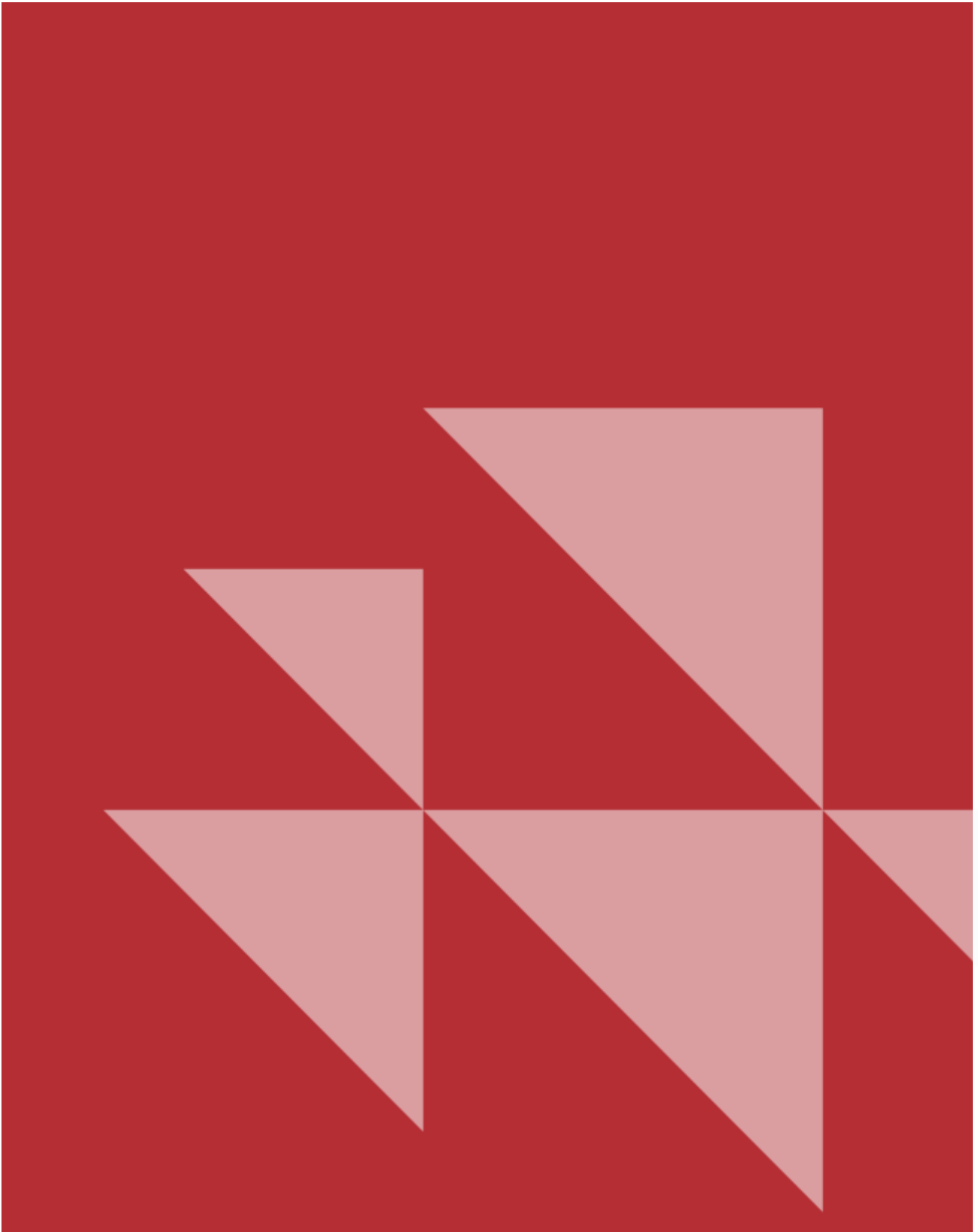


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# CDP Full Corporate Questionnaire

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Module 1 to 6



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## Version

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Version number	Release / Revision date	Revision summary
1.0	Released: May 1, 2024	Publication of the CDP full corporate questionnaire

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## Module 1: Introduction



Guidance for companies reporting on Climate change, Forests, Water Security, Biodiversity, Plastics on behalf of investors & supply chain members

\*The full reporting guidance including explanation of terms is available via the portal/public guidance page.

## Module overview

Module Overview	<p>This module requests information about your organization’s disclosure to CDP and will help data users interpret your responses in the context of your business operations, timeframe, and reporting boundary.</p> <p>The information provided here should apply consistently to your responses throughout the questionnaire and be complete and accurate as it may determine response options presented in subsequent modules.</p> <p>For this reason, you should respond to every question in this module and save your response before accessing the rest of the questionnaire.</p>
Sector-specific content	<ul style="list-style-type: none"> <li>Additional questions on organizational activities for the following high-impact sectors: Agricultural commodities, Capital goods, Cement, Chemicals, Coal, Construction, Electric Utilities, Financial services, Food, Beverage &amp; Tobacco, Metals &amp; Mining, Oil &amp; Gas, Paper &amp; Forestry, Real Estate, Steel, Transport original equipment manufacturers (OEMS), and Transport services.</li> </ul>

## Introduction

### (1.1) In which language are you submitting your response?

Question details	
Change from last year	No change (2023 Submission page)
Response options	<p>Select from:</p> <ul style="list-style-type: none"> <li>English</li> <li>Latin American Spanish</li> <li>Brazilian Portuguese</li> <li>Japanese</li> <li>Chinese</li> <li>Other, please specify</li> </ul>
Requested content	<p><i>General</i></p> <ul style="list-style-type: none"> <li>Note that CDP only considers responses submitted in English, Latin American Spanish, Brazilian Portuguese, Japanese or Chinese for scoring. Therefore, organizations responding in non-Latin American Spanish and non-Brazilian Portuguese should select Latin American Spanish and Brazilian Portuguese.</li> </ul>

Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	All
Sector	Question level	All

**(1.2) Select the currency used for all financial information disclosed throughout your response.**

Question details	
Change from last year	Modified question (2023 C0.4, F0.3, W0.4)
Rationale	CDP encourages organizations to report financial figures associated with dependencies, impacts, risks, and opportunities. Establishing a single currency will facilitate the collection of comparable financial information. This will benefit investors and other data users when assessing the costs and benefits reported by your organization.
Response options	Select from: <ul style="list-style-type: none"> <li>Currency drop-down list</li> </ul>
Requested content	<p><i>General</i></p> <ul style="list-style-type: none"> <li>The currency you select will be applied to all financial information reported in your disclosure.</li> <li>For example, if you select USD (\$), this will determine the currency applied to the figure you give for the financial metric reported in question 3.1.2.</li> </ul>

Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	All
Sector	Question level	All

**(1.3) Provide an overview and introduction to your organization.**

Question details	
Change from last year	Modified question (2023 C0.1, F0.1, W0.1)
Rationale	This introductory information about your organization helps data users to understand your responses in the context of your business activities and sector as well as their connection to environmental issues and corporate strategy.
Response options	Please complete the following table:

1	2	3	4
Type of financial institution [FS only]	Organization type	Description of organization	Description of legislative mandate
Select from: <ul style="list-style-type: none"> <li>Bank</li> <li>Asset manager</li> <li>Asset owner</li> <li>Insurer</li> <li>Other, please specify</li> </ul>	Select from: <ul style="list-style-type: none"> <li>Publicly traded organization</li> <li>Privately owned organization</li> <li>State owned organization</li> <li>Partially privately owned and partially</li> </ul>	Text field [maximum 5,000 characters]	Text field [maximum 5,000 characters]

	state owned organization		
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Requested content	<p><i>Type of financial institution (column 1)</i></p> <ul style="list-style-type: none"> <li>Select the option which most closely describes your organization.</li> </ul> <p><i>Organization type (column 2)</i></p> <ul style="list-style-type: none"> <li>Select the option which most closely matches your organization type. See the “Explanation of terms” for details of the different types.</li> <li>If you are a parent organization responding on behalf of subsidiaries, select the option which reflects your status as the parent organization.</li> </ul> <p><i>Description of organization (column 3)</i></p> <ul style="list-style-type: none"> <li>If disclosing climate change data, specify your business divisions and emissions sources (e.g., natural resource extraction and/or processing, electricity generation, transportation, manufacturing) to help data users understand your emissions profile and compare it with peers.</li> <li><i>Supply Chain program responders only:</i> Include details to provide transparency on which subsidiaries you are including in your response.</li> </ul> <p><i>Description of legislative mandate (column 4)</i></p> <ul style="list-style-type: none"> <li>This column only appears to disclosers identified as a public authority.</li> <li>Describe your organization's legislative mandate to help data users understand your governance responses, degree of autonomy and influence.</li> </ul>
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Authoring notes		
Tags		
Corporate authority	Capital Markets Column 4: Public Authorities	
Environmental Issue (Theme)	Question level	All
Sector	Question level	All

**(1.4) State the end date of the year for which you are reporting data. For emissions data, indicate whether you will be providing emissions data for past reporting years.**

Question details	
Change from last year	Modified question (2023 C0.2, F0.2, W0.2)
Rationale	This question allows for the establishment of a clear temporal context, enabling consistent year-to-year comparisons and assessments of an organization's environmental progress. It enhances transparency and accountability and aids data users in interpreting your responses in relation to the reported timeframe.
Ambition	The organization's financial disclosures related to sustainability cover the same reporting period as the corresponding financial statements.
Response options	Please complete the following table:

1	2	3	4	5	6
End date of reporting year	Alignment of this reporting period with your financial reporting period	Indicate if you are providing emissions data for past reporting years	Number of past reporting years you will be providing Scope 1 emissions data for	Number of past reporting years you will be providing Scope 2 emissions data for	Number of past reporting years you will be providing Scope 3 emissions data for
To: [DD/MM/YYYY]	Select from: <ul style="list-style-type: none"> <li>• Yes</li> <li>• No</li> </ul>	Select from: <ul style="list-style-type: none"> <li>• Yes</li> <li>• No</li> </ul>	Select from: <ul style="list-style-type: none"> <li>• 1 year</li> <li>• 2 years</li> <li>• 3 years</li> <li>• 4 years</li> <li>• 5 years</li> <li>• Not providing past emissions data for Scope 1</li> </ul>	Select from: <ul style="list-style-type: none"> <li>• 1 year</li> <li>• 2 years</li> <li>• 3 years</li> <li>• 4 years</li> <li>• 5 years</li> <li>• Not providing past emissions data for Scope 2</li> </ul>	Select from: <ul style="list-style-type: none"> <li>• 1 year</li> <li>• 2 years</li> <li>• 3 years</li> <li>• 4 years</li> <li>• 5 years</li> <li>• Not providing past emissions data for Scope 3</li> </ul>

Requested content	<p><b>General</b></p> <ul style="list-style-type: none"> <li>• CDP recommends that organizations provide most recent 12-month period for which you have complete data, if possible. If you do not have data for the entire reporting year, consider the following options: <ul style="list-style-type: none"> <li>○ Extrapolate or estimate your data to cover the entire reporting year.</li> <li>○ Outline in the relevant questions any exclusions from your disclosure.</li> </ul> </li> <li>• Apply this reporting year to all your answers throughout the questionnaire, except where the ability is provided to specify other reporting periods (e.g., base year, target year).</li> <li>• In column 3 “Indicate if you are providing data for past reporting years”, select “No” unless you are restating data or you are a first-time responder providing data from past years.</li> <li>• If providing multiple years of data, only data pertaining to the most recent reporting 12-month period will be scored.</li> </ul> <p><i>End date of reporting year (column 1)</i></p> <ul style="list-style-type: none"> <li>• This date should be the same as the “End date of reporting year” reported in your Questionnaire Set-up.</li> <li>• The start date will be automatically assumed to be exactly 365 days before the listed date. For example, if you enter an end date of 31/12/2023, your start date will be automatically assumed to be 01/01/2023.</li> </ul> <p><i>Alignment of this reporting period with your financial reporting period (column 2)</i></p> <ul style="list-style-type: none"> <li>• Whilst CDP does not require organizations to synchronize their reporting year with their fiscal year, the investment community generally prefers an organization’s reporting year for environmental disclosure to match the fiscal year for their financial jurisdiction. This facilitates the assessment of environmental performance data in alignment with financial performance data.</li> <li>• When reporting intensity figures using a financial metric throughout the questionnaire, ensure that the financial information provided aligns with the reporting year disclosed here, even if your reporting year is not aligned with your fiscal year.</li> </ul> <p><i>Indicate if you are providing emissions data for past reporting years (column 3)</i></p> <ul style="list-style-type: none"> <li>• If you are a first-time responder and have therefore not provided emissions data to CDP before, provide gross global emissions data for the five years preceding the current reporting year in the emissions accounting questions (7.6 and 7.7) for scopes 1 and 2, and in 7.8.1 for scope 3.</li> <li>• For all other responders, restating emissions data is optional but enhances transparency.</li> <li>• If providing past emissions data, select “Yes” and specify the number of past years of emissions data for each scope in column 4 “Number of past reporting years you will be</li> </ul>
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	<p>providing Scope 1 emissions data for” to column 6 “Number of past reporting years you will be providing Scope 3 emissions data for”.</p> <ul style="list-style-type: none"> <li>For more information on restatements, refer to <a href="#">CDP’s technical note on restatements</a>.</li> </ul>
Requested content – [sector] (if applicable)	<p><i>Note for financial services companies:</i></p> <ul style="list-style-type: none"> <li>The number of past reporting years of emissions data for Scope 3 will also determine the number of past reporting years of emissions data for portfolio emission data in question 12.1.2.</li> </ul>

Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	All
Sector	Question level	All

**(1.5) Provide details on your reporting boundary.**

Question details	
Change from last year	New question
Rationale	This question helps data users interpret how your responses relate to your business operations. Your response to this question defines the set of entities (companies, businesses, other groups, etc.) that you are providing data for in the CDP questionnaire.
Ambition	<ul style="list-style-type: none"> <li>The organization uses the same reporting boundary as the boundary used in the preparation of their financial statements.</li> <li>The reporting boundary is applied consistently throughout reporting. Where relevant, the organization provides information on the value chain outside of the boundary as supplementary information relating to the dependencies, impacts, risks, and opportunities identified by the organization.</li> </ul>
Connection to other frameworks	RE100 ESRS 2 TCFD Metrics and Targets B
Response options	Please complete the following table:

1	2
<b>Is your reporting boundary for your CDP disclosure the same as that used in your financial statements?</b>	<b>How does your reporting boundary differ to that used in your financial statement?</b>
Select from: <ul style="list-style-type: none"> <li>Yes</li> <li>No</li> <li>Not applicable – we do not publicly disclose financial statements</li> </ul>	Text field [maximum 2,500 characters]

[Fixed row]

Requested content	<p><i>General</i></p> <ul style="list-style-type: none"> <li>The reporting boundary defines the set of entities (companies, businesses, other groups, etc.) that you are providing data for.</li> <li>Unless stated otherwise, the information you provide in response to CDP’s corporate questionnaire should be presented as one result covering all the entities indicated as falling within your reporting boundary in this question.</li> <li>Throughout this questionnaire, “your organization” and “organization-wide” will be used to refer collectively to the entities included within the reporting boundary defined here.</li> </ul>
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	<ul style="list-style-type: none"> <li>• CDP recommends that you consult your legal or accounting advisor when determining your reporting boundary.</li> <li>• Note that you will be requested to indicate the consolidation approach chosen to calculate environmental performance data (e.g., GHG emissions, water withdrawals, deforestation- and conversion-free status of commodity volumes, etc.) to your organization in 6.1.</li> </ul> <p><i>Is your reporting boundary for your CDP disclosure the same as that used in your financial statement? (column 1)</i></p> <ul style="list-style-type: none"> <li>• Using a reporting boundary aligned with the reporting boundary used for your financial accounting is preferable, as it is important for consistency and accountability.</li> <li>• CDP is committed to deliver comprehensive and robust environmental data to the market by aligning with global standards. Using the same reporting boundary as that used in your financial statements aligns with the requirements of the IFRS and ESRS reporting standards.</li> </ul> <p><i>How does your reporting boundary differ to that used in your financial statement (column 2)</i></p> <ul style="list-style-type: none"> <li>• This column is only presented if “No” is selected in column 1 “Is your reporting boundary for your CDP disclosure the same as that used in your financial statement?”.</li> <li>• Provide details on why your reporting boundary is not the same as the reporting boundary used in the preparation of financial statements. Include details as to how the reporting boundary differs from your financial statements, such as any entities included in your financial reporting that are not included in your CDP response.</li> </ul>
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Authoring notes		
<b>Tags</b>		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	All
Sector	Question level	All

**(1.6) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?**

Question details	
Change from last year	Modified question (2023 C0.8, F0.8, W0.7)
Rationale	ISIN codes and other market identifiers are used globally in the identification of securities such as bonds, futures, and stocks. Providing your organization’s unique identifier increases the transparency of your response.
Response options	Please complete the following table. You are able to add rows by using the “Add Row” button at the bottom of the table.

1	2	3
<b>Unique identifier</b>	<b>Does your organization use this unique identifier?</b>	<b>Provide your unique identifier</b>
ISIN code - bond	Select from:	Text field [maximum 50 characters]

	<ul style="list-style-type: none"> <li>• Yes</li> <li>• No</li> </ul>	
ISIN code - equity		
CUSIP number		
Ticker symbol		
SEDOL code		
LEI number		
D-U-N-S number		
Other unique identifier		
Select from: <ul style="list-style-type: none"> <li>• ISIN code – bond</li> <li>• ISIN code – equity</li> <li>• CUSIP number</li> <li>• Ticker symbol</li> <li>• SEDOL code</li> <li>• LEI number</li> <li>• D-U-N-S number</li> <li>• Other unique identifier</li> </ul>		

[Fixed row, add row]

Requested content	<p><i>Unique identifier (column 1)</i></p> <ul style="list-style-type: none"> <li>• This column uses a fixed row, add row combination. If your organization has more than one unique identifier, add rows as needed.</li> </ul> <p><i>Provide your unique identifier (column 3)</i></p> <ul style="list-style-type: none"> <li>• This column is only presented if “Yes” is selected in column 2 “Does your organization use this unique identifier?”.</li> <li>• Ensure that you enter the correct format for your unique identifier. For example, ISIN codes include a two-letter country code, followed by a nine-character alphanumeric identifier and a single check digit.</li> <li>• If providing an identifier for the row “Other unique identifier”, specify the type of identifier as well as the identifier code.</li> </ul>
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Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	All
Sector	Question level	All

**(1.7) Select the countries/areas in which you operate.**

Question details	
Change from last year	Modified guidance (2023 C0.3, F0.6, W0.3)
Rationale	This question helps data users interpret how your responses relate to your operations across different geographical areas. Ensuring precise country selection in this question enhances the overall accuracy of reporting throughout the questionnaire.
Connection to other frameworks	RE100 AFi Core Principle 12

1
Country/area
Select all that apply
[Country/area drop-down list]

Requested content	<p><i>Country/area (column 1)</i></p> <ul style="list-style-type: none"> <li>• Select all countries/areas in which you operate from the drop-down list provided.</li> <li>• 'Operate' refers to the countries/areas where the entities in your organization's reporting boundary are based and/or conduct business.</li> <li>• The countries/areas you select in this question will be shown when providing country-level breakdowns, e.g. in question 7.16.</li> </ul>
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Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	All
Sector	Question level	All

**(1.8) Are you able to provide geolocation data for your facilities?**

Question details	
Question dependencies	Your response to 1.8 will determine if subsequent questions are presented in this section. If your response to 1.8 is amended, data in those dependent questions may be erased. In this case, be sure to re-enter data for all relevant questions. The guidance for each question indicates if it is a dependent question.
Change from last year	No change (2023 SW1.2)
Rationale	This information will be useful for requesting members to link your data with water stress maps, and the types of risk exposure in those water stressed areas.
Response options	Please complete the following table:

1	2
Are you able to provide geolocation data for your facilities?	Comment
<p>Select from:</p> <ul style="list-style-type: none"> <li>• Yes, for all facilities</li> <li>• Yes, for some facilities</li> <li>• No, not currently but we intend to provide it within the next two years</li> <li>• No, we do not have this data and have no plans to collect it</li> <li>• No, this is confidential data</li> </ul>	Text field [maximum 1,000 characters]



Requested content	<p><i>Comment (column 2) (optional)</i></p> <ul style="list-style-type: none"> <li>If you select "Yes, for some facilities" in column 1, please indicate an approximate proportion.</li> </ul>
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Authoring notes		
Tags		
Corporate authority	Supply chain	
Environmental Issue (Theme)	Question level	Water only
Sector	Question level	All (except FS)

**(1.8.1) Please provide all available geolocation data for your facilities.**

Question details	
Question dependencies	<ul style="list-style-type: none"> <li>This question only appears if you select "Yes, for all facilities" or "Yes, for some facilities" in response to 1.8.</li> </ul>
Change from last year	No change (2023 SW1.2a)
Rationale	This information will be useful for requesting members to link CDP data with maps which show areas of greater water stress, and the types of risk exposure in those water stressed areas.
Response options	Please complete the following table. You are able to add rows using the "Add Row" button at the bottom of the table.

1	2	3	4
Identifier	Latitude	Longitude	Comment
Text field [maximum 500 characters]	Numerical field [enter a number from 0 to +/- 90.000000 using a maximum of six decimal places]	Numerical field enter a number from 0 to +/- 180.000000 using a maximum of six decimal places]	Text field [maximum 1,000 characters]

Requested content	<p><i>General</i></p> <ul style="list-style-type: none"> <li>Include all your facilities if possible.</li> <li>Please comment on the completeness of this dataset. Use the "Comment" column of row 1 (Facility 1) for this. If you responded "Yes, for some" in 1.8, include any plans to improve your coverage.</li> </ul> <p><i>Identifier (column 1)</i></p> <ul style="list-style-type: none"> <li>This is optional. Use this field if you have a company-specific identifier for your facilities (such as a facility name or code).</li> </ul> <p><i>Latitude (column 2)</i></p> <ul style="list-style-type: none"> <li>Enter the latitude coordinates for the facility reported in column 1. Your response should be in the format of decimal degrees and can range from 0 to +/-90.000000.</li> <li>If you are disclosing for a cluster of facilities, (in accordance with the guidance for 9.3), you may provide the coordinates for the facility with the largest total withdrawal volumes.</li> </ul>
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	<p><i>Longitude (column 3)</i></p> <ul style="list-style-type: none"> <li>• Enter the longitude coordinates for the facility reported in this row. Your response should be in the format of decimal degrees and can range from 0 to +/-180.000000.</li> <li>• If you are disclosing for a cluster of facilities (in accordance with the guidance for W4.1b), you may provide the coordinates for the facility with the largest total withdrawal volumes.</li> </ul> <p><i>Comment (column 4) (optional)</i></p> <ul style="list-style-type: none"> <li>• If the 'facility' is an aggregate of multiple locations, ensure that you state this and explain how your methodology for aggregating facilities was applied here.</li> <li>• If you are unable to provide geolocation data for any facilities, please use this column to explain your coverage and any plans to collect this data in future.</li> </ul>
Additional information	<ul style="list-style-type: none"> <li>• The geodetic system that should be used is the WGS 84, which is the system used by GPS (<a href="#">Global Positioning System</a>), <a href="#">Google Maps</a>, <a href="#">Google Earth</a> and most major web applications providing coordinates to users.</li> <li>• If you wish to find geo-location data for your facilities, there are various web tools for obtaining latitude and longitude coordinates according to WGS84, e.g. <a href="#">iTouchMap</a> allows you to enter an address or identify a location on a map and will return the latitude and longitude coordinates.</li> </ul>

Authoring notes		
Tags		
Corporate authority	Supply chain	
Environmental Issue (Theme)	Question level	Water only
Sector	Question level	All (except FS)

**(1.9) What was the size of your organization based on total assets value at the end of the reporting period?**

Question details	
Change from last year	New question
Rationale	This question helps data users interpret how your responses relate to your operations by providing context on your financing and/or activities disclosed via CDP in relation to your total activities.
Response options	Numeric field [enter a number from 0-999,999,999,999]
Connection to other frameworks	NZAM Commitment 1
Requested content	<p><i>General</i></p> <ul style="list-style-type: none"> <li>• Provide the figure of your total gross value of assets owned, assets under management (AUM), assets under advisory and assets insured, reported in the currency selected in question 1.2.</li> <li>• The value figure should be reported as the market value at the end of the reporting year.</li> <li>• When market value is unavailable, you should report the latest net releasable value estimate of those assets.</li> </ul>

	<ul style="list-style-type: none"> <li>The total assets figure should include uncalled commitments (e.g. in private equity or infrastructure) and policyholders' funds, off-balance-sheet assets and their portion of joint venture (JV) assets (where relevant).</li> </ul>
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Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	All
Sector	Question level	FS

## Organizational activities

### (1.10) Which activities does your organization undertake, and which industry sectors does your organization lend to, invest in, and/or insure?

Question details	
Question dependencies	Your response to this question will determine which subsequent questions are presented. If your response to 1.10 is amended, data in those dependent questions may be erased.
Change from last year	New question for Forests and Water Modified question (2023 C-FS0.7)
Rationale	To interpret your disclosure, it is important that data users understand what type of financial institution your organization is and, accordingly, what financial industry activities your organization performs and/or engages in that are relevant for this disclosure. This also enables data users to make more accurate cross-organizational and cross-industry comparisons.
Connection to other frameworks	TCFD Financial Sector NZAM General Commitment

0	1	2	3	4	5	6	7
Portfolio	Activity undertaken	Insurance types underwritten	Reporting the portfolio value and % of revenue associated with the portfolio	Portfolio value based on total assets	% of revenue	Type of clients	Industry sectors your organization lends to, invests in, and/or insures
Banking (Bank)	Select from: <ul style="list-style-type: none"> <li>Yes</li> <li>No</li> </ul>	N/A	Select from: <ul style="list-style-type: none"> <li>Yes, both the portfolio value and the % of revenue associated with it.</li> <li>Yes, the value of the portfolio based on total assets.</li> <li>Yes, the % of revenue associated with the portfolio.</li> </ul>	Numeric field [enter a number from 0-999,999,999,999,999 using a maximum of 2 decimal places and no commas]	Percentage field [enter a percentage from 0-100 using a maximum of 1 decimal place]	Select all that apply: <ul style="list-style-type: none"> <li>Asset owners</li> <li>Government / sovereign / quasi-government / sovereign wealth funds</li> <li>Institutional investors</li> <li>Family offices / high network individuals</li> <li>Retail clients</li> </ul>	Select all that apply: <ul style="list-style-type: none"> <li>Apparel</li> <li>Biotech, health care &amp; pharmaceutical</li> <li>Food, beverage &amp; agriculture</li> </ul>

			<ul style="list-style-type: none"> <li>No</li> </ul>			<ul style="list-style-type: none"> <li>Corporate and institutional clients (companies)</li> <li>Business and private clients (banking)</li> <li>Other, please specify</li> </ul>	<ul style="list-style-type: none"> <li>Fossil Fuels</li> <li>Hospitality</li> <li>Infrastructure</li> <li>International bodies</li> <li>Manufacturing</li> <li>Materials</li> <li>Power generation</li> <li>Retail</li> <li>Services</li> <li>Transportation services</li> </ul>
Investing (Asset manager)		N/A					
Investing (Asset owner)		N/A					
Insurance underwriting (Insurance company)		Select all that apply: <ul style="list-style-type: none"> <li>General (non-life)</li> <li>Life and/or Health</li> </ul>					

[Fixed row]

Requested content	<i>General</i> <ul style="list-style-type: none"> <li>If you are an insurance company that invests assets on your own behalf, select "Yes" in column 1 "Activity undertaken" for rows "Insurance underwriting" and "Investing (Asset</li> </ul>
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owner)", as both insurance underwriting and investment activities are applicable to your business.

- If you are a bank that does both lending and asset management, select "Yes" in column 1 "Activity undertaken" for rows "Banking (Bank)" and "Investing (Asset manager)", as both are applicable to your business.
- If you are a multi-finance company engaging in any type of lending even if not taking deposits, select "Yes" in column 1 "Activity undertaken" for row "Banking (Bank)".
- If you undertake multiple activities listed, select "Yes" in column 1 "Activity undertaken" for all activities that apply.
- If you are a financial services company having only individual clients as opposed to having corporate clients, the guidance for subsequent questions indicates where responses are requested only regarding corporate clients.

#### *Activity undertaken (column 1)*

- For each activity (portfolio), select "Yes" if the activity occurs inside your organizational boundary.

#### *Insurance types underwritten (column 2)*

- This column is only presented if "Yes" is selected in column 1 "Activity undertaken" for the row "Insurance underwriting (Insurance company)".
- Indicate which types of insurance you provide:
  - **General (non-life):** typically defined as any insurance that is not determined to be life and/or health insurance. It is also referred to as "Property and casualty" insurance in some regions.
  - **Life and/or health:** life insurance is a type of insurance that pays out upon the death of an insured person, and health (or medical) insurance is a type of insurance that covers the cost of medical care.
- CDP recognizes that some questions are not relevant to insurers that provide only life and/or health insurance, and so your selection here determines which response options related to due diligence, exclusion policies and portfolio impact will appear. Therefore, if you are an insurer providing only life and/or health insurance, select only the "Life and/or health" option.
- Please note that this is relevant to your insurance underwriting activities only. You are still required to respond to all questions relevant to your investing activities.

#### *Portfolio value based on total assets (column 4)*

- This column is only presented if "Yes" is selected in column 1 "Activity undertaken" for any row.
- Provide the figure of your total gross value of assets owned, assets under management (AUM), assets under advisory and/or assets insured, reported in the currency selected in 1.2 for each one of your portfolios.
- The value figure should be reported as the market value at the end of the reporting year.
- When market value is unavailable, you should report the latest net releasable value estimate of those assets.
- The total assets figure should include uncalled commitments (e.g. in private equity or infrastructure) and policyholders' funds, off-balance-sheet assets and their portion of joint venture (JV) assets (where relevant).

#### *% of revenue (column 5)*

- This column is only presented if "Yes" is selected in column 1 "Activity undertaken" for any row.
- Provide the proportion of your organization's total revenue associated with each portfolio you have.

	<p><i>Type of clients (column 6)</i></p> <ul style="list-style-type: none"> <li>This column is only presented if “Yes” is selected in column 1 “Activity undertaken” for any row.</li> <li>Select all the different clients you work with in the relevant portfolio.</li> </ul> <p><i>Industry sectors your organization lends to, invests in, and/or insures (column 7)</i></p> <ul style="list-style-type: none"> <li>This column is only presented if you select “Yes” in column 1 “Activity undertaken” for any row. Note that this column will not appear for the row “Insurance underwriting (insurance company)” if “Life and/or health” is the only selection in column 2 “Insurance types underwritten”.</li> <li>Select all industry sectors your organization supports through your financing, investing and/or insurance activities.</li> <li>If you lend to, invest in and/or provide insurance to all industry sectors, you can select “Exposed to all broad market sectors” and you do not need to select any other options in the list.</li> <li>At a minimum, select all industry sectors which either represent at least 0.5% of your portfolio based on either total or outstanding commitments, premiums or committed capital or represent at least \$50M of lending or investments.</li> <li>If you do not lend to, invest in, or insure any of the industries listed here, select “None of the above”.</li> </ul>
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Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	CC, F, W
Sector	Question level	FS

**(1.11) Are greenhouse gas emissions and/or water-related impacts from the production, processing/manufacturing, distribution activities or the consumption of your products relevant to your current CDP disclosure?**

Question details	
Question dependencies	Your response to this question determines which questions will be shown throughout the questionnaire and which response options will be listed within these questions. If your response to this question is amended, data in those dependent questions may be erased.
Change from last year	Modified question (2023 C-AC0.6/C-FB0.6/C-PF0.6, C-AC0.6a-g/C-FB0.6a-g/C-PF0.6a-g, W-FB0.1a/W-AC0.1a)
Rationale	Business activities within the ‘agricultural commodities’, ‘food, beverage and tobacco’, and ‘paper and forestry’ sectors are directly related to greenhouse gas emissions and water usage. Disclosing the activities that these organizations engage in - whether in direct operations or in other parts of the value chain - provides data users with the contextual information necessary to understand and evaluate how they assess and manage climate- and water-related dependencies, impacts, risks, and opportunities. This also enables data users to make more accurate cross-organizational and cross-industry comparisons.
Response options	Please complete the following table:

0	1	2	3
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Activity	Relevance of emissions and/or water-related impacts	Primary reason emissions and/or water-related impacts from this activity are not relevant	Explain why emissions and/or water-related impacts from this activity are not relevant
Production	Select from: <ul style="list-style-type: none"> <li>• Own land only</li> <li>• Value chain (excluding own land)</li> <li>• Value chain (including own land)</li> <li>• No</li> </ul>	Select from: <ul style="list-style-type: none"> <li>• Analysis in progress</li> <li>• Do not own/manage land [appears only if "Upstream/downstream value chain (excluding direct operations)" or "Value chain (excluding own land)" is selected in column 1]</li> <li>• Lack of internal resources, capabilities, or expertise (e.g., due to organization size)</li> <li>• No standardized procedure</li> <li>• Not an immediate strategic priority</li> <li>• Judged to be unimportant or not relevant</li> <li>• Not evaluated due to insufficient data on operations</li> <li>• Outside the value chain of my organization [appears only if "No" is selected in column 1]</li> <li>• Other, please specify</li> </ul>	Text field [maximum 2,500 characters]
Processing/ Manufacturing	Select from: <ul style="list-style-type: none"> <li>• Direct operations</li> <li>• Upstream/downstream value chain (excluding direct operations)</li> <li>• Both direct operations and upstream/downstream value chain</li> <li>• No</li> </ul>		
Distribution	Select from: <ul style="list-style-type: none"> <li>• Direct operations</li> <li>• Upstream/downstream value chain (excluding direct operations)</li> <li>• Both direct operations and upstream/downstream value chain</li> <li>• No</li> </ul>		
Consumption	Select from: <ul style="list-style-type: none"> <li>• Yes</li> <li>• No</li> </ul>		

[Fixed row]

Requested content	<p><i>General</i></p> <ul style="list-style-type: none"> <li>• Consider aspects associated with the listed activities that are relevant to the agricultural commodities, food, beverage, and tobacco, and/or paper and forestry sectors, e.g. the processing/manufacturing of soft commodities or food, beverage, tobacco and/or wood-based goods.</li> </ul> <p><i>Activity (column 0)</i></p>
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- Respond to each specified activity, considering the entire value chain of your organization.
- Emissions sources and water-related impacts of **production** activities:
  - Carbon dioxide, methane, and nitrous oxide emissions released as a result of decaying or burning of biological or soil organic matter, fuel combustion and electricity generation in farm operation, digestion of livestock, stored manures and rice cultivation.
  - Contribution to water stress regarding surface and/or groundwater resources through excessive or unsustainable water management practices.
  - Alteration of water availability due to land use changes (e.g., deforestation, irrigation practices).
  - Pollution of water sources through runoff, including pesticides, fertilizers and other chemicals.
- Emissions and water-related impacts of the processing of raw materials and wood or the manufacture of food, beverage and tobacco products are associated with all processes adopted, and all methods and techniques used, to transform raw agricultural inputs/timber products into final products ready for human consumption, including:
  - Pre-processing (relevant if companies use processed inputs, e.g. sugar);
  - Primary grading/ screening to ensure uniformity;
  - Storage during different processing stages;
  - Cleaning to remove and separate off-specification material, organic and non-organic debris, metals, and pesticide residues among other contaminants;
  - Cutting, trimming, rolling and peeling to re-shape and remove inedible parts;
  - Cooking, canning, evaporating, drying and freezing;
  - Pulping and filtration;
  - Packaging of the final product to provide containment, protection, communication, and convenience, including, packaging for transport e.g. crates or pallets; and
  - Waste generated during processing activities.
- **Distribution** encompasses the entire network required to move products through the value chain from the farm/production unit to the retail location. Consider all the distribution stages in your disclosure:
  - Transportation of raw agricultural/forest products to processing facilities;
  - Transportation of material inputs to processing facilities, for example, packaging materials, chemicals, wood and any other ingredients;
  - Product distribution from processing facilities to the retailer/customer;
  - Transportation of waste to disposal sites or to points of re-use;
  - In each of the cases listed for transportation above, you should also account for emissions and water-related impacts from empty return journeys, storage of goods during distribution (as this can often require specific controls for humidity, temperature, atmospheric conditions and hygiene requirements) and the waste generated during transportation.
- **The consumption** stage includes the use of goods as well as their waste management, including disposal and end-of-life treatment of products sold by the reporting organization. Consider:
  - Cooling, freezing and heating of sold products;
  - Waste disposal and end of life treatment of products, i.e., activities associated with land filling, incineration, composting, repurposing, recycling.
  - Discharge treatment
  - Note that the calculation of emissions and water-related impacts associated with consumption and end life treatment may require reporting companies to make assumptions regarding how consumers use products, product lifetimes and end of life treatment methods chosen by consumers.



*Relevance of emissions and/or water-related impacts (column 1)*

- If your organization has emissions and/or water-related impacts from an activity, specify which aspects of your value chain it relates to. Select:
  - “Own land only” if all your agricultural products are grown on self-owned/managed farms;
  - “Value chain (excluding own land)” if all your agricultural products are grown on farms which are not owned/managed by your organization;
  - “Value chain (including own land)” if your agricultural products are grown on self-owned/managed farms, and on farms not owned/managed by your organization;
  - “Upstream/downstream value chain (excluding direct operations)” if all your agricultural inputs are purchased; or
  - “Both direct operations and upstream/downstream value chain” if a combination of product cultivation and purchasing is applicable to your organization.
- If you wish to add or delete an activity later in the questionnaire, revisit this question and modify your response accordingly. Selecting “No” will erase your previous responses to linked questions.

*Primary reason emissions and/or water-related impacts from this activity are not relevant (column 2)*

If “No” is selected in column 1 “Relevance of emissions and/or water-related impacts”, select the primary reason why emissions and/or water related impacts are not relevant to your CDP disclosure.

If either “Value chain (excluding own land)” or “Upstream/downstream value chain (excluding direct operations)” is selected in column 1 “Relevance of emissions and/or water-related impacts”, select the primary reason why emissions and/or water related impacts are not relevant to your own land or direct operations.

*Explain why emissions and/or water-related impacts from this activity are not relevant (column 3)*

- If “Analysis in progress”, “Do not own/manage land”, “Outside the value chain of my organization” or “Judged to be unimportant or not relevant” is selected in column 2 “Primary reason for no emissions or water-related impacts from this activity”, describe your evaluation methods, indicating the procedures and tools used for evaluating the relevance of this activity. Specify parts of your business included in the analysis and the criteria used to decide that the activity was not relevant.
- If “Analysis in progress” is selected in column 2 “Primary reason for no emissions or water-related impacts from this activity”, provide a date for when it will be finalized.
- If “Lack of internal resources, capabilities, or expertise (e.g., due to organization size)” is selected in column 2 “Primary reason for no emissions or water-related impacts from this activity”, specify the main challenges you experience.
- If “Lack of internal resources, capabilities, or expertise (e.g., due to organization size)” or “Not evaluated due to insufficient data on operations” is selected in column 2 “Primary reason for no emissions or water-related impacts from this activity”, indicate if you have any plans to evaluate the relevancy of this activity to your disclosure in the next two years and if so, describe the methods and coverage for this upcoming analysis.

**Authoring notes**

**Tags**

Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	CC,W
Sector	Question level	AC, FB, PF

**(1.12) Which part of the concrete value chain does your organization operate in?**

Question details	
Change from last year	No change (2023 C-CE0.7)
Rationale	CDP aims to deliver a more focused questionnaire for organizations that operate in the concrete value chain. Answers given here allow investors and data users to more accurately compare responses across organizations and industries.
Response options	Select all that apply from the following options: <ul style="list-style-type: none"> <li>• Limestone quarrying</li> <li>• Clinker production</li> <li>• Portland cement manufacturing</li> <li>• Blended cement</li> <li>• Belite cements</li> <li>• Alternative “low CO<sub>2</sub>” cementitious materials production</li> <li>• Aggregates production</li> <li>• Concrete production</li> <li>• Concrete pavement / asphalt / tarmac</li> <li>• Lime production</li> </ul>
Requested content	<b>General</b> <ul style="list-style-type: none"> <li>• Select all activities that occur inside your organizational boundary.</li> <li>• Production of raw materials or intermediary products for sale or own consumption is applicable.</li> </ul>

Authoring notes		
<b>Tags</b>		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	CC
Sector	Question level	CE

**(1.13) In which part of the coal value chain does your organization operate?**

Question details	
Change from last year	New question for Water Modified question for Climate change (2023 C-CO0.7)
Rationale	Business activities within the coal sector are directly related to greenhouse gas emissions and water usage. Disclosing the activities that these organizations engage in provides data users with the contextual information necessary to understand and evaluate how they assess and manage climate- and water-related dependencies, impacts, risks, and opportunities. This also enables data users to make more accurate cross-organizational and cross-industry comparisons.
Response options	Select all that apply from the following options:

1a	1b
Category	Aspect
Select all that apply:	Select all that apply:

<ul style="list-style-type: none"> <li>Coal value chain</li> <li>Other divisions</li> </ul>	<p><b>Coal value chain</b></p> <ul style="list-style-type: none"> <li>Coal derived fuels and chemical feedstocks</li> <li>Grid electricity generation from coal</li> <li>Surface coal mining</li> <li>Underground coal mining</li> </ul> <p><b>Other divisions</b></p> <ul style="list-style-type: none"> <li>Metal ore mining</li> <li>Other minerals mining</li> </ul>
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Requested content	<p><i>General</i></p> <p>Select all aspects of the coal value chain and/or other divisions that your organization operates in. In the context of this question, “operates” refers only to the production activities.</p>
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Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	CC,W
Sector	Question level	CO

**(1.14) In which part of the chemicals value chain does your organization operate?**

Question details	
Change from last year	Modified question (2023 C-CH0.7, W-CH0.1a)
Rationale	Business activities within the chemicals sector are directly related to greenhouse gas emissions and water usage. Disclosing the activities that these organizations engage in provides data users with the contextual information necessary to understand and evaluate how they assess and manage climate- and water-related dependencies, impacts, risks, and opportunities. This also enables data users to make more accurate cross-organizational and cross-industry comparisons.
Response options	Select all that apply from the following options:

1a	1b
Category	Aspect
Select all that apply: <ul style="list-style-type: none"> <li>Bulk inorganic chemicals</li> <li>Bulk organic chemicals</li> <li>Other chemicals</li> </ul>	Select all that apply: <p><b>Bulk organic chemicals</b></p> <ul style="list-style-type: none"> <li>Adipic acid</li> <li>Aromatics</li> <li>Ethanol</li> <li>Ethylene oxide &amp; Ethylene glycol</li> <li>Lower olefins (cracking)</li> <li>Methanol</li> <li>Polymers</li> </ul> <p><b>Bulk inorganic chemicals</b></p> <ul style="list-style-type: none"> <li>Ammonia</li> <li>Carbon black</li> </ul>

	<ul style="list-style-type: none"> <li>• Chlorine and Sodium hydroxide</li> <li>• Fertilizers</li> <li>• Hydrogen</li> <li>• Nitric acid</li> <li>• Other industrial gases</li> <li>• Oxygen</li> <li>• Soda ash</li> <li>• Titanium dioxide</li> </ul> <p><b>Other chemicals</b></p> <ul style="list-style-type: none"> <li>• Specialty inorganic chemicals</li> <li>• Specialty organic chemicals</li> <li>• Other, please specify</li> </ul>
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Requested content	<p><i>General</i></p> <p>Select all aspects of production within your organizational boundary. If your organization purchases the product but does not produce it, do not select it.</p>
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Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	CC,W
Sector	Question level	CH

**(1.15) Which real estate and/or construction activities does your organization engage in?**

Question details	
Change from last year	No change (2023 C-CN0.7/C-RE0.7)
Rationale	Information about the activities your organization engages in helps data users to contextualize and interpret your responses. Selections made in this question will drive the subsequent questions.
Response options	<p>Select all that apply from the following options:</p> <ul style="list-style-type: none"> <li>• New construction or major renovation of buildings</li> <li>• Buildings management</li> <li>• Other real estate or construction activities, please specify</li> </ul>

Requested content	<p><b>General</b></p> <ul style="list-style-type: none"> <li>• Select all real estate and/or construction activities your organization engages in.</li> </ul>
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Authoring notes	
Tags	
Corporate authority	Capital Markets

Environmental Issue (Theme)	Question level	CC
Sector	Question level	CN, RE

**(1.16) In which part of the electric utilities value chain does your organization operate?**

Question details	
Question dependencies	Your response to this question determines which questions will be shown throughout the questionnaire and which response options will be listed within these questions. If your response to 1.16 is amended, data in those dependent questions may be erased.
Change from last year	Modified question (2023 C-EU0.7, W-EU0.1a)
Rationale	Business activities within the electric utilities sector are directly related to greenhouse gas emissions and water usage. Disclosing the activities that these organizations engage in provides data users with the contextual information necessary to understand and evaluate how they assess and manage climate- and water-related dependencies, impacts, risks, and opportunities. This also enables data users to make more accurate cross-organizational and cross-industry comparisons.
Response options	Select all that apply from the following options:

1a	1b
Category	Aspect
Select all that apply:	Select all that apply:
<ul style="list-style-type: none"> <li>Electric utilities value chain</li> <li>Other divisions</li> </ul>	<p><b>Electric utilities value chain</b></p> <ul style="list-style-type: none"> <li>Distribution</li> <li>Electricity generation</li> <li>Electricity purchasing</li> <li>Transmission</li> </ul> <p><b>Other divisions</b></p> <ul style="list-style-type: none"> <li>Battery storage</li> <li>Coal mining</li> <li>Gas extraction and production</li> <li>Gas storage, transmission and distribution</li> <li>Microgrids</li> <li>Smart grids/demand response</li> </ul>

Requested content	<p><i>General</i></p> <p>Select all the aspects of the electric utilities value chain and/or other divisions that your organization operates in.</p>
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Authoring notes		
<b>Tags</b>		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	CC,W
Sector	Question level	EU

**(1.16.1) For your electricity generation activities, provide details of your nameplate capacity and electricity generation specifics for each technology employed.**

Question details	
Question dependencies	This question only appears if 'Electricity generation' is selected in column "Aspect" of 1.16.
Change from last year	Modified question (2023 C-EU8.2d, W-EU0.1b)
Rationale	Each power generation source is associated with specific dependencies, impacts, risks, and opportunities, requiring tailored management procedures and future planning. For example, hydropower will use and impact water resources in a different way to biomass power generation plants. Asking organizations to disclose their power generation sources provides data users with the contextual information necessary to understand and evaluate how they assess and manage climate- and water-related dependencies, impacts, risks, and opportunities. This also enables data users to make more accurate cross-organizational and cross-industry comparisons.
Response options	Please complete the following table:

0	1	2	3	4	5
Power generation source	Own or control operations which use this power generation source	Nameplate capacity (MW)	Gross electricity generation (GWh)	Net electricity generation (GWh)	Comment
Coal – Hard	Select from: <ul style="list-style-type: none"> <li>Yes</li> <li>No</li> </ul>	Numerical field [enter a number from 0-999,999]	Numerical field [enter a number from 0-999,999,999]	Numerical field [enter a number from 0-999,999,999]	Text field [maximum 2,500 characters]
Lignite					
Oil					
Gas					
Sustainable biomass					
Other biomass					
Waste (non-biomass)					
Nuclear					
Fossil-fuel plants fitted with carbon capture and storage					
Geothermal					
Hydropower					
Wind					
Solar					
Marine					
Other renewable					
Other non-renewable					
<b>Total</b>					

[Fixed row]

Requested content	<p><i>General</i></p> <ul style="list-style-type: none"> <li>Report nameplate capacity by primary power generation sources owned or controlled by your organization.</li> <li>Report your preferred measure (gross or net) of generation. Although CDP encourages disclosure of both, reporting one measure is sufficient.</li> <li>Refer to the <a href="#">CDP Technical note on Biofuels</a> for guidance on biomass/biofuel sustainability.</li> </ul> <p><i>Power generation source (column 0)</i></p> <ul style="list-style-type: none"> <li>Biomass may be combusted on its own or co-fired with other fuels. Provide aggregated data.</li> <li>Waste can include tire-derived fuels and other refuse-derived fuels. When reporting in this category, only report the nameplate capacity and gross electricity generation data from the non-biomass fraction. The biomass fraction should be reported under either biomass option.</li> <li>Hydropower does not include pumped storage operations for the reporting of nameplate capacity and gross electricity generation. CDP regards it as a form of managing or storing energy rather than primary generation. Note you will be asked to report water accounting volumes for these operations.</li> <li>“Other renewable” and “Other non-renewable” are aggregations of any other renewable and non-renewable energy generation technologies you use that are not listed (e.g. renewably derived hydrogen or hydrogen derived from fossil fuels, respectively).</li> <li>If your organization’s power plant capacity combines various small-scale generation technologies that are challenging to report individually, you can group them as either renewable or non-renewable sources. Report the total capacity of aggregated renewable sources under “Other renewable” and the total capacity of aggregated non-renewable sources under the “Other non-renewable”. You can explain the methodology utilized and list the small-scale technologies used in the comment section.</li> </ul> <p><i>Comment (column 5) (optional)</i></p> <ul style="list-style-type: none"> <li>Use this column to provide any additional relevant information.</li> <li>If you report information in the “Sustainable biomass” row, provide the criteria used to classify the biomass as sustainable (e.g. certification).</li> <li>If you report information in any of the biomass rows, specify if the biomass technology refers to bioenergy plants fitted with carbon capture and storage (BECCS).</li> </ul>
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Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	CC, W
Sector	Question level	EU

**(1.17) In which part of the metals and mining value chain does your organization operate?**

Question details	
Question dependencies	Your response to this question determines which questions will be shown throughout the questionnaire and which response options will be listed within these questions. If your response to 1.17 is amended, data in those dependent questions may be erased.
Change from last year	Modified question (2023 C-MM0.7, W-MM0.1a/W-CO0.1a)
Rationale	Business activities within the metals and mining sector are directly related to greenhouse gas emissions and water usage. Disclosing the activities that these organizations

	engage in provides data users with the contextual information necessary to understand and evaluate how they assess and manage climate- and water-related dependencies, impacts, risks, and opportunities. This also enables data users to make more accurate cross-organizational and cross-industry comparisons.
Response options	Select all that apply from the following options:

1a	1b
<b>Category</b>	<b>Aspect</b>
Select all that apply:	Select all that apply:
<ul style="list-style-type: none"> <li>• Mining</li> <li>• Processing</li> </ul>	<p><b>Mining</b></p> <ul style="list-style-type: none"> <li>• Bauxite</li> <li>• Copper</li> <li>• Diamonds</li> <li>• Gold</li> <li>• Graphite</li> <li>• Iron ore</li> <li>• Lead</li> <li>• Nickel</li> <li>• Platinum group metals</li> <li>• Silver</li> <li>• Zinc</li> <li>• Other metal mining, please specify</li> <li>• Other mineral mining, please specify</li> </ul> <p><b>Processing</b></p> <ul style="list-style-type: none"> <li>• Aluminum</li> <li>• Alumina</li> <li>• Copper</li> <li>• Gold</li> <li>• Graphite</li> <li>• Lead</li> <li>• Nickel</li> <li>• Platinum group metals</li> <li>• Silver</li> <li>• Zinc</li> <li>• Other metals, please specify</li> <li>• Other minerals, please specify</li> </ul>

Requested content	<p><i>General</i></p> <p>Select all the mining and/or processing activities within your organizational boundary. Mined products and metals produced within the metals and mining value chain of your organization can be categorized into distinct groups based on their properties, as presented by the <a href="#">International Council on Mining &amp; Metals</a>.</p>
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Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	CC,W
Sector	Question level	MM



**(1.18) Provide details on the mining projects covered by this disclosure, by specifying your project(s) type, location and mining method(s) used.**

Question details	
Change from last year	No change (2023 F-MM9.1/F-CO9.1)
Rationale	Given the context-specific nature of biodiversity risks, and that responses to those risks might differ across mining projects, asset-level data is valuable information for decision-making and risk management. It allows investors and other data users to put your disclosure into perspective, providing a better understanding of impacts, risks, and opportunities.
Response options	Please complete the following table. The table is displayed over several rows for readability. You are able to add rows by using the "Add Row" button at the bottom of the table

1	2	3	4	5	6	7
Mining project ID	Name	Share (%)	Country/ area	Latitude	Longitude	Project stage
Select from: <ul style="list-style-type: none"> <li>● Project 1</li> <li>● Project 2</li> <li>● Project 3</li> <li>● Project 4</li> <li>● Project 5</li> <li>● Project 6</li> <li>● Project 7</li> <li>● Project 8</li> <li>● Project 9</li> <li>● Project 10</li> </ul> .... <ul style="list-style-type: none"> <li>● Project 69</li> <li>● Project 70</li> </ul>	Text field [maximum 500 characters]	Numerical field [enter a number from 0 to 100]	Select from: [List of countries/area]	Numerical field [enter a number from -90.000000 to 90.000000 using a maximum of six decimal places]	Numerical field [enter a number from -180.000000 to 180.000000 using a maximum of six decimal places]	Select from: <ul style="list-style-type: none"> <li>● Exploration</li> <li>● Development</li> <li>● Production</li> <li>● Closure and/or legacy site</li> <li>● Other, please specify</li> </ul>

8	9	10	11	12
Mining method	Raw material(s)	Year extraction started/is planned to start	Year of closure	Description of project
Select from: <ul style="list-style-type: none"> <li>● Open-cut</li> <li>● Underground</li> <li>● Open-cut and underground</li> <li>● Other, please specify</li> </ul>	Select all that apply: <ul style="list-style-type: none"> <li>● Bauxite</li> <li>● Copper</li> <li>● Gold</li> <li>● Platinum group metals</li> <li>● Silver</li> <li>● Iron ore</li> <li>● Nickel</li> </ul>	Numerical field [enter a number between 1900 and 2100 with no decimal places]	Numerical field [enter a number between 1900 and 2100 with no decimal places]	Text field [maximum 2,400 characters]

	<ul style="list-style-type: none"> <li>● Zinc</li> <li>● Lead</li> <li>● Diamonds</li> <li>● Manganese</li> <li>● Thermal coal</li> <li>● Metallurgical coal</li> <li>● Cobalt</li> <li>● Lithium</li> <li>● Other non-ferrous metal, please specify</li> <li>● Other minerals, please specify</li> </ul>			
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Requested content	<p><i>General</i></p> <ul style="list-style-type: none"> <li>● Add a new row for each of your mining projects.</li> <li>● Your response to this question will be used throughout the questionnaire, being relevant to all questions asking for project-level data.</li> </ul> <p><i>Mining project ID (column 1)</i></p> <ul style="list-style-type: none"> <li>● Please select a unique reference number for each disclosed project.</li> <li>● This reference number will be used throughout the questionnaire and should always refer to the same project (e.g., Project 1 should refer to the same mining project here and in question 11.4.1).</li> </ul> <p><i>Share (%) (column 3)</i></p> <ul style="list-style-type: none"> <li>● If the project is fully owned by your organization, indicate “100” in this field. Otherwise, indicate the corresponding percentage owned.</li> </ul> <p><i>Latitude and Longitude (columns 5 and 6)</i></p> <ul style="list-style-type: none"> <li>● Provide geographical coordinates of the project in decimal degrees (WGS84). The coordinates should ideally be of a point central to the mining site.</li> </ul> <p><i>Project stage (column 7)</i></p> <ul style="list-style-type: none"> <li>● You are only expected to disclose projects in the “Exploration” stage if the feasibility studies have been completed.</li> <li>● If the disclosed project is a legacy mine site select ‘Closure and/or legacy site’ and provide further details in column 12 (‘Description of the project’).</li> </ul> <p><i>Mining method (column 8)</i></p> <ul style="list-style-type: none"> <li>● Indicate the mining method(s) adopted in the project.</li> <li>● If none of the available options are suitable, select ‘Other, please specify’ and a text box will appear for you to add a label that describes your approach. You’ll be able to provide further details on your approach in column 12.</li> </ul> <p><i>Raw material(s) (column 9)</i></p> <ul style="list-style-type: none"> <li>● Indicate the raw materials being extracted in the specified project. You can select more than one option if the project involves the extraction of different raw materials.</li> <li>● If you select one of the ‘Other’ options, please specify the raw material.</li> </ul> <p><i>Year extraction started/is planned to start (column 10)</i></p> <ul style="list-style-type: none"> <li>● If you have selected “Exploration” or “Development” in column 7 (‘Project stage’), indicate the year extraction is planned to start.</li> </ul> <p><i>Year of closure (column 11)</i></p> <ul style="list-style-type: none"> <li>● Indicate the year of expected mine closure, based on current plans.</li> <li>● If you have selected “Closure and/or legacy site” in column 7 (‘Project stage’), indicate the year when production stopped.</li> </ul> <p><i>Describe project (column 12)</i></p>
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	<ul style="list-style-type: none"> <li>Provide information about your mining project to help data users understand your business and how it relates to biodiversity risk, including; the type of project (greenfield/brownfield), regulatory aspects, distance to urban centres (i.e. remoteness) and other relevant information.</li> </ul>
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Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	B
Sector	Question level	M-B

**(1.19) In which part of the oil and gas value chain does your organization operate?**

Question details	
Question dependencies	Your response to this question determines which questions will be shown throughout the questionnaire and which response options will be listed within these questions. If your response to 1.19 is amended, data in those dependent questions may be erased.
Change from last year	Modified question (2023 C-OG0.7, W-OG0.1a)
Rationale	Business activities within the oil and gas sector are directly related to greenhouse gas emissions and water usage. Disclosing the activities that these organizations engage in provides data users with the contextual information necessary to understand and evaluate how they assess and manage climate- and water-related dependencies, impacts, risks, and opportunities. This also enables data users to make more accurate cross-organizational and cross-industry comparisons.
Response options	Select all that apply from the following options:

1a	1b
Category	Aspect
Select all that apply:	Select all that apply:
<ul style="list-style-type: none"> <li>Oil and gas value chain</li> <li>Other divisions</li> </ul>	<p><b>Oil and gas value chain</b></p> <ul style="list-style-type: none"> <li>Chemicals</li> <li>Downstream</li> <li>Midstream</li> <li>Upstream</li> </ul> <p><b>Other divisions</b></p> <ul style="list-style-type: none"> <li>Biofuels</li> <li>Carbon capture and storage/utilization</li> <li>Coal mining</li> <li>Grid electricity supply from coal</li> <li>Grid electricity supply from gas</li> </ul>

	<ul style="list-style-type: none"> <li>• Grid electricity supply from renewables</li> </ul>
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Requested content	<p><i>General</i></p> <ul style="list-style-type: none"> <li>• Select all aspects of the oil and gas value chain within your organizational boundary.</li> <li>• The oil and gas industry encompasses diverse activities, ranging from the exploration of oil and gas to petroleum product delivery. The questionnaire splits these activities into four areas: <ul style="list-style-type: none"> <li>○ <b>Upstream:</b> The exploration, development, and production of oil and gas (<a href="#">IPIECA, 2020 Guidance on voluntary sustainability reporting</a>).</li> <li>○ <b>Midstream:</b> The transportation, storage, and distribution of crude oil and natural gas (<a href="#">IPIECA, 2020 Guidance on voluntary sustainability reporting</a>).</li> <li>○ <b>Downstream:</b> The refining, processing, and marketing of products derived from oil and gas, including service stations operations (<a href="#">IPIECA, 2020 Guidance on voluntary sustainability reporting</a>).</li> <li>○ <b>Chemicals:</b> The manufacturing, distribution and marketing of petrochemicals – chemical products derived from oil and gas (<a href="#">IPIECA, 2020 Guidance on voluntary sustainability reporting</a>).</li> </ul> </li> </ul>
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Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	CC,W
Sector	Question level	OG

**(1.20) Which parts of the steel value chain does your organization operate in?**

Question details	
Change from last year	No change (2023 C-ST0.7)
Rationale	CDP aims to deliver a more focused questionnaire for organizations that operate in the steel value chain. Based on your response to this question, you will receive questions that are most relevant to your organization, which should simplify the process of reporting. Answers given here allow investors and data users to more accurately compare responses across organizations and industries.
Response options	<p>Select all that apply from the following options:</p> <ul style="list-style-type: none"> <li>• Iron ore mining</li> <li>• Coal mining</li> <li>• Limestone and dolomite quarrying</li> <li>• Other mining or quarrying (please specify)</li> <li>• Iron ore sintering and agglomeration</li> <li>• Coke oven operation</li> <li>• Blast furnace and basic oxygen furnace operations</li> <li>• Electric arc furnace operations</li> <li>• Direct reduced iron operations</li> <li>• Open hearth furnace operations</li> <li>• Hot rolling</li> <li>• Cold rolling and finishing</li> </ul>

	<ul style="list-style-type: none"> <li>Scrap steel recycling</li> <li>Oxygen production</li> <li>Lime production</li> <li>Other steelmaking operations (please specify)</li> </ul>
Requested content	<p><i>General</i></p> <ul style="list-style-type: none"> <li>As a producer of steel, you should select at least one of the following steel value chain production activities/options above: <ul style="list-style-type: none"> <li>Blast furnace and basic oxygen furnace operations;</li> <li>Electric arc furnace operations;</li> <li>Direct reduced iron operations, or;</li> <li>Open Hearth furnace operations.</li> </ul> </li> <li>You should select all activities that occur inside your organizational boundary.</li> <li>If the only coal your organization mines is thermal coal for use outside the steel sector, then you should not select coal mining.</li> <li>Similarly, for all other mining, quarrying, or production of raw materials, if the raw material is not intended for the steel industry, then it is not applicable.</li> <li>Production of raw materials for sale or own consumption is applicable.</li> </ul>

Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	CC
Sector	Question level	ST

**(1.21) For which transport modes will you be providing data?**

Question details	
Change from last year	No change (2023 C-TO0.7/C-TS0.7)
Rationale	CDP aims to deliver a more focused questionnaire for organizations that operate in the transport value chain, including original equipment, vehicle parts and engine manufacturers, and service operators. By selecting the response options CDP and its data users will be able to identify more specifically which transport modes are relevant to your organization.
Response options	<p>Select all that apply from the following options:</p> <ul style="list-style-type: none"> <li>Light Duty Vehicles (LDV)</li> <li>Heavy Duty Vehicles (HDV)</li> <li>Rail</li> <li>Marine</li> <li>Aviation</li> </ul>
Requested content	<p><b>General</b></p> <ul style="list-style-type: none"> <li>Select all transport modes that apply to your business operations: <ul style="list-style-type: none"> <li>For transport services companies, this should be all transport mode(s) used in your operations for transporting goods and/or passengers;</li> <li>For transport OEMs, this should be all transport mode(s) for which you supply transportation vehicles.</li> </ul> </li> </ul>

Authoring notes
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Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	CC
Sector	Question level	TO and TS

## **Produced and sourced commodities**

### **Section overview**

Section Overview	This section requests details on the commodities you produced and/or sourced in the reporting period. Driving action on deforestation- and conversion-free supply chains requires transparent and comparable data on the total volume of a commodity produced and/or sourced (including used, purchased, and consumed) by your organization regardless of whether this volume is included or excluded from your disclosure. This information provides important context to data users for your responses in the environmental performance - forests module.
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### **(1.22) Provide details on the commodities that you produce and/or source.**

Question details	
Question dependencies	Your response to this question will determine which subsequent questions are presented. If your response to 1.22 is amended, data in those dependent questions may be erased.
Change from last year	Modified question (2023 F0.4, F1.1, F1.5a)
Rationale	This question indicates your organization's dependence on commodities by establishing and contextualizing the total volumes that you produced and/or sourced in the reporting period. Reporting this information provides context to data users on how relevant the commodities are to your organization. Organizations benefit from disclosing this information by increasing awareness of their own dependency on commodities and promoting transparency of their business activities, which are important steps towards deforestation- and conversion-free value chains.
Ambition	<ul style="list-style-type: none"> <li>The organization discloses all commodities and volumes that they produce and/or source.</li> </ul>
Connection to other frameworks	AFi Core Principle 12 TNFD Risk & impact management A(ii) TNFD Metrics & targets B

0	1	2	3	4	5
<b>Commodity</b>	<b>Produced and/or sourced</b>	<b>Commodity value chain stage</b>	<b>Indicate if you have direct soy and/or embedded soy in your value chain</b>	<b>Indicate if you are providing the total commodity volume that is produced and/or sourced</b>	<b>Total commodity volume (metric tons)</b>
Timber products	Select from: <ul style="list-style-type: none"> <li>Produced</li> <li>Sourced</li> </ul>	Select all that apply: <ul style="list-style-type: none"> <li>Production</li> <li>Processing</li> <li>Trading</li> </ul>	N/A	Select from: <ul style="list-style-type: none"> <li>Yes, we are providing the total volume</li> </ul>	Numerical field [enter a number from 0-999,999,999,999 using a maximum of 2 decimal places]

	<ul style="list-style-type: none"> <li>Produced and sourced</li> </ul>	<ul style="list-style-type: none"> <li>Manufacturing</li> <li>Retailing</li> </ul>		<ul style="list-style-type: none"> <li>No, the total volume is confidential</li> <li>No, the total volume is unknown</li> <li>No, other reason, please specify</li> </ul>	
Palm oil			N/A		
Cattle products			N/A		
Soy			Select from: <ul style="list-style-type: none"> <li>Embedded soy only</li> <li>Mixture of embedded soy and direct soy</li> <li>Direct soy only</li> <li>We do not know if we source embedded soy</li> </ul>		
Rubber			N/A		
Cocoa			N/A		
Coffee			N/A		

6	7	8	9	10
<b>Of the total commodity volume, state how much is embedded soy (metric tons)</b>	<b>Of the total commodity volume, state how much is direct soy (metric tons)</b>	<b>Did you convert the total commodity volume from another unit to metric tons?</b>	<b>Original unit</b>	<b>Provide details of the methods, conversion factors used and the total commodity volume in the original unit</b>
Numerical field [enter a number from 0-999,999,999,999 using a maximum of 2 decimal places]	Numerical field [enter a number from 0-999,999,999,999 using a maximum of 2 decimal places]	Select from: <ul style="list-style-type: none"> <li>Yes</li> <li>No</li> </ul>	Select all that apply: <ul style="list-style-type: none"> <li>Cubic meters</li> <li>Gallons</li> <li>Heads of livestock [Cattle products row only]</li> <li>Kilogram</li> <li>Liters</li> <li>Pounds</li> <li>Square meters</li> <li>Square feet</li> <li>Short ton</li> <li>Long ton</li> <li>Other, please specify</li> </ul>	Text field [maximum 2,500 characters]

11	12	13	14	15
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Form of commodity	% of procurement spend	% of revenue dependent on commodity	Is this commodity considered significant to your business in terms of revenue?	Reason for not disclosing
Select all that apply from the drop-down list below	Select from: <ul style="list-style-type: none"> <li>Less than 1%</li> <li>1-5%</li> <li>6-10%</li> <li>11-20%</li> <li>21-30%</li> <li>31-40%</li> <li>41-50%</li> <li>51-60%</li> <li>61-70%</li> <li>71-80%</li> <li>81-90%</li> <li>91-99%</li> <li>100%</li> <li>Unknown</li> <li>Not applicable</li> </ul>	Select from: <ul style="list-style-type: none"> <li>Less than 1%</li> <li>1-10%</li> <li>11-20%</li> <li>21-30%</li> <li>31-40%</li> <li>41-50%</li> <li>51-60%</li> <li>61-70%</li> <li>71-80%</li> <li>81-90%</li> <li>91-99%</li> <li>100%</li> <li>Unknown</li> </ul>	Select from: <ul style="list-style-type: none"> <li>Yes</li> <li>No</li> </ul>	Select all that apply: <ul style="list-style-type: none"> <li>Data is confidential</li> <li>Data is not available</li> <li>Lack of internal resources, capabilities, or expertise (e.g., due to organization size)</li> <li>Not an immediate strategic priority</li> <li>Recent acquisition or merger</li> <li>Divestiture</li> <li>Small volume</li> <li>Small procurement spend</li> <li>Small revenue</li> <li>Other, please specify</li> </ul>

16	17	18
Completion date of acquisition or merger	Explanation for not disclosing	Please explain
[DD/MM/YYYY]	Text field [maximum 2,500 characters]	Text field [maximum 1,500 characters]

[Fixed row]

Form of commodity (column 11)	
<p><b>Timber products</b></p> <ul style="list-style-type: none"> <li>Boards, plywood, engineered wood</li> <li>Cellulose-based textile fiber</li> <li>Goods not for resale (GNFR)</li> <li>Hardwood logs</li> <li>Paper</li> <li>Primary packaging</li> <li>Pulp</li> <li>Sawn timber, veneer, chips</li> <li>Secondary packaging</li> <li>Softwood logs</li> <li>Tertiary packaging</li> <li>Unprocessed wood fiber</li> <li>Wood-based bioenergy</li> </ul> <p><b>Palm oil</b></p> <ul style="list-style-type: none"> <li>Crude palm kernel oil (CPKO)</li> <li>Crude palm oil (CPO)</li> <li>Fresh fruit bunches (FFB)</li> <li>Palm biodiesel</li> <li>Palm kernel meal (PKM)</li> <li>Palm kernel oil derivatives</li> <li>Palm oil derivatives</li> <li>Refined palm oil</li> </ul>	<p><b>Cattle products</b></p> <ul style="list-style-type: none"> <li>Beef</li> <li>By-products (e.g. glycerin, gelatin)</li> <li>Cattle</li> <li>Hides/ leather</li> <li>Tallow</li> <li>Tallow biodiesel</li> </ul> <p><b>Soy</b></p> <ul style="list-style-type: none"> <li>Embedded soy</li> <li>Soybean meal</li> <li>Soybean oil</li> <li>Soy biodiesel</li> <li>Soy derivatives</li> <li>Whole soybeans</li> </ul> <ul style="list-style-type: none"> <li>Other, please specify</li> </ul>



Requested content	<p><i>General</i></p> <ul style="list-style-type: none"> <li>• If your organization produces and/or sources timber products, palm oil, cattle products, and/or soy in the reporting period, you should disclose on these commodities. If you produce and/or source rubber, cocoa, or coffee you may choose to disclose on these commodities.</li> <li>• Forms of commodities applicable to this disclosure include raw materials; processed ingredients and manufactured goods that contain commodities; derivatives; and soy embedded as animal feed in animal products e.g., meat, dairy, eggs, farmed fish or other animal products as ingredients.</li> <li>• Refer to the “Explanation of terms” section on “Embedded soy” and “Direct soy” to distinguish the difference in terms.</li> </ul> <p><i>Produced and/or sourced (column 1)</i></p> <ul style="list-style-type: none"> <li>• If you are disclosing on embedded soy, select “Sourced” or, if you produce soy as well, “Produced and sourced”.</li> <li>• Your selection in this question will drive questions and response options that are specific to whether you produced or sourced the commodity.</li> </ul> <p><i>Commodity value chain stage (column 2)</i></p> <ul style="list-style-type: none"> <li>• If you are disclosing on “Timber products” as an end-user/consumer in relation to the packaging of materials, select the commodity value chain stage that relates to your core business activity. For example, an online retailer that uses paper packaging should select “Retailing” in this column.</li> </ul> <p><i>Indicate if you have direct soy and/or embedded soy in your value chain (column 3)</i></p> <ul style="list-style-type: none"> <li>• This column is only presented for row “Soy” if “Sourced” or “Produced and sourced” is selected in column 1 “Produced and/or sourced”.</li> </ul> <p><i>Indicate if you are providing the total commodity volume that is produced and/or sourced (column 4)</i></p> <ul style="list-style-type: none"> <li>• Organizations should be able to provide the total commodity volume associated with the commodity they produced and/or sourced.</li> </ul> <p><i>Total commodity volume (Metric tons) (column 5)</i></p> <ul style="list-style-type: none"> <li>• This column is only presented if “Yes, we are providing the total commodity volume” is selected in column 4 “Indicate if you are providing the total commodity volume that is produced and/or sourced”.</li> <li>• State the total volume that you produced and/or sourced (including used, purchased and consumed) for each commodity. This value equates to your “Total commodity volume”.</li> <li>• Include all volumes that you produced and/or sourced. You will have the opportunity to exclude volumes in later questions on exclusions.</li> <li>• The volume must be stated in the unit of metric tons. For further details refer to the “Explanation of terms” and “Additional information” section.</li> </ul> <p><i>Of the total commodity volume, state how much is embedded soy (metric tons) (column 6)</i></p> <ul style="list-style-type: none"> <li>• This column is only presented for row “Soy” if either “Embedded soy only” or “Mixture of embedded soy and direct soy” option is selected in column 3 “Indicate if you have direct soy and/or embedded soy in your value chain” and if “Yes, we are providing the total commodity volume” is selected in column 4 “Indicate if you can provide the total commodity volume associated with commodity production and/or sourcing”.</li> <li>• State the total volume of soy that you indirectly source, i.e., the volume of embedded soy, in metric tons. You will have the opportunity to exclude volumes from this total in question 8.1 and 8.1.1 on exclusions.</li> <li>• If you selected “Embedded soy only” in column 3 “Indicate if you have direct soy and/or embedded soy in your value chain”, the value stated in this column should equal the value stated in column 5 “Total commodity volume”.</li> <li>• If you selected “Mixture of embedded soy and direct soy” in column 3 “Indicate if you have direct soy and/or embedded soy in your value chain”, the value stated in this column and the value stated in column 7 “Of the total commodity volume, state how much is direct soy (metric tons)” should sum to the value stated in column 5 “Total commodity volume”.</li> </ul> <p><i>Of the total commodity volume, state how much is direct soy (metric tons) (column 7)</i></p>
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- This column is only presented for row “Soy” if “Mixture of embedded soy and direct soy” option is selected in column 3 “Indicate if you have direct soy and/or embedded soy in your value chain” and if “Yes, we are providing the total commodity volume” is selected in column 4 “Indicate if you can provide the total commodity volume associated with commodity production and/or sourcing”.
- State the total volume of soy that you directly source and/or produce in metric tons. If you produce and directly source soy, combine the volume here. You will have the opportunity to exclude volumes from this total in question 8.1 and 8.1.1 on exclusions.
- The value stated in this column and the value stated in column 6 “Of the total commodity volume, state how much is embedded soy (metric tons)” should sum to value stated in column 5 “Total commodity volume”.

*Did you convert the total commodity volume from another unit to metric tons? (column 8)*

- This column is only presented if “Yes, we are providing the total commodity volume” is selected in column 4 “Indicate if you are providing the total commodity volume that is produced and/or sourced”.
- Select “Yes” if you needed to convert your volumes from another unit (e.g., Liters, Square meters) to disclose in metric tons.

*Original unit (column 9)*

- This column is only presented if “Yes” is selected in column 8 “Did you convert the total commodity volume from another unit to metric tons?”.

*Provide details on the methods, conversion factors used and the total commodity volume in the original unit (column 10)*

- This column is only presented if “Yes” is selected in column 8 “Did you convert the total commodity volume from another unit to metric tons?”.
- State the total commodity volume in the original unit before converting to metric tons. If the volume was in multiple units, differentiate the volume for each unit in your answer.
- Provide details on the method used to convert your total commodity volume.
- State the conversion factor that was used to convert your total commodity volume into metric tons. Where possible provide details on how this conversion factor was calculated or what the conversion factor was based on.

*Form of commodity (column 11)*

- Select all the forms of commodity that apply. For example, a manufacturer of personal products may use both palm oil derivatives and palm kernel oil derivatives.
- If you are reporting on embedded soy, select “Embedded soy” as the form of commodity.

*% of procurement spend (column 12)*

- This figure should be the percentage of procurement spend on the different forms of the commodity as a percentage of total sourcing across your organization, to give an indication of relative spend.
- CDP expects all responding organizations to provide this estimation. For organizations that are only producers, however, this information may not be relevant. If an estimation of procurement spend is not applicable for your business activity, select “Not applicable” in this column.

*% of revenue dependent on commodity (column 13)*

- If you are producer/processor, “dependent” here refers to the percentage of the revenue associated with the total production of the actual commodity.
- If you are manufacturer/retailer, “dependent” here refers to the percentage of the revenue associated with the derivative/product containing the commodity.
- If you are a trader, “dependent” can refer to any and all of the above.
- If your organization does not measure the revenue dependent on the commodity, you may provide an estimate.

*Is this commodity considered significant to your business in terms of revenue? (column 14)*

	<ul style="list-style-type: none"> <li>Considering your revenue selection in column 13 “% of revenue dependent on this agricultural commodity” and any other contextual factors, indicate whether this commodity is considered significant to your business in terms of revenue.</li> <li>Use column 18 “Please explain” to describe your approach to determining a commodity’s significance to your business.</li> </ul> <p><i>Completion date of acquisition or merger (column 16)</i></p> <ul style="list-style-type: none"> <li>This column is presented if you selected “Recent acquisition or merger” in column 15 “Reason for not disclosing”.</li> </ul> <p><i>Explanation for not disclosing (column 17)</i></p> <ul style="list-style-type: none"> <li>This column only appears if you indicated in the questionnaire setup that you produced and/or sourced this commodity but stated that you will not be disclosing on it.</li> <li>Provide further details on the reasons for not disclosing information on the commodity that you produced and/or sourced.</li> </ul> <p><i>Please explain (column 18)</i></p> <ul style="list-style-type: none"> <li>Briefly describe how you determine whether an agricultural commodity is significant to your organization in terms of revenue, as reported in column 14 “Is this commodity considered significant to your business in terms of revenue?”. Include any thresholds and additional indicators beyond revenue.</li> <li>If you selected “Not applicable” in column 12 “% of procurement spend”, you may provide an explanation.</li> </ul>										
Additional information	<ul style="list-style-type: none"> <li>For further information on volume reporting, refer to [Link to new technote - Pending]</li> <li>The table below provides further details on the forms of the commodities considered in the questionnaire:</li> </ul> <table border="1" data-bbox="280 1032 1482 1543"> <thead> <tr> <th data-bbox="280 1032 469 1099">Commodity</th> <th data-bbox="469 1032 1482 1099">Explanation</th> </tr> </thead> <tbody> <tr> <td data-bbox="280 1099 469 1200">Timber products</td> <td data-bbox="469 1099 1482 1200">This includes all solid timber as well as products made from processed wood fiber such as paper, packaging, cardboard and specialty fibers, e.g., viscose. It also includes timber products used for biomass.</td> </tr> <tr> <td data-bbox="280 1200 469 1294">Palm oil</td> <td data-bbox="469 1200 1482 1294">This includes crude palm oil, palm kernel oil, and all of its derivatives. Please note that palm oil used for biofuel production is also included in this category.</td> </tr> <tr> <td data-bbox="280 1294 469 1420">Cattle products</td> <td data-bbox="469 1294 1482 1420">This includes all food products containing beef, all clothing, furniture and accessories that are made of leather, tallow, and all other products derived from cattle. Please note that tallow used for biofuel production is also included in this category. Dairy products are not included in this category.</td> </tr> <tr> <td data-bbox="280 1420 469 1543">Soy</td> <td data-bbox="469 1420 1482 1543">This includes whole soybean, soybean oil, soybean meal, and all of its derivatives. Please note, that soy, which has been embedded as animal feed in animal products e.g., meat, farmed fish, dairy, eggs, or other animal products as ingredients, as well as soy used for biofuel production is also included in this category.</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>For information on how to identify your organization’s exposure to embedded soy within its value chain, you can use the “Soy Measurement Ladder” by the Consumer Goods Forum (CGF) to assess the products that you source. The “Soy Measurement Ladder” groups products into five tiers, and each tier contains groupings of similar products where soy usage appears at the same point in the value chain. Tiers 2 to 5 include product groupings that are applicable to embedded soy users, and Tier 1 only applies to direct soy users (<a href="#">CGF, 2016</a>).</li> </ul> <p><i>Differentiation of the metric ton, short ton and long ton:</i></p> <ul style="list-style-type: none"> <li>Metric ton (1000kg) – Alternative reference: metric tonne, tonne.</li> <li>Short ton (907kg) – Alternative reference: US ton, ton.</li> <li>Long ton (1016kg) – Alternative reference: Imperial ton/tonne.</li> </ul>	Commodity	Explanation	Timber products	This includes all solid timber as well as products made from processed wood fiber such as paper, packaging, cardboard and specialty fibers, e.g., viscose. It also includes timber products used for biomass.	Palm oil	This includes crude palm oil, palm kernel oil, and all of its derivatives. Please note that palm oil used for biofuel production is also included in this category.	Cattle products	This includes all food products containing beef, all clothing, furniture and accessories that are made of leather, tallow, and all other products derived from cattle. Please note that tallow used for biofuel production is also included in this category. Dairy products are not included in this category.	Soy	This includes whole soybean, soybean oil, soybean meal, and all of its derivatives. Please note, that soy, which has been embedded as animal feed in animal products e.g., meat, farmed fish, dairy, eggs, or other animal products as ingredients, as well as soy used for biofuel production is also included in this category.
Commodity	Explanation										
Timber products	This includes all solid timber as well as products made from processed wood fiber such as paper, packaging, cardboard and specialty fibers, e.g., viscose. It also includes timber products used for biomass.										
Palm oil	This includes crude palm oil, palm kernel oil, and all of its derivatives. Please note that palm oil used for biofuel production is also included in this category.										
Cattle products	This includes all food products containing beef, all clothing, furniture and accessories that are made of leather, tallow, and all other products derived from cattle. Please note that tallow used for biofuel production is also included in this category. Dairy products are not included in this category.										
Soy	This includes whole soybean, soybean oil, soybean meal, and all of its derivatives. Please note, that soy, which has been embedded as animal feed in animal products e.g., meat, farmed fish, dairy, eggs, or other animal products as ingredients, as well as soy used for biofuel production is also included in this category.										

**Authoring notes**

Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	F only
Sector	Question level	All (except FS)

**(1.23) Which of the following agricultural commodities that your organization produces and/or sources are the most significant to your business by revenue?**

Question details	
Question dependencies	Your response to this question will determine which subsequent questions are presented. If your response to 1.23 is amended, data in those dependent questions may be erased.
Change from last year	Modified question (2023 C-AC0.7/C-FB0.7/C-PF0.7 and W-FB1.1a/W-AC1.1a)
Rationale	<p>This question enables data users to understand how reliant your business is on produced or sourced agricultural commodities that:</p> <ul style="list-style-type: none"> <li>are highly dependent on natural capital and its associated ecosystem services that are under risk due to climate change;</li> <li>are closely associated with high CO<sub>2</sub>e emissions, either from their production/exploitation or from processing/manufacturing/distribution activities; and/or</li> <li>require relatively large quantities of water.</li> </ul> <p>This information signals your organization's exposure to risk where these commodities are not produced sustainably or managed carefully.</p>

0	1	2	3	4
Agricultural commodities	Produced and/or sourced	% of revenue dependent on this agricultural commodity	Is this commodity considered significant to your business in terms of revenue?	Please explain
Cattle products	Select from: Produced Sourced Produced and sourced No	Select from: <ul style="list-style-type: none"> <li>Less than 1%</li> <li>1-10%</li> <li>11-20%</li> <li>21-30%</li> <li>31-40%</li> <li>41-50%</li> <li>51-60%</li> <li>61-70%</li> <li>71-80%</li> <li>81-90%</li> <li>91-99%</li> <li>100%</li> </ul>	Select from: Yes No	Text field [maximum 1,500 characters]
Cocoa				

Coffee				
Cotton				
Dairy & egg products				
Fish and seafood from aquaculture				
Fruit				
Maize/corn				
Nuts				
Other grain (e.g., barley, oats)				
Other oilseeds (e.g. rapeseed oil)				
Palm oil				
Poultry & hog				
Rice				
Soy				
Sugar				
Tea				
Timber products				
Tobacco				
Vegetable				
Wheat				
Other commodity				

Requested content	<p><i>General</i></p> <ul style="list-style-type: none"> <li>• When answering this question, consider the dependency of your revenue on agricultural commodities that your organization either produces and/or sources. Further questions relating to these commodities will be presented.</li> <li>• You should indicate if you produce and/or source each commodity, even if you do not consider them to be water intensive, carbon intensive, or highly dependent on natural capital.</li> <li>• Revenue has been chosen as the unique metric to express business dependency, as it is already calculated by many organizations and provides a clear message to investors about an organization's financial dependency. CDP acknowledges that this metric may have caveats, including the effects of yearly fluctuations in currency, which could represent a challenge to disclosers. However, establishing a standard metric helps data users evaluate and compare various organizations.</li> </ul> <p><i>Agricultural commodities (column 0)</i></p> <ul style="list-style-type: none"> <li>• If you produce or source a commodity that isn't listed in column 0, indicate this in the "Other commodity" row and specify the name of the commodity produced or sourced by your organization in the "Please explain" column.</li> <li>• Note for Forests disclosers: Commodities already disclosed in 1.22 do not need to be disclosed on again in this question.</li> </ul>
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	<p><i>% of revenue dependent on this agricultural commodity (column 2)</i></p> <ul style="list-style-type: none"> <li>This column is only presented if you select “Produced”, “Sourced”, or “Produced and sourced” in column 1 “Produced and/or sourced” for a specific commodity.</li> <li>If your organization does not measure the revenue associated with the produced and/or sourced agricultural commodities reported, you may provide an estimate and explain this in the “Please explain” column.</li> </ul> <p><i>Is this commodity considered significant to your business in terms of revenue? (column 3)</i></p> <ul style="list-style-type: none"> <li>This column is only presented if you select “Produced”, “Sourced”, or “Produced and sourced” in column 1 “Produced and/or sourced” for a specific commodity.</li> <li>Considering your revenue selection in column 2 “% of revenue dependent on this agricultural commodity” and any other contextual factors, indicate whether this commodity is considered significant to your business in terms of revenue.</li> <li>Use the “Please explain” column to describe your approach to determining a commodity’s significance to your business.</li> </ul> <p><i>Please explain (column 4)</i></p> <ul style="list-style-type: none"> <li>Provide details on how the “% of revenue dependent on this agricultural commodity” in column 2 was calculated. Specify if there are any exclusions and the rationale for such exclusions.</li> <li>Briefly describe how you determine whether an agricultural commodity is significant to your organization in terms of revenue, as reported in column 3 “Is this commodity considered significant to your business in terms of revenue?”. Include any thresholds and additional indicators beyond revenue.</li> <li>If disclosing on water, state whether a given crop commodity is rainfed or irrigated, or in what proportion.</li> <li>If your organization does not produce or source any of the commodities listed in column 0 and you used the “Other commodity” row to report a different commodity, use this space to describe the commodity and explain why it has been included, e.g., because it is revenue significant and accounts for a high proportion of your water demand.</li> </ul>
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Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	CC, W
Sector	Question level	AC, FB, PF

**Value chain mapping**

**(1.24) Has your organization mapped its value chain?**

Question details	
Change from last year	New question for Climate change and Water Modified question for Forests (2023 F2.2, F2.2a)
Rationale	This question allows data users to understand the extent to which your organization has visibility into different parts of its value chain, to facilitate activities such as effective risk management, traceability, and supplier engagement. Additionally, responses to this question will help data users interpret the supplier coverage reported across the rest of your responses regarding action in your value chain.

Ambition	<ul style="list-style-type: none"> <li>Organizations have knowledge of the actors in their value chain and the relations between them, to effectively identify, assess and manage their environmental dependencies, impacts, risks, and opportunities.</li> </ul>
Connection to other frameworks	AFi Core Principle 4 AFi Core Principle 5 ESRS 2

1	2	3	4	5	6	7
Value chain mapped	Value chain stages covered in mapping	Highest supplier tier mapped	Highest supplier tier known but not mapped	Portfolios covered in mapping	Smallholder inclusion in mapping	Description of mapping process and coverage
Select from: <ul style="list-style-type: none"> <li>Yes, we have mapped or are currently in the process of mapping our value chain</li> <li>No, but we plan to do so within the next two years</li> <li>No, and we do not plan to do so within the next two years</li> </ul>	Select all that apply: <ul style="list-style-type: none"> <li>Upstream value chain</li> <li>Downstream value chain [not shown to FS]</li> <li>Portfolio [FS only]</li> </ul>	Select from: <ul style="list-style-type: none"> <li>Tier 1 suppliers</li> <li>Tier 2 suppliers</li> <li>Tier 3 suppliers</li> <li>Tier 4+ suppliers</li> </ul>	Select from: <ul style="list-style-type: none"> <li>Tier 1 suppliers</li> <li>Tier 2 suppliers</li> <li>Tier 3 suppliers</li> <li>Tier 4+ suppliers</li> <li>All supplier tiers known have been mapped [Only appears if "Upstream value chain" is selected in column 2]</li> </ul>	Select all that apply: <ul style="list-style-type: none"> <li>Banking (Bank)</li> <li>Investing (Asset manager)</li> <li>Investing (Asset owner)</li> <li>Insurance underwriting (Insurance company)</li> </ul>	Select from: <ul style="list-style-type: none"> <li>Smallholders relevant and included</li> <li>Smallholders relevant but not included</li> <li>Unknown whether smallholders are relevant, so not included</li> <li>Smallholders not relevant, and not included</li> </ul>	Text field [maximum 2,500 characters]

Table continued ...

8	9
Primary reason for not mapping your upstream value chain or any value chain stages	Explain why your organization has not mapped its upstream value chain or any value chain stages
Select from: <ul style="list-style-type: none"> <li>Lack of internal resources, capabilities, or expertise (e.g., due to organization size)</li> <li>No standardized procedure</li> </ul>	Text field [maximum 2,500 characters]

<ul style="list-style-type: none"> <li>• Not an immediate strategic priority</li> <li>• Judged to be unimportant or not relevant</li> <li>• Other, please specify</li> </ul>	
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Requested content	<p><i>General</i></p> <ul style="list-style-type: none"> <li>• Organizations may have multiple value chains related to different commodities or products. This question requests organizations to consider their upstream (e.g. suppliers’) and downstream (e.g. customers’) activities across all their value chains as an organization-wide value chain.</li> <li>• If disclosing on forests, note that "value chain mapping" (the process of identifying stakeholders within your value chain, including where they operate and how they relate to each other) is related to but distinct from "traceability" (the ability to follow products through stages of the value chain). You can report details of your commodity traceability levels in question 8.8.</li> <li>• If you are a financial services discloser, select “Portfolio” in column 2 “Value chain stages covered in mapping” when referring to the companies and/or activities within your portfolio that you lend to, invest in, or insure. This question asks whether you are aware of the different parts of your portfolio, where the companies operate and how they relate to each other.</li> </ul> <p><i>Highest supplier tier mapped (column 3)</i></p> <ul style="list-style-type: none"> <li>• This column only appears if "Upstream value chain" is selected in column 2 “Value chain stages covered in mapping”.</li> <li>• Select the highest supplier tier you have mapped or are currently mapping relating to any product or commodity across your portfolio.</li> <li>• "Highest" in the context of supplier tiers refers to the furthest tier away from your direct suppliers.</li> </ul> <p><i>Smallholder inclusion in mapping (column 4)</i></p> <ul style="list-style-type: none"> <li>• This column appears if "Upstream value chain" is selected in column 2 "Value chain stages covered in mapping".</li> <li>• Select "Smallholders relevant and included" if your organization sources from smallholders and they are included in your upstream value chain mapping.</li> <li>• Smallholders that you engage with but do not source from can also be relevant to your value chain if your engagement proves to be mutually beneficial to the smallholders and your organization (i.e., through providing benefits and positive incentives to smallholders while enabling your organization to fulfil its supply chain commitments and secure adequate volumes of responsibly produced commodities). <ul style="list-style-type: none"> <li>○ If you consider smallholders that you do not source from relevant to your value chain and include them in your value chain mapping, select "Smallholders relevant and included".</li> <li>○ If they are relevant but not included in your value chain mapping, and neither are any of the smallholders you source from, select "Smallholders relevant but not included".</li> </ul> </li> </ul> <p><i>Description of mapping process and coverage (column 7)</i></p> <ul style="list-style-type: none"> <li>• Provide a description of your organization’s mapping process, including, for example: <ul style="list-style-type: none"> <li>○ The type of information that has been collected;</li> <li>○ The tools and methods used; and</li> <li>○ The coverage of your mapping (i.e., whether it is full or partial).</li> </ul> </li> </ul>
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<b>Authoring notes</b>	
<b>Tags</b>	
Corporate authority	Capital Markets



Environmental Issue (Theme)	Question level	CC, F, W
Sector	Question level	All sectors

**(1.24.1) Have you mapped where in your direct operations or elsewhere in your value chain plastics are produced, commercialized, used, and/or disposed of?**

Question details	
Question dependencies	Your response to this question determines which questions will be shown throughout the questionnaire and which response options will be listed within these questions. If your response to 1.24.1 is amended, data in those dependent questions may be erased.
Change from last year	Modified question (2023 W10.1)
Rationale	Mapping plastics in the value chain is the first step for organizations to increase awareness of how plastics are produced, commercialized, used, and disposed of. This allows organizations to understand their plastics-related impacts on the environment and society, their exposure to plastics-related business risks, and how to reduce plastic waste and pollution. Information on plastics mapping gives data users confidence in the accuracy and thoroughness of information reported on plastics impacts, risks, targets, and other metrics.
Ambition	Organizations map the role of plastics in their revenue generation across their value chain, understand the end-of-life management of the plastic and work towards managing their waste in line with the waste hierarchy.
Response options	Please complete the following table:

1	2	3	4	5	6
Plastics mapping	Value chain stages covered in mapping	Portfolios covered in mapping	End-of-life management pathways mapped	Primary reason for not mapping plastics in your value chain	Explain why your organization has not mapped plastics in your value chain
Select from:  <ul style="list-style-type: none"> <li>• Yes, we have mapped or are currently in the process of mapping plastics in our value chain</li> <li>• No, but we plan to within the next two years</li> <li>• No, and we do not plan to within the next two years</li> </ul>	Select all that apply:  <ul style="list-style-type: none"> <li>• Direct operations</li> <li>• Upstream value chain</li> <li>• Downstream value chain</li> <li>• End-of-life management</li> <li>• Other, please specify</li> </ul>	Select all that apply:  <ul style="list-style-type: none"> <li>• Banking (Bank)</li> <li>• Investing (Asset manager)</li> <li>• Investing (Asset owner)</li> <li>• Insurance underwriting (Insurance company)</li> </ul>	Select all that apply:  <ul style="list-style-type: none"> <li>• Preparation for reuse</li> <li>• Recycling</li> <li>• Composting (industrial/home )</li> <li>• Waste to Energy</li> <li>• Incineration</li> <li>• Landfill</li> <li>• Mismanaged waste</li> <li>• Leakage</li> <li>• Other, please specify</li> </ul>	Select from:  <ul style="list-style-type: none"> <li>• Lack of internal resources, capabilities, or expertise (e.g., due to organization size)</li> <li>• No standardized procedure</li> <li>• Not an immediate strategic priority</li> <li>• Judged to be</li> </ul>	Text field [maximum 2,500 characters]

				unimportant or not relevant	
				<ul style="list-style-type: none"> <li>Other, please specify</li> </ul>	

[Fixed row]

Requested content	<p><i>General</i></p> <ul style="list-style-type: none"> <li>Consider whether you produce, commercialize, use or dispose of plastics at each stage of your value chain, including direct operations.</li> <li>Plastics are used in many ways throughout value chains, e.g. they may feature in the final products sold, feature in the equipment used to provide a service, or as packaging during transportation. Plastics can also be disposed of throughout the value chain e.g. during the production of plastic products.</li> </ul> <p><i>Value chain stages covered in mapping (column 2)</i></p> <ul style="list-style-type: none"> <li>This column is only presented if you selected “Yes” in column 1.</li> <li>Indicate in which stages of your value chain you have mapped the plastics you produce, commercialize, use and/or dispose of.</li> <li>If you select “End-of-life management” you will be asked for further information in 10.6.</li> </ul> <p><i>Primary reason for not mapping plastics in your value chain (column 5)</i></p> <ul style="list-style-type: none"> <li>This column is only presented if one of the “No” options is selected in column 1.</li> <li>If none of the reasons are applicable to your organization, select “Other, please specify” to provide the primary reason.</li> </ul> <p><i>Explain why your organization has not mapped its value chain (column 6)</i></p> <ul style="list-style-type: none"> <li>This column is only presented if you select one of the “No...” options in column 1 “Plastics mapping”.</li> <li>If you selected “Judged to be unimportant or not relevant” in column 5 “Primary reason for not mapping plastics in your value chain”, explain the criteria used to decide that this topic is not important or relevant for your organization.</li> <li>If applicable, describe any future plans to map plastics in your value chain.</li> </ul>
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Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	P
Sector	Question level	All

**(1.24.2) Which commodities has your organization mapped in your upstream value chain (i.e., supply chain)?**

Question details	
Question dependencies	This question only appears if you select “Upstream value chain” in column “Value chain stages covered in mapping” of 1.24 and you select “Sourced” or “Produced and sourced” in response to column “Produced and/or sourced” of 1.22.
Change from last year	Modified question (2023 F2.2a)
Rationale	Organizations must have knowledge of the stakeholders in their upstream value chain (i.e., supply chain/ portfolio activities) to effectively identify, assess, and manage their

	environmental dependencies, impacts, risks, and opportunities related to their sourced commodity volumes. Mapping your upstream value chain is complementary to other key activities such as risk management, traceability, and supplier engagement. Responses to this question will help data users interpret the supplier coverage across the rest of your responses regarding action in your value chain.
Ambition	<ul style="list-style-type: none"> <li>Organizations have visibility into their value chains, enabling them to manage their environmental dependencies, impacts, risks, and opportunities related to their sourced commodity volumes.</li> </ul>
Connection to other frameworks	AFi Core Principle 4 AFi Core Principle 5
Response options	Please complete the following table:

0	1	2	3	4	5	6	7
Commodity	Value chain mapped for this sourced commodity	Highest supplier tier mapped for this sourced commodity	% of tier 1 suppliers mapped	% of tier 2 suppliers mapped	% of tier 3 suppliers mapped	% of tier 4+ suppliers mapped	Highest supplier tier known but not mapped for this sourced commodity
Timber products	Select from: <ul style="list-style-type: none"> <li>Yes</li> <li>No</li> </ul>	Select from: <ul style="list-style-type: none"> <li>Tier 1 suppliers</li> <li>Tier 2 suppliers</li> <li>Tier 3 suppliers</li> <li>Tier 4+ suppliers</li> </ul>	Select from: <ul style="list-style-type: none"> <li>Less than 1%</li> <li>1-25%</li> <li>26-50%</li> <li>51-75%</li> <li>76-99%</li> <li>100%</li> </ul>	Select from: <ul style="list-style-type: none"> <li>Less than 1%</li> <li>1-25%</li> <li>26-50%</li> <li>51-75%</li> <li>76-99%</li> <li>100%</li> </ul>	Select from: <ul style="list-style-type: none"> <li>Less than 1%</li> <li>1-25%</li> <li>26-50%</li> <li>51-75%</li> <li>76-99%</li> <li>100%</li> </ul>	Select from: <ul style="list-style-type: none"> <li>Less than 1%</li> <li>1-25%</li> <li>26-50%</li> <li>51-75%</li> <li>76-99%</li> <li>100%</li> </ul>	Select from: <ul style="list-style-type: none"> <li>Tier 1 suppliers</li> <li>Tier 2 suppliers</li> <li>Tier 3 suppliers</li> <li>Tier 4+ suppliers</li> <li>All supplier tiers known have been mapped for this sourced commodity</li> </ul>
Palm oil							
Cattle products							
Soy							
Rubber							
Cocoa							
Coffee							

[Fixed row]

Requested content	<p><i>General</i></p> <ul style="list-style-type: none"> <li>For each commodity that your organization sources, this question requests the percentage of suppliers mapped per supplier tier in your commodity's upstream value chain.</li> <li>Note that "value chain mapping" (the process of identifying stakeholders within your value chain, including where they operate and how they relate to each other) is distinct from "traceability" (the ability to follow products through stages of the value chain). You can report details of your traceability in 8.8.</li> </ul> <p><i>Highest supplier tiers mapped for the sourced commodity (column 2)</i></p> <ul style="list-style-type: none"> <li>This column only appears if "Yes" is selected in column 1 "Value chain mapped for this sourced commodity".</li> <li>For each of your sourced commodities, indicate the highest supplier tier for which you have mapped any number of suppliers. If your mapping exercise only includes some of your suppliers within a tier, you should still select this tier. For example, if you have mapped 100% of tier 1 suppliers, 50% of tier 2, and 0% of tier 3 and beyond, then select "Tier 2". You will then be able to indicate the percentage for each tier mapped in the following columns.</li> <li>"Highest" in the context of supplier tiers refers to the furthest tier away from your direct suppliers.</li> </ul> <p><i>% of tier 1/tier 2/tier 3/tier 4+ suppliers mapped (columns 3-6)</i></p>
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	<ul style="list-style-type: none"> <li>The appearance of these columns is dependent on your selections in column 2 “Highest supplier tier mapped for this sourced commodity”. i.e., if you select “Tier 2” as the highest supplier tier mapped in column 2 “Highest supplier tiers mapped for the sourced commodity”, you will only be shown columns to report the percentage of suppliers mapped for tier 1 and 2.</li> <li>For each tier mapped, provide an estimated percentage of your total suppliers included in the mapping.</li> </ul> <p><i>Highest supplier tier known but not mapped for this sourced commodity (column 7)</i></p> <ul style="list-style-type: none"> <li>This column appears if anything other than “Tier 4+” selected in column 2 “Highest supplier tiers mapped for the sourced commodity”.</li> <li>Select the highest tier that your organization is aware of in any of your commodity-related value chains.</li> <li>This column gathers information on the supplier tiers in your organization’s commodity-related upstream value chains. This does not refer to the highest tier that you have mapped necessarily, i.e., you may be aware that you have tier 4+ suppliers, but not have carried out any mapping exercises to collect information about these suppliers.</li> <li>Select “All supplier tiers known have been mapped” if you have mapped or are in the process of mapping all known supplier tiers. You should only select this if you know you do not have any additional tiers in your upstream value chains beyond those reported as mapped.</li> </ul>
Additional information	<ul style="list-style-type: none"> <li>For more information on how the concepts of “value chain mapping” and “traceability” work together, refer to AFi’s “Operational Guidance on Supply Chain Management” (<a href="#">AFi, 2020</a>).</li> </ul>

Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	F
Sector	Question level	All except FS

## Module 2: Identification, assessment, and management of dependencies, impacts, risks, and opportunities introduction

Guidance for companies reporting on Climate change, Forests, Water Security, Plastics and Biodiversity on behalf of investors & supply chain members.

The full reporting guidance including explanation of terms is available via the portal/public guidance page.

