disclosure score weighting: 7% Forests Disclosure score weighting: 15%

- Reports on whether issues related to climate and forests have been integrated into the organization's business strategy.
- Reports on the use of scenario analysis and/or stress testing as it relates to climate, and the inclusion of forests.
- Reports on whether climate/forests considerations are included in strategy and/or financial planning.
- Reports on products or services enabling clients to mitigate and/or adapt to the effects of climate change and/or deforestation.
- Reports on whether issues related to climate and forests have been integrated into the organization's investor manager selection process.

- Forests: Reports on whether the organization have a biodiversity-related vision and/or strategy.

Awareness criteria

Climate Awareness score weighting: 9% Forests Awareness score weighting: 8%

- **Climate essential criteria**: Climate-related risks and opportunities are considered in the organization's strategy and/or financial planning as indicated in question FS3.1.
- Forests: forests-related risks and opportunities are considered in the organization's strategy and/or financial planning.
- Climate: The organization's low-carbon transition plan is a scheduled resolution item at Annual General Meetings. If not, the organization intends to publish a low-carbon transition plan in the next two years and intends it to become a scheduled resolution item.
- Climate: The organization use climate-related scenario analysis and/or stress testing to inform its strategy and provides details of the time horizon(s) considered.
- Climate: If the organization does not use climate-related scenario analysis and/or stress testing, reports on whether they have plans to do so and provides explanation.
- Provides details on where and how risks and opportunities related to climate/forests have influenced strategy.
- If climate-/forests-related risks and opportunities have not been taken into consideration in strategy and/or financial planning, they plan to do so in the next two years.
- Disclose which taxonomy or methodology was used to classify product(s) that enable clients to mitigate and/or adapt to climate change/deforestation.
- Provides details on processes used for factoring climate-/forests-related issues into external asset management selection.
- Forests: The organization have a biodiversity-related vision and/or strategy, or plan to introduce one within the next two years.

Management criteria

Climate Management score weighting: 9% Forests Management score weighting: 8%

- Climate: The organization's low-carbon transition plan is a scheduled resolution item at Annual General Meetings.
- Climate: Provides results of scenario analysis and/or stress testing and state whether it has informed strategy.
- Forests: Discloses on whether deforestation or land use change is integrated in any of applied scenario analysis and provides explanation.
- Provides the following information about where and how risks and opportunities related to climate/forests have influenced the organization's strategy:
 - If it has been influenced: Provides description of how the strategy in this area has been influenced and time horizon(s) it covers.
 - If evaluation is in progress: Provides company-specific description of evaluation process and when it is expected to be completed.
 - If it has not been influenced: Provides explanation of why the strategy in this area has not been influenced by climate-/forests-related risks and opportunities
- Provides a case study of how climate-related risks and opportunities have influenced the organization's financial planning and disclose time horizon.
- If climate-/forests-related risks and opportunities have not been taken into consideration in strategy and/or financial planning, provides a company-specific example of why it has not influenced and whether it is expected that it will influence the business strategy and/or financial planning in the future.
- Provides details on portfolio value covered by products that enable clients to mitigate and/or adapt to climate change or deforestation.
- Climate-/forests-related issues are factored into the organization's investor manager selection process for all/majority of assets managed externally.
- Forests: The organization have a biodiversity-related strategy.

Leadership criteria

Climate Leadership score weighting: 9% Forests Leadership score weighting: 9%

- Climate: Demonstrates how the scenario analysis and/or stress testing have directly influenced the organizations strategy either by providing a company specific description, example, or case study.
- Forests: Provides a summary of the results of the conducted scenario analysis.
- Disclose the most substantial strategic decision(s) made to date that have been influenced by risks and opportunities related to climate/forests by providing a case study.
- The taxonomy or methodology that was used to classify product(s), which enable clients to mitigate and/or adapt to climate change/deforestation, is externally classified.

Module 4 – Implementation

The questions in the implementation module are scored for Climate and Forests.

Disclosure criteria

Climate Disclosure score weighting: 4% Forests Disclosure score weighting: 14%

- Reports on status of integrating climate/forests considerations into the policy framework of the organization and provides further details on the content of the policies.
- If climate/forests considerations are not integrated, discloses whether the organizations have plans to do so in the next two years.
- Forests: Reports whether clients/investees are encouraged to set targets for increasing sustainable production and/or consumption of forest risk commodities, and if so, provides further details on these targets.
- Reports on status of including covenants in financing agreements to reflect and enforce climate- and/or forests-related policies.

