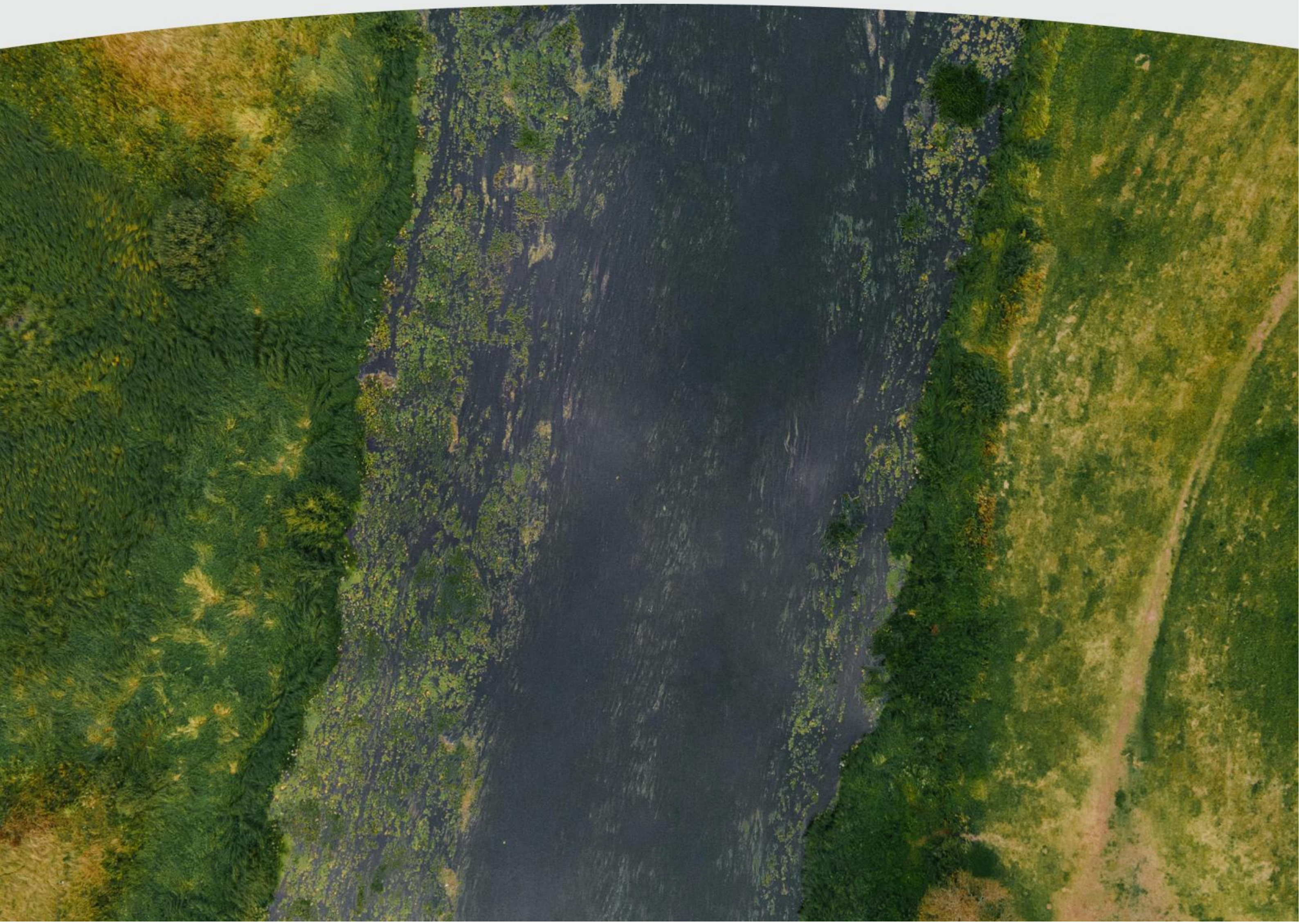
CDP Technical Note

TCFD Recommendations

CDP Corporate Questionnaire



Version

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1.0	December 19, 2017	• First published version
2.0	March 8, 2019	• "Next steps" section revised, and question number mapping updated to align with the 2019 CDP climate change questionnaire.
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3.1	May 1, 2020	• "Transitioning CDP's questionnaires to a more sector-specific approach" section revised.
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1. Integration of TCFD recommendations into CDP

1.1 Introduction

This technical note provides an overview of the Task Force on Climate-related Disclosures (TCFD) recommendations, how CDP has committed to aligning the CDP Corporate Questionnaire with the TCFD's recommendations, and where organizations can find TCFD-related questions in the questionnaire.