### Module overview

<p>Module Overview</p>	<p>This module requests information about the time horizons at which organizations consider environmental issues, how an organization defines what is a substantive effect on its business, the procedures that organizations have in place to identify, assess and manage their environmental-related dependencies, impacts, risks, and opportunities relevant to their sector, and the identification of priority locations.</p> <p>For organizations disclosing on water security, this module also requests information about the procedures that organizations have in place to manage water pollutants (section 2.5) and questions focused on tailings dams management targeted at specific sectors only (section 2.6).</p> <p>These procedures are considered important to addressing environmental issues independent of an organization’s own perception or an assessment of any associated net risk for their organizations. This is why CDP asks organizations to answer these questions before disclosing whether they consider themselves exposed to environmental related risks and/or opportunities and what these are.</p> <p>This information provides data users with confidence that the risks and opportunities disclosed in Module 3 (Disclosure of Risks and Opportunities) are comprehensive.</p>
<p>Sector-specific content</p>	<ul style="list-style-type: none"> <li>• Additional questions on identifying, assessing, and managing biodiversity impacts and dependencies related to portfolio activities, assessment process and tailings dams management procedures for the following high-impact sectors: Financial services, Metals &amp; Mining, and Coal, and for organisations with mining projects.</li> <li>• Additional response options presented in 2.2, 2.2.1, and 2.2.2 for organizations with mining projects.</li> </ul>

## Definition of time horizons

### (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?

Question details	
Change from last year	New question for Forests, Water, Plastics and Biodiversity. Modified question for Climate change (2023 C2.1a)
Rationale	Understanding organizations' definitions of time horizons allows data users to contextualize the different timescales at which organizations consider environmental issues in the identification, assessment, and management of dependencies, impacts, risks, and opportunities, and how this informs their business strategy and financial planning.
Connection to other frameworks	IFRS S2 10 AFi Core Principle 5 TCFD Risk Management A TCFD Risk Management B TCFD Risk Management C TCFD Strategy A TNFD Strategy A TNFD Risk and impact management A(i) TNFD Risk and impact management A(ii) TNFD Risk and impact management B TNFD Risk and impact management C ESRS 2 ESRS E1 ESRS E3
Response options	Please complete the following table:

0	1	2	3	4
Time horizon	From (years)	Is your long-term time horizon open ended?	To (years)	How this time horizon is linked to strategic and/or financial planning
Short-term	Numerical field [enter a number from 0-100 using no decimals or commas]	N/A	Numerical field [enter a number from 0-100 using no decimals or commas]	Text field [maximum 1,500 characters]
Medium-term		N/A		
Long-term		Select from: <ul style="list-style-type: none"> <li>Yes</li> <li>No</li> </ul>		

[Fixed row]

Requested content	<p><i>From (years) (column 1) and To (years) (column 3)</i></p> <ul style="list-style-type: none"> <li>To define your short-, medium- and long-term time horizons, provide details of the length of time in the "From" and "To" years columns (e.g., from 5 to 10 years, or from 12 to 25 years).</li> </ul> <p><i>How this time horizon is linked to strategic and/or financial planning (column 4)</i></p> <ul style="list-style-type: none"> <li>Provide the reasons for the choice of time horizon and explain how the use of this time horizon supports your strategic and/or financial planning.</li> </ul>
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	<ul style="list-style-type: none"> <li>If you undertake strategic and/or financial planning under a different timeframe, explain why the time horizon chosen for the identification, assessment, and management of environmental issues is different to that used in these other processes.</li> </ul>
Additional information	<p><i>TCFD and TNFD position on time horizons:</i></p> <ul style="list-style-type: none"> <li>Because the timing of effects on organizations will vary, specifying set timeframes across sectors could hinder organizations' consideration of the environmental risks and opportunities specific to their businesses.</li> <li>TCFD and TNFD do not define timeframes and encourage respondents to decide how to define their own timeframes considering the useful life of their assets or infrastructure, the profile of the environmental risks they face, the sectors and geographies in which they operate, and that environmental risks and opportunities can manifest themselves over the medium and long term.</li> <li>In assessing environmental issues, organizations should be sensitive to the timeframe used to conduct their assessments. While many organizations conduct operational and financial planning over a 1–2-year timeframe, and strategic and capital planning over a 2-5-year timeframe, environmental risks and opportunities may have implications over a longer period. It is therefore important for organizations to consider the appropriate timeframes when assessing environmental dependencies, impacts, risks, and opportunities.</li> </ul>

Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	All
Sector	Question level	All

## **Process for identifying, assessing, and managing dependencies, impacts, risks and/or opportunities**

### **(2.2) Does your organization have a process for identifying, assessing, and managing environmental dependencies and/or impacts?**

Question details	
Change from last year	New question for Climate change, Forests and Water Modified question for Plastics and Biodiversity (2023 W10.2, C15.3, F-MM10.1/F-CO10.1)
Rationale	Dependencies and impacts on the environment can result in changes to the capacity of nature to provide social and economic functions. Additionally, it is essential to identify, assess, and manage dependencies and impacts on the environment in order to assess effectively the risks and opportunities of an organization. This question allows data users to gauge the organization's awareness of its own environmental dependencies and impacts.
Ambition	<ul style="list-style-type: none"> <li>The organization has a robust process to identify, assess, and manage environmental dependencies, impacts, risks, and opportunities across its direct operations, value chain, financed activities, and assets.</li> </ul>
Connection to other frameworks	TNFD Risk & impact management A(i) TNFD Risk & impact management A(ii) TNFD Risk & impact management B
Response options	Please complete the following table:

1	2	3	4	5
Process in place	Dependencies and/or impacts evaluated in this process	Biodiversity impacts evaluated before the	Primary reason for not evaluating	Explain why you do not evaluate dependencies and/or

		mining project development stage	dependencies and/or impacts	impacts and describe any plans to do so in the future
Select from: <ul style="list-style-type: none"> <li>• Yes</li> <li>• No, but we plan to within the next two years</li> <li>• No, and we do not plan to within the next two years</li> </ul>	Select from: <ul style="list-style-type: none"> <li>• Dependencies only</li> <li>• Impacts only</li> <li>• Both dependencies and impacts</li> </ul>	Select from: <ul style="list-style-type: none"> <li>• Yes, in all cases</li> <li>• Yes, in some cases</li> <li>• No</li> </ul>	Select from: <ul style="list-style-type: none"> <li>• Lack of internal resources, capabilities, or expertise (e.g., due to organization size)</li> <li>• No standardized procedure</li> <li>• Not an immediate strategic priority</li> <li>• Judged to be unimportant or not relevant</li> <li>• Other, please specify</li> </ul>	Text field [maximum 2,500 characters]

[Fixed row]

Requested content	<p><i>General</i></p> <ul style="list-style-type: none"> <li>• Note that this question asks if you have a process to identify, assess and manage <b>dependencies and/or impacts</b>. You will be asked about <b>risks and opportunities</b> in the following question.</li> </ul> <p><i>Process in place (column 1)</i></p> <ul style="list-style-type: none"> <li>• Select “Yes” if your organization has any process in place for identifying, assessing, and managing dependencies and/or impacts. Select “Yes” regardless of whether both dependencies and impacts are assessed, and regardless of whether the process is integrated (i.e. across multiple environmental issues, and any other issues) or separated. You will have the opportunity to provide further details on your assessment process in 2.2.2.</li> <li>• Only select “No...” if you do not have any form of process for identifying, assessing, and managing dependencies and/or impacts.</li> </ul> <p><i>Explain why you do not evaluate dependencies and/or impacts and describe any plans to do so in the future (column 5)</i></p> <ul style="list-style-type: none"> <li>• This column only appears if you select any “No” option in column 1 “Process in place” OR if you select any option except “Both dependencies and impacts” in column 2 “Dependencies and/or impacts evaluated in this process”.</li> <li>• Describe the primary reason selected in column 4 “Primary reason for not evaluating dependencies and/or impacts”.</li> <li>• Describe any plans to evaluate environmental dependencies and/or impacts in the future, such as initial measures taken to put an evaluation process in place.</li> <li>• If you selected “Judged to be unimportant or not relevant” in column 4 “Primary reason for not evaluating dependencies and/or impacts”, explain the criteria used to decide that evaluating dependencies and/or impacts is not important or relevant to your organization.</li> </ul>
Requested content – [sector] (if applicable)	<p><i>Note for Financial Services companies</i></p> <p>This question is asking about the processes used to identify, assess, and respond to environmental dependencies and/or impacts within your direct operations and upstream value chain. Please do not report the identification, assessment and management of environmental dependencies and/or impacts in your portfolio here. You will be able to do this in 2.2.4.</p>

Authoring notes		
<b>Tags</b>		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	All
Sector	Question level	All (+ M-B)



**(2.2.1) Does your organization have a process for identifying, assessing, and managing environmental risks and/or opportunities?**

Question details	
Change from last year	Modified question (2023 C2.1, C2.2g, F2.1, F2.1b, F-MM10.2/F-CO10.2, W3.3, W3.3c, W10.3)
Rationale	For many organizations, environmental issues pose significant challenges, now and in the future. This question establishes whether the organization has a process for identifying, assessing, and managing environmental issues so that data users may gauge the organization's awareness of its own environmental risks and opportunities.
Ambition	<ul style="list-style-type: none"> <li>The organization has a robust process to identify, assess, and manage environmental dependencies, impacts, risks, and opportunities across its direct operations, value chain, financed activities, and assets.</li> </ul>
Connection to other frameworks	AFi Core Principle 5 CEO WM Implications: Business Risks TNFD Risk & impact management A(i) TNFD Risk & impact management A(ii) TNFD Risk & impact management B TNFD Risk & impact management C TCFD Risk Management A TCFD Risk Management B TCFD Risk Management C
Response options	Please complete the following table:

1	2	3	4	5	6
<b>Process in place</b>	<b>Risks and/or opportunities evaluated in this process</b>	<b>Is this process informed by the dependencies and/or impacts process?</b>	<b>Primary reason for not evaluating risks and/or opportunities</b>	<b>Explain why you do not evaluate risks and/or opportunities and describe any plans to do so in the future</b>	<b>Explain why you do not have a process for evaluating both risks and opportunities that is informed by a dependencies and/or impacts process</b>
Select from: <ul style="list-style-type: none"> <li>Yes</li> <li>No, but we plan to within the next two years</li> <li>No, and we do not plan to within the next two years</li> </ul>	Select from: <ul style="list-style-type: none"> <li>Risks only</li> <li>Opportunities only</li> <li>Both risks and opportunities</li> </ul>	Select from: <ul style="list-style-type: none"> <li>Yes</li> <li>No</li> </ul>	Select from: <ul style="list-style-type: none"> <li>Lack of internal resources, capabilities, or expertise (e.g., due to organization size)</li> <li>No standardized procedure</li> <li>Not an immediate strategic priority</li> <li>Judged to be unimportant or not relevant</li> <li>Other, please specify</li> </ul>	Text field [maximum 2,500 characters]	Text field [maximum 2,500 characters]

Requested content	<i>Process in place (column 1)</i> <ul style="list-style-type: none"> <li>Select "Yes" if your organization has any process in place for identifying, assessing, and managing risks and/or opportunities. Select "Yes" regardless of whether both risks and</li> </ul>
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	<p>opportunities are assessed, and regardless of whether the process is integrated (i.e. across multiple environmental issues, and any other issues) or separated. You will have the opportunity to provide further details on your assessment process in 2.2.2.</p> <ul style="list-style-type: none"> <li>Only select "No..." if you do not have any form of process for identifying, assessing, and managing risks and/or opportunities.</li> </ul> <p><i>Explain why you do not evaluate risks and/or opportunities and describe any plans to do so in the future (column 5)</i></p> <ul style="list-style-type: none"> <li>This column only appears if you select any "No" option in column 1 "Process in place".</li> <li>Describe the primary reason selected in column 4 "Primary reason for not evaluating risks and/or opportunities".</li> <li>Describe any plans to evaluate environmental risks and/or opportunities in the future, such as initial measures taken to put an evaluation process in place.</li> <li>If you selected "Judged to be unimportant or not relevant" in column 4 "Primary reason for not evaluating risks and/or opportunities", explain the criteria used to decide that evaluating risks and/or opportunities is not important or relevant to your organization.</li> </ul> <p><i>Explain why you do not have a process for evaluating both risks and opportunities that is informed by a dependencies and/or impacts process (column 6)</i></p> <ul style="list-style-type: none"> <li>This column only appears if you select any option except "Both risks and opportunities" in column 2 "Risks and/or opportunities evaluated in this process" OR if you select "No" in response to column 3 "Is this process informed by the dependencies and/or impacts process?".</li> <li>If you select any option except "Both risks and opportunities" in column 2 "Risks and/or opportunities evaluated in this process", describe the primary reason for not having a process to evaluate both environmental risks and opportunities and describe any plans to do so in the future.</li> <li>If you selected "No" in response to column 3 "Is this process informed by the dependencies and/or impacts process?", provide details of why this is the case, and any plans to consider dependencies and/or impacts as part of this process in the future.</li> </ul>
Requested content – [sector] (if applicable)	<p><i>Note for Financial Services companies</i></p> <ul style="list-style-type: none"> <li>This question is asking about the processes used to identify, assess, and respond to environmental risks and/or opportunities within your direct operations and upstream value chain. Please do not report the identification, assessment and management of environmental risks and/or opportunities in your portfolio here. You will be able to do this in 2.2.5.</li> </ul>

Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	All
Sector	Question level	All (+ M-B)

**(2.2.2) Provide details of your organization’s process for identifying, assessing, and managing environmental dependencies, impacts, risks, and/or opportunities.**

Question details	
Question dependencies	This question only appears if you select "Yes" in response to column 1 "Process in place" of 2.2 or 2.2.1.
Change from last year	Modified question (2023 C2.2, C2.2a, C15.3, F2.1a, F-MM10.2a/F-CO10.2a, F-MM10.2b/ F-CO10.2b, F-MM10.2c/F-CO10.2c, W3.3a, W3.3b , W10.2)
Rationale	Organizations that have established a comprehensive, recurring procedure to identify, assess, and manage environmental dependencies, impacts, risks, and opportunities across their value chain and over a range of time-horizons will be better equipped to handle longer-term uncertainties and liabilities, as well as capitalize on opportunities. This question indicates to data users how robust an organization’s assessment process is.

Ambition	<ul style="list-style-type: none"> <li>The organization has a robust process to identify, assess, and manage environmental dependencies, impacts, risks, and opportunities across its direct operations, value chain, financed activities, and assets.</li> <li>The organization maps its value chain, screens sites, and engages stakeholders to identify and assess environmental dependencies, impacts, risks, and opportunities. This is integrated into a multi-disciplinary organization-wide risk management, covers transition and physical risks/opportunities over different timeframes, and discloses methods and significance criteria.</li> <li>The organization conducts the identification and assessment process at least once a year and describes how data was obtained.</li> <li>The organization describes how the outputs from the scenario analysis are used in risk and opportunity identification, assessment, and management processes, given the organization's activities and relevant timeframes.</li> </ul>
Connection to other frameworks	IFRS S2 25 AFi Core Principle 5 GRI disclosure 303-1 CEO WM Implications: Business Risks TNFD Risk & impact management A(i) TNFD Risk & impact management A(ii) TNFD Risk & impact management B TNFD Risk & impact management C TNFD Metrics & targets B TCFD Risk Management A ESRS 2 ESRS E1 ESRS E2 ESRS E3 ESRS E4
Response options	Please complete the following table:

1	2	3	4	5	6
Environmental issue	Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue	Value chain stages covered	Coverage	Supplier tiers covered	Mining projects covered
Select all that apply: <ul style="list-style-type: none"> <li>Climate change</li> <li>Forests</li> <li>Water</li> <li>Plastics</li> <li>Biodiversity</li> </ul>	Select all that apply: <ul style="list-style-type: none"> <li>Dependencies</li> <li>Impacts</li> <li>Risks</li> <li>Opportunities</li> </ul>	Select all that apply: <ul style="list-style-type: none"> <li>Direct operations</li> <li>Upstream value chain</li> <li>Downstream value chain [not shown to FS]</li> <li>End of life management [P only]</li> </ul>	Select from: <ul style="list-style-type: none"> <li>Full</li> <li>Partial</li> </ul>	Select all that apply: <ul style="list-style-type: none"> <li>Tier 1 suppliers</li> <li>Tier 2 suppliers</li> <li>Tier 3 suppliers</li> <li>Tier 4+ suppliers</li> </ul>	Select all that apply: <ul style="list-style-type: none"> <li>All disclosed mining projects</li> <li>Project 1-70</li> </ul>

7	8	9	10	11	12a
Type of assessment	Frequency of assessment	Time horizons covered	Integration of risk	Location-specificity used	Type of tools and methods used

			<b>management process</b>		
Select from: <ul style="list-style-type: none"> <li>• Qualitative only</li> <li>• Quantitative only</li> <li>• Qualitative and quantitative</li> </ul>	Select from: <ul style="list-style-type: none"> <li>• More than once a year</li> <li>• Annually</li> <li>• Every two years</li> <li>• Every three years or more</li> <li>• As important matters arise</li> <li>• Not defined</li> </ul>	Select all that apply: <ul style="list-style-type: none"> <li>• Short-term</li> <li>• Medium-term</li> <li>• Long-term</li> </ul>	Select from: <ul style="list-style-type: none"> <li>• Integrated into multi-disciplinary organization-wide risk management process</li> <li>• A specific environmental risk management process</li> </ul>	Select all that apply: <ul style="list-style-type: none"> <li>• Site-specific</li> <li>• Local</li> <li>• Sub-national</li> <li>• National</li> <li>• Not location specific</li> </ul>	Select all that apply: <ul style="list-style-type: none"> <li>• Commercially/publicly available tools</li> <li>• Enterprise Risk Management</li> <li>• International methodologies and standards</li> <li>• Databases</li> <li>• Other</li> </ul>

12b	13a	13b	14	15	16
<b>Tools and methods used</b>	<b>Risk types considered</b>	<b>Criteria considered</b>	<b>Partners and stakeholders considered</b>	<b>Has this process changed since the previous reporting year?</b>	<b>Further details of process</b>
Select all that apply from the drop-down list below	Select all that apply: <ul style="list-style-type: none"> <li>• Acute physical</li> <li>• Chronic physical</li> <li>• Policy</li> <li>• Market</li> <li>• Reputation</li> <li>• Technology</li> <li>• Liability</li> </ul>	Select all that apply from the drop-down list below	Select all that apply: <ul style="list-style-type: none"> <li>• Customers</li> <li>• Employees</li> <li>• Investors</li> <li>• Local communities</li> <li>• Indigenous peoples</li> <li>• NGOs</li> <li>• Regulators</li> <li>• Suppliers</li> <li>• Water utilities at a local level [W only]</li> <li>• Other commodity users/producers at a local level [B and F only]</li> <li>• Other water users at the basin/catchment level [B and W only]</li> <li>• Other, please specify</li> </ul>	Select from: <ul style="list-style-type: none"> <li>• Yes</li> <li>• No</li> </ul>	Text field [maximum 3,500 characters]

[Add row]

Tools and methods used (column 12b)	
<b>Enterprise Risk Management</b> <ul style="list-style-type: none"> <li>• COSO Enterprise Risk Management Framework</li> <li>• Enterprise Risk Management</li> <li>• Field surveys [F, M-B only]</li> <li>• Internal company methods</li> <li>• ISO 31000 Risk Management Standard</li> <li>• Landscape-scale field surveys [F, M-B only]</li> <li>• Risk models</li> <li>• Stress tests</li> <li>• Other enterprise risk management, please specify</li> </ul> <b>International methodologies and standards</b>	<b>Commercially/publicly available tools</b> <ul style="list-style-type: none"> <li>• Beef on Track [Cattle products only] [F only]</li> <li>• BFC – Biodiversity Footprint Calculator [B only]</li> <li>• BFM – Biodiversity Footprint Methodology [B only]</li> <li>• BIM – Biodiversity Impact Metric [B only]</li> <li>• Biodiversity indicators for site-based impacts [B only]</li> <li>• Biological Diversity Protocol [B only]</li> <li>• Bioscope [B only]</li> <li>• BISI – Biodiversity Indicators for Site-based impacts [B only]</li> <li>• BNGC – Biodiversity Net Gain Calculator [B only]</li> <li>• CBF – Corporate Biodiversity Footprint [B only]</li> <li>• CBD – Convention on Biological Diversity [B only]</li> </ul>

<ul style="list-style-type: none"> <li>• Alliance for Water Stewardship Standard [W only]</li> <li>• Environmental Impact Assessment</li> <li>• Global Forest Watch [F only]</li> <li>• IPCC Climate Change Projections</li> <li>• ISO 14001 Environmental Management Standard</li> <li>• ISO 14046 Environmental Management – Water Footprint [W only]</li> <li>• Life Cycle Assessment</li> <li>• Paris Agreement Capital Transition Assessment (PACTA) tool</li> <li>• UN Water Global Analysis and Assessment of Sanitation and Drinking Water (GLAAS) [W only]</li> <li>• Other international methodologies and standards, please specify</li> </ul> <p><b>Databases</b></p> <ul style="list-style-type: none"> <li>• FAO/AQUASTAT [W only]</li> <li>• Maplecroft Global Water Security Risk Index [W only]</li> <li>• Nation-specific databases, tools, or standards</li> <li>• Regional government databases</li> <li>• UNEP Vital Water Graphics [W only]</li> <li>• Other databases, please specify</li> </ul> <p><b>Other</b></p> <ul style="list-style-type: none"> <li>• Desk-based research</li> <li>• External consultants</li> <li>• Internal company methods</li> <li>• Jurisdictional/landscape assessment</li> <li>• Materiality assessment</li> <li>• Partner and stakeholder consultation/analysis</li> <li>• Scenario analysis</li> <li>• Source Water Vulnerability Assessment [W only]</li> <li>• Other, please specify</li> </ul>	<ul style="list-style-type: none"> <li>• Circulytics</li> <li>• Collect Earth</li> <li>• EcoVadis [W only]</li> <li>• Ecolab Water Risk Monetizer [W only]</li> <li>• Ellen MacArthur Foundation Recyclability Assessment Tool [P only]</li> <li>• Encore tool [B only]</li> <li>• F4B - Finance for Biodiversity [FS only] [B only]</li> <li>• GEMI Local Water Tool [W only]</li> <li>• Global Forest Watch Pro [F and B only]</li> <li>• Global Risk Assessment Services (GRAS) [F only]</li> <li>• IBAT for Business</li> <li>• IBAT – Integrated Biodiversity Assessment Tool [B only]</li> <li>• LEAP (Locate, Evaluate, Assess and Prepare) approach, TNFD</li> <li>• Plastic Leak Project [P only]</li> <li>• Plastic Footprint Network [P only]</li> <li>• Preferred by Nature Sourcing Hub [F only]</li> <li>• RBA Country Risk Assessment Tool [W only]</li> <li>• ReCiPe [B only]</li> <li>• SEDEX [W only]</li> <li>• SIWI Water Tool [W only]</li> <li>• Starling [F only]</li> <li>• Sustainability Policy Transparency Toolkit (SPOTT) [F only]</li> <li>• TNFD – Taskforce on Nature-related Financial Disclosures</li> <li>• Trase [F only]</li> <li>• Understanding Packaging (UP) Scorecard [P only]</li> <li>• UNEP Vital Water Graphics [W only]</li> <li>• Water Footprint Network Assessment tool [W only]</li> <li>• Waterplan [W only]</li> <li>• WBCSD Corporate Ecosystem Services Review [B only]</li> <li>• WRI Aqueduct [W only]</li> <li>• WWF Biodiversity Risk Filter [B only]</li> <li>• WWF ReSource Tracker [P only]</li> <li>• WWF Water Risk Filter [W only]</li> <li>• Other commercially/publicly available tools, please specify</li> </ul>
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Criteria considered (column 13b)	
<p><b>Policy</b></p> <ul style="list-style-type: none"> <li>• Carbon pricing mechanisms [C only]</li> <li>• Changes to international law and bilateral agreements</li> <li>• Changes to national legislation</li> <li>• Increased difficulty in obtaining operations permits</li> <li>• Increased difficulty in obtaining water withdrawals permit [W only]</li> <li>• Increased pricing of water [W only]</li> <li>• Introduction of regulatory standards for previously unregulated contaminants [W only]</li> <li>• Lack of globally accepted and harmonized definitions [P only]</li> <li>• Lack of mature certification and sustainability standards</li> <li>• Limited or lack of river basin management [W only]</li> <li>• Limited or lack of transboundary water management [W only]</li> <li>• Mandatory water efficiency, conservation, recycling, or process standards [W only]</li> <li>• Poor coordination between regulatory bodies</li> <li>• Poor enforcement of environmental regulation</li> <li>• Protected area designation [M-B only]</li> <li>• Regulation of discharge quality/volumes [W only]</li> <li>• Statutory water withdrawal limits/changes to water allocation [W only]</li> </ul>	<p><b>Reputation</b></p> <ul style="list-style-type: none"> <li>• Exclusion of vulnerable and marginalized stakeholders (e.g., informal workers) [P only]</li> <li>• Impact on human health</li> <li>• Increased partner and stakeholder concern and partner and stakeholder negative feedback</li> <li>• Insurance underwriting that could create or contribute to systemic risk for the economy [FS only]</li> <li>• Investing that could create or contribute to systemic risk for the economy [FS only]</li> <li>• Lending that could create or contribute to systemic risk for the economy [FS only]</li> <li>• Negative press coverage related to support of projects or activities with negative impacts on the environment (e.g. GHG emissions, deforestation &amp; conversion, water stress)</li> <li>• Stakeholder conflicts concerning water resources at a basin/catchment level</li> <li>• Stigmatization of sector</li> <li>• Other reputation, please specify</li> </ul> <p><b>Acute physical risks</b></p> <ul style="list-style-type: none"> <li>• Avalanche</li> <li>• Cold wave/frost</li> </ul>

- Uncertainty and/or conflicts involving land tenure rights and water rights [F, B only]
- Other policy, please specify

#### Technology

- Dependency on water-intensive energy sources [C, W only]
- Inability to increase yield of existing production areas [F only]
- Data access/availability or monitoring systems
- Limited access to drought-resistant crop varieties [W-AC/FB only]
- Limited access to soil conservation and other sustainable techniques [AC/FB/PF only]
- Transition to bio-based chemicals (W-CH only)
- Transition to reusable products [P only]
- Transition to recyclable plastic products [P only]
- Transition to increasing renewable content [P only]
- Transition to increasing recycled content [P only]
- Transition to lower emissions technology and products [C only]
- Transition to water efficient and low water intensity technologies and products [W only]
- Transition to water intensive, low carbon energy sources [C, W only]
- Unsuccessful investment in new technologies
- Other technology, please specify

#### Market

- Availability and/or increased cost of certified sustainable material
- Availability and/or increased cost of raw materials
- Availability and/or increased cost of recycled or renewable content [P only]
- Changing customer behavior
- Contraction of insurance markets, leaving clients exposed and changing the risk parameters of the credit [FS only]
- Inability to attract co-financiers and/or investors due to uncertain risks related to the environment [FS only]
- Inadequate access to water, sanitation, and hygiene services (WASH)
- Leakage markets [F only]
- Limited visibility of embedded commodities [F only]
- Loss of clients due to a fund's poor environmental performance outcomes (e.g. if a fund has suffered climate-related write-downs) [CC-FS only]
- Rise in risk-based pricing of insurance policies (beyond demand elasticity) [FS only]
- Uncertainty about commodity origin and/or legality [F only]
- Uncertainty in the market signals
- Other market, please specify

#### Liability

- Exposure to litigation
- Moratoria and voluntary agreement [W, F only]
- Non-compliance with regulations
- Regulation and supervision of environmental risk in the financial sector [FS only]
- Other liability, please specify

- Cyclones, hurricanes, typhoons
- Drought
- Flood (coastal, fluvial, pluvial, ground water)
- Glacial lake outburst
- Heat waves
- Heavy precipitation (rain, hail, snow/ice)
- Landslide
- Pollution incident [W, P only]
- Rupture of tailings dams and toxic spills [MM and CO only]
- Storm (including blizzards, dust, and sandstorms)
- Subsidence
- Tornado
- Toxic spills [W only]
- Wildfires
- Other acute physical risk, please specify

#### Chronic physical risks

- Acid rock drainage and metal leaching [MM,CO,M-B only] [W and B only]
- Change in land-use
- Changing precipitation patterns and types (rain, hail, snow/ice)
- Changing temperature (air, freshwater, marine water)
- Changing wind patterns [C only]
- Coastal erosion
- Declining ecosystem services [F, W, B only]
- Declining water quality [W only]
- Groundwater depletion [W only]
- Heat stress [C, F only]
- Increased ecosystem vulnerability [F, W, B only]
- Increased levels of environmental pollutants in freshwater bodies [W only]
- Increased levels of macro or microplastic leakage to air, soil, freshwater and/or marine bodies [P only]
- Increased severity of extreme weather events
- Limited area for disposing solid waste [M-B only]
- Land loss to desertification [F only]
- Leaching of hazardous substances from plastics [P only]
- Ocean acidification
- Operations in or adjacent to areas important for biodiversity [M-B only]
- Permafrost thawing [C, W only]
- Poorly managed sanitation [W only]
- Precipitation or hydrological variability
- Rationing of municipal water supply [W only]
- Reserves located in or adjacent to areas important for biodiversity [M-B only]
- Saline intrusion [F, W only]
- Scarcity of land resources [F only]
- Sea level rise
- Seasonal supply variability/interannual variability [F, W only]
- Soil degradation
- Soil erosion
- Solifluction
- Temperature variability
- Threatened species in or near mining operation [M-B only]
- Water availability at a basin/catchment level
- Water stress
- Water quality at a basin/catchment level
- Other chronic physical driver, please specify

Requested content	<p><i>General</i></p> <ul style="list-style-type: none"> <li>Organizations are requested to report information on their approach to evaluating their dependencies and/or impacts on the environment, and consequently their approach to assessing risks and/or opportunities that are identified through understanding their dependencies and/or impacts <ul style="list-style-type: none"> <li>This question seeks to capture a holistic overview of this process in its entirety.</li> <li>If your process is the same for multiple environmental issues, you may select all that apply in column 1 “Environmental issue”.</li> <li>If your process differs for each environmental issue, add a new row and indicate these differences accordingly. If there are minor differences between how environmental issues are considered within your processes, you may use the text fields to provide details of these differences.</li> <li>If you have multiple processes for the same environmental issue, for example if the process differs for different stages of the value chain, you may add rows accordingly. Alternatively, you may use the text fields to provide details of minor differences between the processes.</li> </ul> </li> </ul> <p><i>Coverage (column 4)</i></p> <ul style="list-style-type: none"> <li>This column will be presented if “Direct operations”, “Upstream value chain” or “Downstream value chain” is selected in column 3 “Value chain stages covered”.</li> <li>If certain elements of your direct operations, or other parts of your value chain are excluded from the assessment process, select "Partial" and explain your reasons in column 16 “Further details of process”.</li> </ul> <p><i>Supplier tiers covered (column 5)</i></p> <ul style="list-style-type: none"> <li>This column will be presented if “Upstream value chain” is selected in column 3 “Value chain stages covered”.</li> <li>The options in this column are dependent on the estimate of highest supplier tier mapped provided in column 3 of 1.24 “Highest supplier tier mapped”.</li> <li>Select all options that represent the supplier tiers covered in your assessment process.</li> </ul> <p><i>Type of assessment (column 7)</i></p> <ul style="list-style-type: none"> <li>Disclose whether the assessment is qualitative, quantitative, or both.</li> <li><b>Qualitative</b> assessment is descriptive and may include stakeholder involvement, meetings, interviews, and analysis of scenario impacts or descriptive risk matrices.</li> <li><b>Quantitative</b> assessment is expressed in numbers and involves indicators, indices, variables, and metrics such as probabilistic or stochastic risk modelling considering frequency and severity of events.</li> </ul> <p><i>Frequency of assessment (column 8)</i></p> <ul style="list-style-type: none"> <li>Select the option that best reflects the frequency that all dependencies, impacts, risks and/or opportunities are assessed and/or reviewed. <ul style="list-style-type: none"> <li>The frequency disclosed here does not necessarily mean the frequency you complete a full assessment of all dependencies, impacts, risks and opportunities. For example, long-term risks may be relevant for several years and only require periodic review. Therefore, you may select the option that best reflects the frequency that all dependencies, impacts, risks and/or opportunities are assessed and/or reviewed.</li> </ul> </li> </ul> <p><i>Time horizons covered (column 9)</i></p> <ul style="list-style-type: none"> <li>Choose all the time horizons that are considered in your assessment. For example, if you only consider dependencies, impacts, risks, and opportunities relating to the environmental issue selected in column 1 “Environmental issue” in the short term (in line with your definition of time horizons provided in 2.1), you should select “short-term” here. Or, if you consider dependencies, impacts, risks, and/or opportunities over short-term, medium-term, and long-term time horizons, select all three.</li> </ul> <p><i>Integration of risk management process (column 10)</i></p> <ul style="list-style-type: none"> <li>This column only appears if you select “Risks” in column 2 “Indicate which of dependencies, impacts, risks, and opportunities are covered by the process”.</li> </ul>
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- Select the option that best describes how your process for identifying, assessing, and managing risks is integrated into your overall assessment framework.
  - **Integrated into multi-disciplinary organization-wide risk management process:** a documented process where risks are identified and assessed in an integrated way in the company’s centralized enterprise risk management program covering all possible types/sources of risks.
  - **A specific environmental risk management process:** a documented process that identifies, assesses, and manages risks separately from other business risks.

*Location-specificity used (column 11)*

- **Site-specific:** the assessment process is conducted within the sites that your organization and/or its suppliers operate in, or any other relevant operational sites.
- **Local:** the assessment process is conducted within a defined area below sub-national level (e.g., cities, towns, villages).
- **Sub-national:** the assessment process is conducted within a defined area below country/area-level. This may include the immediate landscape that operational sites sit within and could impact, or defined political boundaries (e.g., state, province, district, municipality).
- **National:** the assessment process is conducted across entire countries/areas. It does not consider dependencies, impact, risks, and/or opportunities that are specific to local areas or sites.

*Risk types and criteria considered (columns 13a, 13b)*

- This column only appears if you select “Risks” in column 2 “Indicate which of dependencies, impacts, risks, and opportunities are covered by the process”.
- Select all options that best represent the types of risk considered in the assessment process, whether a risk is subsequently identified or not:
  - **Acute physical**– occurrence of short term, specific events that change the state of the environment. For example, cyclones, oil spills, forest fires or pests affecting a harvest;
  - **Chronic physical** – gradual changes to the state of the environment. For example, pollution stemming from pesticide use or sea level rise driven by climate change.
  - **Policy** – changes in the policy context due to new (or enforcement of existing) policies to create positive impacts on the environment or mitigate negative impacts on the environment;
  - **Technology** – substitution of products or services with a reduced impact on the environment and/or reduced dependency on the environment. For example, the replacement of plastics with biodegradable containers;
  - **Market** – changing dynamics in overall markets, including changes in consumer preferences, which arise from changing physical, regulatory, technological and reputational conditions and stakeholder dynamics. For example, the market value of a company is affected by assets that have decreased in value because there is insufficient freshwater for the production process, or the value of the business’ production process is reduced by the emergence of new technologies that require less water to operate;
  - **Reputation** – changes in perception concerning an organization’s actual or perceived environmental impacts, including at the local, economic and societal level. This can result from direct company impacts, industry impacts and/or impacts of activities upstream and/or downstream in a value chain;
  - **Liability** – liability risks that arise directly or indirectly from legal claims. As laws, regulations and case law related to an organization’s preparedness for nature action evolves, the incident or probability of contingent liabilities arising from an organization may increase.

*Further details of process (column 16)*

- Describe your process for identifying, assessing, and managing dependencies, impacts, risks, and/or opportunities, including:
  - If relevant to your selections in 2.2, an assessment of how your organization’s dependencies and/or impacts inform your assessment of your organization’s risks and/or opportunities.



	<ul style="list-style-type: none"> <li>○ The proportion of operational locations assessed (screening site locations, business activities and assets within value chain to identify dependencies, impacts, risks, and/or opportunities).</li> <li>○ The methodology/data sources used for key data not obtained directly from the organization's operations.</li> <li>○ Describes how your process for identifying, assessing, and managing dependencies, impacts, and/or opportunities is integrated into your company-wide risk management process.</li> </ul> <ul style="list-style-type: none"> <li>● Describe the process used to determine which risks and/or opportunities could have a substantive financial or strategic effect on the organization, and which dependencies and/or impacts are relevant to this, including: <ul style="list-style-type: none"> <li>○ The methodology used to assess the nature, likelihood, and magnitude of the effects of dependencies, impacts, risks, and/or opportunities (including qualitative factors, quantitative thresholds, or other criteria);</li> <li>○ The inputs and parameters used (for example, information about data sources and the scope of operations covered by the process);</li> <li>○ Details on the use of scenario analysis;</li> <li>○ The processes and related policies for monitoring dependencies, impacts, risks, and/or opportunities.</li> </ul> </li> <li>● If in column 3 "Value chain stages covered" you did <b>not</b> indicate that all areas of your organization's value chain are covered, explain why this is the case.</li> <li>● If "Partial" was selected in column 4 "Coverage", explain your exclusions and the reasons for them.</li> <li>● Indicate if this process has changed since the last reporting year. If it has changed, indicate if data quality has been improved as a result.</li> </ul>
Requested content – [theme] (if applicable)	<p><i>Note for Forests and Water disclosers:</i></p> <ul style="list-style-type: none"> <li>● If you indicated in your questionnaire setup that you assess forests- and/or water-related issues, you should report on the details of the assessment processes here. E.g., if you indicated that you assess water-related issues in questionnaire setup, you should report at least 1 row with 'Water' selected in column 1 'Environmental issue'.</li> </ul>
Requested content – [sector] (if applicable)	<p><i>Note for Financial Services companies</i></p> <ul style="list-style-type: none"> <li>● This question is asking about the processes used to identify, assess, and respond to environmental dependencies, impacts, risks and/or opportunities within your direct operations and upstream value chain. Please do not report the identification, assessment and management of environmental dependencies, impacts, risks and/or opportunities in your portfolio here. You will be able to do this in 2.2.6.</li> </ul>
Additional information	<ul style="list-style-type: none"> <li>● For information on dependencies, impacts, risks and opportunities, and how they relate to each other – see TNFD's "<a href="#">Guidance on the identification and assessment of nature-related issues: the LEAP approach</a>", 2023.</li> </ul>

Authoring notes		
<b>Tags</b>		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	All
Sector	Question level	All

**(2.2.3) Provide mining-specific details of your organization's process for identifying, assessing, and managing biodiversity impacts.**

Question details	
Question dependencies	This question only appears if you select "Yes, in all cases" or "Yes, in some cases" in response to column 3 "Biodiversity impacts assessed before the mining project development stage" of 2.2.
Change from last year	Modified question (2023 F-MM10.1a/F-CO10.1a)

Rationale	Assessing biodiversity impacts before the development of a mining project as part of an Environmental Impact Assessment (EIA) improves decision making and resource allocation, as well as helping to avoid costs associated with unforeseen issues. Indicating how your projects have gone through such assessment before the project development stage provides evidence to data users that biodiversity impacts have been considered before implementation of the project.
Response options	Please complete the following table:

1	2	3	4	
Mining project ID	Extent of assessment	Impacts considered	Scope defined by	Methods and tools
Select from: <ul style="list-style-type: none"> <li>Project 1-70</li> </ul>	Select from: <ul style="list-style-type: none"> <li>Full-scale environmental and social impact assessment</li> <li>A limited or focused environmental and social assessment</li> <li>Straightforward application of environmental siting, pollution standards, design criteria, or construction standards</li> <li>Other, please specify</li> </ul>	Select from: <ul style="list-style-type: none"> <li>Direct impacts</li> <li>Indirect impacts</li> <li>Cumulative impacts</li> </ul>	Select all that apply: <ul style="list-style-type: none"> <li>Government agency requirements</li> <li>Lender requirements</li> <li>Company own standards and/or policies</li> <li>Other, please specify</li> </ul>	

5	6	7	8
Aspects considered	Baseline biodiversity data available?	Is the Environmental Impact Statement publicly available?	Please explain
Select all that apply: <ul style="list-style-type: none"> <li>Alternative locations</li> <li>Threatened species</li> <li>Migratory species</li> <li>Endemic species</li> <li>Protected habitats</li> <li>Critical habitats</li> <li>Natural habitats</li> <li>Ecosystem services</li> <li>Other, please specify</li> </ul>	Select from: <ul style="list-style-type: none"> <li>Yes</li> <li>No</li> </ul>	Select from: <ul style="list-style-type: none"> <li>Yes</li> <li>No</li> </ul>	Text field [maximum 2,5400 characters]

[Add row]

Requested content	<p><i>Extent of assessment (column 2)</i></p> <ul style="list-style-type: none"> <li>Select the option that best reflects the nature of the assessment performed by your organization. Types of assessments are based on <a href="#">IFC (2012)</a> and are listed according to the level of complexity, from most to least complex.</li> </ul> <p><i>Scope defined by (column 4)</i></p> <ul style="list-style-type: none"> <li>Select all options that influenced the definition of the scope and extent of your biodiversity-related assessment. Provide further details on how the scope of the assessment was defined in column 89 (“Please explain”).</li> </ul> <p><i>Aspects considered (column 5)</i></p> <ul style="list-style-type: none"> <li>Select all options that are covered by your assessment of biodiversity impacts.</li> </ul>
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	<p><i>Baseline biodiversity data available? (column 6)</i></p> <ul style="list-style-type: none"> <li>Select “Yes” if baseline biodiversity data was collected as part of the assessment, is properly stored and readily accessible.</li> <li>Note that data does not need to be shared with regulatory agencies or more broadly to be considered available.</li> </ul> <p><i>Environmental Impact Statement publicly available? (column 7)</i></p> <ul style="list-style-type: none"> <li>The Environmental Impact Statement (EIS) is considered to be publicly available if it is accessible to all stakeholders and interested parties (e.g., available on the organization’s website or at any other unrestricted site).</li> <li>Select “Yes” if that is the case and use column 8 “Please explain” to provide details on how the EIS can be accessed.</li> <li>If your organization does not have an EIS, or if the EIS is not publicly available, select “No”.</li> </ul> <p><i>Please explain (column 8)</i></p> <ul style="list-style-type: none"> <li>Provide any additional information related to the assessment of biodiversity impacts prior to the project development, e.g.: local regulatory context, challenges related to data availability and whether there is a Strategic Environmental Assessment (–SEA) in place.</li> <li>As sharing baseline biodiversity data is considered to be a best practice, if your baseline biodiversity data was shared in some way provide details here</li> </ul>
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Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	B only
Sector	Question level	M-B

**(2.2.4) Does your organization have a process for identifying, assessing, and managing environmental dependencies and/or impacts related to your portfolio activities?**

Question details	
Question dependencies	Rows in this question will be presented according to the activities reported in 1.10.
Change from last year	New question
Rationale	Dependencies and impacts on the environment can result in changes to the capacity of nature to provide social and economic functions. Additionally, it is essential for financial institutions to identify, assess, and manage dependencies and impacts on the environment in order to assess effectively the risks and opportunities related to their various portfolio activities. This question allows data users to gauge the organization’s awareness of its own environmental dependencies and impacts.
Ambition	<ul style="list-style-type: none"> <li>The financial institution has a robust process to identify, assess, and manage environmental dependencies, impacts, risks, and opportunities across all of its portfolios.</li> </ul>
Connection to other frameworks	TNFD Risk & impact management A(ii) TNFD Risk & impact management B
Response options	Please complete the following table:

0	1	2	3	4
<b>Portfolio</b>	<b>Process in place covering this portfolio</b>	<b>Dependencies and/or impacts related to this portfolio evaluated in this process</b>	<b>Primary reason for not evaluating dependencies and/or impacts related to this portfolio</b>	<b>Explain why you do not evaluate dependencies and/or impacts related to this portfolio and</b>

				describe any plans to evaluate this in the future
Banking (Bank)	Select from: <ul style="list-style-type: none"> <li>• Yes</li> <li>• No, but we plan to within the next two years</li> <li>• No, and we do not plan to within the next two years</li> </ul>	Select from: <ul style="list-style-type: none"> <li>• Dependencies only</li> <li>• Impacts only</li> <li>• Both dependencies and impacts</li> </ul>	Select from: <ul style="list-style-type: none"> <li>• Lack of internal resources, capabilities, or expertise (e.g., due to organization size)</li> <li>• No standardized procedure</li> <li>• Not an immediate strategic priority</li> <li>• Judged to be unimportant or not relevant</li> <li>• Other, please specify</li> </ul>	Text field [maximum 2,500 characters]
Investing (Asset manager)				
Investing (Asset owner)				
Insurance underwriting (Insurance company)				

[Fixed Row]

Requested content	<p><i>General</i></p> <ul style="list-style-type: none"> <li>• Note that this question asks if you have a process to identify, access and manage <b>dependencies and/or impacts related to your portfolio (lending, investing and insurance activities)</b>. You will be asked about <b>risks and opportunities</b> in the following question.</li> </ul> <p><i>Portfolio (column 0)</i></p> <ul style="list-style-type: none"> <li>• The rows presented in this question depend on the activities you selected in question 1.10.</li> </ul> <p><i>Process in place covering this portfolio (column 1)</i></p> <ul style="list-style-type: none"> <li>• Select “Yes” if your organization has any process in place for identifying, assessing, and managing dependencies and/or impacts relating to the portfolio in column 0 “Portfolio”. Select “Yes” regardless of whether both dependencies and impacts are assessed, and regardless of whether the process is integrated (i.e. across multiple environmental issues, and any other issues) or separated. You will have the opportunity to provide further details on your portfolio assessment process in 2.2.6.</li> <li>• Only select “No...” if you do not have any form of process for identifying, assessing, and managing dependencies and/or impacts related to the portfolio in column 0 “Portfolio”.</li> </ul> <p><i>Explain why you do not evaluate dependencies and/or impacts related to this portfolio and describe any plans to do so in the future (column 4)</i></p> <ul style="list-style-type: none"> <li>• This column only appears if you select any “No” option in column 1 “Process in place covering this portfolio” OR if you select any option except “Both dependencies and impacts” in column 2 “Dependencies and/or impacts evaluated in this process”.</li> <li>• Describe the primary reason selected in column 3 “Primary reason for not evaluating dependencies and/or impacts related to this portfolio”.</li> <li>• Describe any plans to evaluate environmental dependencies and/or impacts in the future, such as initial measures taken to put an evaluation process in place.</li> <li>• If you selected “Judged to be unimportant or not relevant” in column 3 “Primary reason for not evaluating dependencies and/or impacts related to this portfolio”, explain the criteria used to decide that evaluating dependencies and/or impacts is not important or relevant to your organization.</li> </ul>
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**Authoring notes**

Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	All
Sector	Question level	FS

**(2.2.5) Does your organization have a process for identifying, assessing, and managing environmental risks and/or opportunities related to your portfolio activities?**

Question details	
Question dependencies	Rows in this question will be presented according to the activities reported in 1.10.
Change from last year	New question for Plastics and Biodiversity Modified question (2023 C-FS2.2b, FW-FS2.1)
Rationale	For many organizations, environmental issues pose significant challenges, now and in the future. This question establishes whether the financial institution has a process for identifying, assessing, and managing environmental issues related to their various portfolio activities so that data users may gauge the organization's awareness of its own environmental risks and opportunities.
Ambition	<ul style="list-style-type: none"> <li>The financial institution has a robust process to identify, assess, and manage environmental dependencies, impacts, risks, and opportunities across all of its portfolios.</li> </ul>
Connection to other frameworks	TNFD Risk & impact management A(ii) TNFD Risk & impact management B TCFD Risk Management A NZAM Commitment 3 NZAM Commitment 6
Response options	Please complete the following table:

0	1	2	3	4	5	6
Portfolio	Process in place covering this portfolio	Risks and/or opportunities related to this portfolio are evaluated in this process	Is this process informed by the dependencies and/or impacts process?	Primary reason for not evaluating risks and/or opportunities related to this portfolio	Explain why you do not evaluate risks and/or opportunities related to this portfolio and describe any plans to do so in the future	Explain why you do not have a process for evaluating both risks and opportunities related to this portfolio that is informed by a dependencies and/or impacts process
Banking (Bank)	Select from: <ul style="list-style-type: none"> <li>Yes</li> <li>No, but we plan to within the next two years</li> <li>No, and we do not plan to within the next two years</li> </ul>	Select from: <ul style="list-style-type: none"> <li>Risks only</li> <li>Opportunities only</li> <li>Both risks and opportunities</li> </ul>	Select from: <ul style="list-style-type: none"> <li>Yes</li> <li>No</li> </ul>	Select from: <ul style="list-style-type: none"> <li>Lack of internal resources, capabilities, or expertise (e.g., due to organization size)</li> <li>No standardized procedure</li> <li>Not an immediate strategic priority</li> </ul>	Text field [maximum 2,500 characters]	Text field [maximum 2,500 characters]

				<ul style="list-style-type: none"> <li>• Judged to be unimportant or not relevant</li> <li>• Other, please specify</li> </ul>		
Investing (Asset manager)						
Investing (Asset owner)						
Insurance underwriting (Insurance company)						

[Fixed row]

Requested content	<p><i>Portfolio (column 0)</i></p> <ul style="list-style-type: none"> <li>• The rows presented in this question depend on the activities you selected in question 1.10.</li> </ul> <p><i>Process in place covering this portfolio (column 1)</i></p> <ul style="list-style-type: none"> <li>• Select “Yes” if your organization has a process in place for identifying, assessing, and managing risks and/or opportunities related to the portfolio in column 0 “Portfolio”. Select “Yes” regardless of whether both risks and opportunities are assessed, and regardless of whether the process is integrated (i.e. across multiple environmental issues, and any other issues) or separated. <ul style="list-style-type: none"> <li>○ You will have the opportunity to provide further details on your assessment process in 2.2.6.</li> </ul> </li> <li>• Only select “No...” if you do not have any form of process for identifying, assessing, and managing risks and/or opportunities related to the portfolio in column 0 “Portfolio”.</li> </ul> <p><i>Explain why you do not evaluate risks and/or opportunities related to this portfolio and describe any plans to do so in the future (column 5)</i></p> <ul style="list-style-type: none"> <li>• This column only appears if you select any “No” option in column 1 “Process in place covering this portfolio”.</li> <li>• Describe the primary reason selected in column 4 “Primary reason for not evaluating risks and/or opportunities related to this portfolio”.</li> <li>• Describe any plans to evaluate environmental risks and/or opportunities in the future, such as initial measures taken to put an evaluation process in place.</li> <li>• If you selected “Judged to be unimportant or not relevant” in column 4 “Primary reason for not evaluating risks and/or opportunities related to this portfolio”, explain the criteria used to decide that evaluating risks and opportunities related to the portfolio in column 0 “Portfolio” is not important or relevant to your organization.</li> </ul> <p><i>Explain why you do not have a process for evaluating both risks and opportunities that is informed by a dependencies and/or impacts process (column 6)</i></p> <ul style="list-style-type: none"> <li>• This column only appears if you select any option except “Both risks and opportunities” in column 2 “Risks and/or opportunities relating to this portfolio evaluated in this process” OR if you select “No” in response to column 3 “Is this process informed by the dependencies and/or impacts process?”.</li> <li>• If you select any option except “Both risks and opportunities” in column 2 “Risks and/or opportunities relating to this portfolio evaluated in this process”, describe the primary reason for not having a process to evaluate both environmental risks and opportunities and describe any plans to do so in the future.</li> <li>• If you selected “No” in response to column 3 “Is this process informed by the dependencies and/or impacts process?”, provide details of why this is the case, and any plans to consider dependencies and/or impacts as part of this process in the future.</li> </ul>
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Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	All
Sector	Question level	FS

**(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.**

Question details	
Question dependencies	This question only appears if you select “Yes” in response to column 1 “Process in place covering this portfolio” of 2.2.4 or 2.2.5. A row will appear in this table for each portfolio for which you selected “Yes” in column 1 “Process in place covering this portfolio” to 2.2.4 or 2.2.5.
Change from last year	New question for Plastics and Biodiversity Modified question (2023 C-FS2.2c, FW-FS2.1a)
Rationale	Financial institutions that have established a comprehensive, recurring procedure to identify, assess, and manage environmental dependencies, impacts, risks, and opportunities across all their portfolios and over a range of time-horizons will be better equipped to handle longer-term uncertainties and liabilities, as well as capitalize on opportunities. This question indicates to data users how robust a financial institution’s assessment process is.
Ambition	<ul style="list-style-type: none"> <li>The financial institution has a robust process to identify, assess, and manage environmental dependencies, impacts, risks, and opportunities across all of its portfolios.</li> <li>The financial institution maps its portfolios and engages stakeholders to identify and assess environmental dependencies, impacts, risks, and opportunities. This is integrated into a multi-disciplinary portfolio-wide risk management, covers transition and physical risks/opportunities over different timeframes, and discloses methods and significance criteria.</li> <li>Financial institutions include the value of their total assets and the proportion to which the identification, assessment and management process and environmental strategy apply.</li> <li>The financial institution conducts the identification and assessment process at least once a year, describing how data was obtained, and evaluates the linkages between assessing dependencies, impacts, risks, and opportunities.</li> <li>The financial institution describes how the outputs from the scenario analysis are used in risk and opportunity identification, assessment, and management processes, given the organization’s activities and relevant timeframes.</li> </ul>
Connection to other frameworks	TNFD Risk & impact management A(ii) TNFD Risk & impact management B TNFD Risk & impact management C TNFD Metrics & targets B TCFD Risk Management A NZAM Commitment 3 NZAM Commitment 6
Response options	Please complete the following table. You are able to add rows by using the “Add row” button at the bottom of the table.

0	1	2	3	4	5	6
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Portfolio	Environmental issue	Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this portfolio	% of portfolio covered by the assessment process in relation to total portfolio value	Type of assessment	Industry sectors covered by the assessment	Frequency of assessment
Banking (Bank)	Select all that apply: <ul style="list-style-type: none"> <li>• Climate change</li> <li>• Forests</li> <li>• Water</li> <li>• Plastics</li> <li>• Biodiversity</li> </ul>	Select all that apply: <ul style="list-style-type: none"> <li>• Dependencies</li> <li>• Impacts</li> <li>• Risks</li> <li>• Opportunities</li> </ul>	Percentage field [enter a percentage from 0-100]	Select from: <ul style="list-style-type: none"> <li>• Qualitative only</li> <li>• Quantitative only</li> <li>• Qualitative and quantitative</li> </ul>	Select all that apply: <ul style="list-style-type: none"> <li>• Apparel</li> <li>• Biotech, health care &amp; pharma</li> <li>• Food, beverage &amp; agriculture</li> <li>• Fossil Fuels</li> <li>• Hospitality</li> <li>• Infrastructure</li> <li>• International bodies</li> <li>• Manufacturing</li> <li>• Materials</li> <li>• Power generation</li> <li>• Retail</li> <li>• Services</li> <li>• Transportation services</li> </ul>	Select from: <ul style="list-style-type: none"> <li>• More than once a year</li> <li>• Annually</li> <li>• Every two years</li> <li>• Every three years or more</li> <li>• As important matters arise</li> <li>• Not defined</li> </ul>
Investing (Asset manager)						
Investing (Asset owner)						
Insurance underwriting (Insurance company)						
Select from: <ul style="list-style-type: none"> <li>• Banking (Bank)</li> <li>• Investing (Asset manager)</li> <li>• Investing (Asset owner)</li> <li>• Insurance underwriting (Insurance company)</li> </ul>						

7	8	9	10	11a	11b	12	13
Time horizons covered	Integration of risk management process	Location-specificity used	Tools and methods used	Risk types	Criteria considered	Partners and stakeholders considered	Further details of process



<p>Select all that apply:</p> <ul style="list-style-type: none"> <li>• Short-term</li> <li>• Medium-term</li> <li>• Long-term</li> <li>• Not defined</li> </ul>	<p>Select from:</p> <ul style="list-style-type: none"> <li>• Integrated into multi-disciplinary organization-wide risk assessment process</li> <li>• A specific environmental risk assessment process</li> </ul>	<p>Select all that apply:</p> <ul style="list-style-type: none"> <li>• Site-specific</li> <li>• Local</li> <li>• Sub-national</li> <li>• National</li> <li>• Not location specific</li> </ul>	<p>Select all that apply:</p> <ul style="list-style-type: none"> <li>• CDP Disclosure Framework</li> <li>• Corporate Bond Water Credit Risk Analysis Tool</li> <li>• Drought Stress Testing Tool</li> <li>• ENCORE</li> <li>• Environmental Justice Atlas</li> <li>• External consultants</li> <li>• F4B – Finance for Biodiversity</li> <li>• Global Forests Watch Pro</li> <li>• Internal tools/methods</li> <li>• Investor Water Toolkit</li> <li>• PBAF – Partnership for Biodiversity Accounting Financials</li> <li>• Portfolio temperature alignment</li> <li>• Risk models</li> <li>• Scenario analysis</li> <li>• Stress tests</li> <li>• Sustainability Policy Transparency Toolkit (SPOTT)</li> <li>• The Transition Pathway Initiative (TPI)</li> <li>• Transition Assessment (PACTA) tool</li> <li>• Trase Finance</li> <li>• UNEP FI Corporate Impact Analysis Tool</li> </ul>	<p>Select all that apply:</p> <ul style="list-style-type: none"> <li>• Acute physical</li> <li>• Chronic physical</li> <li>• Policy</li> <li>• Market</li> <li>• Reputation</li> <li>• Technology</li> <li>• Liability</li> </ul>	<p>Select all that apply from the drop-down list below</p>	<p>Select all that apply:</p> <ul style="list-style-type: none"> <li>• Customers</li> <li>• Employees</li> <li>• Investors</li> <li>• Local communities</li> <li>• Indigenous peoples</li> <li>• NGOs</li> <li>• Regulators</li> <li>• Suppliers</li> <li>• Water utilities at a local level [W only]</li> <li>• Other commodity users/producers at a local level [B and F only]</li> <li>• Other water users at the basin/catchment level [B, and W only]</li> </ul> <p>Other, please specify</p>	<p>Text field [maximum 2,500 characters]</p>
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			<ul style="list-style-type: none"> <li>• UNEP FI Portfolio Impact Analysis Tool for Banks</li> <li>• WRI Aqueduct</li> <li>• WWF Biodiversity Risk Filter</li> <li>• WWF Water Risk Filter</li> <li>• 2DII Paris Agreement Capital</li> <li>• 2 Degrees of Separation</li> <li>• Other, please specify</li> </ul>				
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Criteria considered (column 11b)	
<p><b>Policy</b></p> <ul style="list-style-type: none"> <li>• Carbon pricing mechanisms [C only]</li> <li>• Changes to international law and bilateral agreements</li> <li>• Changes to national legislation</li> <li>• Increased difficulty in obtaining operations permits</li> <li>• Increased difficulty in obtaining water withdrawals permit [W only]</li> <li>• Increased pricing of water [W only]</li> <li>• Introduction of regulatory standards for previously unregulated contaminants [W only]</li> <li>• Lack of globally accepted and harmonized definitions [P only]</li> <li>• Lack of mature certification and sustainability standards</li> <li>• Limited or lack of river basin management [W only]</li> <li>• Limited or lack of transboundary water management [W only]</li> <li>• Mandatory water efficiency, conservation, recycling, or process standards [W only]</li> <li>• Poor coordination between regulatory bodies</li> <li>• Poor enforcement of environmental regulation</li> <li>• Protected area designation [M-B only]</li> <li>• Regulation of discharge quality/volumes [W only]</li> <li>• Statutory water withdrawal limits/changes to water allocation [W only]</li> <li>• Uncertainty and/or conflicts involving land tenure rights and water rights [F, B only]</li> <li>• Other policy, please specify</li> </ul> <p><b>Technology</b></p> <ul style="list-style-type: none"> <li>• Dependency on water-intensive energy sources [C, W only]</li> <li>• Inability to increase yield of existing production areas [F only]</li> <li>• Data access/availability or monitoring systems</li> <li>• Limited access to drought-resistant crop varieties [W-AC/FB only]</li> <li>• Limited access to soil conservation and other sustainable techniques [AC/FB/PF only]</li> <li>• Transition to bio-based chemicals (W-CH only)</li> <li>• Transition to reusable products [P only]</li> </ul>	<p><b>Reputation</b></p> <ul style="list-style-type: none"> <li>• Exclusion of vulnerable and marginalized stakeholders (e.g., informal workers) [P only]</li> <li>• Impact on human health</li> <li>• Increased partner and stakeholder concern and partner and stakeholder negative feedback</li> <li>• Insurance underwriting that could create or contribute to systemic risk for the economy [FS only]</li> <li>• Investing that could create or contribute to systemic risk for the economy [FS only]</li> <li>• Lending that could create or contribute to systemic risk for the economy [FS only]</li> <li>• Negative press coverage related to support of projects or activities with negative impacts on the environment (e.g. GHG emissions, deforestation &amp; conversion, water stress)</li> <li>• Stakeholder conflicts concerning water resources at a basin/catchment level</li> <li>• Stigmatization of sector</li> <li>• Other reputation, please specify</li> </ul> <p><b>Acute physical risks</b></p> <ul style="list-style-type: none"> <li>• Avalanche</li> <li>• Cold wave/frost</li> <li>• Cyclones, hurricanes, typhoons</li> <li>• Drought</li> <li>• Flood (coastal, fluvial, pluvial, ground water)</li> <li>• Glacial lake outburst</li> <li>• Heat waves</li> <li>• Heavy precipitation (rain, hail, snow/ice)</li> <li>• Landslide</li> <li>• Pollution incident [W, P only]</li> <li>• Rupture of tailings dams and toxic spills [MM and CO only]</li> <li>• Storm (including blizzards, dust, and sandstorms)</li> <li>• Subsidence</li> <li>• Tornado</li> <li>• Toxic spills [W only]</li> <li>• Wildfires</li> <li>• Other acute physical risk, please specify</li> </ul>

<ul style="list-style-type: none"> <li>• Transition to recyclable plastic products [P only]</li> <li>• Transition to increasing renewable content [P only]</li> <li>• Transition to increasing recycled content [P only]</li> <li>• Transition to lower emissions technology and products [C only]</li> <li>• Transition to water efficient and low water intensity technologies and products [W only]</li> <li>• Transition to water intensive, low carbon energy sources [C, W only]</li> <li>• Unsuccessful investment in new technologies</li> <li>• Other technology, please specify</li> </ul> <p><b>Market</b></p> <ul style="list-style-type: none"> <li>• Availability and/or increased cost of certified sustainable material</li> <li>• Availability and/or increased cost of raw materials</li> <li>• Availability and/or increased cost of recycled or renewable content [P only]</li> <li>• Changing customer behavior</li> <li>• Contraction of insurance markets, leaving clients exposed and changing the risk parameters of the credit [FS only]</li> <li>• Inability to attract co-financiers and/or investors due to uncertain risks related to the environment [FS only]</li> <li>• Inadequate access to water, sanitation, and hygiene services (WASH)</li> <li>• Leakage markets [F only]</li> <li>• Limited visibility of embedded commodities [F only]</li> <li>• Loss of clients due to a fund's poor environmental performance outcomes (e.g. if a fund has suffered climate-related write-downs) [CC-FS only]</li> <li>• Rise in risk-based pricing of insurance policies (beyond demand elasticity) [FS only]</li> <li>• Uncertainty about commodity origin and/or legality [F only]</li> <li>• Uncertainty in the market signals</li> <li>• Other market, please specify</li> </ul> <p><b>Liability</b></p> <ul style="list-style-type: none"> <li>• Exposure to litigation</li> <li>• Moratoria and voluntary agreement [W, F only]</li> <li>• Non-compliance with regulations</li> <li>• Regulation and supervision of environmental risk in the financial sector [FS only]</li> </ul> <p>Other liability, please specify</p>	<p><b>Chronic physical risks</b></p> <ul style="list-style-type: none"> <li>• Acid rock drainage and metal leaching [MM,CO,M-B only] [W and B only]</li> <li>• Change in land-use</li> <li>• Changing precipitation patterns and types (rain, hail, snow/ice)</li> <li>• Changing temperature (air, freshwater, marine water)</li> <li>• Changing wind patterns [C only]</li> <li>• Coastal erosion</li> <li>• Declining ecosystem services [F, W, B only]</li> <li>• Declining water quality [W only]</li> <li>• Groundwater depletion [W only]</li> <li>• Heat stress [C, F only]</li> <li>• Increased ecosystem vulnerability [F, W, B only]</li> <li>• Increased levels of environmental pollutants in freshwater bodies [W only]</li> <li>• Increased levels of macro or microplastic leakage to air, soil, freshwater and/or marine bodies [P only]</li> <li>• Increased severity of extreme weather events</li> <li>• Limited area for disposing solid waste [M-B only]</li> <li>• Land loss to desertification [F only]</li> <li>• Leaching of hazardous substances from plastics [P only]</li> <li>• Ocean acidification</li> <li>• Operations in or adjacent to areas important for biodiversity [M-B only]</li> <li>• Permafrost thawing [C, W only]</li> <li>• Poorly managed sanitation [W only]</li> <li>• Precipitation or hydrological variability</li> <li>• Rationing of municipal water supply [W only]</li> <li>• Reserves located in or adjacent to areas important for biodiversity [M-B only]</li> <li>• Saline intrusion [F, W only]</li> <li>• Scarcity of land resources [F only]</li> <li>• Sea level rise</li> <li>• Seasonal supply variability/interannual variability [F, W only]</li> <li>• Soil degradation</li> <li>• Soil erosion</li> <li>• Solifluction</li> <li>• Temperature variability</li> <li>• Threatened species in or near mining operation [M-B only]</li> <li>• Water availability at a basin/catchment level</li> <li>• Water stress</li> <li>• Water quality at a basin/catchment level</li> <li>• Other chronic physical driver, please specify</li> </ul>
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<p>Requested content</p>	<p><i>General</i></p> <ul style="list-style-type: none"> <li>• For each portfolio in column 0 "Portfolio", financial institutions are requested to report information on their approach to evaluating their dependencies and/or impacts on the environment, and consequently their approach to assessing risks and/or opportunities in their lending, financial intermediary, investment and/or insurance underwriting activities, that are identified through understanding its their dependencies and/or impacts. <ul style="list-style-type: none"> <li>○ This question seeks to capture a holistic overview of this process in its entirety.</li> <li>○ If your process is the same for multiple environmental issues, you may select all that apply in column 1 "Environmental issue".</li> <li>○ If your process differs for each environmental issue, add a new row and indicate these differences accordingly. If there are minor differences between how</li> </ul> </li> </ul>
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environmental issues are considered within your processes, you may use the text fields to provide details of these differences.

- If you have multiple processes for the same environmental issue, for example if the process differs for different stages of the value chain, you may add rows accordingly. Alternatively, you may use the text fields to provide details of minor differences between the processes.

*Portfolio (column 0)*

- The rows presented in this table depend on your response to 2.2.4 and 2.2.5
- Respond to all rows individually.

*% of portfolio covered by the assessment process in relation to total portfolio value (column 3)*

- For each of your portfolios, disclose the percentage of portfolio value covered by the assessment process to the portfolio value based on assets value reported in 1.10.

*Type of assessment (column 4)*

- Disclose whether the assessment is qualitative, quantitative, or both.
- **Qualitative** assessment is descriptive and may include stakeholder involvement, meetings, interviews, and analysis of scenario impacts or descriptive risk matrices.
- **Quantitative** assessment is expressed in numbers and involves indicators, indices, variables and metrics such as probabilistic or stochastic risk modelling considering frequency and severity of events.

*Frequency of assessment (column 6)*

- Select the option that best reflects the frequency that all dependencies, impacts, risks and/or opportunities are assessed and/or reviewed.
  - The frequency disclosed here does not necessarily mean the frequency you complete a full assessment of all dependencies, impacts, risks and opportunities. For example, long-term risks may be relevant for several years and only require periodic review. Therefore, you may select the option that best reflects the frequency that all dependencies, impacts, risks and/or opportunities are assessed and/or reviewed.

*Time horizons covered (column 7)*

Choose all the time horizons that are considered in your assessment. For example, if you only consider dependencies, impacts, risks, and opportunities relating to the portfolio in column 0 "Portfolio" in the short term (in line with your definition of time horizons provided in 2.1), you should select "short-term" here. Or, if you consider, short-term, medium-term and long-term time horizons, select all three.

*Integration of risk management process (column 8)*

- This column only appears if you select "Risks" in column 2 "Indicate which of dependencies, impacts, risks, and opportunities are covered by the process".
- Select the option that best describes how your process for identifying, assessing, and managing risks related to the portfolio in column 0 "Portfolio" is integrated into your overall assessment framework.
  - Integrated into multi-disciplinary organization-wide risk management processes: a documented process where risks related to the portfolio in column 0 "Portfolio" are identified and assessed in an integrated way in the company's centralized enterprise risk management program covering all possible types/sources of risks.
  - A specific environmental risk management process: a documented process that identifies, assesses, and manages risks related to the portfolio in column 0 "Portfolio" separately from other business risks.

*Location-specificity used (column 9)*

- **Site-specific:** the assessment process is conducted within the sites that your organization and/or its suppliers operate in, or any other relevant operational sites.
- **Local:** the assessment process is conducted within a defined area below sub-national level (e.g., cities, towns, villages).

- **Sub-national:** the assessment process is conducted within a defined area below country/area-level. This may include the immediate landscape that operational sites sit within and could impact, or defined political boundaries (e.g., state, province, district, municipality).
- **National:** the assessment process is conducted across entire countries/areas. It does not consider dependencies, impact, risks, and/or opportunities that are specific to local areas or sites.

*Tools and methods used (column 10)*

- Select which tools and methodologies you use to assess your portfolio's exposure to environmental risks:
  - **UNEP FI Portfolio Impact Analysis Tool for Banks:** helps banks analyze the impacts associated with their retail (consumer and business banking) and wholesale (corporate and investment banking) portfolios.
  - **UNEP FI Corporate Impact Analysis Tool:** enables users to perform a holistic analysis of companies, based on the reality of those companies' business activities and the needs of the countries in which they operate, whether for sourcing, production, or sales.
  - **2DII Paris Agreement Capital Transition Assessment (PACTA) tool:** portfolio-level analysis for equities and fixed income climate transition risks in power and some industrial sectors (cement and steel).
  - **The Transition Pathway Initiative (TPI):** bottom-up assessment of how listed companies are preparing for the transition to a low-carbon economy.
  - **2 Degrees of Separation:** In-depth sector and company-level analysis of oil and gas companies' upstream exposure to climate transition risks.
  - **Portfolio temperature alignment:** portfolio alignment tools are used to generate metrics to determine the overall level of alignment of a portfolio, by assessing the performance of its individual companies.
  - **Risk models:** computerized systems, such as catastrophe models, used to assess and quantify the financial impact of a range of potential future disasters.
  - **Scenario analysis:** considers 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). Assesses the impact of acute or chronic physical change related to climate change such extreme weather, rising sea levels, water shortage, etc.
  - **Stress tests:** process of evaluating a number of statistically defined possibilities to determine the most damaging combination of events, and the loss they would produce. The likelihood of such an event is then assessed.
  - **Corporate Bonds Water Credit Risk Tool (Water Credit Risk Tool):** enables users to integrate financial risk exposure to water scarcity into standard financial models used to assess the credit strengths of corporates across water-intensive sectors including power utilities, beverages and mining.
  - **Drought Stress Testing Tool:** allows financial institutions to see how incorporating drought scenarios changes the perception of risk in their own loan portfolios, based on the catastrophe modelling framework (UNEP).
  - **ENCORE:** identifies business risks arising from economic dependencies on natural capital (NCFI, Global Canopy, UN).
  - **Environmental Justice Atlas:** documents and catalogues social conflict around environmental issues.
  - **Global Forests Watch Pro:** delivers critical decision-making analysis at the property, supply shed and portfolio levels.
  - **Investor Water Toolkit:** supports the evaluation of water risks in investment portfolios, and includes links to other resources, data bases, case studies and tools (Ceres).
  - **Risk models:** computerized systems, such as catastrophe models, used to assess and quantify the financial impact of a range of potential future disasters.

- **Stress tests:** process of evaluating a number of statistically defined possibilities to determine the most damaging combination of events, and the loss they would produce. The likelihood of such an event is then assessed.
- **Sustainability Policy Transparency Toolkit (SPOTT):** supports the finance sector and supply chain stakeholders to manage environmental, social and governance (ESG) risks by publishing transparency assessments of soft commodity producers and traders.
- **Trase Finance:** enables financial institutions to understand and mitigate their exposure to deforestation in their portfolios and allow civil society and governments to better hold to account those failing to act.
- **UNEP FI Corporate Impact Analysis Tool:** enables users to perform a holistic analysis of companies, based on the reality of those companies' business activities and the needs of the countries/areas in which they operate, whether for sourcing, production or sales.
- **UNEP FI Portfolio Impact Analysis Tool for Banks:** helps banks analyze the impacts associated with their retail (consumer and business banking) and wholesale (corporate and investment banking) portfolios.
- **WRI Aqueduct:** a data platform run by the World Resources Institute (WRI), an environmental research organization. Aqueduct is comprised of tools that help companies, governments, and civil society understand and respond to water risks – such as water stress, variability from season-to-season, pollution, and water access. Aqueduct maps and data are used directly by hundreds of companies and are cited in many publications.
- **WWF Water Risk Filter:** is an online tool that enables organizations and investors to explore, assess, and respond to water risks.-
- If you select “Other, please specify”, please describe the tools and methodologies you use to assess your portfolio's exposure.

*Risk type and criteria considered (columns 11a, 11b)*

- This column only appears if you select “Risks” in column 1 “Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this portfolio”.
- Select the option that best represents the types of risk considered in your assessment process, having the following in mind:
  - Acute physical – occurrence of short term, specific events that change the state of nature. For example, oil spills, forest fires or pests affecting a harvest;
  - Chronic physical – gradual changes to the state of nature. For example, pollution stemming from pesticide use or climate change.
  - Policy – changes in the policy context due to new (or enforcement of existing) policies to create positive impacts on nature or mitigate negative impacts on nature;
  - Technology – Substitution of products or services with a reduced impact on nature and/or reduced dependency on nature. For example, the replacement of plastics with biodegradable containers;
  - Market – Changing dynamics in overall markets, including changes in consumer preferences, which arise from changing physical, regulatory, technological and reputational conditions and stakeholder dynamics. For example, the market value of a company is affected by assets that have decreased in value because there is insufficient freshwater for the production process, or the value of the business' production process is reduced by the emergence of new technologies that require less water to operate;
  - Reputation – Changes in perception concerning an organization's actual or perceived nature impacts, including at the local, economic and societal level. This can result from direct company impacts, industry impacts and/or impacts of activities upstream and/or downstream in a value chain.
  - Liability – Liability risks that arise directly or indirectly from legal claims. As laws, regulations and case law related to an organization's preparedness for nature action evolves, the incident or probability of contingent liabilities arising from an organization may increase.

*Further details of process (column 13)*

	<ul style="list-style-type: none"> <li>• Details of the process for identifying, assessing, and managing dependencies, impacts, risks, and/or opportunities, including: <ul style="list-style-type: none"> <li>○ If relevant, an assessment of how your organization’s dependencies and/or impacts fed into your assessment of your risks and/or opportunities.</li> <li>○ Explain how you defined and calculated the proportion of portfolio covered by your risk management process and if the assessment included systemic and sector risks.</li> <li>○ Consideration of existing/emerging regulatory requirements (e.g., restrictions on water or land use).</li> <li>○ The proportion of operational locations assessed (screening site locations, business activities and assets within value chain in order to identify dependencies, impacts, risks, and/or opportunities).</li> <li>○ Describes how your process for identifying, assessing, and managing dependencies, impacts, and/or opportunities is integrated into your company-wide risk management process.</li> </ul> </li> <li>• Describe the process used to determine which dependencies, impacts, risks, and/or opportunities relating to the portfolio in column 0 “Portfolio” could have a substantive financial or strategic impact on the portfolio, including: <ul style="list-style-type: none"> <li>○ The inputs and parameters used (for example, information about data sources and the scope of operations covered in the process)</li> <li>○ Details on the use of scenario analysis</li> <li>○ The processes and related policies for monitoring dependencies, impacts, risks, and/or opportunities.</li> </ul> </li> <li>• Describe the process for obtaining data for the identification and assessment of dependencies, impacts, risks, and/or opportunities, including: <ul style="list-style-type: none"> <li>○ The methodology used to assess the nature, likelihood and magnitude of the effects of dependencies, impacts, risks, and/or opportunities (including qualitative factors, quantitative thresholds, or other criteria); and</li> <li>○ The methodology/data sources used for key data not obtained directly from the organization’s operations.</li> </ul> </li> <li>• Indicate if this process has changed since the last reporting year. If it has changed, indicate if data quality has been improved as a result.</li> </ul>
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Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	All
Sector	Question level	FS only

**(2.2.7) Are the interconnections between environmental dependencies, impacts, risks and/or opportunities assessed?**

Question details	
Change from last year	New question
Rationale	Nature-related disclosures should be integrated with other business and sustainability-related disclosures, whenever possible, to provide report users with an integrated and holistic picture of the organization’s financial position and prospects. Integration of climate- and nature-related disclosures is of particular importance. It is important that any alignment, synergies, contributions and possible trade-offs between climate and nature are clearly identified. This question demonstrates that assessing the interconnections between environmental dependencies, impacts, risks and opportunities is part of the organization’s assessment process.

Ambition	<ul style="list-style-type: none"> <li>The organization assesses the interconnections between environmental dependencies, impacts, risks and/or opportunities and identifies any alignment, synergies, contributions and possible trade-offs.</li> </ul>
Connection to other frameworks	TNFD Strategy A ESRS 2
Response options	Please complete the following table:

1	2	3	4
<b>Interconnections between environmental dependencies, impacts, risks and/or opportunities assessed</b>	<b>Description of how interconnections are assessed</b>	<b>Primary reason for not assessing interconnections between environmental dependencies, impacts, risks and/or opportunities</b>	<b>Explain why you do not assess the interconnections between environmental dependencies, impacts, risks and/or opportunities</b>
Select from:  Yes No	Text field [maximum 3,000 characters]	Select from:  Lack of internal resources, capabilities, or expertise (e.g., due to organization size) No standardized procedure Not an immediate strategic priority Judged to be unimportant or not relevant Other, please specify	Text field [maximum 2,500 characters]

Requested content	<p><i>Interconnections between environmental dependencies, impacts, risks and/or opportunities assessed (column 1)</i></p> <ul style="list-style-type: none"> <li>Select “Yes” if you assess the interconnections between environmental dependencies, impacts, risks and/or opportunities. Examples of interconnections between environmental dependencies, impacts, risks and/or opportunities assessed are; <ul style="list-style-type: none"> <li>If your organization is dependent on an ecosystem’s flood mitigation services, you may have assessed this dependency in the context of water and forests.</li> <li>If your organization is dependent on water for production processes, and water quality in the location of the processing facility is poor, this may put your production at risk.</li> </ul> </li> </ul> <p><i>Description of how interconnections are assessed (column 2)</i></p> <ul style="list-style-type: none"> <li>This column only appears if “Yes” is selected in column 1 “Interconnections between environmental dependencies, impacts, risks and/or opportunities assessed”.</li> <li>Provide a brief description of the framework or methodology used to integrate your assessment of different environmental dependencies, impacts, risks and/or opportunities into a single process. This could include guidance from relevant reporting standards or protocols developed internally.</li> <li>Describe how this process is incorporated into the assessment process disclosed in 2.2.2.</li> <li>Describe the process for identifying any alignment, synergies, contributions and possible trade-offs between dependencies, impacts, risks and/or opportunities.</li> <li>Provide examples of how you consider the interconnections between dependencies, impacts, risks and/or opportunities and describe how you assessed the issues together rather than separately.</li> <li>If you have assessed the interconnections between environmental dependencies, impacts, risks and/or opportunities but have faced challenges in integrating all these aspects into a holistic approach, explain the reasons for this difficulty.</li> </ul>
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	<p><i>Explain why you do not assess the interconnections between environmental dependencies, impacts, risks and/or opportunities (column 4)</i></p> <ul style="list-style-type: none"> <li>• This column only appears if “No” is selected in column 1 “Interconnections between environmental dependencies, impacts, risks and/or opportunities assessed”.</li> <li>• Describe the primary reason selected in column 2 “Primary reason for not assessing interconnections between environmental dependencies, impacts, risks and/or opportunities” and describe any plans to do so in the future.</li> <li>• If you selected “Judged to be unimportant or not relevant” in column 3 “Primary reason for not assessing interconnections between environmental dependencies, impacts, risks and/or opportunities”, explain the criteria used to decide that assessing the interconnections between environmental issues was not important or relevant to your organization.</li> </ul>
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Authoring notes		
<b>Tags</b>		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	All
Sector	Question level	All

**(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?**

Question details	
Question dependencies	<p>Rows in this question will be presented according to the organizational activities reported in 1.10.</p> <p>This question is NOT shown if “Yes” is selected in column 1 “Activity undertaken” for row “Insurance underwriting (Insurance company)” and “Life and/or health” is the ONLY selection in column 2 “Insurance types underwritten” in 1.10.</p>
Change from last year	Modified question (2023 C-FS2.2d, FW-FS2.2)
Rationale	Considering environmental information about clients/investees in the initial phases of a financial institution’s assessment of dependencies, impacts, risks, and opportunities and/or as part of their due diligence process helps data users and the organization understand their value chain’s exposure to environmental risks and opportunities. This question helps attest to the robustness of an organization’s assessment of environmental issues to data users.
Ambition	<ul style="list-style-type: none"> <li>• Financial institutions consider environmental information about clients/investees as part of the due diligence and/or risk assessment process for all relevant portfolios.</li> </ul>
Connection to other frameworks	TNFD Risk & impact management A (ii) TNFD Risk & impact management B TCFD Risk Management A TCFD Risk Management B NZAM Commitment 7
Response options	Please complete the following table:

0	1	2
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Portfolio	We consider environmental information	Explain why you do not consider environmental information
Banking (Bank)	Select from: <ul style="list-style-type: none"> <li>• Yes</li> <li>• No, but we plan to do so in the next two years</li> <li>• No, and we do not plan to in the next two years</li> </ul>	Text field [maximum 2,500 characters]
Investing (Asset manager)		
Investing (Asset owner)		
Insurance underwriting (Insurance company)		

Requested content	<p><i>General</i></p> <ul style="list-style-type: none"> <li>• For each of your financial portfolios, disclose whether you consider environmental information about your clients/investee companies as part of your client screening, dependencies, impact, risk and/or opportunities assessment, and/or due diligence process. Incorporating environmental information into business processes can take many forms. This assessment is dependent on the organization’s client base and scale of business.</li> <li>• Environmental information about your clients/investees refers to how your clients/investees perform against different environmental indicators, and how they identify, assess, and manage their environmental dependencies, impacts, risks, and/or opportunities.</li> <li>• For the purpose of this question focus on your commercial/corporate clients.</li> <li>• Some examples include: <ul style="list-style-type: none"> <li>• Incorporating clients’ environmental information in borrower and deal-level credit risk and other pre-lending assessments such as due diligence and “know your client” processes.</li> <li>• Incorporating investees’ environmental information in fund allocation and investment dependencies, impact, risk and/or opportunities assessment processes.</li> <li>• Incorporating policyholders’ environmental information in insurance underwriting due diligence processes.</li> </ul> </li> </ul> <p><i>We consider environmental information (column 1)</i></p> <ul style="list-style-type: none"> <li>• Select "Yes" if you have any process in place for considering environmental information about clients/investees as part of your due diligence and/or environmental dependencies, impacts, risks and/or opportunities assessment process, regardless of how thorough it is. You will be able to provide further details in the subsequent questions.</li> </ul> <p><i>Explain why you do not consider environmental information and your plans to address this in the future (column 2)</i></p> <ul style="list-style-type: none"> <li>• This column only appears if any “No...” option is selected in column 1 “We consider environmental information”.</li> <li>• If you do not consider environmental information, explain your reasons and include any plans to address this in the future.</li> </ul>
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Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	CC; W; F
Sector	Question level	FS

**(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.**

Question details	
Question dependencies	This question only appears if you select “Yes” in response to column “We consider environmental information” for any row of 2.2.8. Rows will appear based on “Yes” responses to the corresponding row in column 1 “We consider environmental information” of 2.2.8.
Change from last year	Modified question (2023 C-FS2.2e, FW-FS2.2a) New question for Forests and Water
Rationale	Considering environmental information about clients/investees in the initial phases of a financial institutions’ assessment of dependencies, impacts, risks, and opportunities and/or as part of their due diligence process helps data users and the organization understand their value chain’s exposure to environmental risks and opportunities. Data users are interested in what information financial institutions consider, about which clients/investees, and whether that is enough for them to make informed lending, investment and/or insurance underwriting decisions and thus mitigate environmental risks within their portfolio.
Ambition	<ul style="list-style-type: none"> <li>Financial institutions consider environmental information about clients/investees as part of the due diligence and/or risk assessment process for all relevant portfolios.</li> <li>Financial institutions describe the due-diligence processes applied, the screening criteria used, and the proportion of the portfolio covered, disclosing the total value of loans and investments.</li> </ul>
Connection to other frameworks	TNFD Risk & impact management A (ii) TNFD Risk & impact management B TCFD Risk Management A TCFD Risk Management B NZAM Commitment 6 NZAM Commitment 7
Response options	Please complete the following table:

1	2	3	4	5	6	7
Portfolio	Environmental issues covered	Type of environmental information considered	Process through which information is obtained	Industry sectors covered by due diligence and/or risk assessment process	% of portfolio covered by the process in relation to total portfolio value	Total portfolio value covered by the process
Banking (Bank)	Select all that apply: Climate change Forests Water	Select all that apply: <ul style="list-style-type: none"> <li>Emissions data [C only]</li> <li>Energy usage data [C only]</li> <li>Emissions reduction targets [C only]</li> </ul>	Select all that apply: <ul style="list-style-type: none"> <li>Directly from the client/investee</li> <li>From an intermediary or business partner</li> <li>Data provider</li> </ul>	Select all that apply: <ul style="list-style-type: none"> <li>Apparel</li> <li>Biotech, health care &amp; pharma</li> <li>Food, beverage &amp; agriculture</li> <li>Fossil Fuels</li> </ul>	Percentage field [enter a percentage from 0-100]	[Auto calculated based on the percentage of portfolio covered by the process, reported in column 6 “% of portfolio

		<ul style="list-style-type: none"> <li>• Climate transition plans [C only]</li> <li>• CDP questionnaire response</li> <li>• CDP scores</li> <li>• TCFD disclosures [C only]</li> <li>• Science-Based Net-Zero Targets [C only]</li> <li>• TNFD disclosures [W, F]</li> <li>• Scope and content of forests policy [F only]</li> <li>• Commitment to eliminate deforestation and conversion of other natural ecosystems [F only]</li> <li>• Commodity volumes [F only]</li> <li>• Certification of commodities [F only]</li> <li>• Proportion of commodity volumes in compliance with no deforestation and conversion [F only]</li> <li>• Traceability of commodities [F only]</li> <li>• Origin of commodities [F only]</li> <li>• Scope and content of water policy [W only]</li> <li>• Water withdrawal and/or consumption volumes [W only]</li> <li>• Water withdrawn from water stressed</li> </ul>	<ul style="list-style-type: none"> <li>• Public data sources</li> <li>• Other, please specify</li> </ul>	<ul style="list-style-type: none"> <li>• Hospitality</li> <li>• Infrastructure</li> <li>• International bodies</li> <li>• Manufacturing</li> <li>• Materials</li> <li>• Power generation</li> <li>• Retail</li> <li>• Services</li> <li>• Transportation services</li> </ul>		covered by the process in relation to total portfolio value", and the total assets value for the portfolio, reported in 1.10]
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		<p>areas [W only]</p> <ul style="list-style-type: none"> <li>• Water discharge treatment data [W only]</li> <li>• Breaches to local water regulations [W only]</li> <li>• Impingements on the human right to water in communities [W only]</li> <li>• Access to WASH in the workplace [W only]</li> <li>• Engagement with their value chain on environmental issues</li> <li>• Other, please specify</li> </ul>				
Investing (Asset manager)						
Investing (Asset owner)						
Insurance underwriting (Insurance company)						
Select from:						
Banking (Bank)						
Investing (Asset manager)						
Investing (Asset owner)						
Insurance underwriting (Insurance company)						

[Fixed row; Add Row]

Requested content	<p><i>General</i></p> <ul style="list-style-type: none"> <li>• For each of your portfolios, disclose which types of environmental information you consider about your clients/investee companies as part of your screening, dependencies, impacts, risks and/or opportunities assessment process assessment and/or due diligence process. For example:</li> <li>• Banks:</li> </ul>
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	<ul style="list-style-type: none"> <li>○ Considering clients' environmental information in borrower and deal-level credit risk and other pre-lending assessments such as due diligence and "know your client" processes.</li> <li>○ For the purpose of this question, focus on your commercial/corporate clients.</li> </ul> <ul style="list-style-type: none"> <li>• Asset managers: <ul style="list-style-type: none"> <li>○ Considering investees' environmental information in fund allocation and investment risk assessment processes.</li> </ul> </li> <li>• Insurance companies: <ul style="list-style-type: none"> <li>○ Considering policyholders' environmental information in insurance underwriting due diligence processes.</li> </ul> </li> </ul> <p><i>Portfolio (column 1)</i></p> <ul style="list-style-type: none"> <li>• A row will appear if "Yes" is selected in the corresponding row in 2.2.8.</li> </ul> <p><i>Environmental issues covered (column 2)</i></p> <ul style="list-style-type: none"> <li>• Select all environmental issues for which information is considered.</li> <li>• If the details you are requested to provide differ for the different environmental issues (e.g. if the process through which information on the climate issue is obtained is different from the process for obtaining forests-related information), add a new response row for the relevant portfolio.</li> </ul> <p><i>Type of environmental information considered (column 3)</i></p> <ul style="list-style-type: none"> <li>• Select which type of environmental information you consider as part of your screening, dependencies, impacts, risks and/or opportunities assessment and/or due diligence process.</li> <li>• If you consider environmental information that is not in the list, select "Other, please specify" and provide a label.</li> </ul> <p><i>Process through which information is obtained (column 4)</i></p> <ul style="list-style-type: none"> <li>• Select how you obtain environmental information about clients/investee companies. This information could either be requested from the client/investee directly or gathered from other data sources.</li> </ul> <p><i>% of portfolio covered by the process in relation to total portfolio value (column 6)</i></p> <ul style="list-style-type: none"> <li>• For each of your portfolios selected, disclose the percentage of portfolio value covered by the process out of the total portfolio value based on assets value reported in question 1.10.</li> </ul> <p><i>Total portfolio value covered by the process (column 7)</i></p> <ul style="list-style-type: none"> <li>• This value will be auto calculated based on the percentage of portfolio covered by the process, reported in column 6 "% of portfolio covered by the process in relation to total portfolio value", and the total assets value for the portfolio, reported in column 4 "Portfolio value based on total assets" of 1.10.</li> </ul>
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Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	C, F, W
Sector	Question level	FS only

**Priority locations**

**Section overview**

Section Overview	This section requests information on your organization’s “priority locations”. These are locations where your organization’s activities across the value chain interact with nature, and that your organization has prioritized for action due to certain characteristics that increase their vulnerability. This section has been incorporated into the CDP questionnaire to align with the Task Force for Nature related Disclosure (TNFD) ‘Strategy D’. This is a key concept of the TNFD but is also part of other frameworks and standards such as the SBTN and ESRs. TNFD guidance recommends that an organization discloses its full list of priority locations under recommended disclosure strategy D.
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**(2.3) Have you identified priority locations across your value chain?**

Question details	
Change from last year	New question
Rationale	To effectively address nature-related issues and to ensure operational stability, organizations should prioritize their attention in or near areas with ecosystems whose current and future health and resilience are challenged. Identifying and prioritizing locations in or near areas with ecological sensitivity, as well as areas where the organization has substantive dependencies, impacts, risks, and opportunities related to nature allows the organization to focus on areas where action is needed most urgently, maximizing the potential for positive impacts.
Ambition	<ul style="list-style-type: none"> <li>• The organization identifies where in its direct operations and value chain it has activities in: <ul style="list-style-type: none"> <li>○ <b>Sensitive locations:</b> Locations where the activities in its direct operations – and, where possible upstream and downstream value chain – interface with nature in: <ul style="list-style-type: none"> <li>▪ Areas important for biodiversity; and/or</li> <li>▪ Areas of high ecosystem integrity; and/or</li> <li>▪ Areas of rapid decline in ecosystem integrity; and/or</li> <li>▪ Areas of limited water availability, flooding, and/or poor quality of water; and/or</li> <li>▪ Areas of importance for ecosystem service provision.</li> </ul> </li> </ul> </li> </ul> <p>and/or</p> <ul style="list-style-type: none"> <li>○ <b>Locations with substantive dependencies, impacts, risks, and opportunities:</b> locations where an organization has identified substantive nature-related dependencies, impacts, risks, and opportunities in its direct operations, and upstream and downstream value chain.</li> </ul> <ul style="list-style-type: none"> <li>• The organization discloses a list or spatial map of their identified priority locations.</li> </ul>
Connection to other frameworks	TNFD Strategy D ESRS E4
Response options	Please complete the following table:

1	2	3a-b	4
Identification of priority locations	Value chain stages where priority locations have been identified	Types of priority locations identified	Description of process to identify priority locations
Select from: <ul style="list-style-type: none"> <li>• Yes, we have identified priority locations</li> <li>• Yes, we are currently in the process of identifying priority locations</li> </ul>	Select all that apply: <ul style="list-style-type: none"> <li>• Direct operations</li> <li>• Upstream value chain</li> <li>• Downstream value chain</li> </ul>	Select all that apply: <p><b>Sensitive locations</b></p> <ul style="list-style-type: none"> <li>• Areas important for biodiversity</li> <li>• Areas of high ecosystem integrity</li> <li>• Areas of rapid decline in ecosystem integrity</li> <li>• Areas of limited water availability, flooding, and/or poor quality of water</li> </ul>	Text field [maximum 3,000 characters]

<ul style="list-style-type: none"> <li>• No, but we plan to within the next two years</li> <li>• No, and we do not plan to within the next two years</li> </ul>		<ul style="list-style-type: none"> <li>• Areas of importance for ecosystem service provision</li> <li>• Other sensitive location, please specify</li> </ul> <p><b>Locations with substantive dependencies, impacts, risks, and/or opportunities</b></p> <ul style="list-style-type: none"> <li>• Locations with substantive dependencies, impacts, risks, and/or opportunities relating to forests</li> <li>• Locations with substantive dependencies, impacts, risks, and/or opportunities relating to water</li> <li>• Locations with substantive dependencies, impacts, risks, and/or opportunities relating to biodiversity</li> <li>• Other location with substantive nature-related dependencies, impacts, risks, and/or opportunities, please specify</li> </ul>	
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5	6	7	8
<b>Will you be disclosing a list/spatial map of priority locations?</b>	<b>Provide a list and/or spatial map of priority locations</b>	<b>Primary reason for not identifying priority locations</b>	<b>Explain why you do not identify priority locations</b>
Select from: <ul style="list-style-type: none"> <li>• Yes, we will be disclosing the list/geospatial map of priority locations</li> <li>• No, we have a list/geospatial map of priority locations, but we will not be disclosing it</li> <li>• No, we do not have a list/geospatial map of priority locations</li> </ul>	[Attachment functionality]	Select from: <ul style="list-style-type: none"> <li>• Lack of internal resources, capabilities, or expertise (e.g., due to organization size)</li> <li>• No standardized procedure</li> <li>• Not an immediate strategic priority</li> <li>• Judged to be unimportant or not relevant</li> <li>• Other, please specify</li> </ul>	Text field [maximum 2,500 characters]

[Fixed row]

Requested content	<p><i>General</i></p> <ul style="list-style-type: none"> <li>• “Priority locations” are locations where your organization’s activities across the value chain have interfaces with nature, which your organization has prioritized for action due to certain characteristics that increase their vulnerability.</li> <li>• Locations could be prioritized either because they are in or near ecologically sensitive locations, e.g. in areas that are important for biodiversity; and/or because the organization has identified substantive nature-related dependencies, impacts, risks, and opportunities in these locations.</li> </ul> <p><i>Description of process to identify priority locations (column 4)</i></p> <ul style="list-style-type: none"> <li>• Outline your organization’s process to identify priority locations in each value chain stage, with reference to your wider assessment process as reported in 2.2.2 if applicable. For example:             <ul style="list-style-type: none"> <li>○ state the tools, data sources, and indicators and metrics used;</li> <li>○ briefly describe your approach to determine whether the dependencies, impacts, risks, and/or opportunities in a location are substantive; and</li> <li>○ specify the thresholds used to define an area as a type of sensitive location.</li> </ul> </li> <li>• Refer to the level of geographic specificity achieved. If priority locations have been aggregated, explain how, and provide the reasons for aggregating.</li> <li>• If relevant, briefly describe any plans to improve your process for identifying priority locations in the future.</li> </ul>
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	<p><i>Provide a list and/or spatial map of priority locations (column 6)</i></p> <ul style="list-style-type: none"> <li>• This column is only presented if you select “Yes” in column 5 “Will you be disclosing a list/spatial map of priority locations?”</li> <li>• Attach a list and/or spatial map of the locations in your direct operations and/or upstream/downstream value chain stages: <ul style="list-style-type: none"> <li>○ that are in or near to sensitive locations; and</li> <li>○ where substantive nature-related dependencies, impacts, risks, and/or opportunities have been identified, specifying whether any of these locations also meet the criteria for sensitive locations.</li> </ul> </li> <li>• You may include an ID number per priority location in case it would be desirable for your organization to reference them throughout your CDP disclosure.</li> <li>• For further guidance on priority locations, you can find additional information on the <a href="#">TNFD website</a>.</li> </ul> <p><i>Explain why you do not identify priority locations (column 8)</i></p> <ul style="list-style-type: none"> <li>• This column is only presented if you select either “No...” option in column 1 “Identification of priority locations”.</li> <li>• Briefly describe the reasons for not having identified priority locations and any plans to do so in the future.</li> </ul>
Additional information	<p><b>More about ‘priority locations’</b></p> <p>“Priority locations” is a concept mainly promoted by the TNFD <a href="#">recommendations</a> and <a href="#">LEAP approach</a>, but also encountered in other frameworks and standards such as SBTN and ESRS. The TNFD disclosure guidance recommends that an organization discloses the full list of priority locations (i.e., a list of all locations that meet at least one of the “Priority locations” criteria) under recommended disclosure Strategy D. This applies even if organizations choose to apply further prioritization criteria.</p> <p>According to the TNFD, the concept of “priority locations” is based on the premise that organizations are more likely to face nature-related dependencies, impacts, risks, and opportunities in locations with certain characteristics. An organization should bear in mind that this prioritization is part of an iterative process, with location prioritization guiding the assessment of dependencies, impacts, risks, and opportunities and vice versa.</p> <p><b>WWF tools to assess for ‘priority locations’</b></p> <p>The <a href="#">WWF Water Risk Filter</a> and the <a href="#">WWF Biodiversity Risk Filter</a> are accepted tools to assess sensitive locations as defined by the TNFD.</p>

(Additional information continued...)

WWF Water Risk Filter	<ul style="list-style-type: none"> <li>• <b>Areas important for biodiversity:</b> when either of the following reputational risk indicators are equal to/greater than ‘High risk’: 3.4: ‘Freshwater Endemism’, ‘Freshwater Biodiversity Richness’, or ‘Ramsar Wetlands’. WWF recommends that users also take into consideration locations facing ‘Medium risk’ &gt;2.6.</li> <li>• <b>Areas of rapid decline in ecosystem integrity:</b> when the physical risk category ‘Ecosystem Services Status’ and associated indicators are equal to/greater than ‘High risk’: 3.4. WWF recommends that users also take into consideration locations facing ‘Medium risk’: &gt;2.6.</li> <li>• <b>Areas of limited water availability, flooding, and/or poor quality of water:</b> <ul style="list-style-type: none"> <li>○ <b>Limited water availability:</b> when the physical risk category ‘Water Availability’ is equal to/greater than ‘High risk’: 3.4. WWF recommends that users also take into consideration locations facing ‘Medium risk’ &gt;2.6;</li> <li>○ <b>Flooding:</b> when the physical risk category ‘Flooding’ is equal to/greater than ‘High risk’: 3.4. WWF recommends that users also take into consideration locations facing ‘Medium risk’ &gt;2.6;</li> </ul> </li> </ul>
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	<ul style="list-style-type: none"> <li>○ <b>Poor quality of water:</b> when the physical risk category 'Water Quality' is equal to/greater than 'High risk': 3.4. WWF recommends that users also take into consideration locations facing 'Medium risk' &gt;2.6.</li> </ul>
<b>WWF Biodiversity Risk Filter</b>	<ul style="list-style-type: none"> <li>● <b>Areas important for biodiversity:</b> when the reputational risk category 'Environmental factors' and associated indicators are equal to/greater than 'High risk': 3.4: 'Protected Areas', 'Key Biodiversity Areas', 'Other Important Delineated Areas', or 'Range Rarity'. WWF recommends that users also take into consideration locations facing 'Medium risk': &gt;2.6.</li> <li>● <b>Areas of high ecosystem integrity:</b> when the reputational risk indicator 'Ecosystem Condition' is equal to/greater than 'High risk': 3.4. WWF recommends that users also take into consideration locations facing 'Medium risk': &gt;2.6.</li> <li>● <b>Areas of rapid decline in ecosystem integrity:</b> <ul style="list-style-type: none"> <li>○ when the physical risk indicator 'Ecosystem Condition' is equal to/greater than 'High risk': 3.4. WWF recommends that users also take into consideration locations facing 'Medium risk': &gt;2.6;</li> <li>○ when the physical risk category 'Pressures on Biodiversity' and associated indicators are equal to/greater than 'High risk': 3.4: 'Land, Freshwater and Sea Use Change', 'Tree Cover Loss', 'Invasives', 'Pollution'. WWF recommends that users also take into consideration locations facing 'Medium risk': &gt;2.6.</li> </ul> </li> <li>● <b>Areas of limited water availability, flooding, and/or poor quality of water:</b> when the physical risk indicator 'Water Condition' (which includes marine water quality) is equal to/greater than 'High risk': 3.4. WWF recommends that users also take into consideration locations facing 'Medium risk': &gt;2.6.</li> <li>● <b>Areas of importance for ecosystem service provision:</b> when the reputational risk indicator 'Resource Scarcity' is equal to/greater than 'High risk': 3.4. WWF recommends that users also take into consideration locations facing 'Medium risk': &gt;2.6.</li> </ul>

Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	Forests, Water, Biodiversity
Sector	Question level	All (except FS)

## Definition of Substantive Effects

### **(2.4) How does your organization define substantive effects on your organization?**

Question details	
Change from last year	Modified question (2023 C2.1b, F3.1a, F-MM11.2a/F-CO11.2a, W4.1a)
Rationale	Indicators and thresholds employed to define which effects on the organization are considered substantive can differ among disclosers depending on their sector, value chain, or geography. Therefore, outlining clear definitions on how organizations determine potential effects as substantive provides critical context to data users. This question increases transparency and improves clarity as to what the discloser deems to be a substantive effect on their organization.

Ambition	<ul style="list-style-type: none"> <li>With respect to the identification, assessment, and management of substantive environmental dependencies, impacts, risks, and opportunities, the organization: <ul style="list-style-type: none"> <li>Describes how the organization defines substantive effects.</li> </ul> </li> </ul>
Connection to other frameworks	ESRS 2
Response options	Please complete the following table. You are able to add rows by using the “Add Row” button at the bottom of the table.