Awareness criteria

Climate Awareness score weighting: 12% Forests Awareness score weighting: 18%

- Discloses how much of the banking/investing/insurance portfolios are covered by the climate-/forest-related policy.
- If climate/forests considerations are not integrated in the policy framework, the organization plans to do so in the next two years.
- Forests: Clients/investees producing and/or consuming forest risk commodities are encouraged to set a target to increase the use of certification and/or traceability.
- Forests: If clients/investees are not encouraged to set targets for increasing sustainable production and/or consumption of forest risk commodities, the organization has plans to do so in the next two years.
- Covenants are included in financing agreements to reflect and enforce the climate/forests policies.

Management criteria

Climate Management score weighting: 12% Forests Management score weighting: 22%

- **Essential criteria: Issues related to climate/forests are integrated in the policy framework of the organization and it is indicated in 4.1a (for climate) and 4.1c (for forests) that these policies have been made publicly available.**
- Description of at least one policy with climate-/forests-related issues integrated.
- If the climate/forests policy has exceptions, explains why these exceptions are not relevant.
- States how regularly policies with climate/forests integrated are reviewed and/or updated.
- Climate: If the organization has a policy that includes exclusions related to industries and/or activities exposed or contributing to climate-related risks, a description of the exclusion threshold is provided.
- Forests: Policy sets out requirements of clients that are key to addressing forests-related issues in production and/or consumption of forest risk commodities and have a timeframe for company compliance. The organization clearly disclose rationale for forest risk commodity coverage in policy.
- Forests: Clients/investees producing and/or consuming forest risk commodities are required to set a target to increase the use of credible certification schemes and/or traceability and has a timeframe for company compliance.
- Describes how climate- /forests-related covenants in financing agreements relates to their environmental policies and indicates the scale at which these covenants are included.

Leadership criteria

Climate Leadership score weighting: 13% Forests Leadership score weighting: 24%

- **Climate essential criteria: Demonstrates in question FS4.1b how the policy has impacted the organization's exposure to climate-related issues.**
- **Forests essential criteria: Demonstrates in question FS4.1d how the policy has impacted the organization's exposure to forests-related issues.**
- Demonstrates impact of encouraging clients/investees to have targets including the impact this will have on safeguarding forests.
- Provides an example of the inclusion of climate/forest aspects as covenants in a financing agreement.

Module 5 – Portfolio impact

The questions in this section are scored for Climate and Forests

Disclosure criteria

Climate Disclosure score weighting: 9% Forests Disclosure score weighting: 3%

- Climate: Reports on portfolios exposure to carbon-related assets.
- Forests: Reports on portfolios exposure to forest risk commodities.
- Forests: Reports on percentage of clients in forest risk commodities managing their impacts on forests effectively.
- Reports on status of conducting analysis on the portfolio's impact on climate.
- Climate: Reports on organization's portfolio emissions.
- Climate: Reports on Scope 3 portfolio impact breakdown by asset class, industry, country and by scope.
- Climate: Reports on status of aligning their portfolio to a well below 2-degree world and status of assessing their clients/investees' strategies alignment to a well below 2-degree world.
- Climate: Reports on whether clients/investees are encouraged to set a science-based target.

Awareness criteria

Climate Awareness score weighting: 12% *Forests Awareness score weighting: 14%*

- **Forests essential criteria: The organization discloses how much financing/insuring is provided to companies involved in agricultural commodities.**
- Climate: The organization assesses how much financing/insuring is provided to carbon-related assets. If it is not considered relevant, an explanation is provided.
- Climate: Disclose the organization's portfolio emissions. If it is not assessed as relevant, an explanation must be provided.
- Climate: Breaks down the organization's scope 3 portfolio impact emissions by asset class, industry, country and scope, and explains methodology employed.
- If no analysis on portfolio impacts has been conducted, the organization plans to do so in the next two years.