We recommend readers review the TCFD's full report as this note will not present the TCFD's recommendations in their entirety. The TCFD's final report was released as three distinct documents:

- Main report – Recommendations of the Task Force on Climate-related Financial Disclosures
- Implementation Annex (2021)– Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures
- Scenario analysis technical supplement – The Use of Scenario Analysis in Disclosure of Climate-related Risks and Opportunities

In 2021, the TCFD released an update to the Implementation Annex. The 11 recommended disclosures remain the same, but the guidance for some of them has changed to increase ambition, for example by requiring disclosure of Scope 1 and 2 emissions independent of a materiality assessment, and strongly encouraging the disclosure of Scope 3 emissions. The updated annex also introduces new topics like transition plans and cross-industry, climate related metrics. A summary of the changes to the Implementation Annex can be found here.

The TCFD have also released a range of other guidance materials, including:

- Scenario analysis guidance for non-FS companies – Guidance on Scenario Analysis for Non-Financial Companies
- Metrics, Targets, and Transition Plans - Proposed Guidance on Climate-related Metrics, Targets, and Transition Plans
- Risk Management – Guidance on Risk Management Integration and Disclosure

If you have any questions, comments, or suggestions about the content of this document please contact CDP.

1.2 TCFD's background and mission

1.2.1 Background

At the request of the G20 Finance Ministers and Central Bank Governors, the Financial Stability Board (FSB) and its chair at the time Mark Carney established the industry-led Task Force on Climate-related Financial Disclosures (TCFD or Task Force). This was in response to increasing demands from investors, lenders, insurers, regulators, policy makers, and other stakeholders in the financial markets for decision-useful, climate-related information.

Inadequate information about risks can lead to mispricing of assets and misallocation of capital, that can potentially lead to concerns about the stability of financial markets, as they can be vulnerable to abrupt corrections. Additionally, incorrect information about risks can hinder the success of an organization's 'transition plan' i.e. a time-bound action plan that clearly outlines how an organization will achieve its strategy to pivot its existing assets, operations, and entire business model towards a trajectory that aligns with the latest and most ambitious climate science recommendations.

Chaired by Michael Bloomberg, the TCFD's objective was to formulate a set of recommendations to help organizations to understand and disclose their exposure to climate-related issues.

1.2.2 TCFD's mission

The TCFD was tasked with developing a set of voluntary, financially relevant, climate disclosure recommendations that could promote informed investment, credit, and insurance underwriting decisions that could in turn enable stakeholders to better understand assets exposed to climate-related risks.

Its aim is to enable stakeholders to allocate capital efficiently through the transition to a low-carbon economy without a potential dislocation of capital in the financial markets.

The TCFD's final report presents a principle-based set of recommendations for voluntary disclosure that aims to balance the needs of data users with the challenges faced by preparers. The report provides the overarching core recommendations with supporting information on climate-related risks, opportunities, financial impacts, and scenario analysis.

Concurrent with the release of its 2023 status report on October 12, 2023, the TCFD has fulfilled its remit and disbanded. The FSB has asked the IFRS Foundation to take over the monitoring of the progress of companies' climate-related disclosures. Companies can continue to use the TCFD recommendations should they choose to do so, and some companies may still be required to use the TCFD recommendations.

1.3 TCFD support

The final report, released in June 2017, has helped mainstream the importance of climate-related financial disclosures and has received strong support from stakeholders. For example:

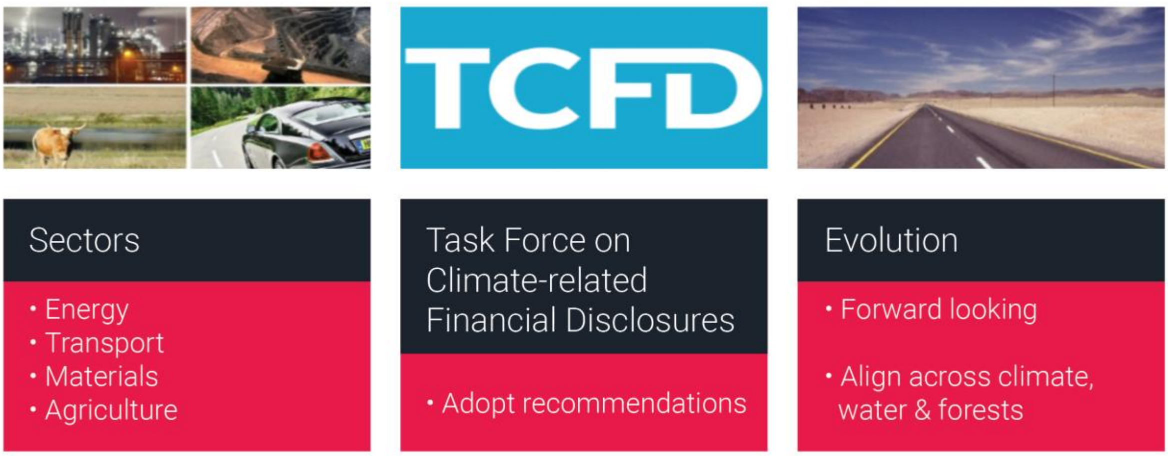
- 100+ CEOs publicly supported the TCFD recommendations on launch
- 4,850+organizations globally have now supported the TCFD's recommendations, of which 4,486 are companies and 369 are other organizations (e.g., industry associations, governments).
- Over 1,800 financial institutions, responsible for assets of $222.2 trillion support the TCFD recommendations. The Council of the European Union welcomed the development of the TCFD recommendations (alongside the work of the HLEG, OECD and G20 Green Finance Study Group).
- May 2020 – Canada made TCFD aligned reporting a requirement for companies to access COVID-19 emergency loans.
- September 2020 – New Zealand announced it will become the first country worldwide to implement mandatory TCFD reporting for large banks and insurers.
- November 2020 – The UK became the first G20 country to set out it's intention to mandate TCFD aligned disclosure by 2023, with full coverage by 2025.
- The Japanese Financial Services Agency has also raised the option of updating its Corporate Governance Code to increase TCFD-aligned disclosure
- April 2021 – the European Commission issued a proposed Corporate Sustainability Reporting Directive (CSRD) that would amend existing reporting requirements with the intention of taking into account existing standards and frameworks, including the TCFD framework.
- September 2021 – The Central Bank of Brazil announced mandatory TCFD-aligned disclosure requirements, which will initially focus on qualitative aspects related to governance, strategy, and climate-related risk management for regulated institutions.

