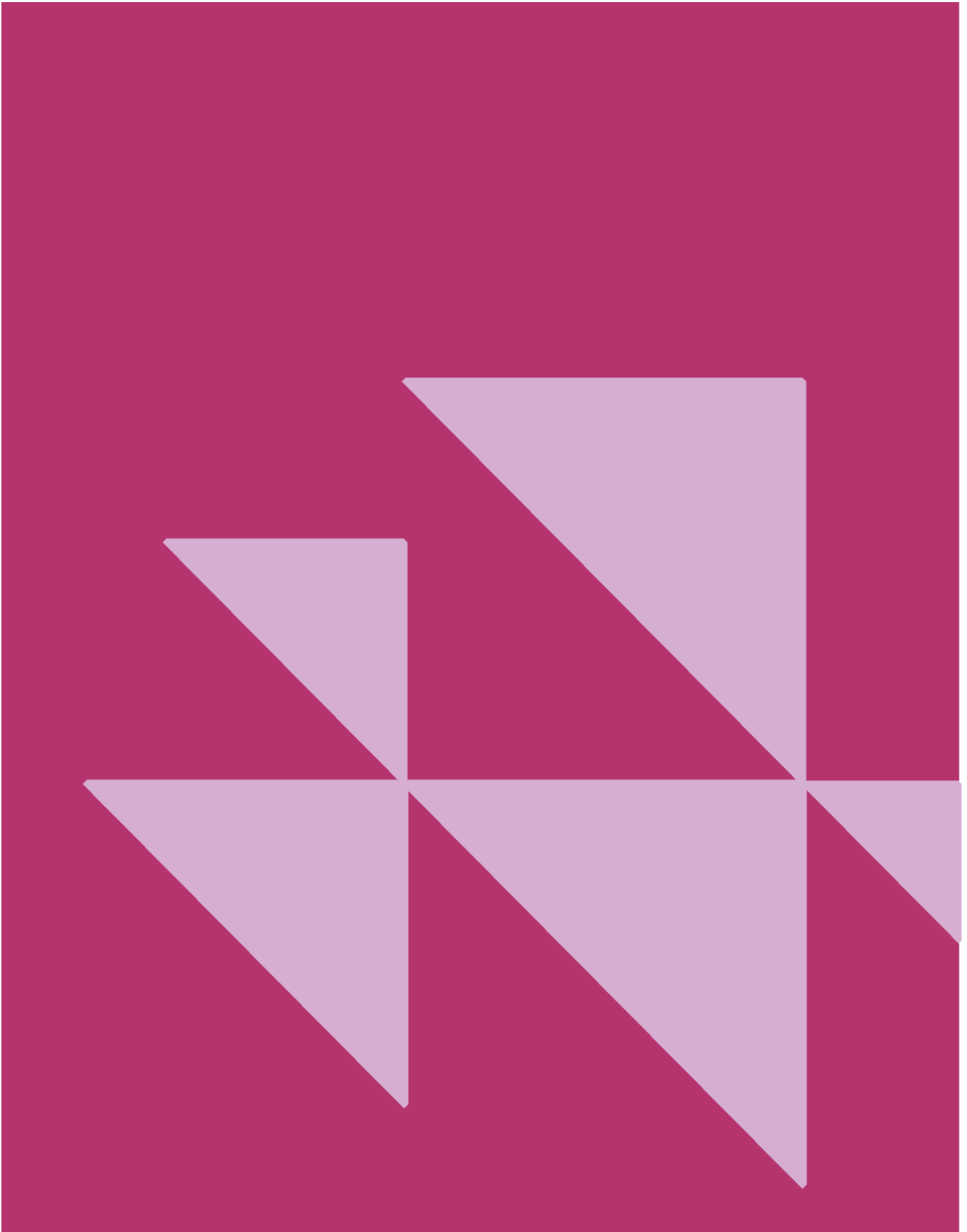

CDP SME Climate Change Scoring Category Weightings 2024



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SME 2024: Summary of scoring methodology category weightings

This document outlines the 2024 SME weightings that will be applied to the scoring categories for organizations responding to CDP's 2024 SME questionnaire. Please refer to the weightings summary sheet below for the specific breakdown. It is recommended that the 2024 SME Scoring Introduction document is read in advance of reading the weighting 'summary sheets'. For a breakdown of which questions fall into which scoring category, please refer to the SME 2024 Scoring Category Mapping Document.

Scoring categories are groupings of questions by topic. They are sub-groups of the 2024 questionnaire modules and are consistent across all sectors. Weightings are applied to scoring categories at the SME Management and SME Leadership levels only. As this is the first year of SME, SME Leadership level is not scored in 2024, as such weightings will not be applied at this level in 2024. Weightings reflect the relative importance of each category within the boundaries of the CDP SME questionnaire and available scoring criteria.