Management criteria

Climate Management score weighting: 15% *Forests Management score weighting: 15%*

- **Essential criteria: The organization conducts analysis to understand how their portfolio impacts climate as indicated in question FS5.3.**
- The organization discloses how much financing/insuring is provided to carbon-related assets.
- Forests: The organization discloses figures and provide a description of which clients/investees have been assessed as relevant in relation to the forest risk commodity.
- Forests: The organization can say what percentage of clients/investees are compliant with their forests-related policy expectations and provide further details.
- Portfolio emissions have been calculated and the organization explains how it was calculated.
- If no analysis on portfolio impacts has been conducted, an explanation is provided and if the organization plans to do so in the next two years, a description of these plans is provided.
- Climate: The organization is taking actions to align their portfolio to a well below 2-degree world.
- Climate: The organization assesses whether their clients/investees' strategies are aligned to a well below 2-degree world and encourages them to set a science-based target.

Leadership criteria

Climate Leadership score weighting: 13% *Forests Leadership score weighting: 14%*

- **Forests essential criteria: All forest risk commodity clients are compliant or near-compliant with the organization's forest-related policy expectations as disclosed in FS5.2a**
- Climate: Portfolio emissions have been calculated and an action has been taken relating to the portfolio as a response to calculation.
- Climate: The organization is taking actions to align its portfolios to a well below 2-degree world.

Module 6 – Engagement

The questions in this section are scored for Climate and Forests.

Disclosure criteria

Climate Disclosure score weighting: 10% *Forests Disclosure score weighting: 20%*

- Reports on engagement with their value chain on climate-/forests-related issues.

- Forests: Discloses on whether they provide financing to smallholders in forest risk commodity supply chains, and if so, provides details of the support provided.
- Discloses whether the organization is a signatory or participant in any climate- and/or forests-related collaborative industry initiatives.
- Disclose on whether the organization undertake activities to influence public policy on issues related to climate/forests.
- Reports on status of training staff on issues related to climate/forests and the organizations strategy to address these issues.

Awareness criteria

Climate Awareness score weighting: 11% *Forests Awareness score weighting: 17%*

- **Essential criteria: The organization indicates in FS6.1 that they engage with their value chain on climate-/forests-related issues.**
- Provides the coverage of clients/investees the organization have engaged with on climate-/forests-related issues.
- If the organization does not have any current engagement activities, they plan to do so in the next two years.
- Provide details of shareholder voting record on environmental issues.
- Forests: Supports smallholders and provides details and potential barriers when it comes to providing financing/insurance to smallholders in forest risk supply chains.
- Is a signatory or participant in climate-/forests-related collaborative industry initiatives.
- Engages in activities to influence public policy on climate/forests and provides details on public policy, policies, or proposed legislative solution(s).
- Provides relevant types of training to its staff on issues related to climate/forests and its strategy to address these issues. If no training is currently provided, the organization plans to provide this in the next two years.

Management criteria

Climate Management score weighting: 13% *Forests Management score weighting: 16%*

- **Essential criteria: The organization indicates in question FS6.1a/FS6.1b that they have a targeted engagement strategy with clients/investees on climate-/forests-related issues.**
- Climate: Provides descriptions of engagement strategies with clients/investees and suppliers.
- Forests: Provides descriptions of engagement strategies with clients/investees.
- Climate: Provides a company-specific description of the impact of a climate-related supplier engagement.
- Provides a case study of their engagement strategy with other partners in the value chain.
- Forests: Provides details of the smallholder financing/insuring approach or the smallholder engagement approach.
- Trains staff on climate-/forests-related issues, discloses approximate number of staff trained and explains the rationale for type of training and type of staff trained.
- Describes how activities influencing public policy are consistent with the organization's overall climate change/forests strategies.
- The organization transparently publishes information on their response to climate-/forests-related risk in mainstream reports or other regulatory filings and attach the relevant document.

Leadership criteria

Climate Leadership score weighting: 14% *Forests Leadership score weighting: 17%*

- **Essential criteria: Demonstrates in FS6.1a/FS6.1b the impact of climate-/forest-related client/investee engagement.**
- Provides comprehensive and meaningful training to all staff on climate-/forest-related issues.

- Engagement strategy is consistent with the organization’s overall strategy on climate change/deforestation.
- The organization supports all environmental shareholder resolutions.
- The organization transparently publishes information on their response to climate-/forests-related risk in places other than their CDP response and attach the relevant document.

Module 7 – Targets and performance

The questions in this section are only scored for Climate.

Disclosure criteria

Climate Disclosure score weighting: 20%

- Reports on status of emissions targets and progress made against those targets.
- Reports on status of emissions reduction initiatives and provides further details.