1	2	3	4	5
Effect type	Type of definition	Indicator used to define substantive effect	Change to indicator	% change to indicator
Risks	Select all that apply: <ul style="list-style-type: none"> <li>Qualitative</li> <li>Quantitative</li> </ul>	Select from: <ul style="list-style-type: none"> <li>Asset value</li> <li>Capital allocation</li> <li>Capital expenditures</li> <li>Credit risk</li> <li>Customer complaints</li> <li>Direct operating costs</li> <li>EBITDA</li> <li>Employee turnover</li> <li>Indirect operating costs</li> <li>Liabilities</li> <li>Market share</li> <li>Production capacity</li> <li>Revenue</li> <li>Share price</li> <li>Shareholder value</li> <li>Stranded assets</li> <li>Strategic customers</li> <li>Other, please specify</li> </ul>	Select from: <ul style="list-style-type: none"> <li>Absolute decrease</li> <li>Absolute increase</li> <li>% decrease</li> <li>% increase</li> </ul>	Select from: <ul style="list-style-type: none"> <li>Less than 1%</li> <li>1-10</li> <li>11-20</li> <li>21-30</li> <li>31-40</li> <li>41-50</li> <li>51-60</li> <li>61-70</li> <li>71-80</li> <li>81-90</li> <li>91-99</li> <li>100%</li> </ul>
Opportunities				
Select from: <ul style="list-style-type: none"> <li>Risks</li> <li>Opportunities</li> </ul>				

6	7	8
Absolute increase/decrease figure	Metrics considered in definition	Application of definition
[Numerical field [enter a number from 0 to 999, 999,	Select all that apply: <ul style="list-style-type: none"> <li>Frequency of effect occurring</li> </ul>	Text field [maximum 2,500 characters]

999,999,999 using up to 2 decimal places]	<ul style="list-style-type: none"> <li>• Time horizon over which the effect occurs</li> <li>• Likelihood of effect occurring</li> <li>• Other, please specify</li> </ul>	

[Fixed row, add row]

Requested content	<p><b>General</b></p> <ul style="list-style-type: none"> <li>• This question seeks to define and quantify how your organization defines a ‘substantive effect’ on your organization at the corporate level, in the context of environmental risks and opportunities. This will be used to understand the threshold for your reported risks and opportunities in 3.1 and 3.6.</li> <li>• What constitutes a substantive effect will vary between organizations. You are therefore asked to determine ‘substantive’ in the way that you would do for your business decision-making. For example, a 1% reduction in profits will have different effects on different organizations depending on its respective profit margins. A substantive effect of relatively high magnitude could occur because of a large impact on one of the following aspects, or because of a small number for all three combines to create a larger effect: <ul style="list-style-type: none"> <li>o the proportion of business units affected;</li> <li>o the size of the effect on those business units;</li> <li>o the dependency of the organization on that unit; and/or</li> <li>o the potential for shareholder or customer concern.</li> </ul> </li> <li>• Use the “Add row” function if you define a substantive effect on your organization with respect to risks or opportunities in more than one way. For example, if you use multiple indicators or have different definitions for different parts of the business.</li> </ul> <p><i>Metrics considered in definition (column 7)</i></p> <ul style="list-style-type: none"> <li>• This column seeks to capture the different factors taken into account when defining a substantive effect on your organization with respect to risks and opportunities.</li> <li>• If you have provided a quantitative definition, these metrics could give further context to your quantitative indicator. For example, you may define risks to be substantive if they could lead to a 10% decrease in revenue over your short-term time horizon (as defined in 2.1). In this case, select “Time horizon over which the effect occurs” and provide further details in column 8 “Application of definition”.</li> <li>• If you are only providing a qualitative definition, select all relevant metrics used to define a substantive effect, or use “Other, please specify” to specify a different metric.</li> </ul> <p><i>Application of definition (column 8)</i></p> <ul style="list-style-type: none"> <li>• Describe the thresholds considered to be substantive for the metrics reported in column 7 “Metrics considered in definition”. For example: <ul style="list-style-type: none"> <li>o Frequency of effect occurring: i.e. once, quarterly, every two years etc.</li> <li>o Time horizon over which the effect occurs: i.e., short-, medium-, and long-term in line with your time horizons reported in 2.1.</li> <li>o Likelihood of effect occurring: i.e., the percentage chance the effect will occur</li> </ul> </li> <li>• Often, multiple metrics are used together as part of a matrix approach. If using a matrix approach, describe how the metrics selected in column 7 “Metrics considered in definition” are used in combination and their respective weightings.</li> <li>• Describe how often the metrics, and their thresholds, are selected, reviewed, and updated.</li> </ul>
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Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	CC, F, W, B, P
Sector	Question level	All (+M-B)

### **Pollutant management procedures (W only)**

#### **(2.5) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health?**

Question details	
Question dependencies	Your response to 2.5 prompts 2.5.1. If your response to 2.5 is amended, data in the dependent question may be erased. In this case, be sure to re-enter data for the relevant question.
Change from last year	No change (2023 W3.1)
Rationale	Water pollutants pose a threat to the quality of surface and groundwater bodies and their dependent ecosystems. This question allows organizations to indicate that they identify and classify the potential water pollutants associated with the substances they handle and the properties of their discharges. It is important that companies identify and classify potential water pollutants linked to their business operations and products, and are able to effectively manage these.
Ambition	Companies identify and classify potential water pollutants linked to their business operations and products, and they reduce and manage pollution effectively.
Connection to other frameworks	TNFD Risk & impact management A(i) TNFD Risk & impact management A(ii)
Response options	Please complete the following table: (*column/row appearance is dependent on selections in this or other questions)

1	2	3
<b>Identification and classification of potential water pollutants</b>	<b>How potential water pollutants are identified and classified*</b>	<b>Please explain*</b>
Select from: <ul style="list-style-type: none"> <li>Yes, we identify and classify our potential water pollutants</li> <li>No, we do not identify and classify our potential water pollutants</li> <li>Unknown</li> </ul>	Text field [maximum 1,500 characters]	Text field [maximum 1,000 characters]

Requested content	<i>General</i>
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	<ul style="list-style-type: none"> <li>Consider any potential water pollutants associated with the substances you handle and the properties of your water discharges.</li> </ul> <p><i>How potential water pollutants are identified and classified (column 2)</i></p> <p>This column is only presented if “Yes, we identify and classify our potential water pollutants” is selected in column 1.</p> <p>Provide company-specific details of the policies and processes your organization has in place that aim to identify and classify the potential water pollutants that may have detrimental impacts over water bodies/ecosystems or human health.</p> <p>Include your general approach to determining:</p> <ul style="list-style-type: none"> <li>How these pollutants are classified, for example any standards and/or methodologies used; and</li> <li>The most relevant metrics and/or indicators used to identify these substances.</li> </ul> <p><i>Please explain (column 3)</i></p> <ul style="list-style-type: none"> <li>This column is only presented if “No, we do not identify and classify our potential water pollutants” or “Unknown” is selected in column 1.</li> <li>Use this field to briefly explain why your organization does not yet define potential water pollutants or is in the process of doing so.</li> <li>If relevant, provide the timelines of when you expect this to be implemented and any established standards and/or methodologies you plan to use for the classification of the potential water pollutants.</li> </ul>
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Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	Water only
Sector	Question level	All (except FS)

**(2.5.1) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your activities.**

Question details	
Question dependencies	This question only appears if in 2.5 “Yes, we identify and classify our potential water pollutants” is selected.
Change from last year	No change (2023 W3.1a)
Rationale	Organizations are able to describe the company-specific actions and procedures they have in place to minimize the adverse impacts associated with the water pollutants identified. This will demonstrate to data users the organization’s commitment to address these water-related risks.
Ambition	Companies identify and classify potential water pollutants linked to their business operations and products and have actions and procedures in place to reduce and manage pollution effectively.
Connection to other frameworks	TNFD Strategy A TNFD Risk & impact management B
Response options	Please complete the following table. You are able to add rows by using the “Add Row” button at the bottom of the table.

1	2	3	4	5
Water pollutant category	Description of water pollutant and potential impacts	Value chain stage	Actions and procedures to minimize adverse impacts	Please explain
Select from: <ul style="list-style-type: none"> <li>• Inorganic pollutants</li> <li>• Oil</li> <li>• Nitrates</li> <li>• Phosphates</li> <li>• Other nutrients and oxygen demanding pollutants</li> <li>• Pesticides</li> <li>• Other synthetic organic compounds</li> <li>• Pathogens</li> <li>• Microplastics and plastic particles</li> <li>• Other physical pollutants</li> <li>• Other, please specify</li> </ul>	Text field [maximum 1,500 characters]	Select all that apply: <ul style="list-style-type: none"> <li>• Direct operations</li> <li>• Upstream value chain</li> <li>• Downstream value chain</li> <li>• Other, please specify</li> </ul>	Select all that apply: <ul style="list-style-type: none"> <li>• Assessment of critical infrastructure and storage condition (leakages, spillages, pipe erosion etc.) and their resilience</li> <li>• Resource recovery</li> <li>• Beyond compliance with regulatory requirements</li> <li>• Implementation of integrated solid waste management systems</li> <li>• Industrial and chemical accidents prevention, preparedness, and response</li> <li>• Provision of best practice instructions on product use</li> <li>• Water recycling</li> <li>• Reduction or phase out of hazardous substances</li> <li>• Requirement for suppliers to comply with regulatory requirements</li> <li>• Discharge treatment using sector-specific processes to ensure compliance with regulatory requirements</li> <li>• Upgrading of process equipment/methods</li> <li>• Procedure(s) under development/ R&amp;D</li> <li>• No formal procedure(s) in place</li> <li>• Other, please specify</li> </ul>	Text field [maximum 1,500 characters]

[Add row]

Requested content	<p><i>General</i></p> <ul style="list-style-type: none"> <li>• Add only one row for each pollutant category.</li> <li>• The water pollutant categories include groups of substances targeted by governments, institutions, and non-governmental organizations (e.g., inorganic pollutants), as well as emerging contaminants recognized as potentially dangerous but for which no formal restrictions are in place yet (e.g., microplastics).</li> <li>• Report up to 10 of your most significant potential water pollutant categories in terms of impact on water ecosystems and human health.</li> </ul> <p><i>Water pollutant category (column 1)</i></p> <ul style="list-style-type: none"> <li>• Select the category of water pollutants identified as relevant to your organization.</li> </ul>
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	<ul style="list-style-type: none"> <li>• <b>Other nutrients and oxygen demanding pollutants</b> refers to nutrients and oxygen demanding pollutants other than nitrates and phosphates, which are separate options.</li> <li>• <b>Other synthetic organic compounds</b> refers to synthetic organic compounds other than pesticides, which is a separate option.</li> <li>• <b>Other physical pollutants</b> includes heat, radiation, light, noise/vibration, suspended solids and sediments.</li> <li>• Use the “Other, please specify” option if the water pollutant category identified is not listed. Note that in column 2 you may further specify your substances.</li> <li>• See ‘Explanations of terms’ for further explanations of pollutant categories.</li> <li>•</li> </ul> <p><i>Description of water pollutant and potential impacts (column 2)</i></p> <ul style="list-style-type: none"> <li>• Provide details of how the pollutant category selected in column 1 is linked to potential impacts on water bodies, ecosystems and/or human health. Relate the potential impacts with your organization’s activities. At least one potential impact should be identified for each pollutant category.</li> <li>• You may also state the potentially impacted ecosystems or populations (e.g., micro- or macrofauna, vegetation, local population) and the type of effects in terms of toxicity, coverage, persistence, bioaccumulation, etc.</li> <li>• Specify which chemicals (e.g., chlorine, sulfides, phenols etc.) or physical parameters (e.g., temperature, turbidity, etc.), from the water pollutant category selected, have the potential to pollute water resources.</li> <li>• If known, specify if your pollutants are included in any hazardous substance lists (e.g., Candidate list of REACH Regulation).</li> </ul> <p><i>Actions and procedures to minimize adverse impacts (column 4)</i></p> <ul style="list-style-type: none"> <li>• Select the most relevant procedures in place to effectively manage the potential impacts identified.</li> <li>• These procedures may be company-wide responses or those at the local or river-basin level. This can be specified in column 5 (Please explain).</li> </ul> <p><i>Please explain (column 5)</i></p> <p>Briefly explain how the procedures selected in column 4 manage the potential impacts detailed and provide information on how the success of the procedure is evaluated.</p> <p>If you selected ‘Procedure(s) under development/ R&amp;D’ in column 4, provide the timelines of when your actions and procedures will be implemented and how they are going to be used to minimize the impacts of water pollutants on water bodies.</p> <p>If you selected the option ‘Other, please specify’ in column 4, describe the management practice.</p>
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**Authoring notes**

<b>Tags</b>		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	Water only
Sector	Question level	All

**Tailings dams management procedures (W-MM/CO only)**

**(2.6) By river basin, what number of active and inactive tailings dams are within your control?**

<b>Question details</b>	
Question dependencies	<ul style="list-style-type: none"> <li>• This question only appears if you select “Surface coal mining”, “Underground coal mining”, “Metal ore mining”, or “Other minerals mining” in column “Aspect” of 1.13 and/or any "Mining" option in column “Aspect” of 1.17.</li> </ul>



Change from last year	Revised question dependency (2023 W-MM3.2/W-CO3.2)
Rationale	<p>Ensuring the best management of tailings dams is a critical water-related issue for organizations in the Metals &amp; Mining and Coal sectors. Operational requirements and local factors such as climate or landscape determine the dams' type and design and subsequently the risk level for this task. Active and inactive tailings dams pose different risks, therefore requiring different management procedures.</p> <p>These questions will demonstrate to data users that organizations understand these issues, are assessing the risks associated, and are taking action to prevent them. Disclosure on the locations and state of the tailings dams will allow data users to relate this information to other responses in the CDP questionnaire that include country/area/region and basin specific information in Module 9.</p>
Response options	Please complete the following table. You are able to add rows by using the "Add Row" button at the bottom of the table.

1a	1b	2	3	4
Country/area	River basin	Number of tailings dams in operation	Number of inactive tailings dams	Comment
Select from: <ul style="list-style-type: none"> <li>Country/area drop-down list</li> </ul>	Select from: <ul style="list-style-type: none"> <li>River basin drop-down list</li> <li>Not known</li> <li>Other, please specify</li> </ul>	Numerical field [enter a number from 0-1,000 using no decimal places]	Numerical field [enter a number from 0-1,000 using no decimals places]	Text field [maximum 1,500 characters]

[Add Row]

<i>Requested content</i>	<p><i>Country/area (column 1a)</i></p> <ul style="list-style-type: none"> <li>From the drop-down menu provided, please select a country/area for the location of your tailings dams.</li> <li>Note that a selection must be made for both column 1a and column 1b. Your data will not be saved if either column is left blank.</li> </ul> <p><i>River basin (column 1b)</i></p> <ul style="list-style-type: none"> <li>From the drop-down options provided, please select a river basin for the location of your tailings dams. If you do not see a basin that applies to your organization, select "Other, please specify" and specify the correct river basin using the text box provided.</li> <li>You may want to put the sub-basin of a bigger river basin identified in the drop-down menu. In this case use the "Other, please specify" option in the following format: "Putumayo, Amazon".</li> <li>For full instructions regarding this list, see CDP's Full Corporate Questionnaire Overview.</li> <li>Note that a selection must be made for both column 1a and column 1b. Your data will not be saved if either column is left blank.</li> </ul>
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	<p><i>Number of tailings dams in operation (column 2)</i></p> <ul style="list-style-type: none"> <li>• Please provide an aggregate figure for the number of active tailings dams you have in the country/area and river basin selected</li> <li>• If you do have active tailing dams in a particular country/area and basin, but you cannot give a total figure, you may provide an estimation for the number of active dams and explain this in column 4. Do not enter a zero (0).</li> </ul> <p><i>Number of inactive tailings dams (column 3)</i></p> <ul style="list-style-type: none"> <li>• Please provide an aggregate figure for the number of inactive tailings dams you have in the country/area and river basin selected</li> <li>• If you do have inactive tailing dams in a particular country/area and basin, but you cannot give a total figure, you may provide an estimation for the number of inactive dams and explain this in column 4. Do not enter a zero (0).</li> </ul> <p><i>Comment (column 4) (optional)</i></p> <ul style="list-style-type: none"> <li>• Provide any further context to help data users understand your basin level disclosure. If you did not include the number of active or inactive tailings dams in the country/area or basin, please explain why this information is not available and if you have plans to collect it.</li> </ul>
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1a	1b	2	3	4
<b>Country/area</b>	<b>River basin</b>	<b>Number of tailings dams in operation</b>	<b>Number of inactive tailings dams</b>	<b>Comment</b>

Canada	Saguenay (Riviere)	1	2	<i>This is one of our longest-running operations and we have started the planning for its closure. Our largest tailings dam, St. Joseph I, has already been decommissioned and rehabilitation project is underway with an investment of \$21 mn. In the second tailings dam St. Joseph II the engineering works to decommission have already started. The remaining tailings storage task, Riviere I, is operational until full project operational closure.</i>
Canada	Athabasca river basin, Mackenzie	2	1	<i>Our open-pit, heap leach operations in the Crewe area, Saskatchewan, reached its planned capacity in 2017. The operations are expected to continue until 2025. Further exploration work aims at increasing the resource and reserve base.</i>
United States of America	Colorado	1	0	<i>The Torrico valley project started exploration development operations in 2015 to exploit the San Florian-Willies deposit. We expect a capacity of 8,000 tonnes per day underground operation by 2020. After initial operations of 6 years, the facility will develop additional tailings storage tasks.</i>
Peru	Majes	3	1	<i>In the Majes river basin we have two operations, in San David municipality and Cerro San Javier respectively. The latter was acquired in 2010 after integration of the subsidiary "Oros del Peru S.A.". The integration involved an investment of \$33 mn in renewed infrastructure and capacitation in order for the operation to meet our EHS procedures.</i>
Chile	Loa	2	0	<i>In 2012 we started an evaluation process to expand and improve the main existing tailings dam facility in the Cerro Chico area with an investment of \$28 mn. This allowed us to expand our Copper-gold operations.</i>

Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	Water only
Sector	Question level	MM/CO

**(2.6.1) Do you evaluate and classify the tailings dams under your control according to the consequences of their failure to human health and ecosystems?**

Question details	
Question dependencies	This question only appears if you report that you have any active or inactive tailings dams in 2.6.
Change from last year	No change (2023 W-MM3.2a/W-CO3.2a)
Rationale	<p>Evaluating potential losses or damages to human health and ecosystems, irrespective of the perceived probability of failure, provides evidence to investors and other data users that an organization has an awareness of the severe risks as well as potential liabilities associated with poor management of tailings dams. It also helps data users interpret the disclosed information on management procedures for these tasks (dams).</p> <p>If your organization responded to the <a href="#">Investor Mining and Tailings Safety Initiative 2019</a> disclosure request, you may find it useful to draw on that submission when completing these questions.</p>
Response options	Please complete the following table:

Evaluation of the consequences of tailings dam failure	Evaluation/Classification guideline(s)	Tailings dams have been classified as 'hazardous' or 'highly hazardous'	Please explain
<p>Select from:</p> <ul style="list-style-type: none"> <li>• Yes, we evaluate the consequences of tailings dam failure</li> <li>• No, we do not currently evaluate the consequences of tailings dam failure but we plan to do so within the next two years</li> <li>• No, we do not evaluate the consequences of tailings dam failure and have no plans to do so within the next two years</li> </ul>	<p>Select all that apply:</p> <ul style="list-style-type: none"> <li>• Australian National Committee on Large Dams (ANCOLD)</li> <li>• Canadian Dam Association (CDA)</li> <li>• Ordinance 70.389/17 – Mining National Agency, Brazil</li> <li>• Ghana Minerals Commission (LI 2182)</li> <li>• South Africa SANS 10286</li> <li>• International Commission on Large Dams (ICOLD)</li> <li>• Global Industry Standard on Tailings Management (ICMM)</li> <li>• Company-specific guidelines</li> <li>• Other, please specify</li> </ul>	<p>Select from:</p> <ul style="list-style-type: none"> <li>• Yes, tailings dams have been classified as 'hazardous' or 'highly hazardous' (or equivalent)</li> <li>• None of our tailings dams have been classified as 'hazardous' or 'highly hazardous' (or equivalent)</li> <li>• Don't know</li> </ul>	<p>Text field [maximum 1,500 characters]</p>

Requested content	<p><i>General</i></p> <ul style="list-style-type: none"> <li>• There are a variety of guidelines for the evaluation of consequences of dams' failure. CDP does not prescribe any specific method.</li> </ul> <p><i>Evaluation of the consequences of tailings dam failure (column 1)</i></p> <ul style="list-style-type: none"> <li>• If you evaluate only a proportion of your facilities, select "Yes" and use the last column to provide additional information on the coverage.</li> <li>• If you select any of the "No" options, then columns 2 and 3 will not be presented.</li> </ul>
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	<p><i>Evaluation/Classification guideline(s) (column 2)</i></p> <ul style="list-style-type: none"> <li>• These may be recommendations or regulations from industry bodies or public agencies, or your organization’s own framework.</li> <li>• If you use a company-specific framework you may indicate this here and provide further information on how you evaluate the potential consequences to human health and the environment in the “Please explain” column.</li> </ul> <p><i>Please explain (column 4)</i></p> <ul style="list-style-type: none"> <li>• Provide any additional information to help data users interpret the details you have provided on your evaluation and classification (even if no dams have been classified as ‘hazardous’ or ‘highly hazardous’). For example: The rationale of your choice of guidelines for the evaluation; The minimum level used to classify a dam as ‘hazardous’. For example, “we follow the ANCOLD framework, considering as ‘hazardous’ any dam classified as ‘High B’ or above”; For the use of company-specific frameworks, please explain how consequences are evaluated; The frequency that evaluations are revised; or How the classifications inform the management procedures followed.</li> <li>• If the evaluation does not cover all facilities, you should explain why this is the case and any plans to extend coverage.</li> <li>• If you have selected “No” in column 1, you should explain why you do not carry out such an evaluation, including any future plans to do so.</li> <li>• Note: Information on your dams classified as ‘hazardous’ or ‘highly hazardous’ is requested in 2.6.2.</li> </ul>
Additional information	<ul style="list-style-type: none"> <li>• The <a href="#">Global Industry Standard on Tailings Management</a> strives to achieve the ultimate goal of zero harm to people and the environment with zero tolerance for human fatality. Underpinned by an integrated approach to tailings management, the Standard aims to prevent catastrophic failure and enhance the safety of mine tailings facilities across the globe. The global tailings review to establish this standard was co-convened by the International Council on Mining and Metals (ICMM), the Principles for Responsible Investment (PRI) and the United Nations Environment Programme (UNEP).</li> <li>• The <a href="#">Canadian Dam Association Safety guidelines</a> defines “<b>consequences of failure</b>” as the impacts on the downstream or upstream area of a dam as a result of failure of the dam or its appurtenances.</li> </ul>

Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	Water only
Sector	Question level	Metals and mining, coal

**(2.6.2) Provide details for all dams classified as 'hazardous' or 'highly hazardous'.**

Question details	
Question dependencies	This question only appears if you select “Yes, tailings dams have been classified as ‘hazardous’ or ‘highly hazardous’ (or equivalent)” in response to 2.6.1.
Change from last year	No change (2023 W-MM3.2b/W-CO3.2b)
Rationale	<p>Providing details for ‘hazardous’ and ‘highly hazardous’ tailings dams demonstrates a commitment to transparency around the potentially devastating consequences of tailings dam failures.</p> <p>Despite the existence of a variety of categorization systems and guidelines for evaluating the consequences of dam failure to human health and ecosystems, there is no standardized definition of what constitutes ‘Hazardous’ or ‘Highly hazardous’ tailings dams. Disclosing the guidelines used together with the current and planned impoundment volumes will also demonstrate data users that a company is aware of the potential risks and how this exposure may change in the near future.</p> <p>Requesting information about the location of the dam will allow data users to relate this information to other responses in the CDP questionnaire that include country/area and basin specific information.</p> <p>The information requested in this question aligns with the request by the <u>Investor Mining and Tailings Safety Initiative</u>, Sustainability Accounting Standards Board (SASB) and Global Reporting Initiative (GRI).</p>
Response options	Please complete the following table. You are able to add rows by using the “Add Row” button at the bottom of the table.

1	2a	2b	3	4	5	6	7	8	9	10
Tailings dam name / identifier	Country / Area	River basin	Latitude	Longitude	Hazard classification	Guideline(s) used	Tailings dam’s activity	Current tailings storage impoundment volume (Mm <sup>3</sup> )	Planned tailings storage impoundment volume in 5 years (Mm <sup>3</sup> )	Please explain

Text field [maximum 100 characters]	Select from: <ul style="list-style-type: none"> <li>Country / area drop-down list</li> </ul>	Select from: <ul style="list-style-type: none"> <li>River basin drop-down list</li> <li>Other, please specify:</li> </ul>	Numerical field [enter a number from 0 to +/- 90.000000 using a maximum of six decimal places]	Numerical field [enter a number from 0 to +/- 180.000000 using a maximum of six decimal places]	Text field [maximum 100 characters]	Select all that apply: <ul style="list-style-type: none"> <li>Australian National Committee on Large Dams (ANCOLD)</li> <li>Canadian Dam Association (CDA)</li> <li>Ordinance 70.389/17 – Mining National Agency, Brazil</li> <li>Ghana Minerals Commission (LI 2182)</li> <li>South Africa SANS 10286</li> <li>International Commission on Large Dams (ICOLD)</li> <li>Global Industry Standard on Tailings Management (ICMM)</li> <li>Company-specific guidelines</li> <li>Other, please specify</li> </ul>	Select from: <ul style="list-style-type: none"> <li>Active</li> <li>Inactive</li> </ul>	Numerical field [enter a number from 0-999,999,999,999,999 using a maximum of 2 decimal places]	Numerical field [enter a number from 0-999,999,999,999,999 using a maximum of 2 decimal places]	Text field [maximum 1,000 characters]
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[Add row]

Requested content	<p><i>General</i></p> <ul style="list-style-type: none"> <li>You may aggregate dams located in the same river basin, only if they all have the same hazard classification following the same standard and have the same activity status.</li> </ul> <p><i>Country/Area (column 2a)</i></p> <ul style="list-style-type: none"> <li>From the drop-down menu provided, please select the country/area for the location of each tailing dam.</li> <li>Note that a selection must be made for both column 2a and column 2b. Your data will not be saved if either column is left blank.</li> </ul>
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*River basin (column 2b)*

- If you do not see the basin required, select “Other, please specify” and write in the correct river basin using the text box provided.
- You may want to put the sub-basin of a bigger river basin identified in the drop-down menu. In this case use the “Other, please specify” option in the following format: “Putumayo, Amazon”.
- For full instructions see [CDP’s Full Corporate Questionnaire Overview](#).
- Note that a selection must be made for both column 2a and column 2b. Your data will not be saved if either column is left blank.

*Latitude (column 3)*

- Enter the latitude coordinates for the task reported in column 1. Your response should be in the format of decimal degrees and can range from 0 to +/-90.000000.
- If you are aggregating dams, provide the coordinates for the facility with the largest total impoundment volume.

*Longitude (column 4)*

- Enter the longitude coordinates for the task reported in this row. Your response should be in the format of decimal degrees and can range from 0 to +/-180.000000
- If you are aggregating dams, provide the coordinates for the facility with the largest total impoundment volume.

*Hazard classification (column 5)*

- Provide the label used for the hazard level that applies to this dam. For example, report ‘Very High’ if the dam is classified in the fourth level of the [Canadian Dam Association consequence classification ratings](#).
- These may be recommendations or regulations from industry bodies or public agencies, or your company’s own framework.
- If you use a company-specific framework you may indicate this here and provide further information on how you evaluate the potential consequences to human health and the environment in the “Please explain” column.

*Current tailings storage impoundment volume (Mm<sup>3</sup>) (column 8)*

- Report the volumes of materials impounded in the dam. This must be in millions of cubic meters.
- If you have aggregated several tasks you may aggregate the volumes stored.
- If you cannot provide a figure, for example because there are no records of the volumes impounded, you should provide an estimation and explain this in the last column (“Please explain”). Do not enter 0 (zero).
- Only enter 0 (zero) if activity in this dam started in the current reporting year or if the dam is not yet in operation.

*Planned tailings storage impoundment volume in 5 years (Mm<sup>3</sup>) (column 9)*



	<ul style="list-style-type: none"> <li>• Report the planned volumes of materials that will be impounded in the dam in 5 years' time in millions of cubic meters.</li> <li>• If you have aggregated several tasks you may aggregate the planned volumes.</li> <li>• If you cannot provide a figure, for example because there are no plans for volumes impounded, or for any other reason, provide an estimation and explain this in the last column ("Please explain"). Do not enter 0 (zero).</li> </ul> <p><i>Please explain (column 10)</i></p> <ul style="list-style-type: none"> <li>• Provide any relevant further information about the volumes provided, i.e., about their quantification, composition, disposal method, tasks in which they are generated, etc.</li> <li>• If you have aggregated several dams within the same river basin, you should clarify this here and provide the number of dams, including whether they are all associated to one or several mines. Provide the name of the mines as appropriate.</li> <li>• Please state if the dam is under joint ownership or control</li> </ul>
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Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	Water only
Sector	Question level	MM/CO

**(2.6.3) To manage the potential impacts to human health or water ecosystems associated with the tailings dams in your control, what procedures are in place for all of your dams?**

Question details	
Question dependencies	<ul style="list-style-type: none"> <li>This question only appears if you report that you have any active or inactive tailings dams in 2.6.</li> </ul>
Change from last year	No change (2023 W-MM3.2c/W-CO3.2c)
Rationale	<p>Sound governance and precautionary procedures are needed to address the potential risks linked to these tasks. Providing information on existing procedures will demonstrate to investors and data users that organizations are dealing with the potential risks associated with the tailings dams under their control.</p> <p>The question provides organizations with the chance to indicate and explain their company-specific management procedures, how these procedures are set, their scope, and their efficacy.</p>
Response options	Please complete the following table: You are able to add rows by using the “Add Row” button at the bottom of the table.

Procedure	Detail of the procedure	Please explain
Select from: <ul style="list-style-type: none"> <li>Acceptable risk levels</li> <li>Operating plan</li> <li>Life of facility plan</li> <li>Assurance program</li> <li>Change management process</li> <li>Approval</li> <li>Other management procedure</li> <li>No management procedure applies to all tailings dams</li> </ul>	Select all that apply: <p><b>Acceptable risk levels</b></p> <ul style="list-style-type: none"> <li>Establishment of site-level guidance and standards for <b>acceptable risk levels</b> based on an evaluation of potential chemical and physical risks</li> <li>Establishment of site-level guidance and standards for <b>acceptable risk levels</b> for third party safety in consultation with potentially affected communities, employees and relevant government bodies</li> <li>Establishment of site-level guidance and standards for <b>acceptable risk levels</b> across all life stages including post-closure</li> <li>Establishment of company-wide standards for <b>acceptable risk levels</b> that follow a company policy to eliminate or minimize water-related risks associated with tailings dams</li> <li>Other acceptable risk level, please specify</li> </ul> <p><b>Operating plan</b></p> <ul style="list-style-type: none"> <li>An <b>operating plan</b> that is aligned with your established acceptable risk levels and critical controls framework</li> <li>An <b>operating plan</b> that includes the operating constraints of the dam and its construction method</li> <li>An <b>operating plan</b> that considers the consequences of breaching the operating constraints of the dam.</li> <li>An <b>operating plan</b> that includes periodic review of the foundations and slope materials</li> <li>An <b>operating plan</b> that evaluates the effectiveness of the risk management measures and whether performance objectives are being met</li> <li>Other operating plan, please specify</li> </ul>	Text field [maximum 2,500 characters]

	<p><b>Life of facility plan</b></p> <ul style="list-style-type: none"> <li>• A <b>life of facility plan</b> that identifies minimum specifications and performance objectives for the operating and closure phases</li> <li>• A <b>life of facility plan</b> that includes an identification of potential chemical and physical risks from the design and construction phases</li> <li>• A <b>life of facility plan</b> that considers post-closure land and water use</li> <li>• A <b>life of facility plan</b> that details the financial and human resources needed</li> <li>• Other life of facility plan, please specify</li> </ul> <p><b>Assurance program</b></p> <ul style="list-style-type: none"> <li>• An <b>assurance program</b> for the operating phase of the facility that details the procedures for the inspections, audits and reviews</li> <li>• An <b>assurance program</b> for each phase of the facilities' life that includes the frequency of the various levels of inspections, audits and reviews</li> <li>• An <b>assurance program</b> for each phase of the facilities' life that includes the scope of the various levels of inspections, audits and reviews</li> <li>• An <b>assurance program</b> that details the competence requirements for the persons undertaking the inspections, audits and reviews</li> <li>• An <b>assurance program</b> that includes an external audit covering the life of facility or the operating plans</li> <li>• Other assurance program, please specify</li> </ul> <p><b>Change management process</b></p> <ul style="list-style-type: none"> <li>• Inclusion of a formal <b>change management process</b> for the construction phase of the facility</li> <li>• Inclusion of a formal <b>change management process</b> for the operating phase of the facility</li> <li>• Inclusion of a formal <b>change management process</b> for the closure and decommissioning phase of the facility</li> <li>• Inclusion of a <b>change management process</b> in the assurance program</li> <li>• Inclusion of the results from external audits of operating plans or life of facility plans into the <b>change management process</b></li> <li>• Other change management process, please specify</li> </ul> <p><b>Approval</b></p> <ul style="list-style-type: none"> <li>• A policy to eliminate or minimize water-related risks associated with tailings dams is approved by a C-suite officer</li> <li>• The operating plan and the life of facility plan are <b>approved by</b> the EHS manager</li> <li>• The operating plan and the life of facility plan are <b>approved by</b> a C-suite officer</li> <li>• The results of the assurance program and the change management process are <b>approved by</b> the EHS manager</li> <li>• The results of the assurance program and the change management process are <b>approved by</b> a C-suite officer</li> <li>• Other approval, please specify</li> </ul> <p><b>Other management procedure</b></p> <ul style="list-style-type: none"> <li>• Other, please specify</li> </ul>	
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[Add Row]

Requested content	<p><i>General</i></p> <ul style="list-style-type: none"> <li>• Provide information on the company-wide procedures that aim to mitigate the potential risks associated with tailings dams.</li> </ul>
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	<p><i>Procedure (column 1)</i></p> <ul style="list-style-type: none"> <li>• Select a procedure that best applies for your company.</li> <li>• Your selection will determine the list that is presented in column 2.</li> <li>• If you select “Other management procedure” provide a label for the procedure.</li> <li>• If you select “No management procedure applies to all tailings dams”, please explain this in column 3.</li> </ul> <p><i>Detail of the procedure (column 2)</i></p> <ul style="list-style-type: none"> <li>• With reference to your selection in column 1, please select a procedure that best applies to your organization.</li> <li>• If none of these options apply, select “Other, please specify” and provide details of the procedures in column 3. Provide a label for the detail of the procedure.</li> </ul> <p><i>Please explain (column 3)</i></p> <ul style="list-style-type: none"> <li>• Provide further details about your response to column 1 “procedure” and column 2 “detail of the procedure”. You may include: <ul style="list-style-type: none"> <li>○ Rationale for implementing these procedures.</li> <li>○ The level at which they are set, if they are company-wide or site-specific, and the rationale for this.</li> <li>○ You may add details of the competence requirements for the persons implementing the procedures, especially those undertaking the inspections, audits, and reviews.</li> <li>○ Any plans to develop other related management procedures that apply to all facilities.</li> <li>○ A rationale for exceptions to company-wide implementation of the procedures and the scope of these exceptions.</li> </ul> </li> <li>• If you selected “No management procedure applies to all tailings dams” in column 1, explain why and give details of your approach.</li> <li>• If you selected “Other, please specify” in column 2, explain why and give details of your approach</li> </ul>
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Procedure	Detail of the procedure	Please explain
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<p>Acceptable risk levels</p>	<ul style="list-style-type: none"> <li>• Establishment of site-level guidance and standards for acceptable risk levels based on an evaluation of potential chemical and physical risks</li> <li>• Establishment of site-level guidance and standards for acceptable risk levels for third party safety in consultation with potentially affected communities, employees and relevant government bodies.</li> <li>• Establishment of site-level guidance and standards for acceptable risk levels across all life stages including post-closure</li> <li>• Establishment of acceptable risk levels that follow a company policy to eliminate or minimize water-related risks associated with tailings dams</li> </ul>	<p>We developed a comprehensive tailings management system to ensure that <i>all</i> of our tailings storage facilities (TSF) meet company-wide TSF policy, both for our copper and gold operations. The TSF policy states our goal of minimizing the risks and our “No incidents” principle, and aligns with our aim to ensure long-term economic, social and environmental value locally and to our international stakeholders.</p> <p>The TSF policy serves as a framework to guide the development of site-specific risk procedures. The establishment of acceptable risk levels is a key part of this.</p> <p>These procedures are coordinated and reviewed by the regional offices in Canada, USA and South America, and approved by the board of directors. The risk levels are approved by the COO and CSO, and consulted on with a panel of key local stakeholders from public bodies, municipalities and statutory special interest groups. This allows us to design minimum requirements for our TSF informed by local characteristics, appropriate building, operational and decommissioning procedures.</p> <p>Risk levels are set for each of the stage of the TSF life cycle and take account of the likelihood of adverse safety and environmental impacts, potential chemical and physical impacts, the health of people, property, environment, and infrastructure. For that, they consider worst case hydrological and operational scenarios. The acceptable risk levels are set through an identification and evaluation of critical control points after an assessment of risks from overflow and seepage from TSF, release of tailings material or liquor and abrupt failure.</p>
<p>Operating plan</p>	<ul style="list-style-type: none"> <li>• An operating plan that includes the operating constraints of the dam and its construction method</li> <li>• An operating plan that considers the consequences of breaching the operating constraints of the dam</li> <li>• An operating plan that is aligned with your acceptable risk levels and a critical controls framework</li> <li>• An operating plan that includes periodic review of the foundations and slope materials</li> <li>• An operating plan that evaluates the effectiveness of the risk management measures and whether performance objectives are being met</li> </ul>	<p>Operating plans follow the recommendations of the Mining Association of Canada which we extend to the rest of our operations. The plans at each stage of the life cycle of the TSF take account of the results of the risk assessment. Hence, they include the evaluation of the performance of the TSF facilities under several operating and environmental scenarios, both within and outside the operating constraints of the dam.</p> <p>Operating plan requirements are developed by the central office in Canada and the COO, and approved by the board of directors twice a year. They include the principles, minimum performance requirements and accountabilities. Each facility director develops the mine operating plan which integrates the TSF operating plan. This plan establishes the critical control points and sets performance objectives in alignment with the acceptable risk levels of the TSF. This way, we ensure the application of high-level standards for the plans and their integration into corporate strategy.</p> <p>The integrity analysis includes the evaluation of the slope and foundation materials. In the places where the risk evaluation process has identified that surrounding areas may be a risk to the integrity of the TSF, these are also evaluated.</p>

<p><i>Life of facility plan</i></p>	<ul style="list-style-type: none"> <li>• <i>A life of facility plan that identifies minimum specifications and performance objectives for the operating and closure phases</i></li> <li>• <i>A life of facility plan that includes an identification of potential chemical and physical risks from the design and construction phases</i></li> <li>• <i>A life of facility plan that considers post-closure land and water use</i></li> <li>• <i>A life of facility plan that details the financial and human resources needed</i></li> </ul>	<p><i>The comprehensive tailings management system covers the full life-cycle of the facilities under our control.</i></p> <p><i>They are informed by the results of the assurance program and change management processes. The plans are coordinated and reviewed by the three regional offices, and approved by the COO and the board of directors. Life of facility plans are integrated into corporate strategic planning.</i></p> <p><i>The life of facility plans include the financial and human resources needed to support TSF construction, operation and decommissioning, and to meet performance objectives at each stage.</i></p> <p><i>The expected land and water use post-closure is considered in the life of facility plan and also informs the performance objectives and acceptable risk levels.</i></p>
<p><i>Assurance program</i></p>	<ul style="list-style-type: none"> <li>• <i>An assurance program for each phase of the facilities' life that includes the frequency of the various levels of inspections, audits and reviews</i></li> <li>• <i>An assurance program for each phase of the facilities' life that includes the scope of the various levels of inspections, audits and reviews</i></li> <li>• <i>An assurance program that details the competence requirements for the persons undertaking the inspections, audits and reviews</i></li> <li>• <i>An assurance program that includes an external audit covering the life of facility or the operating plans</i></li> </ul>	<p><i>The assurance program sets out the procedures for the review of the state and hazard level of the TSF and critical control points against the acceptable risk levels at each stage of its life cycle.</i></p> <p><i>During the operational stage, detailed reviews are undertaken annually by the site's EHS officer.</i></p> <p><i>Independent external audits are undertaken at the start of the TSF operation, annually during the operational phase and at its decommissioning. The tailings management system and the risk assessment program detail the level of the inspections. Our operations in Saskatchewan (Canada) and Colorado (US) follow additional procedures specified by the provincial and state authorities.</i></p> <p><i>Results of the internal reviews and external audits are delivered directly to the regional offices. The results are compiled and delivered annually to our central offices for approval by the COO and CSO.</i></p> <p><i>The scope of evaluation and competency requirements of internal or external personnel involved in the assurance program is determined by results of the risk assessment for each TSF.</i></p>

Change management process	<ul style="list-style-type: none"> <li>• Inclusion of a formal change management process for the construction phase of the facility</li> <li>• Inclusion of a formal change management process for the operating phase of the facility</li> <li>• Inclusion of a formal change management process for the closure and decommissioning phase of the facility</li> <li>• Inclusion of a change management process in the assurance program</li> <li>• Inclusion of the results from external audits of operating plans or life of facility plans into the change management process.</li> </ul>	<p>Results of the assurance program, including the results of the external audits are incorporated annually by the facility directors and EHS managers into the life of facility plans. This review is approved by the regional directors and, as needed, integrated into the corporate strategy.</p> <p>The documentation regarding the planning, design, construction, operation and the assurance program itself, as appropriate to each stage of the life cycle of the TSF, is revised and updated with the results of the assurance program. This ensures that the operational plans and the risk assessment procedures are current and that appropriate correction measures are taken effectively.</p> <p>For example, after integration of the subsidiary "Oros del Peru S.A." a new life of facility plan was developed, and the operating plans and assurance program updated to follow our TSF policy. The acceptable risk levels were revised and additional critical control points implemented with new performance objectives.</p>
Approval	<ul style="list-style-type: none"> <li>• A policy to eliminate or minimize water-related risks associated with tailings dams is approved by a C-suite manager</li> <li>• The operating plan and the life of facility plan are approved by a C-suite manager</li> <li>• The results of the assurance program and the change management process are approved by a C-suite manager</li> </ul>	<p>Ultimate responsibility for tailings dams management rests on the CEO and the COO. The latter is responsible for the goal, scope and content of our corporate policy for TSFs.</p> <p>Our COO is responsible for the approval of the operating and life of facility plans, and their integration into the business strategy plans in coordination with the CSO.</p> <p>Results of the assurance program are reported annually to the CSO and COO by the operational officers to the regional operational directors in Canada, USA and Chile, who are responsible for its final approval.</p>

Additional information	<ul style="list-style-type: none"> <li>• The Canadian Mining Association's initiative, <i>Towards Sustainable Mining</i>, provides a <u>detailed protocol</u> for the safe management of tailings dams.</li> <li>• The International Council on Mining &amp; Metals provides a <u>governance framework</u> of six key elements for maintaining the integrity of tailings storage facilities.</li> <li>• The Initiative for Responsible Mining Assurance provides companies and interested parties with a detailed and mature set of behaviors for the safe management of these tasks (in their the <u>Waste and Materials Management section</u> of their standard).</li> </ul>
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Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	Water only
Sector	Question level	Metals & mining and coal

# Module 3: Disclosure of dependencies, risks, and opportunities

Guidance for companies reporting on Climate change, Forests, Water Security, Biodiversity, Plastics on behalf of investors & supply chain members.

The full reporting guidance including explanation of terms is available via the portal/public guidance page.

## Module overview

<p>Module Overview</p>	<p>This module allows organizations to demonstrate that they have a clear awareness of the extent to which they are exposed to environmental risks, and aligned with environmental opportunities, within their direct operations and other parts of their value chain.</p> <p>CDP asks organizations to report environmental risks which have had a substantive effect on the organization in the reporting year, or are anticipated to have a substantive effect on the organization in the future, and to share details of the potential effects of those risks and their associated response strategies. Organizations are also requested to provide an indication of the extent of their exposure to physical and transition risks.</p> <p>This module also asks organizations to share any environmental opportunities which have had a substantive effect on the organization in the reporting year or are anticipated to have a substantive effect on the organization in the future, and the extent to which they are aligning their business with environmental opportunities.</p> <p>Providing information about inherent risk exposure rather than only the residual risk (remaining after any response) allows data-users to consider the potential impact and the appropriateness of the organization's response.</p> <p>You may wish to consult with your financial, legal, and/or compliance departments for advice on your company's general approach to the provision of forward-looking statements and information concerning risks.</p> <p>Note for financial services companies: TCFD recommendations highlight importance of the financial sector considering the impacts of environmental issues in the context of their financing activities. When evaluating exposure to risks and opportunities, financial services companies should consider the impact on their lending, financial intermediary, investing and/or insurance underwriting activities, in addition to operational activities.</p>
<p>Sector-specific content</p>	<ul style="list-style-type: none"> <li>• Additional response options presented in 3.1, 3.1.1, 3.6, and 3.6.1 for the Financial services sectors and for organizations with mining projects.</li> </ul>



## Risk disclosure

### (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?

Question details	
Change from last year	Modified question (2023 C2.3, C2.3b, F1.6, F3.1, F3.1c, F-MM9.5/F-CO9.5, F-MM11.2/F-CO11.2, FW-FS2.3, W2.1, W4.1, W4.2b, W4.2c, W10.3).
Rationale	It is crucial for investors and data users to understand your organization's risk exposure, especially regarding any environmental risks across your value chain which are anticipated to have substantive effects on your organization. This includes both risks which have already had an effect within the reporting year and risks which may have an effect in the future. If no environmental risks with substantive effects have been identified as part of your assessment, it is equally crucial for data users to understand how and why you have concluded that such risks are not anticipated to affect your organization.
Ambition	<ul style="list-style-type: none"> <li>The organization discloses environmental risks which have had or are anticipated to have a substantive effect on the organization's strategy, business activities, value chain, financial position (e.g., assets and liabilities), financial performance (e.g., revenue or expenditure) and cash flows.</li> </ul>
Connection to other frameworks	AFi Core Principle 5 CEO WM Implications: Business Risks TCFD Strategy A TNFD Strategy A NZAM Commitment 6 ESRS 2 ESRS E1 ESRS E2 ESRS E3 ESRS E4
Response options	Please complete the following table:

0	1	2	3
Environmental issue	Environmental risks identified	Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain	Please explain
Climate change	Select from: <ul style="list-style-type: none"> <li>Yes, both in direct operations and upstream/downstream value chain [not shown to FS]</li> <li>Yes, only within our direct operations [not shown to FS]</li> <li>Yes, only in our upstream/downstream value chain (excluding direct operations) [not shown to FS]</li> <li>Yes, only in our portfolio [FS only]</li> </ul>	Select from: <ul style="list-style-type: none"> <li>Environmental risks exist, but none with the potential to have a substantive effect on our organization</li> <li>Evaluation in progress</li> <li>Lack of internal resources, capabilities, or expertise (e.g., due to organization size)</li> <li>No standardized procedure</li> <li>Not an immediate strategic priority</li> <li>Insufficient data</li> <li>Other, please specify</li> </ul>	Text field [maximum 2,500 characters]

	<ul style="list-style-type: none"> <li>• Yes, both within our direct operations or upstream value chain, and within our portfolio [FS only]</li> <li>• Yes, only within our direct operations or upstream value chain [FS only]</li> <li>• No</li> </ul>		
Forests			
Water			
Plastics			
Biodiversity [M-B only]			

[Fixed row]

Requested content	<p><i>General</i></p> <ul style="list-style-type: none"> <li>• For the purposes of this response, the environmental risks reported should be those which: <ul style="list-style-type: none"> <li>○ Have had or are anticipated to have a substantive effect on your organization, in line with your definition of substantive effect provided in 2.4;</li> <li>○ Have had or are anticipated to have a substantive effect at the corporate level, and not simply at the asset, business unit and/or geographic level where they may occur; and</li> <li>○ Have had or are anticipated to have a substantive effect when considering the inherent risk (existing in the absence of controls, i.e. not considering any mitigation or management measures that have been or could be implemented) as well as the residual risk (remaining after a specific action has been taken to manage the risk).</li> </ul> </li> <li>• Your selection in column 1 “Environmental risks identified” will determine whether columns 2 “Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain” and 3 “Please explain” will be presented and drive the appearance of rows in question 5.3.</li> </ul> <p><i>Environmental risks identified (column 1)</i></p> <ul style="list-style-type: none"> <li>• Select the appropriate “Yes” option if any risks have been identified as having had or having anticipated substantive effects before any response actions are accounted for. Consider both the risks which have been accepted and those to which you are responding when determining which option to select.</li> <li>• Note for financial services companies: Select option “Yes, only within our direct operations or upstream value chain” only if you have identified risks, but none of these relate to your lending, investing, or insurance activities relating to your portfolio.</li> </ul> <p><i>Please explain (column 3)</i></p> <ul style="list-style-type: none"> <li>• This column is only presented if any option other than “Yes, both within our direct operations...” is selected in column 1.</li> <li>• Explain why your organization has concluded that it is not exposed to environmental risks.</li> </ul>
Additional information	<p>Client Earth details some of the material business risks that companies may be exposed to as a result of plastic waste and sets out the legal obligations on business directors to take action to deal with these risks: <a href="#">Risk unwrapped: Plastic pollution as a material business risk</a>.</p>

Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	All
Sector	Question level	All

**(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.**

Question details	
Question dependencies	This question only appears if you select any of the “Yes, ” options in response to column “Environmental risks identified” of 3.1.
Change from last year	Modified question (2023 C2.3a, F1.6a, F3.1b, F-MM9.5a/F-CO9.5a, F-MM11.2b/F-CO11.2b, FW-FS2.3a, W2.1a, W4.2, W4.2a). New question for Plastics
Rationale	Your response to this question provides data users with an overview of the environmental risks affecting your organization now and in the future. Information on the current and anticipated financial effects of these risks, and your response strategy to manage and mitigate them, are critical elements for guiding investments as well as implementing corporate actions to improve business resilience and environmental stewardship.
Ambition	<p>The organization discloses environmental risks which have had or are anticipated to have a substantive effect on the organization’s strategy, business activities, value chain, financial position (e.g. assets and liabilities), financial performance (e.g., revenue or expenditure) and cash flows. The disclosure per risk includes:</p> <ul style="list-style-type: none"> <li>○ The timeframe, likelihood and magnitude associated with the effects of the risk,</li> <li>○ Current and anticipated effects on the value chain and where these risks are located,</li> <li>○ Whether the risks are physical (acute or chronic) or transition risks (policy, market, reputation, technology, liability),</li> <li>○ The current and anticipated financial effects of the risks,</li> <li>○ The costs of response to a risk, a description of the response and an explanation of the cost calculation,</li> <li>○ (FS Sector) For financial institutions, environmental risks drivers are mapped to other risk management categories (e.g. credit risk, market risks, operational risk).</li> </ul> <ul style="list-style-type: none"> <li>● (Financial Services sector) Financial institutions assess their portfolio for environmental risks, as well as measure and disclose the current and anticipated financial effect of the risks.</li> </ul>

Connection to other frameworks	<p>IFRS S2 10 IFRS S2 13 IFRS S2 15 IFRS S2 16 IFRS S2 17 IFRS S2 21</p> <p>AFi Core Principle 5 AFi Core Principle 9</p> <p>CEO WM Implications: Business Risks</p> <p>TNFD Strategy A TNFD Strategy B TNFD Metrics &amp; targets A</p> <p>TCFD Strategy A TCFD Strategy B</p> <p>NZAM Commitment 6</p> <p>ESRS 2 ESRS E1 ESRS E2 ESRS E3 ESRS E4</p>
Response options	Please complete the following table. You are able to add rows by using the “Add Row” button at the bottom of the table.

1	2	3	4		5	6	7
Environmental issue the risk relates to	Risk identifier	Commodity	Risk type and primary environmental risk driver		Value chain stage where the risk occurs	Risk type mapped to traditional financial services industry risk classification	Country/area where the risk occurs
Climate change	Select from:  Risk1- Risk100	N/A	Select from the drop-down list below		Select from:  <ul style="list-style-type: none"> <li>• Direct operations</li> <li>• Upstream value chain</li> <li>• Downstream value chain [not shown to FS]</li> <li>• Banking (Bank) portfolio [FS only]</li> <li>• Investing (Asset manager)</li> </ul>	Select all that apply:  <ul style="list-style-type: none"> <li>• Capital adequacy and risk-weighted assets</li> <li>• Liquidity risk</li> <li>• Funding risk</li> <li>• Market risk</li> <li>• Credit risk</li> <li>• Insurance risk</li> <li>• Reputational risk</li> </ul>	Select all that apply:  [Country/area a drop-down list]

					portfolio [FS only] <ul style="list-style-type: none"> <li>Investing (Asset owner) portfolio [FS only]</li> <li>Insurance underwriting portfolio [FS only]</li> <li>End-of-life management [P only]</li> </ul>	<ul style="list-style-type: none"> <li>Policy and legal risk</li> <li>Systemic risk</li> <li>Operational risk</li> <li>Strategic risk</li> <li>Other non-financial risk</li> <li>None</li> </ul>	
Forests		Select all that apply: <ul style="list-style-type: none"> <li>Timber products</li> <li>Palm oil</li> <li>Cattle products</li> <li>Cocoa</li> <li>Coffee</li> <li>Soy</li> <li>Rubber</li> <li>Other, please specify [FS only]</li> <li>Not applicable</li> </ul>					
Water		N/A					
Plastics		N/A					
Biodiversity [M-B only]		N/A					
Select from: <ul style="list-style-type: none"> <li>Climate change</li> <li>Forests</li> <li>Water</li> <li>Plastics</li> <li>Biodiversity [M-B only]</li> </ul>							

8	9	10	11	12	13	14	15
<b>River basin where the risk occurs</b>	<b>Mining project ID</b>	<b>Organization-specific description of risk</b>	<b>% of portfolio value vulnerable to this risk</b>	<b>Primary financial effect of the risk</b>	<b>Time horizon over which the risk is anticipated to have a substantive effect on the organization</b>	<b>Likelihood of the risk having an effect within the anticipated time horizon</b>	<b>Magnitude</b>
N/A	N/A	Text field [maximum	Select from:	Select from the drop-	Select all that apply:	Select from:	Select from: <ul style="list-style-type: none"> <li>High</li> <li>Medium-high</li> </ul>

		1,500 characters]	<ul style="list-style-type: none"> <li>• Less than 1%</li> <li>• 1-10%</li> <li>• 11-20%</li> <li>• 21-30%</li> <li>• 31-40%</li> <li>• 41-50%</li> <li>• 51-60%</li> <li>• 61-70%</li> <li>• 71-80%</li> <li>• 81-90%</li> <li>• 91-99%</li> <li>• 100%</li> </ul>	down list below	<ul style="list-style-type: none"> <li>• Short-term</li> <li>• Medium-term</li> <li>• Long-term</li> <li>• The risk has already had a substantive effect on our organization in the reporting year</li> <li>• Unknown</li> </ul>	<ul style="list-style-type: none"> <li>• Virtually certain</li> <li>• Very likely</li> <li>• Likely</li> <li>• More likely than not</li> <li>• About as likely as not</li> <li>• Unlikely</li> <li>• Very unlikely</li> <li>• Exceptionally unlikely</li> <li>• Unknown</li> </ul>	<ul style="list-style-type: none"> <li>• Medium</li> <li>• Medium-low</li> <li>• Low</li> <li>• Unknown</li> </ul>
N/A	N/A						
Select all that apply:  [River basin drop-down list]  • Unknown Other, please specify	N/A						
N/A	N/A						
N/A	Select all that apply:  • All disclosed mining projects • Projects 1-70						

Table continued ...

16	17	18	19	20	21	22
<b>Effect of the risk on the financial position, financial performance and cash flows of the organization in the reporting year</b>	<b>Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons</b>	<b>Are you able to quantify the financial effect of the risk?</b>	<b>Financial effect figure in the reporting year (currency)</b>	<b>Anticipated financial effect figure in the short-term – minimum (currency)</b>	<b>Anticipated financial effect figure in the short-term – maximum (currency)</b>	<b>Anticipated financial effect figure in the medium-term – minimum (currency)</b>
Text field [maximum 2,500 characters]	Text field [maximum 2,500 characters]	Select from:  • Yes • No	Numerical field [enter a number from 0 to 999,999,999,999,999 using up to 2	Numerical field [enter a number from 0 to 999,999,999,999,999,999	Numerical field [enter a number from 0 to 999,999,999,999,999,999 using up to 2	Numerical field [enter a number from 0 to 999,999,999,999,999,999 using up to 2

			decimal places]	using up to 2 decimal places]	decimal places]	decimal places]
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23	24	25	26	27	28	29	30
<b>Anticipated financial effect figure in the medium-term – maximum (currency)</b>	<b>Anticipated financial effect figure in the long-term – minimum (currency)</b>	<b>Anticipated financial effect figure in the long-term – maximum (currency)</b>	<b>Explanation of financial effect figure</b>	<b>Primary response to risk</b>	<b>Cost of response to risk</b>	<b>Explanation of cost calculation</b>	<b>Description of response</b>
Numerical field [enter a number from 0 to 999, 999, 999,999,999 using up to 2 decimal places]	Numerical field [enter a number from 0 to 999, 999, 999,999,999 using up to 2 decimal places]	Numerical field [enter a number from 0 to 999, 999, 999,999,999 using up to 2 decimal places]	Text field [maximum 2,500 characters]	Select from drop-down options below	Numerical field [enter a number from 0 to 999, 999,999,999 using up to 2 decimal places]	Text field [maximum 1000 characters]	Text field [maximum 2,000 characters]

Risk type and primary environmental risk driver (column 4)	
<p><b>Policy</b></p> <ul style="list-style-type: none"> <li>• Carbon pricing mechanisms [C only]</li> <li>• Changes to international law and bilateral agreements</li> <li>• Changes to national legislation</li> <li>• Changes to regulation of existing products and services</li> <li>• Increased difficulty in obtaining operations permits</li> <li>• Increased difficulty in obtaining water withdrawal permits [W only]</li> <li>• Introduction of regulatory standards for previously unregulated contaminants [W only]</li> <li>• Increased pricing of water [W only]</li> <li>• Lack of globally accepted and harmonized definitions [P only]</li> <li>• Lack of mature certification and sustainability standards</li> <li>• Limited or lack of river basin management [W only]</li> <li>• Limited or lack of transboundary water management [W only]</li> <li>• Mandatory water efficiency, conservation, recycling or process standards [W only]</li> <li>• Poor enforcement of environmental regulation</li> <li>• Poor coordination between regulatory bodies</li> <li>• Protected area designation [M-B only]</li> <li>• Regulation of discharge quality/volumes [W only]</li> <li>• Statutory water withdrawal limits/changes to water allocation [W only]</li> <li>• Uncertainty and/or conflicts involving land tenure rights and water rights [F, W, B only]</li> <li>• Other policy risk, please specify</li> </ul> <p><b>Liability</b></p> <ul style="list-style-type: none"> <li>• Exposure to sanctions and litigation</li> <li>• Non-compliance with legislation</li> <li>• Moratoria and voluntary agreements [W, F only]</li> <li>• Regulation and supervision of environmental risk in the financial sector [FS only]</li> <li>• Other liability risk, please specify</li> </ul> <p><b>Technology</b></p>	<p><b>Reputation</b></p> <ul style="list-style-type: none"> <li>• Exclusion of vulnerable and marginalized stakeholders (e.g., informal workers) [P only]</li> <li>• Impact on human health</li> <li>• Increased partner and stakeholder concern or negative partner and stakeholder feedback</li> <li>• Insurance underwriting that could create or contribute to systemic risk for the economy [FS only]</li> <li>• Investing that could create or contribute to systemic risk for the economy [FS only]</li> <li>• Lending that could create or contribute to systemic risk for the economy [FS only]</li> <li>• Negative press coverage related to support of projects or activities with negative impacts on the environment (e.g. GHG emissions, deforestation &amp; conversion, water stress)</li> <li>• Stigmatization of sector</li> <li>• Other reputation risk, please specify</li> </ul> <p><b>Acute physical</b></p> <ul style="list-style-type: none"> <li>• Avalanche</li> <li>• Cold wave/frost</li> <li>• Cyclone, hurricane, typhoon</li> <li>• Drought</li> <li>• Flooding (coastal, fluvial, pluvial, groundwater)</li> <li>• Glacial lake outburst</li> <li>• Heat wave</li> <li>• Heavy precipitation (rain, hail, snow/ice)</li> <li>• Landslide</li> <li>• Pollution incident [W, P only]</li> <li>• Rupture of tailings dams [W-MM only]</li> <li>• Storm (including blizzards, dust and sandstorm)</li> <li>• Subsidence</li> <li>• Tornado</li> <li>• Toxic spills [W only]</li> <li>• Wildfires</li> <li>• Other acute physical risk, please specify</li> </ul>

<ul style="list-style-type: none"> <li>• Dependency on water intensive energy sources [C, W only]</li> <li>• Inability to increase yield of existing production areas [F only]</li> <li>• Lack of access to data or monitoring systems</li> <li>• Limited access to drought-resistant crop varieties [W-AC/FB only]</li> <li>• Limited access to soil conservation and other sustainable techniques [AC/FB/PF only]</li> <li>• Transition to bio-based chemicals [W-CH only]</li> <li>• Transition to reusable products [P only]</li> <li>• Transition to recyclable plastic products [P only]</li> <li>• Transition to increasing renewable content [P only]</li> <li>• Transition to increasing recycled content [P only]</li> <li>• Transition to lower emissions technology and products [C only]</li> <li>• Transition to water efficient and low water intensity technologies and products [W only]</li> <li>• Transition to water intensive, low-carbon energy sources [C, W only]</li> <li>• Unsuccessful investment in new technologies</li> <li>• Other technology risk, please specify</li> </ul>	<p><b>Chronic physical</b></p> <ul style="list-style-type: none"> <li>• Acid rock drainage and metal leaching [MM,CO,M-B only] [W and B only]</li> <li>• Change in land-use</li> <li>• Changing precipitation patterns and types (rain, hail, snow/ice)</li> <li>• Changing temperature (air, freshwater, marine water)</li> <li>• Changing wind patterns [C only]</li> <li>• Coastal erosionDeclining ecosystem services [F, W, B only]</li> <li>• Declining water quality [W only]</li> <li>• Groundwater depletion [W only]</li> <li>• Heat stress [C, F only]</li> <li>• Inadequate water-related infrastructure [W only]</li> <li>• Increased ecosystem vulnerability [F, W, B only]</li> <li>• Increased levels of environmental pollutants in freshwater bodies [W only]</li> <li>• Increased levels of macro or microplastic leakage to air, soil, freshwater and/or marine bodies [P only]</li> <li>• Increased severity of extreme weather events</li> <li>• Limited area for disposing solid waste [M-B only]</li> <li>• Land loss to desertification [F only]</li> <li>• Leaching of hazardous substances from plastics [P only]</li> <li>• Ocean acidification</li> <li>• Operations in or adjacent to areas important for biodiversity [M-B only]</li> <li>• Permafrost thawing [C, W only]</li> <li>• Poorly managed sanitation [W only]</li> <li>• Precipitation or hydrological variability</li> <li>• Rationing of municipal water supply [W only]</li> <li>• Reserves located in or adjacent to areas important for biodiversity [M-B only]</li> <li>• Saline intrusion [F, W only]</li> <li>• Scarcity of land resources [F only]</li> <li>• Sea level rise</li> <li>• Seasonal supply variability [F, W only]</li> <li>• Soil degradation</li> <li>• Soil erosion</li> <li>• Solifluction</li> <li>• Temperature variability</li> <li>• Threatened species in or near mining operation [M-B only]</li> <li>• Water stress</li> <li>• Other chronic physical risk, please specify</li> </ul>
<p><b>Market</b></p> <ul style="list-style-type: none"> <li>• Changing customer behavior</li> <li>• Contraction of insurance markets, leaving clients exposed and changing the risk parameters of the credit [FS only]Inability to attract co-financiers and/or investors due to uncertain risks related to the environment [FS only]Inadequate access to water, sanitation, and hygiene services [W only]</li> <li>• Increased costs and/or uncertainties related to the cost of virgin plastics [P only]</li> <li>• Lack of availability and/or increased cost of certified sustainable material [C, F, P only]</li> <li>• Lack of availability and/or increased cost of raw materials [F only]</li> <li>• Lack of availability and/or increased cost of recycled or renewable content [C, W, F, P only]</li> <li>• Leakage markets [F only]</li> <li>• Limited visibility of embedded commodities [F only]</li> <li>• Loss of clients due to a fund's poor environmental performance outcomes (e.g. if a fund has suffered climate-related write-downs) [CC-FS only]</li> <li>• Rise in risk-based pricing of insurance policies (beyond demand elasticity) [FS only]</li> <li>• Uncertainty about commodity origin and/or legality [F only]</li> <li>• Uncertainty in market signals</li> <li>• Other market risk, please specify</li> </ul>	

Primary financial effect of the risk (column 12)	
<ul style="list-style-type: none"> <li>• Brand damage</li> <li>• Change in revenue mix and sources</li> <li>• Closure of operations</li> <li>• Constraint to growth</li> <li>• Decrease in shareholder value</li> <li>• Decreased access to capital</li> <li>• Decreased asset value or asset useful life leading to write-offs, asset impairment or early retirement of existing assets</li> <li>• Decreased revenues due to reduced demand for products and services</li> <li>• Decreased revenues due to reduced production capacity</li> <li>• Delays in securing operating licenses</li> </ul>	<ul style="list-style-type: none"> <li>• Increased capital expenditures</li> <li>• Increased compliance costs</li> <li>• Increased cost of capital</li> <li>• Increased credit risk</li> <li>• Increased direct costs</li> <li>• Increased indirect [operating] costs</li> <li>• Increased insurance claims liability [FS only]</li> <li>• Increased insurance premiums</li> <li>• Increased production costs</li> <li>• Litigation</li> <li>• Loss of license to operate</li> <li>• Mine closure [MM, CO, M-B only]</li> </ul>



<ul style="list-style-type: none"> <li>• Devaluation of collateral and potential for stranded, illiquid assets [FS only]</li> <li>• Disruption in production capacity</li> <li>• Disruption to sales</li> <li>• Disruption in upstream value chain</li> <li>• Disruption to workforce management and planning</li> <li>• Fines, penalties or enforcement orders</li> </ul>	<ul style="list-style-type: none"> <li>• Reduced availability of insurance on assets in “high-risk” locations</li> <li>• Reduced profitability of investment portfolios [FS only]</li> <li>• Upfront costs to adopt/deploy new practices and processes</li> <li>• Other, please specify</li> </ul>
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**Primary response to risk (column 27)**

<p><b>Agricultural practices</b></p> <ul style="list-style-type: none"> <li>• Adopt alternative crop management strategies to reduce fertilizer and pesticide use [W-AC/FB only]</li> <li>• Adopt alternative livestock management practices [AC/FB only]</li> <li>• Adopt better animal waste management practices [W-AC/FB only]</li> <li>• Adopt sustainable irrigation practices [W only]</li> <li>• Avoid sourcing from jurisdictions with a high risk of deforestation and conversion of other natural ecosystems [F only]</li> <li>• Improve soil health [F, W only]</li> <li>• Reduce food waste throughout the value chain [AC/FB only]</li> <li>• Species management and/or recovery [F only]</li> <li>• Transition from production/sourcing of cattle products [F - Cattle only]</li> <li>• Transition towards a diversified product portfolio that includes alternative proteins [F - Cattle only]</li> <li>• Transition towards a diversified product portfolio that includes alternative materials [recycled and/or plant-based] [F - Cattle only]</li> <li>• Use drought resistant crop varieties [AC/FB only]</li> <li>• Other agricultural practice, please specify</li> </ul> <p><b>Diversification</b></p> <ul style="list-style-type: none"> <li>• Develop new products, services and/or markets</li> <li>• Increase supplier diversification</li> <li>• Marketing campaign[s]</li> <li>• Market expansion</li> <li>• Improve emergency response systems in sourcing regions [F only]</li> <li>• Improve fire management systems in sourcing regions [F only]</li> <li>• Other diversification, please specify</li> </ul> <p><b>Engagement</b></p> <ul style="list-style-type: none"> <li>• Align organization’s public policy engagement with its environmental strategy</li> <li>• Engage in multi-stakeholder initiatives</li> <li>• Engage with customers</li> <li>• Engage with local communities</li> <li>• Engage with NGOs/special interest groups</li> <li>• Engage with regulators/policy makers</li> <li>• Engage with River Basin Organizations [W only]</li> <li>• Engage with suppliers</li> <li>• Engage with trade unions</li> <li>• Ensure grievance mechanisms are available to relevant stakeholders [FW]</li> </ul>	<p><b>Infrastructure, technology and spending</b></p> <ul style="list-style-type: none"> <li>• Adopt water efficiency, water reuse, recycling and conservation practices [W only]</li> <li>• Establish and improve end-of-life infrastructure and/or technology [P only]</li> <li>• Implementing buffer stocks or dual sourcing</li> <li>• Improve maintenance of infrastructure [C, W only]</li> <li>• Improve pollution abatement and control measures [P, W only]</li> <li>• Increase environment-related capital expenditure</li> <li>• Increase geographic diversity of facilities</li> <li>• Increase investment in R&amp;D</li> <li>• Increase investment in water, sanitation and hygiene [WASH] [W only]</li> <li>• Greater focus on brownfield expansion [M-B only]</li> <li>• Secure alternative water supply [W only]</li> <li>• Take action to move from single-use plastic products/packaging towards reuse models [P only]</li> <li>• Take action to remove single-use plastic products/packaging [P only]</li> <li>• Take action to switch to recycled content to reduce virgin plastic [P only]</li> <li>• Take action to switch to technically recyclable plastic [P only]</li> <li>• Take action to switch to plastic which is recyclable in practice and at scale [P only]</li> <li>• Take action to reduce microplastic emissions [P only]</li> <li>• Utilize aquifer storage to accrue recharge credits [W only]</li> <li>• Other infrastructure, technology and spending, please specify</li> </ul> <p><b>Nature based solutions, restoration and conservation</b></p> <ul style="list-style-type: none"> <li>• Biodiversity offsetting [F, M-B only]</li> <li>• Implement ecosystem restoration and long-term protection [C, F only]</li> <li>• Engage and support landscape and jurisdictional initiatives [F, M-B only]</li> <li>• Implement nature-based solutions</li> <li>• Promotion of sustainable forest management, including financial incentives [F only]</li> <li>• Support catchment and river restoration [W only]</li> <li>• Support river basin restoration [W only]</li> <li>• Voluntary engagement in conservation projects (including reforestation, afforestation and ecosystem restoration) [F, M-B only]</li> <li>• Other nature-based solution, restoration and conservation, please specify</li> </ul> <p><b>Policies and plans</b></p>
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<ul style="list-style-type: none"> <li>• Introduce/strengthen environmental incentives</li> <li>• Other engagement, please specify</li> </ul> <p><b>Compliance, monitoring and targets</b></p> <ul style="list-style-type: none"> <li>• Ensure no deforestation <u>and no</u> conversion in own operations [F only]</li> <li>• Establish site-specific targets</li> <li>• Establish organization-wide targets</li> <li>• Greater compliance with regulatory requirements</li> <li>• Greater due diligence</li> <li>• Greater traceability of commodities [F only]</li> <li>• Implementation of environmental best practices in direct operations</li> <li>• Improve monitoring of direct operations</li> <li>• Improve monitoring of upstream and downstream activities</li> <li>• New or tighter supplier performance standards</li> <li>• Promotion of best practice and awareness in the value chain</li> <li>• Promotion of certification, including financial incentives [F, M-B only]</li> <li>• Other compliance, monitoring or target, please specify</li> </ul>	<ul style="list-style-type: none"> <li>• Adopt regenerative agriculture policies [F and W only]</li> <li>• Amend the Business Continuity Plan</li> <li>• Consider relevant transboundary water policies and agreements at national, bilateral or regional level [W only]</li> <li>• Develop a circular economy plan [P only]</li> <li>• Develop a plan to reduce macro and microplastic leakage [P only]</li> <li>• Develop a climate transition plan [C only]</li> <li>• Develop drought emergency plans</li> <li>• Develop flood emergency plans</li> <li>• Improve alignment of public policy influencing activity with environmental commitments [C, F, W only]</li> <li>• Increase insurance coverage</li> <li>• Increased use of sustainably sourced materials</li> <li>• More ambitious environmental commitments and policies</li> <li>• More ambitious no-conversion commitments and policies [F only]</li> <li>• More ambitious policies and commitments to protect natural ecosystems [F, W, M-B only]</li> <li>• Participation in environmental collaborative industry frameworks, initiatives and/or commitments</li> <li>• Use risk transfer instruments</li> <li>• Other policies or plans, please specify</li> </ul> <p><b>Pricing and credits</b></p> <ul style="list-style-type: none"> <li>• Implement internal price on carbon [C only]</li> <li>• Implement internal price on water [W only]</li> <li>• Increase internal price on carbon [C only]</li> <li>• Increase internal price on water [W only]</li> <li>• Purchase water quality credits [W only]</li> <li>• Promotion/purchase of carbon credits [C, F only]</li> <li>• Other pricing or credit, please specify</li> </ul>
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Requested content	<p><i>General</i></p> <ul style="list-style-type: none"> <li>• Risks reported should include those which either have had or are anticipated to have a substantive effect on your strategy, business activities, value chain, financial position (e.g. assets and liabilities), financial performance (e.g., revenue or expenditure) and cash flows, irrespective of whether the risk has been responded to or accepted.</li> <li>• <b>If a risk relates to multiple environmental issues (e.g. climate change and water), repeat the risk in a row for each relevant environmental issue and use the same risk identifier (column 2) and provide the same information across these rows.</b></li> <li>• Your selection in column 13 “Time horizon over which the risk...” and column 18 “Are you able to quantify the financial effect of the risk?” will determine the appearance of subsequent columns: <ul style="list-style-type: none"> <li>• If you select “Yes” (i.e. you can provide financial figures related to the risk), columns 19 “Financial effect figure in the reporting year (currency)” to column 25 “Explanation of financial effect figure” may be presented depending on the time horizons selected in column 13 “Time horizon over which the risk...”.</li> </ul> </li> </ul> <p><i>Risk identifier (column 2)</i></p> <ul style="list-style-type: none"> <li>• Select a unique identifier from the drop-down list to track the risk across subsequent questions and reporting years. Select from Risk1-Risk100 and maintain consistency by using the same identifier for recurring risks. For new risks, use a unique identifier that you have not previously used.</li> </ul>
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- If the risk relates to multiple environmental issues, use the same identifier in each row referring to the risk.

*Risk type and primary risk driver (column 4)*

- The risk types are based on the TNFD's categories of nature-related physical (acute and chronic) and transition (policy, market, reputation, technology, liability) risks. See the Explanation of terms for more information on the types of risks.

*Value chain stage where the risk occurs (column 5)*

- Note for financial services companies: The options shown will be driven by the organizational activities you selected in 1.10.
- Refer to the "Explanation of Terms" section for definitions of value chain stages.

*Risk type mapped to traditional financial services industry risk classification [FS only] (column 6)*

- When assessing environmental risks in this column, consider their alignment with your existing organizational framework. Determine how these risks integrate into your traditional industry risk framework, particularly regarding the classification of potential financial effect. If an identified risk corresponds to multiple industry risk categories, select all that apply.
  - **Capital adequacy and risks weighted assets:** refers to the minimum amount of capital that must be held by financial institutions in order to reduce the risk of insolvency.
  - **Liquidity risk:** occurs when a financial institution cannot meet its short-term debt obligations.
  - **Funding risk:** refers to the risk associated with the effect on a project's cash flow from higher funding costs or lack of availability of funds.
  - **Market risk:** refers to the possibility of loss resulting from an adverse movement in asset prices.
  - **Credit risk:** refers the possibility of a loss resulting from a counterparty's failure to repay a loan or meet contractual obligations.
  - **Insurance risk:** refers to the possibility of loss resulting from an event(s) that triggers the insurer to pay claims.
  - **Reputational risk:** refers to the risk for negative public perception or to the potential of uncontrollable events to have an effect on a company's reputation.
  - **Policy and legal risk:** refers to the possibility that legal action will be taken because of an individual's or corporation's actions, inaction, products, services, or other events.
  - **Systemic risk:** the possibility that an event at the company level could trigger severe instability or collapse an entire industry or economy.
  - **Operational risk:** refers to the possibility of loss resulting from failed processes, systems, human error or outside influences.

*Organization-specific description of risk (column 10)*

- Provide further contextual information on the risk driver, including more detail on the exact nature, location and/or regulation of the effect concerned, as well as any notable geographic/regional examples.
- Include organization-specific details, such as references to activities, programs, products, services, methodologies, or operating locations specific to your organization's business or operations.

*% of portfolio value vulnerable to this risk [FS only] (column 12)*

- Provide the proportion of your total portfolio value based on total assets value (as reported in 1.10) that is vulnerable to this risk. See "Explanation of terms" for a definition of vulnerability.

*Magnitude (column 15)*

- The magnitude describes the extent to which the effect, if it occurred, would affect your business. You should consider the business as a whole and therefore the magnitude can reflect both the damage that may be caused and the exposure to that potential damage.

- For example, two organizations may have identical facilities located on a coast in an area which is vulnerable to sea level rise. However, if organization A relies on that facility for 90% of its production capacity and organization B relies on it for only 40% of its production capacity, the magnitude of a sea level rise effect on organization A will be comparatively higher than that on company B.
- It is not possible for CDP to accurately define terms for magnitude as they will vary from organization to organization. For example, a 1% reduction in profits will have different effects on different organizations depending on the profit margins on which they work. Therefore, organizations are asked to determine magnitude on a qualitative scale. Factors to consider include:
  - The proportion of business units affected;
  - The size of the effect on those business units;
  - The dependency of the company on those units; and
  - The potential for shareholder or customer concern.
- If the financial effect has not been assessed by your organization, select “Unknown”.

*Effect/Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the [reporting year/selected future time horizons] (columns 16 & 17)*

- These columns appear dependent on selections in column 13 “Time horizon over which...”.
- If a quantitative figure cannot be provided, explain why the figure cannot be provided and describe the financial effect in relative terms (e.g., as a percentage relative to a stated or publicly available figure) or provide a qualitative estimate. Otherwise, if you are unable to provide any information to quantify the effect, state “The effect has not been quantified financially”.
  - Examples of reasons for being unable to provide a quantitative figure include: “the effects are not separately identifiable” or “the level of measurement uncertainty is too high, rendering quantitative information about this risk not useful”.
  - In the latter case, this column should also be used to provide a description of the financial effect in relative terms (for example as a percentage relative to a stated or publicly available figure) or give a qualitative estimate of the financial effect. Otherwise, if you have no information about the financial effect, please state “The effect has not been quantified financially”. Quantitative information could include:
    - The line items, totals and subtotals within the related financial statements that are likely to be affected or have been affected by that risk.

*Are you able to quantify the financial effects of the opportunity? (column 18)*

- It is acknowledged that figures provided will be estimates and, where possible, assumptions made in arriving at a financial effect figure should be stated in column 26 “Explanation of financial effect figures”.

*Financial effect/Anticipated financial effect figure [...] minimum/maximum (currency) (columns 19-25)*

- These columns are only presented if you select “Yes” in column 18 “Are you able to quantify the financial effect of the risk?”, corresponding to the time horizons selected in column 13 “Time horizon over which...”.
- Provide the figure for the financial effect in the reporting year, if relevant. Provide the estimated figure/range for the financial effect per future time horizon, prior to considering any mitigation measures in place.
- This figure should be in the same currency that you selected in 1.2 for all financial information disclosed throughout your response.
  - Financial figures should reflect the effect of the risk on your organization’s financial performance, such as revenue and costs and its financial position, such as assets and liabilities.
  - For example, for organizations with a medium-term horizon of 3-5 years, a cumulative figure/range should be provided for the years covered by the time horizon.
- For risks which have had an effect in the reporting year (column 19 “Financial effect figure in the reporting year (currency)”), consider the following when calculating the financial effect of the risk, alongside any other relevant financial effect of the risk:

- For physical risks:
  - The value of capital expenditure on infrastructure asset repair or replacement as a result of loss and damage,
  - The percentage increase in insurance costs due to loss and damage,
  - Capital expenditure on adaption due to the effects of physical risks,
  - Costs associated with the relocation of operations and suppliers due to the effects of physical risks.
- For policy risks:
  - A description and value of any fines/penalties received,
  - A description and value of clean-up costs,
  - A description and value of costs relating to loss of operating areas,
  - A description and value of litigation action taken against the organization associated with environmental related issues.
- For market risks:
  - The costs related to loss of market access,
  - The costs related to raw material and natural resource price volatility.
- For reputational risks:
  - The increased costs/loss of revenue due to reputational risks,
  - The decreased revenues due to reduced demand for products and services and reduced production capacity.
- For technological risks:
  - Expenditure on R&D for new and alternative technologies related to mitigation and adaptation of risks.
- For all risks:
  - Any other effects from environmental risks which have resulted in increased direct and indirect (operating) costs, increased capital expenditures, increased credit risk, decreased access to capital and asset value, decreased asset useful life leading to write-offs, asset impairment or early retirement of existing assets.

*Explanation of financial effect figures (column 26)*

- This column is only presented if you select “Yes” in column 18 “Are you able to quantify the financial effects of the risk?”.
- Explain all financial effect figures across the selected time horizons reported in columns 19-25 and describe the methodology used to determine these figures (or ranges), including:
  - The approach utilized for calculation;
  - The calculation method employed;
  - How the figure relates to the primary effect identified in column 12 “Primary financial effect of the risk”;
  - The numerical values used in the calculation; and
  - Any underlying assumption influencing the figure.
- You can also give further qualitative information, such as describing other financial effects resulting from the selected risk (aside from the primary effect identified in column 12 “Primary financial effect of the risk”). If “Other, please specify” is selected in column 12 “Primary financial effect of the risk”, provide more details on the nature of the effect.

*Cost of response to risk (column 28)*

- This column only appears if you select any option other than “Plastics” in column 1 “Environmental issues”.
- Provide a quantitative figure representing the cost of your risk response actions. If there are no costs associated with responding to the risk, enter 0.
- If an absolute value cannot be provided, report a percentage value by entering 0 in this column and reporting the percentage figure in column 29 “Explanation of cost calculation”, including an explanation of the percentage calculation.
- This figure should be in the same currency that you selected in question 1.2 for all financial information disclosed throughout your response.

	<p><i>Explanation of cost calculation (column 29)</i></p> <ul style="list-style-type: none"> <li>• This column only appears if you select any option other than “Plastics” in column 1 “Environmental issues”.</li> <li>• Explain the methodology used to calculate the figure for the cost of managing the risk (in column 28), including the numerical values used in your calculation.</li> <li>• If there are no costs associated with responding to the risk, explain how you arrived at a figure of 0, even if the cost is absorbed into business-as-usual activities.</li> </ul> <p><i>Description of response (column 30)</i></p> <ul style="list-style-type: none"> <li>• Provide details of your organization’s response to mitigate, control, transfer or accept the risk, including, if applicable, how the risk has been managed so far and future risk management procedures.</li> <li>• Describe the effect the response has had/is likely to have.</li> <li>• Include an example of organization-specific risk response actions (e.g., activities, projects, products and/or services).</li> <li>• Report whether the response strategy involves any collective action initiatives or contributes to the progress of a UN Sustainable Development Goal.</li> <li>• Note for water security disclosers: Your public response to this question may be shared with the Water Action Hub for knowledge sharing and collaboration in water stewardship. Before submitting your disclosure to CDP, you will be requested to indicate your permission for CDP to share contact details. This enables the Hub to contact you about a project suitable for sharing on their platform and obtain your consent. This is optional. Provide as much relevant information as possible about your response, particularly local projects, including: <ul style="list-style-type: none"> <li>• Partners involved in the joint project/initiative (e.g., organization names or government offices) or who you would like to work with (e.g., government agencies, other companies, NGOs);</li> <li>• Project objectives, including expected benefits for the river basin beyond the organization.</li> <li>• Timeline (e.g., start/end date or ongoing project); and</li> <li>• Specific location, if possible.</li> </ul> </li> </ul> <p>Note that these criteria are not scored but are crucial to building a project to share in the Water Action Hub and without this detail the project may not be suitable to transfer to this platform.</p>
<p>Requested content – [sector] (if applicable)</p>	<p><i>Note for oil and gas sector organizations:</i></p> <ul style="list-style-type: none"> <li>• Consider the effect of national and international emissions targets on oil and gas product demand. Will these targets lead to a shift towards a less carbon-intensive fuel mix? How will fuel efficiency standards influence demand for fuel?</li> <li>• Identify other regulatory factors affecting demand reduction such as restrictions on flaring or requirements for a certain level of climate-related performance (e.g., requirement for carbon sequestration).</li> <li>• Include these drivers in your response and explain how your portfolio of reserves is evolving in response to these regulatory changes.</li> </ul> <p><i>Note for electric utility sector organizations:</i></p> <ul style="list-style-type: none"> <li>• Electric utilities should consider, among other issues: <ul style="list-style-type: none"> <li>• How national and international targets on demand management might affect electricity demand;</li> <li>• Implications of related policies such as building regulations promoting energy-efficient buildings;</li> <li>• Policies promoting renewable electricity supply and technologies for GHG emissions reduction, e.g. CO2 capture and storage, clean coal technologies and energy storage;</li> </ul> </li> </ul> <p>The effects of any emissions trading schemes and compliance with emissions reduction targets, including the analysis of possible scenarios and their effect on your organization;</p> <ul style="list-style-type: none"> <li>• Consideration of carbon prices on wholesale and retail power prices across different markets in which you operate and the extent to which carbon prices may be reflected</li> </ul>

in electricity prices in these markets, based on current and anticipated regulatory requirements.

*Note for auto and auto component manufacturing organizations:*

- Consider the financial and strategic implications of current and planned national, regional, and international policies aimed at increasing automobile fuel efficiency and developing “clean” engines in each market you operate in.
- Consider the effect of related environmental policies, such as regulations and standards concerning air quality, alternative fuels usage, and sustainable mobility on your business.
- Specifically, you should consider how climate change policy may affect your sales, potential loss of market share, and additional compliance costs. Describe strategies for managing or passing down increased costs throughout the value chain, if applicable.

*Note for agricultural sector organizations:*

- Report on risks that may affect the revenue associated with the agriculture/forestry, processing/manufacturing and/or distribution. These risks often stem from:
  - Physical factors, e.g. extreme weather events that disrupt production/supply of raw materials.
  - Changes in regulation pertaining to agricultural, processing, manufacturing, distribution and/or consumption activities.
  - Changes in consumer demands and new market trends.

*Note for organizations with coal reserves:*

- Refer to [CDP Technical Note: Guidance for companies with coal reserves](#) for comprehensive information on disclosing demand and stranded asset risk.

*Note for financial services companies:*

- Report risks that are inherent and could have an effect on your investing, financing, underwriting and/or operational activities, regardless of any prior actions taken to respond to these risks.
- Financial effect figures should reflect the direct financial effect on your business, such as the potential write-downs or devaluation of assets, rather than merely portfolio exposure.
- Describe risks by sector and/or geography, as relevant.
- Consider both physical and transition risks, including the risk of stranded assets. These are assets that are no longer economically viable as a result of climate-related transition or physical risks.
- For banks:
  - Describe concentrations of credit exposure to carbon-related assets.
  - Disclose environmental risks (transition and physical) in lending and other financial intermediary activities.
- For insurance companies:
  - Consider environmental risks on re-/insurance portfolios, including physical, transition and liability risks;
  - Consider potential increases in litigation, such as directors and officers (D&O) liability claims; and
  - Describe environmental risks relevant to your investment portfolio as an asset owner.
- Asset owners/asset managers:
  - Consider environmental risks for each product or investment strategy.

*Note for real estate organizations:*

- Real estate, being a location-bound and long-term investment, faces significant exposure to environmental risks.
- Consider “stranded risks” – where assets may be devaluated or underperform, making them “stranded”.
- Stranded assets may be subject to write-downs due to:
  - Demand shifts towards sustainable properties, putting pressure on ‘non-green’ assets; and
  - Increased exposure to acute physical risks (e.g., storms, flooding, wildfires).

	<p><i>Notes for capital goods sector organizations:</i></p> <ul style="list-style-type: none"> <li>• End markets supplied by this sector are subject to increasing regulation and decarbonization targets; from building standards to mandated technologies for power generation. Organizations in this sector are thus indirectly exposed to risks in their value chain, and should consider, among other issues, risks associated with: <ul style="list-style-type: none"> <li>○ Carbon pricing regulation and stricter emissions constraints on products and services;</li> <li>○ Shifts in end-market demand away from fossil fuel-dependent technologies.</li> </ul> </li> </ul>
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Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	All
Sector	Question level	All (+M-B)

**(3.1.2) Provide the amount and proportion of your financial metrics from the reporting year that are vulnerable to the substantive effects of environmental risks.**

Question details	
Question dependencies	This question only appears if you select any of the “Yes,...” options in response to column 1 “Environmental risks identified” in the “Climate change”, “Forests”, or “Water” row of 3.1.
Change from last year	New question
Rationale	This question provides investors and data users with more transparency over the vulnerability of an organization to the substantive effects of environmental risks. Quantifying vulnerability can provide an understanding of the degree to which the organization stands to be affected by their anticipated risks. This can inform how and where the organization responds to environmental risk within their financial planning and strategy.
Ambition	The organization discloses organization-wide information, including: <ul style="list-style-type: none"> <li>○ Amount and proportion of total annual revenue vulnerable to 1) physical risks and 2) transition risks,</li> <li>○ Amount and proportion of assets vulnerable to 1) physical risks and 2) transition risks,</li> <li>○ Amount of capital expenditure deployed towards risks.</li> </ul>
Connection to other frameworks	IFRS S2 29  AFi Core Principle 5  TNFD Metrics & targets A  NZAM Commitment 6  ESRS 2 ESRS E1 ESRS E2 ESRS E3 ESRS E4
Response options	Please complete the following table. You are able to add rows by using the “Add Row” button at the bottom of the table.



1	2	3	4	5	6	7	8
<b>Environmental issue</b>	<b>Financial metric</b>	<b>Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)</b>	<b>% of total financial metric vulnerable to transition risks for this environmental issue</b>	<b>Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)</b>	<b>% of total financial metric vulnerable to physical risks for this environmental issue</b>	<b>Amount of CAPEX in the reporting year deployed towards risks related to this environmental issue</b>	<b>Explanation of financial figures</b>
Climate change	Select from: <ul style="list-style-type: none"> <li>Assets</li> <li>Liabilities</li> <li>Revenue</li> <li>CAPEX</li> <li>OPEX</li> <li>Other, please specify</li> </ul>	Numerical field [enter a number from 0 to 999,999,999,999,999,999 using up to 2 decimal places]	Select from: <ul style="list-style-type: none"> <li>Less than 1%</li> <li>1-10%</li> <li>11-20%</li> <li>21-30%</li> <li>31-40%</li> <li>41-50%</li> <li>51-60%</li> <li>61-70%</li> <li>71-80%</li> <li>81-90%</li> <li>91-99%</li> <li>100%</li> </ul>	Numerical field [enter a number from 0 to 999,999,999,999,999,999 using up to 2 decimal places]	Select from: <ul style="list-style-type: none"> <li>Less than 1%</li> <li>1-10%</li> <li>11-20%</li> <li>21-30%</li> <li>31-40%</li> <li>41-50%</li> <li>51-60%</li> <li>61-70%</li> <li>71-80%</li> <li>81-90%</li> <li>91-99%</li> <li>100%</li> </ul>	Numerical field [enter a number from 0 to 999,999,999,999,999,999 using up to 2 decimal places]	Text field [maximum 2,500 characters]
Forests							
Water							
Select from: <ul style="list-style-type: none"> <li>Climate change</li> <li>Forests</li> <li>Water</li> </ul>							

<b>Requested content</b>	<p><i>General</i></p> <ul style="list-style-type: none"> <li>Options in column 1 “Environmental issue” are dependent on selections in column 1 “Environmental risks identified” of 3.1.</li> <li>You should report at least one row for each environmental issue presented in column 1 “Environmental issue”, based on the financial metric in column 2 “Financial metric” most relevant to your business. You may choose to add rows to report based on additional financial metrics.</li> <li>As per the TCFD and TNFD LEAP guidance, “vulnerability encompasses a variety of concepts and elements, including sensitivity or susceptibility to harm and lack of capacity to cope and adapt” (see Explanation of Terms for definition of vulnerability). For organizations following the LEAP approach, vulnerability is determined in the Assess phase, considering the likelihood of the risk arising and the organization’s ability to mitigate the risk.</li> <li>Environmental risks to which your organization is vulnerable may relate to one or more environmental issues. For example, if you have assessed a particular asset to be vulnerable to climate-change induced flooding risk, you may include the asset in the calculation of vulnerability to both climate and water-related risks.</li> </ul>
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	<ul style="list-style-type: none"> <li>Consider the amount and proportion of the financial metric vulnerable to risks which are anticipated to have a substantive effect on the organization in any time horizon. For example, all assets vulnerable to physical risks in any of the short, medium, or long-term time horizons should be included when calculating the option selected in column 5 “Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)”.</li> </ul> <p><i>Financial metric (column 2)</i></p> <ul style="list-style-type: none"> <li>Select the financial metric for which you have assessed your organization’s vulnerability to risks related to the environmental issue in column 1.</li> <li>If reporting multiple financial metrics to indicate your organization’s vulnerability to risks for each environmental issue, you may add rows to report additional financial metrics.</li> <li>You should report the metrics that are most relevant to your business activities.</li> </ul> <p><i>% of total financial metric vulnerable to physical/transition risks for this environmental issue (column 4 &amp; 6)</i></p> <ul style="list-style-type: none"> <li>Out of the total of the financial metric selected in column 2 “Financial metric”, indicate the proportion of that metric considered vulnerable to risks relating to this environmental issue.</li> <li>Calculate this number by dividing the value provided in column 3 “Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)” by the total value of the selected financial metric. <ul style="list-style-type: none"> <li>E.g. If “Climate change” is the environmental issue in column 1 “Environmental issue” and “Revenue” is the financial metric selected in column 2 “Financial metric”, divide the value of your revenue vulnerable to climate-related risks by your total revenue.</li> </ul> </li> <li>Select the closest range to the calculated % and provide an explanation in column 8 “Explanation of financial figures”.</li> </ul> <p><i>Amount of CAPEX in the reporting year deployed towards risks related to this environmental issue (column 7)</i></p> <ul style="list-style-type: none"> <li>This column only appears if you select “CAPEX” in column 2 “Financial metric”.</li> <li>Indicate the total amount of capital expenditure in the reporting year that was spent towards risks relating to each environmental issue. <ul style="list-style-type: none"> <li>E.g. If you purchased a particular asset in the reporting year as a response to a climate-related risk, the capital expenditure associated with this purchase should be included in the figure reported in row “Climate change”.</li> </ul> </li> </ul> <p><i>Explanation of financial figures (column 8)</i></p> <ul style="list-style-type: none"> <li>There are differing approaches to the calculation of vulnerability to risk. Describe the methodology used to derive the figures, including: <ul style="list-style-type: none"> <li>The approach employed for calculation; and</li> <li>Any assumptions underlying the figure.</li> </ul> </li> </ul>
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<b>Authoring notes</b>		
<b>Tags</b>		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	C, F, W
Sector	Question level	All

**(3.2) Within each river basin, how many facilities are exposed to substantive effects of water-related risks, and what percentage of your total number of facilities does this represent?**

<b>Question details</b>
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Question dependencies	This question only appears if you select any of the “Yes...” options in response to column “Environmental risks identified” for the “Water” row of 3.1.
Change from last year	Modified question (2023 W4.1c)
Rationale	<p>Information on river basins provides a deeper understanding of the potential significance of the water risk exposure associated with each basin, which may be driven by the organization’s dependencies and impacts.</p> <p>Knowing the number of facilities at risk for each basin and the potential impact of this risk exposure helps organizations with decision making based on basin-level issues. It allows financial planning at that level to take account of water issues and provides a powerful indicator to support river basin action and investment.</p>
Connection to other frameworks	<p><i>CEO Water Mandate</i></p> <p>Implications: Business risks</p> <p>TNFD Strategy A</p> <p>TNFD Strategy B</p> <p>TNFD Metrics &amp; Targets A</p> <p>ESRS E3</p>
Response options	Please complete the following table. You are able to add rows by using the “Add Row” button at the bottom of the table.

1a	1b	2	3	4	5	6
Country/Area	River basin	Value chain stages where facilities at risk have been identified in this river basin	Number of facilities within direct operations exposed to water-related risk in this river basin	% of your organization’s total facilities within direct operations exposed to water-related risk in this river basin	Number of facilities within downstream value chain exposed to water-related risk in this river basin	Number of facilities in upstream value chain exposed to water-related risk in this river basin
Select from: <ul style="list-style-type: none"> <li>Country/area drop-down list</li> </ul>	Select from: <ul style="list-style-type: none"> <li>River basin drop-down list</li> <li>Not known</li> <li>Other, please specify</li> </ul>	Select all that apply: <ul style="list-style-type: none"> <li>Direct operations</li> <li>Downstream value chain</li> <li>Upstream value chain</li> </ul>	Numerical field [enter a number from 0-1,000 using no decimals or commas]	Select from: <ul style="list-style-type: none"> <li>Less than 1%</li> <li>1-25%</li> <li>26-50%</li> <li>51-75%</li> <li>76-99%</li> <li>100%</li> <li>Unknown</li> </ul>	Numerical field [enter a number from 0-1,000 using no decimals or commas]	Numerical field [enter a number from 0-1,000 using no decimals or commas]

7	8	9	10	11
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Production value for the metals and mining activities associated with these facilities <i>(currency)</i>	% organization's annual electricity generation that could be affected by these facilities	% organization's global oil and gas production volume that could be affected by these facilities	% organization's total global revenue that could be affected	Please explain
Numerical field [enter a number from 0-999,999,999,999.99 using a maximum of 2 decimal places]	Select from: <ul style="list-style-type: none"> <li>• Less than 1%</li> <li>• 1-25%</li> <li>• 26-50%</li> <li>• 51-75%</li> <li>• 76-99%</li> <li>• 100%</li> <li>• Unknown</li> <li>• Not applicable</li> </ul>	Select from: <ul style="list-style-type: none"> <li>• Less than 1%</li> <li>• 1-25%</li> <li>• 26-50%</li> <li>• 51-75%</li> <li>• 76-99%</li> <li>• 100%</li> <li>• Unknown</li> <li>• Not applicable</li> </ul>	Select from: <ul style="list-style-type: none"> <li>• Less than 1%</li> <li>• 1-25%</li> <li>• 26-50%</li> <li>• 51-75%</li> <li>• 76-99%</li> <li>• 100%</li> <li>• Unknown</li> </ul>	Text field [maximum 2,500 characters]

[Add Row]

Requested content	<ul style="list-style-type: none"> <li>Note: for organizations in the metals and mining and/or coal sector, refer to additional sector-specific guidance provided at the end of the “Requested content” section.</li> </ul> <p><i>General</i></p> <ul style="list-style-type: none"> <li>Consider water-related risks that could have substantive effects on your organization at the corporate level. Do not include local risks unless they are substantive for the organization as a whole. For example, out of 10 facilities in a river basin exposed to water-related risk, only 3 might have substantive effect on the organization at the corporate level should they materialize. Therefore, only those three facilities should be reported.</li> <li>The environmental risks reported should be those which have had or are anticipated to have a substantive effect when considering the inherent risk (existing in the absence of controls, i.e. not considering any mitigation or management measures that have been or could be implemented) as well as the residual risk (remaining after a specific action has been taken to manage the risk).</li> <li>If facilities are exposed to water-related risks in a basin covering multiple countries/areas, add a new row for each country/area and disclose the number of facilities located there.</li> <li><b>Oil &amp; gas sector only:</b> Provide data on the organization’s production volume associated with these facilities.</li> <li><b>Electric utilities sector only:</b> Provide data on the organization’s annual electricity generation associated with these facilities.</li> </ul> <p><i>River basin (column 1b)</i></p> <ul style="list-style-type: none"> <li>Select the relevant river basin from the drop-down options or select “Other, please specify” if applicable.</li> <li>For organizations withdrawing water from large confined aquifers that may not discharge to the selected river basin, select “Other, please specify” and specify the local aquifer source.</li> <li>You may provide the sub-basin details using the “Other, please specify” option in the following format: “Putumayo, Amazon”.</li> <li>For full instructions regarding this list, see CDP’s Full Corporate Questionnaire: Overview.</li> </ul> <p><i>Number of facilities within direct operations exposed to water-related risk in this river basin (column 3)</i></p> <ul style="list-style-type: none"> <li>This column only appears if you select “Direct Operations” in column 2 “Value chain stages where facilities at risk have been identified in this river basin”.</li> <li>Report the number of facilities within your direct operations exposed to water-related risk in the selected river basin.</li> <li>The term ‘facilities’ may be used broadly to describe different types of business operations as well as fixed buildings or factories.</li> </ul> <p><i>% of your organization’s total facilities within direct operations exposed to water-related risk in this river basin (column 4)</i></p> <ul style="list-style-type: none"> <li>Indicate the proportion of facilities out of your organization’s total number of facilities within direct operations that are exposed to water-related risk in the specified river basin. For example, if you have a total of 100 facilities within direct operations globally and 11 of these facilities are reported in column 3 “Number of facilities within direct operations exposed to water-related risk in this basin”, then the percentage represented by these facilities is 11% and you should select the “1-25%” option in this column.</li> <li>If you cannot calculate this figure, you may provide an estimate. If providing an estimate is not possible, select “Unknown” and explain your response in column 11 “Please explain”.</li> </ul> <p><i>Electric utilities sector only: % organization’s annual electricity generation that could be affected by these facilities (column 7)</i></p> <ul style="list-style-type: none"> <li>This column only appears if you select “Electricity generation” in column 1b “Aspect” in 1.16.</li> </ul>
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	<ul style="list-style-type: none"> <li>• Select "Not applicable", only if no facilities in the river basin generate electricity and elaborate in column 11 "Please explain".</li> </ul> <p><i>Oil and gas sector only: % organization's global oil &amp; gas production volume that could be affected by these facilities (column 9)</i></p> <ul style="list-style-type: none"> <li>• Select "Not applicable", only if no facilities in the basin are associated with your oil &amp; gas sector activities and elaborate in column 11 "Please explain".</li> </ul> <p><i>% organization's total global revenue that could be affected (column 10)</i></p> <ul style="list-style-type: none"> <li>• Indicate the percentage of your organization's total global revenue derived from the facilities listed in column 3 "Number of facilities within direct operations exposed to water-related risk in this river basin", reflecting potential risk exposure. <ul style="list-style-type: none"> <li>◦ For example, if column 3 "Number of facilities within direct operations exposed to water-related risk in this river basin" indicates that 11 facilities are exposed to water-related risk, they may contribute to 16-30% of your organization's total global revenue.</li> </ul> </li> <li>• This revenue may be at risk to some extent in the absence of an appropriate response strategy (e.g., operational disruptions).</li> <li>• If you cannot calculate this figure, you may provide an estimate. If providing an estimate is not possible, select "Unknown" and explain your response in column 11 "Please explain".</li> </ul> <p><i>Please explain (column 11)</i></p> <ul style="list-style-type: none"> <li>• Provide additional context on your basin-level disclosure, detailing how your organization's dependencies and impacts in the river basin relate to identified water-related risks. You may also wish to comment on the nature or severity of the risk in the river basin as a whole that these facilities are exposed to and the organization's approach to addressing these risks.</li> <li>• Provide any further details on the potential value at risk in these river basins, including any estimates or assumptions made.</li> </ul>
Requested content – [sector] (if applicable)	<p><b>Sector-specific guidance for metals and mining and coal sectors</b></p> <p><i>General</i></p> <ul style="list-style-type: none"> <li>• This guidance is supplementary to the general instructions and applies specifically to organizations in the metals and mining and/or coal sectors.</li> <li>• Data on the production value associated with these facilities will enhance understanding of water risk implications and aid assessment of the organization's response.</li> </ul> <p><i>Production value for the metals and mining activities associated with these facilities (currency) (column 8)</i></p> <ul style="list-style-type: none"> <li>• Consider the production value potentially exposed to inherent water-related risks in the selected river basin in column 1b (e.g., in the absence of an appropriate response strategy and/or operational disruptions)</li> <li>• Provide a financial figure associated with the facilities at risk reported. This figure should be aligned with the chosen currency disclosed in 1.2.</li> <li>• If the facility does not belong to the metals and mining and/or coal sectors, report "0" and explain this in column 11 (Please explain).</li> <li>• If the facility is not operational, report '0', or provide the expected annual production value and explain your choice in column 11 "Please explain".</li> <li>• In column 11, elaborate on your approach.</li> <li>• If you cannot provide this figure, leave this field blank and explain your reasons in column 11 "Please explain".</li> </ul> <p><i>Please explain (column 11)</i></p> <ul style="list-style-type: none"> <li>• Clarify the approach to reporting production value, offering insights or clarifications for data users.</li> <li>• If unable to disclose the production value due to legal restrictions, indicate this here.</li> </ul>

Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	Water only
Sector	Question level	All (except FS)

**(3.3) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?**

Question details	
Question dependencies	Your response to 3.3 will determine which subsequent questions are presented in this section. If your response to 3.3 is amended, data in those dependent questions may be erased. In this case, be sure to re-enter data for all relevant questions. The guidance for each question indicates if it is a dependent question.
Change from last year	No change (2023 W2.2)
Rationale	<p>Knowledge of compliance related fines and other non-financial penalties across your organization demonstrates an awareness by your organization of its impact on the local operating environment as well as the potential financial implications of its water management.</p> <p>This information helps investors and other data users to gain some insight into the effectiveness of your control procedures at a corporate level.</p>
Connection to other frameworks	<p><i>CEO Water Mandate</i></p> <p>Current state: Compliance</p> <p>TNFD Metrics &amp; targets A</p>
Response options	Please complete the following table:

1	2	3
<b>Water-related regulatory violations</b>	<b>Fines, enforcement orders, and/or other penalties*</b>	<b>Comment</b>
Select from: <ul style="list-style-type: none"> <li>• Yes</li> <li>• No</li> <li>• Unknown</li> </ul>	Select all that apply: <ul style="list-style-type: none"> <li>• Fines</li> <li>• Enforcement orders or other penalties</li> <li>• Fines, but none that are considered as significant</li> <li>• Enforcement orders or other penalties but none that are considered as significant</li> </ul>	Text field [maximum 1,000 characters]

Requested content	<p><i>General</i></p> <ul style="list-style-type: none"> <li>• Note that this question asks about fines, penalties and/or enforcement orders that were <u>issued to</u> your company during the reporting year.</li> <li>• You should <u>not</u> include information about fines and penalties that were issued to your company in a previous year but became payable in this year.</li> </ul>
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	<p><i>Water-related regulatory violations (column 1)</i></p> <ul style="list-style-type: none"> <li>Select 'Yes' if your organization has been penalized for a water-related regulatory violation during the reporting year, even if it was not considered as significant.</li> </ul> <p><i>Fines, enforcement orders, and/or other penalties (column 2)</i></p> <ul style="list-style-type: none"> <li>This column is only presented if "Yes" is selected in column 1.</li> </ul> <p><i>Comment (column 3) (optional)</i></p> <ul style="list-style-type: none"> <li>You may use this column to provide information that will help CDP data users to understand your selection, e.g., how you monitor water-related regulatory violations.</li> </ul>
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Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	Water only
Sector	Question level	All (except FS)

**(3.3.1) Provide the total number and financial value of all water-related fines.**

Question details	
Question dependencies	This question only appears if you select "Fines" or "Fines, but none that are considered as significant" in response to 3.3.
Change from last year	No change (2023 W2.2a)
Rationale	Providing aggregated information, for absolute numbers and the tracking of numbers of compliance-related fines, is evidence that your organization is monitoring its local operating environments and keeping track at corporate level.
Connection to other frameworks	<p><i>CEO Water Mandate:</i></p> <p>Current state, compliance</p> <p>TNFD Metrics &amp; targets A</p>
Response options	Please complete the following table:



1	2	3	4	5
Total number of fines	Total value of fines	% of total facilities/operations associated	Number of fines compared to previous year	Comment
Numerical field [enter a number from 0-999,999,999,999]	Numerical field [enter a number from 0-999,999,999,999 using a maximum of 2 decimal places]	Percentage field [enter a percentage from 0-100 using a maximum of 2 decimal places]	Select from: <ul style="list-style-type: none"> <li>• Much lower</li> <li>• Lower</li> <li>• About the same</li> <li>• Higher</li> <li>• Much higher</li> <li>• This is our first year of measurement</li> </ul>	Text field [maximum 1,000 characters]

Requested content	<p><i>Total number of fines (column 1)</i></p> <ul style="list-style-type: none"> <li>• Note that this question asks about fines that were issued to your company during the reporting year.</li> <li>• You should not include information about fines that were issued to your company in a previous year but became payable in this year.</li> </ul> <p><i>Total value of fines (column 2)</i></p> <ul style="list-style-type: none"> <li>• This figure should be in the same currency that you selected for all financial information disclosed throughout your response in question 1.2.</li> </ul> <p><i>% of total facilities/operations associated (column 3)</i></p> <ul style="list-style-type: none"> <li>• Indicate the percentage of your sites that were associated with the compliance-related fines reported in column 1. For example, if 10 facilities are listed in column 1 and you have 100 facilities worldwide, then the response here would be 10 percent.</li> </ul> <p><i>Number of fines compared to previous year (column 4)</i></p> <ul style="list-style-type: none"> <li>• Select the option most applicable to the change in the number of fines compared to the previous year. CDP does not define the categories in this menu as it is difficult to prescribe a threshold that is meaningful to all organizations. You may use column 5 to explain your selection and the threshold you applied.</li> <li>• CDP recognizes that a change in the total number of fines does not equate to the change in magnitude of the total financial penalty.</li> </ul> <p><i>Comment (column 5) (optional)</i></p> <ul style="list-style-type: none"> <li>• You may use this column to provide details to help data users understand your response; such as an explanation for your reported trend or the relationship between the total number of fines and the total value of the fines, e.g., whether one fine accounts for a large part of the total financial penalty.</li> </ul>
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Authoring notes		
<b>Tags</b>		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	Water only
Sector	Question level	All (except FS)

**(3.3.2) Provide details for all significant fines, enforcement orders, and/or penalties for water-related regulatory violations in the reporting year, and your plans for resolving them.**

Question details	
Question dependencies	This question only appears if you select “Fines” or “Enforcement orders or other penalties” in response to 3.3.
Change from last year	No change (2023 W2.2b)
Rationale	Providing these details of fines and other non-financial penalties, such as location and your plans for resolving them, demonstrates to CDP data users that your organization is keeping track at the corporate level and also that it has an awareness of impacts in their local operating environment.
Connection to other frameworks	<p><i>CEO Water Mandate:</i> Current state: Compliance</p> <p>GRI disclosure 303-4</p> <p>TNFD Metrics &amp; targets A</p> <p>ESRS E2</p>
Response options	Please complete the following table. You are able to add rows by using the “Add Row” button at the bottom of the table.