- October 2021 – Canadian Securities Administrators issued proposed disclosure requirements for all reporting issuers aligned with the four TCFD recommendations.
- October 2021 – New Zealand Government passed legislation making climate-related disclosure mandatory for large publicly listed companies, insurers, banks, non-bank deposit takers, and investment managers.
- November 2021 – The Japan Financial Services Agency is encouraging the prime market segments of the Tokyo stock exchange to align with TCFD recommendations.
- November 2021 – Announcement by the IFRS Foundation of the formation of an International Sustainability Standards Board to develop a baseline of sustainability disclosure standards. One prototype document has already been published which builds on the TCFD's recommendations. The proposed requirements in the exposure draft IFRS S2 climate-related disclosures builds on the TCFD's recommendations. ISSB is currently deliberating the proposals after receiving feedback from the respondents.
- March 2022 – The US Securities and Exchange Commission (SEC) proposed requirements for climate-related disclosures broadly in alignment with the TCFD's recommendations.
- October 2023 - TCFD has fulfilled its remit and disbanded. The Financial Stability Board (FSB) has asked the IFRS Foundation to take over the monitoring of the progress of companies' climate-related disclosures.

1.4 Why CDP has committed to its alignment with the TCFD

CDP recognizes the important role of the TCFD in mainstreaming climate-related information and advancing the availability of financially relevant information for global markets. The recommendations will ensure climate-related information is integrated into mainstream financial reports, providing transparency and a roadmap to meet the commitments of the Paris Agreement.

In recognition of the TCFD's report, CDP has committed to align its questionnaire with the TCFD's recommendations, alongside introducing a sectoral focus and adopting a forward-looking approach to climate-risk disclosure. This harmonization will help to drive the adoption of TCFD recommendations by reporting companies, optimize the reporting burden, and speed-up the generation of decision-useful



information for data users.

This means a greater emphasis on elements such as board oversight, climate risk management (including integration into an organization's business planning processes), and the use of forward-looking scenario analysis to determine the resilience of an organization's strategy to climate-related issues.

To address recent developments and feedback from users, preparers, and others, in October 2021 the TCFD released additional guidance for preparers regarding disclosures of climate-related metrics and targets and key information from transition plans. The TCFD also modified certain aspects of its 2017 "Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures (2017 annex)" to provide additional guidance on disclosing metrics, targets, and transition plan information in line with the TCFD recommendations.

1.5 Transitioning CDP's questionnaire to a more sector-specific approach

To date, CDP's focus has been on building climate, water, forest, biodiversity and plastics ambition and embedding it into governance and critical decision-making processes. There is now an urgent need to ensure ambition is reflected in concrete plans with tangible transition indicators, as well as evidence of progress, including implementation and achievement against agreed goals.

In response to market needs, CDP has taken a sector-focused approach to disclosure and scoring since 2018 for our climate change, forests, and water security questionnaires, which have now been integrated into the 2024 Corporate questionnaire.

This evolution in disclosure built upon forward-looking metrics such as carbon pricing and science-based targets to indicate the progress companies are making. It ensures we continue to ask the right questions and gather the most meaningful data for companies and investors to better understand environmental risks and opportunities.