Awareness criteria

Climate Awareness score weighting: 8%

- Had at least one emissions target active in the reporting year.
- Absolute emissions target(s) and emissions intensity target(s) have a target year of 5 years or more, is a science-based target or the organization has a plan to set a science-based targets in the next two years, and % of target achieved is more than 0.
- Target(s) related to the impact of portfolio on the climate have a target year of 5 years or more, is a science-based target or the organization has a plan to set a science-based target in the next two years.
- If the organization does not have an emissions target, provides an explanation, and forecast how the organization’s emissions will change over the next five years. If the organization plans to introduce a target in the next two years, a description of plans and timeline is provided.
- Had at least one emissions reduction initiative active within the reporting year, and provides details including estimated annual CO₂e savings.

Management criteria

Climate Management score weighting: 6%

- Had at least one emissions target active in the reporting year.
- The absolute emission target, emission intensity target and/or target related to the impact of portfolio on the climate meet key criteria measuring the robustness of the target.
- If the organization does not have an emissions target, provides an explanation of why they do not have a target forecast how the organization’s emissions will change over the next five years.
- Had at least one emissions reduction initiative active within the reporting year, and provides details including estimated annual CO₂e savings.
- If the organization does not have any emissions reduction initiatives active in the reporting year, provides an explanation of why they do not have a target or report on the timescale for when they plan to implementation.

Leadership criteria

Climate Leadership score weighting: 6%

- The absolute emissions target, the emissions intensity target and/or target related to the impact of portfolio on the climate meet criteria related to content, scope, and timeframes.

- Have at least one emissions reduction initiative implemented, and provides details including estimated annual CO2e savings.

Module 8 – Emissions methodology

The questions in this section are only scored for Climate.

Disclosure criteria

Climate Disclosure score weighting: 1%

- Reports on base year and base year emissions (Scopes 1 and 2)
- Discloses the name of the standard, protocol, or methodology used to collect activity data and calculate greenhouse gas emissions.

Awareness criteria

- Not scored

Management criteria

- Not scored

Leadership criteria

- Not scored

Module 9 – Emissions data

The questions in this section are only scored for Climate.

Disclosure criteria

Climate Disclosure score weighting: 11%

- Both disclosure criteria in the 'Emissions methodology' section are met and the organization reports their gross global Scope 1 emissions figure.
- Both disclosure criteria in the 'Emissions methodology' section are met, and the organization reports their approach to reporting Scope 2 emissions and their gross global Scope 2 emissions figure(s).
- Reports on any other sources of Scope 1 and Scope 2 emissions within their selected reporting boundary which are not included in the disclosure and disclose any further details.
- Accounts for the organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.
- Provides details on the organization's gross global combined Scope 1 and Scope 2 for the reporting year.

Awareness criteria

Climate Awareness score weighting: 5%

- Scope 2, location-based figure, and Scope 2, market-based figure are provided.
- If Scope 2, market-based figure is not reported it is because access to operational electricity supplier emission factors or residual emission factors is not available.
- If there are other sources of Scope 1 and Scope 2 emissions which are not included in the disclosure, they have been excluded either because there are no emissions from the source, emissions are not relevant or due to a recent acquisition.
- Reports on gross global Scope 3 emissions figures and calculation methodology, or if not relevant, provides explanation of why it is not relevant in the context of the source.
- All requested data on the organization's gross global combined Scope 1 and Scope 2 for the reporting year is provided, percentage change from last year is provided and 'decreased' is selected as direction of change.
- Discloses how their gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year and provides requested numerical figures if there has been a change.

Management criteria

Climate Management score weighting: 3%

- Explanation of why other sources of Scope 1 and Scope 2 emissions is not included in the disclosure is consistent with the response selected as relevance status.
- If all requested data on the organization's gross global combined Scope 1 and Scope 2 for the reporting year is provided, percentage change from last year is provided and 'decreased' is selected as direction of change, an explanation that this is due to an emission reduction initiative as reported in relevant Scope in FS7.3b OR clearly describes an emission reduction initiative.