SME Climate Change 2024: Scoring Categories

The scoring categories in 2024 are as follows:

Business Strategy	Risk Disclosure
Context	Risks and Opportunities Process
Emissions Reduction Initiatives	Scope 1, 2 & 3 Emissions
Energy	Targets
Environmental Policies	Verification (Incl. Emissions)
Governance	Value Chain Engagement
Opportunity Disclosure	

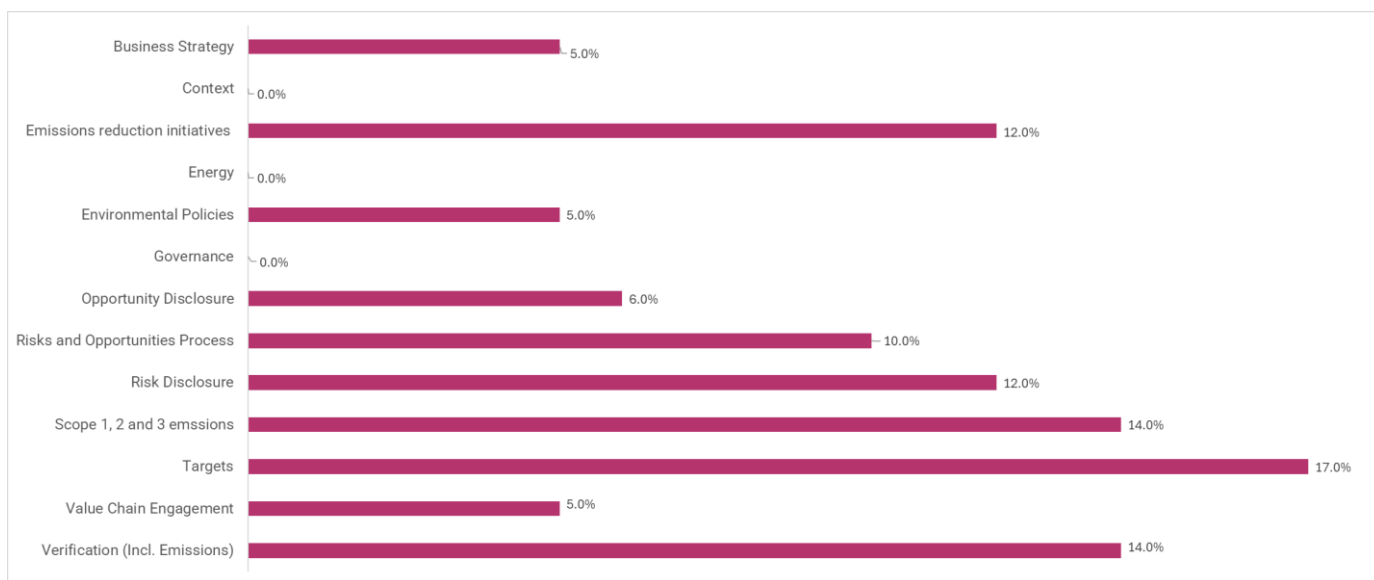
As scoring for SME is new to 2024 the scoring categories have been aligned as much as possible with the CDP Full Corporates Categories for Climate change. There are however some differences:

- Scope 1, 2 and 3 emissions are a combined category for SME.
- Public Policy Engagement and Industry Collaboration does not exist for SME due to no questions being present in this category.
- Pricing Environmental Externalities does not exist for SME due to no questions being present in this category.
- Additional Climate-Related Metrics does not exist for SME due to no questions being present in this category.

Scoring categories and weightings: SME Climate Change - General

There are 13 categories in CDP's 2024 general SME questionnaire – Climate change.

In recognition of their relative importance, some categories are more heavily weighted. For instance, evaluation and disclosure of GHG emissions is a critical first step that every organization must take to understand its negative impact on the climate and take the right steps to reduce it. Doing so is becoming increasingly important for obtaining financing, ensuring competitiveness and resiliency, and meeting regulatory and supplier requirements. For the 2024 SME questionnaire, the high weighting in 'Verification (Incl. Emissions)' and 'Scope 1, 2 and 3 emissions' reflects best practise in environmental reporting, whereby emissions assurance ensures the quality of data and processes disclosed. This is essential for setting realistic emission reduction targets. Furthermore, target setting provides direction and structure to environmental strategy. Providing information on quantitative targets and qualitative goals, and progress made against these targets, can demonstrate your organization's commitment to improving climate-related issues management at a corporate level. This information is relevant to investors' understanding of how your organization is addressing and monitoring progress regarding the risks and opportunities disclosed and is recognised in the high weighting of the 'Targets' category. SMEs are increasingly being requested to commit to reduce their emissions and report progress against their commitments by their stakeholders and lenders. To note, where there is no weighting present, this is because there is no scoring present at SME management level to weight.



The bar chart above shows the % weighting applied to each of the scoring categories at SME Management level for the 2024 SME scoring methodology – Climate Change.