The organizations from the following sectors are asked to respond to sector-specific questions or response options:

	Climate change	Water-security	Biodiversity
Energy	Oil & gas Coal Electric utilities	Oil & gas Coal Electric utilities	Coal
Transport	Transport original equipment manufactures Transport services		
Materials	Cement Steel Metals & mining Chemicals Construction Real estate Capital goods	Metal & mining Chemicals	Metals & mining
Agriculture	Food, beverage & tobacco Agricultural commodities Paper & forestry	Food, beverage & tobacco Agricultural commodities	

Financial	Financial services		

Organizations in all other sectors respond to the general questionnaires.

1.6 Benefits of disclosing to CDP

Using CDP's platform and CDSB's reporting framework can help organizations to align with the TCFD recommendations in their reporting.

Successful disclosure relies on a whole cycle of requirements to ensure relevancy, consistency, and comparability through high-quality data. CDP's unique disclosure system provides organizations with:

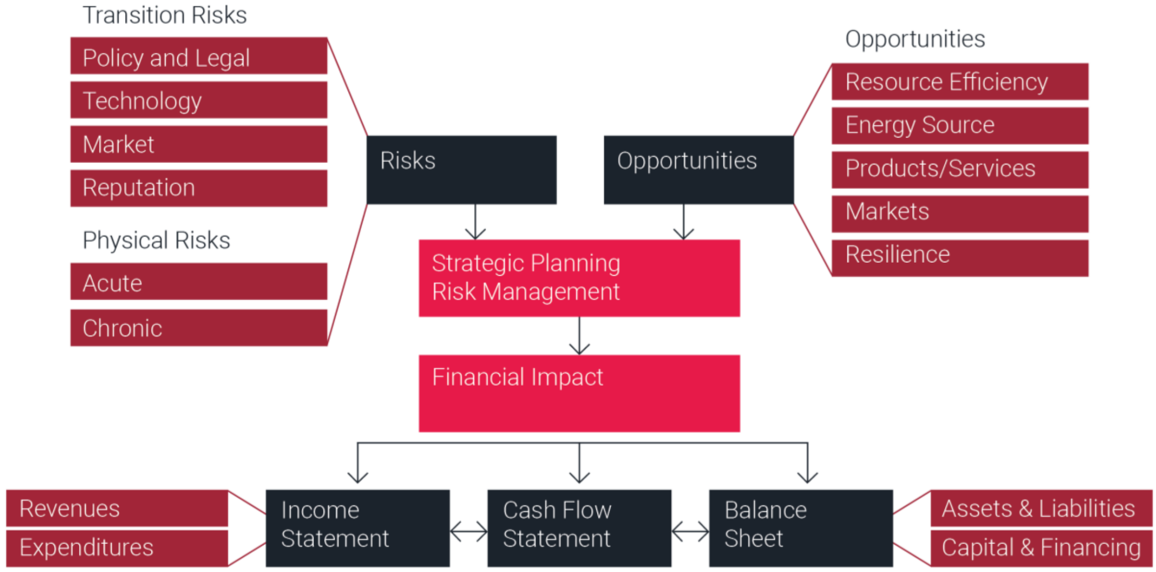
i. Structure – an important step for voluntary initiatives to facilitate comparability among companies' disclosures
ii. A streamlined template – minimizing the duplication of efforts providing a streamlined, coherent, and comparable approach for companies' disclosures.
iii. Disclosure of decision-useful information – a response to CDP puts the information required by the TCFD into a recognized, established system that can structure, analyze, compare, and trace information transparently. The CDSB framework can then be used to put the most relevant information into mainstream reports and fulfill the aim of the TCFD's recommendations.
iv. Preparation advice – CDP's system offers support to companies throughout the disclosure process.
v. Highlighting what is important – the CDP platform and CDSB's reporting framework provide guidance on how to distill and present information in line with the TCFD recommendations in mainstream reports.
vi. Going further than the TCFD recommendations – CDP provides the infrastructure to enable the disclosure cycle, and the experience to help evolve disclosure to reflect changing issues, policies, science, and evidence. Through CDP's drive to advance data, corporate practices (risk-disclosure, science-based targets, carbon pricing, transition plans), assessments, and disclosure, we ensure performance tracking aligns an organization's actions with the transition to a low-carbon economy.

2. The TCFD's recommendations

2.1 Climate-related risks, opportunities and financial impacts

An important part of the TCFD's recommendations is the consistent categorization of climate-related risks and opportunities and the resulting financial impacts. The Task Force's recommendations encourage organizations to evaluate and disclose, as part of their annual financial filing preparation and reporting processes, the climate-related risks and opportunities that are most pertinent to their business activities.

The Task Force presents a series of risks, opportunities, and financial impacts in the figure below:



2.1.1 Climate-related risks:

Climate-related risks can be divided into two major categories; those related to the ***transition*** to a low-carbon economy and risks associated with the ***physical*** impacts of climate change.