Leadership criteria

Climate Leadership score weighting: 4%

- All categories for gross global Scope 3 emissions contain either figures and calculation methodology, or if not relevant, explanation of why it is not relevant in the context of the source.
- There has been a decrease in the organization's gross global combined Scope 1 and Scope 2 for the reporting year, and the sum of figures provided for change in renewable energy consumption or other emission reduction activities is at least 2.1% for half points, and at least 4% for full points.

Module 10 – Energy

The questions in this section are only scored for Climate.

Disclosure criteria

Climate Disclosure score weighting: 4%

- Reports on status of disclosing what percentage of the organization's total operational spend in the reporting year was on energy.
- Reports on which energy-related activities the organization has undertaken in the reporting year.
- Reports on the organization's energy consumption totals.

Awareness criteria

Climate Awareness score weighting: 2%

- Reports what percentage of the organization's total operational spend in the reporting year was on energy.
- Reports on the organization's energy consumption totals.

Management criteria

Climate Management score weighting: 2%

- At least 10% of the organization's total energy consumption is from renewable sources. Full Management score is awarded if it is at least 25% is from renewable sources.

Leadership criteria

Climate Leadership score weighting: 2%

- At least 50% of the organization's total energy consumption is from renewable sources. Higher scores are awarded if the energy consumption from renewable sources is at least 75%, and full Leadership score is awarded if it is at least 99% is from renewable sources.

Module 12 – Carbon pricing

The questions in this section are only scored for Climate.

Disclosure criteria

Climate Disclosure score weighting: 5%

- Reports on whether the organization has originated or purchased any project-based carbon credits within the reporting period and provides further details.
- Reports on whether the organization use an internal price on carbon and provides further details

Awareness criteria

Climate Awareness score weighting: 1%

- The organization uses an internal price on carbon or anticipate doing so in the next two years, and internal carbon price is either shadow price, internal fee, internal trading, or implicit price.

Management criteria

Climate Management score weighting: 1%

- Provides details on project-based carbon credits and reports either voluntary offsetting or compliance as purpose. To meet these criteria the organization must have met Management criteria for FS9.7 and both Scope 1 and Scope 2 emissions must have been reported in FS9.1 and FS9.3

- The organization uses an internal price on carbon.
- Provides a company-specific description of how the organization uses internal price on carbon.

Leadership criteria

- Not scored

Module 13 – Verification

The questions in this section are only scored for Climate

Disclosure criteria

Climate Disclosure score weighting: 7%

- Reports on the verification/assurance status that applies to their reported emissions.
- Provides details of the verification/assurance undertaken for their Scope 1, Scope 2, and Scope 3 emissions and attach the relevant statements.
- Reports on status of verifying any information reported in their CDP disclosure other than the emissions figures reported in FS5.1a, FS9.1, FS9.3 and FS9.5.
- Reports on which data points within the CDP disclosure have been verified and which verification standards were used to do so.

Awareness criteria

Climate Awareness score weighting: 4%

- Third-party verification or assurance process is in place for their reported emissions.
- The organization is verifying, in the process of verifying, or plan to verify within the next two years information reported in their CDP disclosure other than the emissions figures reported in FS5.1a, FS9.1, FS9.3 and FS9.5.
- Discloses which data points within the CDP disclosure have been verified and which verification standards were used to do so.

Management criteria

Climate Management score weighting: 7%

- The verification statements attached in FS13.1a relates to GHG emissions, Scope 1, and the correct reporting year, the verification standard used is accepted, and the document contains an opinion or finding which confirms verification.
- The verification statement attached in FS13.1b relates to GHG emissions, Scope 2, and the correct reporting year, the verification standard used is accepted, and the document contains an opinion or finding which confirms verification.
- The verification statement attached in FS13.1c relates to GHG emissions, Scope 3, and the correct reporting year, the verification standard used is accepted, and the document contains an opinion or finding which confirms verification.

Leadership criteria

Climate Leadership score weighting: 5%

- The total of accepted statements has at least 70% proportion of reported Scope 1 emissions verified, and verification or assurance cycle is annual (full point), biannual (half points), or triennial (1/3 of full points). To meet this criteria, it must be reported in the emissions data module that all sources of Scope 1 within the organization's selected reporting boundary must be included in the disclosure.
- The total of accepted statements has at least 70% proportion of reported Scope 2 emissions verified, and verification or assurance cycle is annual (full point), biannual (half points), or triennial (1/3 of full points). To meet this criteria, it must be reported in the emissions data module that all sources of Scope 2 within the organization's selected reporting boundary must be included in the disclosure.