1	2	3a	3b	4	5
Type of penalty	Financial impact	Country/Area	River basin	Type of incident	Description of penalty, incident, regulatory violation, significance, and resolution
Select from: <ul style="list-style-type: none"> <li>• Fine</li> <li>• Enforcement order</li> <li>• Other penalty type, please specify</li> </ul>	Numerical field [enter a number from 0-999,999,999,999,999 using a maximum of 2 decimal places]	Select from: <ul style="list-style-type: none"> <li>• Country/area drop-down list</li> </ul>	Select from: <ul style="list-style-type: none"> <li>• River basin drop-down list</li> <li>• Not known</li> <li>• Other, please specify</li> </ul>	Select from: <ul style="list-style-type: none"> <li>• Spillage, leakage or discharge of potential water pollutant</li> <li>• Failure to monitor effluent</li> <li>• Effluent limit exceedances</li> <li>• Abstraction without a permit or abstraction that exceeded permit</li> <li>• Other non-compliance with permits, standards, or regulations</li> <li>• Incorrect administration of permits, standards or regulations</li> </ul>	Text field [maximum 1,000 characters]

				• Other, please specify	
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[Add Row]

Requested content	<p><i>General</i></p> <ul style="list-style-type: none"> <li>• CDP does not provide guidance as to what constitutes a “significant” regulatory violation, as this will vary by local context and the nature of the business. However, it will usually imply a major impact on the environment, community and/or business(es).</li> <li>• Organizations should develop a consistent use of the term throughout their response. If you need further guidance as to what constitutes “significant”, CDP recommends companies consider the general definition of “materiality” provided in the GRI Standards as a starting point. This definition puts the onus on companies to determine a materiality threshold based on internal, industry, and external stakeholder interests.</li> </ul> <p><b>Note:</b> this question asks about fines, enforcement orders and/or penalties that your company was issued with during the reporting year. You should not include information about fines and penalties that were issued to your company in a previous but became payable in this year.</p> <p><i>Type of penalty (column 1)</i></p> <ul style="list-style-type: none"> <li>• If you select “Other, please specify”, provide a label for the type of penalty.</li> </ul> <p><i>Financial impact (column 2)</i></p> <ul style="list-style-type: none"> <li>• Your response should include all costs related to the regulatory violation, i.e. financial penalties imposed on your organization, costs related to an enforcement order or any other operational or capital expenditure resulting directly to the violation itself or actions to prevent its reoccurrence, such as having to install new technology to meet the requirements of an enforcement order or employing new staff to monitor for compliance etc.</li> <li>• This figure should be in the same currency that you selected for all financial information disclosed throughout your response in question W0.4.</li> </ul> <p><i>Country/Area (column 3a)</i></p> <ul style="list-style-type: none"> <li>• Note that this is asking for the location of the incident associated with the penalty selected in column 1.</li> <li>• If more than one country/area applies, please select a primary country/area and explain this in column 5.</li> <li>• Note that a selection must be made for both column 3a and column 3b. Your data will not be saved if either column is left blank.</li> </ul>
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	<p><i>River basin (column 3b)</i></p> <ul style="list-style-type: none"> <li>Note that this is asking for the river basin associated with the incident that led to the penalty reported in column 1.</li> <li>From the drop-down options provided, select the appropriate river basin. If you do not see the basin required, select “Other, please specify” and write in the correct river basin using the text box provided.</li> <li>For companies withdrawing water from large confined aquifers that may not discharge to the river basin they are located in e.g. Ogallala aquifer in the United States, please select “Other, please specify” and type in the name of the local aquifer source. <u>Ensure that the correct country/area name is selected in column 3a (Country/Area).</u></li> <li>You may want to put the sub-basin of a bigger river basin identified in the drop-down menu. In this case use the “Other, please specify” option in the following format: “Putumayo, Amazon”.</li> <li>If you select “Other, please specify”, provide a label for the river basin.</li> <li>For full instructions see the Introduction to CDP's water security reporting guidance.</li> <li>Note that a selection must be made for both column 3a and column 3b. Your data will not be saved if either column is left blank.</li> </ul> <p><i>Type of incident (column 4)</i></p> <ul style="list-style-type: none"> <li>Select the type of incident that is most applicable to the penalty selected in column 1.</li> <li>If you select “Other, please specify”, provide a label for the type of incident.</li> </ul> <p><i>Description of penalty, incident, regulatory violation, significance, and resolution (column 5)</i></p> <ul style="list-style-type: none"> <li><b>Penalty:</b> Your response here could include any details that would help CDP data users understand the fine, enforcement order or other penalty selected in column 1.</li> <li><b>Significance:</b> You may include a description of how and why your organization is classifying the penalty in column 1 as significant for your organization.</li> <li><b>Incident and regulatory violation:</b> For each penalty you list in column 1, you may give details of the incident and regulatory violation that resulted in the penalty, e.g.: <ul style="list-style-type: none"> <li>more details on the incident/violation selected in column 4; e.g. the nature of a breach in an abstraction license or a discharge consent, or the nature of other water and wastewater related regulation violation.</li> <li>whether the penalty was for a single incident or multiple incidents, and the frequency with which it/they occurred.</li> <li>the impact the incident and the penalty had on your business, other water users and/or the natural environment; whether there were any criminal sanctions.</li> </ul> </li> <li><b>Resolution:</b> Please provide a brief description of how your organization has resolved or is planning to resolve the incident, including steps taken to ensure the regulatory violation is not repeated. This may include, for example, internal actions and/or external engagement such as: upgrading facilities, changing treatment methods, decreasing volume of discharge, increasing volumes of reused or recycled water, engaging with policymakers, or engaging with local communities. If your organization has a compliance assurance system in place, you may provide details.</li> </ul>
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Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	Water only
Sector	Question level	All (except FS)

**(3.4) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for violation of biodiversity-related regulation?**

Question details	
Change from last year	No change (2023 F-MM9.6/F-CO9.6)
Rationale	Knowledge of compliance related to fines and other non-financial penalties across your organization demonstrates an awareness of your organization's impact on the local environment, as well as the potential financial implications of its biodiversity management. This information provides insights to investors and other data users about the effectiveness of your control procedures at a corporate level.
Response options	Please complete the following table:

Any penalties for violation of biodiversity-related regulation?	Comment
Select from: <ul style="list-style-type: none"> <li>• Yes</li> <li>• Yes, but none considered significant</li> <li>• No</li> <li>• Data not available</li> <li>• Data available but not disclosing</li> </ul>	Text field [maximum 2,400 characters]

Requested content	<p><b>General</b></p> <ul style="list-style-type: none"> <li>• Note that this question asks about fines, penalties and/or enforcement orders that were issued to your company during the reporting year.</li> <li>• You should not include information about fines and penalties that were issued to your company in a previous year but became payable in this year.</li> <li>• CDP does not provide guidance as to what constitutes a “significant” regulatory violation, as this will vary by local context and the nature of the business. However, it will usually imply a major impact on the environment, community and/or business(es).</li> </ul> <p><b>Any penalties for violation of biodiversity-related regulation? (column 1)</b></p> <ul style="list-style-type: none"> <li>• If data on penalties for violation of biodiversity-related regulation is not collected by your organization at the corporate level, select 'Data not available'. Use column 2 ('Comment') to provide an explanation.</li> <li>• If data on penalties for violation of biodiversity-related regulation is available but your organization is unable to disclose it, select 'Data available but not disclosing'. Use column 2 to provide an explanation.</li> </ul>
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Authoring notes	
<b>Tags</b>	
Corporate authority	Capital Markets

Environmental Issue (Theme)	Question level	Biodiversity only
Sector	Question level	M-B

**(3.4.1) Provide details for all significant fines, enforcement orders and/or other penalties for biodiversity-related regulatory violations in the reporting year, and your plans for resolving them.**

Question details	
Question dependencies	This question is presented when “Yes” is selected in 3.4
Change from last year	No change (2023 F-MM9.6a/F-CO9.6a)
Rationale	Providing details of significant fines and other non-financial penalties, such as location and your plans for resolving them, demonstrates to CDP data users that your organization is keeping track of these events at the corporate level and has awareness of unplanned impacts on biodiversity caused by its operations.
Response options	Please complete the following table. You are able to add rows by using the “Add Row” button at the bottom of the table.

1	2	3	4	5
Mining project ID	Type of penalty	Financial value of penalty	Type of incident	Please explain
Select from:  [List created from mining project IDs selected in 1.18]	Select from:  <ul style="list-style-type: none"> <li>• Fine</li> <li>• Enforcement order</li> <li>• Other penalty type, please specify</li> </ul>	Numerical field [enter a number from 0-999,999,999,999,999,999 using a maximum of 2 decimal places]	Select from:  <ul style="list-style-type: none"> <li>• Unauthorized deforestation</li> <li>• Unauthorized conversion of natural habitats (other than forests)</li> <li>• Damage to protected and/or threatened species</li> <li>• Damage to protected areas</li> <li>• Tailing dam failure/accident</li> <li>• Pollution leading to wildlife mortality</li> <li>• Other, please specify</li> </ul>	Text field [maximum 2,400 characters]

[Add row]

Requested content	<p><b>General</b></p> <ul style="list-style-type: none"> <li>• This question asks for project-level data on significant fines, enforcement orders and/or other penalties for biodiversity-related regulatory violations.</li> </ul>
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- CDP does not provide guidance as to what constitutes a “significant” regulatory violation, as this will vary by local context and the nature of the business. However, it will usually imply a major impact on the environment, community and/or businesses.
- Organizations should develop a consistent use of the term throughout their response.
- Note: this question asks about fines, enforcement orders and/or penalties that your company was issued with during the reporting year. You should not include information about fines and penalties that were issued to your company in a previous but became payable in this year.

#### **Mining project ID (column 1)**

- If you are disclosing more than one significant violation, add a new row for each violation and select the relevant mining project.
- When referring to a specific mining project, please make sure you select the same mining project identifier as in 1.18. For example, “Project 1” here should refer to the same mining project that was attributed to the “Project 1” identifier in 1.18.
- If there is more than one significant violation for a project, add one row for each significant violation and indicate the same project in column 1 “Mining project ID”.

#### **Type of penalty (column 2)**

- If you select “Other, please specify”, provide a label for the type of penalty.

#### **Financial value of penalty (column 3)**

- Your response should include all costs related to the regulatory violation, i.e. financial penalties imposed on your organization, costs related to an enforcement order or any other operational or capital expenditure resulting directly to the violation itself or actions to prevent its reoccurrence, e.g. having to install new technology to meet the requirements of an enforcement order or employing new staff to monitor for compliance.
- This figure should be in the same currency that you selected for all financial information disclosed throughout your response in 1.2.

#### **Type of incident (column 4)**

- Select the type of incident that is most applicable to the penalty selected in column 2 “Type of penalty”.
- If you select “Other, please specify”, provide a label for the type of incident.

#### **Please explain (column 5)**

- Your response here could include any details that would help CDP data users to understand the fine, enforcement order or other penalty selected in column 2.
- You may include a description of how and why your organization is classifying the penalty in column 2 as significant for your organization.
- For each penalty you list in column 2, you may give details of the incident and regulatory violation that resulted in the penalty, e.g.:
  - the nature of a breach in an environmental license/permit, or the nature of another biodiversity-related regulation violation;
  - whether the penalty was for a single incident or multiple incidents, and the frequency with which it/they occurred; and
  - the impact the incident and the penalty had on your business, other stakeholders and/or the natural environment; whether there were any criminal sanctions.

	<ul style="list-style-type: none"> <li>Please provide a brief description of how your organization has resolved or is planning to resolve the incident, including steps taken to ensure the regulatory violation is not repeated. This may include, for example, internal actions and/or external engagement e.g. engaging with policymakers or engaging with local communities. If your organization has a compliance assurance system in place, you may provide details.</li> </ul>
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Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	Biodiversity only
Sector	Question level	M-B

**(3.5) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?**

Question details	
Change from last year	No change (2023 C11.1)
Rationale	Companies are requested to report whether they are subject to, or potentially subject to, mandatory carbon pricing systems. This question has evolved to include whether companies are currently regulated by a carbon pricing system – including carbon markets or taxation – or whether they expect to be regulated in the future. Companies responding “Yes” will be further prompted to identify the systems in which they participate and to provide additional details about their exposure to these systems. This information allows investors to consistently track and analyze corporate expectations and the associated costs of carbon pricing regulations, and forces unregulated companies to consider potential future exposure.
Response options	<p>Select one of the following options:</p> <ul style="list-style-type: none"> <li>Yes</li> <li>No, but we anticipate being regulated in the next three years</li> <li>No, and we do not anticipate being regulated in the next three years</li> </ul>
Requested content	<p><i>General</i></p> <ul style="list-style-type: none"> <li>Companies responding “Yes” will be further prompted to identify the systems in which they participate and to provide additional details about their exposure to these systems.</li> </ul>
Additional information	<p><b>Carbon pricing policies:</b> Carbon pricing is a key policy mechanism to drive greenhouse gas emissions reductions and mitigate the dangerous impacts of climate change. Policies primarily manifest in one of two ways; or, in some countries, areas and regions, both ways:</p> <ul style="list-style-type: none"> <li>An emissions trading scheme, also known as a cap and trade system, is a market-based allowance system in which participants can buy and sell a set amount of allowances based on their emissions levels. Low emitters will have allowances left over for sale, which higher emitters will buy to offset their emissions – operating in a demand and supply scenario.</li> </ul>



	<ul style="list-style-type: none"> <li>• A carbon tax which attaches a fee to carbon emissions.</li> </ul> <p>These policies in practice vary specifically on a case-by-case basis.</p> <p><i>For more information, please see:</i></p> <ul style="list-style-type: none"> <li>• <a href="#">State and Trends of Carbon Pricing 2022</a>. World Bank, 2022.</li> <li>• <a href="#">Carbon Pricing Dashboard</a></li> <li>• <a href="#">CDP's Carbon Pricing web page</a></li> <li>• <a href="#">CDP's Technical Note Carbon Pricing: CDP Disclosure Best Practice</a></li> </ul>
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Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	Climate change
Sector	Question level	All (except FS)

**(3.5.1) Select the carbon pricing regulations(s) which impact your operations.**

Question details	
Question dependencies	This question only appears if you select “Yes” in response to <a href="#">3.5</a> .
Change from last year	Minor change (2023 C11.1a)
Rationale	As the number of jurisdictions with carbon pricing policies has doubled over the last decade, data users are interested in understanding how organizations are affected by these schemes. This question contextualizes the regulatory landscapes in which organizations operate and the potential for future regulation which may impact an organization’s operations.
Response options	<p>Select all that apply from the following options:</p> <ul style="list-style-type: none"> <li>• Alberta TIER – ETS</li> <li>• Argentina carbon tax</li> <li>• Australia ERF Safeguard Mechanism – ETS</li> <li>• Austria – ETS</li> <li>• Baja California carbon tax</li> <li>• BC carbon tax</li> <li>• BC GGIRCA – ETS</li> <li>• Beijing pilot ETS</li> <li>• California CaT – ETS</li> <li>• Canada federal fuel charge</li> <li>• Canada federal Output Based Pricing System (OBPS) – ETS</li> <li>• Chile carbon tax</li> <li>• China national ETS</li> <li>• Chongqing pilot ETS</li> <li>• Colombia carbon tax</li> <li>• Denmark carbon tax</li> <li>• Durango carbon tax</li> <li>• Estonia carbon tax</li> <li>• EU ETS</li> <li>• Finland carbon tax</li> <li>• France carbon tax</li> <li>• Fujian pilot ETS</li> </ul>

- Germany ETS
- Guanajuato carbon tax
- Guangdong pilot ETS
- Hubei pilot ETS
- Iceland carbon tax
- Indonesia ETS
- Ireland carbon tax
- Japan carbon tax
- Kazakhstan ETS
- Korea ETS
- Latvia carbon tax
- Liechtenstein carbon tax
- Luxembourg carbon tax
- Massachusetts state ETS
- Mexico carbon tax
- Mexico pilot ETS
- Montenegro ETS
- Netherlands carbon tax
- New Brunswick carbon tax
- New Brunswick ETS
- New Zealand ETS
- Newfoundland and Labrador carbon tax
- Newfoundland and Labrador PSS – ETS
- Northwest Territories carbon tax
- Norway carbon tax
- Nova Scotia CaT – ETS
- Ontario EPS – ETS
- Oregon ETS
- Poland carbon tax
- Portugal carbon tax
- Prince Edward Island carbon tax
- Québec CaT – ETS
- Queretaro carbon tax
- RGGI – ETS
- Saitama ETS
- Sakhalin ETS
- Saskatchewan OBPS – ETS
- Shanghai pilot ETS
- Shenzhen pilot ETS
- Singapore carbon tax
- Slovenia carbon tax
- South Africa carbon tax
- Spain carbon tax
- State of Mexico carbon tax
- Sweden carbon tax
- Switzerland carbon tax
- Switzerland ETS
- Tamaulipas carbon tax
- Tianjin pilot ETS
- Tokyo CaT – ETS
- UK Carbon Price Support
- UK ETS
- Ukraine carbon tax
- Uruguay CO2 tax
- Vietnam ETS
- Washington CAR – ETS
- Yucatan carbon tax
- Zacatecas carbon tax

	<ul style="list-style-type: none"> <li>• Other carbon tax, please specify</li> <li>• Other ETS, please specify</li> </ul>
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Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	Climate change
Sector	Question level	All (except FS)

**(3.5.2) Provide details of each Emissions Trading Scheme (ETS) your organization is regulated by.**

Question details	
Question dependencies	This question only appears if you select an emissions trading option in response to 3.5.1.
Change from last year	Modified question (2023 C11.1b)
Rationale	As the number of jurisdictions with carbon pricing policies has doubled over the last decade, data users are interested in understanding how organizations are affected by these schemes. This question contextualizes the regulatory landscapes in which organizations operate and the potential for future regulation which may impact an organization's operations.
Connection to other frameworks	ESRS E1
Response options	

0	1	2	3	4	5
System name	% of Scope 1 emissions covered by the ETS	% of Scope 2 emissions covered by the ETS	Period start date	Period end date	Allowances allocated
<i>Fixed rows populated by selection in 3.5.1</i>	Numerical field [enter a number from 0-100 using a maximum of 2 decimal places and no commas]	Numerical field [enter a number from 0-100 using a maximum of 2 decimal places and no commas]	Enter the start date that applies to the data in the row. Use the calendar button or enter dates manually in the format DD/MM/YYYY. Please note that the period reported should overlap with the reporting year.	Enter the finish date that applies to the data in the row. Use the calendar button or enter dates manually in the format DD/MM/YYYY. Please note that the period reported should overlap with the reporting year.	Numerical field [enter a number from 0-99,999,999,999 using a maximum of 2 decimal places and no commas]

6	7	8	9	10
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Allowances purchased	Verified Scope 1 emissions in metric tons CO <sub>2</sub> e	Verified Scope 2 emissions in metric tons CO <sub>2</sub> e	Details of ownership	Comment
Numerical field [enter a number from 0-99,999,999,999 using a maximum of 2 decimal places and no commas]	Numerical field [enter a number from 0-99,999,999,999 using a maximum of 2 decimal places and no commas]	Numerical field [enter a number from 0-99,999,999,999 using a maximum of 2 decimal places and no commas]	Select from: <ul style="list-style-type: none"> <li>Facilities we own and operate</li> <li>Facilities we own but do not operate</li> <li>Facilities we operate but do not own</li> <li>Other, please specify</li> </ul>	Text field [maximum 2,400 characters]

Requested content	<p><i>General</i></p> <ul style="list-style-type: none"> <li>Although some emission trading schemes may apply solely to the operators of facilities, the financial position of facility owners is also affected indirectly by the operation of the scheme. This question therefore applies to both owners and operators of facilities covered by trading schemes.</li> <li>Regardless of full facility ownership, report total number of emissions and allowances.</li> </ul> <p><i>System name (column 0)</i></p> <ul style="list-style-type: none"> <li>This column is driven by the emission trading schemes selected in 3.5.1. Enter information for all relevant emission trading schemes.</li> </ul> <p><i>% of Scope 1 emissions covered by the ETS (column 1)</i></p> <ul style="list-style-type: none"> <li>Calculate this percentage based on your gross global Scope 1 emissions over the monitoring period of the emissions trading scheme as specified in columns 3.</li> </ul> <p><i>% of Scope 2 emissions covered by the ETS (column 2)</i></p> <ul style="list-style-type: none"> <li>Calculate this percentage based on your gross global Scope 2 emissions over the monitoring period of the emissions trading scheme as specified in columns 3 and 4.</li> <li>Note that in this question you should only report Scope 2 emissions subject to direct regulation, meaning those for which you receive allowances directly within an emissions trading scheme. Enter "0" if you have no direct compliance obligations for Scope 2 emissions.</li> </ul> <p><i>Period start date and end date (columns 3 and 4)</i></p> <ul style="list-style-type: none"> <li>The period start date and end date refer to the annual compliance cycle of the emission trading schemes, not the overall phase of the scheme. For example, in the current European Union ETS third phase (2013 to 2020), the monitoring period of the annual compliance cycle ran from 1st January to 31st December.</li> <li>While emissions trading systems verification deadlines may not always align with the reporting year disclosed in 1.4 it is important to ensure that the period start date and end dates reported overlap with the reporting year.</li> </ul> <p><i>Verified Scope 1 emissions in metric tons CO<sub>2</sub>e (column 7)</i></p>
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	<ul style="list-style-type: none"> <li>For systems with verification deadlines beyond the CDP disclosure, such as the California Cap and Trade (CaT), submit estimates to the best of your knowledge. CDP does not wish to penalize companies for something out of their control.</li> </ul> <p><i>Verified Scope 2 emissions in metric tons CO<sub>2</sub>e (column 8)</i></p> <ul style="list-style-type: none"> <li>If you do not have direct compliance obligations for Scope 2 emissions (i.e. you have entered 0 in column 2), also enter 0 in this column. Enter “0” if no direct compliance obligations exist for Scope 2 emissions.</li> </ul> <p><i>Details of ownership (column 9)</i></p> <ul style="list-style-type: none"> <li>Select the option that best describes your ownership arrangements for the facilities subject to the scheme identified.</li> </ul> <p><i>Comment (column 10) (optional)</i></p> <ul style="list-style-type: none"> <li>If you select “Other ETS, please specify” in 3.5.1, provide the full name of the emission trading scheme.</li> </ul>
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Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	CC
Sector	Question level	All (except FS)

**(3.5.3) Complete the following table for each of the tax systems you are regulated by.**

Question details	
Question dependencies	This question only appears if you select a carbon tax system in response to 3.5.1.
Change from last year	Modified question (2023 C11.1c)
Rationale	This question allows data users to track and analyze in a detailed and consistent manner the organizations’ participation in carbon tax systems, as well as what costs they currently bear.
Response options	

0	1	2	3	4	5
Tax system	Period start date	Period end date	% of total Scope 1 emissions covered by tax	Total cost of tax paid	Comment

Fixed rows populated by selection in 3.5.1	Enter the start date that applies to the data in the row. Use the calendar button or enter dates manually in the format DD/MM/YYYY. Please note that the period reported should overlap with the reporting year.	Enter the finish date that applies to the data in the row. Use the calendar button or enter dates manually in the format DD/MM/YYYY. Please note that the period reported should overlap with the reporting year.	Numerical field [enter a number from 0-100 using a maximum of 2 decimal places and no commas]	Numerical field [enter a number from 0-999,999,999,999,999 using a maximum of 2 decimal places and no commas]	Text field [maximum 2,400 characters]
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Requested content	<p><i>General</i></p> <ul style="list-style-type: none"> <li>Carbon taxes aim to directly charge emitters for pollution costs, with policy applications varying across systems and affecting sectors differently. For example, some policies may tax producers directly; others may attribute the cost to consumers of the processed fossil fuels (i.e. utilities); and others yet may tax users such as in the form of big businesses.</li> <li>This question pertains solely to direct Scope 1 emissions subject to a carbon tax.</li> </ul> <p><i>Period start date and end date (columns 1 and 2)</i></p> <ul style="list-style-type: none"> <li>Ensure that the period reported overlaps with the reporting year.</li> </ul> <p><i>% of total Scope 1 emissions covered by tax (column 3)</i></p> <ul style="list-style-type: none"> <li>Provide the percentage of your total Scope 1 emissions covered by the tax over the period specified in columns 1 and 2</li> </ul> <p><i>Total cost of tax paid (column 4)</i></p> <ul style="list-style-type: none"> <li>Report the total cost of tax paid during the period specified in columns 1 and 2.</li> </ul> <p><i>Comment (column 5) (optional)</i></p> <ul style="list-style-type: none"> <li>If you select “Other carbon tax, please specify” in 3.5.1, provide the full name of the carbon tax in this column.</li> </ul>
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Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	CC
	Question level	All (except FS)

Sector		
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**(3.5.4) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?**

Question details		
Question dependencies	This question only appears if you select “Yes” or “No, but we anticipate being regulated in the next three years” in response to 3.5.	
Change from last year	No change (2023 C11.1d)	
Rationale	This question provides data users with insight into an organization’s long-term compliance and regulatory risk management strategy for the carbon pricing systems they are regulated by or anticipate being regulated by.	
Response options	This is an open text question with a limit of 5,000 characters.	
Requested content	<p><i>General</i></p> <ul style="list-style-type: none"> <li>Some of the options for compliance include emissions reductions strategies, efficiency upgrades, purchase of allowances and the purchase of carbon credits.</li> <li>Depending on how long your company has been regulated by a carbon pricing system, efficiency upgrades may not provide the amount of reductions necessary to comply with regulations. If that is the case for your company, then you are also encouraged to detail your company’s long-term compliance and regulatory risk management strategy; including the specific metric(s) or mechanism(s) used – for example, a dedicated carbon risk management team or the use of an internal carbon price. If you use an internal carbon price, please make note of this here and provide specific details the subsequent question (5.10.1).</li> </ul>	
Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	CC
Sector	Question level	All except FS

**Opportunity disclosure**

**(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?**

Question details	
Change from last year	Modified question (2023 C2.4, C2.4b, F3.2, F3.2b, F-MM11.3/F-CO11.3, FW-FS2.4, W4.3, W4.3b).

Rationale	It is crucial for investors and data users to know whether your organization has identified any environmental opportunities within your direct operations or across your value chain with the potential to have substantive effects on your organization. This includes both opportunities which have already had an effect in the reporting year, as well as opportunities which may have an effect in the future. If no environmental opportunities with substantive effects have been identified as part of your assessment, it is equally crucial for data users to understand how and why your organization has concluded that you are not presented with any opportunities.
Ambition	The organization discloses environmental opportunities which have had or are anticipated to have a substantive effect on its business activities, value chain, financial position (e.g., assets and liabilities), financial performance (e.g., revenue or expenditure) and cash flows.
Connection to other frameworks	<p>CEO WM Implications: Business Risks CEO WM Implications: Business Opportunities</p> <p>TNFD Strategy A TCFD Strategy A</p> <p>ESRS 2 ESRS E1 ESRS E2 ESRS E3 ESRS E4</p>
Response options	Please complete the following table

0	1	2	3
Environmental issue	Environmental opportunities identified	Primary reason why your organization does not consider itself to have environmental opportunities	Please explain
Climate change	Select from: <ul style="list-style-type: none"> <li>• Yes, we have identified opportunities, and some/all are being realized</li> <li>• Yes, we have identified opportunities but are unable to realize them</li> <li>• No</li> </ul>	Select from: <ul style="list-style-type: none"> <li>• Opportunities exist, but none anticipated to have a substantive effect on organization</li> <li>• Evaluation in progress</li> <li>• Lack of internal resources, capabilities, or expertise (e.g., due to organization size)</li> <li>• No standardized procedure</li> <li>• Not an immediate strategic priority</li> <li>• Judged to be unimportant or not relevant</li> <li>• Other, please specify</li> </ul>	Text field [maximum 2,500 characters]
Forests			
Water			



Biodiversity [M-B only]			
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[Fixed row]

Requested content	<p><i>General</i></p> <ul style="list-style-type: none"> <li>For the purposes of this response, the opportunities reported should only be those which have had or are anticipated to have substantive effects on your organization, in line with your definition of substantive effects provided in 2.4.</li> </ul> <p><i>Please explain (column 3)</i></p> <p><b>Appears if any option other than “Yes, we have identified opportunities, and some/all are being realized” is selected in column 1.</b></p> <p><b>If relevant to your selection in column 2 “Primary reason why your organization does not consider itself to have environmental opportunities” describe:</b></p> <ul style="list-style-type: none"> <li>how you identified opportunities;</li> <li>when you will next repeat an assessment of opportunities;</li> <li>specific reasons why you have not yet conducted an opportunity assessment/why it is considered unimportant for your business;</li> <li>the evaluation process that is in progress and indicate when the evaluation will be complete; and</li> <li>any other organization-specific details such as your evaluation process.</li> </ul> <ul style="list-style-type: none"> <li><b>If “Yes, we have identified opportunities but are unable to realize them”, is selected in column 1, describe the factors that prevent your organization from realizing identified opportunities.</b></li> </ul>
Requested content – [sector] only (if applicable)	<p><i>Note for financial services sector companies:</i></p> <p>For the purposes of this response, the opportunities reported should be inherent and have the potential for substantive effects on your investing, financing, underwriting and/or operational activities. Further details can be provided in subsequent questions.</p>

Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	CC, F, W, B
Sector	Question level	All (+ M-B)

**(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 have a substantive effect on your organization in the future.**

Question details	
Question dependencies	This question only appears if you select either of the “Yes,...” options in response to column “Environmental opportunities identified” of 3.6.
Change from last year	Modified question (2023 C2.4a, F3.2a, F-MM11.3a/F-CO11.3a, FW-FS2.4a, W4.3a)
Rationale	Your response to this question provides data users with an overview of the environmental opportunities which have had a substantive effect on your organization in the reporting year or are estimated to have a substantive effect in the future. Information on the current and estimated potential scale of these opportunities, as well as your response strategy to seize these opportunities, enable data users to see how your organization is implementing corporate actions to improve business resilience and environmental stewardship.

Ambition	<ul style="list-style-type: none"> <li>The organization discloses environmental opportunities which have had or are anticipated to have a substantive effect on its business activities, value chain, financial position (e.g., assets and liabilities), financial performance (e.g., revenue and expenditure), and cash flows. The disclosure per opportunity includes: <ul style="list-style-type: none"> <li>The timeframe, likelihood, and magnitude associated with the effects of the opportunity,</li> <li>Whether the opportunities are related to resource efficiency, energy source, capital flow and financing, products and services, markets, reputational capital and/or resilience,</li> <li>How the organization is responding to opportunities, including changes made to pursue them, relevant time periods, and how opportunities are prioritized,</li> </ul> </li> <li>(Financial Services sector) Financial institutions assess their portfolios for environmental opportunities, and measure and disclose the potential financial effect of the opportunities.</li> </ul>
Connection to other frameworks	IFRS S2 10 IFRS S2 13 IFRS S2 15 IFRS S2 16 IFRS S2 17 IFRS S2 21  CEO WM Implications: Business Risks CEO WM Implications: Business Opportunities  TNFD Strategy A TNFD Strategy B TNFD Metrics & targets A  TCFD Strategy A TCFD Strategy B  ESRS 2 ESRS E1 ESRS E2 ESRS E3 ESRS E4
Response options	Please complete the following table. You are able to add rows by using the “Add Row” button at the bottom of the table.

1	2	3	4	5	6
Environmental issue the opportunity relates to	Opportunity identifier	Commodity	Opportunity type and primary environmental opportunity driver	Value chain stage where the opportunity occurs	Country/area where the opportunity occurs
Climate change	Select from: Opp1-100	N/A	Select from drop-down options below	Select from:  Direct operations Downstream value chain [not shown to FS] Upstream value chain	Select all that apply:  [Country/area drop-down list]

				Banking portfolio [FS only] Insurance underwriting portfolio [FS only] Investing (Asset manager) portfolio [FS only] Investing (Asset owner) portfolio [FS only]		
Forests		Select all that apply:  Timber products Palm oil Cattle products Cocoa Coffee Soy Rubber Other, please specify (FS only) Not applicable				
Water		N/A				
Biodiversity [M-B only]		N/A				
Select from:  • Climate change • Forests • Water • Biodiversity [M-B only]						

7	8	9	10	11	12	13
River basin where the opportunity occurs	Mining project ID	Organization specific description	Primary financial effect of the opportunity	Time horizon over which the opportunity is anticipated to have a substantive effect on the organization	Likelihood of the opportunity having an effect within the anticipated time horizon	Magnitude
Select all that apply: River basin drop-down list Not known Other, please specify	Select all that apply: All disclosed mining projects Project 1-70	Text field [maximum 1,500 characters]	Select from: Response drop-down list below table	Select all that apply: Short-term Medium-term Long-term The opportunity has already had	Select from: Virtually certain Very likely Likely More likely than not	Select from: High Medium-high Medium Medium-low Low Unknown

				a substantive effect on our organization in the reporting year Unknown	About as likely as not Unlikely Very unlikely Exceptionally unlikely Unknown	
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14	15	16	17	18	19
Effect of the opportunity on the financial position, financial performance and cash flows of the organization in the reporting period	Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons	Are you able to quantify the financial effects of the opportunity?	Financial effect figure in the reporting year (currency)	Anticipated financial effect figure in the short-term - minimum (currency)	Anticipated financial effect figure in the short-term – maximum (currency)
Text field [maximum 2,500 characters]	Text field [maximum 2,500 characters]	Select from: Yes No	Numerical field [enter a number from 0 to 999,999,999,999 using up to 2 decimal places]	Numerical field [enter a number from 0 to 999,999,999,999 using up to 2 decimal places]	Numerical field [enter a number from 0 to 999,999,999,999 using up to 2 decimal places]

20	21	22	23	24	25	26	27
Anticipated financial effect figure in the medium-term - minimum (currency)	Anticipated financial effect figure in the medium-term - maximum (currency)	Anticipated financial effect figure in the long-term - minimum (currency)	Anticipated financial effect figure in the long-term – maximum (currency)	Explanation of financial effect figures	Cost to realize opportunity	Explanation of cost calculation	Strategy to realize opportunity
Numerical field [enter a number from 0 to 999,999,999,999 using up to 2 decimal places]	Numerical field [enter a number from 0 to 999,999,999,999 using up to 2 decimal places]	Numerical field [enter a number from 0 to 999,999,999,999 using up to 2 decimal places]	Numerical field [enter a number from 0 to 999,999,999,999 using up to 2 decimal places]	Text field [maximum 2,500 characters]	Numerical field [enter a number from 0 to 999,999,999,999 using up to 2 decimal places]	Text field [maximum 2,500 characters]	Text field [maximum 2,500 characters]

Opportunity type and primary environmental opportunity driver (column 4)

<p><b>Capital flow and financing</b>  Access to new financing options  Access to sustainability linked loans  Incentives to promote low-carbon agriculture [C-AC/FB/PF only]  Financial reward from buyers  Payment for ecosystem services (other than REDD+)  Price premium for deforestation and conversion-free materials [F only]  REDD+  Other capital flow and financing opportunity, please specify</p> <p><b>Energy source [CC only]</b>  Participation in carbon market [CC only]  Shift toward decentralized energy generation [CC only]  Use of carbon capture and storage [CC only]  Use of low-carbon energy sources [CC only]  Use of renewable energy sources [CC only]  Other energy source opportunity, please specify [CC only]</p> <p><b>Markets</b></p> <ul style="list-style-type: none"> <li>• Easier access to cheaper and/or more available credit</li> <li>• Enhanced financial performance of investee companies as a result of being able to access new markets and develop new products to meet green consumer demand [FS only]</li> <li>• Expansion into new markets</li> <li>• Increased brand value</li> <li>• Increased demand for transparency in mineral supply chains [MM, M-B only]</li> <li>• Improved supply chain engagement</li> <li>• Increased availability of products with reduced environmental impact [other than certified products]</li> <li>• Increased demand for certified and sustainable materials</li> <li>• Increased demand for funds that invest in companies that have positive environmental credentials [FS only]</li> <li>• Increased diversification of financial assets [e.g., green bonds and infrastructure] [FS only]</li> <li>• Increased growth in the alternative protein market [Cattle and soy only] [F]</li> <li>• Increased sales of liability and other insurance to cover environmental risks [FS only]</li> <li>• More timely preparation for investors in adhering to current and potentially stricter future regulation in relation for fiduciary duty [FS only]</li> <li>• Reduced risk of asset stranding considered in investment decision making [FS only]</li> <li>• Stronger competitive advantage</li> <li>• Use of public sector incentives</li> <li>• Other markets opportunity, please specify</li> </ul>	<p><b>Products and services</b>  Ability to diversify business activities  Development of climate adaptation, resilience and insurance risk solutions [FS only]  Development of new products or services through R&amp;D and innovation  Increased sales of existing products and services  Increased security of production [F, B only]  Increased value chain transparency  Reduced impact of product use on water resources [W only]  Shift in consumer preferences  Other products and services opportunity, please specify</p> <p><b>Reputational capital</b>  Improved community relations  Improved ratings by sustainability/ESG indexes  Reputational benefits resulting in increased demand for products/services  Strengthened social license to operate  Other reputational capital opportunity, please specify</p> <p><b>Resilience</b>  Capacity building [M-B only]  Contribution to biodiversity knowledge [M-B only]  Improved customer education [M-B only]  Improved resilience to future regulatory changes  Improved staff retention  Increased reliability and environmental resilience of investment chain [FS only]  Increased resilience to impacts of climate change  Increased upstream value chain resilience  Participation in environmental collaborative industry frameworks, initiatives and/or commitments  Shift in business model  Other resilience opportunity, please specify</p> <p><b>Resource efficiency</b>  Agricultural expansion in degraded land [F only]  Cost savings  Improved field recovery factor [W-OG only]  Increased efficiency of production and/or distribution processes  Move to more energy/resource efficient buildings [CC only]  Reduced water usage and consumption [CC, W only]  Reduction of food loss and waste in the value chain [AC/FB only]  Regenerative production [F, W, B]  Use of more efficient modes of transport [CC only]  Use of recycling  Water recovery from sewage treatment [W only]  Use of new technologies  Other resource efficiency opportunity, please specify</p>
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Primary financial effect of the opportunity (column 10)
<ul style="list-style-type: none"> <li>• Reduced direct costs</li> <li>• Reduced indirect (operating) costs</li> <li>• Increased revenues resulting from increased demand for products and services</li> <li>• Increased revenues through access to new and emerging markets</li> <li>• Increased revenues resulting from increased production capacity</li> </ul>

- Increased revenue resulting from price premiums
- Increased revenue resulting from direct payments from downstream companies
- Increased access to capital
- Increased access to capital at lower/more favorable rates
- Increased value of fixed assets
- Increased diversification of financial assets
- Increased portfolio value due to upward revaluation of assets [FS only]
- Returns on investment in low-emission technology
- Other, please specify

Requested content	<p><i>General</i></p> <ul style="list-style-type: none"> <li>• Opportunities reported should include those which either have had or are anticipated to have substantive effect on your strategy, business activities, value chain, financial position (e.g. assets and liabilities), financial performance (e.g., revenue or expenditure) and cash flows.</li> <li>• If an opportunity relates to multiple environmental issues (e.g. climate change and water), repeat the opportunity in a row for each relevant environmental issue and use the same opportunity identifier (column 2) and provide the same information across these rows.</li> <li>• Your selection in column 11 “Time horizon over which the opportunity...” and column 16 “Are you able to quantify the financial effect of the opportunity?” will determine the appearance of subsequent columns:  <p style="margin-left: 40px;">If you select “Yes” (i.e. you can provide financial figures related to the opportunity), columns 17 “Financial effect figure in the reporting year (currency)” to column 24 “Explanation of financial effect figure” may be presented depending on the time horizons selected in column 11 “Time horizon over which the opportunity ...”.</p> </li> </ul> <p><i>Opportunity identifier (column 2)</i></p> <ul style="list-style-type: none"> <li>• Select a unique identifier to identify the opportunity in subsequent questions, if required, and to track the status of the opportunity in subsequent reporting years. Use the same identifier in subsequent years for the same opportunity. For any new opportunities you are adding, always use a new identifier that you have not used previously.</li> <li>• If the opportunity relates to multiple environmental issues, use the same identifier in each row referring to the opportunity. E.g. Use Forest and Climate change rows to report a sustainability linked loan that references low-emissions and deforestation/conversion free product targets.</li> </ul> <p><i>Opportunity type and primary environmental opportunity driver (column 4)</i></p> <ul style="list-style-type: none"> <li>• Select an option from the drop-down menu that best describes the type of the identified opportunity: <ul style="list-style-type: none"> <li>○ Resource efficiency – opportunities related to improving resource efficiency across production and distribution processes, buildings, machinery/appliances, and transport/mobility.</li> <li>○ Energy source - opportunities related to shifting energy usage toward low emission energy sources.</li> </ul> <p>Resilience – opportunities related to the development of adaptive capacity to respond to and develop with change and uncertainty [adapted from <a href="#">TNFD, 2023</a>]. They may be especially relevant for organizations with long-lived fixed assets or extensive supply or distribution networks; those that depend critically on utility and infrastructure networks or natural resources in their value chain; and those that may require longer-term financing and investment.].<a href="#">TNFD, 2023</a>]. They may be especially relevant for organizations with long-lived fixed assets or extensive supply or distribution networks; those that depend critically on utility and infrastructure networks or natural resources in their value chain; and those that may require longer-term financing and investment.</p> </li> </ul>
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- Markets – opportunities in new markets or types of assets that may help organizations to diversify their activities and better position themselves for the transition to a lower-carbon and nature positive economy including consumer demands consumer and investor sentiment and stakeholder dynamics [adapted [from TNFD](#)].
- Products and services - opportunities related to innovation and development of new products and services that protect, manage or restore nature [adapted [from TNFD](#)]
- Reputational capital - Changes in perception concerning a company’s actual or perceived nature impacts, including the consequent impacts on society and engagement of stakeholders [TNFD, [2023](#)].
- Capital flow and financing - Access to capital markets, improved financing terms or financial products connected to the management of nature-related dependencies, impacts, risks and opportunities [TNFD, [2023](#)].

*Value chain stage where the opportunity occurs (column 5)*

- Note for financial services companies: The options shown will be driven by the organizational activities you selected in [1.10](#).
- Refer to the “Explanation of Terms” section for definitions of value chain stages.

*Organization-specific description (column 9)*

- Provide further context on the opportunity driver, including more detail on the exact nature, location, and/or regulation of the effect concerned, as well as any notable geographic/regional examples.
- Include information on how the opportunity links to any of the organization’s risks, as reported in [3.1.1](#).
- Include organization-specific detail, such as references to activities, programs, products, services, methodologies, or operating locations specific to your organization’s business or operations.

*Primary financial effect of the opportunity (current or anticipated) (column 10)*

- This column refers to the potential financial effect that the opportunity could have on your organization. The financial effects of environmental opportunities on organizations are not always clear or direct, and for many organizations there might be more than one financial effect associated with an environmental opportunity.
- Select the option that you deem to have the biggest effect. You can provide additional details on other financial effects in column 24 “Explanation of financial effect figures”.

*Magnitude (column 13)*

- The magnitude describes the extent to which the effect, if it occurred, would affect your business. This should consider the business as a whole and therefore the magnitude can reflect both the opportunity and the extent to which it applies throughout the organization.
- An assessment of the ‘magnitude’ of the potential financial benefit arising from an absolute value will vary in scale and metric from organization to organization so it is not possible for CDP to accurately define the terms for magnitude. For example, two organizations may report a potential financial effect figure of \$500,000. For organization A this could represent a 1% increase in profits, but a 15% increase in revenue for organization B. Therefore, organizations are asked to determine magnitude on a qualitative 5-point scale from High to Low.
- Factors to consider include:
  - The proportion of business units affected;
  - The size of the effect on those business units; and
  - The potential for shareholder or customer response.
- If the financial effect has not been assessed by your organization, select “Unknown”.

*Effect / Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization [in the reporting year / in the selected time horizons] (column 14 & 15)*

- These columns appear dependent on selections in column 11 “Time horizon over which...”.
- Provide details on the effects of the opportunity on financial position (e.g. assets and liabilities), financial performance (e.g., revenue or expenditure) and cash flows of your organization:
  - Examples of reasons why no quantitative figure can be included are: “the effects are not separately identifiable” or “the level of measurement uncertainty is too high such that quantitative information about this opportunity would not be useful”.
  - In the latter case, this column should also be used to provide a description of the financial effect in relative terms (for example as a percentage relative to a stated or publicly available figure) or give a qualitative estimate of the financial effect. Otherwise, if you have no information about the financial effect, please state “The effect has not been quantified financially”. Quantitative information could include:
    - The line items, totals and subtotals within the related financial statements that are likely to be affected or have been affected by that opportunity.

*Are you able to quantify the financial effects of the opportunity? (column 16)*

- It is acknowledged that figures provided will be estimates and, where possible, assumptions made in arriving at a financial effect figure should be stated in column 24 “Explanation of financial effect figures”.

*Financial effect/Anticipated financial effect figure [...] minimum/maximum (currency) (columns 17-23)*

- Your selection in column 11 “Time horizon over which...” drives the appearance of column 17 “Financial effect figure in the reporting year (currency)” to column 23 “Anticipated financial effect figure in the long-term – maximum (currency)”.
- Provide the figure for the financial effect in the reporting year, if relevant. Provide the estimated figure/range for the financial effect of the opportunity per future time horizon.
- This figure should be in the same currency that you selected in question 1.2 for all financial information disclosed throughout your response.
  - **Financial effect figure – minimum (currency): use this field to report the lower point of your estimated financial effect associated with the opportunity. For example, if the range is from US \$5,000 to \$50,000, “5,000” should be reported here.**
  - **Financial effect figure – maximum (currency): use this field to report the upper point of your estimated financial effect associated with the opportunity. For example, if the range is from US \$5,000 to \$50,000, “50,000” should be reported here.**
- Provide a cumulative figure/range for the years covered by the time horizon in the respective columns. For example, if an organization’s medium-term is 3-5 years, then figures for the sum of these three years should be provided in the respective columns.
- When providing a single financial figure, companies should respond to both the “minimum” and “maximum” columns with the same figure.

*Explanation of financial effect figures (column 24)*

- This column is only presented if you select “Yes” in column 16 “Are you able to quantify the financial effects of the opportunity?”.
- Describe how you arrived at this figure (or range) for each of your selected time horizons, including:
  - **What approach was employed to calculate the figure;**
  - **The calculation method;**
  - **The figures used in your calculations; and**
  - **Any assumptions the figure is dependent on.**
- You can also describe here other financial effects of the selected opportunity (other than the main effect identified in column 9 “Organization-specific description”, and provide more details on the nature of the effect in case you selected “Other, please specify” in column 9 “Organization-specific description”.



	<p><i>Cost to realize opportunity (column 25)</i></p> <ul style="list-style-type: none"> <li>• Provide numerical data on the cost to realize opportunity. If there are no costs to this, enter 0.</li> <li>• If you cannot provide an absolute value, you may report a percentage value by entering 0 in this column and then reporting the percentage figure in column 26 “Explanation of cost calculation”, including an explanation for how the percentage was calculated.</li> </ul> <p><i>Explanation of cost calculation (column 26)</i></p> <ul style="list-style-type: none"> <li>• Provide an explanation of how the figure for the cost of realizing the opportunity was calculated, including the figures used in your calculation.</li> <li>• If there are no costs to realize the opportunity, you should still explain how you arrived at a figure of 0, even if the cost is absorbed into business-as-usual activities.</li> </ul> <p><i>Strategy to realize opportunity (column 27)</i></p> <ul style="list-style-type: none"> <li>• Use this text field to provide information on methods you are using or plan to use to exploit the opportunity and maximize its potential realization. Make sure to include: <ul style="list-style-type: none"> <li>○ An example of organization-specific activities, projects, products and/or services which are aiming to realize the opportunity; and</li> <li>○ An explanation of how this opportunity has been prioritized in relation to other opportunities.</li> </ul> </li> </ul>
<p>Requested content – [sector] only (if applicable)</p>	<p><i>Note for electric utility sector organizations:</i></p> <ul style="list-style-type: none"> <li>• Consider: <ul style="list-style-type: none"> <li>○ Opportunities that may arise from emissions trading;</li> <li>○ The opportunities that national or international targets on energy efficiency and demand management might present for your organization e.g. revenue implications from energy services business units;</li> <li>○ Your organization’s views on any opportunities that may result from policies on renewable energy or low emissions technologies e.g. current or planned investments in these areas; and</li> <li>○ The extent to which you receive financial incentives to reduce the electricity use of customers.</li> </ul> </li> </ul> <p><i>Note for agricultural sector organizations:</i></p> <ul style="list-style-type: none"> <li>• Agricultural organizations should report on opportunities that the revenue associated with the agricultural/forestry, processing/manufacturing and/or distribution of raw materials and goods. For example, opportunities might arise from: <ul style="list-style-type: none"> <li>○ Increased efficient by reducing energy use during the production of raw materials and/or the manufacture of food, beverage and other goods;</li> <li>○ Reduced costs due to carbon payments by adopting practices or technology to reduce carbon footprint;</li> <li>○ Government of private financial incentives for adoption low impact agriculture/forestry.</li> </ul> </li> </ul> <p><i>Note for financial services companies:</i></p> <ul style="list-style-type: none"> <li>• Consider opportunities associated with financial products and services such as green and blue bonds, sustainable infrastructure, sustainable loans/mortgages, sustainable insurance products, financial products and services ensuring resiliency, specialty environmental risk advisory services and others, or opportunities your clients/investees are exploiting that have a positive effect on your portfolio (e.g. clients reducing costs through water efficiency resulting in less credit risk)</li> <li>• Note that if providing a financial effect figure, this figure should represent the financial effect on your business. For example, the potential interest income generated by green loans should be reported, as opposed to the potential size of the green loan book.</li> <li>• You should consider providing a description of your opportunities by sector and/or geography, as appropriate.</li> </ul> <p><i>Note for capital goods sector organizations:</i></p>

	<ul style="list-style-type: none"> <li>In line with the TCFD’s recommendations, organizations in this sector should consider opportunities for products or services that improve efficiency, reduce energy use and support closed-loop product solutions.</li> </ul>
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**Authoring notes**

<b>Tags</b>		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	CC, F, W, B
Sector	Question level	All (+ M-B)

**(3.6.2) Provide the amount and proportion of your financial metrics in the reporting year that are aligned with the substantive effects of environmental opportunities.**

**Question details**

Question dependencies	This question only appears if you select either of the “Yes” options in response to column “Environmental opportunities identified” in the Climate change, Forests, or Water row of 3.6.
Change from last year	New question
Rationale	This question provides investors and data users with a more complete picture of alignment of finance the substantive effects of environmental opportunities. The proportion of individual financial metrics that are aligned with opportunities can inform strategy to addressing each environmental issue due to each metric’s implications and distinctive role within an organization’s financial accounting and strategy.
Ambition	<p>The organization discloses organization-wide information, including:</p> <ul style="list-style-type: none"> <li>Amount and proportion of assets and business activities aligned with environmental opportunities.</li> <li>Amount of expenditure deployed towards opportunities.</li> </ul>
Connection to other frameworks	IFRS S2 29
Response options	Please complete the following table. You are able to add rows by using the “Add Row” button at the bottom of the table.

1	2	3	4	5
<b>Environmental issue</b>	<b>Financial metric</b>	<b>Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)</b>	<b>% of total financial metric aligned with opportunities for this environmental issue</b>	<b>Explanation of financial figures</b>
Climate change	Select from: <ul style="list-style-type: none"> <li>Assets</li> <li>Revenue</li> <li>CAPEX</li> </ul>	Numerical field [enter a number from 0 to 999,999,999,999,999 using up to 2 decimal places]	Select from: <ul style="list-style-type: none"> <li>Less than 1%</li> <li>1-10%</li> <li>11-20%</li> </ul>	Text field [maximum 2,500 characters]

	<ul style="list-style-type: none"> <li>• OPEX</li> <li>• Other, please specify</li> </ul>		<ul style="list-style-type: none"> <li>• 21-30%</li> <li>• 31-40%</li> <li>• 41-50%</li> <li>• 51-60%</li> <li>• 61-70%</li> <li>• 71-80%</li> <li>• 81-90%</li> <li>• 91-99%</li> <li>• 100%</li> </ul>	
Forests				
Water				
Select from:				
<ul style="list-style-type: none"> <li>• Climate change</li> <li>• Forests</li> <li>• Water</li> </ul>				

Requested content	<p><i>General</i></p> <ul style="list-style-type: none"> <li>• Options in column 1 “Environmental issue” are dependent on selections in column 1 “Environmental issue” of 3.6.</li> <li>• You should report at least one row for each environmental issue presented in column 1 “Environmental issue”, based on the financial metric in column 2 “Financial metric” most relevant to your business. You may choose to add rows to report based on additional financial metrics.</li> <li>• Environmental opportunities with which your organization’s finances are aligned may relate to one or more environmental issues. For example, if your organization had anticipated gains in revenue due to increased brand value resulting from water and forest initiatives undertaken, you may include the revenue in the calculation of alignment with both water and forest related opportunities.</li> <li>• Consider the amount and proportion of the financial metric aligned with opportunities which are anticipated to have a substantive effect on the organization in any time horizon. For example, all assets aligned with opportunities in any of the short, medium, or long-term time horizons should be included when calculating column 3 “Amount of total financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)”.</li> </ul> <p><i>Financial metric (column 2)</i></p> <ul style="list-style-type: none"> <li>• Select the financial metric for which you have assessed your organization’s alignment to opportunities related to the environmental issue selected in column 1. <ul style="list-style-type: none"> <li>○ If CAPEX is selected, consider the amount and proportion of CAPEX <i>deployed toward</i> environmental opportunities.</li> </ul> </li> <li>• If multiple financial metrics are relevant to depicting your organization’s opportunities per environmental issue, you may add rows to report based on additional financial metrics.</li> <li>• You should report the metrics that are most relevant to your business activities.</li> </ul> <p><i>% of total financial metric aligned with opportunities for this environmental issue (column 4)</i></p> <ul style="list-style-type: none"> <li>• Out of the total of the financial metric selected in column 2 “Financial metric”, indicate the proportion of that metric considered aligned with opportunities relating to this environmental issue.</li> <li>• Calculate this number by dividing the figure provided in column 3 “Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)” by the total value of the selected financial metric.</li> </ul>
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	<ul style="list-style-type: none"> <li>○ E.g. If “Climate change” is the environmental issue in column 1 “Environmental issue” and “Revenue” is the financial metric selected in column 2 “Financial metric”, divide the value of your revenue aligned with climate change opportunities by your total revenue.</li> <li>• Select the closest range to the calculated % and provide an explanation in column 5 “Explanation of financial figures”.</li> </ul> <p><i>Explanation of financial figures (column 5)</i></p> <ul style="list-style-type: none"> <li>• Describe the methodology used to derive the figures, including; <ul style="list-style-type: none"> <li>○ The approach employed for calculation; and</li> <li>○ Any assumptions underlying the figure;</li> </ul> </li> </ul>
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**Authoring notes**

<b>Tags</b>		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	CC, F, W
Sector	Question level	All

## Module 4: Governance

Guidance for companies reporting on Climate change, Forests, Water Security, Biodiversity, Plastics on behalf of investors & supply chain members.

### Module overview

Module Overview	<p>This module requests information on the governance structure of your organization and its governance mechanisms with regards to environmental issues. It provides data users with an understanding of the organization's approach to environmental issues at the board and management level.</p> <p>Public environmental policies, board-level oversight, competency, management responsibility, the implementation of incentives for addressing environmental issues, and the integration of information on environmental issues into mainstream reporting are considered best practice and provide an indication of the importance of environmental issues to the organization.</p>
Sector-specific content	<ul style="list-style-type: none"><li>• Additional questions on environmental requirements that clients/investees need to meet, covenants in financing agreements, and pension schemes for the Financial services sector.</li><li>• Additional response options presented in 4.1.2, 4.3.1, 4.5.1, 4.6.1 and 4.10 for the Financial services sector.</li><li>• Additional response options presented in 4.5, 4.5.1 and 4.10 for organizations with mining projects.</li></ul>

## Board oversight

### (4.1) Does your organization have a board of directors or an equivalent governing body?

Question details	
Change from last year	New question
Rationale	This question provides context to data users on board composition and diversity, which have been found to correlate with performance on environmental issues.
Ambition	<ul style="list-style-type: none"> <li>The board includes an appropriate combination of executive, non-executive and, in particular, independent directors.</li> <li>The organization has a publicly available board diversity and inclusion policy.</li> </ul>
Connection to other frameworks	ESRS 2
Response options	Please complete the following table:

1	2	3	4	5	6
<b>Board of directors or equivalent governing body</b>	<b>Frequency with which the board or equivalent meets</b>	<b>Types of directors your board or equivalent is comprised of</b>	<b>Board diversity and inclusion policy</b>	<b>Briefly describe what the policy covers</b>	<b>Attach the policy (optional)</b>
Select from: <ul style="list-style-type: none"> <li>Yes</li> <li>No</li> </ul>	Select from: <ul style="list-style-type: none"> <li>More frequently than quarterly</li> <li>Quarterly</li> <li>Half-yearly</li> <li>Annually</li> <li>Less frequently than annually</li> <li>As important matters arise</li> </ul>	Select all that apply: <ul style="list-style-type: none"> <li>Executive directors or equivalent</li> <li>Non-executive directors or equivalent</li> <li>Independent non-executive directors or equivalent</li> </ul>	Select from: <ul style="list-style-type: none"> <li>Yes, and it is publicly available</li> <li>Yes, but it is not publicly available</li> <li>No</li> </ul>	Text field [maximum 1,500 characters]	[Attachment functionality]

[Fixed row]

Requested content	<p><i>Board of directors or equivalent governing body (column 1)</i></p> <ul style="list-style-type: none"> <li>Select “Yes” if your organization has a board or an equivalent body that provides long-term governance over your organization with key functions such as establishing strategy and organizational purpose.</li> <li>If your organization has two-tier board system, select “Yes” and answer this question with respect to your board structure as a whole.</li> </ul> <p><i>Frequency with which the board or equivalent meets (column 2)</i></p> <ul style="list-style-type: none"> <li>Select the frequency with which the board or equivalent governing body meets. If the board or equivalent meets at a frequency that is not listed in the drop-down options, select the closest match for your organization.</li> <li>If your organization has two-tier board system, select the frequency of the board that meets more frequently. E.g., if the management board meets quarterly, but the supervisory board meets half-yearly, select “Quarterly”.</li> </ul>
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	<p><i>Types of directors your board or equivalent is comprised of (column 3)</i></p> <ul style="list-style-type: none"> <li>• See the “Explanation of terms” for the definitions of executive directors, non-executive directors, and independent non-executive directors.</li> <li>• If your organization does not have board directors, select the options which best represent the members of your equivalent governing body with respect to their involvement in the day-to-day management of your organization.</li> </ul> <p><i>Board diversity and inclusion policy (column 4)</i></p> <ul style="list-style-type: none"> <li>• Select either “Yes” option if your organization has a diversity and inclusion policy that outlines how the organization will achieve diversity on the board or equivalent governing body. See “Explanation of terms” for more information.</li> </ul> <p><i>Briefly describe what the policy covers (column 5)</i></p> <ul style="list-style-type: none"> <li>• This column is presented if either “Yes, and it is publicly available”, or “Yes, but it is not publicly available” is selected in column 4 “Board diversity and inclusion policy”.</li> </ul> <p><i>Attach the policy (optional) (column 6)</i></p> <ul style="list-style-type: none"> <li>• This column is presented if either “Yes, and it is publicly available”, or “Yes, but it is not publicly available” is selected in column 4 “Board diversity and inclusion policy”.</li> <li>• You may attach one or more documents which include your organization’s diversity and inclusion policy.</li> </ul>
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Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	CC, F, W, B
Sector	Question level	All

**(4.1.1) Is there board-level oversight of environmental issues within your organization?**

Question details	
Question dependencies	This question only appears if you select “Yes” in response to column 1 “Board of directors or equivalent governing body” of 4.1.
Change from last year	Modified question (2023 C1.1, C1.1c, C15.1, F4.1, F4.1c, F-MM12.1/F-CO12.1, W6.2, W6.2c)
Rationale	To address environmental challenges, it is essential that organizations incorporate environmental issues into their governance procedures. This question provides data users with an indication of your level of commitment to addressing environmental issues in your organization.
Ambition	<ul style="list-style-type: none"> <li>• The board oversees, through a dedicated position or committee with accountability, issues relating to their identified environmental dependencies, impacts, risks, and opportunities.</li> </ul>
Connection to other frameworks	AFi Core Principle 4 CEO WM Response: Policies, Governance, and Targets ESRS 2
Response options	Please complete the following table:

0	1	2	3
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Environmental issue	Board-level oversight of this environmental issue	Primary reason for no board-level oversight of this environmental issue	Explain why your organization does not have board-level oversight of this environmental issue
Climate change	Select from: <ul style="list-style-type: none"> <li>• Yes</li> <li>• No, but we plan to within the next two years</li> <li>• No, and we do not plan to within the next two years</li> </ul>	Select from: <ul style="list-style-type: none"> <li>• Lack of internal resources, capabilities, or expertise (e.g., due to organization size)</li> <li>• No standardized procedure</li> <li>• Not an immediate strategic priority</li> <li>• Judged to be unimportant or not relevant</li> <li>• Other, please specify</li> </ul>	Text field [maximum 2,500 characters]
Forests			
Water			
Biodiversity			

Requested content	<p><i>General</i></p> <ul style="list-style-type: none"> <li>• If your organization has an equivalent governing body, respond based on the equivalent governing body.</li> <li>• If your organization has two-tier board system, respond with respect to your board structure as a whole.</li> </ul> <p><i>Board-level oversight of this environmental issue (column 1)</i></p> <ul style="list-style-type: none"> <li>• Select “Yes” if your organization’s board or equivalent governing body takes into account environmental dependencies, impacts, risks, and opportunities relating to the environmental issue in column 0 “Environmental issue” when, for example: <ul style="list-style-type: none"> <li>• reviewing and guiding business strategy, the risk management approach and annual budgets;</li> <li>• overseeing the organization’s employee incentives, major capital expenditures, acquisitions, and divestitures;</li> <li>• monitoring progress towards targets; and/or</li> <li>• approving and monitoring corporate policies and/or commitments.</li> </ul> </li> </ul> <p><i>Explain why your organization does not have board-level oversight of this environmental issue (column 3)</i></p> <ul style="list-style-type: none"> <li>• This column only appears if either “No...” option is selected in column 1 “Board-level oversight of this environmental issue”.</li> <li>• Describe the primary reason selected in column 2 “Primary reason for no board-level oversight of this environmental issue” and explain any plans to address this in the future.</li> <li>• If you selected “Judged to be unimportant or not relevant” in column 2 “Primary reason for no board-level oversight of this environmental issue”, explain the criteria used to decide that board-level oversight of the environmental issue in column 0 “Environmental issue” is not important to your organization.</li> </ul>
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<b>Authoring notes</b>	
<b>Tags</b>	
Corporate authority	Capital Markets



Environmental Issue (Theme)	Question level	CC, F, W, B
Sector	Question level	All

**(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.**

Question details	
Question dependencies	This question only appears if you select “Yes” in response to column 1 “Board-level oversight of this environmental issue” for any row of 4.1.1.
Change from last year	Modified question (2023 C1.1a, C1.1b, F4.1a, F4.1b, F-MM12.1a/F-CO12.1a, F-MM12.1b/F-CO12.1b, W6.2a, W6.2b)
Rationale	By disclosing information on governance mechanisms and board-level accountability relating to environmental issues, organizations demonstrate the degree of strategic significance attached to environmental issues by the organization. This question provides an indication of your level of commitment to highlighting the importance of environmental issues at the highest level of your organizational structure.
Ambition	<ul style="list-style-type: none"> <li>The board oversees, through a dedicated position or committee with accountability, issues relating to their identified environmental dependencies, impacts, risks, and opportunities. <ul style="list-style-type: none"> <li>The position or committee’s accountability for environmental issues is reflected in the organization’s Terms of Reference (ToRs), mandates, role descriptions, and/or related policies applicable to the board.</li> <li>(Financial Services sector) The board oversees, through a dedicated position or committee with accountability, issues relating to their identified environmental dependencies, impacts, risks, and opportunities of their bank lending/investing/insurance underwriting activities.</li> </ul> </li> <li>The board has established a standing board agenda item on environmental issues.</li> <li>The board has oversight over targets, policies, and other measures put into place to address environmental issues raised to the board by management, and the progress of these.</li> <li>The board ensures that environmental issues are considered when overseeing strategy, financial planning (including annual budgets as well as major capital expenditures, acquisitions, and divestitures), and risk management.</li> <li>The terms of the environmental monetary incentives policies are approved or overseen by the board.</li> <li>The board has oversight over policy engagement activities relating to environmental issues.</li> </ul>
Connection to other frameworks	IFRS S2 6 AFi Core Principle 4 CEO WM Response: Policies, Governance, and Targets TNFD Governance A TCFD Governance A ESRS 2
Response options	Please complete the following table:

0	1	2	3	4	5	6	7
Environmental issue	Positions of individuals or committees with accountability for	Positions’ accountability for this environmental issue is	Policies which outline the positions’ accountability for this	Frequency with which this environmental issue is a	Governance mechanisms into which this environmen	Scope of board-level oversight	Please explain

	<b>this environmental issue</b>	<b>outlined in policies applicable to the board</b>	<b>environmental issue</b>	<b>scheduled agenda item</b>	<b>tal issue is integrated</b>		
Climate change	Select all that apply: <ul style="list-style-type: none"> <li>• Board chair</li> <li>• Director on board</li> <li>• Chief Executive Officer (CEO)</li> <li>• Chief Financial Officer (CFO)</li> <li>• Chief Operating Officer (COO)</li> <li>• Chief Procurement Officer (CPO)</li> <li>• Chief Risk Officer (CRO)</li> <li>• Chief Sustainability Officer (CSO)</li> <li>• Chief Investment Officer (CIO) [Financial services only]</li> <li>• Chief Credit Officer (CCO) [Financial services only]</li> <li>• Chief Underwriting Officer (CUO) [Financial services only]</li> <li>• Chief Government Relations Officer (CGRO)</li> <li>• Chief Technology Officer (CTO)</li> <li>• Chief Compliance Officer (CCO)</li> <li>• Other C-Suite Officer</li> <li>• Board-level committee</li> <li>• President</li> <li>• General Counsel</li> <li>• Other, please specify</li> </ul>	Select from: <ul style="list-style-type: none"> <li>• Yes</li> <li>• No</li> </ul>	Select all that apply: <ul style="list-style-type: none"> <li>• Board Terms of Reference</li> <li>• Board mandate</li> <li>• Individual role descriptions</li> <li>• Other policy applicable to the board, please specify</li> </ul>	Select from: <ul style="list-style-type: none"> <li>• Scheduled agenda item in every board meeting (standing agenda item)</li> <li>• Scheduled agenda item in some board meetings – at least annually</li> <li>• Scheduled agenda item in some board meetings – less than annually</li> <li>• Sporadic – agenda item as important matters arise</li> </ul>	Select all that apply from the drop-down list below	Select all that apply: <ul style="list-style-type: none"> <li>• Risks and opportunities to our own operations</li> <li>• Risks and opportunities to our banking activities</li> <li>• Risks and opportunities to our investment activities</li> <li>• Risks and opportunities to our insurance underwriting activities</li> <li>• The impact of our own operations on the environment</li> <li>• The impact of our banking activities on the environment</li> <li>• The impact of our investing activities on the environment</li> <li>• The impact of our insurance underwriting activities on the environment</li> </ul>	Text field [maximum 3,000 characters]
Forests							
Water							
Biodiversity							

Governance mechanisms into which this environmental issue is integrated (column 5)

<ul style="list-style-type: none"> <li>• Overseeing and guiding scenario analysis</li> <li>• Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities</li> <li>• Overseeing reporting, audit, and verification processes</li> <li>• Approving corporate policies and/or commitments</li> <li>• Monitoring compliance with corporate policies and/or commitments</li> <li>• Overseeing the setting of corporate targets</li> <li>• Monitoring progress towards corporate targets</li> <li>• Monitoring supplier compliance with organizational requirements</li> <li>• Overseeing and guiding public policy engagement</li> <li>• Overseeing and guiding value chain engagement</li> </ul>	<ul style="list-style-type: none"> <li>• Overseeing and guiding the development of a climate transition plan [CC only]</li> <li>• Monitoring the implementation of a climate transition plan [CC only]</li> <li>• Overseeing and guiding the development of a business strategy</li> <li>• Monitoring the implementation of the business strategy</li> <li>• Overseeing and guiding acquisitions, mergers, and divestitures</li> <li>• Overseeing and guiding major capital expenditures</li> <li>• Reviewing and guiding annual budgets</li> <li>• Reviewing and guiding innovation/R&amp;D priorities</li> <li>• Approving and/or overseeing employee incentives</li> <li>• Other, please specify</li> </ul>
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Requested content	<p><i>General</i></p> <ul style="list-style-type: none"> <li>• If your organization has an equivalent governing body, respond based on the equivalent governing body.</li> <li>• If your organization has two-tier board system, respond with respect to your board structure as a whole.</li> <li>• Note that this question asks about the positions and not about the names of the staff holding these positions. Do not include the name of any individual or any other personal data in your response.</li> </ul> <p><i>Positions of individuals or committees with accountability for this environmental issue (column 1)</i></p> <ul style="list-style-type: none"> <li>• Select the position of the individual on the board who is accountable for the environmental issue in column 0 “Environmental issue”. This may be an individual member of the board or a board level committee (e.g., sustainability committee, risk committee etc.).</li> <li>• If accountability falls jointly to more than one position, select multiple positions.</li> <li>• If accountability falls jointly to the members of a committee, rather than an individual position, select “Board-level committee.”</li> <li>• If the position is not listed here, select the closest match for your organization, or select “Other, please specify”.</li> <li>• See the “Explanation of terms” for a definition of board accountability. In practical terms, this is the person or committee at the top of the chain of command specifically managing information on the environmental issue in column 0 “Environmental issue”, making decisions about what the organization will do and adapting those decisions based on information relating to the environmental issue.</li> <li>• The CEO is ultimately accountable for everything in the organization; however, this question is looking to identify board-level accountability specifically with respect to your organization’s environmental dependencies, impacts, risks, and opportunities. While this may be the CEO, it is not necessarily always the case.</li> </ul> <p><i>Positions’ accountability for this environmental issue is outlined in policies applicable to the board (column 2)</i></p> <ul style="list-style-type: none"> <li>• A position’s accountability for environmental issues can be defined in various policies, charters, directives and/or other formal documents applicable to the board, such the board’s terms of reference, the board mandate, or in role descriptions for specific individuals that sit on the board.</li> <li>• These formal documents may set out the details of the position’s accountability for environmental issues and detail expectations of the board and its committees regarding environmental issues.</li> </ul> <p><i>Policies which outline the positions’ accountability for this environmental issue (column 3)</i></p>
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- This column only appears if “Yes” is selected in column 2 “Positions’ accountability for this environmental issue is outlined in policies applicable to the board”.

*Frequency with which this environmental issue is a scheduled agenda item (column 4)*

- You should consider the frequency that the environmental issue in column 0 “Environmental issue” is a scheduled agenda item for the principal board-level committee that has oversight and accountability for environmental issues. This may be a subcommittee of the board, or the full board itself.
- If the frequency is not listed here, select the closest match for your organization.

*Governance mechanisms into which this environmental issue is integrated (column 5)*

- Select all the governance mechanisms into which the environmental issue in column 0 “Environmental issue” is integrated as part of the board’s oversight.
- Note that your response to this column should not be limited to only the governance mechanisms for which the positions selected in column 1 “Positions of individuals or committees with accountability for this environmental issue”, have direct responsibility – you should consider your organization’s governance mechanisms as a whole and how the environmental issue in column 0 “Environmental issue” is integrated. For example, if your Chief Sustainability Officer has ultimate accountability for water-related issues as indicated in column 1 “Positions of individuals or committees with accountability for this environmental issue”, the responsibility for integrating water-related issues into “reviewing and guiding annual budgets” may fall under the remit of the Chief Financial Officer. In this case, “reviewing and guiding annual budgets” should still be selected as water-related issues are integrated, even though direct responsibility does not fall with the position ultimately accountable for all water-related issues.

*Scope of board-level oversight (column 6)*

- Activities of a business may both be affected by environmental issues and impact the environment. For financial institutions, these effects may materialize via the organization’s own operations, the financial products and services offered to its clients, and/or its investments. This column seeks insight on whether an organization’s board considers:
  - how the risks posed, or opportunities presented by environmental issues affect its business; and conversely
  - how its business activities impact the environment, either positively or negatively.

*Please explain (column 7)*

- Describe the governance mechanisms selected in column 5 “Governance mechanisms into which this environmental issue is integrated” and explain how these mechanisms contribute to the board’s overall oversight of the environmental issue in column 0 “Environmental issue”. For example, if in the row “Climate change” you selected in column 5 “Overseeing the setting of corporate targets” and “Monitoring progress towards corporate targets”, describe the process for how the board oversees and monitors your organization’s climate-related targets and progress towards those targets.
- Include details such as examples of specific board agenda items related to the environmental issue (e.g. Water, Sanitation and Hygiene, or emissions reporting obligations), information on who briefs the board and on which matters (e.g., "a report from each Business Head regarding progress towards climate-related targets is reviewed quarterly by the board"), and details of the process of integrating the environmental issue into your organization’s governance mechanisms.
- Provide examples of decisions the positions/committees selected in column 1 “Position of individual or committee with accountability for this environmental issue” have made or contributed to with respect to the board’s oversight of the environmental issue in column 0 “Environmental issue” via the governance mechanisms selected in column 5 “Governance mechanisms into which this environmental issue is integrated”. As much as possible, give examples from the reporting year.

	<ul style="list-style-type: none"> <li>Indicate whether and how the board considers trade-offs associated with risks and opportunities related to the environmental issue (e.g., a trade-off between higher costs of switching to a new technology and increased consumer preferences for eco-friendly technologies).</li> </ul>
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Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	CC, F, W, B
Sector	Question level	All

## **Board competency**

### **(4.2) Does your organization’s board have competency on environmental issues?**

Question details	
Question dependencies	This question only appears if you select “Yes” in response to column 1 “Board of directors or equivalent governing body” of 4.1.
Change from last year	Modified question (2023 C1.1d, F4.1d, W6.2d)
Rationale	Transitioning a business for success in a sustainable future requires environmental competency within its decision-making bodies. This capability at board-level and commitment to maintaining high levels of competency signals an organization’s commitment to understanding and responding to environmental dependencies, impacts, risks, and opportunities.
Ambition	<ul style="list-style-type: none"> <li>The organization has an environmentally competent board and ensures that competency is enabled through: <ul style="list-style-type: none"> <li>Integrating knowledge of environmental issues into the board nominating process.</li> <li>Educating all directors on environmental issues.</li> <li>Engaging regularly with external stakeholders and experts on environmental issues.</li> <li>Establishing a permanent, independent, subject-expert working group that advises on environmental issues regularly.</li> <li>Having at least one board member with expertise on environmental issues.</li> </ul> </li> </ul>
Connection to other frameworks	IFRS S2 6 TNFD Governance A ESRS 2
Response options	Please complete the following table:

0	1	2	3	4	5
<b>Environmental issue</b>	<b>Board-level competency on this environmental issue</b>	<b>Mechanisms to maintain an environmentally competent board</b>	<b>Environmental expertise of the board member</b>	<b>Primary reason for no board-level competency on this environmental issue</b>	<b>Explain why your organization does not have a board with competence on this environmental issue</b>

Climate change	<p>Select from:</p> <ul style="list-style-type: none"> <li>• Yes</li> <li>• No, but we plan to within the next two years</li> <li>• No, and we do not plan to within the next two years</li> <li>• Not assessed</li> </ul>	<p>Select all that apply:</p> <ul style="list-style-type: none"> <li>• Consulting regularly with an internal, permanent, subject-expert working group</li> <li>• Engaging regularly with external stakeholders and experts on environmental issues</li> <li>• Integrating knowledge of environmental issues into board nominating process</li> <li>• Regular training for directors on environmental issues, industry best practice, and standards (e.g., TCFD, SBTi)</li> <li>• Having at least one board member with expertise on this environmental issue</li> <li>• Other, please specify</li> </ul>	<p>Select all that apply from drop-down options below:</p>	<p>Select from:</p> <ul style="list-style-type: none"> <li>• Lack of internal resources, capabilities, or expertise (e.g., due to organization size)</li> <li>• No standardized procedure</li> <li>• Not an immediate strategic priority</li> <li>• Judged to be unimportant or not relevant</li> <li>• Other, please specify</li> </ul>	<p>Text field [maximum 2,500 characters]</p>
Forests		<ul style="list-style-type: none"> <li>•</li> </ul>			

Environmental expertise of the board member (column 3)	
<p><b>Academic</b></p> <ul style="list-style-type: none"> <li>• Undergraduate education (e.g., BSc/BA in environment and sustainability, climate science, environmental science, water resources management, environmental engineering, forestry, etc.), please specify</li> <li>• Postgraduate education (e.g., MSc/MA/PhD in environment and sustainability, climate science, environmental science, water resources management, forestry, etc.), please specify</li> </ul> <p><b>Additional training</b></p> <ul style="list-style-type: none"> <li>• Course certificate (relating to environmental issues), please specify</li> <li>• Training in an environmental subject by a certified organization, please specify</li> </ul>	<p><b>Experience</b></p> <ul style="list-style-type: none"> <li>• Executive-level experience in a role focused on environmental issues</li> <li>• Management-level experience in a role focused on environmental issues</li> <li>• Staff-level experience in a role focused on environmental issues</li> <li>• Experience in an academic role focused on environmental issues</li> <li>• Experience in the environmental department of a government (national or local)</li> <li>• Experience in an organization that is exposed to environmental-scrutiny and is going through a sustainability transition</li> <li>• Active member of an environmental committee or organization</li> </ul> <p><b>Other</b></p> <ul style="list-style-type: none"> <li>• Other, please specify</li> </ul>

Requested content	<p><i>General</i></p> <ul style="list-style-type: none"> <li>• Consider whether your board is regularly educated and informed on environmental issues and/or whether your board has at least one individual with environmental expertise, integrating this into discussions and decision-making.</li> </ul>
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	<p><i>Board level competency on this environmental issue (column 1)</i></p> <ul style="list-style-type: none"> <li>Select “Yes” if the board and/or board committees have competence on the environmental issue in column 0. See the “Explanation of terms” for a definition of board competency (on environmental issues). In practical terms, it refers to the collective knowledge and understanding of the environmental issue in column 0 and the ability to engage/act/respond effectively on the related dependencies, impacts, risks, and opportunities as one cohesive deliberative body.</li> </ul> <p><i>Mechanisms to maintain an environmentally competent board (column 2)</i></p> <ul style="list-style-type: none"> <li>This column is only presented if “Yes” is selected in column 1 “Board-level competency on this environmental issue”.</li> <li>Select all the mechanisms that apply to achieve and/or maintain the board’s competence on the environmental issue in column 0.</li> <li>If none of the mechanisms are applicable to your organization, select “Other, please specify” to provide the mechanism used to maintain competency.</li> </ul> <p><i>Environmental expertise of the board member (column 3)</i></p> <ul style="list-style-type: none"> <li>This column only appears if “Having at least one board member with expertise on this environmental issue” is selected in column 2.</li> <li>Select all the types of expertise that apply to the individual on your board with environmental expertise. Consider any academic qualifications, training, experience, or other types of expertise relating to environmental issues present across your board.</li> <li>If there is more than one person with expertise, organizations should respond based on the board member with the highest level of expertise. i.e., the board member to which the most academic, additional training, and experience options apply.</li> <li>If you selected any “Academic” or “Additional training” response option, detail the specific expertise through the “Please specify” text field. For example, if you selected “Undergraduate education” you may specify “BSc Climate science”.</li> <li>If none of the criteria are applicable to your organization, select “Other, please specify” to provide the environmental expertise of the board member.</li> </ul> <p><i>Primary reason for no board-level competency on environmental issues (column 4)</i></p> <ul style="list-style-type: none"> <li>This column is only presented if one of the “No” options is selected in column 1 “Board-level competency on this environmental issue”.</li> <li>Select the primary reason as to why there is no board-level competence on the environmental issues in column 0 in your organization.</li> </ul> <p><i>Explain why your organization does not have a board with competence on this environmental issue (column 5)</i></p> <ul style="list-style-type: none"> <li>This column is only presented if one of the “No” options is selected in column 1 “Board-level competency on this environmental issue”.</li> <li>If you selected “Judged to be unimportant or not relevant” in column 5 “Primary reason for no board-level competency on this environmental issue”, explain the criteria used to decide that board-level competence on the environmental issue from column 0 is not important or relevant for your organization.</li> <li>Describe any plans to address board-level competence on environmental issues in the future, such as any measures you have implemented to enhance the competence of the board.</li> </ul>
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Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	CC, F, W

Sector	Question level	All
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## **Management responsibility**

### **(4.3) Is there management-level responsibility for environmental issues within your organization?**

Question details	
Change from last year	Modified question (2023 C1.2, C15.1, F4.2, W6.3)
Rationale	While it is most important for a member of the board to have accountability over environmental issues, assigning management-level responsibility indicates that the organization is committed to implementing its environmental policy.
Ambition	<ul style="list-style-type: none"> <li>The organization has senior management responsibility for the assessment and management of environmental dependencies, impacts, risks, and opportunities.</li> </ul>
Connection to other frameworks	AFi Core Principle 4 TCFD Governance B TNFD Governance B
Response options	Please complete the following table:

0	1	2	3
Environmental issue	Management-level responsibility for this environmental issue	Primary reason for no management-level responsibility for environmental issues	Explain why your organization does not have management-level responsibility for environmental issues
Climate change	Select from: <ul style="list-style-type: none"> <li>Yes</li> <li>No, but we plan to within the next two years</li> <li>No, and we do not plan to within the next two years</li> </ul>	Select from: <ul style="list-style-type: none"> <li>Lack of internal resources, capabilities, or expertise (e.g., due to organization size)</li> <li>No standardized procedure</li> <li>Not an immediate strategic priority</li> <li>Judged to be unimportant or not relevant</li> <li>Other, please specify</li> </ul>	Text field [maximum 2,500 characters]
Forests			
Water			
Biodiversity			

[Fixed row]

Requested content	<p><i>General</i></p> <ul style="list-style-type: none"> <li>Select “Yes” if senior management positions or committees in your organization have responsibilities in any of the following areas related to environmental issues:               <ul style="list-style-type: none"> <li>Managing dependencies, impacts, risks and opportunities;</li> <li>Setting and measuring progress towards policies, commitments, and targets;</li> <li>Managing public policy and/or value chain engagement; and</li> <li>Setting and implementing strategy and managing financial planning.</li> </ul> </li> <li>If either “No” option is selected in column 1, you will be presented with columns 2 and 3.</li> </ul>
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	<p><i>Explain why your organization does not have management-level responsibility for environmental issues (column 3)</i></p> <ul style="list-style-type: none"> <li>Describe the primary reason selected in column 2 “Primary reason for no management-level responsibility for environmental issues” and explain any plans to address this in the future.</li> <li>If you selected “Judged to be unimportant or not relevant” in column 2, explain the criteria used to decide that management-level responsibility for environmental issues is not important or relevant to your organization.</li> </ul>
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Authoring notes		
<b>Tags</b>		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	CC, F, W, B
Sector	Question level	All

**(4.3.1) Provide the highest senior management-level positions or committees with responsibility for environmental issues (do not include the names of individuals).**

Question details	
Question dependencies	This question only appears if you select “Yes” in response to column 1 “Management-level responsibility for this environmental issue” of 4.3.
Change from last year	Modified question (2023 C1.2, C15.1, F4.2, F-MM12.2/F-CO12.2, W6.3)
Rationale	While it is most important for a member of the board to have accountability over environmental issues, assigning management-level responsibility indicates that the organization is committed to implementing its environmental policy.
Ambition	<ul style="list-style-type: none"> <li>The organization has senior management responsibility for the assessment and management of environmental dependencies, impacts, risks, and opportunities. <ul style="list-style-type: none"> <li>These responsibilities are assigned to a particular role.</li> <li>Senior management is informed about and monitors environmental issues, and the organization has a clear, transparent, and thorough process for doing so which includes whether, by whom, and how frequently management is informed.</li> <li>Senior management has a direct reporting line to the board.</li> </ul> </li> <li>Senior management has responsibility for: <ul style="list-style-type: none"> <li>Environmental policies and commitments,</li> <li>Setting and measuring progress (through performance metric tracking) against environmental targets,</li> <li>Dedicated controls and procedures for the management of environmental issues, in particular with relation to the implementation of strategy, financial planning, and risk management policies.</li> </ul> </li> </ul>
Connection to other frameworks	IFRS S2 6 AFi Core Principle 4 TNFD Governance B ESRS 2
Response options	Please complete the following table. You are able to add rows by using the “Add Row” button at the bottom of the table.

0	1	2	3	4	5	6
Environmental issue	Position of individual or committee with responsibility	Environmental responsibilities of this position	Coverage of responsibilities	Reporting line	Frequency of reporting to the board on environmental issues	Please explain
Climate change	Select from the drop-down options below	Select all that apply from the drop-down options below	Select all that apply: <ul style="list-style-type: none"> <li>• <b>Dependencies, impacts, risks, and opportunities</b> related to our banking activities</li> <li>• Dependencies, impacts, risks, and opportunities related to our investing activities</li> <li>• Dependencies, impacts, risks, and opportunities related to our insurance underwriting activities</li> <li>• Dependencies, impacts, risks and opportunities related to our own operations and/or upstream value chain</li> </ul>	Select from: <ul style="list-style-type: none"> <li>• Reports to the board directly</li> <li>• Reports to the Chief Executive Officer (CEO)</li> <li>• Reports to the Chief Financial Officer (CFO)</li> <li>• Reports to the Chief Operating Officer (COO)</li> <li>• Reports to the Chief Risks Officer (CRO)</li> <li>• Reports to the Chief Sustainability Officer (CSO)</li> <li>• Reports to the Chief Investment Officer (CIO) [FS only]</li> <li>• Other, please specify</li> </ul>	Select from: <ul style="list-style-type: none"> <li>• More frequently than quarterly</li> <li>• Quarterly</li> <li>• Half-yearly</li> <li>• Annually</li> <li>• Less frequently than annually</li> <li>• As important matters arise</li> <li>• Not reported to the board</li> </ul>	Text field [maximum 2,000 characters]
Forests						
Water						
Biodiversity						
Select from: <ul style="list-style-type: none"> <li>• Climate change</li> <li>• Forests</li> <li>• Water</li> <li>• Biodiversity</li> </ul>						

Position of individual or committee (column 1)	
<b>Executive level</b> <ul style="list-style-type: none"> <li>• Chief Executive Officer (CEO)</li> <li>• Chief Financial Officer (CFO)</li> <li>• Chief Operating Officer (COO)</li> <li>• Chief Procurement Officer (CPO)</li> <li>• Chief Risks Officer (CRO)</li> <li>• Chief Sustainability Officer (CSO)</li> <li>• Chief Investment Officer (CIO) [FS only]</li> <li>• Chief Credit Officer (CCO) [FS only]</li> <li>• Chief Underwriting Officer (CUO) [FS only]</li> <li>• Chief Government Relations Officer (CGRO)</li> <li>• Chief Technology Officer (CTO)</li> <li>• Chief Compliance Officer (CCO)</li> <li>• Other C-Suite Officer, please specify</li> <li>• President</li> <li>• General Counsel</li> </ul>	<b>Committee</b> <ul style="list-style-type: none"> <li>• Risk committee</li> <li>• Sustainability committee</li> <li>• Environmental, Social, Governance committee</li> <li>• Safety, Health, Environment and Quality committee</li> <li>• Corporate responsibility committee</li> <li>• Credit committee [FS only]</li> <li>• Investment committee [FS only]</li> <li>• Responsible Investment committee [FS only]</li> <li>• Audit committee [FS only]</li> <li>• Other committee, please specify</li> </ul> <b>Other</b> <ul style="list-style-type: none"> <li>• Other position, please specify</li> </ul>

Environmental responsibilities of this position (column 2)	
<p><b>Dependencies, impacts, risks and opportunities</b></p> <ul style="list-style-type: none"> <li>Assessing future trends in environmental dependencies, impacts, risks, and opportunities</li> <li>Assessing environmental dependencies, impacts, risks, and opportunities</li> <li>Managing environmental dependencies, impacts, risks, and opportunities</li> </ul> <p><b>Policies, commitments, and targets</b></p> <ul style="list-style-type: none"> <li>Setting corporate environmental policies and/or commitments</li> <li>Monitoring compliance with corporate environmental policies and/or commitments</li> <li>Setting corporate environmental targets</li> <li>Measuring progress towards environmental corporate targets</li> <li>Measuring progress towards environmental science-based targets</li> </ul> <p><b>Engagement</b></p> <ul style="list-style-type: none"> <li>Managing public policy engagement related to environmental issues</li> <li>Managing value chain engagement related to environmental issues</li> <li>Managing engagement in landscapes and/or jurisdictions</li> <li>Managing supplier compliance with environmental requirements</li> </ul>	<p><b>Strategy and financial planning</b></p> <ul style="list-style-type: none"> <li>Conducting environmental scenario analysis</li> <li>Developing a climate transition plan [CC only]</li> <li>Implementing a climate transition plan [CC only]</li> <li>Developing a business strategy which considers environmental issues</li> <li>Implementing the business strategy related to environmental issues</li> <li>Managing acquisitions, mergers, and divestitures related to environmental issues</li> <li>Managing major capital and/or operational expenditures relating to environmental issues</li> <li>Managing annual budgets related to environmental issues</li> <li>Managing priorities related to innovation/low-environmental impact products or services (including R&amp;D)</li> <li>Managing environmental reporting, audit, and verification processes</li> </ul> <p><b>Other</b></p> <ul style="list-style-type: none"> <li>Providing employee incentives related to environmental performance</li> <li>Other, please specify</li> </ul>

[Fixed row, add row]

Requested content	<p><i>General</i></p> <ul style="list-style-type: none"> <li>If there is more than one senior position/committee with management-level responsibility for the environmental issue, provide details on the highest senior position or committee with management-level responsibility for environmental issues.</li> <li>If you would like to describe more than one senior position/committee with management-level responsibility for the environmental issue you may use the "Add Row" button. This is optional. In this case, ensure that the position/committee with the highest level of responsibility is in the top row of the table.</li> <li>Note that this question asks about the position and not about the names of the staff holding these positions. Do not include the name of any individual or any other personal data in your response.</li> </ul> <p><i>Coverage of responsibility (column 3) [FS only]</i></p> <ul style="list-style-type: none"> <li>This column only appears if "Assessing future trends in environmental dependencies, impacts, risks, and opportunities" or "Assessing environmental dependencies, impacts, risks, and opportunities" or "Managing environmental dependencies, impacts, risks, and opportunities" is selected in column 2 "Environmental responsibilities of this position".</li> <li>This column seeks to understand whether the highest management-level position or committee with responsibility for environmental issues considers both environmental risks and opportunities related to both your own operations and core financing activities.</li> </ul> <p><i>Reporting line (column 4)</i></p>
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	<ul style="list-style-type: none"> <li>Select the option that represents the direct reporting line of the position of individual or committee with responsibility for environmental issues (i.e., the position with direct oversight of the individual or committee with responsibility).</li> </ul> <p><i>Frequency of reporting to the board on environmental issues (column 5)</i></p> <ul style="list-style-type: none"> <li>Select the most regular frequency that the individual or committee reports to the board. For example, if the individual or committee reports to the board quarterly but may also report to the board in between these regular meetings as important matters arise, you should select “Quarterly”.</li> <li>If your organization has an equivalent governing body rather than a board which you have reported in 4.1, respond based on the equivalent governing body.</li> </ul> <p><i>Please explain (column 6)</i></p> <ul style="list-style-type: none"> <li>Provide a brief description of the organizational structure associated with the position/committee selected in column 1.</li> <li>State the controls and procedures by which the position/committee assesses and manages environmental dependencies, impacts, risks and opportunities, including: <ul style="list-style-type: none"> <li>procedures followed to inform the position/committee on environmental issues;</li> <li>frequency the position/committee is informed on environmental issues; and</li> <li>how the controls and procedures used to assess and manage environmental issues are integrated with other internal functions.</li> </ul> </li> <li>For Financial Services disclosers: If you selected “Dependencies, impacts, risks and opportunities related to our own operations and/or upstream value chain” in column 3 and the responsibility does not cover both your own operations and upstream value chain, please explain your exclusions.</li> </ul>
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Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	CC, F, W, B
Sector	Question level	All

**Management competency**

**(4.4) Does your organization have management-level competency on environmental issues?**

Question details	
Question dependencies	This question only appears if you select “No” in response to column 1 “Board of directors or equivalent governing body” of 4.1.
Change from last year	New question
Rationale	Transitioning a business for success in a sustainable future requires environmental competency within its decision-making bodies. This capability at management-level for organizations without a board signals an organization’s commitment to understanding and responding to environmental dependencies, impacts, risks, and opportunities.
Ambition	<ul style="list-style-type: none"> <li>Organizations without a board have management-level competency on environmental issues.</li> </ul>
Connection to other frameworks	ESRS 2

Response options	Please complete the following table:
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0	1	2	3	4	5
<b>Environmental issues</b>	<b>Management-level competency on this environmental issue</b>	<b>Mechanisms to maintain management level competency on this environmental issue</b>	<b>Environmental expertise of the individual at management level</b>	<b>Primary reason for no management-level competency on environmental issues</b>	<b>Explain why your organization does not have management-level competency on this environmental issue</b>
Climate change	Select from: <ul style="list-style-type: none"> <li>• Yes</li> <li>• No, but we plan to within the next two years</li> <li>• No, and we do not plan to within the next two years</li> <li>• Not assessed</li> </ul>	Select all that apply: <ul style="list-style-type: none"> <li>• Consulting regularly with an internal, permanent, subject-expert working group</li> <li>• Engaging regularly with external stakeholders and experts on environmental issues</li> <li>• Regular training at management level on environmental issues, industry best practice, and standards (e.g., TCFD, SBTi)</li> <li>• Having at least one individual at management level with expertise on this environmental issue</li> <li>• Other, please specify</li> </ul>	Select all that apply from drop-down options below	Select from: <ul style="list-style-type: none"> <li>• Lack of internal resources, capabilities, or expertise (e.g., due to organization size)</li> <li>• No standardized procedure</li> <li>• Not an immediate strategic priority</li> <li>• Judged to be unimportant or not relevant</li> <li>• Other, please specify</li> </ul>	Text field [maximum 2,500 characters]
Forests					
Water					

Environmental expertise of the individual at management level (column 3)	
<b>Academic</b> <ul style="list-style-type: none"> <li>• Undergraduate education (e.g., BSc/BA in environment and sustainability, climate science, environmental science, water</li> </ul>	<b>Experience</b> <ul style="list-style-type: none"> <li>• Executive-level experience in a role focused on environmental issues</li> </ul>

<p>resources management, environmental engineering, forestry, etc.), please specify</p> <ul style="list-style-type: none"> <li>• Postgraduate education (e.g., MSc/MA/PhD in environment and sustainability, climate science, environmental science, water resources management, forestry, etc.), please specify</li> </ul> <p><b>Additional training</b></p> <ul style="list-style-type: none"> <li>• Course certificate (relating to environmental issues), please specify</li> <li>• Training in an environmental subject by a certified organization, please specify</li> </ul>	<ul style="list-style-type: none"> <li>• Management-level experience in a role focused on environmental issues</li> <li>• Staff-level experience in a role focused on environmental issues</li> <li>• Experience in an academic role focused on environmental issues</li> <li>• Experience in the environmental department of a government (national or local)</li> <li>• Experience in an organization that is exposed to environmental-scrutiny and is going through a sustainability transition</li> <li>• Active member of an environmental committee or organization</li> </ul> <p><b>Other</b></p> <ul style="list-style-type: none"> <li>• Other, please specify</li> </ul>
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Requested content	<p><i>General</i></p> <ul style="list-style-type: none"> <li>• This question only appears if you select 'No' in response to column 1 "Board of directors or equivalent governing body" of 4.1.</li> <li>• Consider whether your organization's management is regularly educated and informed on environmental issues and/or has at least one individual at management-level with relevant environmental expertise and integrates environmental considerations into wider management-level discussions and functions.</li> </ul> <p><i>Management-level competency on this environmental issue (column 1)</i></p> <ul style="list-style-type: none"> <li>• Select "Yes" if your organization's management has competency on the environmental issue in column 0. See the "Explanation of terms" for a definition of management competency (on environmental issues).</li> <li>• If either "No" option is selected, you will be presented with columns 4 "Primary reason for no management-level competency on environmental issues" and 5 "Explain why your organization does not have management-level competency on this environmental issue and any plans to address this in the future".</li> </ul> <p><i>Mechanisms to maintain management level competency on this environmental issue (column 2)</i></p> <ul style="list-style-type: none"> <li>• This column is only presented if "Yes" is selected in column 1 "Management-level competency on this environmental issue".</li> <li>• Select all the mechanisms that apply to achieve and/or maintain management level competency on the environmental issue in column 0.</li> <li>• If none of the mechanisms are applicable to your organization, select "Other, please specify" to provide the mechanism used to maintain competency.</li> </ul> <p><i>Environmental expertise of the individual at management level (column 3)</i></p> <ul style="list-style-type: none"> <li>• This column only appears if you select "At least one individual at management level with expertise on this environmental issue" in column 2 "Mechanisms to maintain management level competency on this environmental issue".</li> <li>• Select all the types of expertise that apply to the individual at management-level with environmental expertise. Consider any academic qualifications, training, experience, or other types of expertise relating to environmental issues present across your management.</li> <li>• If there is more than one person with expertise, organizations should respond for the individual with the highest level of expertise.</li> <li>• If you selected any "Academic" or "Additional training" response option, detail the specific expertise through the "Please specify" text field. For example, if you selected "Undergraduate education" you may specify "BSc Climate science".</li> <li>• If none of the criteria are applicable to your organization, select "Other, please specify" to provide the expertise criteria present in your organization.</li> </ul>
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	<p><i>Primary reason for no management-level competency on environmental issues (column 4)</i></p> <ul style="list-style-type: none"> <li>• This column is only presented if one of the “No” options is selected in column 1 “Management-level competency on this environmental issue”.</li> <li>• Select the primary reason as to why there is no management-level competency on the environmental issues in column 0 in your organization.</li> <li>• If none of the reasons are applicable to your organization, select “Other, please specify” to provide the primary reason.</li> </ul> <p><i>Explain why your organization does not have management-level competency on this environmental issue (column 5)</i></p> <ul style="list-style-type: none"> <li>• This column is only presented if one of the “No” options is selected in column 1 “Management-level competency on this environmental issue”.</li> <li>• If you selected “Judged to be unimportant or not relevant” in column 4 “Primary reason for no management-level competency on environmental issues”, explain the criteria used to decide that management-level competence on environmental issues is not important or relevant for your organization.</li> <li>• Describe any plans to address management-level competency on environmental issues in the future, such as any measures you have implemented to enhance the competency of your management.</li> </ul>
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Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	CC, F, W
Sector	Question level	All

**Incentives**

**(4.5) Do you provide monetary incentives for the management of environmental issues, including the attainment of targets?**

Question details	
Change from last year	Modified question (2023 C1.3, F4.3, F-MM12.3/F-CO12.3, W6.4)
Rationale	Employee incentives linked to sustainability performance send a clear signal about the role that employees are expected to play in achieving the organization’s environmental commitments and targets. Data users aim to understand the degree to which organizations encourage their employees to address environmental issues, as well as the mechanisms by which certain behaviors are incentivized in the organization’s decision making and business culture.
Ambition	<ul style="list-style-type: none"> <li>• The organization includes environmental performance metrics in their monetary incentives policies for at least board and senior management levels.</li> <li>• The organization ties a significant proportion of total remuneration to environmental performance, and more specifically to the achievement of environmental targets. This proportion is significant at board and senior management levels.</li> </ul>
Connection to other frameworks	IFRS S2 29 AFi Core Principle 4 ESRS 2 ESRS E1
Response options	Please complete the following table:

0	1	2	3
Environmental issue	Provision of monetary incentives related to this environmental issue	% of total C-suite and board-level monetary incentives linked to the management of this environmental issue	Please explain
Climate change	Select from: <ul style="list-style-type: none"> <li>• Yes</li> <li>• No, but we plan to introduce them in the next two years</li> <li>• No, and we do not plan to introduce them in the next two years</li> </ul>	Percentage field [enter a percentage from 0-100]	Text field (maximum 1,000 characters)
Forests			
Water			
Biodiversity			

Requested content	<p><i>General</i></p> <ul style="list-style-type: none"> <li>• Note that incentives can be positive, e.g., providing rewards for demonstrating desired behaviors, or they can be negative, e.g., issuing penalties or withholding rewards for not meeting certain standards.</li> <li>• Note that only monetary incentives should be reported in this question. When assessing whether your organization provides monetary incentives, include all incentives that could have a monetary value equivalent, such as share-based compensation. See Explanation of Terms.</li> </ul> <p><i>% of total C-suite and board-level monetary incentives linked to the management of this environmental issue (column 2)</i></p> <ul style="list-style-type: none"> <li>• This column is only presented if “Yes” is selected in column 1 “Provision of monetary incentives related to this environmental issue”.</li> <li>• Enter the percentage of the total amount of C-suite and board-level monetary incentivization provided for the management of each environmental issue in relation to the total amount of all C-suite and board-level monetary incentives provided in the reporting year.</li> <li>• If you do not provide monetary incentives for the management of environmental issues for any C-suite or board-level positions, enter 0 in this column. For example, if you do not provide any climate-related incentives, enter 0 in row “Climate change”.</li> <li>• You should only provide a figure for the rows for which outcomes relating to the environmental issue are specified. For example, if you provide an environmental, social, and corporate governance (ESG) incentive that is solely tied to forests and water security outcomes, without incentivizing specific climate change-related outcomes, the same figure should be reported for “Forests” and “Water”, while “Climate change” should be reported as 0.</li> <li>• If your organization has incentives linked to environment, health and safety (EHS), report only the proportion relating to environmental performance metrics.</li> </ul> <p><i>Please explain (column 3)</i></p> <ul style="list-style-type: none"> <li>• If you selected “Yes” in any row in column 1 “Provision of monetary incentives related to this environmental issue”, explain the extent to which your monetary incentives related to environmental issues form a part of your total monetary incentivization package for employees.</li> <li>• If you selected any “No” option in any row in column 1, explain why you do not provide monetary incentives related to the environmental issue.</li> <li>• Explain each figure provided in column 2. For example, if your organization provides monetary incentives related to climate-change outcomes only at board-level, explain why here.</li> </ul>
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Authoring notes	
Tags	
Corporate authority	Capital Markets



Environmental Issue (Theme)	Question level	CC, F, W, B
Sector	Question level	All

**(4.5.1) Provide further details on the monetary incentives provided for the management of environmental issues (do not include the names of individuals).**

Question details	
Question dependencies	This question only appears if you select “Yes” in response to column “Provision of monetary incentives related to this environmental issue” in 4.5.
Change from last year	Modified question (2023 C1.3a, F4.3a, F-MM12.3a/F-CO12.3a, W6.4a)
Rationale	Employee incentives linked to sustainability performance send a clear signal about the role that employees are expected to play in achieving the organization’s environmental commitments and targets. Data users aim to understand the degree to which organizations encourage their employees to address environmental issues, as well as the mechanisms by which certain behaviors are incentivized in the organization’s decision making and business culture. Providing insight into these incentives and the specific performance metrics used to address environmental issues informs data users how these incentives are aligned with the identification, assessment, and management of the organization’s environmental dependencies, impacts, risks, and opportunities.
Ambition	<ul style="list-style-type: none"> <li>The organization includes environmental performance metrics in their monetary incentives policies for at least board and senior management levels.</li> <li>The organization ties a significant proportion of total remuneration to environmental performance, and more specifically to the achievement of environmental targets. This proportion is significant at board and senior management levels.</li> <li>The organization links monetary incentives to environmental performance metrics in the Short-Term and/or Long-Term Incentive Plan, or equivalent incentive package.</li> </ul>
Connection to other frameworks	<p>IFRS S2 29</p> <p>AFi Core Principle 4</p> <p>TNFD Governance A</p> <p>ESRS 2</p> <p>ESRS E1</p>
Response options	Please complete the following table.