- *Transitional risks* – the road to a low-carbon economy involves addressing the mitigation and adaptation requirements related to climate change. This is likely to materialize in the form of extensive policy, legal, technology, and market changes.
- *Physical risks* – physical risks from climate change can be event-based (acute) or longer-term climate pattern shifts (chronic). Physical risks can have direct financial implications for organizations such as direct damage to assets, and indirect impacts including supply chain disruption.

2.1.2 Climate-related opportunities:

Recognizing the potential impacts of climate change also offers opportunities for an organization, such as resource efficiency, shifting to climate-resilient or renewable energy sources, the development of new products and services, access to new markets, and increased resilience.

2.1.3 Financial impacts:

An increase in quality and quantity of climate-related disclosures will provide investors, lenders, and insurers with the information they need to make informed financial decisions based on material climate-related risks and opportunities reflected in an organization's mainstream reports.

Driving factors of financial impacts - the financial impacts an organization faces are driven by the underlying climate-related risks and opportunities the organization is exposed to and how effective its strategic and risk management decisions are on managing these drivers.

In the main report (page 9), the Task Force identifies four major categories that may affect an organization's current and future financial position: revenues, expenditures, assets and liabilities, and capital and financing.

The financial impacts of climate-related issues on organizations are not always clear or direct, and, for many organizations, identifying the issues, assessing potential impacts, and ensuring material issues are reflected in financial filings may be challenging. Please see table 1 and 2 in the TCFD's main report for examples of climate-related risks and opportunities, and their potential financial impacts.

2.1.4 Focus on forward-looking approaches:

As part of the process of assessing the potential financial impacts of climate change, the TCFD recommendations encourage organizations to incorporate scenario analysis into their strategic planning or risk management practices. Efforts to mitigate and adapt to the uncertainties surrounding climate change is an issue that emerged strongly in the past 6 years, and historical analysis will not sufficiently cover the changing landscape of the transition to a low-carbon economy.

CDP has developed a technical note on scenario analysis that can be found here.

2.2. Principles for effective disclosure

To underpin the formal recommendations, the TCFD developed principles for effective disclosure. These are designed to aid organizations in recognizing the links between climate-related issues and their practices surrounding governance, strategy, risk management, and metrics and targets.

The TCFD identified seven principles for effective disclosure. Effective disclosures should:

1. Represent relevant information;
2. Be specific and complete;
3. Clear, balanced and understandable;
4. Consistent over time;
5. Comparable among others within a sector, industry or portfolio;
6. Reliable, verifiable and objective; and
7. Provided on a timely basis.

These principles align closely with the Guiding Principles developed by the Climate Disclosure Standards Board (CDSB) in its Framework for reporting environmental information and natural capital, which is designed to guide organizations through translating and presenting climate-related information in mainstream reports.

2.3 Core elements and recommendations

The key recommendations developed by the TCFD are based around four core elements:

The core elements are supported by key climate-related financial disclosures – 11 in total. These key disclosures are designed to help investors and others understand how reporting organizations consider and assess climate-related risks and opportunities and their financial impacts.

Recommendations and Supporting Recommended Disclosures

Governance	Strategy	Risk Management	Metrics and Targets
Disclose the organization's governance around climate-related risks and opportunities.	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	Disclose how the organization identifies, assesses, and manages climate-related risks.	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.
Recommended Disclosures	**Recommended Disclosures**	**Recommended Disclosures**	**Recommended Disclosures**
a) Describe the board's oversight of climate-related risks and opportunities.	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	a) Describe the organization's processes for identifying and assessing climate-related risks.	a) Describe the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.
b) Describe management's role in assessing and managing climate-related risks and opportunities.	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	b) Describe the organization's processes for managing climate-related risks.	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

The TCFD also created supplementary guidance for financial sectors and non-financial groups.

2.4 Supplemental guidance for non-financial groups

The TCFD approached the development of supplemental guidance for non-financial groups based on their assessment of sectors and industries. This assessment centered on three factors: the premise that climate-related transitional and physical risks will likely manifest themselves as constraints to GHG emissions, energy production and usage, and effects on water availability, usage and quality. The TCFD identified four non-financial industry groups that would benefit most from supplementary guidance:

1. Energy	2. Transportation	3. Materials and Buildings	4. Agriculture, Food, and Forest Products
• Oil and Gas • Coal • Electric Utilities	• Air Freight • Passenger Air Transportation • Maritime Transportation • Rail Transportation • Trucking Services • Automobile and components	• Metals and Mining • Chemicals • Construction Materials • Capital Goods • Real Estate Management and Development	• Beverages • Agriculture • Packages Foods and Meats • Paper and Forest Products

The TCFD provides supplemental guidance for non-financial groups, detailed below (a, b, and c, refer to the recommended disclosures and their supplemental guidance). The full supplemental guidance for non-financial groups can be found in the TCFD's Annex (pages 56-68).