Module 14 – Signoff

The questions in this section are scored for Climate and Forests

Disclosure criteria

Climate Disclosure score weighting: 1% Forests Disclosure score weighting: 1%

- Details of the person that has signed off the CDP response is provided.

Awareness criteria

- Not scored.

Management criteria

Climate Management score weighting: 2% Forests Management score weighting: 3%

- The CDP response has been signed off by a C-suite employee or equivalent.

Leadership criteria

Climate Leadership score weighting: 5% Forests Leadership score weighting: 6%

- The CDP response has been signed off by one of the following: 'Board chairman', 'Board/Executive board', 'Director on Board', 'Chief Executive Officer (CEO)', 'Chief Financial Officer (CFO)', 'Chief Operating Officer (COO)' or 'President', AND this is consistent with the description in job title.
 - All requested data points have been provided in the CDP response.
-

Question level score overview

Module	Question	Activities	Theme		Scoring Level			
		Exceptions	Climate Change	Forests	Disclosure	Awareness	Management	Leadership
Introduction	FS0.1		✓	✓				
	FS0.2		✓	✓				
	FS0.3		✓	✓				
	FS0.4		✓	✓				
	FS0.5		✓	✓				
	FS0.6		✓	✓				
Governance	FS1.1		✓	✓	✓	✓		
	FS1.1a		✓	✓	✓	✓	✓	✓
	FS1.1b		✓	✓	✓	✓	✓	
	FS1.1c		✓	✓	✓	✓		
	FS1.2		✓	✓	✓	✓	✓	✓
	FS1.3		✓	✓	✓	✓		
	FS1.3a		✓	✓	✓	✓	✓	✓
	FS1.3b		✓	✓	✓	✓		
FS1.4		✓	✓	✓		✓		
Risks and opportunities	FS2.1		✓	✓	✓	✓		
	FS2.1a		✓	✓	✓	✓		
	FS2.1b		✓	✓	✓			
	FS2.1c		✓	✓	✓	✓	✓	✓
	FS2.1d		✓	✓	✓	✓	✓	✓
	FS2.1e		✓	✓	✓	✓		
	FS2.2		✓	✓	✓		✓	
	FS2.2a		✓	✓	✓	✓	✓	✓
	FS2.2b		✓	✓	✓	✓		
	FS2.3	Insurance companies (Life/Health) - Not relevant	✓	✓	✓		✓	
	FS2.3a	Insurance companies (Life/Health) - Not relevant	✓	✓	✓	✓		
	FS2.4		✓	✓	✓			
	FS2.4a		✓	✓	✓	✓	✓	✓
	FS2.4b		✓	✓	✓	✓		
	FS2.5		✓	✓	✓			
	FS2.5a		✓	✓	✓	✓	✓	✓
FS2.5b		✓	✓	✓	✓			
Business Strategy	FS3.1		✓	✓	✓	✓		
	FS3.1a		✓		✓	✓	✓	
	FS3.1b		✓		✓	✓		
	FS3.2		✓		✓	✓		
	FS3.2a		✓		✓	✓	✓	✓
	FS3.2b			✓	✓		✓	✓
	FS3.2c		✓		✓	✓		