1	2	3	4	5	6	7
<b>Environmental issue</b>	<b>Position entitled to monetary incentive</b>	<b>Incentives</b>	<b>Performance metrics</b>	<b>Incentive plan the incentives are linked to</b>	<b>Further details of incentives</b>	<b>How the position’s incentives contribute to the achievement of your environmental commitments and/or climate transition plan</b>
Climate change	Select from the drop-down options below	Select all that apply: <ul style="list-style-type: none"> <li>Bonus - % of salary</li> </ul>	Select all that apply from drop-down options below:	Select from: <ul style="list-style-type: none"> <li>Short-Term Incentive Plan, or equivalent, only (e.g. contractual annual bonus)</li> </ul>	Text field [maximum 2,500 characters]	Text field [maximum 2,500 characters]

		<ul style="list-style-type: none"> <li>• Bonus – set figure</li> <li>• Promotion</li> <li>• Salary increase</li> <li>• Shares</li> <li>• Profit share</li> <li>• Retirement plan</li> <li>• Other, please specify</li> </ul>		<ul style="list-style-type: none"> <li>• Long-Term Incentive Plan, or equivalent, only (e.g. contractual multi-year bonus)</li> <li>• Both Short-Term and Long-Term Incentive Plan, or equivalent</li> <li>• The incentives are not linked to an incentive plan, or equivalent (e.g. discretionary bonus in the reporting year)</li> </ul>		
Forests						
Water						
Biodiversity						
Select from:						
<ul style="list-style-type: none"> <li>• Climate change</li> <li>• Forests</li> <li>• Water</li> <li>• Biodiversity</li> </ul>						

Position entitled to monetary incentive (column 2)	
<p><b>Board or executive level</b></p> <ul style="list-style-type: none"> <li>• Board Chair</li> <li>• Board/Executive board</li> <li>• Chief Compliance Officer (CCO)</li> <li>• Chief Credit Officer (CCO) [FS only]</li> <li>• Chief Executive Officer (CEO)</li> <li>• Chief Financial Officer (CFO)</li> <li>• Chief Government Relations Officer (CGRO)</li> <li>• Chief Investment Officer (CIO) [FS only]</li> <li>• Chief Operating Officer (COO)</li> <li>• Chief Procurement Officer (CPO)</li> <li>• Chief Risks Officer (CRO)</li> <li>• Chief Sustainability Officer (CSO)</li> <li>• Chief Technology Officer (CTO)</li> <li>• Chief Underwriting Officer (CUO) [FS only]</li> <li>• Corporate executive team</li> <li>• Director on board</li> <li>• Other C-Suite Officer, please specify</li> <li>• General Counsel</li> <li>• President</li> </ul> <p><b>Senior-mid management</b></p> <ul style="list-style-type: none"> <li>• Buyers/purchasers</li> <li>• Energy manager</li> <li>• Environment/Sustainability manager</li> <li>• Environmental, Health, and Safety manager</li> <li>• Management group</li> <li>• Process operation manager</li> <li>• Procurement manager</li> <li>• Public affairs manager</li> <li>• Risk manager</li> <li>• ESG Portfolio/Fund manager [FS only]</li> <li>• Investor relations manager [FS only]</li> <li>• Portfolio/Fund manager [FS only]</li> </ul>	<p><b>Facility/Unit/Site management</b></p> <ul style="list-style-type: none"> <li>• Business unit manager</li> <li>• Facilities manager</li> <li>• Site manager</li> <li>• Other facility/unit/site manager, please specify</li> </ul> <p><b>Sustainability specialist</b></p> <ul style="list-style-type: none"> <li>• Dedicated responsible investment analyst [FS only]</li> <li>• Investment/credit/insurance analyst [FS only]</li> <li>• Risk analyst [FS only]</li> <li>• Other sustainability specialist, please specify</li> </ul>

<ul style="list-style-type: none"> <li>• Other senior-mid manager, please specify</li> </ul>	
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**Performance metrics (column 4)**

<p><b>Targets</b></p> <ul style="list-style-type: none"> <li>• Progress towards environmental targets</li> <li>• Achievement of environmental targets</li> <li>• Organization performance against an environmental sustainability index</li> <li>• Reduction in absolute emissions in line with net-zero target [CC only]</li> <li>• Other targets-related metrics, please specify</li> </ul> <p><b>Strategy and financial planning</b></p> <ul style="list-style-type: none"> <li>• Board approval of climate transition plan [CC only]</li> <li>• Shareholder approval of climate transition plan [CC only]</li> <li>• Achievement of climate transition plan [CC only]</li> <li>• Increased green asset ratio of portfolio/fund [FS only]</li> <li>• Shift to a business model compatible with a net-zero carbon future [CC only]</li> <li>• Increased investment in environmental R&amp;D and innovation</li> <li>• Increased proportion of revenue from low environmental impact products or services</li> <li>• Increased alignment of capex with transition plan and/or sustainable finance taxonomy [CC only]</li> <li>• Other strategy and financial planning-related metrics, please specify</li> </ul> <p><b>Emission reduction</b></p> <ul style="list-style-type: none"> <li>• Implementation of an emissions reduction initiative [CC only]</li> <li>• Reduction in emissions intensity [CC only]</li> <li>• Increased share of renewable energy in total energy consumption [CC only]</li> <li>• Reduction in absolute emissions [CC only]</li> <li>• Emissions reductions across portfolio companies [FS only]</li> <li>• Other emission reduction-related metrics, please specify [CC only]</li> </ul> <p><b>Resource use and efficiency</b></p> <ul style="list-style-type: none"> <li>• Reduction of virgin wood fiber used in paper and packaging products (e.g., by reducing material input, or using recycled content/alternative fibers) [F only]</li> <li>• Eliminating deforestation and conversion of other natural ecosystems in direct operations and/or other parts of the value chain [F only]</li> <li>• Improvements in commodity production efficiency [F only]</li> <li>• Reduction of water withdrawals – direct operations [W only]</li> <li>• Reduction in water consumption volumes – direct operations [W only]</li> <li>• Reduction of water withdrawal and/or consumption volumes – upstream value chain (excluding direct operations) [W only]</li> <li>• Reduction of water withdrawal and/or consumption volumes – downstream value chain (excluding direct operations) [W only]</li> <li>• Improvements in water efficiency – direct operations [W only]</li> </ul>	<p><b>Pollution</b></p> <ul style="list-style-type: none"> <li>• Improvements in wastewater quality – direct operations [W only]</li> <li>• Improvements in wastewater quality – upstream value chain (excluding direct operations) [W only]</li> <li>• Improvements in wastewater quality – downstream value chain (excluding direct operations) [W only]</li> <li>• Reduction of water pollution incidents [W only]</li> <li>• Reduction or phase out of hazardous substances [W only]</li> <li>• Increase in substitution of listed environmental contaminants [W only]</li> <li>• Increase in discharge treatment compliance and meeting regulatory requirements – direct operations [W only]</li> <li>• Increase in discharge treatment compliance and meeting regulatory requirements – upstream value chain (excluding direct operations) [W only]</li> <li>• Increase in discharge treatment compliance and meeting regulatory requirements – downstream value chain (excluding direct operations) [W only]</li> <li>• Reduction/elimination of environmental incidents and/or environmental notices (notices of violation)</li> <li>• Other pollution-related metrics, please specify</li> </ul> <p><b>Policies and commitments</b></p> <ul style="list-style-type: none"> <li>• Increased supplier compliance with environmental requirements</li> <li>• New or tighter environmental requirements applied to purchasing practices</li> <li>• Increase in verified compliance with Deforestation and Conversion Free (DCF) policies and/or commitments [F only]</li> <li>• Restoration and compensation to address past deforestation and conversion [F only]</li> <li>• Securing Free, Prior and Informed Consent (FPIC) of Indigenous peoples and local communities</li> <li>• Adopting UN International Labour Organization principles</li> <li>• Implementation of water-related community project [W only]</li> <li>• Increased access to workplace WASH – direct operations [W only]</li> <li>• Increased access to workplace WASH – upstream value chain (excluding direct operations) [W only]</li> <li>• Increased access to workplace WASH – downstream value chain (excluding direct operations) [W only]</li> <li>• Other policies and commitments-related metrics, please specify</li> </ul> <p><b>Engagement</b></p> <ul style="list-style-type: none"> <li>• Increased engagement with suppliers on environmental issues</li> <li>• Increased engagement with smallholders on environmental issues</li> <li>• Increased engagement with customers on environmental issues</li> </ul>
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<ul style="list-style-type: none"> <li>• Improvements in water efficiency – upstream value chain (excluding direct operations) [W only]</li> <li>• Improvements in water efficiency – downstream value chain (excluding direct operations) [W only]</li> <li>• Improvements in emissions data, reporting, and third-party verification [CC only]</li> <li>• Improvements in commodity volume data collection, reporting and third-party verification/certification [F only]</li> <li>• Improvements in water accounting, reporting, and third-party verification [W only]</li> <li>• Energy efficiency improvement [CC only]</li> <li>• Reduction in total energy consumption [CC only]</li> <li>• Other resource use and efficiency-related metrics, please specify</li> </ul>	<ul style="list-style-type: none"> <li>• Increased engagement in landscape (including river basin) and jurisdictional initiatives</li> <li>• Increased engagement with investee companies on environmental issues [FS only]</li> <li>• Increased engagement with clients on environmental issues [FS only]</li> <li>• Increased value chain visibility (traceability, mapping)</li> <li>• Implementation of employee awareness campaign or training program on environmental issues</li> <li>• Other engagement-related metrics, please specify</li> </ul>
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<p>Requested content</p>	<p><i>General</i></p> <ul style="list-style-type: none"> <li>• If there is more than one senior position entitled to incentives related to the environmental issue, provide details on the <b>highest</b> senior position entitled to incentives. If you would like to describe more than one senior position entitled to incentives, you may use the "Add Row" button. This is optional. In this case, ensure that the position with the highest level of responsibility is in the top row of the table.</li> <li>• <b>Note that this question asks about the position of employees entitled to incentives. Do not include the name of any individual or any other personal data in your response.</b></li> </ul> <p><i>Position entitled to monetary incentive (column 2)</i></p> <ul style="list-style-type: none"> <li>• Select the position of the individual who is entitled to the incentive. If the position is not listed here, select the closest match for your organization or select "Other, please specify".</li> </ul> <p><i>Incentives (column 3)</i></p> <ul style="list-style-type: none"> <li>• Select all relevant incentives from the drop-down list, or select "Other, please specify".</li> <li>• Note that only monetary incentives should be reported in this question.</li> </ul> <p><i>Performance metrics (column 4)</i></p> <ul style="list-style-type: none"> <li>• Select the performance metrics relevant to the monetary incentives for the position selected in column 2 "Position entitled to monetary incentive". You will have the opportunity to provide further details in column 6 "Further details of incentives".</li> </ul> <p><i>Incentive plan the incentives are linked to (column 5)</i></p> <ul style="list-style-type: none"> <li>• Indicate whether the climate-related incentive(s) for this position is part of an incentive plan:</li> <li>• <b>Short-Term Incentive Plans (STIPs)</b> aim to reward employees for their individual contribution to achieving short-term business objectives and maximizing organizational performance over the course of a year. For example, if the position was contractually eligible to receive a bonus based on annual performance against environmental performance metrics in the reporting year, select the appropriate "Short-Term Incentive Plan" option in this column.</li> <li>• <b>Long-Term Incentive Plans (LTIPs)</b> aim to reward and retain employees who are key to achieving the organization's long-term strategic goals. Incentives that are part of an employee's LTIP are usually rewarded over the course of/after a number of years. For example, if the position was contractually eligible to receive a bonus based on performance against environmental performance metrics over a multi-year period including the reporting year, select the appropriate "Long-Term Incentive Plan" option in this column.</li> <li>• Incentives may be awarded on a discretionary basis. If, for example, the position does not have an incentive plan, but was eligible for a discretionary bonus in the reporting year,</li> </ul>
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	<p>select “The incentives are not linked to an incentive plan, or equivalent (e.g. discretionary bonus in the reporting year)”.</p> <p><i>Further details of incentives (column 6)</i></p> <ul style="list-style-type: none"> <li>• Use this field to provide further details of the monetary incentives the position is entitled to, including: <ul style="list-style-type: none"> <li>○ The time period over which performance against each of the metrics selected in column 4 “Performance metrics” is measured.</li> <li>○ Quantitative details of the incentives and the performance metrics.</li> <li>○ Regional, sectoral, and/or operational context.</li> </ul> </li> </ul> <p><i>How the position’s incentives contribute to the achievement of your environmental commitments and/or climate transition plan (column 7)</i></p> <ul style="list-style-type: none"> <li>• Explain if your incentives have already contributed to the implementation or achievement of your organization’s environmental commitments and/or transition plan and what actions have been taken due to the incentives being in place. For example: <ul style="list-style-type: none"> <li>○ How the performance metrics reported in column 4 “Performance metrics” are linked to key performance indicators (KPIs) within your climate transition plan, or</li> <li>○ How they will progress your environmental commitments, e.g., to reach net-zero emissions by 2050, control/reduce/eliminate water pollution or eliminate deforestation and conversion of other natural ecosystems.</li> </ul> </li> <li>• Note that you will be asked to provide details on your organization’s environmental commitments in 4.6 and on your organization’s climate transition plan in 5.2.</li> </ul>
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Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	CC, F, W, B
Sector	Question level	All

**Environmental policies**

**(4.6) Does your organization have an environmental policy that addresses environmental issues?**

Question details	
Change from last year	<p>New question for Climate change</p> <p>Modified question for Forests, Water, and Biodiversity (2023 C15.2, F4.5, F4.6, F-MM12.4/F-CO12.4, W6.1)</p>
Rationale	<p>An environmental policy is a key governance tool which serves as a foundation to drive action while ensuring accountability. Setting a corporate environmental policy for environmental issues indicates that the organization understands their importance and recognizes its responsibility in taking environmental action.</p> <p>Therefore, data users wish to know that organizations have articulated and documented a policy that acknowledges the organization’s dependencies, impacts, risks, and opportunities associated with environmental issues, and have clear intentions and direction for action. For accountability to the organization’s stakeholders, the policy should be publicly available.</p>
Ambition	<ul style="list-style-type: none"> <li>• The organization has publicly available policies which address environmental dependencies, impacts, risks, and opportunities related to the organization and its value chain.</li> </ul>

Connection to other frameworks	CEO WM Response: Policies, Governance, and Targets AFi Core Principle 1 AFi Core Principle 2 AFi Core Principle 3 AFi Core Principle 4 ESRS 2 ESRS E1 ESRS E2 ESRS E3
Response options	Please complete the following table:

1	2	3
<b>Does your organization have any environmental policies?</b>	<b>Primary reason for not having an environmental policy</b>	<b>Explain why you do not have an environmental policy</b>
Select from: <ul style="list-style-type: none"><li>• Yes</li><li>• No, but we plan to within the next two years</li><li>• No, and we do not plan to within the next two years</li></ul>	Select from: <ul style="list-style-type: none"><li>• Lack of internal resources, capabilities, or expertise (e.g., due to organization size)</li><li>• No standardized procedure</li><li>• Not an immediate strategic priority</li><li>• Judged to be unimportant or not relevant</li><li>• Other, please specify</li></ul>	Text field [maximum 2,500 characters]

Requested content	<p><i>Does your organization have any environmental policies? (column 1)</i></p> <ul style="list-style-type: none"> <li>• Select “Yes” if your organization addresses environmental issues anywhere within your policy framework. It may be a stand-alone policy document (regardless of the title), or another equivalent set of documents that includes policies addressing environmental issues relevant to your organization. For example, some organizations may have an overarching ‘environmental’ or ‘sustainability policy’, while others may have policies specific to particular environmental issues, e.g., ‘forests policy’.</li> </ul> <p><i>Explain why you do not have an environmental policy (column 2)</i></p> <ul style="list-style-type: none"> <li>• This column is only presented if you select either of the “No” options in column 1 “Does your organization have any environmental policies?”.</li> <li>• Briefly explain the primary reason selected in column 2 “Primary reason for not having an environmental policy”, including any plans to address this in the future.</li> </ul>
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Authoring notes		
<b>Tags</b>		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	CC, F, W, B
Sector	Question level	All

**(4.6.1) Provide details of your environmental policies.**

Question details	
Question dependencies	This question only appears if you select “Yes” in response to column 1 “Does your organization have any environmental policies?” of 4.6.

Change from last year	New question for Climate change Modified question for Forests, Water, and Biodiversity (2023 C15.2, F4.5a, F4.6b, F-MM12.4a/F-CO12.4a, W6.1a)
Rationale	An environmental policy is a key governance tool which serves as a foundation to drive environmental action while ensuring accountability. This question informs data users about the organization’s commitments regarding environmental issues by providing an insight into its level of awareness of those issues and demonstrating the robustness of actions outlined in the policy.
Ambition	<ul style="list-style-type: none"> <li>The organization has publicly available policies which address environmental dependencies, impacts, risks, and opportunities related to the organization and its value chain.</li> <li>The policies apply organization-wide, and to the organization’s value chain where relevant.</li> <li>The organization endorses or aligns its environmental policies and commitments to the most recent and widely accepted scientific interpretation of relevant global environmental treaties, policy goals (e.g., the Kunming-Montreal Global Biodiversity Framework, Paris Agreement, Sustainable Development Goals, Planetary Boundaries) and identifies where and how they align.</li> </ul>
Connection to other frameworks	CEO WM Response: Policies, Governance, and Targets CEO WM Response: External Engagement AFi Core Principle 1 AFi Core Principle 2 AFi Core Principle 3 AFi Core Principle 4 ESRS 2 ESRS E1 ESRS E2 ESRS E3 ESRS E4
Response options	Please complete the following table. You are able to add rows by using the “Add Row” button at the bottom of the table.

1	2	3	4	5a-b
Environmental issues covered	Level of coverage	Value chain stages covered	Explain the coverage	Environmental policy content
Select all that apply: <ul style="list-style-type: none"> <li>Climate change</li> <li>Forests</li> <li>Water</li> <li>Biodiversity</li> </ul>	Select from: <ul style="list-style-type: none"> <li>Organization-wide</li> <li>Selected facilities, businesses or geographies only</li> <li>Selected products only</li> <li>Selected commodities only <i>[appears only if “Forests” is selected in column 1]</i></li> </ul>	Select all that apply: <ul style="list-style-type: none"> <li>Direct operations</li> <li>Upstream value chain</li> <li>Downstream value chain</li> <li>Portfolio <i>[FS only]</i></li> </ul>	Text field [maximum 1,500 characters]	Select all that apply from drop-down options below

6	7	8
Indicate whether your environmental policy is in line with global environmental treaties or policy goals	Public availability	Attach the policy

<p>Select all that apply:</p> <ul style="list-style-type: none"> <li>• Yes, in line with the Paris Agreement [<i>appears if “Climate change” is selected in column 1</i>]</li> <li>• Yes, in line with the Kunming-Montreal Global Biodiversity Framework [<i>appears if “Biodiversity”, “Forests” or “Water” is selected in column 1</i>]</li> <li>• Yes, in line with Sustainable Development Goal 6 on Clean Water and Sanitation [<i>appears if “Water” is selected in column 1</i>]</li> <li>• Yes, in line with another global environmental treaty or policy goal, please specify</li> <li>• No, but we plan to align in the next two years</li> <li>• No, and we do not plan to align in the next two years</li> </ul>	<p>Select from :</p> <ul style="list-style-type: none"> <li>• Publicly available</li> <li>• Not publicly available</li> </ul>	<p>[Attachment-type column]</p>
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Environmental policy content (column 5a-b)	
<p><b>Environmental commitments</b></p> <ul style="list-style-type: none"> <li>• Commitment to a circular economy strategy</li> <li>• Commitment to avoidance of negative impacts on threatened and protected species [<i>appears only if B, F, or W is selected in C1</i>]</li> <li>• Commitment to comply with regulations and mandatory standards</li> <li>• Commitment to take environmental action beyond regulatory compliance</li> <li>• Commitment to engage in integrated, multi-stakeholder landscape (including river basin) initiatives to promote shared sustainability goals [<i>appears only if F or W is selected in C1</i>]</li> <li>• Commitment to implementation of nature-based solutions that support landscape restoration and long-term protection of natural ecosystems</li> <li>• Commitment to Net Positive Gain [<i>appears only if B, F, or W is selected in C1</i>]</li> <li>• Commitment to No Net Loss [<i>appears only if B, F, or W is selected in C1</i>]</li> <li>• Commitment to no trade of CITES listed species [<i>appears only if B or F is selected in C1</i>]</li> <li>• Commitment to respect legally designated protected areas [<i>appears only if B, F, or W is selected in C1</i>]</li> <li>• Commitment to stakeholder engagement and capacity building on environmental issues</li> <li>• Other environmental commitment, please specify</li> </ul> <p><b>Climate-specific commitments</b> [<i>appears if “Climate change” is selected in column 1</i>]</p> <ul style="list-style-type: none"> <li>• Commitment to 100% renewable energy</li> <li>• Commitment to net-zero emissions</li> <li>• Commitment to not invest in fossil-fuel expansion</li> <li>• Commitment to zero flaring [CC-OG/CO only]</li> <li>• Commitment to not funding climate-denial or lobbying against climate regulations</li> <li>• Other climate-related commitment, please specify</li> </ul> <p><b>Forests-specific commitments</b> [<i>appears if “Forests” is selected in column 1</i>]</p> <ul style="list-style-type: none"> <li>• Commitment to best management practices for soils and peat</li> </ul>	<p><b>Water-specific commitments</b> [<i>appears if “Water” is selected in column 1</i>]</p> <ul style="list-style-type: none"> <li>• Commitment to reduce or phase out hazardous substances</li> <li>• Commitment to control/reduce/eliminate water pollution</li> <li>• Commitment to reduce water consumption volumes</li> <li>• Commitment to reduce water withdrawal volumes</li> <li>• Commitment to safely managed WASH in local communities</li> <li>• Commitment to the conservation of freshwater ecosystems</li> <li>• Commitment to water stewardship and/or collective action</li> <li>• Other water-related commitment, please specify</li> </ul> <p><b>Social commitments</b></p> <ul style="list-style-type: none"> <li>• Adoption of the UN International Labour Organization principles</li> <li>• Commitment to promote gender equality and women's empowerment</li> <li>• Commitment to respect and protect the customary rights to land, resources, and territory of Indigenous Peoples and Local Communities</li> <li>• Commitment to respect internationally recognized human rights</li> <li>• Commitment to secure Free, Prior, and Informed Consent (FPIC) of indigenous people and local communities</li> <li>• Other social commitment, please specify</li> </ul> <p><b>Additional references/Descriptions</b></p> <ul style="list-style-type: none"> <li>• Acknowledgement of the human right to water and sanitation [<i>appears if “Water” is selected</i>]</li> <li>• Description of biodiversity-related performance standards [<i>appears if “Biodiversity” is selected</i>]</li> <li>• Description of commodities covered by the policy [<i>appears if “Forests” is selected</i>]</li> <li>• Description of dependencies on natural resources and ecosystems</li> <li>• Description of impacts on natural resources and ecosystems</li> <li>• Description of environmental requirements for procurement</li> <li>• Description of grievance/whistleblower mechanism to monitor non-compliance with the environmental policy and raise/address/escalate any other greenwashing concerns</li> </ul>



<ul style="list-style-type: none"> <li>• Commitment to conduct or support restoration and/or compensation to remedy for past deforestation or conversion</li> <li>• Commitment to facilitate the inclusion of smallholders into the value chain</li> <li>• Commitment to no deforestation, to no planting on peatlands, and to no exploitation (NDPE) by target date, please specify</li> <li>• Commitment to no development on peat regardless of depth</li> <li>• Commitment to no land clearance by burning or clearcutting</li> <li>• Commitment to no-conversion of natural ecosystems by target date, please specify</li> <li>• Commitment to no-deforestation by target date, please specify</li> <li>• Commitment to the use of the High Conservation Value (HCV) approach</li> <li>• Other forests-related commitment, please specify</li> </ul>	<ul style="list-style-type: none"> <li>• Description of membership and financial support provided to organizations that seek to influence public policy</li> <li>• Description of renewable electricity procurement practices [<i>appears if "Climate change" is selected</i>]</li> <li>• Recognition of environmental linkages and trade-offs</li> <li>• Reference to timebound environmental milestones and targets</li> <li>• Other additional reference/description, please specify</li> </ul>
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Requested content	<p><i>General</i></p> <ul style="list-style-type: none"> <li>• If you have no stand-alone environmental policy, provide details on your equivalent policy documents that include the directions and goals regarding your environmental performance.</li> <li>• If you have set targets related to any of the commitments selected in column 5 "Environmental policy content", you should report the target's details in the corresponding Targets questions in the 'Environmental Performance' modules. For example, if you have a commitment to 'No-conversion of natural ecosystems', you should provide further information on cutoff dates in the Targets question 8.7.1.</li> </ul> <p><i>Level of coverage (column 2)</i></p> <ul style="list-style-type: none"> <li>• Select "Organization-wide" if the level of coverage applies to your entire organization, e.g., if the policy is applied at the corporate level rather than a geographical or facility level. Otherwise, choose another option and provide more details and an explanation in column 4 "Explain the coverage".</li> </ul> <p><i>Value chain stages covered (column 3)</i></p> <ul style="list-style-type: none"> <li>• Indicate the stages of the value chain covered in the content of your policy, e.g., whether the content dropdowns selected in column 5 "Environmental policy content" extend to stages of the value chain beyond your direct operations.</li> <li>• This is different from column 2 "Level of coverage", as the former refers to the scope of the policy, while this column requests information on whether the contents of the policy, i.e. commitments, only address your direct operations or also other parts of your value chain. For example, an organization could have an organization-wide policy that only relates to their direct operations, and a country-specific environmental policy that extends to upstream value chain (i.e., their suppliers).</li> <li>• If some response options in column 5 "Environmental policy content" only apply to a particular value chain stage, add rows as applicable; e.g., if you have one organization-wide policy but different commitments apply to different stages of your value chain.</li> </ul> <p><i>Explain the coverage (column 4)</i></p> <ul style="list-style-type: none"> <li>• Briefly describe the coverage of your environmental policy and provide reasons.</li> <li>• If applicable, specify which biomes or ecoregions are covered by your policy, e.g., Cerrado biome.</li> <li>• Indicate whether there are exclusions to the coverage of your policy e.g., geographical areas, business activities etc. If there are exclusions, provide the reasons.</li> </ul> <p><i>Attach the policy (column 8)</i></p> <ul style="list-style-type: none"> <li>• This column is optional if you select "Not publicly available" in column "Public availability".</li> </ul>
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Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	CC, F, W, B
Sector	Question level	All

**(4.7) Does the policy framework for the portfolio activities of your organization include environmental requirements that clients/investees need to meet, and/or exclusion policies?**

Question details	
Question dependencies	<p>This question only appears if you select “Yes” in response to column 1 “Activity undertaken” in any row of 1.10.</p> <p>This question is NOT shown if “Yes” is selected in column 1 “Activity undertaken” for row “Insurance underwriting (Insurance company)” and “Life and/or health” is the ONLY selection in column 2 “Insurance types underwritten” .</p>
Change from last year	<p>New question for Biodiversity</p> <p>Modified question for Climate change, Forests and Water (2023 C-FS3.6, FW-FS3.5)</p>
Rationale	<p>Considering environmental issues in an organization’s policy framework is an important element of business strategy and a signal of how deeply environmental issues are embedded in an organization’s processes. For these reasons, data users are interested in understanding whether organizations in the financial services sector have integrated environmental requirements for clients/investees, and whether financial institutions have implemented any environmental exclusion policies.</p>
Ambition	<ul style="list-style-type: none"> <li>• The organization has publicly available policies which address environmental dependencies, impacts, risks and opportunities related to the organization and its value chain.</li> <li>• The policies apply organization-wide, and to the organization’s value chain where relevant.</li> <li>• Financial institutions have policies which include environmental requirements that clients/investees need to meet.</li> <li>• Financial institutions shall commit, via a publicly available policy, to the immediate cessation of: <ul style="list-style-type: none"> <li>○ All new financial services to projects and companies involved in new coal mines, extensions/expansions of coal mines, or new unabated coal-fired power plants (inclusive of electric utilities and industrial use cases), with the exception of new financing for permanent decommissioning of production activities and capacity; and</li> <li>○ All new financial services to new long-lead time upstream oil and gas projects and mid-stream infrastructure dedicated to new long-lead time upstream oil and gas projects.</li> <li>○ The applicability of abatement for the purpose of the arrest of financial services to new unabated coal-fired power plants is considered to be at least a 90% reduction of scope 1 and 2 emissions from the associated coal assets of the holding company or project. For carbon capture to be considered part of the 90%, it must be (i) utilized for mitigation products that have century-scale (or greater) lifetimes (i.e., geological carbon capture and storage); and (ii) must not support processes that enable continued fossil fuel extraction and/or development of production capacity.</li> </ul> </li> </ul>
Connection to other frameworks	NZAM Commitment 7
Response options	Please complete the following table:

0	1	2	3
Portfolio	Policy framework for portfolio activities include environmental requirements for clients/investees, and/or exclusion policies	Primary reason for not including both policies with environmental client/investee requirements and environmental exclusion policies in your policy framework for portfolio activities	Explain why the policy framework for your portfolio activities does not include both policies with environmental client/investee requirements and environmental exclusion policies
Banking (Bank)	Select from: <ul style="list-style-type: none"> <li>• Yes, our policies include environmental requirements that clients/investees need to meet</li> <li>• Yes, we have exclusion policies for industries, activities and/or locations exposed or contributing to environmental risks</li> <li>• Yes, our framework includes both policies with environmental client/investee requirements and environmental exclusion policies</li> <li>• No, but we plan to include environmental requirements and/or exclusion policies in our policy framework in the next two years</li> <li>• No, and we do not plan to include environmental requirements and/or exclusion policies in our policy framework in the next two years</li> </ul>	Select from: <ul style="list-style-type: none"> <li>• Lack of internal resources, capabilities, or expertise (e.g., due to organization size)</li> <li>• No standardized procedure</li> <li>• Not an immediate strategic priority</li> <li>• Judged to be unimportant or not relevant</li> <li>• Other, please specify</li> </ul>	Text field [maximum 2,500 characters]
Investing (Asset manager)			
Investing (Asset owner)			
Insurance (Insurance company)			

Requested content	<p><i>General</i></p> <ul style="list-style-type: none"> <li>• Subsequent questions ask for more details on these policies within the framework.</li> </ul> <p><i>Explain why the policy framework for your portfolio activities does not include both policies with environmental client/investee requirements and environmental exclusion policies (column 3)</i></p> <ul style="list-style-type: none"> <li>• This column is presented for any selection other than “Yes, our framework includes both policies with environmental client/investee requirements and environmental exclusion policies” in column 1 “Policy framework for portfolio activities...”.</li> <li>• Provide a company-specific explanation of why the policy framework for your portfolio activities does not include environmental requirements for clients/investees, and/or exclusion policies. If “No, but we plan to include environmental requirements and/or exclusion policies in our policy framework in the next two years” is selected, explain the plan and timeframe for implementation.</li> </ul>
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Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	CC, F, W, B

Sector	Question level	FS
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**(4.7.1) Provide details of the policies which include environmental requirements that clients/investees need to meet.**

Question details	
Question dependencies	This question only appears if you select “Yes, our policies include environmental requirements that clients/investees need to meet” or “Yes, our framework includes both policies with client/investee requirements and environmental exclusion policies” in response to column 1 “Policy framework for portfolio activities include environmental requirements for clients/investees, and/or exclusion policies” of 4.7.
Change from last year	New question for Biodiversity Modified question for Climate change, Forests and Water (2023 C-FS3.6a, FW-FS3.5a)
Rationale	To help manage environmental risks, organizations should integrate environmental issues into existing policy frameworks. These policies may apply across the organization and may be based on sectors, geographies, business lines, asset classes or other. Although the wave of environmental policies and regulations is growing, their implementation varies across organizations. This question helps data users understand which corporate policies integrate environmental issues, and what proportion of a financial services company’s portfolio is covered by the policy.
Ambition	<ul style="list-style-type: none"> <li>The organization has publicly available policies which address environmental dependencies, impacts, risks, and opportunities related to the organization and its value chain.</li> <li>The policies apply organization-wide, and to the organization’s value chain where relevant.</li> <li>The organization specifies whether and how its policies are linked to absolute and interim timebound, quantifiable and measurable targets that include reference dates/cut-off dates/boundaries/coverage/exclusions.</li> <li>Financial institutions have policies which include environmental requirements that clients/investees need to meet.</li> </ul>
Connection to other frameworks	NZAM Commitment 3 NZAM Commitment 7
Response options	Please complete the following table. You are able to add rows by using the “Add row” button at the bottom of the table.

1	2	3	4	5
Portfolio	Environmental issues covered	Type of policy	Public availability	Attach the policy
Banking (Bank)	Select all that apply: <ul style="list-style-type: none"> <li>Climate change</li> <li>Forests</li> <li>Water</li> <li>Biodiversity</li> </ul>	Select all that apply: <p><b>Banking:</b></p> <ul style="list-style-type: none"> <li>Credit/lending policy</li> <li>Risk policy</li> <li>Underwriting policy</li> <li>Engagement policy</li> <li>Pricing policy</li> <li>Other banking policy, please specify</li> </ul> <p><b>Investing:</b></p> <ul style="list-style-type: none"> <li>Credit policy</li> <li>Risk policy</li> <li>Sustainable/Responsible Investment Policy</li> <li>Investment policy/strategy</li> <li>Stewardship policy</li> <li>Active ownership policy</li> </ul>	Select from: <ul style="list-style-type: none"> <li>Publicly available</li> <li>Not publicly available</li> </ul>	[Attachment functionality]

		<ul style="list-style-type: none"> <li>• Pricing policy</li> <li>• Other investing policy, please specify</li> </ul> <p><b>Insurance:</b></p> <ul style="list-style-type: none"> <li>• Risk policy</li> <li>• Insurance underwriting policy</li> <li>• Engagement policy</li> <li>• Pricing policy</li> <li>• Other insurance policy, please specify</li> </ul>		
Investing (Asset manager)				
Investing (Asset owner)				
Insurance (Insurance company)				
Select from:				
<ul style="list-style-type: none"> <li>• Banking (Bank)</li> <li>• Investing (Asset manager)</li> <li>• Investing (Asset owner)</li> <li>• Insurance (Insurance company)</li> </ul>				

6	7	8	9	10	11	12
Value chain stages of client/investee covered by policy	Industry sectors covered by the policy	Commodities covered by the policy	Commodity value chain stage covered by the policy	% of portfolio covered by the policy in relation to total portfolio value	Basis of exceptions to policy	Explain how criteria coverage and/or exceptions have been determined
Select from: <ul style="list-style-type: none"> <li>• Direct operations</li> <li>• Direct operations and upstream/downstream value chain</li> </ul>	Select all that apply: <ul style="list-style-type: none"> <li>• Apparel</li> <li>• Biotech, health care &amp; pharma</li> <li>• Food, beverage &amp; agriculture</li> <li>• Fossil Fuels</li> <li>• Hospitality</li> <li>• Infrastructure</li> <li>• International bodies</li> <li>• Manufacturing</li> <li>• Materials</li> <li>• Power generation</li> <li>• Retail</li> <li>• Services</li> <li>• Transportation services</li> </ul>	Select all that apply: <ul style="list-style-type: none"> <li>• All agricultural commodities</li> <li>• Timber products</li> <li>• Palm oil</li> <li>• Cattle products</li> <li>• Soy</li> <li>• Rubber</li> <li>• Cocoa</li> <li>• Coffee</li> </ul>	Select all that apply: <ul style="list-style-type: none"> <li>• Production</li> <li>• Processing</li> <li>• Trading</li> <li>• Manufacturing</li> <li>• Retailing</li> </ul>	Percentage field [enter a percentage from 0-100 using no decimals]	Select all that apply: <ul style="list-style-type: none"> <li>• Geography</li> <li>• Subsidiaries</li> <li>• Industry sector</li> <li>• Line of Business</li> <li>• Products and services</li> <li>• Transaction size</li> <li>• Segment of the value chain</li> <li>• Other, please specify</li> </ul>	Text field [maximum 2,500 characters]


13a-b	14	15	16	17	18
Requirements for clients/investees	Measurement of proportion of clients/investees compliant with the policy	% of clients/investees compliant with the policy	% of portfolio value that is compliant with the policy	Target year for 100% compliance	Explain why your organization does not measure the % of clients/investees compliant with the policy
Select all that apply from drop-down options below	Select from: <ul style="list-style-type: none"> <li>• Yes</li> <li>• No, but we plan to measure this within the next two years</li> <li>• No, and we do not plan to measure this in the next two years</li> </ul>	Percentage field [enter a percentage from 0-100 using no decimals]	Percentage field [enter a percentage from 0-100 using no decimals]	Select from: <ul style="list-style-type: none"> <li>• Already met</li> <li>• Within the next year</li> <li>• Within the next 2 years</li> <li>• Within the next 5 years</li> <li>• In more than 5 years</li> <li>• No timeframe</li> <li>• We have not set a target for 100% compliance</li> </ul>	Text field [maximum 2,500 characters]

Requirements for clients/investees (column 13 a-b)	
<p><b>Environmental commitments</b></p> <ul style="list-style-type: none"> <li>• Commitment to a circular economy strategy</li> <li>• Commitment to avoidance of negative impacts on threatened and protected species [<i>appears only if B, F, or W is selected in C2</i>]</li> <li>• Commitment to comply with regulations and mandatory standards</li> <li>• Commitment to take environmental action beyond regulatory compliance</li> <li>• Commitment to engage in integrated, multi-stakeholder landscape (including river basin) initiatives to promote shared sustainability goals [<i>appears only if F or W is selected in C2</i>]</li> <li>• Commitment to implementation of nature-based solutions that support landscape restoration and long-term protection of natural ecosystems</li> <li>• Commitment to Net Positive Gain [<i>appears only if B, F, or W is selected in C2</i>]</li> <li>• Commitment to No Net Loss [<i>appears only if B, F, or W is selected in C2</i>]</li> <li>• Commitment to no trade of CITES listed species [<i>appears only if B or F is selected in C2</i>]</li> <li>• Commitment to respect legally designated protected areas [<i>appears only if B, F, or W is selected in C2</i>]</li> <li>• Commitment to stakeholder engagement and capacity building on environmental issues</li> <li>• Other environmental commitment, please specify</li> </ul>	<p><b>Water-specific commitments</b> [<i>appears if "Water" is selected in column 2</i>]</p> <ul style="list-style-type: none"> <li>• Commitment to reduce or phase out hazardous substances</li> <li>• Commitment to control/reduce/eliminate water pollution</li> <li>• Commitment to reduce water consumption volumes</li> <li>• Commitment to reduce water withdrawal volumes</li> <li>• Commitment to safely managed WASH in local communities</li> <li>• Commitment to the conservation of freshwater ecosystems</li> <li>• Commitment to water stewardship and/or collective action</li> <li>• Other water-related commitment, please specify</li> </ul> <p><b>Social commitments</b></p> <ul style="list-style-type: none"> <li>• Adoption of the UN International Labour Organization principles</li> <li>• Commitment to promote gender equality and women's empowerment</li> <li>• Commitment to respect and protect the customary rights to land, resources, and territory of Indigenous Peoples and Local Communities</li> <li>• Commitment to respect internationally recognized human rights</li> <li>• Commitment to secure Free, Prior, and Informed Consent (FPIC) of indigenous people and local communities</li> <li>• Other social commitment, please specify</li> </ul> <p><b>Additional references/Descriptions</b></p>

<p><b>Climate-specific commitments</b> [<i>appears if “Climate change” is selected in column 2</i>]</p> <ul style="list-style-type: none"> <li>• Commitment to 100% renewable energy</li> <li>• Commitment to develop a climate transition plan</li> <li>• Commitment to disclose Scope 1 emissions</li> <li>• Commitment to disclose Scope 2 emissions</li> <li>• Commitment to disclose Scope 3 emissions</li> <li>• Commitment to net-zero emissions</li> <li>• Commitment to not funding climate-denial or lobbying against climate regulations</li> <li>• Commitment to not invest in fossil-fuel expansion</li> <li>• Commitment to set a science-based emissions reduction target</li> <li>• Other climate-related commitment, please specify</li> </ul> <p><b>Forests-specific commitments</b> [<i>appears if “Forests” is selected in column 2</i>]</p> <ul style="list-style-type: none"> <li>• Commitment to best management practices for soils and peat</li> <li>• Commitment to conduct or support restoration and/or compensation to remedy for past deforestation or conversion</li> <li>• Commitment to facilitate the inclusion of smallholders into the value chain</li> <li>• Commitment to no deforestation, to no planting on peatlands, and to no exploitation (NDPE) by target date, please specify</li> <li>• Commitment to no development on peat regardless of depth</li> <li>• Commitment to no land clearance by burning or clearcutting</li> <li>• Commitment to no-conversion of natural ecosystems by target date, please specify</li> <li>• Commitment to no-deforestation by target date, please specify</li> <li>• Commitment to the use of the High Conservation Value (HCV) approach</li> <li>• Other forests-related commitment, please specify</li> </ul>	<ul style="list-style-type: none"> <li>• Acknowledgement of the human right to water and sanitation [<i>appears if “Water” is selected</i>]</li> <li>• Description of biodiversity-related performance standards [<i>appears if “Biodiversity” is selected</i>]</li> <li>• Description of commodities covered by the policy [<i>appears if “Forests” is selected</i>]</li> <li>• Description of dependencies on natural resources and ecosystems</li> <li>• Description of impacts on natural resources and ecosystems</li> <li>• Description of environmental requirements for procurement</li> <li>• Description of grievance/whistleblower mechanism to monitor non-compliance with the environmental policy and raise/address/escalate any other greenwashing concerns</li> <li>• Description of membership and financial support provided to organizations that seek to influence public policy</li> <li>• Description of renewable electricity procurement practices [<i>appears if “Climate change” is selected</i>]</li> <li>• Recognition of environmental linkages and trade-offs</li> <li>• Reference to timebound environmental milestones and targets</li> <li>• Other additional reference/description, please specify</li> </ul>
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<p>Requested content</p>	<p><i>General</i></p> <ul style="list-style-type: none"> <li>• Add at least one row for each portfolio presented in column 1 “Portfolio”.</li> <li>• If you have policies with different specifics in a single portfolio, add a separate row for each type of policy.</li> </ul> <p><i>Portfolio (column 1)</i></p> <ul style="list-style-type: none"> <li>• The options in this column appear dependent on the activities selected in 1.10.</li> </ul> <p><i>Type of policy (column 3)</i></p> <ul style="list-style-type: none"> <li>• The options in this column appear dependent on the activity indicated in column 1 “Portfolio” for the row.</li> <li>• Select all the policies into which environmental issues are integrated.</li> <li>• If there are policies within your organization’s policy framework into which environmental issues are integrated, and which are not well represented by any of the drop-down options, select “Other, please specify” and provide a label.</li> </ul> <p><i>Public availability (column 4)</i></p> <ul style="list-style-type: none"> <li>• Indicate whether the selected policy is available to the general public or not.</li> </ul> <p><i>Attach the policy (column 5)</i></p> <ul style="list-style-type: none"> <li>• This column is optional if you select “Not publicly available” in column “Public availability”.</li> </ul>
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*Value chain stages of client/investee covered by policy (column 6)*

- Indicate whether the requirement listed in column 13 “Requirements for clients/investees” is applicable to clients/investees operational activities only, or whether the requirement must also be fulfilled in other parts of the value chain.

*Industry sectors covered by the policy (column 7)*

- Indicate the industry sectors the requirements apply to, as stated in the written policy.
- If it is stated in the written policy that the requirement should be applied to all industry sectors, indicate this by selecting “Other, please specify” and writing “all sectors”.

*Commodities covered by the policy (column 8)*

- Indicate the commodities that the requirements apply to, as stated in the written policy.
- You are able to select “All agricultural commodities” if either this coverage is stated explicitly in the policy or if the commodities covered by the policy encompass all agricultural commodities you have exposure to within your portfolio.

*Commodity value chain stage covered by the policy (column 9)*

- Indicate the value chain stage that the requirements apply to, as stated in the written policy.

*% of portfolio covered by the policy in relation to total portfolio value (column 10)*

- Enter the percentage of portfolio value that has been covered by the policy in relation to the portfolio value based on the assets value reported in 1.10.
- Coverage by portfolio value can be based on either total or outstanding commitments, premiums, committed capital, and/or other.

*Basis of exceptions to policy (column 11)*

- This column appears if you enter any value lower than 100% in column 10 “% of portfolio covered by the policy in relation to total portfolio value”.
- If the policy does not apply to all of your portfolio, indicate the basis for the exceptions. For example, if the policy only applies to transactions above \$10m, select “Transaction size”.

*Explain how criteria coverage and/or exceptions have been determined (column 12)*

- Explain how you calculated the percentage of portfolio coverage in column 10 “% of portfolio covered by the policy in relation to total portfolio value”.
- Provide details of the exception criteria you selected in column 11 and explain why you chose these specific exceptions, if applicable.

*Requirements for clients/investees (column 13a-b)*

- Select all the requirements for your clients/investees, indicate e.g., if you require your clients/investees to commit to a circular economy strategy.
- Requirements can refer to actions that must be taken, or to other possible criteria which clients/investees must fulfil.
- Net-Zero Banking Alliance (NZBA) members disclosing on their NZBA commitment on “engaging on corporate and industry (financial and real economy) action, as well as public policies, to help support a net-zero transition of economic sectors in line with science and giving consideration to associated social impacts” should select “Commitment to net-zero emissions”.
- Select “Other, please specify” to add any requirement not listed.

*Measurement of proportion of clients/investees compliant with the policy (column 14)*

- For each portfolio covered by environmental requirements, select if you are able to provide data on the clients/investees compliant with your requirements.
- If you have environmental requirements for clients/investees but you do not record compliance against the requirements, but you plan to within the next two years, select “No, but we plan to measure this within the next two years”.
- If you have environmental requirements for clients/investees but you do not record compliance against the requirements, and do not plan to within the next two years, select “No, and we do not plan to measure this in the next two years”.

	<p><i>% of clients/investees compliant with the policy (column 15)</i></p> <ul style="list-style-type: none"> <li>Provide a percentage value for the number of clients/investees that meet all your requirements, in relation to the total number of clients/investees within the portfolio.</li> </ul> <p><i>% of portfolio value that is compliant with the policy (column 16)</i></p> <ul style="list-style-type: none"> <li>Provide a percentage value for the portfolio exposure to clients/investees that meet all your requirements, in relation to the total exposure to all clients/investees within the portfolio.</li> </ul> <p><i>Target year for 100% compliance (column 17)</i></p> <ul style="list-style-type: none"> <li>For each row, select the target timeframe for achieving 100% compliance of the portfolio with the reported requirement/s.</li> <li>If you have set a target to achieve 100% compliance, but do not have a specific deadline, select “No timeframe”.</li> <li>If you do not plan on achieving 100% compliance, select “We have not set a target for 100% compliance”.</li> </ul> <p><i>Explain why your organization does not measure the % of clients/investees compliant with the policy (column 18)</i></p> <ul style="list-style-type: none"> <li>If you have not provided percentages for clients/investees compliant with environmental requirements, explain why here.</li> <li>If applicable, give details of your organization’s plans to measure compliance with environmental requirements in the future.</li> </ul>
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Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	CC, F, W, B
Sector	Question level	FS

**(4.7.2) Provide details of your exclusion policies related to industries, activities and/or locations exposed or contributing to environmental risks.**

Question details	
Question dependencies	This question only appears if you select “Yes, we have exclusion policies for industries, activities and/or locations exposed or contributing to environmental risks” or “Yes, our framework includes both policies with client/investee requirements and environmental exclusion policies” in response to column “Policy framework for portfolio activities include environmental requirements for clients/investees, and/or exclusion policies” of 4.7.
Change from last year	New question for Forests, Water, and Biodiversity Modified question for Climate change (2023 C-FS3.6b)
Rationale	Exclusion policies are an element of financial sector companies’ negative screening processes to reduce portfolio exposure to environmentally vulnerable projects and/or investments, and to implement environmental commitments. Data users are interested in understanding the types of environmental policy exclusions and the effect that these exclusions have had or will have on the organizations’ exposure.
Ambition	<ul style="list-style-type: none"> <li>The organization specifies whether and how its policies are linked to absolute and interim timebound, quantifiable and measurable targets that include reference dates/cut-off dates/boundaries/coverage/exclusions.</li> <li>The organization endorses or aligns its environmental policies and commitments to the most recent and widely accepted scientific interpretation of relevant global environmental treaties, policy goals (e.g., the Kunming-Montreal Global Biodiversity Framework, Paris Agreement, Sustainable Development Goals, Planetary Boundaries), and identifies where and how they align.</li> </ul>

	<ul style="list-style-type: none"> <li>Financial institutions shall commit, via a publicly available policy, to the immediate cessation of: <ul style="list-style-type: none"> <li>All new financial services to projects and companies involved in new coal mines, extensions/expansions of coal mines, or new unabated coal-fired power plants (inclusive of electric utilities and industrial use cases), with the exception of new financing for permanent decommissioning of production activities and capacity; and</li> <li>All new financial services to new long-lead time upstream oil and gas projects and mid-stream infrastructure dedicated to new long-lead time upstream oil and gas projects.</li> <li>The applicability of abatement for the purpose of the arrest of financial services to new unabated coal-fired power plants is considered to be at least a 90% reduction of scope 1 and 2 emissions from the associated coal assets of the holding company or project. For carbon capture to be considered part of the 90%, it must be (i) utilized for mitigation products that have century-scale (or greater) lifetimes (i.e., geological carbon capture and storage); and (ii) must not support processes that enable continued fossil fuel extraction and/or development of production capacity.</li> </ul> </li> </ul>
Connection to other frameworks	NZAM Commitment 7
Response options	Please complete the following table. You are able to add rows by using the “Add row” button at the bottom of the table.

1	2	3	4
Portfolio	Type of exclusion policy	Fossil fuel value chain	Year of exclusion implementation
Banking (Bank)	Select from: <ul style="list-style-type: none"> <li>All fossil fuels (CC only)</li> <li>All coal (CC only)</li> <li>Thermal coal (CC only)</li> <li>Fuel from liquified coal (CC only)</li> <li>Coal mining (CC only)</li> <li>Mountaintop removal mining (CC only)</li> <li>Power from coal (CC only)</li> <li>All oil &amp; gas (CC only)</li> <li>Oil from tar sands (CC only)</li> <li>Oil from shale (CC only)</li> <li>Gas from shale (CC only)</li> <li>Arctic oil and gas (CC only)</li> <li>Ultra-deepwater oil and gas (CC only)</li> <li>Fracked oil and gas (CC only)</li> <li>Liquified natural gas (CC only)</li> <li>Other, please specify</li> </ul>	Select all that apply: <ul style="list-style-type: none"> <li>Upstream</li> <li>Midstream</li> <li>Downstream</li> </ul>	Numerical field [enter a number between 1900-2023 using no decimal places and no commas]
Investing (Asset manager)			
Investing (Asset owner)			
Insurance underwriting (Insurance company)			
Select from: <ul style="list-style-type: none"> <li>Banking (Bank)</li> <li>Investing (Asset manager)</li> <li>Investing (Asset owner)</li> </ul>			

<ul style="list-style-type: none"> <li>Insurance underwriting (Insurance company)</li> </ul>			
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5	6	7	8
Phaseout pathway	Year of complete phaseout	Country/area the exclusion policy applies to	Description
Select all that apply: <ul style="list-style-type: none"> <li>New business/investment for new projects</li> <li>New business/investment for existing projects</li> <li>Existing business/investment for existing projects</li> <li>Other, please specify</li> </ul>	Numerical field [enter a number between 1900- 2050 using no decimal places and no commas]	Select all that apply: <ul style="list-style-type: none"> <li>Worldwide</li> <li>[List of forest-countries/areas]</li> <li>Other, please specify</li> </ul>	Text field [maximum 2,500 characters]

Requested content	<p><i>Portfolio (column 1)</i></p> <ul style="list-style-type: none"> <li>The options which appear are driven by the activities you selected in 1.10.</li> </ul> <p><i>Type of exclusion policy (column 2)</i></p> <ul style="list-style-type: none"> <li>Add a row for each type of exclusion policy.</li> <li>If the exclusion is based solely on geography, for example an area important for biodiversity, or a river basin in an area with water stress, select “Other, please specify” here, then specify indicating e.g. “area important for biodiversity”, or “water basin”, and specify the area in column “Country/area”.</li> </ul> <p><i>Year of exclusion implementation (column 4)</i></p> <ul style="list-style-type: none"> <li>Select the year you implemented your exclusion policy.</li> </ul> <p><i>Phaseout pathway (column 5)</i></p> <ul style="list-style-type: none"> <li>Indicate what type of projects and/or investments the policy applies to, whether it is for new or existing projects.</li> <li>Selecting “New business/investment for new projects” implies that you would decline to participate in a financing, investment or insurance for a new project that was covered by the exclusion but may still participate in business for a project in which you were already a lender, investor, or insurer.</li> <li>Selecting “New business/investment for existing projects” implies that you would decline to participate in business for a project covered by the exclusion, even if you were already a lender, investor, or insurer.</li> </ul> <p><i>Year of complete phaseout (column 6)</i></p> <ul style="list-style-type: none"> <li>Select the year you completed your phaseout, or the year you will completely have phased out of financing or insuring any activity or region covered by your exclusion policy.</li> </ul> <p><i>Country/area the exclusion policy applies to (column 7)</i></p> <ul style="list-style-type: none"> <li>If you selected “Other, please specify” in column 2 “Type of exclusion policy” based on a geographical criterion, for example an area important for biodiversity or a river basin in an area with water stress, select “Other, please specify” here, then specify the area.</li> </ul>
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	<p><i>Description (column 8)</i></p> <ul style="list-style-type: none"> <li>Describe the exclusion threshold (industry classification, company exposure, revenue, production, or other), the asset classes/product types/business division the policy applies to, as well as the impact the policy has had on your exposure to the subject of the policy.</li> <li>The impact on exposure may be expressed as the change in the proportion of your portfolio exposed to the subject of the policy from the baseline (year of implementation).</li> </ul>
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Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	CC, F, W, B
Sector	Question level	FS

**(4.8) Does your organization include covenants in financing agreements to reflect and enforce your environmental policies?**

Question details	
Question dependencies	This question only appears if you select “Yes” in column 1 “Activity undertaken” for the row “Banking” in 1.10.
Change from last year	New question for Biodiversity Modified question for Climate change, Forests and Water (2023 C-FS3.8, FW-FS3.6)
Rationale	Banks can influence their clients through requirements within the terms of financing agreements and with the option of a default being triggered should there be a failure to comply. Data users are interested in whether banks are using this method to promote action on environmental performance because there are potential benefits for the bank including a perceived improvement in credit profile and access to alternative pools of capital.
Ambition	<ul style="list-style-type: none"> <li>Banks have covenants in financing agreements to reinforce environmental policies.</li> </ul>
Response options	Please complete the following table:

1	2	3
Covenants included in financing agreements to reflect and enforce policies	Primary reason for not including covenants in financing agreements	Explain why your organization does not include covenants in financing agreements
Select from: <ul style="list-style-type: none"> <li>Yes</li> <li>No, but we plan to within the next two years</li> <li>No, and we do not plan to in the next two years</li> </ul>	Select from: <ul style="list-style-type: none"> <li>Lack of internal resources, capabilities, or expertise (e.g., due to organization size)</li> <li>No standardized procedure</li> <li>Not an immediate strategic priority</li> <li>Judged to be unimportant or not relevant</li> <li>Other, please specify</li> </ul>	Text field [maximum 2,500 characters]

Requested content	<p><i>Primary reason for not including environmental covenants in financing agreements (column 2)</i></p> <ul style="list-style-type: none"> <li>This column is only presented if any “No...” option is selected in column 1 “Covenants included in financing agreements to reflect and enforce policies”.</li> </ul> <p><i>Explain why your organization does not include covenants in financing agreements (column 3)</i></p>
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	<ul style="list-style-type: none"> <li>This column is only presented if any “No...” option is selected in column 1 “Covenants included in financing agreements to reflect and enforce policies”.</li> <li>Briefly describe the reasons why your financing agreements do not include environmental covenants.</li> <li>If you plan to include environmental covenants in the next two years, highlight the key actions you plan to take.</li> </ul>
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Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	CC, F, W, B
Sector	Question level	FS

**(4.8.1) Provide details of the covenants included in your organization’s financing agreements to reflect and enforce your environmental policies.**

Question details	
Question dependencies	This question only appears if you select “Yes” in response to column 1 “Covenants included in financing agreements to reflect and enforce policies” in 4.8.
Change from last year	New question for Forests, Water and Biodiversity Modified question for Climate change (2023 C-FS3.8a)
Rationale	Banks can influence their clients through requirements within the terms of financing agreements and with the option of a default being triggered should there be a failure to comply. Data users are interested in whether banks are using this to enforce their environmental policies and promote action on environmental performance, including a perceived improvement in credit profile and access to alternative pools of capital.
Ambition	<ul style="list-style-type: none"> <li>Banks have covenants in financing agreements to reinforce environmental policies.</li> </ul>
Response options	Please complete the following table. You are able to add rows by using the “Add Row” button at the bottom of the table.

1	2	3	4	5	6	7
Environmental issue	Types of covenants used	Asset class/product types covered by covenants	Criteria for how covenants are applied	% of clients covered by covenants	% of portfolio covered in relation to total portfolio value	Provide details on which environmental policies your covenants enforce, and how
Select all that apply: <ul style="list-style-type: none"> <li>Climate change</li> <li>Forests</li> <li>Water</li> <li>Biodiversity</li> </ul>	Select all that apply: <ul style="list-style-type: none"> <li>A purpose or use of proceeds clause that refers to a taxonomy aligned activity</li> <li>Margin or pricing depends on sustainability criteria</li> </ul>	Select all that apply: <ul style="list-style-type: none"> <li>Corporate loans</li> <li>Retail loans</li> <li>Corporate real estate</li> <li>Retail mortgages</li> <li>Trade finance</li> <li>Asset finance</li> <li>Project finance</li> <li>Debt and equity underwriting</li> <li>Other, please specify</li> </ul>	Select from: <ul style="list-style-type: none"> <li>All business/investment for all projects</li> <li>New business/investment for all projects</li> <li>New business/investment for new projects</li> <li>Selected clients</li> <li>Depending on loan size</li> <li>Depending on loan tenor</li> </ul>	Percentage field [enter a percentage from 0-100 using a maximum of 0 decimal places and no commas]	Percentage field [enter a percentage from 0-100 using a maximum of 0 decimal places and no commas]	Text field [maximum 2,500 characters]

	<ul style="list-style-type: none"> <li>• Minimum level of taxonomy aligned assets are mandated</li> <li>• Legal mandate to obtain third party verification of sustainability criteria</li> <li>• Covenants related to compliance with your environmental policies</li> <li>• Other, please specify</li> </ul>	<ul style="list-style-type: none"> <li>• Other, please specify</li> </ul>	
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<b>Requested content</b>	<p><i>General</i></p> <ul style="list-style-type: none"> <li>• If the types of covenants used are not the same for all asset classes and/or product types, add a separate row for each distinction.</li> </ul> <p><i>Criteria for how covenants are applied (column 4)</i></p> <ul style="list-style-type: none"> <li>• Indicate the coverage of the financing agreements for which you are implementing covenants.</li> <li>• Data users want to understand how frequently Net-Zero Banking Alliance (NZBA) members implement covenants in financing agreements to enforce environmental policies.</li> </ul> <p><i>% of portfolio covered in relation to total portfolio value (column 6)</i></p> <ul style="list-style-type: none"> <li>• Enter the percentage of portfolio value covered in relation to the portfolio value based on assets value reported in 1.10.</li> <li>• Data users want to understand how frequently NZBA members implement covenants in financing agreements to enforce environmental policies.</li> </ul> <p><i>Provide details on which environmental policies your covenants enforce, and how (column 7)</i></p> <ul style="list-style-type: none"> <li>• Briefly describe how the covenants and clauses you include in financing documents relate to your environmental policies, and which policies they enforce.</li> <li>• Outline which types of clients you use covenants with, and why.</li> </ul>
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Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	CC, F, W, B
Sector	Question level	FS

**Pension schemes**

**(4.9) Does your organization offer its employees a pension scheme that incorporates environmental criteria in its holdings?**

Question details
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Change from last year	New question for Forests and Water Modified question for Climate change (2023 C-FS1.4)
Rationale	Consideration of environmental factors in pension scheme holdings contributes to the financing of a sustainable economy and demonstrates that organizations consider such risks and opportunities in their assessment of pension plan options. This question allows data users to understand how the organization is contributing to sustainable investing.
Ambition	<ul style="list-style-type: none"> <li>Financial institutions offer their employees a pension scheme which incorporates environmental criteria in its holdings.</li> </ul>
Response options	Please complete the following table. You are able to add rows by using the “Add row” button at the bottom of the table.

0	1	2	3
<b>Environmental issue</b>	<b>Pension scheme incorporates environmental criteria in its holdings</b>	<b>Describe how funds within the pension scheme are selected and how your organization ensures that environmental criteria are incorporated</b>	<b>Explain why your organization does not incorporate criteria for this environmental issue into the pension scheme holdings</b>
Climate change	Select from: <ul style="list-style-type: none"> <li>Yes, as the default investment strategy for all plans</li> <li>Yes, as an investment option</li> <li>No, but we plan to incorporate in the next two years</li> <li>No, and we do not plan to incorporate in the next two years</li> <li>No, due to a compulsory national/subnational scheme</li> </ul>	Text field [maximum 5,000 characters]	Text field [maximum 2,500 characters]
Forests			
Water			

Requested content	<p><i>Pension scheme incorporates environmental criteria in its holdings (column 1)</i></p> <ul style="list-style-type: none"> <li>Select “Yes, as the default investment option for all plans offered” if employees are automatically enrolled in a retirement scheme that incorporates certain environmental criteria.</li> <li>Select “Yes, as an investment option” if employees need to actively opt-in to a retirement scheme that incorporates environmental criteria.</li> <li>Select “No, due to a compulsory national/subnational scheme” if a retirement scheme incorporates environmental criteria due to national/subnational schemes such as state legislated schemes.</li> </ul> <p><i>Describe how funds within the pension scheme are selected and how your organization ensures that environmental criteria are incorporated (column 2)</i></p> <ul style="list-style-type: none"> <li>This column appears if any “Yes” option is selected in column 1 “Pension scheme that incorporates environmental criteria in its holdings”.</li> <li>State whether the funds within the retirement scheme are passively or actively managed (e.g. if they follow an index or an actively managed environmental investment strategy).</li> <li>Briefly describe the environmental criteria used to select the funds within the retirement scheme.</li> <li>State what percentage of the retirement scheme is covered under environmental criteria and provide any exclusionary screening on environmental factors.</li> <li>State whether you have provided a TCFD report on your climate-related disclosure and responsible investment policy.</li> </ul>
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	<p><i>Explain why your organization does not incorporate criteria for this environmental issue into the pension scheme holdings (column 3)</i></p> <ul style="list-style-type: none"> <li>• This column appears if you select any “No...” in column 1 “Pension scheme that incorporates environmental criteria in its holdings”.</li> <li>• Provide a description specific to the company as to why you do not incorporate environmental criteria into your organization’s employment-based retirement scheme.</li> <li>• State if and how you plan to incorporate environmental criteria into your organization’s employment-based retirement scheme in the future.</li> </ul>
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Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	CC, F, W
Sector	Question level	FS

**External collaborative frameworks and initiatives**

**(4.10) Are you a signatory or member of any environmental collaborative frameworks or initiatives?**

Question details	
Change from last year	New question for Water and Plastics Modified question for Climate change, Forests, and Biodiversity (2023 C12.5, C15.2, F4.6a, F-MM15.1/F-CO15.1, F-MM15.2/F-CO15.2, F-MM15.2a/F-CO15.2a)
Rationale	By becoming a signatory of environmental collaborative industry initiatives, organizations contribute to the development of environmental disclosure frameworks, metrics, and goals that will help transition into a more sustainable economy. Supporting environmental industry initiatives sends a signal to investors about the organization’s commitment to taking steps to align its business with this transition. Endorsing widely known public initiatives reflects good practice and meets data users’ demand for environmental action, as organizations have the opportunity to benchmark themselves against their peers.
Connection to other frameworks	AFi Core Principle 1 AFi Core Principle 2 AFi Core Principle 10 CEO WM Response: External Engagement NZAM General Commitment
Response options	Please complete the following table:

1	2	3
<b>Are you a signatory or member of any environmental collaborative frameworks or initiatives?</b>	<b>Collaborative framework or initiative</b>	<b>Describe your organization’s role within each framework or initiative</b>
Select from: <ul style="list-style-type: none"> <li>• Yes</li> <li>• No, but we plan to within the next two years</li> <li>• No, and we do not plan to within the next two years</li> </ul>	Select all that apply from the drop-down list below	Text field [maximum 5,000 characters]

Collaborative framework or initiative (column 2)		
<ul style="list-style-type: none"> <li>• 2030 Water Resources Group [W only]</li> <li>• Alliance for Climate Action (ACA)</li> <li>• Alliance for Water Stewardship (AWS) [W only]</li> <li>• Aluminum Stewardship Initiative (ASI) [M-B only]</li> <li>• Amazon Conservation Association (ACA) [F only]</li> <li>• Apparel and Footwear International RSL Management AFIRM Group</li> <li>• Asia Investor Group on Climate Change (AIGCC) [FS only]</li> <li>• Asia Sustainable Finance Initiative (ASFI) [FS only]</li> <li>• B Corporation</li> <li>• Banking Environment Initiative [FS only]</li> <li>• Better Cotton Initiative (BCI)</li> <li>• Bettercoal [CO, M-B only]</li> <li>• BioCarbon Fund Initiative for Sustainable Forest Landscapes [F only]</li> <li>• Bonn Challenge</li> <li>• Brazilian Roundtable on Sustainable Livestock (GTPS) [AC/FB only]</li> <li>• Business 4 Nature</li> <li>• Business and Biodiversity Pledge [B only]</li> <li>• Business Declares</li> <li>• Carbon Market Institute</li> <li>• Cattle Agreement (TAC) [AC/FB only]</li> <li>• CDP Investor Signatory [FS only]</li> <li>• CEO Water Mandate [W only]</li> <li>• Ceres</li> <li>• Ceres Valuing Water Initiative [FS only]</li> <li>• Cerrado Funding Coalition</li> <li>• Cerrado Manifesto [F only]</li> <li>• Cerrado Working Group (GTC)</li> <li>• Chambers Climate Coalition</li> <li>• China Sustainable Palm Oil Alliance (CSPOA) [F only]</li> <li>• Chinese Sustainable Meat Declaration (CSMD) [AC/FB only]</li> <li>• Climate Action 100+</li> <li>• Climate Bonds Initiative Partnership Programme [FS only]</li> <li>• ClimateWise Principles</li> <li>• Coalition for Sustainable Livelihoods (CSL)</li> <li>• Collective Commitment to Climate Action</li> <li>• Compromiso Gran Chaco Argentino 2030</li> <li>• Consumer Goods Forum Forests Positive Coalition [F only]</li> <li>• Corporate Leaders Group (CLG)</li> <li>• Cross Sector Biodiversity Initiative (CSBI) [B only]</li> <li>• Ellen MacArthur Global Commitment [P only]</li> </ul>	<ul style="list-style-type: none"> <li>• Glasgow Financial Alliance for Net Zero (GFANZ) [FS only]</li> <li>• Global Agri-business Alliance (GAA) [FB/AC only]</li> <li>• Global Alliance for Banking on Values (GABV) [FS only]</li> <li>• Global e-Sustainability Initiative</li> <li>• Global Forest and Trade Network (GFTN) [F only]</li> <li>• Global Forest Watch [F only]</li> <li>• Global Plastic Action Partnership [P only]</li> <li>• Global Platform on Sustainable Natural Rubber (GPSNR) [F only]</li> <li>• Global Reporting Initiative (GRI) Community Member</li> <li>• Global Roundtable for Sustainable Beef (GRSB) [AC/FB only]</li> <li>• Global Sustainable Plastic Packaging Programme [P only]</li> <li>• Green Municipalities Program</li> <li>• Health Care Without Harm</li> <li>• HerProject</li> <li>• High Carbon Stock Approach Steering Group</li> <li>• High Conservation Value (HCV) Resource Network [F and B only]</li> <li>• IIF Forum on Implementation of TCFD recommendations</li> <li>• Industry Task Team on Climate Change</li> <li>• Initiative for Responsible Mining (IRMA) [M-B only]</li> <li>• Institutional Investors Group on Climate Change (IIGCC) [FS only]</li> <li>• International Corporate Governance Network (ICGN)</li> <li>• International Council on Mining and Metals (ICMM) [MM, M-B only]</li> <li>• International Sustainability &amp; Carbon Certification (ISCC)</li> <li>• International Water Stewardship Programme (IWaSP) [W only]</li> <li>• International Wineries for Climate Action</li> <li>• Investor Group on Climate Change (IGCC) [FS only]</li> <li>• Investor Network on Climate Risk (INCR) [FS only]</li> <li>• Japan Climate Initiative (JCI)</li> <li>• Japan Climate Leaders' Partnership (JCLP)</li> <li>• Leather Working Group</li> <li>• Make Fashion Circular</li> <li>• Mission Possible Partnership</li> <li>• National Business Initiative</li> <li>• Natural Capital Coalition</li> <li>• Natural Capital Finance Alliance (NCFA) [FS only]</li> <li>• Net Zero Asset Managers initiative [FS only]</li> <li>• Net Zero Asset Owner Alliance [FS only]</li> <li>• Net Zero Banking Alliance [FS only]</li> <li>• Net Zero Financial Service Providers Alliance [FS only]</li> <li>• Net Zero Insurance Alliance [FS only]</li> </ul>	<ul style="list-style-type: none"> <li>• Programme for the Endorsement of Forest Certification (PEFC) [F only]</li> <li>• Project WET [W only]</li> <li>• Race to Zero Campaign</li> <li>• RE100</li> <li>• Responsible Jewellery Council (RJC) [MM, M-B only]</li> <li>• ResponsibleSteel [ST, M-B only]</li> <li>• Roundtable on Sustainable Biomaterials (RSB) [F only]</li> <li>• Roundtable on Sustainable Palm Oil (RSPO) [F only]</li> <li>• Roundtable on Sustainable Soy (RTRS) [AC/FB only]</li> <li>• RSPO Jurisdictional Approach to Certification</li> <li>• Science-Based Targets for Nature (SBTN)</li> <li>• Science-Based Targets Initiative (SBTi)</li> <li>• Science-Based Targets Initiative for Financial Institutions (SBTi-Fi) [FS only]</li> <li>• SME Climate Hub</li> <li>• 'Soft Commodities' Compact [F only]</li> <li>• Soy Buyers Coalition [F only]</li> <li>• Soy Moratorium [F only]</li> <li>• Sports for Climate Action</li> <li>• Support Asia for Sustainable Palm Oil (SASPO) [F only]</li> <li>• Sustainable Agriculture Initiative (SAI) [AC/FB only]</li> <li>• Sustainable Apparel Coalition (SAC)</li> <li>• Sustainable Districts Association (Lingkar Temu Kabupaten Lestari)</li> <li>• Sustainable Forestry Initiative (SFI) [F only]</li> <li>• Sustainable Mining Initiative – SMI (India) [M-B only]</li> <li>• Sustainable Soy Trade Platform (SSTP) [AC/FB only]</li> <li>• Task Force on Climate-related Financial Disclosures (TCFD)</li> <li>• Task Force on Nature-related Financial Disclosures (TNFD)</li> <li>• Terra Carta</li> <li>• Textile Exchange</li> <li>• The B Team</li> <li>• The Climate Pledge</li> <li>• The Fashion pact</li> <li>• The Investor Agenda [FS only]</li> <li>• The Water Council [W only]</li> <li>• Towards Sustainable Mining – TSM (Mining Association of Canada) [M-B only]</li> <li>• Transition Pathway Initiative</li> <li>• Tropical Forest Alliance 2020 (TFA) [F only]</li> <li>• UK Roundtable on Sustainable Soy [AC/FB only]</li> <li>• UN Global Compact</li> <li>• UNEP FI [FS only]</li> <li>• UNEP FI Portfolio Decarbonization Coalition [FS only]</li> </ul>

<ul style="list-style-type: none"> <li>• Energy Efficiency Council</li> <li>• Equator Principles [FS only]</li> <li>• EU Sustainable Tropical Timber Coalition (STTC) [F only]</li> <li>• European Climate Pact</li> <li>• European Palm Oil Alliance (EPAO) [F only]</li> <li>• Exponential Roadmap Initiative</li> <li>• Extractive Industries Transparency Initiative (EITI) [M-B only]</li> <li>• Fair Water Footprints (FWF) [W only]</li> <li>• Finnish Network for Sustainable Mining [M-B only]</li> <li>• Fire Free Alliance (FFA)</li> <li>• Forest Stewardship Council (FSC) [F only]</li> <li>• Forests, Farms and Finance Initiative [F only]</li> <li>• Forum for Sustainable Palm Oil (FONAP) [F only]</li> <li>• Future Net Zero with CBN</li> <li>• G7 Investors Global Initiative [FS only]</li> </ul>	<ul style="list-style-type: none"> <li>• Net Zero Investment Consultants Initiative [FS only]</li> <li>• New York Declaration on Forests [F only]</li> <li>• Organic Cotton Accelerator (OCA)</li> <li>• Palm Oil Innovation Group (POIG) [F only]</li> <li>• Palm Oil Transparency Coalition (POTC) [F only]</li> <li>• Paris Agreement Capital Transition Assessment (PACTA) [FS only]</li> <li>• Paris Aligned Investment Initiative [FS only]</li> <li>• Partnership for Biodiversity Accounting Financials (PBAF) [FS only]</li> <li>• Partnership for Carbon Accounting Financials (PCAF) [FS only]</li> <li>• Partnership for Cleaner Textile (PaCT)</li> <li>• Planet Mark</li> <li>• Plastic Pact Network [P only]</li> <li>• Pledge to Net Zero</li> <li>• Positive Impact Initiative</li> <li>• Principles for Responsible Investment (PRI) [FS only]</li> <li>• Produce, Conserve and Include (PCI)</li> <li>• Production, Protection and Inclusion (PPI)</li> </ul>	<ul style="list-style-type: none"> <li>• UNEP FI Principles for Responsible Banking [FS only]</li> <li>• UNEP FI Principles for Sustainable Insurance [FS only]</li> <li>• UNEP FI's Climate Risk and TCFD programme [FS only]</li> <li>• Verified Sourcing Areas</li> <li>• Waste and Resources Action Programme (WRAP) [W only]</li> <li>• Wastewater Zero Commitment [W only]</li> <li>• Water Action Hub (by CEO Water Mandate) [W only]</li> <li>• Water Europe [W only]</li> <li>• Water Resilience Coalition [W only]</li> <li>• WBCSD Forests Solutions Group [F only]</li> <li>• We Are Still In</li> <li>• We Mean Business</li> <li>• World Business Council for Sustainable Development (WBCSD)</li> <li>• Zero Discharge of Hazardous Chemicals (ZDHC) [W only]</li> <li>• Other, please specify</li> </ul>
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Requested content	<p><i>Collaborative framework or initiative (column 2)</i></p> <ul style="list-style-type: none"> <li>• This column only appears if you select “Yes” in column 1 “Are you a signatory or member of any environmental collaborative frameworks or initiatives?”.</li> <li>• Note: Regarding frameworks and initiatives that are also certification schemes e.g., “Roundtable on Sustainable Soy”, only select those for which you are a member or signatory. Do not select certification schemes that you source if you are not a member or signatory.</li> </ul> <p><i>Describe your organization’s role within each framework or initiative (column 3)</i></p> <ul style="list-style-type: none"> <li>• This column only appears if you select “Yes” in column 1 “Are you a signatory or member of any environmental collaborative frameworks or initiatives?”.</li> <li>• Provide additional information on your organization’s role in each of the selected frameworks/initiatives. Include examples, if applicable.</li> <li>• If you selected ‘Other, please specify’ in column “Collaborative framework or initiative”, briefly describe the specified framework/initiative.</li> </ul>
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Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	All
Sector	Question level	All (+Mines-Biodiversity)

**Public policy engagement**

**(4.11) In the reporting year, did your organization engage in activities that could directly or indirectly influence policy, law, or regulation that may (positively or negatively) impact the environment?**

Question details	
Change from last year	New question for Forests Modified question for Climate change and Water (2023 C12.3, W6.5, W6.5a)
Rationale	Data users wish to understand how an organization’s policy engagement on environmental issues relates to other stances taken. It is important that organizations maintain a consistent approach to environmental issues – for instance, engaging in activities whose purpose is to discredit environmental science, while also collaborating with other groups to advance solutions for environmental issues sends conflicting messages to data users about that organization’s priorities and stance.  This question provides data users with insights into the different external engagement activities of organizations and enables organizations to disclose the processes they use to ensure that their position on environmental issues is compatible with the positive contributions in which they partake, as well as with global environmental treaties or goals.
Ambition	<ul style="list-style-type: none"> <li>The organization assesses which of its policy engagement activities (positively or negatively) impact the environment and how they relate to the environmental dependencies, impacts, risks, and opportunities that it has identified. The organization discloses: <ul style="list-style-type: none"> <li>Which engagement activities impact the environment and how.</li> <li>How the policy engagement activity relates to the organization’s environmental dependencies, impacts, risks, and opportunities.</li> </ul> </li> <li>The organization publishes a public commitment or position statement to conduct their public policy engagement activities in line with the most recent and widely accepted scientific interpretation of global environmental treaties and policy goals (e.g., the Paris Agreement, the Sustainable Development Goals, or the Kunming-Montreal Global Biodiversity Framework).</li> <li>The organization is registered on one or more transparency registers and discloses details to enable identification of the organization in the register.</li> </ul>
Connection to other frameworks	AFi Core Principle 1 AFi Core Principle 2 AFi Core Principle 10 CEO WM Response: External Engagement TNFD Governance C NZAM Commitment 9
Response options	Please complete the following table.

1	2	3	4
<b>External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the environment</b>	<b>Indicate whether your organization has a public commitment or position statement to conduct your engagement activities in line with global environmental treaties or policy goals</b>	<b>Attach commitment or position statement</b>	<b>Indicate whether your organization is registered on a transparency register</b>
Select all that apply: <ul style="list-style-type: none"> <li>Yes, we engaged directly with policy makers</li> <li>Yes, we engaged indirectly through, and/or provided financial or in-kind support to a trade association or other intermediary organization or individual</li> </ul>	Select all that apply: <ul style="list-style-type: none"> <li>Yes, in line with the Paris Agreement [CC only]</li> <li>Yes, in line with the Kunming-Montreal Global Biodiversity Framework [W and F only]</li> <li>Yes, in line with Sustainable Development Goal 6 on</li> </ul>	[Attachment]	Select all that apply: <ul style="list-style-type: none"> <li>Yes, a mandatory government register</li> <li>Yes, a voluntary government register</li> <li>Yes, a non-government register</li> <li>No</li> <li>Unknown</li> </ul>

<p>whose activities could influence policy, law, or regulation</p> <ul style="list-style-type: none"> <li>No, we have assessed our activities, and none could directly or indirectly influence policy, law, or regulation that may impact the environment</li> <li>Not assessed</li> </ul>	<p>Clean Water and Sanitation [W only]</p> <ul style="list-style-type: none"> <li>Yes, in line with another global environmental treaty or policy goal, please specify</li> <li>No, but we plan to have one in the next two years</li> <li>No, and we do not plan to have one in the next two years</li> </ul>		
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5	6	7	8
<b>Disclose the transparency registers on which your organization is registered &amp; the relevant ID numbers for your organization</b>	<b>Describe the process your organization has in place to ensure that your external engagement activities are consistent with your environmental commitments and/or transition plan</b>	<b>Primary reason for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact the environment</b>	<b>Explain why your organization does not engage in activities that could directly or indirectly influence policy, law, or regulation that may impact the environment</b>
Text field [maximum 500 characters]	Text field [maximum 2,500 characters]	Select from: <ul style="list-style-type: none"> <li>Contractual hindrances</li> <li>Lack of internal resources, capabilities, or expertise (e.g., due to organization size)</li> <li>No standardized procedure</li> <li>Not an immediate strategic priority</li> <li>Judged to be unimportant or not relevant</li> <li>Other, please specify</li> </ul>	Text field [maximum 2,500 characters]

[Fixed row]

Authoring notes		
<b>Tags</b>		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	CC, F, W
Sector	Question level	All

**(4.11.1) On what policies, laws, or regulations that may (positively or negatively) impact the environment has your organization been engaging directly with policy makers in the reporting year?**

Question details	
Question dependencies	This question only appears if you select “Yes, we engage directly with policy makers” in response to column 1 “External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the environment” of 4.11.
Change from last year	New question for Forests and Water Modified question for Climate change (2023 C12.3a, C12.3c)
Rationale	Data users wish to understand how an organization’s policy engagement on environmental issues relate to other stances taken. This question provides increased transparency regarding an organization’s direct engagement with policy makers, and whether the engagement is aligned with global environmental treaties or goals.

Ambition	<ul style="list-style-type: none"> <li>The organization assesses which of its policy engagement activities (positively or negatively) impact the environment and how they relate to the environmental dependencies, impacts, risks, and opportunities that it has identified. The organization discloses: <ul style="list-style-type: none"> <li>Which engagement activities impact the environment and how.</li> <li>How the policy engagement activity relates to the organization’s environmental dependencies, impacts, risks, and opportunities.</li> </ul> </li> <li>The organization reports the monetary value of direct and indirect financial and in-kind political contributions and where estimates were used, how these were estimated (such as total monetary amount of such internal and external expenses and/or the total amount paid for membership to lobbying associations, for its contributions).</li> </ul>
Connection to other frameworks	AFi Core Principle 1 AFi Core Principle 2 AFi Core Principle 10 CEO WM Response: External Engagement NZAM Commitment 9 TNFD Governance C
Response options	Please complete the following table. You are able to add rows by using the “Add Row” button at the bottom of the table.

1 Specify the policy, law, or regulation on which your organization is engaging with policy makers	2 Environmental issues the policy, law, or regulation relates to	3a-b Focus area of policy, law, or regulation that may impact the environment	4 Geographic coverage of policy, law, or regulation	5 Country/area/region the policy, law, or regulation applies to	6 Your organization’s position on the policy, law, or regulation
Text field [maximum 500 characters]	Select all that apply: <ul style="list-style-type: none"> <li>Climate change</li> <li>Forests</li> <li>Water</li> </ul>	Select from: <ul style="list-style-type: none"> <li>Environmental impacts and pressures</li> <li>Energy and renewables [CC only]</li> <li>Environmental protection and management procedures</li> <li>Financial mechanisms (e.g., taxes, subsidies, etc.)</li> <li>Low-impact production and innovation</li> <li>Social issues</li> <li>Transparency and due diligence</li> <li>Other</li> </ul>	Select from: <ul style="list-style-type: none"> <li>Global</li> <li>Regional</li> <li>National</li> <li>Sub-national</li> <li>Unknown</li> </ul>	Select all that apply: <ul style="list-style-type: none"> <li>[Country/area/region drop-down list]</li> <li>Other, please specify</li> </ul>	Select from: <ul style="list-style-type: none"> <li>Oppose</li> <li>Neutral</li> <li>Support with no exceptions</li> <li>Support with minor exceptions</li> <li>Support with major exceptions</li> <li>Undecided</li> </ul>

7 Details of any exceptions and your organization’s proposed alternative approach to	8 Type of direct engagement with policy makers on this policy, law, or regulation	9 Funding figure your organization provided to policy makers in the reporting year relevant to this policy, law, or	10 Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this	11 Indicate if you have evaluated whether your organization’s engagement on this policy, law, or regulation is aligned with global

the policy, law, or regulation		regulation (currency)	has informed your engagement, and how you measure the success of your engagement	environmental treaties or policy goals
Text field [maximum 2,500 characters]	Select all that apply: <ul style="list-style-type: none"> <li>• Regular meetings</li> <li>• Ad-hoc meetings</li> <li>• Discussion in public forums</li> <li>• Participation in working groups organized by policy makers</li> <li>• Participation in voluntary government programs</li> <li>• Provided funding or in-kind support</li> <li>• Responding to consultations</li> <li>• Submitting written proposals/inquiries</li> <li>• Other, please specify</li> </ul>	Numerical field [enter a number from 0 to 999,999,999,999,999, using up to 2 decimal places]	Text field [maximum 2,500 characters]	Select all that apply: <ul style="list-style-type: none"> <li>• Yes, we have evaluated, and it is aligned with the Paris Agreement <i>[appears if "Climate change" is selected in column 2]</i></li> <li>• Yes, we have evaluated, and it is aligned with the Kunming-Montreal Global Biodiversity Framework <i>[appears if "Water" or "Forests" is selected in column 2]</i></li> <li>• Yes, we have evaluated, and it is aligned with Sustainable Development Goal 6 on Clean Water and Sanitation <i>[appears if "Water" is selected in column 2]</i></li> <li>• Yes, we have evaluated, and it is aligned with another global environmental treaty or policy goal, please specify</li> <li>• Yes, we have evaluated, and it is not aligned</li> <li>• No, we have not evaluated</li> </ul>

Category & Focus area of policy, law, or regulation... (columns 3a and 3b)		
<b>Environmental impacts and pressures</b> <ul style="list-style-type: none"> <li>• Emissions – CO2 [CC only]</li> <li>• Emissions – methane [CC only]</li> <li>• Emissions – other GHGs [CC only]</li> <li>• Forest fires [F only]</li> <li>• Hazardous substances</li> <li>• Use of pesticides and agrochemicals [W and F only]</li> <li>• Water availability [W only]</li> <li>• Water pollution [W only]</li> <li>• Other environmental impacts and pressures, please specify</li> </ul> <b>Energy and renewables</b> <ul style="list-style-type: none"> <li>• Alternative fuels [CC only]</li> <li>• Electricity grid access for renewables [CC only]</li> <li>• Energy attribute certificate systems [CC only]</li> <li>• Energy efficiency requirements [CC only]</li> <li>• Green electricity tariffs/renewable energy PPAs [CC only]</li> <li>• Low-carbon, non-renewable energy generation [CC only]</li> </ul>	<b>Financial mechanisms</b> <ul style="list-style-type: none"> <li>• Agricultural subsidies for growing water intensive crops in water-stressed areas [W only]</li> <li>• Agricultural subsidies for intensive production that impacts soil health [F only]</li> <li>• Agricultural subsidies for intensive production that may lead to water pollution (e.g., fertilizer runoff) [W only]</li> <li>• Agricultural subsidies for production linked with deforestation or conversion of other natural ecosystems [F only]</li> <li>• Agricultural subsidies for production with high emission intensity [CC only]</li> <li>• Carbon offsets [CC and F only]</li> <li>• Carbon taxes [CC only]</li> <li>• Emissions trading schemes [CC only]</li> <li>• Fines, enforcement orders and/or penalties relating to groundwater contamination [WS only]</li> <li>• Fines, enforcement orders and/or penalties relating to soil contamination [F only]</li> <li>• Subsidies for forest-risk commodities [F only]</li> <li>• Subsidies for fossil fuel exploration and/or extraction [CC only]</li> <li>• Subsidies for low-carbon, non-renewable energy projects [CC only]</li> <li>• Subsidies for renewable energy projects [CC only]</li> <li>• Subsidies on infrastructure</li> <li>• Subsidies on products or services</li> <li>• Sustainable finance</li> </ul>	<b>Social issues</b> <ul style="list-style-type: none"> <li>• Food security</li> <li>• Land tenure [F only]</li> <li>• Public health</li> <li>• Rights of Indigenous Peoples and local communities</li> <li>• The human right to water and sanitation [W only]</li> <li>• Other social issues, please specify</li> </ul> <b>Transparency and due diligence</b> <ul style="list-style-type: none"> <li>• Traceability requirements</li> <li>• Transparency requirements</li> <li>• Verification and audits</li> <li>• Due diligence requirements</li> <li>• Free, Prior and Informed Consent (FPIC)</li> <li>• Collection, availability, and accessibility of forest-related information [F only]</li> <li>• Public certification schemes for deforestation and conversion [F only]</li> <li>• Corporate environmental reporting</li> <li>• Mandatory environmental reporting</li> </ul>

<ul style="list-style-type: none"> <li>• Minimum energy efficiency requirements [CC only]</li> <li>• New fossil fuel energy generation capacity [CC only]</li> <li>• Renewable energy generation [CC only]</li> <li>• Other energy and renewables, please specify</li> </ul> <p><b>Environmental protection and management procedures</b></p> <ul style="list-style-type: none"> <li>• Environmental registries</li> <li>• Environmental protection requirements [W and F only]</li> <li>• Financing &amp; incentivizing sustainable forest management [F only]</li> <li>• Forest management plans [F only]</li> <li>• Forest private reserves [F only]</li> <li>• Land Conservation and Protected Areas [F only]</li> <li>• Landscape (including river basin) and jurisdictional approaches [W and F only]</li> <li>• Legal reserves [F only]</li> <li>• Operations permits [W and F only]</li> <li>• Peatland management [F only]</li> <li>• Restoration/ rehabilitation [W and F only]</li> <li>• Resilience and adaptive capacity of forests [F only]</li> <li>• Socio-economic land-use planning [W and F only]</li> <li>• Transboundary water management [W only]</li> <li>• Other environmental protection and management procedures, please specify</li> </ul>	<ul style="list-style-type: none"> <li>• Taxes on products or services</li> <li>• Water pricing [W only]</li> <li>• Other financial mechanisms, please specify</li> </ul> <p><b>Low-impact production and innovation</b></p> <ul style="list-style-type: none"> <li>• Circular economy</li> <li>• Deforestation-free products [F only]</li> <li>• Extended Producer Responsibility (EPR)</li> <li>• Low environmental impact innovation and R&amp;D</li> <li>• Recycling and recyclability</li> <li>• Sustainable production and consumption</li> <li>• Technology requirements</li> <li>• Water use and efficiency [W only]</li> <li>• Other low-impact production and innovation, please specify</li> </ul>	<ul style="list-style-type: none"> <li>• Other transparency and due diligence, please specify</li> </ul> <p><b>Other</b></p> <ul style="list-style-type: none"> <li>• Climate transition plans [CC only]</li> <li>• Construction and housing [CC only]</li> <li>• Corporate environmental targets</li> <li>• International agreement related to climate change adaptation</li> <li>• International agreement related to climate change mitigation</li> <li>• International agreement relating to water- and/or forests-related issues</li> <li>• Small and Medium Forest Enterprises (SMFEs) [F only]</li> <li>• Transport infrastructure [CC only]</li> <li>• Other, please specify</li> </ul>
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<p>Requested content</p>	<p><i>General</i></p> <ul style="list-style-type: none"> <li>• Add rows to provide information for all the policies, laws, and/or regulations that may impact the environment that your organization has engaged in directly with policy makers in the reporting year.</li> <li>• If you provided funding or in-kind (non-financial) support to policy makers in the reporting year but have not engaged directly on specific policies, you should research the position of the policy maker on policies, laws, or regulations that may impact the environment to understand the potential influence of your funding.</li> <li>• Add rows to provide details of the policies, laws, or regulations that the policy maker is engaging on and use column 6 “Your organization’s position on the policy, law, or regulation” to indicate the policy-maker’s position. Evaluate in column 10 “Explain the relevance of this policy, law or regulation ...” how your funding may positively or negatively impact the environment, and how this may affect the achievement of your environmental commitments and/or transition plan.</li> </ul> <p><i>Specify the policy, law, or regulation on which your organization is engaging with policy makers (column 1)</i></p> <ul style="list-style-type: none"> <li>• Provide the name of the legislation and the key actions it proposes.</li> <li>• If you are engaging with multiple policies as part of a policy package, you may group this into a single row. If you are only engaging in part of a policy package, specify which parts you are engaging with and respond to the question based only on the parts you engage with rather than</li> </ul>
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the whole policy package (e.g., if you are engaging with policymakers on the EU Fit for 55 package, you may report this in a single row).

- If you are engaging with multiple policies related to a single topic as part of a focus area or engagement strategy (e.g., if you have a water policy strategy engaging with multiple policies related to water), you may group these into a single row.
- If you are engaging on the same policies in multiple jurisdictions (e.g., if you are engaging with emissions trading schemes in multiple countries), you may group these into a single row.
- There is no need to provide details on all legislation that your organization has engaged with policy makers on – only those on which you have been actively engaging in the reporting year.

*Focus area of policy, law, or regulation that may impact the environment (column 3a, column 3b)*

- Select the specific focus area from one of the following general categories:
  - **Environmental impacts and pressures** – policies focusing on issues and risks that change the state of nature.
  - **Energy and renewables** – policies related to energy generation and a transition to clean energy.
  - **Environmental protection and management procedures** – policies related to the protection of landscapes and improving land and water management practices to halt and reduce negative impacts on nature.
  - **Financial mechanisms (e.g., taxes, subsidies, etc.)** – policies for using market signals to promote sustainable business practices and put a cost on emitting greenhouse gases and negative impact on nature.
  - **Low-impact production and innovation** – policies related to products, services, and business models with lower GHG emissions and less impact on nature.
  - **Social issues** – policies related to topics and issues that influence the rights and wellbeing of people.
  - **Transparency and due diligence** – policies related to processes that demonstrate organizations are aware of and are managing their environmental impact.
  - **Other** – any other policies, including those related to transport, construction & housing, targets and transition plans, international agreements related to climate change mitigation and adaptation, and Small and Medium Sized Enterprises.

*Country/area/region the policy, law or regulation applies to (column 5)*

- This column only appears if “Regional”, “National”, “Sub-national” is selected in column 4 “Geographic coverage of policy, law, or regulation”.
- Refer to the [CDP Technical Note: Countries, Areas and Regions](#) for details of the available regions and their constituent countries/areas.
- If the policy, law, or regulation is at the sub-national level, select “Other, please specify” and specify the region(s) within a nation to which it applies.

*Your organization’s position on the policy, law, or regulation (column 6)*

- This should reflect your organization’s overall position on this particular legislation. For example:
  - “Oppose” – select this option if you have been engaging against this legislation across all relevant geographies.
  - “Neutral” – select this option if you have taken part in engagement activities for this legislation but have not put forward a view.
  - “Support with no exceptions” – select this option if you are engaging in full support of this legislation across all the geographies in which you are engaging on it.
  - “Support with minor exceptions” – select this option if you are engaging in support of this legislation with either minor exceptions to the approach or with minor exceptions to geographies for whom it is proposed and where you are actively engaging. For example, if you support the principle of a carbon tax but oppose certain ways in which it is being applied, select this option. You will be given the chance to explain any exceptions in column 7 “Details of any exceptions and your organization’s proposed alternative approach to the policy, law, or regulation.”
  - “Support with major exceptions” – select this option if you are engaging in support of this legislation with either major exceptions to the approach or with major exceptions to geographies for whom it is proposed and where you are actively engaging.

- “Undecided” – select this option if you have been engaging in this legislation at an early stage in the development process and have yet to give an opinion or attempt to influence the policy development process in any direction.

*Details of any exceptions and your organization’s proposed alternative approach to the policy, law, or regulation (column 7)*

- This column only appears if “Support with minor exceptions”, “Support with major exceptions”, or “Oppose” is selected in column 6 “Your organization’s position on the policy, law, or regulation.”
- If your organization supports the legislation with exceptions, provide details of the exceptions and what you would propose in their place.
- If your organization opposes the legislation, provide details of an alternative legislative approach that you feel would more effectively address relevant environmental issues in the corporate sector. For example, if you support mandatory environmental reporting but oppose its schedule for implementation, you should propose an alternative legislative timeframe for the implementation of mandatory environmental reporting.

*Type of direct engagement with policy makers on this policy, law, or regulation (column 8)*

- If you provided funding or in-kind (non-financial) support to policy makers in the reporting year but have not engaged directly on specific policies, select “Provided funding or in-kind support”.

*Funding figure your organization provided to policy makers in the reporting year relevant to this policy, law, or regulation (currency) (column 9)*

- This figure should be relevant to the specific policy, law, or regulation reported in this row. If you have engaged with the same policy maker on multiple policies, laws, or regulations, but your funding is not specific to each policy, disaggregate the figure between the policies based on an estimation of the time spent engaging in each policy.
- Enter 0 if your organization has not provided funding to policy makers relevant to this policy, law, or regulation in the reporting year.
- This figure should be in the same currency that you selected in 1.2 for all financial information disclosed throughout your response.

*Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this has informed your engagement, and how you measure the success of your engagement (column 10)*

- This description should include the positive and/or negative impacts you anticipate the policy, law, or regulation will have on your organization’s public commitments and/or transition plan, and how you intend to influence this through engagement.
- If your engagement is of particular importance to specific river basins or priority locations you have identified, provide details of why.
- Include the outcomes you intend to achieve through the engagement, and how you measure whether you are on track to achieving them.
- If applicable, include any metrics and/or indicators you will use to quantify the success of your engagement.

*Indicate if you have evaluated whether your organization’s engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals (column 11)*

- **Alignment with the goals of the Paris Agreement:** refers to the Paris Agreement long-term temperature goal ([United Nations](#)), as expressed in relevant IPCC reports, in particular the [IPCC Sixth Assessment Report \(AR6\)](#) and the [IPCC Special Report on Global Warming of 1.5°C \(SR1.5\)](#).
- **Alignment with the goals of the Kunming-Montreal Global Biodiversity Framework:** refers to the four long-term goals for 2050 ([CBD, 2023](#)), including the goal to ensure that the integrity, connectivity and resilience of all ecosystems are maintained, enhanced, or restored, substantially increasing the area of natural ecosystems by 2050. When evaluating alignment with the Global Biodiversity Framework, it is particularly important to consider alignment with [Target 18](#) on harmful incentives and [Target 19](#) on increasing financial resources.
- **Alignment with Sustainable Development Goal 6 on Clean Water and Sanitation:** refers to alignment specifically with Goal 6 from the seventeen goals for 2030 set out in the [UN’s](#)

	<p><a href="#">Sustainable Development Goals</a>. Alignment means that your engagement is aligned with the <a href="#">targets and indicators</a> associated with SDG 6 (e.g., Target 6.1 on achieving universal and equitable access to safe and affordable drinking water for all; Target 6.3 on improving water quality through means including reducing pollution).</p> <ul style="list-style-type: none"> <li>• If you select “Yes, we have evaluated, and it is aligned with another global environmental treaty or policy goal, please specify”, provide a label for the global environmental treaty or policy goal.</li> <li>• Engagement that is aligned with global environmental treaties and policy goals could include, for example: <ul style="list-style-type: none"> <li>○ Support of legislation that aims to reduce emissions or limit environmental impact in line with global treaties or policy goals e.g., government subsidies on electric vehicles and associated implementation technology to reduce emissions; due diligence requirements to prevent commodities sourced from land that has been illegally converted entering supply chains; requirements for monitoring priority substances in freshwater bodies.</li> <li>○ Opposition of legislation that risks derailing global treaties or policy goals e.g., legislative approval of new fossil fuel extraction or generation facilities in a particular jurisdiction; legislation reducing the area where it is illegal to convert natural land; legislative approval of new mining project considered to be a threat to nearby water sources.</li> </ul> </li> </ul>
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Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	CC, F, W
Sector	Question level	All

**(4.11.2) Provide details of your indirect engagement on policy, law, or regulation that may (positively or negatively) impact the environment through trade associations or other intermediary organizations or individuals in the reporting year.**

Question details	
Question dependencies	This question only appears if you select “Yes, we engaged indirectly through, and/or provided financial or in-kind support to a trade association or other intermediary organization or individual whose activities could influence policy, law, or regulation” in response to column 1 “External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the environment” of 4.11.
Change from last year	New question for Forests and Water Modified question for Climate change (2023 C12.3b, C12.3c)
Rationale	Organizations have many potential avenues for engagement activities. Trade associations are a tool through which organizations can shape policy and interact with legislators and industry peers. Engaging with, or providing support to, other intermediary organizations or individuals can play an important role in the development and adoption of environmental policy. As such, data users expect organizations to be transparent about the full range of their engagement and funding activities as well as their relationship and responsibilities with intermediary organizations that are likely to take a position on legislation or that could influence policy, law, or regulation that may impact the environment.
Ambition	<ul style="list-style-type: none"> <li>• The organization assesses which of its policy engagement activities (positively or negatively) impact the environment and how they relate to the environmental dependencies, impacts, risks, and opportunities that it has identified. The organization discloses: <ul style="list-style-type: none"> <li>○ Which engagement activities impact the environment and how.</li> <li>○ How the policy engagement activity relates to the organization’s environmental dependencies, impacts, risks, and opportunities.</li> </ul> </li> <li>• The organization reports the monetary value of direct and indirect financial and in-kind political contributions and where estimates were used, how these were estimated (such as</li> </ul>

	<p>total monetary amount of such internal and external expenses and/or the total amount paid for membership to lobbying associations, for its contributions).</p> <ul style="list-style-type: none"> <li>The organization conducts a review of its trade associations' positions on environmental issues and discloses any actions it took as a result of the review. The organization takes action to address misalignment by publicly opposing negative environmental positions, by staying and influencing change within the trade association, and/or by terminating their membership with the trade association.</li> </ul>
Connection to other frameworks	<p>AFi Core Principle 1  AFi Core Principle 2  AFi Core Principle 10  CEO WM Response: External Engagement  TNFD Governance C</p>
Response options	Please complete the following table. You are able to add rows by using the "Add Row" button at the bottom of the table.