	Governance		Strategy			Risk Management			Metrics and Targets		
Groups	a)	b)	a)	b)	c)	a)	b)	c)	a)	b)	c)
Energy				■	■				■		
Transportation				■	■				■		
Materials and Buildings				■	■				■		
Ag, Food, and Forest Products				■	■				■		

2.5 Supplemental guidance for financial groups

The Task Force developed supplemental guidance for the financial sector based on four major industries and their activities:

- **Banks** - lenders
- **Insurance companies** - underwriters
- **Asset Managers** - asset management
- **Asset Owners** - public and private sector investing

The TCFD provides supplemental guidance for the financial sector, as detailed below:

	Governance		Strategy			Risk Management			Metrics and Targets		
Industries	a)	b)	a)	b)	c)	a)	b)	c)	a)	b)	c)
Banks			■			■			■	■	
Insurance Companies				■	■	■	■		■	■	
Asset Owners				■	■	■	■		■	■	
Asset Managers				■		■	■		■	■	

The TCFD recognizes the role of disclosure by the financial sectors in fostering early assessments of climate-related issues and improving pricing of climate-related risks, leading to more informed business and capital allocation decisions.

Since 2020, CDP has included sector-specific questions focusing on publicly listed financial services companies in its corporate questionnaire. Activities covered by these new financial services questions include banking, investing (asset manager and asset owner), and insurance underwriting. The TCFD recommendations highlight the important role of the financial sector as preparers of climate-related financial disclosures. Disclosure by this sector will enable investors, central banks, regulators/supervisors and other relevant stakeholders to better understand the concentrations of carbon-related assets in the financial sector and the financial system's exposures to climate-related risks. The sector-specific financial services questions align with the TCFD's supplemental guidance for financial services companies, focusing on the importance of considering the impacts of climate-related issues in the context of their financial activities such as lending, financial intermediary, investment and/or insurance underwriting activities. Organizations in the financial services sector should respond to the CDP corporate questionnaire in the context of these financing activities, in addition to operational activities where appropriate.

2.5.1 Scenario analysis

Scenario analysis is a strategic planning tool used to explore how an organization might perform (based on its flexibility, resilience, or robustness) in different future states (sometimes referred to as "alternative worlds").

Regarding climate-related risks and opportunities, scenario analysis enables an organization to explore and develop an understanding of how climate change might impact their business over time.

Scenario analysis focuses on a range of forward-looking variables rather than historic data. Crucially, scenario analysis not only identifies potential risks but can also offer insight into opportunities including energy efficiency, changes in energy sources and/or technologies, new products and services, new markets or assets, and increased resilience.

Scenarios are stories that have been methodically developed for the future, and which shed light on the decisions that we need to make today. Thorough scenario analysis uses rigor and method to enable decision makers to evaluate potential outcomes based on a variety of assumptions, and to understand how adjusting one or more of these variables impacts the organization's business.

Common climate-related scenarios are based on exposure to either transition risk pathways or physical risks. Transition risk pathway scenarios consider how an organization is impacted by changes to policy/regulation, technology or market changes aimed at emissions reductions, energy efficiency, subsidies/taxes or other constraints or incentives implemented to facilitate a low carbon economy (for example the "well below 2°C" goal committed to by the Paris Agreement). Physical risk scenarios assess the impact of acute or chronic physical change related to climate change such extreme weather, rising sea levels, water shortage, etc.

CDP has developed a technical note on scenario analysis that can be found here.

2.6 TCFD on scenario analysis

A core aim of the TCFD recommendations is for organizations to improve their understanding of future financial risks related to climate change and develop suitable resilience strategies. This includes focusing organizations' attention on climate-related scenario analysis (Strategy, Recommended Disclosure c) and its role in organizations developing resilient strategies for a low-carbon economy consistent with a 2°C or lower scenario.

2.6.1 The TCFD's viewpoint on scenario analysis:

"The TCFD believes all organizations exposed to climate-related risks should consider (1) using scenario analysis to help inform their strategic and financial planning processes and (2) disclosing how resilient their strategies are to a range of plausible climate-related scenarios. The Task Force recognizes that, for many organizations, scenario analysis is or would be a largely qualitative exercise. However, organizations with more significant exposure to transition risk and/or physical risk should undertake more rigorous qualitative and, if relevant, quantitative scenario analysis with respect to key drivers and trends that affect their operations.

A critical aspect of scenario analysis is the selection of a set of scenarios (not just one) that covers a reasonable variety of future outcomes, both favorable and unfavorable. In this regard, the Task Force recommends organizations use a 2°C or lower scenario in addition to two or three other scenarios most relevant to their circumstances, such as scenarios related to Nationally Determined Contributions (NDCs), physical climate-related scenarios, or other challenging scenarios. In jurisdictions where NDCs are a commonly accepted guide for an energy and/or emissions pathway, NDCs may constitute particularly useful scenarios to include in an organization's suite of scenarios for conducting climate-related scenario analysis.