	FS3.3		✓	✓	✓	✓	✓	✓
	FS3.4		✓	✓	✓		✓	
	FS3.5		✓	✓	✓	✓	✓	
	FS3.6		✓	✓	✓		✓	
	FS3.6a		✓	✓	✓	✓	✓	✓
	FS3.6b		✓	✓	✓	✓		
	FS3.7	Asset Managers and Asset Owners only	✓	✓	✓	✓	✓	
	FS3.8			✓	✓	✓	✓	
Implementation	FS4.1		✓	✓	✓		✓	
	FS4.1a		✓		✓	✓	✓	✓
	FS4.1b	Insurance companies (Life/Health) - Not relevant	✓		✓		✓	✓
	FS4.1c	Insurance companies (Life/Health) - Not relevant		✓	✓	✓	✓	✓
	FS4.1d	Insurance companies (Life/Health) - Not relevant		✓	✓	✓	✓	✓
	FS4.1e		✓	✓	✓	✓		
	FS4.2	Insurance companies (Life/Health) - Not relevant		✓	✓	✓	✓	
	FS4.2a	Insurance companies (Life/Health) - Not relevant		✓	✓	✓	✓	✓
	FS4.3	Banks only	✓	✓	✓	✓	✓	✓
Portfolio impact	FS5.1	Insurance companies (Life/Health) - Not relevant	✓		✓	✓	✓	
	FS5.2			✓	✓	✓	✓	
	FS5.2a			✓	✓	✓	✓	✓
	FS5.3		✓		✓	✓	✓	
	FS5.3a		✓		✓	✓	✓	✓
	FS5.3b		✓		✓	✓	✓	✓
	FS5.3c		✓		✓	✓	✓	
	FS5.4		✓		✓	✓		
	FS5.4a		✓		✓			
	FS5.4b		✓		✓			
	FS5.4c		✓		✓			
	FS5.4d		✓		✓			
	FS5.5		✓		✓		✓	✓
	FS5.5a		✓		✓		✓	
	FS5.5b		✓		✓		✓	
Engagement	FS6.1		✓	✓	✓	✓	✓	
	FS6.1a	Banks and Insurance companies only	✓	✓	✓	✓	✓	✓
	FS6.1b	Asset Managers and Asset Owners only	✓	✓	✓	✓	✓	✓

	FS6.1c		✓		✓	✓	✓	
	FS6.1d		✓	✓	✓	✓	✓	
	FS6.1e		✓	✓	✓	✓		
	FS6.1f	Asset Managers and Asset Owners only	✓	✓	✓	✓		✓
	FS6.2	Banks and Insurance companies (General) only		✓	✓			
	FS6.2a	Banks and Insurance companies (General) only		✓	✓	✓	✓	✓
	FS6.2b	Banks and Insurance companies (General) only		✓	✓	✓		
	FS6.3		✓	✓	✓	✓		
	FS6.4		✓	✓	✓	✓		
	FS6.4a		✓	✓	✓	✓		
	FS6.4b		✓	✓	✓		✓	
	FS6.4c		✓	✓	✓	✓		
	FS6.5		✓	✓	✓		✓	
	FS6.5a		✓	✓	✓	✓	✓	✓
	FS6.5b		✓	✓	✓	✓		
	FS6.6		✓	✓	✓		✓	✓
Emissions targets and performance	FS7.1		✓		✓	✓	✓	
	FS7.1a		✓		✓	✓	✓	✓
	FS7.1b		✓		✓	✓	✓	✓
	FS7.1c		✓		✓	✓	✓	✓
	FS7.1d		✓		✓	✓	✓	
	FS7.2		✓		✓			
	FS7.2a		✓		✓	✓	✓	
	FS7.2b		✓		✓	✓	✓	
	FS7.2c		✓		✓	✓		
	FS7.3		✓		✓	✓	✓	
	FS7.3a		✓		✓	✓	✓	✓
	FS7.3b		✓		✓	✓	✓	
	FS7.3c		✓		✓			
	FS7.3d		✓		✓		✓	✓
Emissions methodology	FS8.1		✓		✓			
	FS8.2		✓		✓			
	FS8.2a		✓					
	FS8.3		✓					
Emissions data	FS9.1		✓		✓			
	FS9.2		✓		✓	✓		
	FS9.3		✓		✓	✓		
	FS9.4		✓		✓			
	FS9.4a		✓		✓	✓	✓	
	FS9.5		✓		✓	✓		✓
	FS9.6		✓		✓	✓	✓	

	FS9.7		✓		✓	✓		
	FS9.7a		✓		✓	✓	✓	✓
	FS9.7b		✓		✓	✓		
Energy	FS10.1		✓		✓	✓		
	FS10.2		✓		✓			
	FS10.2a		✓		✓	✓	✓	✓
Additional metrics	FS11.1		✓					
Carbon pricing	FS12.1		✓		✓			
	FS12.1a		✓		✓		✓	
	FS12.2		✓		✓	✓	✓	
	FS12.2a		✓		✓	✓	✓	
Verification	FS13.1		✓		✓	✓	✓	✓
	FS13.1a		✓		✓		✓	✓
	FS13.1b		✓		✓		✓	✓
	FS13.1c		✓		✓		✓	
	FS3.2		✓		✓	✓		
	FS13.2a		✓		✓	✓		
Sign off	FS-FI		✓	✓				
	FS-14.1		✓	✓	✓		✓	✓