1	2	3	4a-b	5	6
<b>Type of indirect engagement</b>	<b>Type of organization or individual</b>	<b>State the organization or position of individual</b>	<b>Trade association</b>	<b>Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position</b>	<b>Indicate whether your organization's position is consistent with the organization or individual you engage with</b>
<p>Select from:</p> <ul style="list-style-type: none"> <li>Indirect engagement via a trade association</li> <li>Indirect engagement via other intermediary organization or individual</li> </ul>	<p>Select from:</p> <ul style="list-style-type: none"> <li>Governmental institution</li> <li>Independent consultant</li> <li>International Governmental Organization (IGO)</li> <li>Non-Governmental Organization (NGO) or charitable organization</li> <li>Private company</li> <li>Publicly-listed company</li> <li>Research organization</li> <li>Start-up company</li> <li>State-Owned Enterprise (SOE)/Government-Owned Corporation (GOC)</li> <li>Trust or foundation</li> <li>University or other educational institution</li> <li>Other, please specify</li> </ul>	<p>Text field [maximum 500 characters]</p>	<p>Select from:</p> <ul style="list-style-type: none"> <li>Africa</li> <li>Asia &amp; Pacific</li> <li>Europe</li> <li>North America</li> <li>South America</li> <li>Global</li> </ul>	<p>Select all that apply:</p> <ul style="list-style-type: none"> <li>Climate change</li> <li>Forests</li> <li>Water</li> </ul>	<p>Select from:</p> <ul style="list-style-type: none"> <li>Consistent</li> <li>Inconsistent</li> <li>Mixed</li> <li>Unknown</li> </ul>

7	8	9	10	11
<b>Indicate whether your organization attempted to influence the organization or individual's position in the reporting year</b>	<b>Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position</b>	<b>Funding figure your organization provided to this organization or individual in the reporting year (currency)</b>	<b>Describe the aim of this funding and how it could influence policy, law or regulation that may impact the environment</b>	<b>Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals</b>

<p>Select from:</p> <ul style="list-style-type: none"> <li>• Yes, and they have changed their position</li> <li>• Yes, we attempted to influence them but they did not change their position</li> <li>• Yes, we publicly promoted their current position</li> <li>• Yes, we publicly opposed their current position</li> <li>• Yes, we terminated our funding/membership in the reporting year</li> <li>• Yes, we decided to terminate our funding/membership within the next two years</li> <li>• No, we did not attempt to influence their position</li> <li>• No, we do not know their position <i>[only appears if "Unknown" is selected in column 6]</i></li> </ul>	<p>Text field [maximum 2,500 characters]</p>	<p>Numerical field [enter a number from 0 to 999,999,999.99 using up to 2 decimal places]</p>	<p>Text field [maximum 2,500 characters]</p>	<p>Select all that apply:</p> <ul style="list-style-type: none"> <li>• Yes, we have evaluated, and it is aligned with the Paris Agreement <i>[appears if "Climate change" is selected in column 5]</i></li> <li>• Yes, we have evaluated, and it is aligned with the Kunming-Montreal Global Biodiversity Framework <i>[appears if "Water" or "Forests" is selected in column 5]</i></li> <li>• Yes, we have evaluated, and it is aligned with Sustainable Development Goal 6 on Clean Water and Sanitation <i>[appears if "Water" is selected in column 5]</i></li> <li>• Yes, we have evaluated, and it is aligned with another global environmental treaty or policy goal, please specify</li> <li>• Yes, we have evaluated, and it is not aligned</li> <li>• No, we have not evaluated</li> </ul>
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[Add row]

Trade association (column 4a and 4b)	
<p><b>Africa</b></p> <ul style="list-style-type: none"> <li>• Business Unity South Africa (BUSA)</li> <li>• Minerals Council South Africa [CO and MM only]</li> <li>• South African Wind Energy Association (SAWEA)</li> <li>• Other trade association in Africa, please specify</li> </ul> <p><b>Asia and Pacific</b></p> <ul style="list-style-type: none"> <li>• Australian Energy Council</li> <li>• Australian Hydrogen Council</li> <li>• Australian Industry Group (Ai Group)</li> <li>• Business Council of Australia</li> <li>• China Meat Association</li> <li>• Clean Energy Council</li> <li>• Confederation of Indian Industries (CII)</li> <li>• Energy Networks Australia</li> <li>• Federation of Indian Chambers of Commerce &amp; Industry (FICCI)</li> <li>• Hong Kong General Chamber of Commerce (HKGCC)</li> <li>• Indonesia Chamber of Commerce and Industry (KADIN)</li> <li>• Indonesia Employers Association (APINDO)</li> <li>• Indonesian Palm Oil Association (GAPKI)</li> <li>• Japan Business Federation (Keidanren)</li> <li>• Japan Chemical Industry Association [CH only]</li> <li>• Japan Iron and Steel Federation</li> <li>• Minerals Council of Australia</li> <li>• Renewable Energy Council (REC)</li> <li>• The Japan Electrical Manufacturers' Association (JEMA)</li> <li>• Other trade association in Asia and Pacific, please specify</li> </ul> <p><b>Europe</b></p> <ul style="list-style-type: none"> <li>• Association of Chocolate, Biscuit and Confectionary Industries of Europe (CAOBISCO) [FBT only]</li> <li>• British Water</li> <li>• BusinessEurope</li> </ul>	<p><b>North America</b></p> <ul style="list-style-type: none"> <li>• American Association of Port Authorities</li> <li>• Advanced Energy Economy (AEE)</li> <li>• Advanced Energy United</li> <li>• Alliance for Automotive Innovation</li> <li>• American Chemistry Council</li> <li>• American Fuel &amp; Petrochemical Manufacturers</li> <li>• American Gas Association</li> <li>• American Hardwood Export Council (AHEC)</li> <li>• American Public Power Association</li> <li>• American Petroleum Institute</li> <li>• American Water Resources Association</li> <li>• American Clean Power Association (formerly AWEA)</li> <li>• Business Council of Canada Business Roundtable</li> <li>• California Chamber of Commerce</li> <li>• Canadian Association of Petroleum Producers</li> <li>• Edison Electric Institute (EII)</li> <li>• Forest Products Society (FPS)</li> <li>• National Association of Clean Water Agencies</li> <li>• National Association of Manufacturers</li> <li>• National Association of Water Companies</li> <li>• National Farmers Union</li> <li>• National Ground Water Association</li> <li>• National Mining Association</li> <li>• National Rural Water Association</li> <li>• Portland Cement Association</li> <li>• Solar Energy Industries Association (SEIA)</li> <li>• US Chamber of Commerce</li> <li>• Zero Emission Transportation Association (ZETA)</li> <li>• Other trade association in North America, please specify</li> </ul> <p><b>South America</b></p> <ul style="list-style-type: none"> <li>• American Association of Port Authorities</li> </ul>

<ul style="list-style-type: none"> <li>• CEMBUREAU: The European Cement Association [CE only]</li> <li>• Confederation of British Industry (CBI)</li> <li>• Confederation of Italian Industry (Confindustria)</li> <li>• EU Vegetable Oil and Proteinmeal Industry (FEDIOL)</li> <li>• Eurelectric</li> <li>• Eurometaux</li> <li>• European Association of Trade in Cereals, Oilseeds, Rice, Pulses, Olive Oils and Fats, and Agrosupply (COCERAL)</li> <li>• European Automobile Manufacturers Association</li> <li>• European Chemical Industry Council (CEFIC) [CH only]</li> <li>• European Federation of National Associations of Water Services (EurEau)</li> <li>• European Feed Manufacturers' Federation (FEFAC)</li> <li>• European Margarine Association (IMACE)</li> <li>• European Palm Oil Alliance (EPOA)</li> <li>• European Roundtable for Industry (ERT)</li> <li>• European Seaports Organisation (ESPO)</li> <li>• European Steel Association (Eurofer) [ST only]</li> <li>• European Timber Trade Federation (ETTF)</li> <li>• Federation of German Industries (BDI)</li> <li>• FoodDrinkEurope [FBT only]</li> <li>• FuelsEurope</li> <li>• Future Water Association</li> <li>• Gas Distributors for Sustainability (GD4S)</li> <li>• German Automotive Association (VDA)</li> <li>• German Chemical Industry Association (VCI)</li> <li>• Hydrogen Europe</li> <li>• International Gas Union</li> <li>• Offshore Energies UK (OEUK) (Formerly OGUK)</li> <li>• Mouvement des Entreprises de France (MEDEF)</li> <li>• SolarPower Europe</li> <li>• SmartEN</li> <li>• WindEurope</li> <li>• Other trade association in Europe, please specify</li> </ul>	<ul style="list-style-type: none"> <li>• Brazilian Association of Soybean Growers (Aprosoja Brasil) [AC only]</li> <li>• Brazilian Beef Exporters Association (ABIEC)</li> <li>• Brazilian Confederation of Agriculture and Livestock (CNA)</li> <li>• Brazilian Roundtable on Sustainable Livestock (GTSP)</li> <li>• Brazilian Grain Exporters Association (ANEC)</li> <li>• Brazilian Vegetable Oil Industry Association (ABIOVE)</li> <li>• Fedepalma – National Federation of Oil Palm Growers of Colombia [AC and FBT only]</li> <li>• Other trade association in South America, please specify</li> </ul> <p><b>Global</b></p> <ul style="list-style-type: none"> <li>• Airports Council International</li> <li>• Association of Water Technologies</li> <li>• Consumer Goods Forum (CGF)</li> <li>• FutureCoal</li> <li>• Global Off-Grid Lighting Association (GOGLA)</li> <li>• Global Wind Energy Council (GWEC)</li> <li>• International Air Transport Association</li> <li>• International Association of Oil and Gas Producers (IOGP)</li> <li>• International Association of Ports and Harbors</li> <li>• International Chamber of Commerce (ICC)</li> <li>• International Chamber of Shipping</li> <li>• International Coffee Organization (ICO) [FBT only]</li> <li>• International Council on Mining &amp; Metals (ICMM) [CO and MM only]</li> <li>• World Steel Association</li> <li>• International Soybean Growers Alliance (ISGA) [AC and FBT only]</li> <li>• International Wood Products Association (IWPA)</li> <li>• International Tropical Timber Technical Association (ATIBT)</li> <li>• Other global trade association, please specify</li> </ul>
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Requested content	<p><i>General</i></p> <ul style="list-style-type: none"> <li>• Disclose information for all intermediary organizations or individuals you have engaged with in the reporting year that have a position on policy, law, or regulation that may impact the environment. <ul style="list-style-type: none"> <li>○ There is no need to disclose your engagement with the environmental collaborative frameworks and initiatives already reported in 4.10, unless the framework or initiative has a position on policy, law, or regulation that may impact the environment.</li> </ul> </li> </ul> <p><i>Type of indirect engagement (column 1)</i></p> <ul style="list-style-type: none"> <li>• Add a row for each trade association or other intermediary organization or individual that your organization engages through. Do not group associations, organizations, or individuals in a single row.</li> </ul> <p><i>Type of organization or individual (column 2)</i></p> <ul style="list-style-type: none"> <li>• This column only appears if “Indirect engagement via other intermediary organization or individual” is selected in column 1 “Type of indirect engagement”.</li> <li>• If you engage with multiple intermediary organizations or individuals whose activities could influence policy, law, or regulation that may impact the environment, add a row for each.</li> <li>• See the “Explanation of terms” for a definition of each organization/individual type.</li> </ul> <p><i>State the organization or position of individual (column 3)</i></p>
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- This column only appears if “Indirect engagement via other intermediary organization or individual” is selected in column 1 “Type of indirect engagement”.
- If you are providing details of your organization’s engagement with an organization, provide its name and a short description of the organization.
- If you are providing details of your organization’s engagement with an individual, describe the individual’s position. **Do not include the name of any individual or any other personal data in your response.**
- Note that funding of political parties, their elected representatives, persons seeking political office, or political committees is considered direct engagement with policy makers and should be disclosed in 4.11.1.

*Trade association (columns 4a & 4b)*

- This column only appears if “Indirect engagement via a trade association” is selected in column 1 “Type of indirect engagement”.
- Note that in this question you should provide details of all trade associations you are a member of that take a position on policy, law, or regulation that may impact the environment, not limited to those for which you have a formal representation on or provide funding beyond membership.
- If none of the listed options apply, select “Other, please specify” and enter the name of the trade association.

*Indicate whether your organization's position is consistent with the organization or individual you engage with (column 6)*

- Select the option which best describes the consistency of your organization’s position with the position of the organization or individual on policies, laws, or regulations relevant to the environmental issues selected in column 5 “Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position”.
- You will have the opportunity to provide more details in column 8 “Describe how your organization’s position is consistent with or differs from the organization or individual’s position, and any actions taken to influence their position.”
- Refer to the “Additional information” for resources on the climate change policy positions of trade associations.

*Indicate whether your organization attempted to influence their position in the reporting year (column 7)*

- Select the option which best describes the actions your organization has taken, or is in the process of taking, to influence the organization or individual’s position on policies, laws, or regulations relevant to the environmental issues selected in column 5 “Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position”.
- If you selected in column 6 “Indicate whether your organization's position is consistent with the organization or individual you engage with” that your position is “Consistent” with the organization or individual’s and you therefore did not attempt to influence their position, you should select “No, we did not attempt to influence their position” in this column.
- If you select any option other than “Unknown” in column 6 “Indicate whether your organization's position is consistent with the organization or individual you engage with”, you will have the opportunity to provide more details on how your position is consistent with or differs from the organization or individual in column 8 “Describe how your organization’s position is consistent with or differs from the organization or individual’s position, and any actions taken to influence their position”.

*Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position (column 8)*

- This column only appears if you select any option other than “Unknown” in column 6 “Indicate whether your organization’s position is consistent with the organization or individual you engage with”.
- Provide details of the organization or individual’s position on policies, laws, or regulations relevant to the environmental issues selected in column 5 “Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position” and give examples of any activities the organization or individual has undertaken in the reporting year to influence the policies, laws, or regulations.

- Elaborate on your selections in columns 6 “Indicate whether your organization's position is consistent with the organization or individual you engage with” and 7 “Indicate whether your organization attempted to influence their position in the reporting year”. For example:
  - If your organization’s position is “Inconsistent” or “Mixed”, explain how your organization’s position differs from the organization or individual’s position, and describe any actions the organization or individual has taken in support of their position.
  - If you have attempted to change the organization or individual’s position in the reporting year, describe the actions you took to achieve this and the associated timeframe. If you did not attempt to change the organization or individual’s position in the reporting year, explain why not.

*Funding figure your organization provided to this organization or individual in the reporting year (currency) (column 9)*

- Enter the total amount of funding you have provided to this organization or individual, including any membership or other fees.
- You should include in this figure the estimated monetary value of other, in-kind (non-financial) support you have provided this organization or individual in the reporting year (e.g., benefits, goods, services etc.).
- If you have estimated the monetary value of any in-kind support, you should explain how you estimated the figure reported in column 10 “Describe the aim of this funding and how it could influence policy, law or regulation that may impact the environment.”
- This figure should be in the same currency that you selected in 1.2 for all financial information disclosed throughout your response.

*Describe the aim of this funding and how it could influence policy, law or regulation that may impact the environment (column 10)*

- This column only appears if the value for column 9 “Funding figure your organization provided to this organization or individual in the reporting year” is greater than 0.
- Give an overview of what you aim to achieve through your funding, including any specific outcomes in relation to the organization or individual’s position on policies, laws, or regulations relevant to the environmental issues selected in column 5 “Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position” and its activities to influence them.
- Describe the type of funding or in-kind support (e.g., membership fees, sponsorship, grants, benefits, etc.), and provide an overview of the objectives of your support, including any expected concrete outcomes (e.g., research papers or reports).
- If you have estimated the monetary value of any in-kind support, you should also explain how you estimated the figure reported in column 9 “Funding figure your organization provided to this organization or individual in the reporting year (currency)”.

*Indicate if you have evaluated whether your organization’s engagement is aligned with global environmental treaties or policy goals (column 11)*

- Indicate whether your organization has evaluated the aims and expected outcomes of your engagement with the organization or individual for alignment with the goals of global environmental treaties or policy goals.
- Any actions you took as a result of this evaluation should be detailed in columns 6 “Indicate whether your organization's position is consistent with the organization or individual you engage with” and 7 “Indicate whether your organization attempted to influence their position in the reporting year”.
- **Alignment with the goals of the Paris Agreement:** refers to the Paris Agreement long-term temperature goal (United Nations), as expressed in relevant IPCC reports, in particular the IPCC Sixth Assessment Report (AR6) and the IPCC Special Report on Global Warming of 1.5°C (SR1.5).
- **Alignment with the goals of the Kunming-Montreal Global Biodiversity Framework:** refers to the four long-term goals for 2050 (CBD, 2023), including the goal to ensure that the integrity, connectivity and resilience of all ecosystems are maintained, enhanced, or restored, substantially increasing the area of natural ecosystems by 2050. When evaluating alignment with the Global Biodiversity Framework, it is particularly important to consider alignment with Target 18 on harmful incentives and Target 19 on increasing financial resources.



	<ul style="list-style-type: none"> <li>• <b>Alignment with Sustainable Development Goal 6 on Clean Water and Sanitation:</b> refers to alignment specifically with Goal 6 from the seventeen goals for 2030 set out in the UN's Sustainable Development Goals. Alignment means that your engagement is aligned with the targets and indicators associated with SDG 6 (e.g., Target 6.1 on achieving universal and equitable access to safe and affordable drinking water for all; Target 6.3 on improving water quality through means including reducing pollution).</li> <li>• If you select "Yes, we have evaluated, and it is aligned with another global environmental treaty or policy goal, please specify." provide a label for the global environmental treaty or policy goal.</li> <li>• Engagement that is aligned with global environmental treaties and policy goals could include, for example: <ul style="list-style-type: none"> <li>○ Influencing a trade association that supports climate denial to change its position or terminating your membership with this trade association.</li> <li>○ Publicly supporting an organization that aims to influence ambitious environmental policy.</li> <li>○ Funding a research project into new alternative fuels, the report from which may be used to inform future transport policy.</li> <li>○ Providing funding to NGOs that lobby for better legal protection for local communities and their rights to land and water resources.</li> </ul> </li> </ul>
Additional information	<p><b>Climate change position of trade associations</b></p> <ul style="list-style-type: none"> <li>• To aid companies in sorting through the climate-related action of trade associations and determining where the groups in which they belong actually stand on climate change, <a href="#">InfluenceMap</a> has launched a corporate climate lobbying platform which uses data-driven analysis to provide detailed measurement of how trade associations influence policy needed to address climate change.</li> </ul>

Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	CC, F, W
Sector	Question level	All

## Communications/Reporting

### **(4.12) Have you published information about your organization's response to environmental issues for this reporting year in places other than your CDP response?**

Question details	
Change from last year	Modified question for Climate change and Biodiversity (2023 C12.4, C15.7) No change for Forests and Water (2023 F4.4, W6.6)
Rationale	The integration of information on environmental issues into mainstream financial reporting is a regulatory requirement in some jurisdictions and is a TCFD recommendation. Data users wish to understand whether an organization includes or plans to include environmental information in their mainstream reports to facilitate their understanding of the organization's response to environmental dependencies, impacts, risks, and opportunities.
Connection to other frameworks	AFi Core Principle 12 NZAM Commitment 10
Response options	Select from: <ul style="list-style-type: none"> <li>• Yes</li> <li>• No, but we plan to do so in the next two years</li> <li>• No, and we have no plans to do so in the next two years</li> </ul>

Requested content	<p><i>General</i></p> <ul style="list-style-type: none"> <li>• Select “Yes” if your organization included details of its environmental dependencies, impacts, risks, and opportunities in places other than this CDP report.</li> <li>• The mainstream report should relate to the reporting year, although it may not have been published during the reporting year.</li> <li>• If your organization's mainstream report contains details on environmental issues for the reporting year but has not been published at the time of submission of your CDP response, select “Yes”, and provide its status in the following question.</li> </ul>
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Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	CC, F, W, B
Sector	Question level	All

**(4.12.1) Provide details on the information published about your organization’s response to environmental issues for this reporting year in places other than your CDP response. Please attach the publication.**

Question details	
Question dependencies	This question only appears if you select “Yes” in response to 4.12.
Change from last year	New question for Water and Forests Modified question for Climate change and Biodiversity (2023 C12.4, C15.7)
Rationale	For transparency in corporate environmental reporting, organizations are encouraged to integrate non-financial metrics and data into mainstream financial reports. Data users seek to understand where and how organizations communicate their environmental strategies, their emissions figures, and their dependencies, impacts, risks, and opportunities, as well as whether these communications are in line with environmental disclosure standards or frameworks.
Connection to other frameworks	AFi Core Principle 12 NZAM Commitment 10
Response options	Please complete the following table. You are able to add rows by using the “Add Row” button at the bottom of the table.

1	2	3	4
Publication	Standard or framework the report is in line with	Environmental issues covered in publication	Status of the publication
Select from:	Select all that apply:	Select all that apply:	Select from:
<ul style="list-style-type: none"> <li>• In mainstream reports</li> <li>• In mainstream reports, in line with environmental disclosure standards or frameworks</li> <li>• In other regulatory filings</li> <li>• In voluntary communications</li> <li>• In voluntary sustainability reports</li> <li>• Other, please specify</li> </ul>	<ul style="list-style-type: none"> <li>• ESRS</li> <li>• GRI</li> <li>• IFRS</li> <li>• TCFD</li> <li>• TNFD</li> <li>• Other, please specify</li> </ul>	<ul style="list-style-type: none"> <li>• Climate change</li> <li>• Forests</li> <li>• Water</li> <li>• Biodiversity</li> </ul>	<ul style="list-style-type: none"> <li>• Complete</li> <li>• Underway – previous year attached</li> <li>• Underway – this is our first year</li> </ul>

5	6	7	8
Content elements	Page/section reference	Attach the relevant publication	Comment
Select all that apply: <ul style="list-style-type: none"> <li>• Content of environmental policies</li> <li>• Governance</li> <li>• Public policy engagement</li> <li>• Dependencies &amp; Impacts</li> <li>• Risks &amp; Opportunities</li> <li>• Strategy</li> <li>• Value chain engagement</li> <li>• Biodiversity indicators [B only]</li> <li>• Emissions figures [CC only]</li> <li>• Emission targets [CC only]</li> <li>• Deforestation- and conversion-free (DCF) status metrics [F only]</li> <li>• Deforestation and conversion footprint [F only]</li> <li>• Commodity volumes [F only]</li> <li>• Water accounting figures [W only]</li> <li>• Water pollution indicators [W only]</li> <li>• Other, please specify</li> </ul>	Text field [maximum 500 characters]	[Attachment-type column]	Text field [maximum 1,500 characters]

Requested content	<p><i>General</i></p> <ul style="list-style-type: none"> <li>• Privately held organizations that do not have a legal obligation to produce annual reports should still select “In mainstream reports” if they publish any annual sustainability reporting.</li> </ul> <p><i>Publication (column 1)</i></p> <ul style="list-style-type: none"> <li>• Select from the drop-down options the type of publication your organization has published in response to environmental issues outside of its CDP response.</li> <li>• Other regulatory filings are reports required by regional or national legislation, but not defined as mainstream reports.</li> <li>• Voluntary communications include optional sustainability/CSR reports, consumer-facing publications, advertising, organization websites, executive speeches and/or presentations.</li> <li>• If you select “Other, please specify”, provide a label for the publication.</li> </ul> <p><i>Standard or framework the report is in line with (column 2)</i></p> <ul style="list-style-type: none"> <li>• This column is only presented if “In mainstream reports, in line with environmental disclosure standards or frameworks” is selected in column 1 “Publication”.</li> <li>• Select all the standards or frameworks your publication aligns with. This means that your publication adheres to the disclosure requirements of the selected standard or framework.</li> <li>• Select “Other, please specify” to add any unlisted standard or framework.</li> <li>• If you have separate publications for different standards or frameworks, add rows for each publication.</li> </ul> <p><i>Status of the publication (column 4)</i></p> <ul style="list-style-type: none"> <li>• Select the status of the publication type selected in column 1 “Publication”.</li> <li>• The report should relate to the reporting year although it is acknowledged that it may not be published in the reporting year.</li> <li>• For reports not ready for publication at the time of submission of your CDP response, select one of the options that indicates the report is underway.</li> <li>• If the previous year’s report is available, select “Underway – previous year attached” and complete column 5 “Content elements” and column 6 “Page/section reference”.</li> <li>• For the first year of publication, select “Underway – this is our first year”. Column 6 “Page/section reference” and column 7 “Attach the relevant publication” will not appear in this case.</li> <li>• If the publication is available, select “Complete.”</li> </ul>
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	<p><i>Page/section reference (column 6)</i></p> <ul style="list-style-type: none"> <li>• This column is only shown if Complete” or “Underway – previous year attached” is selected in column 4 “Status”.</li> <li>• Indicate the page or section where relevant information can be found.</li> </ul> <p><i>Attach the relevant publication (column 7)</i></p> <ul style="list-style-type: none"> <li>• This column is only shown if Complete” or “Underway – previous year attached” is selected in column 4 “Status”</li> </ul>
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Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	CC, F, W, B
Sector	Question level	All

## Module 5: Business Strategy

Guidance for companies reporting on Climate change, Forests, Water Security on behalf of investors & supply chain members.

The full reporting guidance including explanation of terms is available via the portal/public guidance page.

### Module overview

<p>Module Overview</p>	<p>CDP data users are interested in organizations' forward-looking strategies, and financial decisions that are driven by future market opportunities, public policy objectives, and corporate responsibilities related to the environment.</p> <p>This module allows organizations to disclose whether they have acted upon integrating environmental issues into their business strategy. It includes questions on scenario analysis, and transition plans, which are tools for organizations to understand strategic implications of environmental risks and opportunities. In addition, the module comprises questions on the effects of risks and opportunities on financial and strategic planning, CAPEX/OPEX alignment, and pricing of environmental externalities.</p> <p>The module also requests information about environmental requirements for asset managers and shareholder voting (sections 5.14 and 5.15) targeted at the financial services sector only, and contains questions on collaborative opportunities (section 5.12 and 5.13) shown only to organizations responding to a request from a CDP Supply Chain members.</p>
<p>Disclosure note</p>	<p>Scenario analysis and transition planning disclosure was piloted by CDP in the <a href="#">Assessing Low-Carbon Transition (ACT)</a> initiative in 2016. Further information on conducting and disclosing scenario analysis can be found in the <a href="#">CDP Technical Note on Scenario Analysis</a>. Further information on transition planning can be found in the <a href="#">CDP Climate Transition Plan Technical note</a>.</p> <ul style="list-style-type: none"> <li>• Responses given in this module should be relevant to the reporting period, even if revisions have been made to your strategy between the reporting period and the time of submission of your CDP response. Where this is the case, you can include more up to date information in the FI field at the end of the questionnaire (Module 13). This will not be scored but will be available to data users viewing your response.</li> </ul>
<p>Sector-specific content</p>	<ul style="list-style-type: none"> <li>• Additional questions on Low-carbon R&amp;D and CAPEX breakdown specific to those disclosing to climate change for the following high-impact sectors: Capital goods, Cement, Chemicals, Coal, Construction, Electric Utilities, Financial services, Metals and Mining, Oil &amp; gas, Real estate, Steel, Transport original equipment manufacturers (OEMs), Transport services.</li> <li>• Additional questions on environmental requirements for asset managers and shareholder voting for the financial services sector</li> <li>• Additional response options presented in 5.1.2, 5.3.2, 5.11 for the financial services sector</li> </ul>

## Scenario Analysis

### (5.1) Does your organization use scenario analysis to identify environmental outcomes?

Question details	
Change from last year	New question for Forests Modified question for Climate change and Water (2023 C3.2, W7.3)
Rationale	Scenario analysis is considered a valuable tool to inform an organization's business strategy as part of transitioning to a sustainable economy. This question establishes whether your organization uses scenario analysis to identify environment-related outcomes, which is a recommended practice for businesses preparing for possible futures.
Ambition	<ul style="list-style-type: none"> <li>The organization uses scenario analysis to identify risks and opportunities with respect to environmental issues and to assess the resilience of its strategy and business and model to the risks.</li> </ul>
Connection to other frameworks	IFRS S2 22 TCFD Strategy C TNFD Strategy C  ESRS 2 ESRS E1 ESRS E4
Response options	Please complete the following table:

0	1	2	3	4
Environmental issue	Use of scenario analysis	Frequency of analysis	Primary reason why your organization has not used scenario analysis	Explain why your organization has not used scenario analysis
Climate change	Select from: <ul style="list-style-type: none"> <li>Yes</li> <li>No, but we plan to within the next two years</li> <li>No, and we do not plan to within the next two years</li> </ul>	Select from: <ul style="list-style-type: none"> <li>More than once a year</li> <li>Annually</li> <li>Every two years</li> <li>Every three years or less frequently</li> <li>Not defined</li> <li>First time carrying out analysis</li> <li>On a per project basis</li> </ul>	Select from: <ul style="list-style-type: none"> <li>Lack of internal resources, capabilities, or expertise (e.g., due to organization size)</li> <li>No standardized procedure</li> <li>Not an immediate strategic priority</li> <li>Lack of available methodologies</li> <li>Insufficient data</li> <li>Judged to be unimportant or not relevant</li> <li>Other, please specify</li> </ul>	Text field [maximum 2,500 characters]
Forests				
Water				

Requested content	<i>Frequency of analysis (column 2)</i> <ul style="list-style-type: none"> <li>Indicate the frequency with which your organization undertakes a scenario analysis exercise. This may include a full assessment, or an update to existing scenarios or a previous scenario analysis.</li> </ul>
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	<p><i>Primary reason why your organization has not used scenario analysis (column 3)</i></p> <ul style="list-style-type: none"> <li>• This column is only presented if either “No...” option is selected in column 1 “Use of scenario analysis”.</li> <li>• If more than one reason applies to your organization, select the reason which is most relevant and elaborate on the other reasons in column 4 “Explain why your organization has not used scenario analysis”.</li> </ul> <p><i>Explain why your organization has not used scenario analysis (column 4)</i></p> <ul style="list-style-type: none"> <li>• This column is only presented if either “No...” option is selected in column 1 “Use of scenario analysis”.</li> <li>• Provide an organization-specific explanation of why you do not use environment-related scenario analysis to inform your strategy and outline any plans to do so in the future.</li> <li>• If you selected “Judged to be unimportant”, explain the criteria used to decide that environment-related scenario analysis is not important for your organization.</li> <li>• If you selected “Lack of internal resources”, specify whether this relates to lack of internal expertise, data availability, funds to outsource the analysis or other resources.</li> </ul>
Additional information	<ul style="list-style-type: none"> <li>• The <u>TCFD Guidance on Scenario Analysis for Non-Financial Companies</u> identifies two main types of scenarios: (1) exploratory scenarios used to explore a range of different possible futures and (2) normative scenarios used to plan for a preferred future. The essential difference is that with normative scenarios, scenario analysis begins with a desired future outcome and works backward to inform decisions on what is needed to achieve that outcome. With exploratory scenarios, the scenario analysis instead begins from the present, and then describes a diverse set of plausible future states.</li> <li>• Normative scenarios are typically used for assessment and setting of specific targets and implementation plans, while exploratory scenarios are used to assess potential climate-related risks and uncertainties and test the resiliency of various strategies to a wide range of future conditions. The TCFD recommends the use of an exploratory approach.</li> <li>• <u>The TNFD Guidance on scenario analysis</u> provides guidance for organizations who choose to use scenario analysis to explore the possible consequences of nature loss and climate change.</li> </ul>

Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	CC, F, W
Sector	Question level	All

**(5.1.1) Provide details of the scenarios used in your organization’s scenario analysis.**

Question details	
Question dependencies	This question only appears if you select “Yes” in response to any row of column 1 “Use of scenario analysis” of 5.1.
Change from last year	New question for Forests Modified question for Climate change and Water (C3.2a, W7.3a)
Rationale	Scenario analysis is considered a valuable tool to inform an organization’s business strategy as part of transitioning to a sustainable economy. Your response to this question provides data users with an indication of the extent to which your organization is considering a range of

	possible and probable futures when considering environmental challenges and opportunities in your business strategy.
Ambition	<ul style="list-style-type: none"> <li>The organization describes how the scenarios chosen were developed, including: <ul style="list-style-type: none"> <li>Sources of scenarios used and rationale for the choice;</li> <li>Narratives and constraints including inputs, assumptions and uncertainties; and</li> <li>Time-horizons considered.</li> </ul> </li> <li>The scenario analysis performed includes the following: <ul style="list-style-type: none"> <li>The chosen assumptions, narratives and time horizons should be robust and internally consistent. I.e., they should: <ul style="list-style-type: none"> <li>Be consistent with critical environmental assumptions made in the organization’s strategy and financial planning; and</li> <li>Be relevant to and cover the organization’s plausible dependencies, impacts, risks, and opportunities.</li> </ul> </li> <li>A range of scenarios covering all environmental topics that are relevant to the organization, including quantitative and qualitative components. For example, changing hydrological patterns, changes in water use/exploitation, land use change, and socio-economic changes. Consider ecological thresholds and tipping points where possible.</li> <li>Consideration of interdependencies between environmental scenarios.</li> <li>A nature-wide analysis approach where feasible.</li> </ul> </li> <li>Climate-scenario analysis should include: <ul style="list-style-type: none"> <li>At least one 1.5°C or lower scenario for organization-wide climate transition risk assessment;</li> <li>At least one high emission scenario (3°C or higher) for organization-wide physical risk assessment, with location-based analysis specific to the organization's locations where possible; and</li> <li>The decarbonization scenarios used should be from credible, well recognized sources (e.g., International Energy Agency (IEA)).</li> </ul> </li> <li>(Financial Services sector) Companies in the financial services sector use a range of scenarios as part of their scenario analysis, focusing on climate risks associated with their financing activities (lending, investing and insurance underwriting), at least one of which is a 1.5°C temperature aligned scenario.</li> </ul>
Connection to other frameworks	IFRS S2 22 TNFD Strategy C TCFD Strategy C ESRS 2 ESRS E1 ESRS E4
Response options	Please complete the following table. You are able to add rows by using the “Add Row” button at the bottom of the table.

0	1	2	3	4	5	6
Environmental issue this scenario has been used to analyze	Scenario used	SSPs used in conjunction with scenario	Approach to scenario	Scenario coverage	Risk types considered in scenario	Temperature alignment of scenario
Climate change	Select from:  <b>Climate transition scenarios</b> <ul style="list-style-type: none"> <li>IEA NZE 2050</li> <li>IEA B2DS</li> <li>IEA 2DS</li> <li>IEA 450</li> <li>IEA SDS</li> </ul>	Select from: <ul style="list-style-type: none"> <li>SSP1</li> <li>SSP2</li> <li>SSP3</li> <li>SSP4</li> <li>SSP5</li> <li>No SSP used</li> </ul>	Select from: <ul style="list-style-type: none"> <li>Qualitative</li> <li>Quantitative</li> <li>Qualitative and quantitative</li> </ul>	Select from: <ul style="list-style-type: none"> <li>Organization-wide</li> <li>Organization-wide excluding portfolio [FS only]</li> </ul>	Select all that apply: <ul style="list-style-type: none"> <li>Acute physical</li> <li>Chronic physical</li> <li>Liability</li> <li>Market</li> </ul>	Select from: <ul style="list-style-type: none"> <li>1.5°C or lower</li> <li>1.6°C - 1.9°C</li> <li>2.0°C - 2.4°C</li> </ul>



	<ul style="list-style-type: none"> <li>• IEA APS</li> <li>• IEA STEPS (previously IEA NPS)</li> <li>• IEA CPS</li> <li>• Greenpeace</li> <li>• DDP</li> <li>• IRENA</li> <li>• BNEF NEO</li> <li>• NGFS scenarios framework, please specify</li> <li>• Customized publicly available climate transition scenario, please specify</li> <li>• Bespoke climate transition scenario</li> </ul> <p><b>Physical climate scenarios</b></p> <ul style="list-style-type: none"> <li>• RCP 1.9</li> <li>• RCP 2.6</li> <li>• RCP 3.4</li> <li>• RCP 4.5</li> <li>• RCP 6.0</li> <li>• RCP 7.0</li> <li>• RCP 8.5</li> <li>• Customized publicly available physical climate scenario, please specify</li> <li>• Bespoke physical climate scenario</li> </ul> <p><b>Water scenarios</b></p> <ul style="list-style-type: none"> <li>• WRI Aqueduct</li> <li>• WWF Water Risk Filter</li> <li>• Customized publicly available water scenario, please specify</li> <li>• Bespoke water scenario</li> </ul> <p><b>Forests scenarios</b></p> <ul style="list-style-type: none"> <li>• Customized publicly available forests scenario, please specify</li> </ul>			<ul style="list-style-type: none"> <li>• Business division</li> <li>• Business activity</li> <li>• Facility</li> <li>• Country/area</li> <li>• Product-level</li> <li>• Portfolio [FS only]</li> <li>• Other, please specify</li> </ul>	<ul style="list-style-type: none"> <li>• Policy</li> <li>• Reputation</li> <li>• Technology</li> </ul>	<ul style="list-style-type: none"> <li>• 2.5°C - 2.9°C</li> <li>• 3.0°C - 3.4°C</li> <li>• 3.5°C - 3.9°C</li> <li>• 4.0°C and above</li> <li>• Unknown</li> </ul>
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	<ul style="list-style-type: none"> <li>Bespoke forests scenario</li> </ul>					
Forests						
Water						
Select from:						
<ul style="list-style-type: none"> <li>Climate change</li> <li>Forests</li> <li>Water</li> </ul>						

7	8	9	10	11
Reference year	Timeframes covered	Driving forces in scenario	Assumptions, uncertainties and constraints in scenario	Rationale for choice of scenario
[Date field 1990-2023]	Select all that apply: <ul style="list-style-type: none"> <li>2025</li> <li>2030</li> <li>2040</li> <li>2050</li> <li>2060</li> <li>2070</li> <li>2080</li> <li>2090</li> <li>2100</li> <li>Other, please specify</li> </ul>	Select all that apply from the drop-down list below	Text field [maximum 2,500 characters]	Text field [maximum 2,500 characters]

Driving forces in scenario (column 9)	
<p><b>Local ecosystem asset interactions, dependencies and impacts</b></p> <ul style="list-style-type: none"> <li>Changes to the state of nature</li> <li>Number of ecosystems impacted</li> <li>Changes in ecosystem services provision</li> <li>Speed of change (to state of nature and/or ecosystem services)</li> <li>Climate change (one of five drivers of nature change)</li> <li>Other local ecosystem asset interactions, dependencies and impacts driving forces, please specify</li> </ul> <p><b>Finance and insurance</b></p> <ul style="list-style-type: none"> <li>Cost of capital</li> <li>Sensitivity of capital (to nature impacts and dependencies)</li> <li>Other finance and insurance driving forces, please specify</li> </ul> <p><b>Stakeholder and customer demands</b></p> <ul style="list-style-type: none"> <li>Consumer sentiment</li> <li>Consumer attention to impact</li> <li>Impact of nature footprint on reputation</li> <li>Impact of nature service delivery on consumer</li> <li>Sensitivity to inequity of nature impacts</li> <li>Other stakeholder and customer demands driving forces, please specify</li> </ul>	<p><b>Regulators, legal and policy regimes</b></p> <ul style="list-style-type: none"> <li>Global regulation</li> <li>Political impact of science (from galvanizing to paralyzing)</li> <li>Level of action (from local to global)</li> <li>Global targets</li> <li>Methodologies and expectations for science-based targets</li> <li>Other regulators, legal and policy regimes driving forces, please specify</li> </ul> <p><b>Relevant technology and science</b></p> <ul style="list-style-type: none"> <li>Granularity of available data (from aggregated to local)</li> <li>Data regime (from closed to open)</li> <li>Other relevant technology and science driving forces, please specify</li> </ul> <p><b>Direct interaction with climate</b></p> <ul style="list-style-type: none"> <li>On asset values, on the corporate</li> <li>Perception of efficacy of climate regime</li> <li>Other direct interaction with climate driving forces, please specify</li> </ul> <p><b>Macro and microeconomy</b></p> <ul style="list-style-type: none"> <li>Domestic growth</li> <li>Globalizing markets</li> </ul>

- Other macro and microeconomy driving forces, please specify

Requested content	<p><i>General</i></p> <ul style="list-style-type: none"> <li>• Add a row for each scenario, or scenario variation, used in your scenario analysis.</li> <li>• For climate-related scenario analysis, as recommended by TCFD, scenarios should be sufficiently diverse to allow challenging “what-if” analyses and capture a wide range of insights about uncertain futures. In assessing transition risks, an organization should consider using or developing a 1.5°C scenario. In assessing physical risks, an organization should use the current GHG pathway based on government policies currently in place, which according to latest estimates from the <a href="#">Climate Action Tracker</a> would result in warming of about 2.7°C above pre-industrial levels. 2.7°C is the median of the low and high ends of current policy projections.</li> <li>• Organizations using customized or bespoke scenarios should have a robust and accountable process to ensure that the scenarios used are objective and diverse, and should transparently disclose this process and the content of the scenarios in this question.</li> <li>• The <a href="#">CDP Technical Note on Scenario Analysis</a> provides further guidance on conducting and disclosing scenario analysis.</li> </ul> <p><i>Environmental issue this scenario has been used to analyze (column 0)</i></p> <ul style="list-style-type: none"> <li>• A row will automatically be added to this column for each environmental issue you select “Yes” in question 5.1.</li> </ul> <p><i>Scenario used (column 1)</i></p> <ul style="list-style-type: none"> <li>• Note that a scenario linked to one environmental issue can be used in the scenario analysis of another. For instance, a climate change scenario can be used to analyze outcomes for forests.</li> <li>• If you have based your scenario on a publicly available one but adjusted it for the purposes of your analysis, please select the relevant “Customized publicly available...” option.</li> </ul> <p><i>SSPs used in conjunction with scenario (column 2)</i></p> <ul style="list-style-type: none"> <li>• This column only appears if you select a RCP scenario in the “Scenario used” column.</li> <li>• By design, the RCP emission and concentration pathways were stripped of their association with a certain socio-economic development. Shared Socio-economic Pathways (SSPs) have been developed to complement them. SSP1, SSP2, ..., SSP5 are used to denote the five socio-economic scenario families used in conjunction with the RCPs.</li> </ul> <p><i>Reference year (column 7)</i></p> <ul style="list-style-type: none"> <li>• The reference year is the designated start date for the scenario.</li> </ul> <p><i>Timeframes covered (column 8)</i></p> <ul style="list-style-type: none"> <li>• Select all times horizons covered (example: if your time horizon is up to 2045, select up to 2040).</li> </ul> <p><i>Driving forces in scenario (column 9)</i></p> <ul style="list-style-type: none"> <li>• Specify the key external factors that influence the events, trends, and patterns that determine the outcomes in the scenario.</li> <li>• Consult the <a href="#">TNFD Guidance on scenario analysis</a> for further information on the driving forces presented in this column.</li> </ul> <p><i>Assumptions, uncertainties and constraints in scenario (column 10)</i></p> <ul style="list-style-type: none"> <li>• Outline the major assumptions your organization has made regarding:</li> </ul>
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	<ul style="list-style-type: none"> <li>○ Policies in the jurisdictions covered by the scenario;</li> <li>○ Macroeconomic trends;</li> <li>○ National- or regional-level variables (e.g. local weather patterns, demographics, land use, infrastructure and availability of natural resources);</li> <li>○ Developments in technology and;</li> <li>○ Energy usage and mix.</li> </ul> <ul style="list-style-type: none"> <li>● Discuss the assumptions your organization has made on the severity or intensity of the driving forces identified in column 10 “Driving forces in scenario”.</li> <li>● Highlight the uncertainties and constraints that may affect the outcomes of the scenario analysis.</li> <li>● If the scenario does not cover your entire organization, provide further details of the coverage.</li> </ul> <p><i>Rationale for choice of scenario (column 11)</i></p> <ul style="list-style-type: none"> <li>● Describe why the chosen scenario is relevant to the resilience of your organization's business strategy, and how it aligns with critical assumptions in your organization's strategy and financial planning.</li> <li>● If disclosing on climate change, include why the scenarios are relevant to assessing your organization's resilience to climate-related changes, developments or uncertainties. Specify if any of the climate-related scenarios used were aligned with the latest international agreement on climate change.</li> <li>● Provide further details on the sources of the scenarios used, including data sources and models used if applicable.</li> <li>● Financial services sector companies should state if your organization uses environmental scenario analysis to understand the impact of environmental issues on lending, financial intermediary, investment and/or insurance underwriting activities, in addition to operational activities.</li> </ul>
Requested content – [sector] (if applicable)	<p><i>Note for companies in the financial services sector</i></p> <ul style="list-style-type: none"> <li>● Note that “Organization-wide” in column 3 “Scenario coverage” refers to the reporting boundary as disclosed in the introduction module. Financial services sector companies using scenario analysis on their portfolios should select “Portfolio”, even when the scenario covers all financial activities and portfolios. In column “Scenario coverage”, select “Company-wide” if referring to direct operations AND portfolio activities related to lending, investing and or insurance. Select “Company-wide excluding portfolio” if referring only to your direct operations and nothing related to your lending, insurance and investing activities.</li> <li>● Both physical and transition pathway risks should be considered in your scenario analysis.</li> <li>● Banks: <ul style="list-style-type: none"> <li>○ Banks are encouraged to use the Network for Greening the Financial System (NGFS) scenarios framework.</li> </ul> </li> <li>● Insurance companies: <ul style="list-style-type: none"> <li>○ Insurance companies that perform climate-related scenario analysis on their underwriting activities should provide the following information: <ul style="list-style-type: none"> <li>▪ Information on the time frames used for the climate-related scenarios, including short-, medium-, and long-term milestone; and</li> <li>▪ Companies with substantial exposure to weather-related perils should consider a greater than 2°C scenario to account for physical effects of climate change.</li> </ul> </li> </ul> </li> </ul>

Authoring notes	
Corporate authority	Capital Markets

Environmental Issue (Theme)	Question level	CC, F, W
Sector	Question level	All

**(5.1.2) Provide details of the outcomes of your organization’s scenario analysis.**

Question details	
Question dependencies	This question only appears if you select “Yes” in response to any row of column 1 “Use of scenario analysis” of 5.1.
Change from last year	New question for Forests and Water Modified question for Climate change (2023 C3.2b)
Rationale	Data users are interested to know how the outcomes of your scenario analysis have influenced your corporate business strategy and financial planning, as well as the identification, assessment, and management of risks and opportunities. They are also looking to understand how resilient your strategy and business model are in your reported scenarios.
Ambition	<ul style="list-style-type: none"> <li>The organization uses scenario analysis to identify risks and opportunities with respect to environmental issues and to assess the resilience of its strategy business model to the risks.</li> <li>The organization describes how the scenarios chosen were developed, including focal questions addressed.</li> <li>The results of the assessment are used to inform the organization’s business strategy and financial decisions, including investments and mitigation actions. They are used to assess the organization’s ability to adapt to environmental risks in the short, medium, and long-term.</li> <li>The organization describes how the outputs from the scenario analysis are used in risk and opportunity identification, assessment and management processes, given the organization’s activities and relevant timeframes.</li> </ul>
Connection to other frameworks	IFRS S2 22 IFRS S2 25 TNFD Strategy C TCFD Strategy B TCFD Strategy C ESRS E1 ESRS E4
Response options	Please complete the following table:

0	1	2	3
<b>Environmental issue</b>	<b>Business processes influenced by your analysis of the reported scenarios</b>	<b>Coverage of analysis</b>	<b>Summarize the outcomes of the scenario analysis and any implications for other environmental issues</b>
Climate change	Select all that apply: <ul style="list-style-type: none"> <li>Risk and opportunities identification, assessment and management</li> <li>Strategy and financial planning</li> <li>Resilience of business model and strategy</li> <li>Capacity building</li> </ul>	Select from: <ul style="list-style-type: none"> <li>Organization-wide</li> <li>Organization-wide excluding portfolio [FS only]</li> <li>Business division</li> <li>Business activity</li> <li>Facility</li> <li>Country/area/region</li> <li>Product-level</li> <li>Portfolio [FS only]</li> <li>Other, please specify</li> </ul>	Text Field [Maximum 5,000 characters]

	<ul style="list-style-type: none"> <li>• Target setting and transition planning</li> <li>• Other, please specify</li> <li>• Scenario analysis has not influenced our business processes</li> </ul>		
Forests			
Water			

Requested content	<p><i>General</i></p> <ul style="list-style-type: none"> <li>• The outcomes of the scenario analysis should be updated annually to reflect any updated insights, e.g. by reviewing the assumptions and updating them based on actual outcomes even if scenario analysis is conducted less frequently, e.g. in line with a multi-year strategic planning cycle.</li> </ul> <p><i>Business processes influenced by your analysis of the reported scenarios (column 1)</i></p> <ul style="list-style-type: none"> <li>• If you have considered how other business processes could be informed and/or sought to answer other key questions or potential decisions in your analysis, select “Other, please specify” and describe these in column 3 “Summarize the outcomes of the scenario analysis and any implications for other environmental issues”.</li> </ul> <p><i>Coverage of analysis (column 2)</i></p> <ul style="list-style-type: none"> <li>• This column only appears if any option other than “Scenario analysis has not influenced our business processes” is selected in column 1 “Business processes influenced by your analysis of reported scenarios”.</li> <li>• The TCFD Guidance on Scenario Analysis recommends that scenario analysis should encompass the whole company. Note that “company” refers collectively to all the companies, businesses, organizations, other entities or groups that fall within your definition of the reporting boundary.</li> </ul> <p><i>Summarize the outcomes of the scenario analysis and any implications for other environmental issues (column 3)</i></p> <ul style="list-style-type: none"> <li>• This column only appears if any option other than “Scenario analysis has not influenced our business processes” is selected in column 1 “Business processes influenced by your analysis of reported scenarios”.</li> <li>• Briefly describe the scenario narratives used, the time horizons considered, and key insights gained.</li> <li>• Where relevant, include quantitative results along with a short description of how these have been calculated.</li> <li>• When discussing the influence on your strategy and financial planning include the implications, if any, of the key trends and critical uncertainties on your strategy, business model and value chain. Discuss how your organization would need to respond to the effects identified.</li> <li>• If disclosing on climate change, when discussing the resilience of your organization's business strategy and business model over the short, medium, and long term, include: <ul style="list-style-type: none"> <li>○ the availability of, and flexibility in, financial resources to respond to the effects identified, including to address climate-related risks and to take advantage of climate-related opportunities;</li> <li>○ your ability to redeploy, repurpose, upgrade or decommission existing assets; and,</li> <li>○ the effect of current and planned investments in climate-related mitigation, adaptation and opportunities for resilience.</li> </ul> </li> <li>• If your scenario analysis has considered implication on other environmental issues not presented in this question, describe them here. E.g. If as part of your climate-related scenario analysis you have identified risk and opportunities related to biodiversity, describe them here.</li> </ul>
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	<ul style="list-style-type: none"> <li>Financial services sector companies should describe the geographic exposure of their portfolio, and ensure the discussion is split by line of business.</li> </ul>
Requested content – [sector] (if applicable)	<p><b>Note for energy sectors:</b></p> <ul style="list-style-type: none"> <li>Discuss in column 3 “Summarize the outcomes ...” the exposure of current investments in new reserves and/or assets to the risk of lower demand and stranded assets; how current and future capital expenditure may be affected by short-to-long term risk of stranded assets, and what probability/likelihood you assign to that risk. You should also discuss how you have considered your organization’s energy outlook in the scenario analysis, and whether you tested the flexibility of your strategy and business model to adjust to significant changes in the demand for your products.</li> </ul> <p><b>Note for companies in the financial services sector:</b></p> <ul style="list-style-type: none"> <li>Select “Company-wide” if referring to direct operations AND portfolio activities related to lending, investing and or insurance. Select “Company-wide excluding portfolio” if referring only to your direct operations and nothing related to your lending, insurance and investing activities.</li> <li>Banks: <ul style="list-style-type: none"> <li>Banks should provide details of how scenarios are used, such as to inform credit and exclusion policies.</li> </ul> </li> <li>Asset Managers/Asset owners: <ul style="list-style-type: none"> <li>Asset managers should describe how they use scenarios, for example to better understand how environmental issues inform relevant products or investment strategies.</li> <li>Asset owners should provide a discussion of how scenarios are used, such as to inform investments in specific assets.</li> </ul> </li> <li>Insurance companies: <ul style="list-style-type: none"> <li>Insurance companies should describe how they use scenarios, for example to inform insurance premiums and capital requirements.</li> </ul> </li> </ul>

Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	CC, F, W
Sector	Question level	All

**Transition plans**

**(5.2) Does your organization’s strategy include a climate transition plan?**

Question details	
Change from last year	Modified question (2023 C3.1)
Rationale	Developing a climate transition plan provides certainty to data users that an organization is aligning to the long-term, global climate goals and that its business model will continue to be relevant in a net-zero carbon economy. Collecting feedback on the climate transition plan allows shareholders to review and raise resolutions related to progress. This question provides transparency regarding an organization’s transition plans and associated feedback mechanisms.
Ambition	<ul style="list-style-type: none"> <li>The organization has a publicly available 1.5°C-aligned climate transition plan in place.</li> </ul>

	<ul style="list-style-type: none"> <li>• The organization discloses the key assumptions used in developing its transition plan and anything that the transition plan is reliant upon.</li> <li>• The transition plan has a well-defined feedback mechanism in place, where relevant stakeholders can provide input. For example, a shareholder vote at an organization's AGM.</li> <li>• The transition plan is developed in the context of a robust climate-related and, where relevant, other environmental dependencies, impacts, risk and opportunities assessment. The plan should demonstrate how the organization intends on managing climate-related dependencies and impacts whilst mitigating identified risks and realizing identified opportunities.</li> <li>• The transition plan is supported by credible science-based targets (i.e., 1.5°C-aligned and net zero targets), and progress against these targets should be measurable and disclosed.</li> <li>• The organization outlines the decarbonization levers they plan to use, and the plan outlines the mitigation and adaptation actions they need to take now and in the future to achieve the goals of the transition plan and meet the associated targets. This includes actions both within their own operations and throughout the value chain, including changes to products and services, changes in business model and engagement strategies e.g. procurement strategy, policy engagement strategy.</li> <li>• The transition plan contains verifiable and quantifiable key performance indicators (KPIs) which measure the success of an organization's climate transition and are tracked regularly.</li> <li>• The organization has developed a plan for how the actions needed to achieve the transition plan objectives will be resourced (i.e., where the investment for the implementation of the plan will come from), and any preconditions to this financing.</li> <li>• The organization leverages sustainable finance instruments, where possible. For example, the organization may use sustainable finance taxonomies to identify products and services they should invest in to achieve the transition plan objectives.</li> </ul>
Connection to other frameworks	IFRS S2 14 TCFD Strategy B NZAM Commitment 10  ESRS 2 ESRS E1

1	2	3	4	5	6
Transition plan	Temperature alignment of transition plan	Publicly available climate transition plan	Plan explicitly commits to cease all spending on, and revenue generation from, activities that contribute to fossil fuel expansion	Description of activities included in commitment and implementation of commitment	Explain why your organization does not explicitly commit to cease all spending on and revenue generation from activities that contribute to fossil fuel expansion
Select from: <ul style="list-style-type: none"> <li>• Yes, we have a climate transition plan which aligns with a 1.5°C world</li> <li>• No, but we have a climate transition plan with a different temperature alignment</li> <li>• No, but we are developing a climate transition plan within the next two years</li> </ul>	Select from: <ul style="list-style-type: none"> <li>• Well-below 2°C aligned</li> <li>• 2°C aligned</li> <li>• Other, please specify</li> </ul>	Select from: <ul style="list-style-type: none"> <li>• Yes</li> <li>• No</li> </ul>	Select from: <ul style="list-style-type: none"> <li>• Yes</li> <li>• No, but we plan to add an explicit commitment within the next two years</li> <li>• No, and we do not plan to add an explicit commitment within the next two years</li> </ul>	Text field [maximum 2,500 characters]	Text field [maximum 2,500 characters]



<ul style="list-style-type: none"> <li>No, and we do not plan to develop a climate transition plan within the next two years</li> </ul>					
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7	8	9	10	11	12
Mechanism by which feedback is collected from shareholders on your climate transition plan	Description of feedback mechanism	Frequency of feedback collection	Description of key assumptions and dependencies on which the transition plan relies	Description of progress against transition plan disclosed in current or previous reporting period	Attach any relevant documents which detail your climate transition plan (optional)
Select from: <ul style="list-style-type: none"> <li>Our climate transition plan is voted on at Annual General Meetings (AGMs)</li> <li>Our climate transition plan is voted on at AGMs and we also have an additional feedback mechanism in place</li> <li>We have a different feedback mechanism in place</li> <li>We do not have a feedback mechanism in place, but we plan to introduce one within the next two years</li> <li>We do not have a feedback mechanism in place, and we do not plan to introduce one within the next two years</li> <li>Not applicable as our organization does not have shareholders</li> </ul>	Text field [maximum 2,500 characters]	Select from: <ul style="list-style-type: none"> <li>More frequently than annually</li> <li>Annually</li> <li>Less frequently than annually</li> </ul>	Text field [maximum 2,000 characters]	Text field [maximum 3,000 characters]	[Functionality that allows for several attachments]

13	14	15	16
Other environmental issues that your climate transition plan considers	Explain how the other environmental issues are considered in your climate transition plan	Primary reason for not having a climate transition plan that aligns with a 1.5°C world	Explain why your organization does not have a climate transition plan that aligns with a 1.5°C world
Select all that apply: <ul style="list-style-type: none"> <li>Forests</li> <li>Plastics</li> <li>Water</li> <li>Biodiversity</li> <li>Other, please specify</li> <li>No other environmental issue considered</li> </ul>	Text field [maximum 2,500 characters]	Select from: <ul style="list-style-type: none"> <li>Lack of internal resources, capabilities, or expertise (e.g., due to organization size)</li> <li>No standardized procedure</li> <li>Not an immediate strategic priority</li> <li>Judged to be unimportant or not relevant</li> <li>Other, please specify</li> </ul>	Text field [maximum 2,500 characters]

Requested content	<i>General</i> <ul style="list-style-type: none"> <li>A credible transition plan refers to a plan which contains relevant information on how your organizations plans on achieving your strategy to pivot your existing assets, operations, and entire business model towards a trajectory aligned with the latest and most ambitious</li> </ul>
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climate science recommendations. i.e., halving greenhouse gas (GHG) emissions by 2030 and reaching net zero by 2050 at the latest, thereby limiting global warming to 1.5°C.

- CDP recommends that a transition plan is succinctly integrated into existing mainstream filings and provides a well-defined feedback mechanism. It should also be publicly available.
- Please refer to the CDP Climate Transition Plan technical note for more details on transition plans.

*Temperature alignment of transition plan (column 2)*

- This column only appears if you select “No, but we have a climate transition plan with a different temperature alignment” in column 1 “Transition plan”.
- If your organization’s transition plan does not align to any of the options displayed or you do not know if your transition plan is aligned to the options, select “Other, please specify” and provide details.

*Publicly available climate transition plan (column 3)*

- This column is only presented if “Yes, we have a climate transition plan...” or “No, but we have a climate transition plan with a different temperature alignment” is selected in column 1 “Transition plan”.

*Plan explicitly commits to cease all spending on, and revenue generation from, activities that contribute to fossil fuel expansion (column 4)*

- Any activity that increases the demand for fossil fuels is considered as contributing to fossil fuel expansion.
- Spending includes any capital or operational expenditure linked to fossil fuel expansion; examples include, but are not limited to;
  - Investment in infrastructure for extraction of fossil fuels e.g. oil and gas wells, pipelines, liquefied natural gas terminal etc.;
  - Investment in new fossil fuel power plants;
  - Investment in research and development of products that rely on fossil fuels to function;
  - New capital goods such as ships, factories, cement kilns, blast furnaces, and others, which have medium to long lifetimes and lack the capability to be retrofitted with alternative power sources to fossil fuels;
  - Construction and operation of buildings with inefficient energy systems that will result in the increased use of fossil fuels; and
  - Investment in new internal combustion engine vehicles for transportation services.
- Revenue generated from activities that directly or indirectly supports fossil fuel expansion, examples include but are not limited to;
  - Sale of internal combustion engine vehicles, directly contributing to fossil fuel demand;
  - Revenue generated from consultation on projects associated with non-renewable energy infrastructure;
  - Operating a transport system primarily run on fossil fuels;
  - Revenue generated from data centres powered by non-renewable energy sources; and
  - Revenue generated from petrochemical products e.g. plastics, fertilizers, pesticides, explosives etc.

*Description of activities included in commitment and implementation of commitment (column 5)*

- This column only appears if you select “Yes” in column 4 “Plan explicitly commits to cease all spending on and revenue generation from activities that contribute to fossil fuel expansion”.
- Describe what activities are included as part of your commitment and how significant they are to your organization.
- Detail the timeline for implementing your commitment, and how the implementation will be monitored.

*Mechanism by which feedback is collected from shareholders on your climate transition plan (column 7)*

- This column is only presented if “Yes, we have a climate transition plan...” or “No, but we have a climate transition...” is selected in column 1 “Transition plan”.
- You should select “Our climate transition plan is voted on at Annual General Meetings” if you hold AGMs (as defined in the Explanation of Terms) during which shareholders vote on your organization’s climate transition plan.
- Only select “Our climate transition plan is voted on at Annual General Meetings (AGMs)” if your climate transition plan is a standing item at your AGMs. Note that this option is applicable even if your climate transition plan is already in progress, as it should be continually adjusted and voted on by shareholders (rather than a one-time sign-off). Furthermore, shareholders should be given the opportunity to provide feedback on progress made against your climate transition plan.

*Description of feedback mechanism (column 8)*

- This column is only presented if “We have a different feedback mechanism in place”, or “Our climate transition plan is voted on at AGMs and we also have an additional feedback mechanism in place” or “Not applicable as our organization does not have shareholders” is selected in column 7 “Mechanism by which feedback is collected from shareholders on your climate transition plan”.
- Provide any additional information to clarify your selection in column 3 7 “Mechanism by which feedback is collected from shareholders on your climate transition plan”, for example, why your transition plan it not voted on at your AGMs, or why you have more than one feedback mechanism in place.
- If you have selected “Not applicable as our organization does not have shareholders” in column 7 “Mechanism by which feedback is collected from shareholders on your climate transition plan”, provide details of any key stakeholder feedback mechanism in place. Feedback mechanisms that your organization may use include but are not limited to, investor feedback, community engagement, supplier input, an employee feedback system or collaboration with government agencies or non-governmental organizations.
- If you have selected “Not applicable as our organization does not have shareholders” in column 7 “Mechanism by which feedback is collected from shareholders on your climate transition plan” and your organization does not have any feedback mechanism in place, explain why.

*Frequency of feedback collection (column 9)*

- This column is only presented if “We have a different feedback mechanism in place” or “Our climate transition plan is voted on at AGMs and we also have an additional feedback mechanism in place” is selected in column 7 “Mechanism by which feedback is collected from shareholders on your climate transition plan”.

*Description of key assumptions and dependencies on which the transition plan relies (column 10)*

- Disclose the key assumptions used in developing your transition plan. For example, key assumptions might include projections about future market trends, regulatory changes, or technological advancements.

	<ul style="list-style-type: none"> <li>• Disclose any dependencies on which the transition plan relies. Dependencies could encompass factors like government policies, stakeholder cooperation, or availability of resources.</li> <li>• Provide details about how your organization is resourcing, and plans to resource, the transition plan.</li> <li>• Note that you may attach one or more documents which outline the key assumptions and dependencies in column “Attach any relevant documents which detail your climate transition plan (optional)”.</li> </ul> <p><i>Description of progress against transition plan disclosed in current or previous reporting period (column 11)</i></p> <ul style="list-style-type: none"> <li>• Disclose quantitative and qualitative information about the progress against your transition plan disclosed in previous reporting periods. Note that progress against targets is reported separately and does not need to be repeated here.</li> <li>• If this is the first transition plan that you have reported, provide details of the progress towards implementing this plan.</li> </ul> <p><i>Attach any relevant documents which detail your climate transition plan (optional) (column 12)</i></p> <ul style="list-style-type: none"> <li>• This column is only presented if “Yes, we have a climate transition plan...” or “No, but we have a climate transition...” is selected in column 1 “Transition plan”.</li> <li>• You may attach one or more documents which include your climate transition plan e.g., your annual report, your sustainability report, and/or a separate climate transition plan document.</li> <li>• Note that CDP considers a credible climate transition plan to be succinctly integrated into an organization’s existing mainstream filings.</li> </ul> <p><i>Explain how the other environmental issues are considered in your climate transition (column 14)</i></p> <ul style="list-style-type: none"> <li>• This column only appears if anything other than “No other environmental issue considered” is selected in column 13 “Other environmental issues that your climate transition plan considers”.</li> <li>• Provide examples of plans or actions included in your climate transition plan which aim to address the dependencies, impacts, risks and/or opportunities of the other environmental issues selected in column 13 “Other environmental issues that your climate transition plan considers”.</li> </ul> <p><i>Primary reason for not having a climate transition plan (column 15)</i></p> <ul style="list-style-type: none"> <li>• This column is only presented if “No, but we are developing a climate transition plan within two years” or “No, we do not plan to develop a climate transition plan within two years” or “No, but we have a climate transition plan with a different temperature alignment” is selected in column 1 “Transition plan”.</li> </ul> <p><i>Explain why your organization does not have a climate transition plan that aligns with a 1.5°C world (column 16)</i></p> <ul style="list-style-type: none"> <li>• This column is only presented if “No, but we are developing a climate transition plan within two years”, “No, and we do not plan to develop a climate transition plan within two years” or “No, but we have a climate transition plan with a different temperature alignment” is selected in column 1 “Transition plan”.</li> <li>• If relevant, detail any plans to develop a climate transition plan that aligns with a 1.5°C world or plans to update your existing climate transition plan to align with a 1.5°C world.</li> </ul>
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<b>Authoring notes</b>	
<b>Tags</b>	
Corporate authority	Capital Markets

Environmental Issue (Theme)	Question level	CC
Sector	Question level	All

## **Effects of Risks and Opportunities on Strategy and Financial Planning**

### **5.3 Have environmental risks and opportunities influenced your strategy and/or financial planning?**

Question details	
Question dependencies	This question only appears if you select any of the “Yes” options in response to column “Environmental risks identified” of 3.1 or column “Environmental opportunities identified” of 3.6.
Change from last year	New question
Rationale	This question allows organizations to indicate whether they have considered and acted upon environmental issues at a strategic level for the business, rather than solely at the operational level.
Ambition	The organization considers environmental risks and opportunities, and their interdependencies, in its decision-making, financial planning, and when developing its strategy and transition plan where relevant.
Connection to other frameworks	TNFD Strategy B

1	2	3	4
<b>Environmental risks and/or opportunities have affected your strategy and/or financial planning</b>	<b>Business areas where environmental risks and/or opportunities have affected your strategy</b>	<b>Primary reason why environmental risks and/or opportunities have not affected your strategy and/or financial planning</b>	<b>Explain why environmental risks and/or opportunities have not affected your strategy and/or financial planning</b>
Select from: <ul style="list-style-type: none"> <li>• Yes, strategy only</li> <li>• Yes, financial planning only</li> <li>• Yes, both strategy and financial planning</li> <li>• We have not evaluated whether environmental risks and opportunities have affected our strategy and financial planning, but plan to do so within the next two years</li> <li>• We have not evaluated whether environmental risks and opportunities have affected our strategy and financial planning, and do not plan to do so within the next two years</li> <li>• No</li> </ul>	Select all that apply: <ul style="list-style-type: none"> <li>• Products and services</li> <li>• Upstream/downstream value chain</li> <li>• Investment in R&amp;D</li> <li>• Operations</li> </ul>	Select from: <ul style="list-style-type: none"> <li>• Lack of internal resources, capabilities, or expertise (e.g., due to organization size)</li> <li>• No standardized procedure</li> <li>• Not an immediate strategic priority</li> <li>• Judged to be unimportant or not relevant</li> <li>• Other, please specify</li> </ul>	Text field [maximum 2,500 characters]

[Fixed row]

Requested content	<p><i>General</i></p> <ul style="list-style-type: none"> <li>• This question asks about the group strategy and financial planning – meaning your organization (as defined in 1.5). If you wish, you can comment on divisional (business unit) strategies and planning in 5.3.1 and 5.3.2.</li> <li>• If you are responding to a request from a Supply Chain member, include information specific to your requesting member, i.e. relevant business units.</li> <li>• If risks and/or opportunities have affected your organization’s climate transition plan, include these details as part of your strategy.</li> <li>• The risks and opportunities referred to in this question should correspond to the risks and opportunities your organization reported in 3.1.1 and 3.6.1.</li> </ul> <p><i>Environmental risks and/or opportunities have affected your strategy and/or financial planning (column 1)</i></p> <ul style="list-style-type: none"> <li>• Only select “We have not evaluated whether environmental risks and opportunities have affected our strategy and financial planning, but plan to do so within the next two years” if this is relevant for both your strategy and financial planning. For example, if risks have affected your strategy but not your financial planning but you are planning to address the effect of risks and opportunities on your financial planning within the next two years still select “Yes, strategy only”.</li> <li>• If your strategy and/or financial planning has been affected by either risks or opportunities, but not both, select the appropriate “Yes...” response. For example, if your organization's strategy has been influenced by risks, but not opportunities, select “Yes, strategy only” and provide further details in 5.3.1.</li> <li>• Select “No” if your organization’s strategy and financial planning has not been affected by your risks and/or opportunities.</li> <li>• Companies in the financial services sector should select a “Yes...” response for example when one of the following considerations has affected your strategy and/or financial planning: <ul style="list-style-type: none"> <li>○ The need to understand how environmental risks and opportunities will affect your client/investee relationships, financial products and/or services; and/or</li> <li>○ The need to provide financial flows to capitalize on opportunities presented by the transition to a net-zero and nature-positive future.</li> </ul> </li> </ul> <p><i>Business areas where environmental risks and/or opportunities have affected our strategy (column 2)</i></p> <ul style="list-style-type: none"> <li>• This column is only presented if either “Yes, strategy only” or “Yes, both strategy and financial planning” is selected in column 1 “Environmental risks &amp; opportunities have influenced our strategy and financial planning”.</li> <li>• Investment in R&amp;D refers to your overarching approach to research and development investment, more specific details of these investments, including quantitative figures, can be disclosed in 5.3.2.</li> <li>• See the Explanation of terms for more detail.</li> </ul> <p><i>Explain why environmental risks and/or opportunities have not affected your strategy and/or financial planning (column 4)</i></p> <ul style="list-style-type: none"> <li>• This column is only presented if any option except “Yes, both strategy and financial planning” is selected in column 1 “Environmental risks &amp; opportunities have affected our strategy and financial planning”.</li> <li>• If you selected either “Yes, strategy only” or “Yes, financial planning only” provide details as to why either your strategy or financial planning has not been affected by your risks and/or opportunities.</li> <li>• If you selected “We have not evaluated whether environmental risks and opportunities have affected our strategy and financial planning, but plan to do so within the next two years” in column 1 “Environmental risks and/or opportunities have affected our strategy and/or financial planning”, provide details of these plans.</li> </ul>
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	<ul style="list-style-type: none"> <li>If you selected “No” in column 1 “Environmental risks &amp; opportunities have influenced our strategy and financial planning”, provide details of your process and the reasons why your organization concluded that environmental issues need not affect its strategy and/or financial planning.</li> </ul>
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Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	CC, F, W
Sector	Question level	All sectors

**5.3.1 Describe where and how environmental risks and opportunities have influenced your strategy.**

Question details	
Question dependencies	This question only appears if you select “Yes, strategy only” or “Yes, both strategy and financial planning” in response to column “Environmental risks & opportunities have affected our strategy and/or financial planning” of 5.3.
Change from last year	Modified question (2023 C3.3, F5.1, FW-FS3.1, W7.1)
Rationale	Through this question, data users seek to understand where the identified environmental risks and opportunities have affected your organization’s strategy. Your response to this question may be used to inform expectations about the future performance of your organization and how resilient your strategy is to environmental risks and opportunities.
Ambition	<ul style="list-style-type: none"> <li>The organization considers environmental, risks and opportunities, and their interdependencies, in its decision-making, financial planning, and when developing its strategy and transition plan where relevant.</li> <li>The organization adapts its decision-making, financial planning, strategy, and transition plan in response to environmental risks and opportunities, across its direct operations and the value chain.</li> </ul>
Connection to other frameworks	IFRS S2 13 IFRS S2 14 CEO WM Response: Policies, Governance, and Targets TNFD Strategy B TNFD Strategy C TCFD Strategy B ESRS 2 ESRS E1

1	2	3	4
<b>Business area</b>	<b>Effect type</b>	<b>Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area</b>	<b>Describe how environmental risks and/or opportunities have affected your strategy in this area</b>

Products and services	Select all that apply: <ul style="list-style-type: none"> <li>• Risks</li> <li>• Opportunities</li> </ul>	Select all that apply: <ul style="list-style-type: none"> <li>• Climate change</li> <li>• Forests</li> <li>• Water</li> </ul>	Text field [maximum 3,000 characters]
Upstream/downstream value chain			
Investment in R&D			
Operations			
Select from: <ul style="list-style-type: none"> <li>• Products and services</li> <li>• Upstream/downstream value chain</li> <li>• Investment in R&amp;D</li> <li>• Operations</li> </ul>			

[Fixed row, Add row]

Requested content	<p><i>General</i></p> <ul style="list-style-type: none"> <li>• This question is intended to focus on the group business strategy – meaning your organization (as defined in 1.5). However, if it is more appropriate, you may wish to comment on divisional (business unit) strategies and specify where this is the case.</li> <li>• If your strategy relating to a particular business area has been affected by risks and/or opportunities differently across the environmental issues considered, add a row and explain the difference in column 4. For example, if forests-related risks have affected your operations strategy but both risks <b>and opportunities</b> relating to climate have affected your operations strategy, disclose this across separate rows.</li> <li>• If your risks and/or opportunities have affected your strategy relating to a business area for the individual environmental issues differently, add a row for each. For example, if your climate-related and water-related risks have affected your operations differently, then disclose these in different rows. Whereas, if your climate-related and water-related risks affected your operations in the same way, then disclose these in the same row.</li> <li>• If you are responding to a request from a Supply Chain member, include information specific to your requesting member, i.e. relevant business units.</li> </ul> <p><i>Environmental issues relevant to the risks and/or opportunities that have influenced your strategy in this area (column 3)</i></p> <ul style="list-style-type: none"> <li>• Response options will appear based on your responses to column 2 “Effect type”, and column 1 “Environmental risks/opportunities identified” of 3.1 and 3.6.</li> </ul> <p><i>Describe how environmental risks and/or opportunities have affected your strategy in this area (column 3)</i></p> <ul style="list-style-type: none"> <li>• Using organization-specific examples where relevant, describe how the business area in column 1 was affected, including; <ul style="list-style-type: none"> <li>○ The risks and/or opportunities disclosed in 3.1.1 / 3.6.1 that have affected the business area and why the decision was taken (e.g. to avoid loss in revenue, to exploit new markets);</li> <li>○ The time horizons over which your business strategy in this area has been affected by environmental risks and/or opportunities;</li> <li>○ The most substantial decisions in this area that have been affected by risks and/or opportunities; and</li> <li>○ How your organization makes and implements strategic decisions. For example, you may have decided to introduce a new product range or</li> </ul> </li> </ul>
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	<p>cease the manufacturing of a particular product, divest from a location, or increase capital expenditure on new technologies. You may use the mitigation hierarchy to detail these decisions and explain why this decision was taken. For example, to benefit from increased asset valuations; to exploit new markets; because of a projected lack of resource availability; or because of anticipated consumer behavior shifts. More details on the mitigation hierarchy can be found on p.38 of the <a href="#">TNFD recommendations</a></p> <ul style="list-style-type: none"> <li>○ If relevant, details on how dependencies and impacts have affected your organization’s strategy;</li> <li>● Include where in your organization’s strategy risks and opportunities are concentrated (for example, geographical areas, facilities and type of assets).</li> <li>● Include current and anticipated changes to your organization’s business model, including resource allocation, to address environment-related risks and opportunities (for example, these changes could include plans to manage or decommission carbon-, energy- or water-intensive operations; resource allocations resulting from demand or upstream value-chain changes; resource allocations arising from business development through capital expenditure or additional expenditure on research and development; and acquisitions or divestments). This may also include current and anticipated changes in policies or efforts to mitigate environmental risks, manage issues and/or contribute towards the goals and targets in the Kunming-Montreal Global Biodiversity Framework, Paris Agreement or Sustainable Development Goals.</li> <li>● Detail how your organization plans to achieve, if they have been set, any environment-related targets and, if relevant, targets you are required to meet by law or regulation.</li> <li>● For current and anticipated risks and opportunities include the: <ul style="list-style-type: none"> <li>○ Effects on your organization’s business model and value chain; and</li> <li>○ Responding direct and indirect adaptation and mitigation activities.</li> </ul> </li> <li>● If disclosing on climate change, include the effect of climate-related risks and/or opportunities on your climate transition plans and how it has resulted in changes to your strategy.</li> <li>● If disclosing on forests, specify whether your plans apply to all of your disclosed commodities or to only a selection of them. If your plans do not apply to all your commodities, please provide your reasons here.</li> </ul>
<p>Requested content – [sector] (if applicable)</p>	<ul style="list-style-type: none"> <li>● Note for organizations with coal reserves: <ul style="list-style-type: none"> <li>○ Organizations with coal reserves can refer to <a href="#">CDP Technical Note: Guidance for companies with coal reserves</a> on how to disclose demand and stranded asset risk.</li> </ul> </li> <li>● Note for electric utility sector organizations: <ul style="list-style-type: none"> <li>○ Discuss any work to incorporate renewable energy, carbon capture &amp; sequestration, cleaner coal technologies and energy storage into your strategy.</li> </ul> </li> <li>● Note for financial services sector organizations: <ul style="list-style-type: none"> <li>○ Specify if this includes making any public commitments, such as ensuring that all portfolios are free from commodity driven deforestation/conversion and any associated human rights risks, contributing to water security, or improving resilience to water-related events. Include target dates and which of your portfolios are covered by these commitments.</li> <li>○ The environmental risks and/or opportunities to be considered in this question refer to lending, financial intermediary, investment and/or insurance underwriting activities of your company, in addition to your operational activities.</li> <li>○ When reporting on the effect of forests-related risks and opportunities, financial services companies should take account of potential changes to their portfolios’ exposure to forests-related risks such as changing regulation and changing consumer tastes.</li> <li>○ When reporting on the effect of water-related risks and opportunities, financial services companies should take account of potential changes to their portfolios’ exposure to water-related risks such as drought, flood, water pollution, and increasing water prices</li> <li>○ Banks:</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>○ Describe the potential effects of environmental risks and/or opportunities on your core businesses, products and services, including: <ul style="list-style-type: none"> <li>▪ Information at the business division, sector or geography, credit quality and average tenor levels.</li> </ul> </li> <li>○ Asset managers/Asset owners: <ul style="list-style-type: none"> <li>○ For the row “Upstream/downstream value chain”, describe how environmental risks and/or opportunities are factored into your investment strategies and investee selection.</li> <li>○ Describe how each product or investment strategy may be affected by the transition to a zero-carbon and nature-positive economy.</li> <li>○ For members of the Net Zero Asset Manager initiative (NZAM) "Products and services" apply to creating investment products under NZAM Commitment 5, and "Upstream/downstream value chain" apply to investment strategy/ investing in technology/ engagement strategy under NZAM Commitment 3.</li> </ul> </li> <li>○ Insurance organizations: <ul style="list-style-type: none"> <li>○ Describe the potential effects of environmental risks and/or opportunities on your core businesses, products and services, including: <ul style="list-style-type: none"> <li>▪ Information at the business division, sector, or geography levels.</li> </ul> </li> <li>○ As asset owners, insurance organizations should describe how environmental risks and opportunities are factored into relevant investment strategies – in the business’ value chain. This could be described from the perspective of the total fund or investment strategy or individual investment strategies for various asset classes.</li> </ul> </li> <li>• Note for transport OEMs sector organizations: <ul style="list-style-type: none"> <li>○ Discuss the impact on your strategy for your products at the group level and, where relevant, for specific markets, including any related targets for GHG emissions performance (expressed as gCO<sub>2e</sub>/unit distance) and include a reference to any regulatory drivers and the baseline against which performance is measured.</li> <li>○ Discuss your transition into hybrid/fully electric vehicles and fuel cell technology, if relevant.</li> </ul> </li> <li>• Note for oil &amp; gas sector organizations: <ul style="list-style-type: none"> <li>○ Where possible, provide illustrative examples of the assumptions made in specific investment decisions.</li> <li>○ You should also discuss, if relevant, the diversification of your portfolio into lower-carbon and non-fossil fuel products (e.g., biofuels, renewable energy), and the strategy for development of carbon capture and sequestration technology, including technology areas of focus, and distinctive areas of strength your organization believes it holds. Also include any details of the impact on your value chain engagement strategy.</li> <li>○ Provide the methodology used for the integration of future carbon prices into your hydrocarbon exploration strategy and investment decisions, with the assumptions used. Where possible, provide illustrative examples of the assumptions made in specific investment decisions.</li> </ul> </li> </ul>
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Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	CC, F, W
Sector	Question level	All sectors

**5.3.2 Describe where and how environmental risks and opportunities have influenced your financial planning.**

Question details	
Question dependencies	This question only appears if you select “Yes, financial planning only” or “Yes, both strategy and financial planning” in response to column “Environmental risks and/or opportunities have affected our strategy and financial planning” of 5.3.
Change from last year	Modified question (2023 C3.4, F5.1, W7.1)
Rationale	Environmental issues can affect aspects of an organization’s financial position and performance, both now and in the future. Through this question, data users seek to understand where the identified environmental risks and opportunities have affected your financial position, and how this has been incorporated and addressed in your financial planning process.
Ambition	<ul style="list-style-type: none"> <li>• The organization considers environmental risks and opportunities, and their interdependencies, in its decision-making, financial planning, and when developing its strategy and transition plan where relevant.</li> <li>• The organization adapts its decision-making, financial planning, strategy, and transition plan in response to environmental risks and opportunities, across its direct operations and the value chain</li> <li>• The organization analyzes and discloses how its financial position, financial performance, and cash flows changed over the reporting period and how it anticipates they will change in the short, medium, and long-term due to its investment and disposal plans and funding of strategies to respond to environmental risks and opportunities. This includes plans to finance and resource the meeting of environmental commitments and targets.</li> </ul>
Connection to other frameworks	IFRS S2 14 IFRS S2 16 CEO WM Response: Policies, Governance, and Targets TNFD Strategy B TNFD Strategy C TCFD Strategy B ESRS 2 ESRS E1

1	2	3	4
Financial planning elements that have been affected	Effect type	Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements	Describe how environmental risks and/or opportunities have affected these financial planning elements
Select all that apply: <ul style="list-style-type: none"> <li>• Revenues</li> <li>• Direct costs</li> <li>• Indirect costs</li> <li>• Capital expenditures</li> <li>• Capital allocation</li> <li>• Acquisitions and divestments</li> <li>• Access to capital</li> <li>• Assets</li> <li>• Liabilities</li> <li>• Provisions or general reserves [FS only]</li> <li>• Claims reserves [FS only]</li> <li>• Other, please specify</li> </ul>	Select all that apply: <ul style="list-style-type: none"> <li>• Risks</li> <li>• Opportunities</li> </ul>	Select all that apply: <ul style="list-style-type: none"> <li>• Climate change</li> <li>• Forests</li> <li>• Water</li> </ul>	Text field [maximum 2,500 characters]

[Add row]

Requested content	<p><i>General</i></p> <ul style="list-style-type: none"> <li>• This question is intended to focus on the group financial planning– meaning your organization (as defined in 1.5). However, if it is more appropriate, you may wish to comment on divisional (business unit) financial planning and specify where this is the case.</li> <li>• If your financial planning elements have been affected by risks and/or opportunities differently across the environmental issues considered, add a row and explain the difference in column 4. For example, if forests-related opportunities have affected your revenue but both climate related risks <b>and opportunities</b> have affected your revenue, disclose this across separate rows.</li> <li>• If your risks and/or opportunities have affected your financial planning relating to a financial planning element for the individual environmental issues differently, add a row for each. For example, if your climate-related and water-related risks have affected your capital expenditure differently, then disclose these in different rows. Whereas, if your climate-related and water-related risks impacted your capital expenditure in the same way, then disclose these in the same row.</li> <li>• If a financial services sector discloser, the environmental risks and/or opportunities to be considered in this question refer to lending, financial intermediary, investment and/or insurance underwriting activities of your organization, in addition to your operational activities.</li> </ul> <p><i>Describe how environmental risks and opportunities have affected these financial planning elements (column 4)</i></p> <ul style="list-style-type: none"> <li>• Describe how your organization’s financial planning element(s) have been affected by environmental risks and/or opportunities. This may include: <ul style="list-style-type: none"> <li>○ How environmental risks and/or opportunities serve as an input into financial planning processes for the financial planning elements selected;</li> <li>○ How your organization’s resourcing, resource allocation and plans to resource, may change due to your organization’s investment and disposal plans and funding of strategies to respond to environmental risks and/or opportunities;</li> <li>○ A case study for at least one of the elements selected, including details of the risks or opportunities disclosed in 3.1.1 and 3.6.1 that have affected the financial planning element selected in column 1 “Financial planning elements that have been affected”, and how.</li> <li>○ The time horizons over which your financial planning in this area has been affected by environmental risks and/or opportunities, using organization-specific examples where relevant.</li> <li>○ Details on how your organization plans to fund the strategies to achieve the environmental commitments and targets that you have set and any targets you are required to meet by law or regulation.</li> </ul> </li> <li>• Note for climate change disclosers: <ul style="list-style-type: none"> <li>○ If you are planning to resource emissions reduction initiatives, detail how you are planning to do so.</li> <li>○ If you have reported that your organization has a climate transition plan in 5.2, provide details of how you plan to resource the different aspects of the climate transition plan.</li> </ul> </li> <li>• Note for forests disclosers. Consider if the following issues have affected your financial planning: <ul style="list-style-type: none"> <li>○ Eliminating or reducing deforestation and conversion of natural ecosystems from your direct operations and upstream value chain;</li> <li>○ Promoting ecosystem restoration and/or conservation in your direct operations and upstream value chain (e.g. to remedy past deforestation or conversion); and</li> <li>○ Increasing the sustainable production and/or consumption of commodities.</li> </ul> </li> </ul>
Requested content – [sector] (if applicable)	<p>Note for the financial services sector</p> <ul style="list-style-type: none"> <li>• For banks: <ul style="list-style-type: none"> <li>○ Describe the potential financial effects of the identified environmental risks and/or opportunities on your core businesses, products and services. For example, you may do this by translating risk data into probability of default, total committed exposure and/or exposure at default.</li> </ul> </li> <li>• For asset managers/asset owners: <ul style="list-style-type: none"> <li>○ Where appropriate, describe how environmental risks and/or opportunities may affect the financial returns of relevant products or investment strategies.</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>○ Asset managers should also describe how each product or investment strategy might be affected by the transition to a lower-carbon economy.</li> <li>• For insurance companies: <ul style="list-style-type: none"> <li>○ Describe the potential financial effects of environmental risks and opportunities on your core businesses, products and services. For example, you may do this by translating risk data into probability of default and/or exposure at default.</li> <li>○ As asset owners, insurance companies should describe how environmental risks and opportunities may affect the financial returns of investment strategies. This could be described from the perspective of the total fund or investment strategy or individual investment strategies for various asset classes.</li> </ul> </li> </ul>
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Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	CC, F, W
Sector	Question level	All sectors

**CAPEX/OPEX Alignment**

**(5.4) In your organization’s financial accounting, do you identify spending/revenue that is aligned with your organization’s climate transition?**

Question details	
Change from last year	Modified question (2023 C3.5)
Rationale	Organizations need to be aware of whether their spending and revenue is supporting their climate transition. Basing such an assessment on activities, projects, or assets defined as sustainable by a sustainable finance taxonomy can inform progress being made on their commitment to mitigate and adapt to climate change and enhance its credibility.
Ambition	Organizations are aware of whether their spending and revenue are aligned with their climate transition.
Connection to other frameworks	ESRS 2 ESRS E1
Response options	Please complete the following table.

1	2	3
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Identification of spending/revenue that is aligned with your organization's climate transition	Methodology or framework used to assess alignment with your organization's climate transition	Indicate the level at which you identify the alignment of your spending/revenue with a sustainable finance taxonomy
Select from:  <ul style="list-style-type: none"> <li>• Yes</li> <li>• No, but we plan to in the next two years</li> <li>• No, and we do not plan to in the next two years</li> </ul>	Select all that apply:  <ul style="list-style-type: none"> <li>• A sustainable finance taxonomy</li> <li>• Other methodology or framework</li> </ul>	Select from:  <ul style="list-style-type: none"> <li>• At both the organization and activity level</li> <li>• At the organization level only</li> </ul>

[Fixed row]

Requested content	<p><i>Identification of spending/revenue that is aligned with your organization's climate transition (column 1)</i></p> <ul style="list-style-type: none"> <li>• Select "Yes" if, in your financial statements, you identify spending/revenue that is aligned with your organization's climate transition, as assessed using any methodology or framework to track the progress of your climate transition.</li> <li>• Note that if your organization has a climate transition plan as indicated in 5.2, it is considered best practice to include within your climate transition plan details of the methodology/framework used to assess the alignment of your spending/revenue with your transition.</li> <li>• It is up to each organization to determine what is considered to be aligned with your organization's climate transition. For example:             <ul style="list-style-type: none"> <li>○ Revenue derived from the sale of low-carbon products or services as defined via recognized taxonomies or methodologies.</li> <li>○ Spending (e.g., CAPEX or OPEX) on the implementation of emissions reduction initiatives and/or investment in new low-carbon assets or projects.</li> </ul> </li> <li>• You will have the opportunity to provide further details in the subsequent questions.</li> </ul> <p><i>Methodology or framework used to assess alignment with your organization's climate transition (column 2)</i></p> <ul style="list-style-type: none"> <li>• This column only appears if "Yes" is selected in column 1 "Identification of spending/revenue that is aligned with your organization's climate transition".</li> <li>• Select "A sustainable finance taxonomy" if you use a sustainable finance taxonomy to assess the alignment of your organization's spending/revenue with your climate transition (e.g., the EU Taxonomy for Sustainable Activities).</li> <li>• Select "Other methodology or framework" if you use a different methodology of assessment, as disclosed in your climate transition plan (e.g., a self-assessment of your financial planning against time bound KPIs outlined in your transition plan). You may also select this option if you do not have a climate transition plan but are using a bespoke methodology to assess the alignment of your organization's spending/revenue with your climate transition.</li> <li>• If you use a sustainable finance taxonomy to assess some of your organization's activities, projects, or assets, and another methodology or framework to assess those that are not covered by the sustainable finance taxonomy, select both options. For instance, if you are disclosing against the EU Taxonomy for Sustainable Activities, you may use a bespoke methodology for assessing the alignment of activities not eligible under the taxonomy (e.g. wholesale and retail trade, manufacturing of food, beverages and tobacco etc.).</li> </ul> <p><i>Indicate the level at which you identify the alignment of your spending/revenue with a sustainable finance taxonomy (column 3)</i></p> <ul style="list-style-type: none"> <li>• This column only appears if "A sustainable finance taxonomy" is selected in column 2 "Methodology or framework used to assess alignment with your organization's climate transition".</li> <li>• Select "At the organization level only" if you wish to disclose alignment against a sustainable finance taxonomy, but the taxonomy does not require alignment information to be provided at the activity level. For example, you should select this option if the taxonomy requires a breakdown at project or asset level but not at activity level, or if the</li> </ul>
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	<p>taxonomy requires just an overall figure at organization-<del>company</del>/group level. See “Explanation of terms” for more information.</p> <ul style="list-style-type: none"> <li>Organizations that wish to disclose alignment against the EU Taxonomy for Sustainable Activities should select “At both the organization and activity level”.</li> </ul>
Additional information	<ul style="list-style-type: none"> <li>Sustainable finance taxonomies are instruments to support the redirection of financial flows towards environmentally (and socially) sustainable activities. While a coherent disclosure system with internationally agreed standards and taxonomies is needed to ensure effective data access, analysis, and use by the data users, <a href="#">CDP’s 2025 strategy</a> has highlighted that a harmonized taxonomy landscape is crucial to support the investment decisions of capital market actors and help to prevent greenwash, as laid out in CDP’s <a href="#">policy brief</a> on sustainable finance taxonomies.</li> <li>As a global environmental disclosure system, CDP aims to accelerate the implementation of sustainable finance taxonomies at scale. This is reflected in the questions in this module, asking organizations <del>companies</del> to report the alignment of their business operations and financial accounting with sustainable finance taxonomies, such as the EU Taxonomy for Sustainable Activities.</li> <li>These questions are taxonomy-agnostic, allowing organizations <del>companies</del> to provide information on alignment with any sustainable finance taxonomy. However, additional guidance is provided for organizations <del>companies</del> choosing to report under the EU Taxonomy for Sustainable Activities. The following (non-exhaustive) list of sources contains references to detailed taxonomy disclosure guidance developed by the EU Commission and the Technical Expert Group on Sustainable Finance (TEG): <ul style="list-style-type: none"> <li>Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 (<a href="#">EU Taxonomy Regulation</a>)</li> <li>Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 (<a href="#">Disclosure Delegated Act (Annexes 1-5)</a>)</li> <li>Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 (<a href="#">Climate Delegated Act</a>) – for technical screening criteria and DNSH criteria for taxonomy eligible activities</li> <li>Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022 (<a href="#">Complementary Delegated Act</a>) – for reporting on nuclear and fossil gas activities</li> <li>Commission Delegated Regulation (EU) 2023/2485 of 27 June 2023 (<a href="#">2023 amendment to the Climate Delegated Act</a>) – for the 12 newly added activities eligible under the EU Taxonomy</li> <li><a href="#">EU Commission FAQs</a>- on how the EU Taxonomy will work in practice</li> <li><a href="#">EU Commission FAQs</a> – for reporting eligibility of activities and assets</li> <li><a href="#">EU Commission FAQs</a> – on disclosures under Article 8 of the EU Taxonomy</li> <li><a href="#">EU Commission FAQs</a> – on the interpretation and implementation of Article 8 of the EU Taxonomy</li> <li><a href="#">EU Taxonomy FAQs</a> – on the interpretation and implementation of technical screening criteria and Do no significant harm (DNSH) criteria.</li> <li><a href="#">TEG Taxonomy Final Report</a></li> <li><a href="#">TEG Taxonomy Final Report – Technical Annex</a></li> <li><a href="#">EU Taxonomy compass</a> – for a visual representation of the contents of the EU Taxonomy</li> </ul> </li> </ul>

**Authoring notes**

Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	CC
Sector	Question level	All (except FS)

**(5.4.1) Quantify the amount and percentage share of your spending/revenue that is aligned with your organization’s climate transition.**

Question details	
Question dependencies	This question only appears if you select “Yes” in response to column “Identification of spending/revenue that is aligned with your organization’s climate transition” of 5.4.
Change from last year	Modified question (2023 C3.5a)
Rationale	This question allows organizations to demonstrate the extent to which their spending and revenue is compatible with their climate transition, by assessing their alignment against a sustainable finance taxonomy and/or any other methodology. Such reporting is aimed at eliminating greenwashing in the organization’s financial planning in relation to its climate transition.
Ambition	The share of spending/revenue aligned with your climate transition increases over time.
Connection to other frameworks	ESRS 2 ESRS E1
Response options	Please complete the following table. You are able to add rows by using the “Add Row” button at the bottom of the table.

1	2	3	4
Methodology or framework used to assess alignment	Taxonomy under which information is being reported	Objective under which alignment is being reported	Indicate whether you are reporting eligibility information for the selected objective
Select from:  <ul style="list-style-type: none"> <li>• A sustainable finance taxonomy</li> <li>• Other, please specify</li> </ul>	Select from:  <ul style="list-style-type: none"> <li>• EU Taxonomy for Sustainable Activities</li> <li>• Other, please specify</li> </ul>	Select from:  <ul style="list-style-type: none"> <li>• Climate change mitigation</li> <li>• Climate change adaptation</li> <li>• Total across climate change mitigation and climate change adaption</li> </ul>	Select from  <ul style="list-style-type: none"> <li>• Yes</li> <li>• No</li> </ul>

Table continued ...

5	6	7	8	9
Financial metric	Amount of selected financial metric that is aligned in the reporting year (currency)	Percentage share of selected financial metric aligned in the reporting year (%)	Percentage share of selected financial metric planned to align in 2025 (%)	Percentage share of selected financial metric planned to align in 2030 (%)



Select from: <ul style="list-style-type: none"> <li>• Revenue/Turnover</li> <li>• CAPEX</li> <li>• OPEX</li> <li>• Other, please specify</li> </ul>	Numerical field [enter a number from 0-999,999,999,999,999 using a maximum of 2 decimal places]	Percentage field [enter a percentage from 0-100 using a maximum of 2 decimal places]	Percentage field [enter a percentage from 0-100 using a maximum of 2 decimal places]	Percentage field [enter a percentage from 0-100 using a maximum of 2 decimal places]
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Table continued ...

10	11	12
Percentage share of financial metric that is taxonomy-eligible in the reporting year (%)	Percentage share of financial metric that is taxonomy non-eligible in the reporting year (%)	Details of the methodology or framework used to assess alignment with your organization's climate transition
Percentage field [enter a percentage from 0-100 using a maximum of 2 decimal places]	Percentage field [enter a percentage from 0-100 using a maximum of 2 decimal places]	Text field [maximum 4,000 characters]

[Add row]

Requested content	<p><i>General</i></p> <ul style="list-style-type: none"> <li>• This question aims to understand your organization's unique financial pathway associated with its climate transition.</li> <li>• It is up to each organization to disclose the relevant financial metrics and methodologies for identifying the alignment of its expenditures/revenues with its climate transition.</li> <li>• Note that this question requests information to be provided at the organization level. If you indicated in column 3 "Indicate the level at which..." of 5.4 that you identify alignment at both the organization and activity level, you will have the opportunity to provide activity-level information in the subsequent question, 5.4.2.</li> <li>• If you are reporting any type of spending on or revenue from low-carbon products and/or services, specify in column 12 "Details of the methodology..." whether it pertains to mature technologies or non-mature technologies (e.g., if you finance Emerging Climate Technologies). If this pertains to both mature and non-mature technologies, provide the breakdown for these.</li> <li>• It is acknowledged that figures for future years will be estimates. Assumptions underlying these estimates should be disclosed in column 12 "Details of the methodology..."</li> </ul> <p><i>Methodology or framework used to assess alignment (column 1)</i></p> <ul style="list-style-type: none"> <li>• The options presented in this column depend on your selection in column 2 "Methodology or framework used..." of 5.4.</li> <li>• Select the methodology against which you would like to report spending and revenue that is aligned with your climate transition.</li> <li>• If the sustainable finance taxonomy used to assess alignment with your organization's climate transition does not cover certain activities, projects, or assets in your operations, add rows to disclose the alignment of your financial metrics according to other methodologies used by your organization to complement your taxonomy reporting. For instance, if you are disclosing against the EU Taxonomy for Sustainable Activities, you may add rows to report alignment against a bespoke methodology for assessing the alignment of activities not eligible under the taxonomy (e.g. wholesale and retail trade, manufacturing of food, beverages, and tobacco etc.).</li> <li>• Provide details of the extent and basis of application of different methodologies to assess the alignment of your spending/revenue with your organization's climate transition in column 12 "Details of the methodology..."</li> </ul>
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*Taxonomy under which information is being reported (column 2)*

- This column is only presented if “A sustainable finance taxonomy” is selected in column 1 “Methodology or framework used to assess alignment”.
- Add a row for each sustainable finance taxonomy you are providing information for.
- Select “Other, please specify” to provide information for a sustainable finance taxonomy that is not listed. For further information on alternative sustainable finance taxonomies, please see CDP’s [policy brief](#).
- If you select “EU Taxonomy for Sustainable Activities”, note that the reporting period under the EU Taxonomy is January to December which may differ from the reporting period indicated in 1.4 relevant to the rest of the CDP questionnaire.

*Objective under which alignment is being reported (column 3)*

- This column is only presented if “A sustainable finance taxonomy” is selected in column 1 “Methodology or framework used to assess alignment”.
- Add a row for each climate-related objective within the sustainable finance taxonomy you wish to provide information for. See the Explanation of Terms for more information on climate change mitigation and adaptation. If the sustainable finance taxonomy does not require disclosure against specific climate-related objectives, select the objective that best matches the criteria specified by the taxonomy or report the information as a total by selecting “Total across climate change mitigation and climate change adaptation”.
- Organizations disclosing alignment against the EU Taxonomy for Sustainable Activities should enter information for each climate-related objective separately. You should also report total alignment across both climate-related objectives. The figures reported in this question should be calculated from the “Taxonomy-aligned” information you report at activity-level in the subsequent question 5.4.2.

*Indicate whether you are also reporting eligibility information for the selected objective (column 4)*

- This column only appears if “EU Taxonomy for Sustainable Activities” is selected in column 1 “Methodology or framework used to assess alignment”.
- Organizations disclosing alignment against the EU Taxonomy for Sustainable Activities should select “Yes” if they wish to report the share of their financial metrics that are eligible and non-eligible per objective under the EU Taxonomy.

*Financial metric (column 5)*

- Add a row for each financial metric you would like to provide information for, or select “Other, please specify” to provide information for a financial metric that is not listed.
- You can make your response more granular by adding multiple rows and selecting “Other, please specify”. For example, if in addition to total OPEX, you wish to report several distinct categories of OPEX (e.g., utilities, business travel, R&D expenses, etc.) separately, you may do so by adding multiple rows and using “Other, please specify” to specify the relevant OPEX category.
- Organizations disclosing alignment against the EU Taxonomy for Sustainable Activities should add a separate row to provide figures for turnover, CAPEX and if relevant, OPEX associated with each environmental objective separately, and a total across all objectives. Note that as per the [EU Taxonomy Technical Expert Group Report \(TEG\)](#), “turnover” and “revenue” are often used interchangeably, and in some contexts, may mean the same thing, despite there being some technical differences. The term turnover is most commonly used in Europe and Asia, while the use of the terms revenues or sales is more common in the United States. Revenue disclosures can therefore be considered as turnover wherever appropriate.

*Amount of selected financial metric that is aligned in the reporting year (column 6)*

- Enter the spending/revenue that you consider to be aligned with your organization’s climate transition as per your chosen methodology/framework as indicated in column 1 “Methodology or framework...” for this financial metric as an absolute monetary value in the reporting year.