For an organization in the initial stages of implementing scenario analysis or with limited exposure to climate-related issues, the Task Force recommends disclosing how resilient, qualitatively or directionally, the organization's strategy and financial plans may be to a range of relevant climate change scenarios. This information helps investors, lenders, insurance underwriters, and other stakeholders understand the robustness of an organization's forward-looking strategy and financial plans across a range of possible future states.

Organizations with more significant exposure to climate-related issues should consider disclosing key assumptions and pathways related to the scenarios they use to allow users to understand the analytical process and its limitations. In particular, it is important to understand the critical parameters and assumptions that materially affect the conclusions drawn".

3. Breakdown of TCFD-related questions in CDP's Corporate questionnaire

The TCFD recommendations demonstrate a clear message from investors and private companies regarding what climate-related information should be incorporated in financial disclosures.

CDP has primarily integrated the TCFD's recommendations into the corporate questionnaire, as there is already significant overlap between existing questions and the recommendations. CDP has modified the structure of the corporate questionnaire to align more closely with TCFD recommendations structure.

Water-security and forests content in the questionnaire have not adopted TCFD tags as the TCFD focuses on climate-related issues. However, if water security and deforestation-related issues are material to your organization, the water-security and forests content of the questionnaire contain data points that can aid organizations disclose in line with the TCFD recommendations.

Table 1: Mapping of CDP questions against TCFD Recommendations

Question number 2024	Question text	TCFD recommendations
2.1	How does your organization define short-, medium-, and long-term time horizons in relation to the identification, assessment, and management of your environmental dependencies, impacts, risks, and opportunities?	Risk Management recommended disclosure a) Describe the organization's processes for identifying and assessing climate-related risks. Risk Management recommended disclosure b) Describe the organization's processes for managing climate-related risks Risk Management Disclosure c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management. Strategy recommended disclosure a) Describe the climate related risks and opportunities the organization has identified over the short, medium, and long term.
2.2.1	Does your organization have a process for identifying, assessing, and managing environmental risks and/or opportunities?	Risk Management recommended disclosure a) Describe the organization's processes for identifying and assessing climate-related risks. Risk Management recommended disclosure b) Describe the organization's processes for managing climate-related risks Risk Management Disclosure c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.
2.2.2	Strategy recommended disclosure a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Risk Management recommended disclosure a) Describe the organization's processes for identifying and assessing climate-related risks.
2.2.5	Does your organization have a process for identifying, assessing, and managing environmental risks and/or opportunities related to your portfolio activities?	Risk management recommended disclosure a) Describe your organization's processes for identifying and assessing climate-related risks.

2.2.6	Provide details of your organization's process for identifying, assessing, and managing environmental dependencies, impacts, risks, and/or opportunities related to your portfolio activities.	Risk management recommended disclosure a) Describe your organization's processes for identifying and assessing climate-related risks.
2.2.8	Does your organization consider environmental information about your clients/investees as part of your due diligence and/or environmental dependencies, impacts, risks and/or opportunities assessment process?	Risk management recommended disclosure a) Describe your organization's processes for identifying and assessing climate-related risks. Risk management recommended disclosure b) Describe the organization's processes for managing climate-related risks.
2.2.9	Indicate the environmental information your organization considers about clients/investees as part of your due diligence and/or environmental dependencies, impacts, risks and/or opportunities assessment process, and how this influences decision-making.	Risk management recommended disclosure a) Describe your organization's processes for identifying and assessing climate-related risks. Risk management recommended disclosure b) Describe the organization's processes for managing climate-related risks.
3.1	Have you identified any environmental risks which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?	Strategy recommended disclosure a) Describe the climate related risks and opportunities the organization has identified over the short, medium, and long term.
3.1.1	Provide details of the environmental risks identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.	Strategy recommended disclosure a) Describe the climate related risks and opportunities the organization has identified over the short, medium, and long term. Strategy recommended disclosure b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.
3.6	Have you identified any environmental opportunities which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?	Strategy recommended disclosure a) Describe the climate related risks and opportunities the organization has identified over the short, medium, and long term.
3.6.1	Provide details of the environmental opportunities identified which have had a substantive effect on your organization in the reporting year, or are anticipated to	Strategy recommended disclosure a) Describe the climate related risks and opportunities the organization has identified over the short, medium, and long term.

	have a substantive effect on your organization in the future.	**Strategy recommended disclosure b)** Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.
4.1.2	Identify the positions (do not include any names) of the individuals or committees on the board with accountability for environmental issues and provide details of the board's oversight of environmental issues.	**Governance recommended disclosure a)** Describe the board's oversight of climate related risks and opportunities.
4.3	Is there management-level responsibility for environmental issues within your organization?	**Governance recommended disclosure b)** Describe management's role in assessing and managing climate related risks and opportunities.
5.1	Does your organization use scenario analysis to identify environmental outcomes?	**Strategy recommended disclosure c)** Describe the resilience of the organization's strategy, taking into consideration different climate related scenarios, including a 2°C or lower scenario.
5.1.1	Provide details of the scenarios used in your organization's scenario analysis.	**Strategy recommended disclosure c)** Describe the resilience of the organization's strategy, taking into consideration different climate related scenarios, including a 2°C or lower scenario.
5.1.2	Provide details of the outcomes of your organization's scenario analysis.	**Strategy recommended disclosure b)** Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning. **Strategy recommended disclosure c)** Describe the resilience of the organization's strategy, taking into consideration different climate related scenarios, including a 2°C or lower scenario.
5.2	Does your organization's strategy include a climate transition plan?	**Strategy recommended disclosure b)** Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.
5.3.1	Describe where and how environmental risks and opportunities have affected your strategy.	**Strategy recommended disclosure b)** Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.
5.3.2	Describe where and how environmental risks and opportunities have affected your financial planning.	**Strategy recommended disclosure b)** Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.

5.14	Do your external asset managers have to meet environmental requirements as part of your organization's selection process and engagement?	Strategy recommended disclosure b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.
5.14.1	Provide details of the environmental requirements that external asset managers have to meet as part of your organization's selection process and engagement.	Strategy recommended disclosure b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.
7.6	What were your organization's gross global Scope 1 emissions in metric tons CO2e?	Metrics & Targets recommended disclosure b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.
7.7	What were your organization's gross global Scope 2 emissions in metric tons CO2e?	Metrics & Targets recommended disclosure b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.
7.8	Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.	Metrics & Targets recommended disclosure b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.
7.8.1	Disclose or restate your Scope 3 emissions data for previous years.	Metrics & Targets recommended disclosure b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.
7.52	Provide any additional climate-related metrics relevant to your business.	Metrics & Targets recommended disclosure a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.
7.53	Did you have an emissions target that was active in the reporting year?	Metrics & Targets recommended disclosure c) Describe the targets used by the organization to manage climate related risks and opportunities and performance against targets.
7.53.1	Provide details of your absolute emissions targets and progress made against those targets.	Metrics & Targets recommended disclosure c) Describe the targets used by the organization to manage climate related risks and opportunities and performance against targets.
7.53.2	Provide details of your emissions intensity targets and progress made against those targets.	Metrics & Targets recommended disclosure c) Describe the targets used by the organization to manage climate related risks and opportunities and performance against targets.
7.53.4	Provide details of the climate-related targets for your portfolio.	Metrics & Targets recommended disclosure c) Describe the targets used by the organization to manage climate related risks and opportunities and performance against targets.

7.54	Did you have any other climate-related targets that were active in the reporting year?	Metrics & Targets recommended disclosure a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process. Metrics & Targets recommended disclosure c) Describe the targets used by the organization to manage climate related risks and opportunities and performance against targets.
7.54.1	Provide details of your targets to increase or maintain low-carbon energy consumption or production.	Metrics & Targets recommended disclosure a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process. Metrics & Targets recommended disclosure c) Describe the targets used by the organization to manage climate related risks and opportunities and performance against targets.
7.54.2	Provide details of any other climate-related targets, including methane reduction targets.	Metrics & Targets recommended disclosure a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process. Metrics & Targets recommended disclosure c) Describe the targets used by the organization to manage climate related risks and opportunities and performance against targets.
12.1	Does your organization measure the impact of your portfolio on the environment?	Metrics & Targets recommended disclosure b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.
12.1.1	Provide details of your organization's financed emissions in the reporting year and in the base year.	Metrics & Targets recommended disclosure b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.
12.1.3	Provide details of the other metrics used to track the impact of your portfolio on the environment.	Metrics & Targets recommended disclosure b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.
12.3	State the values of your financing and insurance of fossil fuel assets in the reporting year.	Metrics & Targets recommended disclosure b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.

3.1 TCFD Knowledge Hub

CDSB, in collaboration with the TCFD, have developed a unique and focused online knowledge hub – the TCFD Knowledge Hub - to support the efforts to scale up the widespread adoption of the TCFD recommendations and the development of high-quality, consistent and comparable disclosures of climate-related financial information. The TCFD Knowledge Hub, managed by CDP, is an essential tool that collates, structures and makes accessible a variety of practical resources that facilitate efficient and effective implementation of the TCFD recommendations by the report preparers.

Whether new to climate-related financial reporting or already working towards implementing the TCFD recommendations, this platform provides insights and guidance for the disclosure process. The type of content aggregated includes technical guidance, tools, research papers, frameworks, methodologies, case studies, webinars and FAQs.

Visit www.tcfdhub.org and explore the resources.

If you have any questions, comments, or suggestions about the content of this document, please contact CDP.