- This figure should be based on your organization-wide financial statement for the reporting year, consistent with your reporting boundary as disclosed in 1.5, and in the same currency that you selected in question 1.2 for all financial information disclosed throughout your response.
- Unless your organization is disclosing alignment against a sustainable finance taxonomy which requires data to be provided for a specific reporting year, the figure provided in this column should be consistent with the reporting year defined by your answer to 1.4.
- Organizations disclosing alignment against the EU Taxonomy for Sustainable Activities should provide this figure for a January to December reporting period. If you are disclosing information under the EU Taxonomy for Sustainable Activities, the figure reported in this column should meet the requirements of Article 3 of the EU Taxonomy Regulation.

*Percentage share of selected financial metric aligned in the reporting year (%) (column 7)*

- Enter the spending/revenue that you consider to be aligned with your organization’s climate transition as per your chosen methodology/ framework as indicated in column 1 “Methodology or framework...” for this financial metric as a percentage of your total spending/revenue for this financial metric in the reporting year.
- This figure should be based on your organization-wide financial statement for the reporting year, consistent with your reporting boundary as disclosed in 1.5.
- Unless your organization is disclosing alignment against a sustainable finance taxonomy which requires data to be provided for a specific reporting year, the figure provided in this column should be consistent with the reporting year defined by your answer to 1.4.
- Organizations disclosing alignment against the EU Taxonomy for Sustainable Activities should provide this figure for a January to December reporting period. If you are disclosing information under the EU Taxonomy for Sustainable Activities, the figure reported in this column should meet the requirements of Article 3 of the EU Taxonomy Regulation.

*Percentage share of selected financial metric planned to align in 2025 (%) (column 8)*

- Enter the spending/revenue for this financial metric that you plan to align with your organization’s climate transition as per your chosen methodology/framework as indicated in column 1 “Methodology or framework...” a percentage of your total planned spending/revenue for this financial metric in 2025.

*Percentage share of selected financial metric planned to align in 2030 (%) (column 9)*

- Enter the spending/revenue for this financial metric that you plan to align with your organization’s climate transition as per your chosen methodology/framework as indicated in column 1 “Methodology or framework...” as a percentage of your total planned spending/revenue for this financial metric in 2030.

*Percentage share of financial metric that is taxonomy-eligible in the reporting year (column 10)*

- This column appears only if “Yes” is selected in column 3 “Indicate whether you are also reporting eligibility information for the selected objective”.
- Organizations disclosing alignment against the EU Taxonomy for Sustainable Activities should use this column to enter their spending/revenue that is assessed to be eligible under the EU Taxonomy. This figure should include the spending/revenue that is assessed to be aligned.

*Percentage share of financial metric that is taxonomy non-eligible in the reporting year (column 11)*

- This column appears only if “Yes” is selected in column 3 “Indicate whether you are also reporting eligibility information for the selected objective”.
- Organizations disclosing alignment against the EU Taxonomy for Sustainable Activities should use this column to enter their spending/revenue that is assessed to be non-eligible under the EU Taxonomy.

	<p><i>Details of the methodology or framework used to assess alignment with your organization's climate transition (column 12)</i></p> <ul style="list-style-type: none"> <li>• Provide the criteria used to determine the alignment of the spending/revenue with your organization's climate transition, including: <ul style="list-style-type: none"> <li>○ Examples of the activities, assets, technologies, products and/or services for which you classified the associated spending/revenue as aligned with your organization's climate transition, as per your chosen methodology.</li> <li>○ Examples of activities, assets, technologies, products and/or services for which you did not classify the associated spending/revenue as aligned.</li> </ul> </li> <li>• Comment on how your organization's spending/revenue that is aligned with your climate transition is estimated to change over time and describe the assumptions underlying the estimation.</li> <li>• Organizations that selected "Other, please specify" in column 1 "Methodology or framework used to assess alignment" should indicate whether you have obtained third party verification/assurance for your alignment information.</li> <li>• Organizations disclosing alignment against the EU Taxonomy for Sustainable Activities should use this column to describe your methodology for calculating your taxonomy alignment and eligibility and how you have avoided double-counting. If you have obtained third party verification/assurance for your alignment information, you will have the opportunity to indicate this in a subsequent question.</li> </ul>
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**Company A response**

1	2	3	4	5	6	7
Methodology or framework used to assess alignment	Taxonomy under which information is being reported	Objective under which alignment is being reported	Indicate whether you are also reporting eligibility information for the selected objective	Financial metric	Amount of selected financial metric that is aligned in the reporting year (currency)	Percentage share of selected financial metric aligned in the reporting year (%)
A sustainable finance taxonomy	Other please specify: CBI Taxonomy	Climate change mitigation	N/A	Revenue/Turnover	330,000	2

8	9	10	11	12
Percentage share of selected financial metric planned to align in 2025 (%)	Percentage share of selected financial metric planned to align in 2030 (%)	Percentage share of financial metric that is taxonomy-eligible in the reporting year	Percentage share of financial metric that is taxonomy-non-eligible in the reporting year	Details of the methodology or framework used to assess alignment with your organization's climate transition
4	30	N/A	N/A	Our automobile manufacturing business currently produces both vehicles with internal combustion engines and electric vehicles. We have accounted as 'aligned' the revenue generated from sales of electric vehicles, that have met the screening criteria for private passenger

				transport established under the CBI Taxonomy. We estimate that our revenue from EVs will increase in the future due to regulatory requirements and shifting consumer preferences. To estimate the percentage share in 2025 and 2030 we modelled the results from a recent consumer survey. To estimate the demand of EV vehicles in different jurisdictions we carried out a policy analysis and modelled the emergence of future regulations. In our calculation we excluded revenues from ICE vehicles and revenues from sales of equipment used in both ICE and EVs, as we classed such equipment as neutral.
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**Company B response**

1	2	3	4	5	6	7
Methodology or framework used to assess alignment	Taxonomy under which information is being reported	Objective under which alignment is being reported	Indicate whether you are also reporting eligibility information for the selected objective	Financial metric	Amount of selected financial metric that is aligned in the reporting year (currency)	Percentage share of selected financial metric aligned in the reporting year (%)
Other please specify: bespoke methodology using Aquaculture Act of Sweden and the principle of do no significant harm of the EU Taxonomy Regulation	N/A	N/A	N/A	CAPEX	200,000	6
A sustainable finance taxonomy	EU Taxonomy for Sustainable Activities	Total across climate change mitigation and climate change adaptation	Yes	CAPEX	480,000	8

8	9	10	11
Percentage share of selected financial metric planned to align in 2025 (%)	Percentage share of selected financial metric planned to align in 2030 (%)	Percentage share of financial metric that is Taxonomy-eligible in the reporting year	Percentage share of financial metric that is Taxonomy-non-eligible in the reporting year
8	10	N/A	N/A
20	40	20	80

12
Details of the methodology or framework used to assess alignment with your organization's climate transition

Aquaculture constitutes a big part of our activities in Sweden. Given the lack of coverage of the agricultural sector under the EU Taxonomy, we have assessed the CAPEX associated with these activities using a bespoke methodology based on a combination of technical criteria established by the Aquaculture Act of Sweden and the principle of do no significant harm of the EU Taxonomy Regulation. As part of our net-zero by 2045 commitment, we intend to halve our footprint from fish feed and air freight. We are planning to increase the CAPEX associated with sustainable feedstock and special packaging to increase shelf life of our products from 5% to 10% of our total CAPEX by 2030.

We have assessed the alignment of our power generation activity from the onshore wind farm under the EU Taxonomy. The 8% figure disclosed represents the proportion of our total CAPEX associated with the substantial contribution of our onshore wind power generation activity to climate change mitigation and climate change adaptation in the reporting year. CAPEX associated with our onshore wind power plants, plant machinery and grid equipment are included. As part of our net-zero commitment to triple our renewable energy assets by 2045, we plan to increase our taxonomy-aligned CAPEX to 20% in 2025 and 40% in 2030. In calculating the figure as a total across both climate-related objectives, we followed the EU Commission's guidance to avoid double counting by separately counting CAPEX associated with activities contributing to climate mitigation and climate adaptation at the activity level.

### Company C Response

1	2	3	4	5	6	7
Methodology or framework used to assess alignment	Taxonomy under which information is being reported	Objective under which alignment is being reported	Indicate whether you are also reporting eligibility information for the selected objective	Financial metric	Amount of selected financial metric that is aligned in the reporting year (currency)	Percentage share of selected financial metric aligned in the reporting year (%)
Other please specify: FAO's Sustainability Assessment of Food and Agricultural Systems (SAFA) guidelines	N/A	N/A	N/A	Other, please specify (OPEX-R&D expenses)	60,000	18

8	9	10	11	12
Percentage share of selected financial metric planned to align in 2025 (%)	Percentage share of selected financial metric planned to align in 2030 (%)	Percentage share of financial metric that is Taxonomy-eligible in the reporting year	Percentage share of financial metric that is Taxonomy-non-eligible in the reporting year	Details of the methodology or framework used to assess alignment with your organization's climate transition
30	60	N/A	N/A	Alongside our dairy business, we produce plant-based milks and yogurt. We have assessed the R&D expenses related to these plant-based products as aligned with our climate transition based on FAO's Sustainability Assessment of Food and Agricultural Systems (SAFA) guidelines. R&D expenses are accounted for in our financial statements as a subset of OPEX. Based on trends over the last ten years, we anticipate consumer demand for our plant-based products to continue to increase over time. Therefore, we estimate that the share of our total R&D that is on plant-based dairy alternatives will increase to 60% by 2030 to meet this demand.

### Company D Response

1	2	3	4	5	6	7
Methodology or framework used to assess alignment	Taxonomy under which information is being reported	Objective under which alignment is being reported	Indicate whether you are also reporting eligibility information for the selected objective	Financial metric	Amount of selected financial metric that is aligned in the reporting year (currency)	Percentage share of selected financial metric aligned in the reporting year (%)
Sustainable finance taxonomy	EU Taxonomy for Sustainable Activities	Climate change mitigation	N/A	Revenue/ Turnover	800,500	15

8	9	10	11	12
Percentage share of selected financial metric planned to align in 2025 (%)	Percentage share of selected financial metric planned to align in 2030 (%)	Percentage share of financial metric that is taxonomy-eligible in the reporting year	Percentage share of financial metric that is taxonomy non-eligible in the reporting year	Details of the methodology or framework used to assess alignment with your organization's climate transition
20	35	50	50	Our company's operations include clinker and cement manufacturing activities which are eligible under the EU Taxonomy. In the reporting year, 15% of our total turnover was attributable to the manufacture of grey cement clinker and cement from alternative hydraulic binder – activities which met all criteria to contribute substantially to climate change mitigation under the EU Taxonomy by enabling the transition to 1.5C. Our operations in these activities are expected to expand by 2030 as we phase out our conventional cement manufacturing units. Therefore, we expect the proportion of our total turnover which substantially contributes to climate change mitigation under the taxonomy to increase to 35% by 2030. We also hope to report to an increased alignment of our activities in manufacturing of diisocyanates (currently not covered under the EU Taxonomy) with an expansion of technical screening criteria for activities in this sector under the EU Taxonomy.

Authoring notes	
<b>Tags</b>	
Corporate authority	Capital Markets
Environmental Issue (Theme)	Question level CC
Sector	Question level All (except FS)

**(5.4.2) Quantify the percentage share of your spending/revenue that was associated with eligible and aligned activities under the sustainable finance taxonomy in the reporting year.**

Question details
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Question dependencies	This question only appears if you select “At both the organization and activity level” in response to column “Indicate the level at which you identify the alignment of your spending/revenue with a sustainable finance taxonomy” of 5.4.
Change from last year	Modified question (2023 C3.5b)
Rationale	This question allows organizations to provide evidence of the extent to which their spending and revenue is directed at/derived from activities defined as sustainable by a sustainable finance taxonomy. Such evidence is crucial to enhance transparency of the accounting practices used by organizations in their climate-related financial reporting.
Ambition	Organizations align their spending and revenue with activities defined as sustainable by a sustainable finance taxonomy.
Connection to other frameworks	ESRS 2 ESRS E1
Response options	Please complete the following table. You are able to add rows by using the “Add Row” button at the bottom of the table.

1	2	3	4	5
Economic activity	Taxonomy under which information is being reported	Taxonomy alignment	Financial metrics	Types of substantial contribution
Select from drop-down options below	Select from: <ul style="list-style-type: none"> <li>• EU Taxonomy for Sustainable Activities</li> <li>• Other, please specify</li> </ul>	Select from: <ul style="list-style-type: none"> <li>• Taxonomy-aligned</li> <li>• Taxonomy-eligible but not aligned</li> <li>• Taxonomy-eligible, alignment not assessed</li> </ul>	Select all that apply: <ul style="list-style-type: none"> <li>• Turnover</li> <li>• CAPEX</li> <li>• OPEX</li> </ul>	Select all that apply: <ul style="list-style-type: none"> <li>• Own performance</li> <li>• Adapted activity</li> <li>• Transitional activity</li> <li>• Activity enabling mitigation</li> <li>• Activity enabling adaptation</li> </ul>

6	7	8
Taxonomy-aligned turnover from this activity in the reporting year (currency)	Taxonomy-aligned turnover from this activity as % of total turnover in the reporting year	Taxonomy-aligned turnover from this activity that substantially contributed to climate change mitigation as a % of total turnover in the reporting year
Numerical field [enter a number from 0-999,999,999,999,999 using a maximum of 2 decimal places]	Percentage field [enter a percentage from 0-100 using a maximum of 2 decimal places]	Percentage field [enter a percentage from 0-100 using a maximum of 2 decimal places]

9	10	11	12	13	14	15	16
Taxonomy-aligned turnover from this activity that substantially contributed to climate change adaptation as a % of total turnover in	Taxonomy-eligible but not aligned turnover from this activity in the reporting year (currency)	Taxonomy-eligible but not aligned turnover from this activity as % of total turnover in the reporting year	Taxonomy-eligible, alignment not assessed turnover from this activity as % of total turnover in reporting year	Taxonomy-aligned CAPEX from this activity in the reporting year (currency)	Taxonomy-aligned CAPEX from this activity as % of total CAPEX in the reporting year	Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change mitigation as a % of total CAPEX in	Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change adaptation as a % of total CAPEX in the



the reporting year						the reporting year	reporting year
Percentage field [enter a percentage from 0-100 using a maximum of 2 decimal places]	Numerical field [enter a number from 0-999,999,999,999 using a maximum of 2 decimal places]	Percentage field [enter a percentage from 0-100 using a maximum of 2 decimal places]	Percentage field [enter a percentage from 0-100 using a maximum of 2 decimal places]	Numerical field [enter a number from 0-999,999,999,999 using a maximum of 2 decimal places]	Percentage field [enter a percentage from 0-100 using a maximum of 2 decimal places]	Percentage field [enter a percentage from 0-100 using a maximum of 2 decimal places]	Percentage field [enter a percentage from 0-100 using a maximum of 2 decimal places]

17	18	19	20	21
Taxonomy-eligible but not aligned CAPEX associated with this activity in the reporting year (currency)	Taxonomy-eligible but not aligned CAPEX associated with this activity as % of total CAPEX in the reporting year	Taxonomy-eligible, alignment not assessed CAPEX associated with this activity as % of total CAPEX in the reporting year	Taxonomy-aligned OPEX from this activity in the reporting year (currency)	Taxonomy-aligned OPEX from this activity as % of total OPEX in the reporting year
Numerical field [enter a number from 0-999,999,999,999 using a maximum of 2 decimal places]	Percentage field [enter a percentage from 0-100 using a maximum of 2 decimal places]	Percentage field [enter a percentage from 0-100 using a maximum of 2 decimal places]	Numerical field [enter a number from 0-999,999,999,999 using a maximum of 2 decimal places]	Percentage field [enter a percentage from 0-100 using a maximum of 2 decimal places]

22	23	24	25	26
Taxonomy-aligned OPEX from this activity that substantially contributed to climate change mitigation as a % of total OPEX in the reporting year	Taxonomy-aligned OPEX from this activity that substantially contributed to climate change adaptation as a % of total OPEX in the reporting year	Taxonomy-eligible but not aligned OPEX associated with this activity in the reporting year (currency)	Taxonomy-eligible but not aligned OPEX associated with this activity as % of total OPEX in the reporting year	Taxonomy-eligible, alignment not assessed OPEX with this activity as % of total OPEX in the reporting year
Percentage field [enter a percentage from 0-100 using a maximum of 2 decimal places]	Percentage field [enter a percentage from 0-100 using a maximum of 2 decimal places]	Numerical field [enter a number from 0-999,999,999,999 using a maximum of 2 decimal places]	Percentage field [enter a percentage from 0-100 using a maximum of 2 decimal places]	Percentage field [enter a percentage from 0-100 using a maximum of 2 decimal places]

27	28	29	30	31	32	33
Calculation methodology and supporting	Substantial contribution criteria met	Details of substantial contribution	Do no significant harm	Details of do no significant	Minimum safeguards compliance	Attach any supporting evidence

information		criteria analysis	requirements met	harm analysis	requirements met	
Text field [maximum 2,500 characters]	Select from: <ul style="list-style-type: none"> <li>• Yes</li> <li>• No</li> </ul>	Text field [maximum 2,500 characters]	Select from: <ul style="list-style-type: none"> <li>• Yes</li> <li>• No</li> </ul>	Text field [maximum 2,500 characters]	Select from: <ul style="list-style-type: none"> <li>• Yes</li> <li>• No</li> </ul>	[Attachment]

[Add row]

Economic activity (column 1)		
<ul style="list-style-type: none"> <li>• Acquisition and ownership of buildings</li> <li>• Afforestation</li> <li>• Air transport ground handling operations</li> <li>• Airport infrastructure</li> <li>• Anaerobic digestion of bio-waste</li> <li>• Anaerobic digestion of sewage sludge</li> <li>• Close to market research, development and innovation</li> <li>• Cogeneration of heat/cool and power from bioenergy</li> <li>• Cogeneration of heat/cool and power from geothermal energy</li> <li>• Cogeneration of heat/cool and power from renewable non-fossil gaseous and liquid fuels</li> <li>• Cogeneration of heat/cool and power from solar energy</li> <li>• Collection and transport of non-hazardous waste in source segregated fractions</li> <li>• Composting of bio-waste</li> <li>• Computer programming, consultancy and related activities</li> <li>• Conservation forestry</li> <li>• Construction and safe operation of new nuclear power plants, for the generation of electricity or heat, including for hydrogen production, using best-available technologies</li> <li>• Construction of new buildings</li> <li>• Construction, extension and operation of waste water collection and treatment</li> <li>• Construction, extension and operation of water collection, treatment and supply systems</li> <li>• Consultancy for physical climate risk management and adaptation</li> <li>• Creative, arts and entertainment activities</li> <li>• Data processing, hosting and related activities</li> <li>• Data-driven solutions for GHG emissions reductions</li> <li>• Desalination</li> <li>• Disaster risk management - Emergency services</li> <li>• District heating/cooling distribution</li> <li>• Education</li> <li>• Electricity generation from bioenergy</li> </ul>	<ul style="list-style-type: none"> <li>• Freight rail transport</li> <li>• Freight transport services by road</li> <li>• High-efficiency co-generation of heat/cool and power from fossil gaseous fuels</li> <li>• Infrastructure enabling low-carbon water transport</li> <li>• Infrastructure enabling low-carbon road transport and public transport</li> <li>• Infrastructure enabling road transport and public transport</li> <li>• Infrastructure for personal mobility, cycle logistics</li> <li>• Infrastructure for rail transport</li> <li>• Infrastructure for water transport</li> <li>• Inland freight water transport</li> <li>• Inland passenger water transport</li> <li>• Installation and operation of electric heat pumps</li> <li>• Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)</li> <li>• Installation, maintenance and repair of energy efficiency equipment</li> <li>• Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings</li> <li>• Installation, maintenance and repair of renewable energy technologies</li> <li>• Landfill gas capture and utilization</li> <li>• Leasing of aircraft</li> <li>• Libraries, archives, museums and cultural activities</li> <li>• Low carbon airport infrastructure</li> <li>• Manufacture of aluminum</li> <li>• Manufacture of anhydrous ammonia</li> <li>• Manufacture of automotive and mobility components</li> <li>• Manufacture of batteries</li> <li>• Manufacture of biogas and biofuels for use in transport and of bioliquids</li> <li>• Manufacture of carbon black</li> <li>• Manufacture of cement</li> <li>• Manufacture of chlorine</li> <li>• Manufacture of energy efficiency equipment for buildings</li> <li>• Manufacture of equipment for the production and use of hydrogen</li> <li>• Manufacture of hydrogen</li> </ul>	<ul style="list-style-type: none"> <li>• Material recovery from non-hazardous waste</li> <li>• Motion picture, video and television program production, sound recording and music publishing activities</li> <li>• Non-life insurance: underwriting of climate-related perils</li> <li>• Operation of personal mobility devices, cycle logistics</li> <li>• Passenger and freight air transport</li> <li>• Passenger interurban rail transport</li> <li>• Pre-commercial stages of advanced technologies to produce energy from nuclear processes with minimal waste from the fuel cycle</li> <li>• Production of heat/cool from bioenergy</li> <li>• Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system</li> <li>• Production of heat/cool from geothermal energy</li> <li>• Production of heat/cool from renewable non-fossil gaseous and liquid fuels</li> <li>• Production of heat/cool from solar thermal heating</li> <li>• Production of heat/cool using waste heat</li> <li>• Professional services related to energy performance of buildings</li> <li>• Programming and broadcasting activities</li> <li>• Rehabilitation and restoration of forests, including reforestation and natural forest regeneration after an extreme event</li> <li>• Reinsurance</li> <li>• Renewal of waste water collection and treatment</li> <li>• Renewal of water collection, treatment and supply systems</li> <li>• Renovation of existing buildings</li> <li>• Research, development and innovation for direct air capture of CO2</li> <li>• Residential care activities</li> <li>• Restoration of wetlands</li> <li>• Retrofitting of inland water passenger and freight transport</li> </ul>

<ul style="list-style-type: none"> <li>Electricity generation from fossil gaseous fuels</li> <li>Electricity generation from geothermal energy</li> <li>Electricity generation from hydropower</li> <li>Electricity generation from nuclear energy in existing installations</li> <li>Electricity generation from ocean energy technologies</li> <li>Electricity generation from renewable non-fossil gaseous and liquid fuels</li> <li>Electricity generation from wind power</li> <li>Electricity generation using concentrated solar power (CSP) technology</li> <li>Electricity generation using solar photovoltaic technology</li> <li>Engineering activities and related technical consultancy dedicated to adaptation to Climate change</li> <li>Flood risk prevention and protection infrastructure</li> <li>Forest management</li> </ul>	<ul style="list-style-type: none"> <li>Manufacture of iron and steel</li> <li>Manufacture of low carbon technologies for transport</li> <li>Manufacture of nitric acid</li> <li>Manufacture of organic basic chemicals</li> <li>Manufacture of other low carbon technologies</li> <li>Manufacture of plastics in primary form</li> <li>Manufacture of rail rolling stock constituents</li> <li>Manufacture of renewable energy technologies</li> <li>Manufacture of soda ash</li> <li>Manufacture, installation, and servicing of high, medium and low voltage electrical equipment for electrical transmission and distribution that result in or enable a substantial contribution to climate change mitigation</li> <li>Manufacturing of aircraft</li> </ul>	<ul style="list-style-type: none"> <li>Retrofitting of sea and coastal freight and passenger water transport</li> <li>Sea and coastal freight water transport, vessels for port operations and auxiliary activities</li> <li>Sea and coastal passenger water transport</li> <li>Software enabling physical climate risk management and adaptation</li> <li>Storage of electricity</li> <li>Storage of hydrogen</li> <li>Storage of thermal energy</li> <li>Transmission and distribution networks for renewable and low-carbon gases</li> <li>Transmission and distribution of electricity</li> <li>Transport by motorbikes, passenger cars and light commercial vehicles</li> <li>Transport of CO2</li> <li>Underground permanent geological storage of CO2</li> <li>Urban and suburban transport, road passenger transport</li> </ul>
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Requested content	<p><i>General</i></p> <ul style="list-style-type: none"> <li>This question requests information on the numerical amount and percentage of your organization's total turnover, CAPEX, and, where applicable, OPEX in the reporting year which, in relation to a selected activity, is: <ul style="list-style-type: none"> <li><b>Taxonomy-aligned:</b> meets the criteria prescribed under a sustainable finance taxonomy;</li> <li><b>Taxonomy-eligible but not aligned:</b> does not meet the criteria prescribed under a sustainable finance taxonomy;</li> </ul> </li> <li>Note that the information provided in this question should be limited to activities which are eligible (or aligned) under a sustainable finance taxonomy (i.e., activities which are eligible to be classified as environmentally sustainable under the taxonomy).</li> <li>If you are disclosing information under the EU Taxonomy for Sustainable Activities, you should report each of Revenue/Turnover, CAPEX, and, where applicable, OPEX for your selected activities.</li> <li>If you have obtained third party verification/assurance for your taxonomy-alignment data, you will have the opportunity to indicate this in 5.4.3 and 13.1.</li> <li>See "Explanation of terms" for more information.</li> </ul> <p><i>Economic activity (column 1)</i></p> <ul style="list-style-type: none"> <li>Select the option that best describes the activity for which you are disclosing financial information on taxonomy-eligibility or -alignment.</li> <li>The list of economic activities corresponds to the classification of environmentally sustainable economic activities included within the <u>Climate Delegated Act</u> to the EU Taxonomy Regulation. Organizations reporting against taxonomies other than the EU Taxonomy should select the closest approximation of the activity for which you wish to report information, based on their given description within the Climate Delegated Act. Whilst the EU Taxonomy list of activities are largely based on the Nomenclature of Economic Activities (NACE), note that these references are only indicative and not exhaustive. Therefore, even in the absence of a NACE sector reference in the Climate Delegated Act, an economic activity that you wish to report on may yet match the activity description laid out by the Act and be eligible for reporting.</li> <li>If an activity comprises elements that are <u>both</u> taxonomy-aligned and taxonomy-eligible but not aligned (e.g., the activity meets the criteria prescribed under the taxonomy for</li> </ul>
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some of your organization's facilities but not others), add two separate rows for that activity. In one row, provide financial information for the proportion that is taxonomy-aligned, and in the other, provide financial information for the proportion that is taxonomy-eligible but not aligned. Select the relevant option in column 3 to indicate which type of taxonomy alignment you are reporting for each row.

- Organizations disclosing information under the EU Taxonomy for Sustainable Activities may also report eligibility figures for each financial metric if their activities correspond to any of the 12 new activities added following a 2023 [amendment to the Climate Delegated Act](#).

*Taxonomy under which information is being reported (column 2)*

- If you wish to provide financial information on your organization's alignment with an activity-level sustainable finance taxonomy that is not listed, select "Other, please specify" and provide the name of the taxonomy.

*Taxonomy Alignment (column 3)*

- Select "Taxonomy-aligned" to report financial information for an activity (or a proportion of an activity) which meets the criteria prescribed under the sustainable finance taxonomy selected in column 2 in the reporting year.
- Select "Taxonomy-eligible but not aligned" to report financial information for an activity (or a proportion of an activity) which does not meet the criteria prescribed under the sustainable finance taxonomy selected in column 2 in the reporting year.
- If you are disclosing information under the EU Taxonomy for Sustainable Activities, selecting "Taxonomy-aligned" in this column indicates that you are able to provide information in columns 28-31 of this question and column 1 of 5.4.2 as per the requirements of Article 3 of the [EU Taxonomy Regulation](#).
- "Taxonomy-eligible, alignment not assessed" will only appear if you are disclosing information under the EU Taxonomy for Sustainable Activities and have selected one of the 12 newly added activities in column 1 (refer to Annex I of the 2023 [amendment to the Climate Delegated Act](#) for the list of newly added activities). If you wish to disclose information for any of the new activities, you will only have the option to report eligibility figures. Please add rows to report your eligibility figures per financial metric for each activity separately.
- Your selection in this column will drive the appearance of subsequent columns.

*Financial metrics (column 4)*

- Select the financial metrics you would like to provide information for.
- If you are disclosing information under the EU Taxonomy for Sustainable Activities, you should select turnover, CAPEX, and, if relevant, OPEX for each row reported, i.e., for each taxonomy-aligned activity (or proportion of an activity) and each taxonomy-eligible but not aligned activity (or proportion of an activity).
- Your selections in this column will drive the appearance of subsequent columns.

*Types of substantial contribution (column 5)*

- This column is presented if "Taxonomy-aligned" is selected in column 3 "Taxonomy alignment".
- Select the types of substantial contribution to climate change mitigation and/or climate change adaptation you are disclosing for the activity selected in column 1:
  - **Own performance:** the activity is being performed in a way that it itself contributes substantially by making a positive impact or removing a negative impact on climate change mitigation. For example, where the activity is already low-carbon. If you are disclosing alignment against the EU Taxonomy for Sustainable Activities, note that activities are considered substantially contributing through own performance if they meet the corresponding technical screening criteria established by the [Climate Delegated Act](#) (Annex I- pg. 12-140).

- **Adapted activity:** the activity is being performed in a way that it itself contributes substantially by making a positive impact or removing a negative impact on climate change adaptation. For example, where the activity adopts adaptation solutions. If you are disclosing alignment against the EU Taxonomy for Sustainable Activities, note that activities may qualify as substantially contributing through own performance if they meet the corresponding technical screening criteria established by the [Climate Delegated Act](#) (Annex II- pg. 146-346).
- **Transitional activity:** the activity does not have a technologically or economically feasible low-carbon alternative, but substantially contributes to climate change mitigation by supporting the transition to a net-zero carbon economy consistent with a pathway to limit the temperature increase to 1.5C above preindustrial levels.
- **Activity enabling climate change mitigation:** the activity enables a substantial contribution to be made to climate change mitigation in other activities. For example, the activity enables other activities to achieve emissions reductions.
- **Activity enabling climate change adaptation:** the activity enables a substantial contribution to be made to climate change adaptation in other activities. For example, the activity is developing adaptation solutions.
- If you are disclosing against the EU Taxonomy for Sustainable Activities, you are encouraged to use the [EU Taxonomy Compass](#) tool developed by the EU Commission, to determine whether an activity is enabling or transitional.
- If the activity substantially contributes to both climate change mitigation and climate change adaptation, select all types of substantial contribution across both objectives. For example, an activity may contribute substantially to climate change mitigation based on its own performance, and also enable climate change adaptation.

*Taxonomy-aligned [turnover/CAPEX/OPEX] from this activity in the reporting year (currency) (columns 6, 13, 20)*

- These columns are presented if “Taxonomy-aligned” is selected in column 3 “Taxonomy alignment”. The relevant column(s) (6, 13, and/or 20) will be presented based on your selections in column 4 “Financial metrics”.
- Enter the absolute value of taxonomy-aligned [turnover/CAPEX/OPEX] associated with the activity selected in column 1 in the reporting year.
- The figures provided in these columns should be based on your organization-wide financial statement for the reporting year, consistent with your organizational boundary as disclosed in 1.5, and in the same currency that you selected in question 1.2 for all financial information disclosed throughout your response.
- Unless your organization is disclosing alignment against a sustainable finance taxonomy which requires data to be provided for a specific reporting year, the figures provided should be consistent with the reporting year defined by your answer to 1.4.
- Companies Organizations disclosing alignment against the EU Taxonomy for Sustainable Activities should provide figures for a January to December reporting period.

*Taxonomy-aligned [turnover/CAPEX/OPEX] from this activity as % of total [turnover/CAPEX/OPEX] in the reporting year (columns 7, 14, 21)*

- These columns are presented if “Taxonomy-aligned” is selected in column 3 “Taxonomy alignment”. The relevant column(s) (7, 14, and/or 21) will be presented based on your selections in column 4 “Financial metrics”.
- Enter the taxonomy-aligned [turnover/CAPEX/OPEX] associated with the activity selected in column 1 as a percentage of your total [turnover/CAPEX/OPEX] in the reporting year.
- Unless your organization is disclosing alignment against a sustainable finance taxonomy which requires data to be provided for a specific reporting year, the figures provided in these columns should be consistent with the reporting year defined by your answer to 1.4.

- Organizations disclosing alignment against the EU Taxonomy for Sustainable Activities should provide figures for a January to December reporting period, and should refer to Annex I of the [Disclosure Delegated Act](#) (pg. 17-22) and sections II, III and IV of the [EU Commission FAQs](#) (pg. 25-30) for detailed guidance on calculation of these figures, referred to as the 'turnover KPI', 'CapEx KPI' and 'OpEx KPI'. See the Explanation of Terms for more information.

*Taxonomy-aligned [turnover/CAPEX/OPEX] from this activity that substantially contributed to [climate change mitigation/climate change adaptation] as a % of total [turnover/CAPEX/OPEX] in the reporting year (columns 8, 9, 15, 16, 22, 23)*

- These columns are presented if "Taxonomy-aligned" is selected in column 3 "Taxonomy alignment". The relevant columns (8 & 9, 15 & 16, and/or 22 & 23) will be presented based on your selections in column 4 "Financial metrics".
- Enter separately the percentage of your organization's taxonomy-aligned [turnover/CAPEX/OPEX] associated with the activity selected in column 1 that contributed substantially to climate change mitigation (columns 8, 15, 22) and climate change adaptation (columns 9, 16, 23) in the reporting year.
- For example:
  - if 23% your organization's total turnover from the activity in the reporting year contributed to climate change mitigation, but the activity did not contribute to climate change adaptation, enter "23" in column 8, and "0" in column 9; or
  - if the activity did not contribute to climate change mitigation, but 7% your organization's OPEX associated with the activity in the reporting year contributed to climate change adaptation, enter "0" in column 22 and "7" in column 23.
  - If 14% your organization's total CAPEX associated with the activity in the reporting year contributed to climate change mitigation, and 3% your organization's total CAPEX associated with the activity in the reporting year contributed to climate change adaptation, enter "14" in column 15 and "3" in column 16.
- If you are disclosing information under the EU Taxonomy for Sustainable Activities and the activity selected in column 1 substantially contributed to both climate change mitigation and climate change adaptation in the reporting year, depending on the specific nature of the activity, a percentage figure for taxonomy-aligned [turnover/CAPEX/OPEX] may be reported under both objectives. Note that turnover from adapted activities may not be assessed for climate change adaptation except in specific scenarios. For more information on addressing double counting, refer to the examples provided in the [EU Commission FAQs](#) (p15-17).
- Unless your organization is disclosing alignment against a sustainable finance taxonomy which requires data to be provided for a specific reporting year, the figures provided should be consistent with the reporting year defined by your answer to 1.4.
- Organizations disclosing alignment against the EU Taxonomy for Sustainable Activities should provide figures for a January to December reporting period.

*Taxonomy-eligible but not aligned [turnover/CAPEX/OPEX] from this activity in the reporting year (columns 10, 17, 24)*

- These columns are presented if "Taxonomy-eligible but not aligned" is selected in column 3 "Taxonomy alignment". The relevant columns (10, 17, and/or 24) will be presented based on your selections in column 4 "Financial metrics".
- Enter the absolute value of taxonomy-eligible but not aligned [turnover/CAPEX/OPEX] associated with the activity selected in column 1 in the reporting year.
- Unless your organization is disclosing alignment against a sustainable finance taxonomy which requires data to be provided for a specific reporting year, the figures provided should be consistent with the reporting year defined by your answer to 1.4.
- Organizations disclosing alignment against the EU Taxonomy for Sustainable Activities should provide figures for a January to December reporting period.

*Taxonomy-eligible but not aligned [turnover/CAPEX/OPEX] from this activity as % of total [turnover/CAPEX/OPEX] in the reporting year (columns 11, 18, 25)*

- These columns are presented if “Taxonomy-eligible but not aligned” is selected in column 3 “Taxonomy alignment”. The relevant columns (11, 18, and/or 25) will be presented based on your selections in column 4 “Financial metrics”.
- Enter the taxonomy-eligible but not aligned [turnover/CAPEX/OPEX] associated with the activity selected in column 1 as a percentage of your total [turnover/CAPEX/OPEX] in the reporting year.
- Unless your organization is disclosing alignment against a sustainable finance taxonomy which requires data to be provided for a specific reporting year, the figures provided in these columns should be consistent with the reporting year defined by your answer to 1.4.
- Organizations disclosing alignment against the EU Taxonomy for Sustainable Activities should provide figures for a January to December reporting period.

*Taxonomy-eligible but alignment not assessed [turnover/CAPEX/OPEX] from this activity as % of total [turnover/CAPEX/OPEX] in the reporting year (columns 12, 19, 26)*

- These columns are presented if “Taxonomy-eligible, alignment not assessed” is selected in column 3. The relevant columns (12, 19, and/or 26) will be presented based on your selections in column 4 “Financial metrics”.
- Enter the taxonomy-eligible, alignment not assessed [turnover/CAPEX/OPEX] associated with the activity selected in column 1 as a percentage of your total [turnover/CAPEX/OPEX] in the reporting year. Organizations disclosing alignment against the EU Taxonomy for Sustainable Activities should provide figures for a January to December reporting period.

*Calculation methodology and supporting information (column 27)*

- Disclose the basis on which figures reported in this question for the activity selected in column 1 were calculated, including any assessment of the allocation of revenues and expenditures to the activity, and its CAPEX plan (as per the Disclosure Delegated Act (Annex I- pg. 19-22) in the case of the EU Taxonomy).
- Provide any other supporting information, such as the basis on which the turnover, CAPEX, and, if relevant, OPEX were calculated, and any inclusions or exclusions thereof.
- Indicate whether any operations within the activity selected in column 1 are non-eligible under the sustainable finance taxonomy. If you are reporting against the EU Taxonomy for Sustainable Activities use this column to indicate non-eligible activities under the Complementary Delegated Act (Annex III- pg. 43-44).

*Substantial contribution met (column 28)*

- Select whether the activity selected in column 1 meets the technical screening criteria for substantial contribution to climate change mitigation and/or climate change adaptation established under the sustainable finance taxonomy (the Climate Delegated Act (Annexes I and II) in the case of the EU Taxonomy).
- If an activity selected in column 1 substantially contributes to both climate change mitigation and climate change adaptation, select ‘Yes’ in this column only if the technical screening criteria for the activity set against both objectives under the sustainable finance taxonomy have been met.
- For activities that are both taxonomy-aligned and taxonomy-eligible but not aligned (i.e. that you are reporting in two separate rows), select whether the proportion of the activity reported in this row meets the technical screening criteria, as per your selection in column 3 “Taxonomy Alignment”.

*Details of substantial contribution criteria analysis (column 29)*

- If you selected “Yes” in column 28 “Substantial contribution met”, describe how the activity meets the technical screening criteria for substantial contribution to climate change mitigation and/or climate change adaptation.
- If you selected “No”, in column 28 “Substantial contribution met”, you may wish to explain why the activity does not meet the technical screening criteria for substantial contribution to climate change mitigation and/or climate change adaptation.

*Do no significant harm requirements met (column 30)*

- Select whether the activity selected in column 1 meets the criteria set out under the sustainable finance taxonomy (the [Climate Delegated Act](#) (Annexes I and II) in the case of the EU Taxonomy) to demonstrate no significant harm to other environmental objectives.
- You should take into account both the environmental impact of the activity itself and of the products and services provided by that activity.
- If an activity selected in column 1 substantially contributes to both climate change mitigation and climate change adaptation, select ‘Yes’ in this column only if no significant harm is demonstrated against both objectives under the sustainable finance taxonomy.
- For activities that are reported as both taxonomy-aligned and taxonomy-eligible but not aligned (i.e., that you are reporting under two separate rows), select whether the proportion of the activity reported in this row meets the do no significant harm criteria, as per your selection in column 3 “Taxonomy alignment”.
- Organizations disclosing alignment against the EU Taxonomy for Sustainable Activities should refer to Section III of the [EU Commission FAQs](#) (p67- 76) for further guidance on the do no significant harm criteria.

*Details of do no significant harm analysis (column 31)*

- If you selected “Yes” in column 30 “Do no significant harm requirements met”, describe how the activity met the technical screening criteria for do no significant harm for climate change mitigation and/or climate change adaptation.
- If you selected “No”, in column 30 “Do no significant harm requirements met”, you may wish to explain why the activity did not meet the technical screening criteria for do no significant harm for climate change mitigation and/or climate change adaptation.

*Minimum safeguards compliance requirements met (column 32)*

- Select whether the activity selected in column 1 complies with international best practices for sustainable business and social safeguards such as the:
  - OECD Guidelines for Multinational Enterprises
  - UN Guiding Principles on Business and Human Rights
  - ⊖ ILO Declaration on the Fundamental Principles and Rights at Work
  - International Bill of Human Rights
- For activities that are both taxonomy-aligned and taxonomy-eligible but not aligned (i.e., that you are reporting under two separate rows), select whether the proportion of the activity reported in this row complies with international best practices for sustainable business and social safeguards, as per your selection in column 3 “Taxonomy Alignment”.
- You will have the option to provide details of your minimum safeguards compliance in 5.4.3.

*Attach any supporting evidence (column 33)*

- You may use this column to attach any evidence or reports referenced in columns 27, 29 and 31 (e.g., substantial contribution criteria analysis, EIA reports or adaptation plans developed as part of do no significant harm compliance).



Company A response: Company A reports turnover associated with an activity which is taxonomy eligible but not aligned with the EU Taxonomy. The activity is not aligned as it does not meet the do no significant harm requirements prescribed under the taxonomy.

1	2	3	4	10	11	27
Economic activity	Taxonomy under which information is being reported	Taxonomy alignment	Financial metrics	Taxonomy-eligible but not aligned turnover from this activity in the reporting year (currency)	Taxonomy-eligible but not aligned turnover from this activity as % of total turnover in the reporting year	Calculation methodology and supporting information
Manufacture of renewable technologies	EU Taxonomy for Sustainable Activities	Taxonomy-eligible but not aligned	Turnover	250,500	9	Based on a detailed analysis of our economic activities and products in solar PVC and CSP manufacturing, we have assigned them to the EU Taxonomy activity 'Manufacture of renewable energy technologies'. We generate 9% of our total turnover from the manufacture of renewable energy technologies eligible under the taxonomy, such as solar PV cells, inverters, and thermal storage systems. This figure represents our net turnover from products or services associated with PVC and CSP manufacturing, including intangible assets, IP licensing, and R&D, divided by our total net turnover. The solar PVC and CSP activities considered here are found to be fully taxonomy-eligible, without any operations that are non-eligible.

28	29	30	31	32	33
Substantial contribution criteria met	Details of substantial contribution criteria analysis	Do no significant harm requirements met	Details of do no significant harm analysis	Minimum safeguards compliance requirements met	Attach any supporting evidence
Yes	Solar PVC and CSP fall within the definition of 'renewable energy' under Directive (EU) 2018/2001. Therefore, the manufacture of solar PVC and CSP technologies meets the technical screening criteria requirement for activities falling under 'Manufacture of renewable energy technologies' outlined in Annex I	No	To address the DNSH criteria under 'Manufacture of renewable energy technologies', we performed a detailed climate risks and vulnerability assessment based on climate projections appropriate to the lifespan and scale of our business activities. We assessed physical risks from the manufacture of CSP and solar PV cells such as water stress and the emission of toxic chemicals to water, and installed water treatment	Yes	Sustainability report

	of the Climate Delegated Act.		<p>and recycling equipment as adaptation measures to address these risks. We also performed an environmental impact assessment to identify threats of habitat loss and fragmentation and implemented measures based on the mitigation hierarchy, to avoid operations in biodiversity sensitive areas and mitigate damage where necessary. Please refer to our annual sustainability report (attached) to find a detailed summary of our EIA.</p> <p>Due to limited resources, our vulnerability assessment report does not, at this stage, include an assessment of the scope for reuse and use of secondary raw material components in our manufactured products, which is a DNSH requirement for transition to a circular economy. We therefore do not meet all the DNSH requirements outlined in the Climate Delegated Act. However, we have included plans for assessing and adopting waste management measures to prioritize recycling over disposal of material.</p>		
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Company B response: Company B reports turnover and CAPEX associated with an activity which is aligned with the EU Taxonomy because it meets all the criteria prescribed under the taxonomy to make a substantial contribution to climate change mitigation based on own performance.

1	2	3	4	5	6	7
Economic activity	Taxonomy under which information is being reported	Taxonomy alignment	Financial metrics	Types of substantial contribution	Taxonomy-aligned turnover from this activity in the reporting year (currency)	Taxonomy-aligned turnover from this activity as % of total turnover in the reporting year
Electricity generation from bioenergy	EU Taxonomy for Sustainable Activities	Taxonomy-aligned	<ul style="list-style-type: none"> <li>• Turnover</li> <li>• CAPEX</li> </ul>	Own performance	520,500	14

8	13	14	15	27
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Taxonomy-aligned turnover from this activity that substantially contributed to Climate change mitigation as a % of total turnover in the reporting year	Taxonomy-aligned CAPEX from this activity in the reporting year (currency)	Taxonomy-aligned CAPEX from this activity as % of total turnover in the reporting year	Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change mitigation as a % of total CAPEX in the reporting year	Calculation methodology and supporting information
14	35,000	12	12	14% our total turnover in the reporting year can be attributed to the sale of renewable electricity generated from biogas and bioliquids. 12% of our total CAPEX in the reporting year was also associated with the construction of new bioenergy power generation plants.

28	29	30	31	32	33
Substantial contribution criteria met	Details of substantial contribution criteria analysis	Do no significant harm requirements met	Details of do no significant harm analysis change mitigation as a % of total OPEX in the reporting year	Minimum safeguards compliance requirements met	Attach any supporting evidence
Yes	Our electricity generation installations generate a total rated thermal input of 90 MW which meets the energy efficiency level associated with the best available techniques (BAT) conclusions for large combustion plants, as per the technical screening criteria outlined in Annex I of the Climate Delegated Act.	Yes	Plants which are located within zones that do not comply with the air quality limit values prescribed by Directive 2008/50/EC implement measures to reduce emission levels, taking into account the results of the information exchange published by the EU Commission in accordance with Directive (EU) 2015/2193. A climate risk and vulnerability assessment proportionate to the scale of the plants was conducted and the results published in our sustainability report (attached). Environmental degradation risks related to preserving water quality and avoiding water stress are identified and addressed in an Environmental Impact Assessment report (also attached), along with mitigation and compensation measures identified for biodiversity areas affected.	Yes	Sustainability report  Environmental impact assessment report

Company C response: Company C reports turnover associated with an activity which is aligned with the EU Taxonomy because it meets all the criteria prescribed under the taxonomy to make a substantial contribution to multiple objectives – contributing to climate change mitigation based on own performance, and enabling climate change adaptation.

1	2	3	4	5	6	7	8	9
Economic activity	Taxonomy under which information is being reported	Taxonomy alignment	Financial metrics	Types of substantial contribution	Taxonomy-aligned turnover from this activity in the reporting year (unit currency as	Taxonomy-aligned turnover from this activity as % of total turnover in the reporting year	Taxonomy-aligned turnover from this activity that substantially contributed to Climate change mitigation as a % of total turnover in the reporting year	Taxonomy-aligned turnover from this activity that substantially contributed to Climate change adaptation as a % of total turnover in the reporting year

					selected in 1.2			
Afforestation	EU Taxonomy for Sustainable Activities	Taxonomy - aligned	Turnover	<ul style="list-style-type: none"> <li>• Own performance</li> <li>• Activity enabling climate change mitigation</li> </ul>	80,000	5	4	1

27	28	29
Calculation methodology and supporting information	Substantial contribution criteria met	Details of substantial contribution criteria analysis
<p>Of the taxonomy-eligible revenue from our activities, we assess the taxonomy-aligned sales from silviculture and logging associated with the category of 'Afforestation' under the EU Taxonomy to be 4% of the total net turnover from our activities.</p> <p>Additionally, we assess 1% turnover resulting from the sale of drought-resistant seeds and saplings, given that the afforested land is classified as a drought prone area as per the national remote sensing records.</p> <p>In our assessment of taxonomy-eligible turnover, we only consider external sale of forestry products and not internal revenue generated by sale of products within the value chain of our enterprise. We have accounted for this latter revenue as part of the total taxonomy non-eligible turnover.</p>	Yes	<p>We have complied with the technical screening criteria by publishing a detailed afforestation plan and a subsequent forest management plan, fully aligned with the national laws on environmental impact assessment (available on our website). We have also published a detailed climate benefit analysis which demonstrates below-baseline GHG emissions since the start of the activity 10 years ago, when compared to a business-as-usual scenario in the absence of the afforestation activity over the same time period. The climate benefit analysis report (attached) also details the benefits to the local farming community during dry months from the sale of drought-prone seeds and saplings. We have also published the latest external audit report conducted by the FSC on our website.</p>

30	31	32	33
Do no significant harm requirements met	Details of do no significant harm analysis	Minimum safeguards compliance requirements met	Attach any supporting evidence
Yes	<p>We comply with the DNSH requirement for pollution prevention and control by implementing and monitoring alternative techniques and approaches to minimize the use of chemical fertilizers and pesticides. We also document records of chemical pesticides to verify our compliance with EU Regulation 2019/1021 and international legal frameworks such as the Rotterdam Convention.</p> <p>We also comply with the DNSH requirement for protection and restoration of biodiversity and ecosystems. Our forest management plan outlines a</p>	Yes	Environmental impact assessment report

	<p>plan for enhancing biodiversity in accordance with the national law, including measures to tackle the spread of invasive species. We have also published our EIA report on our website.</p> <p>We also comply with DNSH requirement for both climate change mitigation and adaptation by meeting the TSC for these objectives.</p>		
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Company D response: Company D reports CAPEX associated with a newly added activity that is eligible under the EU Taxonomy, whose alignment has not yet been assessed.

1	2	3	4	6
Economic activity	Taxonomy under which information is being reported	Taxonomy alignment	Financial metrics	Taxonomy-eligible, alignment not assessed CAPEX associated with this activity as % of total CAPEX in the reporting year
Manufacture, installation, and servicing of high, medium and low voltage electrical equipment for electrical transmission and distribution that result in or enable a substantial contribution to climate change mitigation	EU Taxonomy for Sustainable Activities	Taxonomy eligible, alignment not assessed	CAPEX	55%

27	33
Calculation methodology and supporting information	Attach any supporting evidence
<p>Our company specialises in meter installation and servicing for businesses and households. We began assessing the eligibility of our revenue and spending with the EU Taxonomy this year due to the recent inclusion of activities relevant to our business under the Taxonomy Regulation. In our assessment, we considered CAPEX associated with our electric and gas meter installation which includes the cost of equipment and assembly, amounting to 35% of our total capital expenditure. We have also accounted for costs associated with our servicing operations which extend to maintenance, repair and meter conversions, amounting to 20% of our total capital expenditure.</p> <p>With smart meter installation and conversion from analogue to digital meters as our special focus, we expect in future to report taxonomy alignment through substantial contribution to climate change mitigation by own performance as well as by enabling mitigation.</p> <p>By 2025, we expect close to 20% of our CAPEX associated with our smart meter technology designed to increase energy efficiency of low voltage installations, to be aligned with the taxonomy. We are also currently scoping out the expansion of our business to distribute software enabling grid simulation to improve performance, which we believe, will increase the proportion of our taxonomy aligned turnover, CAPEX and OPEX.</p>	N/A

Authoring notes	
Tags	
Corporate authority	Capital Markets
Environmental Issue (Theme)	Question level CC
Sector	Question level All (except FS)

**(5.4.3) Provide any additional contextual and/or verification/assurance information relevant to your organization’s taxonomy alignment.**

Question details	
Question dependencies	This question only appears if you select “A sustainable finance taxonomy” in response to column “Methodology or framework used to assess alignment with your organization’s climate transition” of 5.4.
Change from last year	Modified question (2023 C3.5c)
Rationale	This question helps data users interpret the information organizations provide on the alignment of their spending/revenue with a sustainable finance taxonomy. Assurance and verification provides confidence in the accuracy of data reported.
Ambition	Organizations are transparent about their approach to assessing alignment with sustainable finance taxonomies and the alignment is verified/assured by a third party.
Connection to other frameworks	ESRS 2 ESRS E1
Response options	Please complete the following table.

1	2	3	4
Details of minimum safeguards analysis	Additional contextual information relevant to your taxonomy alignment	Indicate whether you will be providing verification/assurance information relevant to your taxonomy alignment in question 13.1	Please explain why you will not be providing verification/assurance information relevant to your taxonomy alignment in question 13.1
Text field [maximum 2,500 characters]	Text field [maximum 2,500 characters]	Select from: <ul style="list-style-type: none"> <li>• Yes</li> <li>• No</li> </ul>	Text field [maximum 2,500 characters]

[Fixed row]

Requested content	<p><i>Details of minimum safeguards analysis (column 1)</i></p> <ul style="list-style-type: none"> <li>• This column only appears if “At both organization and activity level” is selected in column 4 of question 5.4.</li> <li>• Use this column to provide information on the minimum safeguards analysis undertaken for all your activities reported in 5.4.2.</li> <li>• For activities that you selected “Yes” in column 32 of question 5.4.2, describe how the activities comply with international best practices for sustainable business and social safeguards.</li> <li>• For activities that you selected “No” in column 32, explain why the activities do not comply with international best practices for sustainable business and social safeguards.</li> </ul> <p><i>Additional contextual information relevant to your taxonomy alignment (column 2)</i></p> <ul style="list-style-type: none"> <li>• You may use this column to provide information related to the scope of your activities subjected to taxonomy evaluation. You may report information on your activities that do not fall within the scope of taxonomy-eligible activities listed in column 1 of 5.4.2.</li> </ul>
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	<ul style="list-style-type: none"> <li>You may also elaborate on any assumptions made to determine your taxonomy-eligible activities, for example of the financial accounting system used to calculate the figures for turnover, CAPEX and, where relevant, OPEX in 5.4.1 and 5.4.2.</li> <li>If you are disclosing against the EU Taxonomy for Sustainable Activities, you may report contextual information on the turnover, CAPEX and OPEX KPIs as specified by the <u>Disclosure Delegated Act</u> (Annex I, p20). If you have reported figures for any of the “Taxonomy eligible, alignment not assessed” activities in question 5.4.2, you may use this column to report on your current efforts or plans to assess taxonomy alignment for these activities.</li> </ul> <p><i>Indicate whether you will be providing verification/assurance information relevant to your taxonomy alignment in question 13.1 (column 3)</i></p> <ul style="list-style-type: none"> <li>Select “Yes” if you have undertaken verification and/or assurance of your taxonomy reporting via a third party. You should provide information related to your verification and/or assurance and relevant attachments in question 13.1.</li> <li>Select “No” if you have not undertaken verification and/or assurance of your taxonomy reporting via third party.</li> <li>Organizations disclosing against the EU Taxonomy for Sustainable Activities may use this column to indicate whether they have provided information related to their compliance with the assurance requirements under the Corporate Sustainability Reporting Directive (CSRD).</li> </ul> <p><i>Please explain why you will not be providing verification/assurance information relevant to your taxonomy alignment in question 13.1 (column 4)</i></p> <ul style="list-style-type: none"> <li>This column only appears if you have selected “No” in column 3.</li> <li>You may use this column to explain why you have not undertaken an assurance assessment of your taxonomy reporting. You may also elaborate on any plans to undertake an assurance assessment of your taxonomy data in the future.</li> <li>Organizations disclosing against the EU Taxonomy for Sustainable Activities may use this column to indicate their plans to comply with the assurance requirements under the Corporate Sustainability Reporting Directive (CSRD).</li> </ul>
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1	2	3	4
Details of minimum safeguards analysis	Additional contextual information relevant to your taxonomy accounting	Indicate whether you will be providing verification/assurance information relevant to your taxonomy alignment in question 13.1	Please explain why you will not be providing verification/assurance information relevant to your taxonomy alignment in question 13.1
We have complied with the minimum safeguards assessment for our activities in the solar PVC and CSP manufacturing sector as per the EU Taxonomy requirement. We assessed compliance across 12 of our manufacturing sites in 3 countries. We adhere to the minimum safeguards criteria through a human rights risk assessment based on the UN Guiding Principles on Business and Human Rights. Risk specific measures identified from the analysis will be implemented by the end of 2024.	We have outlined a long-term proposal in our CAPEX and OPEX planning document to invest in recycling technology for end-of-life solar panels to be reinserted into the manufacturing process. In the short-term, we have outlined a plan to contract with external waste treatment and recycling facilities to outsource our recycling process. In this way we hope to achieve alignment with the do no significant harm criteria of the Taxonomy Regulation and boost our alignment.	Yes	N/A

Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	CC
Sector	Question level	All (except FS)

### **Low-carbon R&D (C only)**

#### **5.5 Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?**

Question details	
Change from last year	No change (2023 C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/TO9.6/TS9.6)
Rationale	Investment in R&D of new low-carbon technologies is needed to mitigate transition risk. According to the TCFD recommendations, the level of investment provides an indication of how exposed future earning capacity is to climate risks.
Response options	Please complete the following table:

1	2
<b>Investment in low-carbon R&amp;D</b>	<b>Comment</b>
Select from: <ul style="list-style-type: none"> <li>• Yes</li> <li>• No</li> </ul>	Text field [maximum 2,400 characters]

[fixed row]

Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	CC
Sector	Question level	CE, CG,CH,CN,CO,EU,MM,OG,RE,ST,TO,TS

#### **5.5.1 Provide details of your organization's investments in low-carbon R&D for cement production activities over the last three years.**

Change from last year	No change (2023 C-CE9.6a)
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**5.5.2 Provide details of your organization’s investments in low-carbon R&D for capital goods products and services over the last three years**

Change from last year	No change (2023 C-CG9.6a)
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**5.5.3 Provide details of your organization’s investments in low-carbon R&D for chemical production activities over the last three years.**

Change from last year	No change (2023 C-CH9.6a)
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**5.5.4 Provide details of your organization’s investments in low-carbon R&D for metals and mining production activities over the last three years.**

Change from last year	No change (2023 C-MM9.6a)
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**5.5.5 Provide details of your organization’s investments in low-carbon R&D for steel production activities over the last three years.**

Change from last year	No change (2023 C-ST9.6a)
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**5.5.6 Provide details of your organization’s investments in low-carbon R&D for real estate and construction activities over the last three years.**

Change from last year	No change (2023 C-CN9.6a/C-RE9.6a)
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**5.5.7 Provide details of your organization's investments in low-carbon R&D for your sector activities over the last three years.**

Question details	
Question dependencies	This question only appears if you select “Yes” in response to 5.5.
Change from last year	No change (C-CO9.6a/C-EU9.6a/C-OG9.6a)
Rationale	Actions being taken by high intensity sectors are key in the transition to a low-carbon economy. Specifically, the level of investments in low-carbon R&D provides an indication of

	the level to which future earning capacity of core business might be affected, and the extent to which future resilience to climate-related issues can be incorporated in businesses.
Ambition	Companies invest in R&D for clean technologies that are important for net-zero emissions.
Response options	Please complete the following table. You are able to add rows by using the “Add Row” button at the bottom of the table.

1	2	3	4	5	6
<b>Technology area</b>	<b>Stage of development in the reporting year</b>	<b>Average % of total R&amp;D investment over the last 3 years</b>	<b>R&amp;D investment figure in the reporting year (unit currency as selected in 1.2 ) (optional)</b>	<b>Average % of total R&amp;D investment planned over the next 5 years</b>	<b>Explain how your R&amp;D investment in this technology area is aligned with your climate commitments and/or climate transition plan</b>
Select from: {Authors: Please author the applicable dropdown options as outlined below}	Select from: <ul style="list-style-type: none"> <li>• Basic academic/theoretical research</li> <li>• Applied research and development</li> <li>• Pilot demonstration</li> <li>• Full/commercial-scale demonstration</li> <li>• Small scale commercial deployment</li> <li>• Large scale commercial deployment</li> </ul>	Numerical field [enter a number from 0-100 using a maximum of 2 decimal places]	Numerical field [enter a number from 0-999,999,999,999,999 using a maximum of 2 decimal places]	Numerical field [enter a number from 0-100 using a maximum of 2 decimal places]	Text field [maximum 2,500 characters]

[Add row]

Dropdown options for column Technology area (column 1) by question:

**5.5.1**

- Alternative low-CO2 cements/binders
- Carbon capture, utilization, and storage (CCUS)
- Control systems
- Fuel switching
- High temperature heating
- Low clinker cement
- Low to medium temperature heating
- Waste heat recovery
- Other, please specify
- Unable to disaggregate by technology area

**5.5.2**

- Carbon capture, utilization, and storage (CCUS)
- Control systems
- Distributed energy resources (DER)
- Electromobility components

- Energy storage
- High temperature heating
- Hydrogen power
- Low to medium temperature heating
- Machinery automation
- Recycling
- Remanufacturing
- Renewable energy
- Other, please specify
- Unable to disaggregate by technology area

### 5.5.3

- Alternative liquid fuels
- Bio technology
- Carbon capture, utilization, and storage (CCUS)
- Chemical production using variable renewables
- Control systems
- Electrolysis
- High temperature heating
- Low to medium temperature heating
- Methane reforming with CCUS
- Process step integration
- Product redesign
- Radical process redesign
- Waste heat recovery
- Other, please specify
- Unable to disaggregate by technology area

### 5.5.6

- Air-to-air heat pump
- Air-to-water heat pump
- Biofuel appliances
- Building integrated photovoltaic systems
- Building integrated solar thermal collector (BIST)
- Combined solar PV and heat pump
- Demand response
- Design tools
- Direct current buildings system
- Double smart grid
- Evaporative cooling
- Extending building lifetime
- Ground-source heat pump
- Heat exchanger
- Hybrid heat pump
- Hydrogen boiler
- Insulation
- Large-scale heat pump
- Lightweighting
- Passive buildings
- Pellets burning stove and boiler
- Polymer/Organic LED
- Reducing material losses
- Resilient buildings

- Thermal storage
- Water heating heat pump booster
- Other, please specify
- Unable to disaggregate by technology area

#### 5.5.4

- Alternative fuels
- Control systems
- High temperature heating
- Inert smelting anodes
- Low-to-medium temperature heating
- Metal recycling
- Other, please specify
- Unable to disaggregate by technology area

#### 5.5.5

- Alternative steelmaking processes
- Carbon capture, utilization, and storage (CCUS)
- Control systems
- Efficiency/recovery equipment on existing process plant
- Electrolytic hydrogen blending
- High temperature heating
- Low-to-medium temperature heating
- New process plant with improved efficiency
- Other, please specify
- Unable to disaggregate by technology area

#### 5.5.7

**Author Note:** The dropdowns are dependent on the sector that the company is in. If a coal company sees this question they should only see the dropdowns under the heading “Coal” below.

#### Coal

- Control systems
- Carbon capture, utilization, and storage (CCUS)
- Coal bed methane capture
- Combustion optimization and modification
- Monitoring systems to reduce emissions
- Process improvements
- Renewable energy
- Other, please specify
- Unable to disaggregate by technology area

#### Electric Utilities

- Battery storage
- Carbon capture, utilization, and storage (CCUS)
- Demand response
- Efficient transmission technology
- Hydropower energy generation
- Mechanical storage
- Nuclear energy generation
- Ocean thermal energy generation
- Smart grid integration
- Solar energy generation

- Tidal energy generation
- Wave energy generation
- Wind energy generation
- Other, please specify
- Unable to disaggregate by technology area

**Oil and Gas**

- Advanced monitoring techniques
- Alternative liquid fuels
- Carbon capture, utilization, and storage (CCUS)
- Energy efficiency in transport
- Hydrogen
- Hydrogen storage
- Methane reforming with CCUS
- Pipeline
- Other, please specify
- Unable to disaggregate by technology area

Requested content	<p><b>General</b></p> <ul style="list-style-type: none"> <li>• Depending on the financial accounting standard your organization adheres to, R&amp;D investment may be calculated from your organization’s CAPEX or OPEX. Organizations may also invest in R&amp;D via acquisitions.</li> </ul> <p><b>Technology area</b> (column 1)</p> <ul style="list-style-type: none"> <li>• Select the option that best describes the technology area that the investment relates to from the list of options provided, which have been developed using the <a href="#">IEA Energy Perspectives (ETP) Clean Energy Technology Guide</a>. Refer to the guide for examples of technologies which can be categorized under each technology area.</li> <li>• If the investment you are disclosing does not fall into any of the technology areas provided, select “Other, please specify”.</li> <li>• If you invest in low-carbon R&amp;D relating to multiple technologies, please provide data for each investment separately by adding one row per technology area.</li> <li>• If you invest in low-carbon R&amp;D but are unable to provide details relating to a specific technology area, select “Unable to disaggregate by technology area” and provide further details in column “Explain how...”.</li> </ul> <p><b>Stage of development in the reporting year</b> (column 2)</p> <ul style="list-style-type: none"> <li>• Select the option that best describes the stage of development of the low-carbon technology the investment relates to in the reporting year.</li> <li>• This column will not appear if “Unable to disaggregate by technology area” is selected in the previous column.</li> </ul> <p><b>Average % of total R&amp;D investment over the last 3 years</b> (column 3)</p> <ul style="list-style-type: none"> <li>• Enter the percentage of investment in low-carbon R&amp;D relating to the selected technology area as an average proportion of your total R&amp;D spend over the last 3 years.</li> <li>• If you are unable to disaggregate your investments by technology area, you should enter the percentage of your total investment in low-carbon R&amp;D as an average proportion of your total R&amp;D spend over the last 3 years.</li> <li>• This figure can be calculated with the following formula, where X is your reporting year:</li> </ul>
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$$\left( \frac{\text{investment in year X} + \text{investment in year X-1} + \text{investment in year X-2}}{\text{total R\&D in year X} + \text{total R\&D in year X-1} + \text{total R\&D in year X-2}} \right) * 100$$

- The sum of figures entered in this column for all rows should not exceed 100%

**R&D investment figure in the reporting year (optional) (column 4)**

- If you wish to provide the low-carbon R&D investment figure in the reporting year relating to the technology area (or overall if unable to disaggregate), you can do so in this column. This is optional.

**Average % of total R&D investment planned over the next 5 years (column 5)**

- Enter the low-carbon R&D investment figure planned for the selected technology area as a percentage of your organization’s total R&D investment planned over the next 5 years.
- This figure can be calculated with the following formula, where X is your reporting year:

$$\left( \frac{\text{(planned investment in year X + 1)} + \text{(planned investment in year X + 2)} + \text{(planned investment in year X + 3)} + \text{(planned investment in year X + 4)} + \text{(planned investment in year X + 5)}}{\text{(total planned R\&D in year X + 1)} + \text{(total planned R\&D in year X + 2)} + \text{(total planned R\&D in year X + 3)} + \text{(total planned R\&D in year X + 4)} + \text{(total planned R\&D in year X + 5)}} \right) * 100$$

- The sum of figures entered in this column for all rows should not exceed 100%.
- If you do not have any low-carbon R&D investment planned over the next 5 years for the selected technology area, enter “0” in this column.
- It is acknowledged that the figure entered for this column will be estimates. You may, for example, estimate planned low-carbon R&D investment for a technology area based on your organization’s strategy, financial planning, and/or climate transition plan. Assumptions underlying these estimates should be disclosed in the final column “Explain how...”.
- If you are unable to disaggregate your investments by technology area, enter the percentage that best represents your total planned investment in low-carbon R&D as a percentage of your organization’s total R&D investment planned over the next 5 years
- Note that “the next 5 years” start from the end of the reporting year as reported in 1.4 e.g. if your reporting year in 1.4 is from 01/01/2022 to 31/12/2022, then the next 5 years will be from 01/01/2023 to 31/12/2027.

**Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan (column 6)**

- For example, if relevant, explain how the technology area your organization has invested in is key to your sector’s transition to net-zero emissions by 2050 or earlier, and/or how it relates to key performance indicators within your climate transition plan. Explain why your organization has chosen to invest in this low-carbon technology area over other technologies relevant to your sector.
- You may also wish to provide further details of your investments in low-carbon R&D, their trend, and any other pertinent information relating to the technology.
- If you are unable to disclose investments relating to specific low-carbon technologies, you may wish to explain your organization’s general approach to low-carbon R&D and how it relates to your climate commitments and/or, if relevant, your organization’s climate transition plan in this column.

Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	CC
Sector	Question level	5.5.1 CE 5.5.2 CG 5.5.3. CH 5.5.4 MM 5.5.5 ST 5.5.6 CN/RE 5.5.7CO/EU/OG <i>(note that it is a different question per sector except for the grouped ones e.g. CN/RE)</i>

**5.5.8 Provide details of your organization’s investments in low-carbon R&D for transport-related activities cover the last three years.**

Question details	
Question dependencies	This question only appears if you select “Yes” in response to 5.5.
Change from last year	No change (2023 C-TO9.6a/C-TS9.6a)
Rationale	Actions being taken by high intensity sectors are key in the transition to a low-carbon economy. Specifically, the level of investments in low-carbon R&D provides an indication of the level to which future earning capacity of core business might be affected, and the extent to which future resilience to climate-related issues can be incorporated in businesses.
Ambition	Companies invest in R&D for clean technologies that are important for net-zero emissions.
Response options	Please complete the following table. You are able to add rows by using the “Add Row” button at the bottom of the table.

1	2	3	4	5	6	7
<b>Activity</b>	<b>Technology area</b>	<b>Stage of development in the reporting year</b>	<b>Average % of total R&amp;D investment over the last 3 years</b>	<b>R&amp;D investment figure in the reporting year (unit currency as selected in 1.2 ) (optional)</b>	<b>Average % of total R&amp;D investment planned over the next 5 years</b>	<b>Explain how your R&amp;D investment in this technology area is aligned with your climate commitments and/or climate transition plan</b>
Select from: Drop down	Select from: <i>{Authors: Please</i>	Select from: <ul style="list-style-type: none"> <li>Basic academic/theoretical research</li> </ul>	Numerical field [enter a number from 0-100 using a	Numerical field [enter a number from 0-999,999,999,999,99	Numerical field [enter a number from 0-100 using a	Text field [maximum 2,500 characters]

options determined by transport modes selected in 1.21	<i>author the applicable dropdown options as outlined below</i>	<ul style="list-style-type: none"> <li>• Applied research and development</li> <li>• Pilot demonstration</li> <li>• Full/commercial-scale demonstration</li> <li>• Small scale commercial deployment</li> <li>• Large scale commercial deployment</li> </ul>	maximum of 2 decimal places]	9 using a maximum of 2 decimal places]	maximum of 2 decimal places]	
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[Add row]

**Technology area (column 2)**

Select from:

**Light Duty Vehicles (LDV)**

- Alternative battery technology
- Automated and connected vehicles (level 4+)
- Battery electric vehicle
- Dynamic charging or electric road system
- Ethanol-fuelled diesel engine
- Fast charging
- Hydrogen fuel cell
- Hydrogen tank
- Infrastructure
- Materials
- Smart charging
- Other, please specify
- Unable to disaggregate by technology area

**Heavy Duty Vehicles (HDV)**

- Alternative battery technology
- Automated and connected vehicles (level 4+)
- Battery electric vehicle
- Dynamic charging or electric road system
- Ethanol-fuelled diesel engine
- Fast charging
- Hydrogen fuel cell
- Hydrogen tank
- Infrastructure
- Management
- Materials
- Operations
- Smart charging
- Other, please specify
- Unable to disaggregate by technology area

**Rail**

- Alternative fuels
- Control systems
- Electrification
- Hyperloop
- Infrastructure



- Management
- Materials
- Other, please specify
- Unable to disaggregate by technology area

**Marine**

- Ammonia bunkering
- Ammonia fuel cell
- Ammonia-fuelled engine
- Battery electric vehicle
- Cold ironing
- Hydrodynamics/fluid mechanics
- Hydrogen bunkering
- Hydrogen fuel cell
- Hydrogen-fuelled vehicle
- Materials
- Operations
- Rotor sail
- Other, please specify
- Unable to disaggregate by technology area

**Aviation**

- Aerodynamics
- Airframe
- Alternative fuels
- Electronics
- Geared Turbo Fan – Ultra-High Bypass Ratio engine
- Ground handling operations
- Management
- Open rotor
- Operations
- Other propulsion technology, please specify
- Other, please specify
- Unable to disaggregate by technology area

Requested content	<p><b>General</b></p> <ul style="list-style-type: none"> <li>• Depending on the financial accounting standard your organization adheres to, R&amp;D investment may be calculated from your organization’s CAPEX or OPEX. Organizations may also invest in R&amp;D via acquisitions.</li> </ul> <p><b>Activity (column 1)</b></p> <ul style="list-style-type: none"> <li>• Select the activity that you would like to provide data for.</li> <li>• Activities presented in the drop-down options are determined by transport modes selected in response to 1.21. Businesses classified as Transport-OEMs Engine Part Manufacturers will see all the dropdown options as they are not presented with 1.21.</li> </ul> <p><b>Technology area (column 2)</b></p> <ul style="list-style-type: none"> <li>• Select the option that best describes the technology area that the investment relates to from the list of options provided, which have been developed using the <a href="#">IEA Energy Perspectives (ETP) Clean Energy Technology Guide</a>. Refer to the guide for examples of technologies which can be categorized under each technology area.</li> </ul>
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- If the investment you are disclosing does not fall into any of the technology areas provided, select “Other, please specify”.
- If you invest in low-carbon R&D relating to multiple technologies, please provide data for each investment separately by adding one row per technology area.
- If you invest in low-carbon R&D but are unable to provide details relating to a specific technology area, select “Unable to disaggregate by technology area” and provide further details in column “Explain how...”.

**Stage of development in the reporting year (column 3)**

- Select the option that best describes the stage of development of the low-carbon technology the investment relates to in the reporting year.
- This column will not appear if “Unable to disaggregate by technology area” is selected in the previous column.

**Average % of total R&D investment over the last 3 years (column 4)**

- Enter the percentage of investment in low-carbon R&D relating to the selected technology area as an average proportion of your total R&D spend over the last 3 years.
- If you are unable to disaggregate your investments by technology area, you should enter the percentage of your total investment in low-carbon R&D as an average proportion of your total R&D spend over the last 3 years.
- This figure can be calculated with the following formula, where X is your reporting year:

$$\left( \frac{\text{investment in year X} + \text{investment in year X-1} + \text{investment in year X-2}}{\text{total R\&D in year X} + \text{total R\&D in year X-1} + \text{total R\&D in year X-2}} \right) * 100$$

- The sum of figures entered in this column for all rows should not exceed 100%

**R&D investment figure in the reporting year (optional) (column 5)**

- If you wish to provide the low-carbon R&D investment figure in the reporting year relating to the technology area (or overall if unable to disaggregate), you can do so in this column. This is optional.

**Average % of total R&D investment planned over the next 5 years (column 6)**

- Enter the low-carbon R&D investment figure planned for the selected technology area as a percentage of your organization’s total R&D investment planned over the next 5 years.
- This figure can be calculated with the following formula, where X is your reporting year:

$$\left( \frac{(\text{planned investment in year X + 1}) + (\text{planned investment in year X + 2}) + (\text{planned investment in year X + 3}) + (\text{planned investment in year X + 4}) + (\text{planned investment in year X + 5})}{(\text{total planned R\&D in year X + 1}) + (\text{total planned R\&D in year X + 2}) + (\text{total planned R\&D in year X + 3}) + (\text{total planned R\&D in year X + 4}) + (\text{total planned R\&D in year X + 5})} \right) * 100$$

- The sum of figures entered in this column for all rows should not exceed 100%.
- If you do not have any low-carbon R&D investment planned over the next 5 years for the selected technology area, enter “0” in this column.
- It is acknowledged that the figure entered for this column will be estimates. You may, for example, estimate planned low-carbon R&D investment for a technology area based on your organization’s strategy, financial planning, and/or climate transition plan. Assumptions underlying these estimates should be disclosed in the final column “Explain how...”.

	<ul style="list-style-type: none"> <li>If you are unable to disaggregate your investments by technology area, enter the percentage that best represents your total planned investment in low-carbon R&amp;D as a percentage of your organization's total R&amp;D investment planned over the next 5 years</li> <li>Note that "the next 5 years" start from the end of the reporting year as reported in 1.4e.g. if your reporting year in 1.4 is from 01/01/2022 to 31/12/2022, then the next 5 years will be from 01/01/2023 to 31/12/2027.</li> </ul> <p><b>Explain how your R&amp;D investment in this technology area is aligned with your climate commitments and/or climate transition plan</b> (column 7)</p> <ul style="list-style-type: none"> <li>For example, if relevant, explain how the technology area your organization has invested in is key to your sector's transition to net-zero emissions by 2050 or earlier, and/or how it relates to key performance indicators within your climate transition plan. Explain why your organization has chosen to invest in this low-carbon technology area over other technologies relevant to your sector.</li> <li>You may also wish to provide further details of your investments in low-carbon R&amp;D, their trend, and any other pertinent information relating to the technology.</li> <li>If you are unable to disclose investments relating to specific low-carbon technologies, you may wish to explain your organization's general approach to low-carbon R&amp;D and how it relates to your climate commitments and/or, if relevant, your organization's climate transition plan in this column.</li> </ul>
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Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	CC
Sector	Question level	TO, TO-EPM, TS

**CAPEX Breakdown**

**(5.6) Break down, by fossil fuel expansion activity, your organization's CAPEX in the reporting year and CAPEX planned over the next 5 years.**

Question details	
Change from last year	No change (2023 C-OG9.5a/C-CO9.5a)

Rationale	This question captures data on current and future CAPEX on exploration or new development activities for these fossil fuels. Data users wish to understand whether organizations are investing in the exploration/expansion of new fossil fuel resources. Under the IEA NZE scenario, the key policy assumptions state that no new oil and gas field exploration should occur after 2021 and no new coal mines or coal mine extensions should be approved for development after 2021.
Ambition	There is no exploration of new oil & gas fields and no new coal mines/extensions from 2021 onwards.
Response options	Please complete the following table.

0	1	2	3	4
<b>Expansion activity</b>	<b>CAPEX in the reporting year for this expansion activity (unit currency as selected in 1.2)</b>	<b>CAPEX in the reporting year for this expansion activity as % of total CAPEX in the reporting year</b>	<b>CAPEX planned over the next 5 years for this expansion activity as % of total CAPEX planned over the next 5 years</b>	<b>Explain your CAPEX calculations, including any assumptions</b>
Exploration of new oil fields [OG only]	Numerical field [enter a number from 0-999,999,999,999,999 using a maximum of 2 decimal places]	Numerical field [enter a number from 0-100 using a maximum of 2 decimal places]	Numerical field [enter a number from 0-100 using a maximum of 2 decimal places]	Text field [maximum 2,500 characters]
Exploration of new natural gas fields [OG only]				
Expansion of existing oil fields [OG only]				
Expansion of existing natural gas fields [OG only]				
Development of new coal mines [CO only]				
Expansion of existing coal mines [CO only]				

Requested content	<p><i>General</i></p> <ul style="list-style-type: none"> <li>• Complete all the cells within the table.</li> <li>• This question refers to any fossil fuel exploration, drilling, and front-end engineering, including any fossil fuel contractual agreements (i.e., engineering, procurement, construction, installation, and commissioning) awarded to projects where the final investment decision of the project occurred during or will occur after the reporting year.</li> </ul>
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	<ul style="list-style-type: none"> <li>• Companies may exclude from their calculations CAPEX associated with contractual agreements made prior to the reporting year.</li> </ul> <p><i>CAPEX in the reporting year for this expansion activity (unit currency as selected in 1.2) (column 1)</i></p> <ul style="list-style-type: none"> <li>• CAPEX figures should be in the currency you selected in 1.2.</li> <li>• If there was no CAPEX associated with an expansion activity in the reporting year, enter “0” for the corresponding row(s).</li> <li>• CAPEX figures should be based on your company-wide financial statement for the reporting year, consistent with your organizational boundary as disclosed in 6.1.</li> </ul> <p><i>CAPEX in the reporting year for this expansion activity as % of total CAPEX in the reporting year (column 2)</i></p> <ul style="list-style-type: none"> <li>• Enter your organization’s CAPEX in the reporting year for the expansion activity (as reported in column 1) as a percentage of your organization’s total CAPEX in the reporting year.</li> <li>• The sum of figures entered in this column for all rows should not exceed 100%.</li> <li>• If there was no CAPEX associated with an expansion activity in the reporting year, enter “0” for the corresponding row(s).</li> </ul> <p><i>CAPEX planned over the next 5 years for this expansion activity as % of total CAPEX planned over the next 5 years (column 3)</i></p> <ul style="list-style-type: none"> <li>• Enter your organization’s CAPEX planned for the expansion activity as a percentage of your organization’s total CAPEX planned over the next 5 years.</li> <li>• The sum of figures entered in this column for all rows should not exceed 100%.</li> <li>• If you do not have any CAPEX planned for over the next 5 years for an expansion activity, enter “0” for the corresponding row(s).</li> <li>• It is acknowledged that the figure entered for this column will be estimates. You may, for example, estimate planned CAPEX for an expansion activity based on your organization’s strategy, financial planning, and/or climate transition plan. Assumptions underlying these estimates should be disclosed in column 4.</li> <li>• Note that “the next 5 years” start from the end of the reporting year as reported in 1.4 e.g. if your reporting year in 1.4 is from 01/01/2022 to 31/12/2022, then the next 5 years will be from 01/01/2023 to 31/12/2027.</li> </ul> <p><i>Explain your CAPEX calculations, including any assumptions (column 4)</i></p> <ul style="list-style-type: none"> <li>• Explain how you calculated the figure reported in column 2 “CAPEX in the reporting year for this expansion activity as % of total CAPEX in the reporting year”.</li> <li>• Explain how you estimated the figure reported in column 4 “CAPEX planned over the next 5 years for this expansion activity as % of total CAPEX planned over the next 5 years”. Briefly describe any assumptions on which your estimation is based.</li> </ul>
Requested content – [sector] only (if applicable)	<p><i>Exploration of new oil field [OG only] (Row 1)</i></p> <ul style="list-style-type: none"> <li>• Enter the CAPEX associated with the exploration and construction of new oil fields. This refers to any CAPEX associated with upstream activities (i.e.,</li> </ul>

exploration and surveys, appraisals, field evaluations, infrastructure development, production) on greenfield sites. See Explanation of Terms for more information.

*Exploration of new natural gas fields [OG only] (Row 2)*

- Enter the CAPEX associated with the exploration and construction of new natural gas fields. This refers to any CAPEX associated with upstream activities (i.e., exploration and surveys, appraisals, field evaluations, infrastructure development, production) on greenfield sites. See Explanation of Terms for more information.

*Expansion of existing oil fields [OG only] (Row 3)*

- Enter the CAPEX associated with the expansion/extension of existing oil fields. This refers to any CAPEX associated with restoring or enhancing the operating capacity of a brownfield site for upstream activities, including project phases and expansions of existing fields/sites to increase gross total production beyond the current forecast or that facilitate enhanced recovery/production of existing assets (e.g., additional well tie-ins, injection enhanced recovery). This includes any Phase 2 developments for which there is CAPEX associated in the reporting year or planned for the next five years. See Explanation of Terms for more information.

*Expansion of existing natural gas fields [OG only] (Row 4)*

- Enter the CAPEX associated with the expansion/extension of existing natural gas fields. This refers to any CAPEX associated with restoring or enhancing the operating capacity of a brownfield site for upstream activities, including project phases and expansions of existing fields/sites to increase gross total production beyond the current forecast or that facilitate production of existing assets. This includes any Phase 2 developments for which there is CAPEX associated in the reporting year or planned for the next five years. See Explanation of Terms for more information.

*Development of new coal mines [CO only] (Row 5)*

- Enter the CAPEX associated with the development of new coal mines (both underground and surface mines) on greenfield sites. See Explanation of Terms for more information.

*Expansion of existing coal mines [CO only] (Row 6)*

- Enter the CAPEX associated with the expansion/extension of existing coal mines (both underground and surface mines). This refers to any CAPEX associated with restoring or enhancing the operating capacity of a brownfield site for coal mining activities, including project phases and expansions of existing mines to increase gross total production beyond the current forecast or that facilitate production of existing assets. This includes any Phase 2 developments for which there is CAPEX associated in the reporting year or planned for the next five years. See Explanation of Terms for more information.

Authoring notes		
Tags		
Corporate authority	Investment community	
Environmental Issue (Theme)	Question level	CC
Sector	Question level	OG, CO

**(5.7) Break down, by source, your organization’s CAPEX in the reporting year and CAPEX planned over the next 5 years.**

Question details	
Question dependencies	This question is only presented if you selected “Electricity generation” in 1.16.
Change from last year	No change (2023 C-EU9.5a)
Rationale	Understanding an electric utility’s planned CAPEX for power generation in the reporting year and over the next 5 years informs the vulnerability of the organization to emerging climate-related risks and opportunities and the flexibility to continue the current technology portfolio at lower financial returns in a transition period to low-carbon technologies.
Ambition	There are no new unabated coal plants approved for development from 2021 onwards.
Response options	Please complete the following table. *Column/row appearance is dependent on selections in this or other questions.

Primary power generation source	CAPEX in the reporting year for power generation from this source (unit currency as selected in 1.2)	CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year	CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years	Most recent year in which a new power plant using this source was approved for development *	Explain your CAPEX calculations, including any assumptions
Coal – hard	Numerical field [enter a number from 0-999,999,999,999,999 using a maximum of 2 decimal places]	Numerical field [enter a number from 0-100 using a maximum of 2 decimal places]	Numerical field [enter a number from 0-100 using a maximum of 2 decimal places and no commas]	Numerical field [enter a number between 1900-2023]	Text field [maximum 2,400 characters]
Lignite					
Oil					
Gas					
Sustainable biomass					
Other biomass					
Waste (non-biomass)					

Nuclear					
Geothermal					
Hydropower					
Wind					
Solar					
Marine					
Fossil-fuel plants fitted with CCS					
Other renewable (e.g. renewable hydrogen)					
Other non-renewable (e.g. non-renewable hydrogen)					

Requested content	<p><b>General</b></p> <ul style="list-style-type: none"> <li>Complete all the cells within the table.</li> </ul> <p><b>Primary power generation source</b> (column 1)</p> <ul style="list-style-type: none"> <li>Please refer to the <a href="#">CDP Technical note on Biofuels</a> for guidance on biomass/biofuel sustainability. If you report information in the “Sustainable biomass” row, provide the criteria used to classify the biomass as sustainable (e.g. certification) in the “Explain your CAPEX calculations, including any assumptions” column (column 6).</li> <li>When reporting for “Waste (non-biomass)”, only enter CAPEX associated with the non-biomass fraction. CAPEX associated with the biomass fraction should be reported under either biomass option.</li> <li>Hydropower does not include pumped storage which CDP regards as a form of managing or storing energy rather than primary generation.</li> <li>“Other renewable” and “Other non-renewable” are aggregations of any other renewable and non-renewable power generation sources you use that are not listed (e.g. renewably derived hydrogen or hydrogen derived from fossil fuels, respectively).</li> </ul> <p><b>CAPEX in the reporting year for power generation from this source (unit currency as selected in 1.2)</b> (column 2)</p> <ul style="list-style-type: none"> <li>Enter your organization’s CAPEX in the reporting year for each primary power generation source in column 1.</li> <li>CAPEX figures should be in the currency you selected in 1.2.</li> <li>If there was no CAPEX associated with a primary power generation source in the reporting year, enter “0” for the corresponding row(s).</li> <li>CAPEX figures should be based on your company-wide financial statement for the reporting year, consistent with your organizational boundary as disclosed in 6.1.</li> </ul> <p><b>CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year</b> (column 3)</p> <ul style="list-style-type: none"> <li>For each primary power generation source, enter your organization’s CAPEX in the reporting year for that power generation source (as reported in column 2) as a percentage of your organization’s <b>total</b> CAPEX in the reporting year for power generation.</li> </ul>
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- The sum of figures entered in this column for all rows should not exceed 100%.
- If there was no CAPEX associated with a primary power generation source in the reporting year, enter “0” for the corresponding row(s).

**CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years** (column 4)

- Enter your organization’s CAPEX planned for each primary power generation source as a percentage of your organization’s **total** CAPEX planned over the next 5 years.
- The sum of figures entered in this column for all rows should not exceed 100%.
- If you do not have any CAPEX planned for over the next 5 years for a primary power generation source, enter “0” for the corresponding row(s).
- It is acknowledged that figures entered for this column will be estimates. You may, for example, estimate planned CAPEX for a power generation source based on your organization’s strategy, financial planning, and/or climate transition plan. Assumptions underlying these estimates should be disclosed in column 5.
- Note that “the next 5 years” start from the end of the reporting year as reported in 1.4 e.g. if your reporting year in 1.4 is from 01/01/2022 to 31/12/2022, then the next 5 years will be from 01/01/2023 to 31/12/2027.

**Most recent year in which a new power plant using this source was approved for development** (column 5)

- This column only appears for rows where a figure greater than 0 is reported in column 2.
- A power plant can be considered to be approved for development when the final investment decision has been reached for the project.
- Include details of power plants which have been approved and are still planned/in operation. Do not include details of power plants which were approved but have subsequently been cancelled.

**Explain your CAPEX calculations, including any assumptions** (column 6)

- For each primary power generation source:
  - Explain how you calculated the figure reported in column 3 “CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year”.
  - Explain how you estimated the figure reported in column 4 “CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years”. Briefly describe any assumptions on which your estimation is based.
- If you report information in the “Sustainable biomass” row, provide the criteria used to classify the biomass as sustainable (e.g. certification) here.
- If you report information in either biomass row, specify if the biomass technology refers to bioenergy plants fitted with carbon capture and storage (BECCS)

**Authoring notes**

**Tags**

Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	CC
Sector	Question level	EU

**(5.7.1) Break down your total planned CAPEX in your current CAPEX plan for products and services (e.g. smart grids, digitalization, etc.).**

Question details	
Change from last year	No change (2023 C-EU9.5b)
Rationale	The advancement of decentralized power production and new technologies underpins the potential of the electric utilities sector to undergo a transition to low-carbon energy sources. The level of investment in emerging products and services provides an indication of the level to which future earning capacity of core business might be impacted.
Response options	Please complete the following table. You are able to add rows by using the “Add Row” button at the bottom of the table.

Products and services	Description of product/service	CAPEX planned for product/service	Percentage of total CAPEX planned for products and services	End year of CAPEX plan
Select from: <ul style="list-style-type: none"> <li>• Distributed generation</li> <li>• Home storage systems</li> <li>• Smart appliances</li> <li>• Home systems</li> <li>• Prosumer services</li> <li>• Information campaigns</li> <li>• Audits</li> <li>• Tariff measures</li> <li>• Energy audits</li> <li>• Energy management services</li> <li>• Electric vehicles</li> <li>• Charging networks</li> <li>• Heating systems</li> <li>• HVAC</li> <li>• CHP</li> <li>• Lighting</li> <li>• Smart grid</li> <li>• Micro-grid</li> <li>• Large-scale storage</li> </ul>	Text field [maximum 2,400 characters]	Numerical field [enter a number from 0-999,999,999,999,999 using a maximum of 2 decimal places]	Numerical field [enter a number from 0-100 using a maximum of 2 decimal places]	Numerical field [enter a number from 2024-2100]

<ul style="list-style-type: none"> <li>Other, please specify</li> </ul>				
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Requested content	<p><b>General</b></p> <ul style="list-style-type: none"> <li>If you select “Other, please specify,” provide a label for the product and/or service.</li> </ul> <p><b>Description of product/service</b> (column 2)</p> <ul style="list-style-type: none"> <li>Provide a description of the application of the new product or service. Please include: <ul style="list-style-type: none"> <li>An overview of the product and service;</li> <li>The applicable markets and customer type (residential, commercial, municipal);</li> <li>The number of customers product/service may impact; and</li> <li>The expected energy production and/or energy savings associated and the stage of implementation (exploration, installation, initial or full implementation).</li> </ul> </li> </ul> <p><b>CAPEX planned for product/service</b> (column 3)</p> <ul style="list-style-type: none"> <li>Enter your planned CAPEX for the new product/service you are reporting.</li> <li>The CAPEX figure should be in the currency you selected in 1.2.</li> </ul> <p><b>Percentage of total CAPEX planned for products and services</b> (column 4)</p> <ul style="list-style-type: none"> <li>Enter the percentage that this CAPEX represents in terms of total CAPEX planned for products and service.</li> </ul>
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Authoring notes		
Tags		
Corporate authority	Investment community	
Environmental Issue (Theme)	Question level	CC
Sector	Question level	EU

**(5.8) Disclose the breakeven price (US\$/BOE) required for cash neutrality during the reporting year, i.e. where cash flow from operations covers CAPEX and dividends paid / share buybacks.**

Question details	
Question dependencies	This question only appears if you select “Upstream” or “Downstream” in response to 1.19.
Change from last year	No change (2023 C-OG9.7)
Rationale	The intention of this question is to provide investors with the average breakeven cost(s) of your current production. This is useful to investors as it provides a measure to compare cash provided by operating activities after deduction of capital expenditures and dividends paid/share buybacks across periods on a consistent basis.

Response options	Please complete the following table
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<b>Breakeven price (US\$/BOE)</b>
Numerical field [Enter a number from 0-999 using a maximum of 2 decimal places].

Requested content	<p><b>General</b></p> <ul style="list-style-type: none"> <li>• Please note that the break-even price required for cash neutrality is to be reported in US dollars per barrel of oil equivalent.</li> <li>• Breakeven for this question is considered the price at which cash flow from operations covers capital expenditures (CAPEX) and dividends paid/share buybacks.</li> </ul>
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Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	CC
Sector	Question level	OG

## CAPEX and OPEX trends

**(5.9) What is the trend in your organization’s water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?**

Question details	
Change from last year	No change (2023 W7.2)
Rationale	<p>Within a company, this information raises the strategic understanding of the value of water for the business (beyond the price paid for it).</p> <p>Signalling the direction of travel of capital expenditure and operating expenditure to CDP data users helps them understand their potential exposure.</p> <p>The question asks for a reporting of trends and not absolute values. It identifies changes in water-related investment and operational costs. The information provided here should align with the information provided on risk response strategies and business opportunities (reported in 3.1 and 3.6).</p>
Response options	Please complete the following table:

1	2	3	4	5
<b>Water-related CAPEX (+/- % change)</b>	<b>Anticipated forward trend for CAPEX (+/- % change)</b>	<b>Water-related OPEX (+/- % change)</b>	<b>Anticipated forward trend for OPEX (+/- % change)</b>	<b>Please explain</b>
Percentage field [enter a percentage from 0 to +/- 999,999,999,999 using a maximum of 2 decimal places]	Percentage field [enter a percentage from 0 to +/- 999,999,999,999 using a maximum of 2 decimal places]	Percentage field [enter a percentage from 0 to +/- 999,999,999,999 using a maximum of 2 decimal places]	Percentage field [enter a percentage from 0 to +/- 999,999,999,999 using a maximum of 2 decimal places]	Text field [maximum 1,000 characters]

Requested content	<p><i>General</i></p> <ul style="list-style-type: none"> <li>This question requires companies to consider the trend in their water-related capital and operational expenditure.</li> <li>You may provide estimates if necessary.</li> <li>You may report the figure as a negative or positive percentage up to 2 decimal places.</li> <li>Only enter a zero percentage if there has been no change. Please remember that a zero should not be used for an absence of data.</li> </ul> <p><i>Water-related CAPEX (+/- % change) (columns 1 and 2)</i></p> <ul style="list-style-type: none"> <li>Examples of water-related CAPEX are stormwater drain rehabilitation, sewerage line replacements, pollution control devices, treatment facility retrofitting, solvent recovery units, landfill construction, pipelines.</li> <li>In column 1, provide a figure for the percentage change in your water-related capital expenditure in the current reporting year compared to the previous year.</li> <li>In column 2, provide a figure for the anticipated change in your water-related capital expenditure for the forthcoming reporting year (note that anticipated future trends should be at least one year after the end of the reporting year disclosed in 1.4).</li> </ul> <p><i>Water-related OPEX (+/- % change) (columns 3 and 4)</i></p> <ul style="list-style-type: none"> <li>Examples of water-related OPEX are permit renewals, wetland protection, water quality testing, consulting services, well maintenance, groundwater monitoring, hiring additional specialist employees and the costs of water supply and wastewater disposal.</li> <li>In column 3, provide a figure for the percentage change in your water-related operational expenditure in the current reporting year compared to the previous year.</li> <li>In column 4, provide a figure for the anticipated change in your water-related operational expenditure for the forthcoming reporting year (note that anticipated future trends should be at least one year after the end of the reporting year disclosed in 1.4).</li> </ul> <p><i>Please explain (column 5)</i></p> <ul style="list-style-type: none"> <li>State if your responses are estimates or if any exclusions apply to the data.</li> <li>You should provide details as to why your CAPEX or OPEX has increased, decreased, or remained the same compared to the previous reporting year.</li> <li>Please comment on the direction and magnitude of the anticipated forward trend in CAPEX and OPEX, and explain your response.</li> </ul>
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	<ul style="list-style-type: none"> <li>You may comment on how the change in expenditure relates to particular aspects of your business; for example, a geography, business division, product/service, commodity, mineral, or power generation source.</li> <li>Please also comment on what the water-related expenditure was for; for example, investment in a particular product innovation, new power sources, or manufacturing technology upgrades. You could also provide an estimate of the proportion of your total OPEX and CAPEX that is water-related.</li> </ul>
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Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	Water only
Sector	Question level	All (except FS)

## Pricing Environmental Externalities

### Section overview

Section Overview	<p>Internal pricing of environmental externalities has emerged as a useful tool that supports organizations in assessing environmental risks and opportunities. The environmental effects of production and consumption are often not reflected in market prices. By introducing an internal price on environmental externalities, organizations aim to internalize the true cost of production and consumption. For example, an organization may incorporate internal carbon or water pricing mechanisms into financial plans and budgets, ensuring accountability for carbon emissions and water consumption.</p> <p>Data users are keen to understand how organizations attribute a monetary value to environmental risks and opportunities. For further guidance on reporting to the questions in this section see CDP’s Technical Note <a href="#">Carbon Pricing: CDP Disclosure Best Practice</a>.</p>
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### (5.10) Does your organization use an internal price on environmental externalities?

Question details	
Change from last year	Modified question for Climate change and Water (2023 C11.3, W7.4)
Rationale	Internal pricing of environmental externalities (i.e., a carbon price or water price) has emerged as a multifaceted tool that supports organizations in assessing environmental risks and opportunities. Data users are keen to understand how organizations attribute a monetary value to these risks and translate them into a uniform metric. Applying an internal price to these externalities can help an organization to understand opportunities for efficiencies and prepare for potential future price changes.
Ambition	<ul style="list-style-type: none"> <li>The organization applies internal environmental pricing schemes to incentivize the consideration of environmental issues in risk assessment and decision making, and in the implementation of its environmental policies and targets.</li> </ul>
Connection to other frameworks	IFRS S2 29 ESRS E1
Response options	Please complete the following table:

1	2	3	4	5	6
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Use of internal pricing of environmental externalities	Environmental externality priced	Primary reason for not pricing environmental externalities	Explain why your organization does not price environmental externalities	Other environmental externalities priced	Further details of other environmental externalities priced
Select from: <ul style="list-style-type: none"> <li>• Yes</li> <li>• No, but we plan to in the next two years</li> <li>• No, and we do not plan to in the next two years</li> </ul>	Select all that apply: <ul style="list-style-type: none"> <li>• Carbon</li> <li>• Water</li> <li>• Other</li> </ul>	Select from: <ul style="list-style-type: none"> <li>• Lack of internal resources, capabilities, or expertise (e.g., due to organization size)</li> <li>• No standardized procedure</li> <li>• Not an immediate strategic priority</li> <li>• Judged to be unimportant or not relevant</li> <li>• Other, please specify</li> </ul>	Text field [maximum 1,500 characters]	Select all that apply: <ul style="list-style-type: none"> <li>• Forests</li> <li>• Plastics</li> <li>• Biodiversity</li> <li>• Water</li> <li>• Other, please specify</li> </ul>	Text field [maximum 2,500 characters]

[Fixed row]

Requested content	<p><i>Explain why your organization does not price environmental externalities and detail any plans to do so in the future (column 4)</i></p> <ul style="list-style-type: none"> <li>• This column only appears if any “No...” option is selected in column 1 “Use of internal pricing of environmental externalities”.</li> <li>• If you select “Judged to be unimportant or not relevant”, explain the reason why your organization does not use internal pricing of environmental externalities.</li> <li>• If relevant, detail any plans to address this in the future.</li> </ul> <p><i>Other environmental externalities priced (column 5)</i></p> <ul style="list-style-type: none"> <li>• This column only appears if “Other” is selected in column 2 “Environmental externality priced”.</li> <li>• Select the option that closest reflects the externality priced. For example, if you have an internal price relating to deforestation, select forests.</li> </ul> <p><i>Further details of other environmental externalities priced (column 6)</i></p> <ul style="list-style-type: none"> <li>• Provide details on the internal price of other environmental externalities, including:               <ul style="list-style-type: none"> <li>○ the type of externality priced (e.g., biodiversity, deforestation, soil degradation, plastic pollution, air pollution, chemical use, invasive species, waste etc.);</li> <li>○ the methodologies used to calculate the price;</li> <li>○ the price used; and</li> <li>○ the unit upon which the price is based.</li> </ul> </li> </ul>
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Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	CC, W
Sector	Question level	All

**(5.10.1) Provide details of your organization’s internal price on carbon.**

Question details	
Question dependencies	The question only appears if you select “Carbon” in response to column 2 “Environmental externality priced” of 5.10
Change from last year	Modified question (2023 C11.3a)
Rationale	An internal price on an environmental externality (e.g., a carbon price) can be used as a tool to manage environmental risks and opportunities within an organization’s operations, value chain, and investments. As part of their assessment of an organization’s resilience, it is useful for data users to know how organizations are using an internal price on carbon. This information allows data users to assess how effectively an organization implements its internal carbon price to achieve its environmental objectives.
Ambition	<ul style="list-style-type: none"> <li>• The organization applies internal environmental pricing to incentivize the consideration of environmental issues in risk assessment and decision making, and in the implementation of its environmental policies and targets.</li> <li>• The organization discloses the internal price in units of the organization’s reporting currency per metric ton CO<sub>2</sub>e.</li> <li>• The organization discloses the type of internal carbon pricing scheme used (e.g., a shadow price) and the scope of the application of the scheme (e.g., activities, geographies). It discloses any assumptions made to determine the price and the calculation methodology used.</li> <li>• The organization monitors and evaluates the internal carbon pricing approach and discloses whether and how it expects its internal carbon price to change over time, and the reasons for any expected change.</li> <li>• The organization applies one or more carbon prices to all GHG emission scopes and discloses whether the same price is applied to all scopes, and the reason for using a different price per scope if a different price is used.</li> <li>• The organization discloses the percentage of total GHG emissions in the relevant scopes the carbon pricing scheme covers, as consistent with their GHG inventory.</li> <li>• The organization sets their carbon price using scientific guidance and aligns it to science-based carbon pricing trajectories.</li> </ul>
Connection to other frameworks	IFRS S2 29 ESRS E1
Response options	Please complete the following table. You are able to add rows by using the “Add Row” button at the bottom of the table

1	2	3	4	5	6
Type of pricing scheme	Objectives for implementing internal price	Factors considered when determining the price	Calculation methodology and assumptions made in determining the price	Scopes covered	Pricing approach used – spatial variance
Select from: <ul style="list-style-type: none"> <li>• Shadow price</li> <li>• Internal fee</li> <li>• Internal trading</li> <li>• Implicit price</li> <li>• Other, please specify</li> </ul>	Select all that apply: <ul style="list-style-type: none"> <li>• Conduct cost-benefit analysis</li> <li>• Drive energy efficiency</li> <li>• Drive low-carbon investment</li> <li>• Incentivize consideration of climate-related issues in decision making</li> <li>• Incentivize consideration of climate-related issues in risk assessment</li> <li>• Identify and evaluate financing opportunities</li> </ul>	Select all that apply: <ul style="list-style-type: none"> <li>• Alignment to international standards</li> <li>• Alignment to scientific guidance</li> <li>• Alignment with the price of a carbon tax</li> <li>• Alignment with the price of allowances under an Emissions Trading Scheme</li> </ul>	Text field [maximum 1,500 characters]	Select all that apply: <ul style="list-style-type: none"> <li>• Scope 1</li> <li>• Scope 2</li> <li>• Scope 3, Category 1 - Purchased goods and services</li> <li>• Scope 3, Category 2 - Capital goods</li> <li>• Scope 3, Category 3 - Fuel- and energy-related activities (not included in Scope 1 or 2)</li> </ul>	Select from: <ul style="list-style-type: none"> <li>• Differentiated</li> <li>• Uniform</li> <li>• Other, please specify</li> </ul>



	<ul style="list-style-type: none"> <li>Identify and seize low-carbon opportunities</li> <li>Influence strategy and/or financial planning</li> <li>Navigate regulations</li> <li>Reduce upstream value chain emissions</li> <li>Setting and/or achieving of climate-related policies and targets</li> <li>Set a carbon offset budget</li> <li>Stress test investments</li> <li>Inform credit risk assessments for existing loans or credit lines</li> <li>Inform credit risk assessments for new loans</li> <li>Inform credit risk assessments for renewals of terms for existing loans</li> <li>Use an internal price for corporate engagement/stewardship purposes</li> <li>Other, please specify</li> </ul>	<ul style="list-style-type: none"> <li>Alignment with the price of carbon border adjustment mechanism</li> <li>Benchmarking against peers</li> <li>Cost of required measures to achieve climate-related targets</li> <li>Existing or pending legislation</li> <li>Price with substantive impact on business decisions</li> <li>Price/cost of renewable energy procurement</li> <li>Price/cost of voluntary carbon offset credits</li> <li>Scenario analysis</li> <li>Social cost of climate-related impact</li> <li>Other, please specify</li> </ul>		<ul style="list-style-type: none"> <li>Scope 3, Category 4 - Upstream transportation and distribution</li> <li>Scope 3, Category 5 - Waste generated in operations</li> <li>Scope 3, Category 6 - Business travel</li> <li>Scope 3, Category 7 - Employee commuting</li> <li>Scope 3, Category 8 - Upstream leased assets</li> <li>Scope 3, Category 9 - Downstream transportation and distribution</li> <li>Scope 3, Category 10 - Processing of sold products</li> <li>Scope 3, Category 11 - Use of sold products</li> <li>Scope 3, Category 12 - End-of-life treatment of sold products</li> <li>Scope 3, Category 13 - Downstream leased assets</li> <li>Scope 3, Category 14 – Franchises</li> <li>Scope 3, Category 15 – Investments</li> <li>Scope 3, other (upstream)</li> <li>Scope 3, other (downstream)</li> </ul>	
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7	8	9	10	11	12
<b>Indicate how and why the price is differentiated</b>	<b>Pricing approach used – temporal variance</b>	<b>Indicate how you expect the price to change over time</b>	<b>Minimum actual price used (currency per metric ton CO2e)</b>	<b>Maximum actual price used (currency per metric ton CO2e)</b>	<b>Business decision-making processes the internal price is applied to</b>
Text field [maximum 1,500 characters]	Select from: <ul style="list-style-type: none"> <li>Evolutionary</li> <li>Static</li> <li>Other, please specify</li> </ul>	Text field [maximum 1,500 characters]	Numerical field [enter a number from 0-999,999 using a maximum of 2 decimal places and no commas]	Numerical field [enter a number from 0-999,999 using a maximum of 2 decimal places and no commas]	Select all that apply: <ul style="list-style-type: none"> <li>Capital expenditure</li> <li>Dependencies management</li> <li>Impact management</li> <li>Operations</li> <li>Procurement</li> <li>Product and R&amp;D</li> <li>Remuneration</li> <li>Risk management</li> <li>Opportunity management</li> <li>Value chain engagement</li> <li>Public policy engagement</li> <li>Other, please specify</li> </ul>

13	14	15	16
<b>Internal price is mandatory within business decision-making processes</b>	<b>% total emissions in the reporting year in selected scopes this internal price covers</b>	<b>Pricing approach is monitored and evaluated to achieve objectives</b>	<b>Details of how the pricing approach is monitored and evaluated to achieve your objectives</b>

Select from: <ul style="list-style-type: none"> <li>• Yes, for all decision-making processes</li> <li>• Yes, for some decision-making processes, please specify</li> <li>• No</li> </ul>	Percentage field [enter a percentage from 0-100 using a maximum of 2 decimal places]	Select from: <ul style="list-style-type: none"> <li>• Yes</li> <li>• No</li> </ul>	Text field [maximum 2,500 characters]
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[Add row]

Requested content	<p><i>General</i></p> <ul style="list-style-type: none"> <li>• If your organization uses more than one type of internal carbon price, add a row to provide details for each type.</li> </ul> <p><i>Type of internal carbon price (column 1)</i></p> <ul style="list-style-type: none"> <li>• <b>Shadow price:</b> where a hypothetical cost of carbon is attached to each ton of CO2e to reveal hidden risks and opportunities throughout the organization’s operations and value chain and to support strategic decision-making related to future capital investments. A shadow price can be used in investment decisions or to set budgets, but no actual financial flows are generated.</li> <li>• <b>Internal fee:</b> mechanisms which charge responsible internal business units for their GHG emissions. An internal fee mechanism approach results in actual financial flows as the collected revenue is reinvested back into clean technologies and other activities that help transition the entire organization towards lower-carbon operations and investments.</li> <li>• <b>Implicit price:</b> where the cost of emissions abatement is divided by the tons of CO2e abated. An implicit price is calculated retroactively, after the organization achieves its desired emissions reductions. This calculation helps quantify the capital investments required to meet climate-related targets and is frequently used as a benchmark for implementing a more strategic internal carbon price. Some organizations may also internalize the cost of purchasing carbon credits to set an implicit carbon price.</li> <li>• <b>Internal trading:</b> mechanisms which allow internal business units to trade allocated carbon credits.</li> </ul> <p><i>Objectives for implementing internal price (column 2)</i></p> <ul style="list-style-type: none"> <li>• Select your organization’s objectives for implementing the internal carbon price. In many cases, organizations report multiple objectives – particularly as developments occur that require a readjustment of their pricing approach to maximize its effectiveness.</li> <li>• The available options reflect the most common objectives that organizations disclose to CDP; this list is not exhaustive, and you can specify other objectives by selecting “Other, please specify.”</li> </ul> <p><i>Factors considered when determining the price (column 3)</i></p> <ul style="list-style-type: none"> <li>• Select all the factors that best reflect what you consider when determining the price.</li> <li>• For example, you may use the current or future projected price of allowances under an Emissions Trading Scheme (ETS) and scenario analysis to determine the level of your shadow price or internal fee. In this case, select both dropdown options.</li> </ul> <p><i>Calculation methodology and assumptions made in determining the price (column 4)</i></p> <ul style="list-style-type: none"> <li>• Provide further details on the calculation methodology used to determine the price.</li> <li>• If you made any assumptions when determining the price, provide details of the assumptions here.</li> </ul> <p><i>Scopes covered (column 5)</i></p> <ul style="list-style-type: none"> <li>• Identify the scopes of emissions covered by the internal carbon pricing mechanism. An effective internal carbon price is one that incentivizes an organization to reduce greenhouse gas emissions throughout their value chain and to integrate low-carbon activities into their operations.</li> <li>• It is best practice for organizations to consider their impact beyond just scope 1 and 2 emissions to address risks and opportunities associated with their scope 3 emissions as well, such as in-sourcing and procurement decisions and R&amp;D decisions regarding innovation in the market.</li> </ul>
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*Pricing approach used – spatial variance (column 6)*

- Select the pricing approach which reflects how the actual price varies across the organization.
  - **Uniform pricing:** a single carbon price that is applied throughout the organization independent of geography, business unit or type of decision.
  - **Differentiated pricing:** a carbon price that varies by region, business unit, or type of decision.

*Indicate how and why the price is differentiated (column 7)*

- This column only appears if you select “Differentiated pricing” in column 6 “Pricing approach used – spatial variance”.
- Indicate how and why your price varies spatially.

*Pricing approach used – temporal variance (column 8)*

- Select the pricing approach which reflects how the actual price will develop over time:
  - **Static pricing:** a price that is constant over time.
  - **Evolutionary pricing:** a price that develops over time.

*Indicate how you expect the price to change over time (column 9)*

- This column only appears if you select “Evolutionary” in column 8 “Pricing approach used – temporal variance”.
- Indicate how you expect the actual price of your evolutionary carbon price to change over time. Aim to be specific and quantitative in your response by disclosing the expected percent increase over a specified timeframe.

*Actual price used – minimum/maximum (currency per metric ton CO<sub>2</sub>e) (columns 10 and 11)*

- If you are reporting a uniform carbon price, you should enter the same figure for the associated minimum and maximum price.
- These figures should be in the same currency that you selected in 1.2 for all financial information disclosed throughout your response.
- If you are reporting a differentiated price, you should enter the minimum actual price applied within your organization in column 10 “Minimum actual price used (currency per metric ton CO<sub>2</sub>e)”, and the maximum price applied within your organization in column 11 “Maximum actual price used (currency per metric ton CO<sub>2</sub>e)”.
- As a guide to determining the actual price, note that the Carbon Pricing Leadership Coalition concluded that a price of US\$50-100/tCO<sub>2</sub> by 2030 is required to achieve the Paris temperature target ([Carbon Pricing Leadership Coalition, 2017](#)).

*Business decision-making processes the internal carbon price is applied to (column 12)*

- Select all the business decision-making processes that the internal carbon pricing mechanism applies to.
- For example, if your organization has set an internal carbon price to drive low-carbon investments, the internal carbon price may be used to inform decision-making processes around research and development of new products/services, procurement, and/or capital expenditure.

*Internal price is mandatory within business decision-making processes (column 13)*

- The degree to which an internal carbon price is enforced in the business decision-making process will vary by organization.
- Indicate whether your organization enforces the use of the price within the business decision making processes as a mandatory measure.
- If you select “Yes, for some decision-making processes, please specify”, specify the business decision making processes selected in column 12 “Business decision-making processes the internal carbon price is applied to” to which the internal carbon price is enforced as mandatory.

*% total emissions in the reporting year in selected scopes this internal price covers (column 14)*

- Provide the proportion of the total emissions in the reporting year that the internal carbon price covered for the scopes selected in column 5 “Scope covered”.

	<ul style="list-style-type: none"> <li>It will be assumed that your total emissions are as per the figures reported in Module 7 of this CDP disclosure.</li> </ul> <p><i>Pricing approach is monitored and evaluated to achieve objectives (column 15)</i></p> <ul style="list-style-type: none"> <li>To ensure a carbon price is an effective tool in achieving the organization’s environmental commitments, an organization should monitor and evaluate the pricing approach. Specify if this process has been established.</li> <li>The objectives refer to the objectives outlined in column 1 “Objectives for implementing internal price”.</li> </ul> <p><i>Details of how the pricing approach is monitored and evaluated to achieve your objectives (column 16)</i></p> <ul style="list-style-type: none"> <li>Detail the process for monitoring and evaluating the carbon price, including frequency, tools, and methods used.</li> <li>Explain how the internal carbon price has contributed to the implementation of your organization’s commitments through its application in key business decision-making processes (as selected in column 12 “Business decision-making processes the internal carbon price is applied to”) and/or the achievement of the original objectives (as selected in column 1 “Objectives for implementing internal price”).</li> <li>If relevant, explain how the internal carbon price has contributed to the implementation of your organization’s climate transition plan.</li> <li>Provide regional, sectoral, and/or operational context to your response.</li> <li>If the internal carbon price has not impacted your business in any way, explain why, and specify if there are any specific challenges associated with your current mechanism.</li> </ul>
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Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	CC
Sector	Question level	All

**(5.10.2) Provide details of your organization’s internal price on water.**

Question details	
Question dependencies	This question only appears if you select “Water” in response to column 2 “Environmental externality priced” of 5.10.
Change from last year	Modified question (2023 W7.4)
Rationale	<p>The true value of water is not accounted for in today’s markets in many parts of the world, while the costs of treatment and delivery, as well as opportunity costs and environmental and social costs, are not well captured. As water becomes increasingly scarce and contested, businesses could see prices increase. Applying an internal price on water that more accurately reflects the costs of the organization’s water provision can help it understand opportunities for efficiencies and prepare for potential future price changes.</p> <p>As part of their assessment of an organization’s resilience, it is useful for data users to know if organizations are using an internal price on water. This information allows data users to assess how effectively an organization implements its internal water price to achieve its environmental objectives.</p>
Ambition	<ul style="list-style-type: none"> <li>The organization applies internal environmental pricing schemes to incentivize the consideration of environmental issues in risk assessment and decision making, and in the implementation of its environmental policies and targets.</li> <li>The organization discloses the internal price in units of the organization’s reporting currency per megaliter of water.</li> <li>The organization discloses the type of internal water pricing scheme used (e.g., a shadow price) and the scope of the application of the scheme (e.g., activities,</li> </ul>

	<p>geographies). It discloses any assumptions made to determine the prices and the calculation methodology used.</p> <ul style="list-style-type: none"> <li>The organization monitors and evaluates the internal water pricing approaches and discloses whether and how it expects its internal water prices to change over time, and the reasons for any expected change.</li> </ul>
Response options	Please complete the following table. You are able to add rows by using the “Add Row” button at the bottom of the table.

1	2	3	4	5	6
Type of pricing scheme	Objectives for implementing internal price	Factors beyond current market price are considered in the price	Factors considered when determining the price	Calculation methodology and assumptions made in determining the price	Stages of the value chain covered
<p>Select from:</p> <ul style="list-style-type: none"> <li>Shadow price</li> <li>Internal fee</li> <li>Internal trading</li> <li>Implicit price</li> <li>Other, please specify</li> </ul>	<p>Select all that apply:</p> <ul style="list-style-type: none"> <li>Conduct cost-benefit analysis</li> <li>Drive water-related investment</li> <li>Drive water efficiency</li> <li>Incentivize consideration of water-related issues in decision making</li> <li>Incentivize consideration of water-related issues in risk assessment</li> <li>Identify and evaluate financing opportunities</li> <li>Identify and seize low-water impact opportunities</li> <li>Influence strategy and/or financial planning</li> <li>Navigate regulations</li> <li>Setting and/or achieving of water-related policies and targets</li> <li>Stress test investments</li> <li>Inform credit risk assessments for existing loans or credit lines</li> <li>Inform credit risk assessments for new loans</li> <li>Inform credit risk assessments for renewals of terms for existing loans</li> <li>Use an internal price for corporate engagement/stewardship purposes</li> <li>Other, please specify</li> </ul>	<p>Select from:</p> <ul style="list-style-type: none"> <li>Yes</li> <li>No</li> </ul>	<p>Select all that apply:</p> <ul style="list-style-type: none"> <li>Alignment to international standards</li> <li>Alignment to scientific guidance</li> <li>Anticipated water tariffs</li> <li>Benchmarking against peers</li> <li>Cost of required measures to achieve water-related targets</li> <li>Costs of disposing water</li> <li>Costs of treating water</li> <li>Costs of transporting water</li> <li>Existing or pending legislation</li> <li>Existing water tariffs</li> <li>Price with substantive impact on business decisions</li> <li>Scenario analysis</li> <li>Social cost of environmental impact</li> <li>Other, please specify</li> </ul>	<p>Text field [maximum 1,500 characters]</p>	<p>Select all that apply:</p> <ul style="list-style-type: none"> <li>Direct operations</li> <li>Upstream value chain</li> <li>Downstream value chain</li> <li>Portfolio</li> <li>Project/site specific coverage</li> </ul>

7	8	9	10	11	12
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Pricing approach used – spatial variance	Indicate how and why the price is differentiated	Pricing approach used – temporal variance	Indicate how you expect the price to change over time	Minimum actual price used (currency per cubic meter)	Maximum actual price used (currency per cubic meter)
Select from:  <ul style="list-style-type: none"> <li>Uniform</li> <li>Differentiated</li> <li>Other, please specify</li> </ul>	Text field [maximum 1,500 characters]	Select from:  <ul style="list-style-type: none"> <li>Static</li> <li>Evolutionary</li> <li>Other, please specify</li> </ul>	Text field [maximum 1,500 characters]	Numerical field [enter a number from 0-99,999,999,999 using a maximum of 2 decimal places and no commas]	Numerical field [enter a number from 0-99,999,999,999 using a maximum of 2 decimal places and no commas]

13	14	15	16
<b>Business decision-making processes the internal water price is applied to</b>	<b>Internal price is mandatory within business decision-making processes</b>	<b>Pricing approach is monitored and evaluated to achieve objectives</b>	<b>Details of how the pricing approach is monitored and evaluated to achieve your objectives</b>
Select all that apply:  <ul style="list-style-type: none"> <li>Capital expenditure</li> <li>Dependencies management</li> <li>Impact management</li> <li>Operations</li> <li>Procurement</li> <li>Product and R&amp;D</li> <li>Remuneration</li> <li>Risk management</li> <li>Opportunity management</li> <li>Value chain engagement</li> <li>Public policy engagement</li> <li>Other, please specify</li> </ul>	Select from:  <ul style="list-style-type: none"> <li>Yes, for all decision-making processes</li> <li>Yes, for some decision-making processes, please specify</li> <li>No</li> </ul>	Select from:  <ul style="list-style-type: none"> <li>Yes</li> <li>No</li> </ul>	Text field [maximum 1,500 characters]

[Add row]

Requested content	<p><i>General</i></p> <ul style="list-style-type: none"> <li>If your organization uses more than one type of internal water price, add a row to provide details for each type.</li> </ul> <p><i>Type of pricing scheme (column 1)</i></p> <ul style="list-style-type: none"> <li><b>Shadow price:</b> where a hypothetical cost is attached to water usage (per cubic meter) to reveal hidden risks and opportunities throughout the organization’s operations and value chain and to support strategic decision-making related to future capital investments. A shadow price can be used in investment decisions or to set budgets, but no actual financial flows are generated.</li> <li><b>Internal fee:</b> mechanisms which charge responsible internal business units for their water impacts (including consumption and discharges). An internal fee mechanism approach results in actual financial flows as the collected revenue is reinvested back into technological advancement and other activities that help the organization achieve its environmental targets.</li> <li><b>Implicit price:</b> dividing the cost of water abatement/treatment by the corresponding quantity used in cubic meters. An implicit price is calculated retroactively, after an organization achieves its desired environmental reductions. This calculation helps quantify the capital investments required to meet environment-related targets and is frequently used as a benchmark for implementing a more strategic internal price on externalities. This metric can be used as a benchmark for establishing a strategic internal pricing mechanism for water.</li> <li><b>Internal trading:</b> mechanisms which allow internal business units to trade allocated credits for water usage.</li> </ul>
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*Objectives for implementing internal price (column 2)*

- Select your organization’s objectives for implementing the internal water price. In many cases, companies report multiple objectives – particularly as developments occur that require a readjustment of their pricing approach to maximize its effectiveness.
- The available options reflect the most common objectives that organizations disclose to CDP; this list is not exhaustive, and you can specify other objectives by selecting “Other, please specify.”

*Factors beyond the current market price are considered in the price (column 3)*

- Select the option that best reflects whether you consider factors other than market price when setting a price.
- The market price of water is the current price at which water can be bought or sold. This price is typically set by external suppliers but may include other direct costs of supply. The market price may be influenced by government policy such as subsidies, taxation, or regulation. Examples of factors beyond market price that you may consider when setting your internal water price are water conservation, cost of achieving environmental targets, social effects of environmental impacts, or strategic considerations.

*Factors considered when determining the price (column 4)*

- This column only appears if you select “Yes” in column 3 “Factors beyond the market price are considered in the price”.
- Select all the factors that best reflect what you consider when determining the actual price of the internal water price.
- For example, you may use scenario analysis to calculate the future projected price of water tariffs. This may determine the level of your shadow price or internal fee. In this case, select both dropdown options.

*Calculation methodology and assumptions made in determining the price (column 5)*

- This column only appears if you select “Yes” in column 3 “Factors beyond the market price are considered in the price”.
- Provide further details on the calculation methodology used to determine the price.
- If you made any assumptions when determining the price, you may provide details of these here.

*Stages of the value chain covered (column 6)*

- This column only appears if you select “Yes” in column 3 “Factors beyond the market price are considered in the price”.
- Select the stages of the value chain covered by the internal water pricing mechanism. An effective internal water price is one that incentivizes an organization to reduce water impacts throughout their value chain and to integrate efficiencies into their operations.
- It is best practice for organizations to consider their impact beyond just direct operations to address risks and opportunities associated with their upstream and downstream value chain as well, such as procurement decisions and R&D decisions regarding innovation in the market.

*Pricing approach used – spatial variance (column 7)*

- This column only appears if you select “Yes” in column 3 “Factors beyond the market price are considered in the price”.
- Select the pricing approach which reflects how the actual price varies across the organization.
  - **Uniform pricing:** a single water price that is applied throughout the organization independent of geography, business unit or type of decision.
  - **Differentiated pricing:** a water price that varies by region, business unit or type of decision.

*Indicate how and why the price is differentiated (column 8)*

- This column only appears if you select “Yes” in column 3 “Factors beyond the market price are considered in the price” and you select “Differentiated” in column 7 “Pricing approach used – spatial variance”.

- Indicate how and why your price varies spatially.

*Pricing approach used – temporal variance (column 9)*

- This column only appears if you select “Yes” in column 3 “Factors beyond the market price are considered in the price”.
- Select the pricing approach which reflects how the actual price will develop over time:
  - **Static pricing:** a price that is constant over time.
  - **Evolutionary pricing:** a price that develops over time.

*Indicate how you expect the price to change over time (column 10)*

- This column only appears if you select “Yes” in column 3 “Factors beyond the market price are considered in the price” and you select “Evolutionary” in column 9 “Pricing approach used – temporal variance”.
- Indicate how you expect the actual price of your evolutionary water price to change over time. Aim to be specific and quantitative in your response by disclosing the expected percent increase over a specified timeframe.

*Actual price used – minimum/maximum (currency per cubic meter) (columns 11 and 12)*

- This column only appears if you select “Yes” in column 3 “Factors beyond the market price are considered in the price”.
- If you are reporting a uniform water price, you should enter the same figure for the associated minimum and maximum price.
- These figures should be in the same currency that you selected in 1.2 for all financial information disclosed throughout your response.
- If you are reporting a differentiated price, you should enter the minimum actual price applied within your organization in column 11 “Minimum actual price used (currency per cubic meter)”, and the maximum price applied within your organization in column 12 “Maximum actual price used (currency per cubic meter)”.

*Business decision-making processes the internal water price is applied to (column 13)*

- This column only appears if you select “Yes” in column 3 “Factors beyond the market price are considered in the price”.
- Select all the business decision-making processes that the internal water pricing mechanism applies to.
- For example, if your organization has set an internal water price to drive water efficiency, the internal water price may be used to inform decision-making processes around research and development of new products/services, procurement, and/or capital expenditure.

*Internal price is mandatory within business decision-making processes (column 14)*

- This column only appears if you select “Yes” in column 3 “Factors beyond the market price are considered in the price”.
- The degree to which an internal water price is enforced in the business decision-making process will vary by organization.
- Indicate whether your organization enforces the use of the price within the business decision making processes as a mandatory measure.
- If you select “Yes, for some decision-making processes, please specify”, specify the business decision making processes selected in column 13 “Business decision-making processes the internal water priced is applied to” to which the internal water price is enforced as mandatory.

*Pricing approach is monitored and evaluated to achieve objectives (column 15)*

- This column only appears if you select “Yes” in column 3 “Factors beyond the market price are considered in the price”.
- To ensure a water price is an effective tool in achieving the organization’s environmental commitments, an organization should monitor and evaluate the pricing approach. Specify if this process has been established.
- The objectives refer to the objectives outlined in column 1 “Objectives for implementing internal price”.



	<p><i>Details of how the pricing approach is monitored and evaluated to achieve your objectives (column 16)</i></p> <ul style="list-style-type: none"> <li>• This column only appears if you select “Yes” in column 3 “Factors beyond the market price are considered in the price”.</li> <li>• Detail the process for monitoring and evaluating the water price, including frequency, tools and methods used.</li> <li>• Explain how the internal water price has contributed to the implementation of your organization’s commitments through its application in key business decision-making processes (as selected in column 13 “Business decision-making processes the internal water price is applied to”) and/or the achievement of the original objectives (as selected in column 1 “Objectives for implementing internal price”).</li> <li>• Provide regional, sectoral, and/or operational context to your response.</li> <li>• If you select “No” in column 3 “Factors beyond the direct costs are considered in the price”, explain why you have not considered other factors.</li> <li>• If the internal water price has not impacted your business in any way, explain why and specify if there are any specific challenges associated with your current mechanism.</li> </ul>
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Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	W
Sector	Question level	All

## Value chain engagement

### Section overview

Section Overview	In order to reduce environmental impact globally, organizations must engage with their value chain (both upstream and downstream). Questions within this section examine how organizations are working and engaging with their suppliers, customers, stakeholders, and other partners. This section provides data users with insight into the different types of requirements and engagement techniques organizations use to engage with their value chain on environmental issues.
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### (5.11) Do you engage with your value chain on environmental issues?

Question details	
Question dependencies	Your response to this question will determine which subsequent questions and response options within subsequent questions are presented. If your response to 5.11 is amended, data in those dependent questions may be erased.
Change from last year	New question for Plastics Modified question for Climate change, Forests, and Water (2023 C12.1, C12.1e, F6.7, F6.8, F6.9, W1.5)
Rationale	Engaging with value chain stakeholders is essential for organizations to drive progress on environmental issues associated with their operations. There are multiple drivers, benefits, and ranges of engagement relating to each environmental issue, from environmental requirements for suppliers to innovative partnerships for environmental stewardship with product users. If you are not engaging with your value chain on environmental issues, data users wish to know why you are not engaging in any way and what your plans are to do so in the future.
Ambition	<ul style="list-style-type: none"> <li>The organization has a value chain engagement strategy for environmental issues and undertakes value chain engagement to positively affect its value chain stakeholders and the environment.</li> </ul>
Connection to other frameworks	GRI Disclosure 303-1 AFi Core Principle 4 AFi Core Principle 5 AFi Core Principle 6 AFi Core Principle 10 CEO WM Response: Internal Actions ESRS 2
Response options	Please complete the following table:

0	1	2	3	4
Value chain stakeholder	Engaging with this stakeholder on environmental issues	Environmental issues covered	Primary reason for not engaging with this stakeholder on environmental issues	Explain why you do not engage with this stakeholder on environmental issues
Clients [FS only]	Select from: <ul style="list-style-type: none"> <li>Yes</li> <li>No, but we plan to within the next two years</li> </ul>	Select all that apply: <ul style="list-style-type: none"> <li>Climate change</li> <li>Forests [in Smallholders row, this should be the only option that appears]</li> </ul>	Select from: <ul style="list-style-type: none"> <li>We are producers, and do not have any commodity suppliers [Suppliers row only; F only]</li> </ul>	Text field [maximum 1,500 characters]

	<ul style="list-style-type: none"> <li>No, and we do not plan to within the next two years</li> </ul>	<ul style="list-style-type: none"> <li>Water</li> <li>Plastics [shown in Suppliers row only]</li> </ul>	<ul style="list-style-type: none"> <li>Lack of internal resources, capabilities, or expertise (e.g., due to organization size)</li> <li>No standardized procedure</li> <li>Not an immediate strategic priority</li> <li>Judged to be unimportant or not relevant</li> <li>Other, please specify</li> </ul>	
Investees [FS only]				
Suppliers				
Smallholders [F only]				
Customers [Not shown to FS]				
Investors and shareholders				
Other value chain stakeholders				

[Fixed row]

Requested content	<p><i>Engaging with this stakeholder on environmental issues (column 1)</i></p> <ul style="list-style-type: none"> <li>Select “Yes” if you engage on environmental issues with the stakeholder specified in each row. Engagement can include environmental information collection, contractual requirements, innovation and collaboration, incentivization, education programs, or other methods.</li> <li>Select “Yes” for row “Other value chain stakeholders” if you engage with a value chain stakeholder not listed.</li> </ul> <p><i>Environmental issues covered (column 2)</i></p> <ul style="list-style-type: none"> <li>This column is only presented if you select “Yes” in column 1 “Engaging with this stakeholder on environmental issues”.</li> </ul> <p><i>Explain why you do not engage with this stakeholder on environmental issues (column 4)</i></p> <ul style="list-style-type: none"> <li>This column is only presented if you select “No” in column 1 “Engaging with this stakeholder on environmental issues.”</li> <li>Expand on the primary reason selected in column 3 “Primary reason for not engaging with this stakeholder on environmental issues”.</li> <li>If you have plans to engage with this stakeholder in the future, outline the proposed timeframe and methods for engagement.</li> </ul>
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	<ul style="list-style-type: none"> <li>If you selected “Judged to be unimportant or not relevant” in column 3 “Primary reason for not engaging with this stakeholder on environmental issues”, explain the criteria used to decide that engaging with this stakeholder is not important or relevant to your organization.</li> </ul>
Requested content – [sector] (if applicable)	<p><i>Note for companies in the financial services sector: Consider your engagement activity with clients and investees to encourage better disclosure and practices around environmental issues. Select “Yes” for row “Other value chain stakeholders” if your organization engages with other financial system actors, e.g., credit rating agencies, auditors or stock exchanges.</i></p>

Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	CC,F,P,W
Sector	Question level	All

**(5.11.1) Does your organization assess and classify suppliers according to their dependencies and/or impacts on the environment?**

Question details	
Question dependencies	This question only appears if you select “Yes” in response to column 1 “Engaging with this stakeholder on environmental issues” for the row “Suppliers” of 5.11.
Change from last year	New question for Climate change, Forests, and Plastics Modified question for Water (2023 W1.5a)
Rationale	The assessment of an organization’s supplier dependencies and impacts on the environment allows for action to be informed and targeted to where the effect of environmental dependencies and impacts is greatest. This question allows data users to understand whether an organization is aware of where environmental dependencies and/or impacts exist in its upstream value chain.
Ambition	<ul style="list-style-type: none"> <li>The organization assesses its suppliers according to their dependencies and/or impacts on the environment and identifies those with substantive dependencies and/or impacts.</li> <li>The organization discloses the percentage of suppliers identified with substantive dependencies and/or impacts, with whom it actively engages on environmental issues.</li> </ul>
Connection to other frameworks	TNFD Strategy B  GRI Disclosure 303-1

	AFi Core Principle 4 AFi Core Principle 5 AFi Core Principle 6
Response options	Please complete the following table:

Table as needed

0	1	2	3	4	5	6
Environmental issue covered	Assessment of supplier dependencies and/or impacts on the environment	Criteria for assessing supplier dependencies and/or impacts on the environment	% Tier 1 suppliers assessed	Define a threshold for classifying suppliers as having substantive dependencies and/or impacts on the environment	% Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment	Number of Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment
Climate change	Select from: <ul style="list-style-type: none"> <li>Yes, we assess the dependencies and/or impacts of our suppliers</li> <li>No, we do not currently assess the dependencies and/or impacts of our suppliers, but we plan to do so within the next two years</li> <li>No, we do not assess the dependencies and/or impacts of our suppliers, and have no plans to do so within two years</li> </ul>	Select all that apply: <ul style="list-style-type: none"> <li>Basin/landscape condition [FW]</li> <li>Contribution to supplier-related Scope 3 emissions [CC only]</li> <li>Dependence on water [W only]</li> <li>Dependence on commodities [F only]</li> <li>Dependence on ecosystem services/environmental assets [FPW]</li> <li>Impact on water availability [W only]</li> <li>Impact on deforestation or conversion of other natural ecosystems [F only]</li> <li>Impact on plastic waste and pollution [P only]</li> <li>Impact on pollution levels [FPW]</li> <li>Other, please specify</li> </ul>	Select from: <ul style="list-style-type: none"> <li>None</li> <li>Less than 1%</li> <li>1-25%</li> <li>26-50%</li> <li>51-75%</li> <li>76-99%</li> <li>100%</li> <li>Unknown</li> </ul>	Text field [maximum 500 characters]	Select from: <ul style="list-style-type: none"> <li>None</li> <li>Less than 1%</li> <li>1-25%</li> <li>26-50%</li> <li>51-75%</li> <li>76-99%</li> <li>100%</li> <li>Unknown</li> </ul>	Numerical field [enter a number from 0-9,999,999 using no decimal places]

Forests						
Water						
Plastics						

[Fixed row]

Requested content	<p><i>General</i></p> <p>This question focuses on tier 1 (direct) suppliers only.</p> <p><i>% tier 1 suppliers assessed (column 3)</i></p> <p>Out of your total tier 1 suppliers, specify the percentage for which you have assessed their dependencies and/or impacts on the environment based on the criteria specified in column 2 “Criteria for assessing supplier dependencies and/or impacts on the environment”.</p> <ul style="list-style-type: none"> <li>For example, if you have 1000 tier 1 suppliers, and you assessed half of them based on the criteria selected in column 2 “Criteria for assessing supplier dependencies and/or impacts on the environment”, select “26-50%” here.</li> </ul> <p><i>Define thresholds for classifying suppliers as having substantive dependencies and/or impacts on the environment using selected criteria (column 4)</i></p> <ul style="list-style-type: none"> <li>For each criterion selected in column 2 “Criteria for assessing supplier dependencies and/or impacts on the environment”, describe the threshold used to assess the dependency and/or impact of your suppliers on the environment. The threshold represents the organization-specific level above which a supplier is considered to have substantive dependency or impact, reflecting the criteria set by your organization.</li> <li>For example: <ul style="list-style-type: none"> <li>If “Dependence on commodities” was selected as the criterion in column 2 “Criteria for assessing supplier dependencies and/or impacts on the environment”, elaborate on how this criterion was used to classify suppliers as having substantive dependencies in your context. For instance, you may classify suppliers as having substantive dependencies if they are dependent on a specific ingredient that is critical to your final product.</li> <li>If “Basin/landscape condition” was selected as the criterion in column 2 “Criteria for assessing supplier dependencies and/or impacts on the environment”, elaborate on how you classified suppliers as having substantive dependencies and/or impacts using basin condition. For instance, indicate whether you utilized the <a href="#">CEO Water Mandate’s “100 Priority Basins”</a> list to assess supplier locations and prioritize engagement with suppliers situated in one of these priority basins.</li> </ul> </li> <li>If your threshold is based on multiple criteria selected in column 2 “Criteria for assessing supplier dependencies and/or impacts on the environment”, specify the threshold for each criterion selected. The cumulative outcome of these thresholds should be used to determine the percentage and number of tier 1 suppliers in the following columns.</li> </ul> <p><i>% tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment (column 5)</i></p> <ul style="list-style-type: none"> <li>Out of the tier 1 suppliers assessed for the criteria selected in column 2 “Criteria for assessing supplier dependencies and/or impacts on the environment”, provide the percentage of suppliers identified to have substantive dependencies and/or impacts on the environment, as per the thresholds defined in column 4 “Define a threshold for</li> </ul>
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	<p>suppliers with substantive dependencies and/or impacts on the environment”. For example, if you assessed half of your tier 1 suppliers and half of those assessed met the thresholds, select “26-50%” here.</p> <p><i>Number of tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment (column 6)</i></p> <ul style="list-style-type: none"> <li>Enter the number of tier 1 suppliers assessed and identified to have substantive dependencies and/or impacts on the environment, as per the thresholds defined in column 4 “Define a threshold for suppliers with substantive dependencies and/or impacts on the environment”.</li> <li>This number should be calculated by multiplying the percentage provided in column 5 “% tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment” by the number of tier 1 suppliers assessed for the criteria selected in column 2 “Criteria for assessing supplier dependencies and/or impacts on the environment”. For example, if you assessed half of your 1000 tier 1 suppliers and half of those assessed met the thresholds, enter 250 here.</li> </ul>
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Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	CC,F,P,W
Sector	Question level	All (except FS)

**(5.11.2) Does your organization prioritize which suppliers to engage with on environmental issues?**

Question details	
Question dependencies	This question appears if you select “Yes” in response to column 1 “Engaging with this stakeholder on environmental issues” for the row “Suppliers” of 5.11.
Change from last year	New question
Rationale	This question allows data users to understand whether an organization prioritizes specific suppliers for engagement on environmental issues and, if so, the criteria employed in this prioritization to ensure that engagement achieves the greatest benefits.
Ambition	<ul style="list-style-type: none"> <li>The organization prioritizes engagement with specific suppliers on environmental issues, guided by their dependencies and/or impact on the environment.</li> </ul>
Connection to other frameworks	TNFD Strategy B GRI Disclosure 303-1

	AFi Core Principle 4 AFi Core Principle 6 AFi Core Principle 10
Response options	Please complete the following table:

Table as needed

0	1	2	3	4
Environmental issue covered	Supplier engagement prioritization on this environmental issue	Criteria informing which suppliers are prioritized for engagement on this environmental issue	Primary reason for no supplier prioritization on this environmental issue	Please explain
Climate change	Select from: <ul style="list-style-type: none"> <li>Yes, we prioritize which suppliers to engage with on this environmental issue</li> <li>No, we do not prioritize which suppliers to engage with on this environmental issue</li> </ul>	Select all that apply: <ul style="list-style-type: none"> <li>In line with the criteria used to classify suppliers as having substantive dependencies and/or impacts relating to climate change [appears if “Yes, we assess the impacts/dependencies of our suppliers” is selected in column 1, “Climate change” row of 5.11.1, CC only]</li> <li>In line with the criteria used to classify suppliers as having substantive dependencies and/or impacts relating to forests [appears if “Yes, we assess the impacts/dependencies of our suppliers” is selected in column 1, “Forests” row of 5.11.1; F only]</li> <li>In line with the criteria used to classify suppliers as having substantive dependencies and/or impacts relating to water [appears if “Yes, we assess the impacts/dependencies of our suppliers” is selected in column 1, “Water” row of 5.11.1; W only]</li> <li>In line with the criteria used to classify suppliers as having substantive dependencies and/or impacts relating to plastics [appears if “Yes, we assess the impacts/dependencies of our suppliers” is selected in column 1, “Plastics” row of 5.11.1; P only]</li> <li>Business risk mitigation</li> <li>Leverage over suppliers</li> <li>Material sourcing</li> <li>Procurement spend</li> <li>Product lifecycle</li> <li>Product safety and compliance</li> <li>Regulatory compliance</li> <li>Reputation management</li> <li>Strategic status of suppliers</li> <li>Supplier performance improvement</li> <li>Vulnerability of suppliers</li> <li>Other, please specify</li> </ul>	Select from: <ul style="list-style-type: none"> <li>We engage with all suppliers</li> <li>Lack of internal resources, capabilities or expertise (e.g., due to organization size)</li> <li>No standardized procedure</li> <li>Not an immediate strategic priority</li> <li>Judged to be unimportant or not relevant</li> <li>Other, please specify</li> </ul>	Text field [maximum 1,500 characters]
Forests				



Water				
Plastics				

[Fixed row]

Requested content	<p><i>General</i></p> <ul style="list-style-type: none"> <li>This question focuses on tier 1 (direct) suppliers only.</li> </ul> <p><i>Criteria informing which suppliers are prioritized for engagement on this environmental issue (column 2)</i></p> <ul style="list-style-type: none"> <li>Select the criteria that best describe the factors considered when prioritizing suppliers to engage with on each environmental issue.</li> <li>For example, if, following an evaluation of the climate-related risks associated with your organization’s material sourcing you focus your engagement on suppliers of the materials critical to mitigate climate-related risks and promote responsible practices, select “Material sourcing” and “Business risk mitigation”.</li> <li>If you indicated in 5.11.1 that you assess the dependencies and/or impacts of your suppliers: <ul style="list-style-type: none"> <li>Select “In line with the criteria used to classify suppliers...” if you use the same criteria (as selected in column 2 of 5.11.1) to prioritize suppliers for engagement on this environmental issue (i.e., you prioritize suppliers for engagement based on their dependencies and/or impacts related to this environmental issue).</li> <li>Select “In line with the criteria used to classify suppliers...” and additional options, if you prioritize suppliers based on both their dependencies and/or impacts related to this environmental issue and other criteria.</li> </ul> </li> </ul> <p><i>Please explain (column 4)</i></p> <ul style="list-style-type: none"> <li>If you selected “Yes, we prioritize which suppliers to engage with on this environmental issue” in column 1 “Supplier engagement prioritization on this environmental issue”, briefly describe your rationale for using the criteria selected in column 2 “Criteria informing which suppliers are prioritized...” to prioritize suppliers and how this relates to your engagement on this environmental issue. In addition, state whether your prioritization of supplier engagement is associated with a particular business activity, product line, regulation etc.</li> <li>If you selected “No, we do not prioritize which suppliers to engage with on this environmental issue” in column 1 “Supplier engagement prioritization on this environmental issue”, provide your reasons.</li> </ul>
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Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	CC,F,P,W

Sector	Question level	All (except FS)
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**(5.11.3) Provide details of your environmental engagement strategy with your clients.**

Question details	
Question dependencies	This question appears if you select “Yes” in response to column 1 “Engaging with this stakeholder on environmental issues” for the row “Clients” of 5.11.
Change from last year	Modified question (2023 C-FS12.1b, FW-FS4.1a)
Rationale	This question provides data users with more transparency regarding an organization’s client engagement processes. Data users are interested in understanding how financial services companies are working with their clients to drive environmental action, such as whether organizations encourage their corporate clients to set science-based targets.
Ambition	Financial services companies have client engagement strategies for environmental issues and undertake engagement with clients to positively affect their own performance and the environment. Banks and insurers engage with their clients and asset managers engage with both clients and investees.
Connection to other frameworks	NZAM Commitment A NZAM Commitment 6 TNFD Strategy B
Response options	

1	2	3a	3b	4	5
Type of clients	Environmental issues covered by the engagement strategy	Type of engagement	Details of engagement	% of client-associated scope 3 emissions as reported in question 12.1.1	% of portfolio covered in relation to total portfolio value
Select from: <ul style="list-style-type: none"> <li>• Clients of Banks</li> <li>• Clients of Asset Managers</li> <li>• Clients of Insurers</li> </ul>	Select all that apply: <ul style="list-style-type: none"> <li>• Climate change</li> <li>• Forests</li> <li>• Water</li> </ul>	Select all that apply: <ul style="list-style-type: none"> <li>• Capacity building</li> <li>• Financial incentives</li> <li>• Information collection</li> <li>• Innovation and collaboration</li> <li>• Other, please specify</li> </ul>	Select all that apply from the drop-down list below	Select from: <ul style="list-style-type: none"> <li>• None</li> <li>• Less than 1%</li> <li>• 1-25%</li> <li>• 26-50%</li> <li>• 51-75%</li> <li>• 76-99%</li> <li>• 100%</li> <li>• Unknown</li> </ul>	Select from: <ul style="list-style-type: none"> <li>• None</li> <li>• Less than 1%</li> <li>• 1-25%</li> <li>• 26-50%</li> <li>• 51-75%</li> <li>• 76-99%</li> <li>• 100%</li> <li>• Unknown</li> </ul>

Table continued

6	7	8	9	10	11	12	13
Explain the rationale for the coverage of your engagement	Describe how you communicate your engagement strategy to your clients and/or to the public	Attach your engagement strategy	Staff in your organization carrying out the engagement	Roles of individuals at the portfolio organizations you seek to engage with	Effect of engagement, including measures of success	Escalation process for engagement when dialogue is failing	Describe your escalation process
Text field [maximum 2,500 characters]	Text field [maximum 2,500 characters]	Attach your document here	Select all that apply: <ul style="list-style-type: none"> <li>Specialized in-house engagement teams</li> <li>Fund managers</li> <li>Equity/credit analysts</li> <li>Senior-level roles</li> <li>Other, please specify</li> </ul>	Select all that apply: <ul style="list-style-type: none"> <li>Board members</li> <li>Board chair</li> <li>CEO</li> <li>Corporate secretary</li> <li>Investor relations managers</li> <li>Other, please specify</li> </ul>	Text field [maximum 2,500 characters]	Select from: <ul style="list-style-type: none"> <li>Yes, we have an escalation process</li> <li>No, we don't have an escalation process</li> </ul>	Text field [maximum 2,500 characters]

[Add row]

Details of engagement (column 3b)

<p><b>Capacity building</b></p> <ul style="list-style-type: none"> <li>• Develop or distribute value chain mapping tool (FW)</li> <li>• Provide training, support and best practices on how to make credible renewable energy usage claims (CC only)</li> <li>• Provide training, support and best practices on how to measure GHG emissions (CC only)</li> <li>• Provide training, support and best practices on how to set science-based targets (CFW)</li> <li>• Support clients to develop public, time-bound action plans with clear milestones (CFW)</li> <li>• Support clients to set their own environmental commitments across their operations (CFW)</li> <li>• Other capacity building activity, please specify (CFW)</li> </ul> <p><b>Financial incentives</b></p> <ul style="list-style-type: none"> <li>• Provide financial incentives for environmental performance</li> </ul>	<ul style="list-style-type: none"> <li>• Provide financial incentives for progress against water pollution targets (W only)</li> <li>• Provide financial incentives for progress against water withdrawal targets (W only)</li> <li>• Provide financial incentives for progress against forests-related targets (F only)</li> <li>• Provide financial incentives for certified products and services (F only)</li> <li>• Provide financial incentives for environmental performance (CFW)</li> <li>• Provide financial incentives for clients with a climate transition plan (CC only)</li> <li>• Provide financial incentives for clients increasing renewable energy use (CC only)</li> <li>• Provide financial incentives for progress against climate-related targets (CC only)</li> <li>• Other financial incentive, please specify (CFW)</li> </ul>	<p><b>Information collection</b></p> <ul style="list-style-type: none"> <li>• Collect climate transition plan information at least annually from clients (CC only)</li> <li>• Collect environmental risk and opportunity information at least annually from clients (CFW)</li> <li>• Collect GHG emissions data at least annually from clients (CC only)</li> <li>• Collect targets information at least annually from clients (CFW)</li> <li>• Collect WASH information at least annually from clients (W only)</li> <li>• Collect water quality information at least annually from clients (e.g., discharge quality, pollution incidents, hazardous substances) (W only)</li> <li>• Collect water quantity information at least annually from clients (e.g., withdrawal and discharge volumes) (W only)</li> <li>• Other information collection activity, please specify (CFW)</li> </ul> <p><b>Innovation and collaboration</b></p> <ul style="list-style-type: none"> <li>• Collaborate with clients on innovations to reduce environmental impacts in products and services (CFW)</li> </ul>	<ul style="list-style-type: none"> <li>• Collaborate with clients on innovative business models and corporate renewable energy sourcing mechanisms (CC only)</li> <li>• Encourage clients to take Beyond Value Chain Mitigation (BVCM) actions (CC only)</li> <li>• Encourage collaborative work in landscapes or jurisdictions (FW)</li> <li>• Incentivize collaborative sustainable water management in river basins (W only)</li> <li>• Engage with clients to advocate for policy or regulatory change to address environmental challenges (CFW)</li> <li>• Facilitate adoption of a unified climate transition approach with clients (CC only)</li> <li>• Invest jointly with clients in R&amp;D of relevant low-carbon technologies (CC only)</li> <li>• Run a campaign to encourage innovation to reduce environmental impacts on products and services (CFW)</li> <li>• Other innovation and collaboration activity, please specify (CFW)</li> </ul> <p><b>Other, please specify</b></p>
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<p>Requested content</p>	<p><i>General</i> Provide details about your organization’s client engagement strategy regarding environmental issues.</p> <ul style="list-style-type: none"> <li>• This question focuses on corporate clients only.</li> <li>• Add a row for each type of client you are disclosing on. Add multiple rows for the same type of client if you wish to provide different engagement details.</li> </ul> <p><i>% of client-related scope 3 emissions as reported in 12.1.1 (column 4)</i> This column only appears if “Climate change” is selected in column 2 “Environmental issues covered by the engagement strategy”. Only include the percentage of customer-related scope 3 emissions reported in 12.1.1 that are attributable to clients participating in the activity selected in this row.</p> <p><i>% of portfolio covered in relation to total portfolio value (column 5)</i> Provide the proportion of your portfolio covered by the engagement strategy based on the total portfolio value, as reported in question 1.10.</p> <p><i>Explain the rationale for the coverage of your engagement (column 6)</i></p>
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	<p>Explain how and why clients were chosen for the engagement selected in column 3a “Type of engagement”, e.g., exposure to environmental risks and/or opportunities, potential impact on climate change/forests/water, proportion of revenue generated, geographic location, etc. Client engagement can be either untargeted (undertaken generally with all clients or undertaken with a selection of clients without a basis for the selection) or targeted at specific clients, such as clients in a particular sector with increased environmental risks relative to other sectors. There is a place for both, but targeted engagement may be more effective at driving change in the real economy.</p> <p><i>Describe how you communicate your engagement strategy to your clients and/or to the public (column 7)</i></p> <p>Briefly describe the process you have for communicating your engagement strategy, including whether it is publicly available, whether you communicate progress and outcomes of engagements with clients and/or the public, and if so, how.</p> <p><i>Roles of individuals at the portfolio organizations you seek to engage with (column 10)</i></p> <p>Select all options which represent the roles in the portfolio organization you aim to engage with as part of your environmental engagement strategy.</p> <p><i>Effect of engagement, including measures of success (column 11)</i></p> <ul style="list-style-type: none"> <li>• Discuss the effect of the engagement and how you measure its success.</li> <li>• Include a threshold at which you consider your effect to be successful with regard to the measure of success. For example, if you select “Provide training, support, and best practices on how to set science-based targets,” the measure of success could be a 10% increase in clients obtaining validation of their emissions reduction targets by the Science Based Targets initiative (SBTi).</li> <li>• Define the coverage of your portfolio based on the portfolio value represented by clients participating in this engagement activity.</li> <li>• Include a description of any engagement activity you undertake with clients to manage environmental risks in your portfolio.</li> <li>• Provide examples of positive outcomes achieved. For example, this could include clients reducing GHG emissions in their direct operations or increasing renewable energy procurement.</li> <li>• The description should be organization-specific and include details on the impact of the environmental engagement strategy with your clients.</li> </ul> <p><i>Describe your escalation process (column 13)</i></p> <ul style="list-style-type: none"> <li>• This column only appears if “Yes, we have an escalation process” is selected in column 12 “Escalation process for engagement when dialogue is failing”.</li> <li>• Describe the tactics included in your escalation process, e.g., how you express concerns, making public statements, expressing concerns collectively with other investors or shareholders, speaking at general meetings, exit or threat to exit from the investment and others.</li> </ul>
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Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	CC, F, W
Sector	Question level	FS only

**(5.11.4) Provide details of your environmental engagement strategy with your investees.**

Question details	
Question dependencies	<i>This question appears if select “Yes” in response to column 1 “Engaging with this stakeholder on environmental issues” for the row “Investees” of 5.11.</i>
Change from last year	Modified question (2023 C-FS12.1c, FW-FS4.1b)
Rationale	This question provides data users with more transparency regarding investee engagement processes. Data users are interested in understanding how financial services companies are working with their investees to drive environmental action, such as whether organizations encourage their investees to set science-based targets.
Ambition	<ul style="list-style-type: none"> <li>Financial services companies have investee engagement strategies for environmental issues and undertake engagement with investees to positively affect their own performance and the environment.</li> </ul>
Connection to other frameworks	NZAM Commitment 3 NZAM Commitment 7 TNFD Strategy B

1	2a	2b	3	4	5	6
Environmental issues covered by the engagement strategy	Type of engagement	Details of engagement	% of scope 3 investees associated emissions as reported in 12.1.1	% of investing (Asset managers) portfolio covered in relation to total portfolio value	% of investing (Asset owners) portfolio covered in relation to total portfolio value	Explain the rationale for the coverage of your engagement
Select all that apply: <ul style="list-style-type: none"> <li>Climate change</li> <li>Forests</li> <li>Water</li> </ul>	Select all that apply: <ul style="list-style-type: none"> <li>Capacity building</li> <li>Financial incentives</li> <li>Information collection</li> <li>Innovation and collaboration</li> <li>Other, please specify</li> </ul>	Select all that apply from the drop-down list below	Select from: <ul style="list-style-type: none"> <li>None</li> <li>Less than 1%</li> <li>1-25%</li> <li>26-50%</li> <li>51-75%</li> <li>76-99%</li> <li>100%</li> <li>Unknown</li> </ul>	Select from: <ul style="list-style-type: none"> <li>None</li> <li>Less than 1%</li> <li>1-25%</li> <li>26-50%</li> <li>51-75%</li> <li>76-99%</li> <li>100%</li> <li>Unknown</li> </ul>	Select from: <ul style="list-style-type: none"> <li>None</li> <li>Less than 1%</li> <li>1-25%</li> <li>26-50%</li> <li>51-75%</li> <li>76-99%</li> <li>100%</li> <li>Unknown</li> </ul>	Text field (maximum 2,500 characters)

Table continued

7	8	9	10	11	12	13
Describe how you communicate your engagement strategy to your investees and/or to the public	Attach your engagement strategy	Staff in your organization carrying out the engagement	Roles of individuals at the portfolio organizations you seek to engage with	Effect of engagement, including measures of success	Escalation process for engagement when dialogue is failing	Describe your escalation process

Text field [maximum 2,500 characters]	Attach your document here	Select all that apply: <ul style="list-style-type: none"> <li>Specialized in-house engagement teams</li> <li>Fund managers</li> <li>Equity/cr edit analysts</li> <li>Senior-level roles</li> <li>Other, please specify</li> </ul>	Select all that apply: <ul style="list-style-type: none"> <li>Board members</li> <li>Board chair</li> <li>CEO</li> <li>Corporate secretary</li> <li>Investor relations managers</li> <li>Other, please specify</li> </ul>	Text field [maximum 2,500 characters]	Select from: <ul style="list-style-type: none"> <li>Yes, we have an escalation process</li> <li>No, we don't have an escalation process</li> </ul>	Text field [maximum 2,500 characters]
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[Add row]

Details of engagement (column 2b)			
<p><b>Capacity building</b></p> <ul style="list-style-type: none"> <li>Develop or distribute value chain mapping tool (FW)</li> <li>Provide training, support, and best practices on how to make credible renewable energy usage claims (CC only)</li> <li>Provide training, support, and best practices on how to measure GHG emissions (CC only)</li> <li>Provide training, support, and best practices on how to set science-based targets (CFW)</li> <li>Support investees to develop public time-bound action plans with clear milestones</li> <li>Support investees to set their own environmental commitments across their operations</li> <li>Other capacity building activity, please specify</li> </ul> <p><b>Financial incentives</b></p> <ul style="list-style-type: none"> <li>Provide financial incentives for environmental performance</li> </ul>	<ul style="list-style-type: none"> <li>Incentivize progress against water pollution targets (W only)</li> <li>Incentivize progress against water withdrawal targets (W only)</li> <li>Provide financial incentives for progress against forests-related targets (F only)</li> <li>Provide financial incentives for certified products and services (F only)</li> <li>Provide financial incentives for environmental performance (CFW)</li> <li>Provide financial incentives for investees with a climate transition plan (CC only)</li> <li>Provide financial incentives for investees increasing renewable energy use (CC only)</li> <li>Provide financial incentives for progress against climate-related targets (CC only)</li> <li>Other financial incentive, please specify (CFW)</li> </ul>	<p><b>Information collection</b></p> <ul style="list-style-type: none"> <li>Collect climate transition plan information at least annually from investees (CC only)</li> <li>Collect environmental risk and opportunity information at least annually from investees (CFW)</li> <li>Collect GHG emissions data at least annually from investees (CC only)</li> <li>Collect targets information at least annually from investees (CFW)</li> <li>Collect WASH information at least annually from investees (W only)</li> <li>Collect water quality information at least annually from investees (e.g., discharge quality, pollution incidents, hazardous substances) (W only)</li> <li>Collect water quantity information at least annually from Investees (e.g., withdrawal and discharge volumes) (W only)</li> <li>Other information collection activity, please specify (CFW)</li> </ul> <p><b>Innovation and collaboration</b></p>	<ul style="list-style-type: none"> <li>Collaborate with investees on innovative business models and corporate renewable energy sourcing mechanisms (CC only)</li> <li>Encourage investees to take Beyond Value Chain Mitigation (BVCM) actions (CC only)</li> <li>Encourage collaborative work in landscapes or jurisdictions (FW)</li> <li>Incentivize collaborative sustainable water management in river basins (W only)</li> <li>Engage with investees to advocate for policy or regulatory change to address environmental challenges</li> <li>Facilitate adoption of a unified climate transition approach with investees (CC only)</li> <li>Invest jointly with investees in R&amp;D of relevant low-carbon technologies (CC only)</li> <li>Run a campaign to encourage innovation to reduce environmental impacts on products and services (CFW)</li> <li>Other innovation and collaboration activity, please specify (CFW)</li> </ul> <p><b>Other, please specify</b></p>

		<ul style="list-style-type: none"> <li>• Collaborate with investees on innovations to reduce environmental impacts in products and services (CFW)</li> </ul>	
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Requested content	<p><i>General</i></p> <p>Provide details about your organization’s investee engagement strategy regarding environmental issues.</p> <p>This question focuses on corporate investees only.</p> <p><i>% of scope 3 emissions as reported in 12.1.1 (column 3)</i></p> <p>This column only appears if “Climate change” is selected in column 1 “Environmental issues covered by the engagement strategy”.</p> <p>Only include the percentage of investee-related scope 3 emissions reported in 12.1.1 that are attributable to investees participating in the activity selected in this row.</p> <p><i>% of investing (Asset managers) portfolio covered in relation to total portfolio value (column 4)</i></p> <p>Provide the proportion your portfolio covered by the engagement process/strategy based on the total portfolio value, as reported in question 1.10.</p> <p><i>% of investing (Asset owners) portfolio covered in relation to total portfolio value (column 5)</i></p> <p>Provide the proportion of your portfolio covered by the engagement strategy based on the total portfolio value, as reported in question 1.10.</p> <p><i>Explain the rationale for the coverage of your engagement (column 6)</i></p> <p>Explain how and why investees were chosen for the engagement selected in column 2a “Type of engagement”, e.g., proportion of revenue generated, geographic location, etc.</p> <p>Investee engagement can be either untargeted (undertaken generally with all investees or undertaken with a selection of investees without a basis for the selection) or targeted at specific investees, such as investees in a particular sector with increased environmental risks relative to other sectors. There is a place for both, but targeted engagement may be more effective at driving change in the real economy.</p> <p><i>Describe how you communicate your engagement strategy to your clients and/or to the public (column 7)</i></p>
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	<p>Briefly describe the process you have for communicating your engagement strategy, including whether it is publicly available, whether you communicate progress and outcomes of engagements with investees or the public and, if so, how.</p> <p><i>Roles of individuals at the portfolio organizations the entity seeks to engage with (column 10)</i> Select all options which represent the roles in the portfolio organizations you aim to engage with as part of your environmental engagement strategy.</p> <p><i>Effect of engagement, including measures of success (column 11)</i> Discuss the impact of this engagement and how you measure its success. Include a threshold at which you consider your effect to be successful with regard to the measure of success. For example, if you select “Provide training, support, and best practices on how to set science-based targets,” the measure of success could be a 10% increase in clients obtaining validation of their emissions reduction targets by the Science Based Targets initiative (SBTi). Define the coverage of your investment portfolio based on the portfolio value represented by investees participating in this engagement activity. Include a description of any engagement activity you undertake with investee organizations to manage environmental risks in your investment portfolio. Provide examples of positive outcomes achieved. For example, this could include investees reducing product use-phase GHG emissions or increasing renewable energy procurement. The description should be organization-specific and include details on the impact of the environmental investee engagement strategy.</p> <p><i>Describe your escalation process (column 13)</i> This column only appears if “Yes, we have an escalation process” is selected in column 12 “Escalation process for engagement when dialogue is failing”. Describe the tactics included in your escalation process e.g., how you express concerns, making public statements, expressing concerns collectively with other investors or shareholders, speaking at general meetings, exit or threat to exit from the investment and others.</p>
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Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	CC, F, W
Sector	Question level	FS only

**(5.11.5) Do your suppliers have to meet environmental requirements as part of your organization’s purchasing process?**

Question details	
Question dependencies	<i>This question only appears if you select “Yes” in response to column 1 “Engaging with this stakeholder on environmental issues” for the row “Suppliers” of 5.11.</i>
Change from last year	New question for Forests Modified question for Climate change and Water (2023 C12.2, W1.5b)
Rationale	Setting environmental requirements for suppliers is a manifestation of strategic commitment to environmental action that not only enhances organizations’ awareness of environmental concerns but also serves as a powerful catalyst for driving

	transformative action throughout the upstream value chain. By setting stringent environmental requirements for suppliers, organizations assert their dedication to proactive change, fostering a culture of responsibility that resonates throughout value chains and industries, and paves the way for a more sustainable future.
Ambition	<ul style="list-style-type: none"> <li>The organization has environmental requirements that all relevant suppliers have to meet as part of their purchasing process. These are included in supplier contracts and the organization has mechanisms for monitoring compliance with these requirements.</li> <li>The organization has clear, consistent, and documented policies and procedures for addressing supplier non-compliance. The organization should, where possible, retain non-compliant suppliers and promote compliance before suspending or excluding the supplier.</li> </ul>
Connection to other frameworks	<p>TNFD Strategy B</p> <p>GRI Disclosure 303-1</p> <p>AFi Core Principle 4</p> <p>AFi Core Principle 6</p>
Response options	Please complete the following table:

0	1	2	3
Environmental issue	Suppliers have to meet specific environmental requirements related to this environmental issue as part of the purchasing process	Policy in place for addressing supplier non-compliance	Comment
Climate change	<p>Select from:</p> <ul style="list-style-type: none"> <li>Yes, environmental requirements related to this environmental issue are included in our supplier contracts</li> <li>Yes, suppliers have to meet environmental requirements related to this environmental issue, but they are not included in our supplier contracts</li> <li>No, but we plan to introduce environmental requirements related to this environmental issue within the next two years</li> <li>No, and we do not plan to introduce environmental requirements related to this environmental issue within the next two years</li> </ul>	<p>Select from:</p> <ul style="list-style-type: none"> <li>Yes, we have a policy in place for addressing non-compliance</li> <li>No, we do not have a policy in place for addressing non-compliance</li> </ul>	Text field [maximum 1,500 characters]
Forests			
Water			

[Fixed row]

Requested content	<p><i>General</i></p> <p>Environmental requirements can be either pre-requisites to establishing a purchasing relationship or be specified as metrics to achieve once supplier onboarding is completed. Organizations responding to either of the “Yes...” options in any row will be further prompted to identify the environmental requirements and provide details of the compliance measures in place in the following question.</p>
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	<p><i>Suppliers have to meet specific environmental requirements related to this environmental issue as part of the purchasing process (column 1)</i></p> <p>Select “Yes, environmental requirements related to this environmental issue are included in our supplier contracts” if your suppliers are obliged, as outlined in their contract with your organization, to adhere to specific environmental requirements set by your organization related to the environmental issue in column 0 “Environmental issue”.</p> <p>Select “Yes, suppliers have to meet environmental requirements related to this environmental issue, but they are not included in our supplier contracts” if your suppliers have to meet environmental requirements related to the environmental issue in column 0 “Environmental issue” as part of your organization’s purchasing process, but the requirements are not formally written as a contractual obligation. For example, your organization may have a non-contractual supplier code of conduct featuring environmental requirements or environmental requirements may be included in your organization’s supplier selection process.</p> <p><i>Policy in place for addressing supplier non-compliance (column 2)</i></p> <p>Select “Yes, we have a policy in place for addressing non-compliance” if you have an established policy to manage suppliers who do not adhere to the environmental requirements related to the environmental issue in column 0 “Environmental issue” within your purchasing process.</p> <p><i>Comment (optional)</i></p> <p>You may use this column to provide an overarching statement of your organization’s non-compliance policy. Note that you will be asked to provide more details of your organization’s non-compliance procedures in columns 10-12 of 5.11.6.</p> <p>If you selected “No, but we plan to introduce environmental requirements related to this environmental issue within the next two years” or “No, and we do not plan to introduce environmental requirements related to this environmental issue within the next two years” in column 1 “Suppliers have to meet specific environmental requirements related to this environmental issue as part of the purchasing process”, provide your reasons.</p>
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Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	CC, F, W
Sector	Question level	All (except FS)

**(5.11.6) Provide details of the environmental requirements that suppliers have to meet as part of your organization’s purchasing process, and the compliance measures in place.**

Question details	
Question dependencies	<i>This question only appears if you select any “Yes” option in response to column 1 “Suppliers have to meet specific environmental requirements for this environmental issue as part of the purchasing process” in any row of 5.11.5.</i>
Change from last year	Modified question (2023 C12.2a, F6.4, F6.4a, W1.5c)
Rationale	Identifying key actions in the upstream value chain and fostering engagement through environmental requirements enables organizations to proactively mitigate risks. This question allows organizations to demonstrate the robustness of environmental requirements for their suppliers by highlighting the targeted environmental actions, the organizations’ engagement range, and non-compliance responses.

Ambition	<p>The organization has environmental requirements that all relevant suppliers have to meet as part of their purchasing process. These are included in supplier contracts and the organization has mechanisms for monitoring compliance with the requirement.</p> <p>The organization has clear, consistent, and documented policies and procedures for addressing supplier non-compliance. The organization should, where possible, retain non-compliant suppliers and promote compliance before suspending or excluding the supplier.</p> <p>The organization discloses the percentage of suppliers identified with substantive dependencies and/or impacts, with whom it actively engages on environmental issues.</p>
Connection to other frameworks	<p>IFRS S2 14 RE100 TNFD Governance C TNFD Strategy B AFi Core Principle 4 AFi Core Principle 6</p>

1	2	3	4	5	6
Environmental issue	Environmental requirement	Mechanisms for monitoring compliance with this environmental requirement	% tier 1 suppliers by procurement spend required to comply with this environmental requirement	% tier 1 suppliers by procurement spend in compliance with this environmental requirement	% tier 1 suppliers with substantive environmental dependencies and/or impacts related to this environmental issue required to comply with this environmental requirement
Climate change	Select from the drop-down list below	<p>Select all that apply:</p> <ul style="list-style-type: none"> <li>• No mechanism for monitoring compliance</li> <li>• Certification</li> <li>• Community-based monitoring</li> <li>• Fines and penalties</li> <li>• First-party verification</li> <li>• Geospatial monitoring tool</li> <li>• Grievance mechanism/ Whistleblowing hotline</li> <li>• Ground-based monitoring system</li> <li>• Off-site third-party audit</li> <li>• On-site third-party audit</li> <li>• Second-party verification</li> <li>• Supplier scorecard or rating</li> <li>• Supplier self-assessment</li> <li>• Other, please specify</li> </ul>	<p>Select from:</p> <ul style="list-style-type: none"> <li>• None</li> <li>• Less than 1%</li> <li>• 1-25%</li> <li>• 26-50%</li> <li>• 51-75%</li> <li>• 76-99%</li> <li>• 100%</li> </ul>	<p>Select from:</p> <ul style="list-style-type: none"> <li>• None</li> <li>• Less than 1%</li> <li>• 1-25%</li> <li>• 26-50%</li> <li>• 51-75%</li> <li>• 76-99%</li> <li>• 100%</li> </ul>	<p>Select from:</p> <ul style="list-style-type: none"> <li>• None</li> <li>• Less than 1%</li> <li>• 1-25%</li> <li>• 26-50%</li> <li>• 51-75%</li> <li>• 76-99%</li> <li>• 100%</li> </ul>
Forests					
Water					
<p>Select from:</p> <ul style="list-style-type: none"> <li>• Climate change</li> <li>• Forests</li> <li>• Water</li> </ul>					

7	8	9	10	11	12	13
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% tier 1 suppliers with substantive environmental dependencies and/or impacts related to this environmental issue that are in compliance with this environmental requirement	% tier 1 supplier-related scope 3 emissions attributable to the suppliers required to comply with this environmental requirement	% tier 1 supplier-related scope 3 emissions attributable to the suppliers in compliance with this environmental requirement	Response to supplier non-compliance with this environmental requirement	% of non-compliant suppliers engaged	Procedures to engage non-compliant suppliers	Comment
Select from: <ul style="list-style-type: none"> <li>• None</li> <li>• Less than 1%</li> <li>• 1-25%</li> <li>• 26-50%</li> <li>• 51-75%</li> <li>• 76-99%</li> <li>• 100%</li> </ul>	Select from: <ul style="list-style-type: none"> <li>• None</li> <li>• Less than 1%</li> <li>• 1-25%</li> <li>• 26-50%</li> <li>• 51-75%</li> <li>• 76-99%</li> <li>• 100%</li> </ul>	Select from: <ul style="list-style-type: none"> <li>• None</li> <li>• Less than 1%</li> <li>• 1-25%</li> <li>• 26-50%</li> <li>• 51-75%</li> <li>• 76-99%</li> <li>• 100%</li> </ul>	Select from: <ul style="list-style-type: none"> <li>• Exclude</li> <li>• No response</li> <li>• Retain and engage</li> <li>• Suspend and engage</li> <li>• Other, please specify</li> </ul>	Select from: <ul style="list-style-type: none"> <li>• None</li> <li>• Less than 1%</li> <li>• 1-25%</li> <li>• 26-50%</li> <li>• 51-75%</li> <li>• 76-99%</li> <li>• 100%</li> <li>• Unknown</li> </ul>	Select all that apply: <ul style="list-style-type: none"> <li>• Assessing the efficacy and efforts of non-compliant supplier actions through consistent and quantified metrics</li> <li>• Developing quantifiable, time-bound targets and milestones to bring suppliers back into compliance</li> <li>• Providing information on appropriate actions that can be taken to address non-compliance</li> <li>• Re-integrating suppliers back into upstream value chain based on the successful and verifiable completion of activities</li> <li>• Other, please specify</li> </ul>	Text field [maximum 1,500 characters]

[Fixed row, add row]

Environmental requirement (column 2)

<ul style="list-style-type: none"> <li>• Adoption of the UN International Labour Organization Principles</li> <li>• Compliance with an environmental certification, please specify</li> <li>• Disclosure of GHG emissions to your organization (Scope 1 and 2) [CC only]</li> <li>• Disclosure of GHG emissions to your organization (Scope 1, 2 and 3) [CC only]</li> <li>• Environmental disclosure through a non-public platform</li> <li>• Environmental disclosure through a public platform</li> <li>• Implementation of a climate transition plan [CC only]</li> <li>• Implementation of emissions reduction initiatives [C only]</li> <li>• Measuring product-level emissions [CC only]</li> <li>• Monitoring and reduction of Product Carbon Footprint (PCF)/ product life-cycle emissions [CC only]</li> <li>• No deforestation or conversion of other natural ecosystems [F only]</li> <li>• No development on peat regardless of depth [F only]</li> <li>• Provision of fully-functioning, safely managed WASH services to all employees [W only]</li> <li>• Purchasing of low-carbon or renewable energy [CC only]</li> </ul>	<ul style="list-style-type: none"> <li>• Regular environmental risk assessments (at least once annually)</li> <li>• Reporting against a sustainability index (e.g., DJSI, CDP etc.)</li> <li>• Secure Free, Prior and Informed Consent (FPIC) of Indigenous Peoples and local communities</li> <li>• Setting a low-carbon or renewable energy target [CC only]</li> <li>• Setting a no deforestation or conversion of other natural ecosystems commitment across entire commodity business [F only]</li> <li>• Setting a science-based emissions reduction target [C only]</li> <li>• Setting and monitoring water pollution-related targets [W only]</li> <li>• Setting and monitoring withdrawal reduction targets [W only]</li> <li>• Substitution of hazardous substances with less harmful substances</li> <li>• Total water withdrawal volumes reduction [W only]</li> <li>• Waste and resource reduction and material circularity</li> <li>• Other, please specify</li> </ul>
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Requested content	<p><i>General</i></p> <p>In your calculations for this question, do not include new or potential suppliers for whom you do not have data on environmental requirements. Note that columns 4, 6 and 8 request the percentage of suppliers the specific requirement applies to, whilst columns 5, 7 and 9 request the percentage of suppliers you have confirmed are compliant with the requirement.</p> <p><i>Environmental requirement (column 2)</i></p> <p>Select the option that best describes the environmental requirement that suppliers have to meet. If the environmental requirement is part of a supplier code of conduct or supplier selection process, select the option that best describes what is required by the code of conduct or supplier selection process.</p> <p>If you select “Compliance with an environmental certification”, specify the environmental certification in column 13 “Comment”.</p> <p><i>Mechanisms for monitoring compliance with this environmental requirement (column 3)</i></p> <p>Select the types of monitoring mechanisms that your organization has in place to assess compliance with the environmental requirement selected in column 2 “Environmental requirement”.</p> <p>Details on some of the types of monitoring mechanisms are provided below:</p> <ul style="list-style-type: none"> <li>○ <b>Certification:</b> Requires suppliers to obtain certification to demonstrate compliance.</li> <li>○ <b>Supplier self-assessment:</b> Suppliers assess compliance themselves.</li> <li>○ <b>First-party verification:</b> Compliance verified by your organization, by personnel not involved in the design or implementation of assessed operations.</li> <li>○ <b>Second-party verification:</b> Compliance verified by related entity with interest in assessed organization or operation (e.g., business customer of a production/processing operation, contractor that provides services in addition to verification).</li> <li>○ <b>Off-site third-party audit:</b> Compliance verified off-site by third party (e.g., desktop audit).</li> <li>○ <b>On-site third-party audit:</b> Compliance verified on-site by third party (e.g., inspection).</li> </ul>
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○ **Grievance mechanism/Whistleblowing hotline:**

Compliance monitored through a reporting mechanism which enables the reporting of supplier non-compliance.

**Supplier scorecard or rating:** Compliance monitored through a scorecard or rating system.

*% tier 1 suppliers by procurement spend required to comply with this environmental requirement (column 4)*

Provide the percentage of your organization's tier 1 suppliers by total procurement spend in the reporting year that have to meet this environmental requirement. Total procurement spend includes all operational expenses on raw materials, goods and services procured.

*% tier 1 suppliers by procurement spend in compliance with this environmental requirement (column 5)*

Provide the percentage of your organization's tier 1 suppliers by total procurement spend in the reporting year which you have confirmed are in compliance with this environmental requirement.

The percentage reported in this column should represent a sub-group ( $\leq$ ) of the percentage reported in column 4 "% tier 1 suppliers by procurement spend required to comply with this environmental requirement".

*% tier 1 suppliers with substantive environmental dependencies and/or impacts related to this environmental issue required to comply with this environmental requirement (column 6)*

This column is only presented if you select any option except for "None" or "Unknown" in column 5 of 5.11 "% tier 1 suppliers meeting the thresholds...".

Provide the percentage of your organization's tier 1 suppliers with substantive dependencies and/or impacts related to this environmental issue (as indicated in column 5 of 5.11.1 "% tier 1 suppliers meeting the thresholds...") that have to comply with this environmental requirement.

The percentage reported in this column should represent a sub-group ( $\leq$ ) of the percentage reported in column 5 of 5.11.1.

*% tier 1 suppliers with substantive environmental dependencies and/or impacts related to this environmental issue that are in compliance with this environmental requirement (column 7)*

This column is only presented if you select any option except for "None" or "Unknown" in column 5 of 5.11.1 "% tier 1 suppliers meeting the thresholds...".

The percentage reported in this column should represent a sub-group ( $\leq$ ) of the percentage reported in column 6 "% tier 1 suppliers with substantive environmental dependencies and/or impacts related to this environmental issue required to comply with this environmental requirement".

*% tier 1 supplier-related scope 3 emissions attributable to the suppliers required to comply with this environmental requirement (column 8)*

This column is only presented for "Climate change" rows in column 1 "Environmental issue".

Provide the percentage of tier 1 supplier-related scope 3 emissions that that have to comply with this environmental requirement.

Include any relevant upstream scope 3 categories in your calculation (i.e., Categories 1-8 and "Other (upstream)"). You may exclude Category 7 "Employee commuting" if you do not require the suppliers of your employees' commuting activities (e.g., transport providers) to comply with this environmental requirement. For example, if your organization reports supplier-related emissions in two scope 3 categories, Category 1 "Purchased goods and services" and Category 4 "Upstream transportation and distribution", you should calculate the percentage in this column using the formula below:

	<p><i>(Emissions attributable to suppliers required to comply with environmental requirement)</i></p> <p><i>(Total emissions in "Category 1" + "Category 2")</i></p> <p><i>% tier 1 supplier-related scope 3 emissions attributable to suppliers in compliance with this environmental requirement (column 9)</i></p> <p>This column is only presented for "Climate change" rows in column 1 "Environmental issue".</p> <p>Provide the percentage of tier 1 supplier-related scope 3 emissions that your organization has confirmed are in compliance with this environmental requirement.</p> <p>The percentage reported in this column should represent a sub-group (<math>\leq</math>) of the percentage reported in column 8 "% tier 1 supplier-related scope 3 emissions attributable to the suppliers required to comply with this environmental requirement".</p> <p><i>Response to supplier non-compliance with this environmental requirement (column 10)</i></p> <ul style="list-style-type: none"> <li>• Select the most relevant procedure your organization has in place for responding to non-compliant suppliers. Further details on each of the options are provided below: <ul style="list-style-type: none"> <li>○ <b>Exclude:</b> Select this option if you end a purchasing relationship with a non-compliant supplier (in the case of a prior or ongoing relationship) or avoid purchasing from a given non-compliant supplier (in the case of spot markets or lack of an ongoing purchasing relationship). This option is also applicable if you do not establish a purchasing relationship because of a supplier's unwillingness to comply with the environmental requirement.</li> <li>○ <b>No response:</b> Select this option if you do not have a procedure for responding to non-compliant suppliers.</li> <li>○ <b>Retain and engage:</b> Select this option if you continue to purchase the product or service while engaging with the supplier to resolve the non-compliance.</li> <li>○ <b>Suspend and engage:</b> Select this option if you temporarily pause purchasing from a supplier but continue to engage with the supplier to resolve the non-compliance.</li> </ul> </li> </ul> <p><i>Procedures to address and resolve non-compliance with suppliers (column 12)</i></p> <ul style="list-style-type: none"> <li>• Select the options that best reflect the procedures your organization has in place for engaging with non-compliant suppliers.</li> </ul> <p><i>Comment (column 13)</i></p> <p>You may use this column to provide details to help data users understand your response. For example, you can provide information on the criteria used for assessing the severity of non-compliance and describe how your response to supplier non-compliance varies depending on this severity.</p>
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Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	CC, F, W
Sector	Question level	All (except FS)



**(5.11.7) Provide further details of your organization’s supplier engagement on environmental issues.**

Question details	
Question dependencies	<i>This question only appears if you select “Yes” in response to column 1 “Engaging with this stakeholder on environmental issues” for the row “Suppliers” of 5.11.</i>
Change from last year	New question for Plastics Modified question for Climate change, Forests and Water (2023 C12.1a, F6.8, F6.9, W1.5d)
Rationale	Proactive supplier engagement on environmental initiatives showcases an organization’s commitment to driving environmental action. This question facilitates data users’ evaluation of an organization’s sustainability efforts in their value chain, by revealing how comprehensive their understanding is of environmental issues throughout their upstream value chain. This comprehensive awareness allows organizations to manage environmental issues holistically, benefiting from a more thorough understanding of dependencies, impacts, risks, and opportunities within their upstream value chain.
Ambition	The organization sets quantitative measures of success to evaluate the effect of its engagement. The organization has practices in place to support vulnerable suppliers. <ul style="list-style-type: none"> <li>• The organization discloses the percentage of suppliers identified with substantive dependencies and/or impacts, with whom it actively engages on environmental issues.</li> <li>• For organizations purchasing commodity volumes where there is a risk of deforestation and conversion of other natural ecosystems, organizations should manage their entire value chains to ensure volume-level DCF (deforestation- and conversion-free) compliance and obtain third party verification. Where relevant, organizations should engage with suppliers to commit to and achieve DCF compliance across their suppliers’ entire business.</li> </ul>
Connection to other frameworks	IFRS S2 14 GRI Disclosure 303-1 CEO WM Response: Internal Actions TNFD Governance C TNFD Strategy B AFi Core Principle 4 AFi Core Principle 6 AFi Core Principle 10 RE100 ESRS 2

Table as needed

Rows appear based on selections in column 2 of 5.11 for the "Suppliers" row	Appears for the "Forests" row only		Appear if any option except for "No other supplier engagement" is selected in column 2		
0	1	2	3a	3b	4
Environmental issue covered	Commodity	Action driven by supplier engagement	Type of engagement	Details of engagement	Upstream value chain coverage
Climate change	N/A	Select from: <ul style="list-style-type: none"> <li>• No other supplier engagement</li> <li>• Adaptation to climate change [CFW]</li> <li>• Adoption of the United Nation's International Labour Organization principles [CFW]</li> <li>• Carbon removals [C only]</li> <li>• Circular economy</li> <li>• Emissions reduction [CP]</li> <li>• Macro and microplastic leakage reduction [PW]</li> <li>• No deforestation and/or conversion of other natural ecosystems [F only]</li> <li>• Provision of fully-functioning, safely managed WASH services to all employees [W only]</li> <li>• Removal of plastic from the environment [PW]</li> <li>• Remediation of past natural ecosystem conversion [F only]</li> <li>• Natural ecosystem restoration and long-term protection [F only]</li> <li>• Secure Free, Prior and Informed Consent (FPIC) of Indigenous Peoples and local communities [CFW]</li> <li>• Substitution of hazardous substances with less harmful substances [PW]</li> <li>• Upstream value chain transparency and human rights</li> <li>• Total water withdrawal volumes reduction [W only]</li> <li>• Waste and resource reduction and improved end-of-life management [PW]</li> <li>• Other, please specify</li> </ul>	Select all that apply: <ul style="list-style-type: none"> <li>• Capacity building</li> <li>• Financial incentives</li> <li>• Information collection</li> <li>• Innovation and collaboration</li> </ul>	Select all that apply from the drop-down list below.	Select all that apply: <ul style="list-style-type: none"> <li>• Tier 1 suppliers</li> <li>• Tier 2 suppliers</li> <li>• Tier 3 suppliers</li> <li>• Tier 4+ suppliers</li> </ul>
Forests	Select from:				

	Drop down list appears based on commodities disclosed in on-boarding.				
Water	N/A				
Plastics	N/A				
Select from:					
	<ul style="list-style-type: none"> <li>• Climate change</li> <li>• Forests</li> <li>• Water</li> <li>• Plastics</li> </ul>				

<i>Appear if "Tier 1 suppliers" is selected in column 4</i>						
	<i>Appears for the "Climate change" row only</i>	<i>Appears for the "Forests" and "Water" rows if any option except for "None" or "Unknown" is selected in column 4 of 5.11.1</i>	<i>Appears if anything other than "Tier 1 suppliers" is selected in column 5</i>		<i>Appears if "Yes, environmental requirements are included in our supplier contracts" or "Yes, suppliers have to meet environmental requirements, but they are not included in our supplier contracts" is selected in column 1 of 5.11.5</i>	
<i>Appear if any option except for "No other supplier engagement" is selected in column 2</i>						
5	6	7	8	9	10	11
% of tier 1 suppliers by procurement spend covered by engagement	% of tier 1 supplier-related scope 3 emissions covered by engagement	% tier 1 suppliers with substantive impacts and/or dependencies related to this	Number of tier 2+ suppliers engaged	Describe of the engagement and explain the effect of your engagement on the selected environmental action	Engagement is helping your tier 1 suppliers meet an environmental requirement related to this environmental issue	Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

		environmental issue covered by engagement				
Select from: <ul style="list-style-type: none"> <li>None</li> <li>Less than 1%</li> <li>1-25%</li> <li>26-50%</li> <li>51-75%</li> <li>76-99%</li> <li>100%</li> <li>Unknown</li> </ul>	Select from: <ul style="list-style-type: none"> <li>None</li> <li>Less than 1%</li> <li>1-25%</li> <li>26-50%</li> <li>51-75%</li> <li>76-99%</li> <li>100%</li> <li>Unknown</li> </ul>	Select from: <ul style="list-style-type: none"> <li>None</li> <li>Less than 1%</li> <li>1-25%</li> <li>26-50%</li> <li>51-75%</li> <li>76-99%</li> <li>100%</li> <li>Unknown</li> </ul>	Numerical field [enter a number 0-9,999,999]	Text field [maximum 2,500 characters]	Select from: <ul style="list-style-type: none"> <li>Yes, please specify the environmental requirement</li> <li>No, this engagement is unrelated to meeting an environmental requirement</li> </ul>	Select from: <ul style="list-style-type: none"> <li>Yes</li> <li>No</li> <li>No, because our tier 1 suppliers are producers, and have no suppliers of commodities [F only]</li> <li>Unknown</li> </ul>

[Fixed row, add row]

Details of engagement (column 3b)			
<p><b>Capacity building</b></p> <ul style="list-style-type: none"> <li>Develop or distribute resources on how to map upstream value chain (FW)</li> <li>Provide training, support and best practices on how to make credible renewable energy usage claims (CC only)</li> <li>Provide training, support and best practices on how to measure GHG emissions (CC only)</li> <li>Provide training, support and best practices on how to mitigate environmental impact (CFPW)</li> <li>Provide training, support and best practices on how to set science-based targets (CFW)</li> <li>Support suppliers to develop public time-bound action plans with clear milestones (CFPW)</li> <li>Support suppliers to set their own environmental commitments across their operations (CFPW)</li> <li>Other capacity building activity, please specify (CFPW)</li> </ul> <p><b>Financial incentives</b></p> <ul style="list-style-type: none"> <li>Feature environmental performance in supplier awards scheme (CFPW)</li> </ul>	<ul style="list-style-type: none"> <li>Provide financial incentives to encourage progress against WASH targets (W only)</li> <li>Provide financial incentives to encourage progress against water pollution targets (W only)</li> <li>Provide financial incentives to encourage progress against water withdrawal targets (W only)</li> <li>Include long-term contracts linked to environmental commitments (CFPW)</li> <li>Offer purchase guarantee linked to best agricultural practices (CC-AC, CC-FB, CC-PF, F, W-FB)</li> <li>Pay higher prices linked to best agricultural practices (CC-AC, CC-FB, CC-PF, F, W-AC, W-FB)</li> <li>Provide financial incentives for certified products (F only)</li> <li>Provide financial incentives for environmental performance (CFPW)</li> <li>Provide financial incentives for suppliers with a climate transition plan (CC only)</li> <li>Provide financial incentives for suppliers increasing renewable energy use (CC only)</li> <li>Other financial incentive, please specify (CFPW)</li> </ul>	<p><b>Information collection</b></p> <ul style="list-style-type: none"> <li>Collect climate transition plan information at least annually from suppliers (CC only)</li> <li>Collect environmental risk and opportunity information at least annually from suppliers (CFPW)</li> <li>Collect GHG emissions data at least annually from suppliers (CC only)</li> <li>Collect targets information at least annually from suppliers (CFPW)</li> <li>Collect WASH information at least annually from suppliers (W only)</li> <li>Collect water quality information at least annually from suppliers (e.g., discharge quality, pollution incidents, hazardous substances) (W only)</li> <li>Collect water quantity information at least annually from suppliers (e.g., withdrawal and discharge volumes) (W only)</li> <li>Other information collection activity, please specify (CFPW)</li> </ul> <p><b>Innovation and collaboration</b></p> <ul style="list-style-type: none"> <li>Collaborate with suppliers on innovations to reduce environmental impacts in products and services (CFPW)</li> </ul>	<ul style="list-style-type: none"> <li>Collaborate with suppliers on innovative business models and corporate renewable energy sourcing mechanisms (CC only)</li> <li>Collaborate with suppliers to develop reuse infrastructure and reuse models [P only]</li> <li>Encourage suppliers to take Beyond Value Chain Mitigation (BVCM) actions (CC only)</li> <li>Encourage collaborative work in landscapes or jurisdictions (FW)</li> <li>Incentivize collaborative sustainable water management in river basins (W only)</li> <li>Engage with suppliers to advocate for policy or regulatory change to address environmental challenges (CFPW)</li> <li>Facilitate adoption of a unified climate transition approach with suppliers (CC only)</li> <li>Invest jointly with suppliers in R&amp;D of relevant low-carbon technologies (CC only)</li> <li>Run a campaign to encourage innovation to reduce environmental impacts on products and services (CFPW)</li> <li>Other innovation and collaboration activity, please specify (CFPW)</li> </ul>

Requested content	<p><i>General</i></p> <p>Use this question to report on other supplier engagement activities, beyond those reported in 5.11.5 and 5.11.6 on environmental supplier requirements.</p> <p><i>Action driven by supplier engagement (column 2)</i></p> <ul style="list-style-type: none"> <li>• Select the option that best represents the outcome that your supplier engagement is aiming to achieve.</li> </ul> <p>If your organization has no other supplier engagement activities (other than those reported in 5.11.5 and 5.11.6) relating to the environmental issue in column 1 “Environmental issue covered”, select “No other supplier engagement” and use column 10 “Describe the engagement and explain the effect of your engagement on the selected environmental action” to explain why this is the case. No other columns in this question will be presented.</p> <p><i>Types and details of engagement (column 3)</i></p> <ul style="list-style-type: none"> <li>• This column is only presented if you select any option except for “No other supplier engagement” in column 3 “Action driven by supplier engagement”.</li> <li>• Provide the percentage of your organization’s tier 1 suppliers by total procurement spend in the reporting year that are engaged for the selected action in column 3 “Action driven by supplier engagement”. Total procurement spend includes all operational expenses on raw materials, goods and services procured.</li> </ul> <p><i>% of tier 1 supplier-related scope 3 emissions covered by engagement (column 6)</i></p> <ul style="list-style-type: none"> <li>• This column is only presented for “Climate change” rows in column 1 “Environmental issue covered” and if “Tier 1 suppliers” is selected in column 5 “Upstream value chain coverage”. Provide the percentage of tier 1 supplier-related scope 3 emissions that are attributable to the tier 1 suppliers that are engaged for the selected action in column 3 “Action driven by supplier engagement”.</li> </ul> <p>Include any relevant upstream scope 3 categories in your calculation (i.e., Categories 1-8 and “Other (upstream)”). You may exclude Category 7 “Employee commuting” if you do not engage with the suppliers of your employees’ commuting activities (e.g., transport providers). For example, if your organization reports supplier-related emissions in two scope 3 categories, Category 1 “Purchased goods and services” and Category 4 “Upstream transportation and distribution”, you should calculate the percentage in this column using the formula below:</p> $\frac{\text{Emissions attributable to engaged suppliers in "Category 1" + "Category 4"}}{\text{Total emissions in "Category 1" + "Category 4"}} \times 100$ <p><i>% tier 1 suppliers with substantive impacts and/or dependencies related to this environmental issue covered by engagement (column 7)</i></p> <ul style="list-style-type: none"> <li>• This column is only presented if you select any option except for “None” or “Unknown” in column 5 of 5.11.1 “% tier 1 suppliers meeting the threshold...” and if “Tier 1 suppliers” in column 5 “Upstream value chain coverage”.</li> <li>• Provide the percentage of your tier 1 suppliers with substantive dependencies and/or impacts related to this environmental issue (as indicated in column 5 of 5.11.1 “% tier 1 suppliers meeting the threshold...”) that are engaged for the selected action in column 3 “Action driven by supplier engagement”. This percentage should be calculated irrespective of whether the suppliers have to meet environmental requirements related to this environmental issue (as reported in questions 5.11.5 and 5.11.6).</li> <li>• If the figure is unknown, provide an estimate or select “Unknown, providing further details in column 10 “Describe the engagement and explain the effect of the engagement on the selected environmental action”.</li> </ul> <p><i>Number of tier 2+ suppliers engaged (column 8)</i></p> <ul style="list-style-type: none"> <li>• This column is only presented if you select anything other than “Tier 1 suppliers” in column 5 “Upstream value chain coverage”.</li> </ul>
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	<p><i>Describe the engagement and explain the effect of the engagement on the selected environmental action (column 9)</i></p> <ul style="list-style-type: none"> <li>• Include any details that would help data users understand the rationale behind employing this type of engagement activity with your suppliers, and justify the coverage indicated in columns 5-9.</li> <li>• Include details that would help data users understand how this type of engagement activity supports vulnerable suppliers in improving their environmental practices.</li> <li>• If “No other supplier engagement” is selected in column 3 “Action driven by supplier engagement” or if figures in columns 6 “% of tier 1 suppliers by procurement spend ...” to column 9 “Number of tier 2+ suppliers engaged” are either unknown or estimated, explain the reasons, including organization-specific justifications or any future plans.</li> <li>• Outline the positive outcomes resulting from the engagement activity, whether anticipated or already achieved.</li> <li>• For example: <ul style="list-style-type: none"> <li>○ If disclosing on water security, describe how the engagement has progressed or safeguarded water security for your organization and/or other users, or contributed to enhancing water resilience for your organization and/or your stakeholders.</li> <li>○ If disclosing on forests, describe how the engagement has affected compliance and commodity performance for your organization and/or your stakeholders.</li> <li>○ If disclosing on climate change, describe how the engagement contributed to climate change mitigation and adaptation efforts.</li> </ul> </li> <li>• Define the criteria for measuring success, including the metrics used to assess the effectiveness of this engagement activity and explain the reasons behind the selection of these measures.</li> </ul> <p><i>Engagement is helping your tier 1 suppliers meet an environmental requirement related to this environmental issue (column 10)</i></p> <ul style="list-style-type: none"> <li>• This column is only presented if you indicated in 5.11.5. that you have environmental requirements for your suppliers relating to this environmental issue.</li> <li>• This column relates to questions 5.11.5 and 5.11.6 on environmental supplier requirements.</li> <li>• Select “Yes, please specify the environmental requirement” if your supplier engagement for the selected action in column 4 “Action driven by supplier engagement” is driven by the need to improve compliance with a specific environmental supplier requirement in 5.11.6. Specify the relevant environmental requirement.</li> </ul> <p><i>Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action (column 11)</i></p> <ul style="list-style-type: none"> <li>• Select “Yes” if your supplier engagement for the selected action in column 4 “Action driven by supplier engagement” facilitates or supports your tier 1 suppliers’ efforts to involve or collaborate with their own suppliers in relation to the selected action.</li> </ul>
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Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	CC,F,P,W
Sector	Question level	All

**(5.11.8) Provide details of any environmental smallholder engagement activity.**

Question details	
Question dependencies	<i>This question only appears if you select “Yes” in response to column 1 “Engaging with this</i>

	<i>stakeholder on environmental issues” for the row “Smallholders” of 5.11.</i>
Change from last year	Modified question (2023 F6.7, FW-FS4.3a)
Rationale	Identified risks may offer an opportunity for an organization to engage with local stakeholders to drive local economic development and/or environmental action. In many countries/areas, organizations are called to work with smallholders to source raw materials sustainably. This question captures data on the extent of an organization’s engagement with smallholders. This information allows data users to assess corporate action towards sustainable value chains.
Ambition	<ul style="list-style-type: none"> <li>The organization has a value chain engagement strategy for environmental issues and undertakes value chain engagement to positively affect its value chain stakeholders and the environment.</li> <li>The organization sets quantitative measures of success to evaluate the effect of its engagement.</li> </ul>
Connection to other frameworks	TNFD Governance C TNFD Strategy B AFi Core Principle 4 AFi Core Principle 6 AFi Core Principle 10
Response options	

Table as needed

<i>Drop-down options appear if corresponding disclosure tag present</i>				
1	2a	2b	3	4
Commodity	Type of smallholder engagement approach	Smallholder engagement approach	Number of smallholders engaged	Effect of engagement and measures of success
Select from: <ul style="list-style-type: none"> <li>Timber products</li> <li>Palm oil</li> <li>Cattle products</li> <li>Soy</li> <li>Rubber</li> <li>Cocoa</li> <li>Coffee</li> <li>Other, please specify [FS only]</li> </ul>	Select all that apply: <ul style="list-style-type: none"> <li>Capacity building</li> <li>Financial incentives</li> <li>Innovation and collaboration</li> <li>Smallholder financing [FS only]</li> <li>Smallholder insurance [FS only]</li> <li>Other, please specify</li> </ul>	Select all that apply from drop-down options below.	Numerical field [enter a number 0-9,999,999]	Text field [maximum 2,500 characters]

[Add row]

Smallholder engagement approach (column 2b)		
<b>Capacity building</b> <ul style="list-style-type: none"> <li>Develop or distribute upstream value chain mapping tool</li> <li>Disseminate technical materials</li> </ul>	<ul style="list-style-type: none"> <li>Support smallholders to measure and report on environmental and social indicators</li> </ul>	<b>Innovation and collaboration</b> <ul style="list-style-type: none"> <li>Collaborate with smallholders on innovations to reduce environmental impacts in products and services</li> </ul>

<ul style="list-style-type: none"> <li>• Offer on-site technical assistance and extension services</li> <li>• Organize capacity building events</li> <li>• Prioritize support for smallholders in regions at high-risk of deforestation and conversion of other natural ecosystems</li> <li>• Provide training, support and best practices on sustainable agriculture practices and nutrient management</li> <li>• Support smallholders to adhere to regenerative agriculture principles</li> <li>• Support smallholders to adhere to standards in upstream value chain</li> <li>• Support smallholders to adopt best practices which protect biodiversity</li> <li>• Support smallholders to clarify and secure land tenure rights</li> <li>• Support smallholders to measure and address their exposure to environmental risk</li> </ul>	<ul style="list-style-type: none"> <li>• Other capacity building approach, please specify</li> </ul> <p><b>Financial incentives</b></p> <ul style="list-style-type: none"> <li>• Living income for smallholders and other individual producers</li> <li>• Long-term contracts linked to no-deforestation or no-conversion commitments</li> <li>• Pay higher prices linked to best agricultural practices</li> <li>• Provide financial incentives for certified products</li> <li>• Provide financial support to smallholders to invest in precise fertilization techniques, sustainable agricultural practices and nutrient management</li> <li>• Purchase guarantee linked to best agricultural practices</li> <li>• Other financial incentive, please specify</li> </ul>	<ul style="list-style-type: none"> <li>• Encourage smallholders to take part in landscape or jurisdictional initiatives</li> <li>• Other innovation and collaboration, please specify</li> </ul> <p><b>Smallholder financing [FS only]</b></p> <ul style="list-style-type: none"> <li>• Financing contracts long-term</li> <li>• Provide financial incentives for sustainable practices</li> <li>• Use of government subsidized financing schemes</li> <li>• Other smallholder financing approach, please specify</li> </ul> <p><b>Smallholder insurance [FS only]</b></p> <ul style="list-style-type: none"> <li>• Insurance contracts long-term</li> <li>• Provide financial incentives for sustainable practices</li> <li>• Use of government subsidized insurance schemes</li> <li>• Other smallholder insurance approach, please specify</li> </ul>
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Requested content	<p><i>General</i> Provide details of any engagement activities undertaken by your organization with smallholders, whether within or outside of your supply base, relevant to the commodity selected in column 1 "Commodity". Add rows to disclose smallholder engagement activities relating to multiple commodities. Properties under the control of smallholders include woodlots, plantations, and agricultural land under the management of local communities, indigenous peoples, families, growers, and/or ranchers. Typically, these properties are managed for low intensity harvesting of commodities.</p> <p><i>Type and details of smallholder engagement approach (column 2)</i> Specify the options that best reflect the engagement approaches adopted by your organization. For example, if you provide in situ training to farmers, select "Offering on-site technical assistance and extension services", or if you provide free seedlings, fertilizers, equipment, and tools to smallholders, select "Providing agricultural inputs".</p> <p><i>Number of smallholders engaged (column 3)</i> Provide the number of smallholders covered by your engagement activity.</p> <ul style="list-style-type: none"> <li>• If you cannot provide an exact number of smallholders engaged, provide an estimate.</li> </ul> <p><i>Effect of engagement and measures of success (column 4)</i></p> <ul style="list-style-type: none"> <li>• Outline the beneficial outcomes of the engagement activity, whether potential or realized. For example, describe how the engagement has affected compliance and commodity performance of your organization and/or smallholders.</li> <li>• Briefly explain the metrics used to assess success and why these measures were selected.</li> </ul>
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Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	F
Sector	Question level	All (F only)



**(5.11.9) Provide details of any environmental engagement activity with other stakeholders in the value chain.**

Question details	
Question dependencies	<i>This question only appears if you select “Yes” in response to column 1 “Engaging with this stakeholder on environmental issues” for the rows “Customers”, “Investors and shareholders” or “Other value chain stakeholders” of 5.11.</i>
Change from last year	New question for Forests and Plastics Modified question for Climate change and Water (2023 C12.1b, C12.1d, W1.5e)
Rationale	This question provides data users with transparency regarding organizations' engagement processes with other value chain stakeholders. As several environmental dependencies, impacts, risks, and opportunities can occur outside direct operations, data users are interested in understanding how organizations are working with other stakeholders in their value chain to drive environmental action.
Ambition	The organization has a value chain engagement strategy for environmental issues and undertakes value chain engagement to positively affect its value chain stakeholders and the environment. The organization sets quantitative measures of success to evaluate the effect of its engagement.
Connection to other frameworks	TNFD Strategy B AFi Core Principle 4 AFi Core Principle 6 AFi Core Principle 10 NZAM Commitment 8 CEO WM Response: Internal Actions

1	2	3a	3b	4	5	6	7
Environmental issue	Type of stakeholder	Type of engagement	Details of engagement	% of stakeholder type engaged	% stakeholder-associated scope 3 emissions	Rationale for engaging these stakeholders and scope of engagement	Effect of engagement and measures of success
Climate change	Select from: <ul style="list-style-type: none"> <li>Customers [Not show to FS]</li> <li>Investors and shareholders</li> <li>Other value chain stakeholder, please specify</li> </ul>	Select all that apply: <ul style="list-style-type: none"> <li>Education/Information sharing</li> <li>Innovation and collaboration</li> <li>Other</li> </ul>	Select all that apply from the drop-down list below.	Select from: <ul style="list-style-type: none"> <li>None</li> <li>Less than 1%</li> <li>1-25%</li> <li>26-50%</li> <li>51-75%</li> <li>76-99%</li> <li>100%</li> <li>Unknown</li> </ul>	Select from: <ul style="list-style-type: none"> <li>None</li> <li>Less than 1%</li> <li>1-25%</li> <li>26-50%</li> <li>51-75%</li> <li>76-99%</li> <li>100%</li> <li>Unknown</li> </ul>	Text field [maximum 2,500 characters]	Text field [maximum 1,500 characters]
Forests					N/A		

Water					N/A		
Select from:							
<ul style="list-style-type: none"> <li>• Climate change</li> <li>• Forests</li> <li>• Water</li> </ul>							

[Fixed row, Add row]

Details of engagement (column 3b)		
<p><b>Education/information sharing</b></p> <ul style="list-style-type: none"> <li>• Educate and work with stakeholders on understanding and measuring exposure to environmental risks [CFW]</li> <li>• Run an engagement campaign to educate stakeholders about the environmental impacts about your products, goods and/or services [CFW]</li> <li>• Share information about your products and relevant certification schemes [CFW]</li> <li>• Share information on environmental initiatives, progress and achievements [CFW]</li> <li>• Other education/information sharing, please specify [CFW]</li> </ul>	<p><b>Innovation and collaboration</b></p> <ul style="list-style-type: none"> <li>• Align your organization’s goals to support customers’ targets and ambitions [CFW]</li> <li>• Collaborate with stakeholders in creation and review of your climate transition plan [CC only]</li> <li>• Collaborate with stakeholders on innovations to reduce environmental impacts in products and services [CFW]</li> <li>• Encourage collaborative work in multi-stakeholder landscape towards initiatives for sustainable land-use goals [FW]</li> </ul>	<ul style="list-style-type: none"> <li>• Engage with stakeholders to advocate for policy or regulatory change [CFW]</li> <li>• Incentivize collaborative sustainable water management in river basins [W only]</li> <li>• Run a campaign to encourage innovation to reduce environmental impacts [CFW]</li> <li>• Other innovation and collaboration, please specify [CFW]</li> </ul> <p><b>Other</b></p> <ul style="list-style-type: none"> <li>• Other, please specify [CFW]</li> </ul>

Requested content	<p><i>Type of stakeholder (column 2)</i></p> <p>If your organization engages with more than one type of value chain stakeholder per environmental issue, or you wish to report multiple stakeholder types not listed using “Other value chain stakeholder, please specify”, add rows as needed.</p> <p>Note that subsequent columns refer to the stakeholder specified in this column. For example, if you select “Investors and shareholders” in this column, the percentage provided in column 4 “% of stakeholder type engaged” pertains exclusively to the percentage of investors and shareholders.</p> <p><i>Type and details of engagement (column 3a and 3b)</i></p> <ul style="list-style-type: none"> <li>• The options presented in this column are dependent on your selections in column 2a “Type of engagement”.</li> </ul> <p><i>% stakeholder-associated scope 3 emissions (column 5)</i></p> <p>This column is only presented for “Climate change” rows in column 1 “Environmental issue”.</p> <ul style="list-style-type: none"> <li>• Provide the percentage of your organization’s scope 3 emissions that are attributable to the stakeholders engaged for this engagement activity, out of the total scope 3 emissions attributable to the stakeholder selected in column 2 “Type of stakeholder”.</li> <li>• Include any relevant scope 3 categories in your calculation. For example, if you selected “Customers” in column 2 “Type of stakeholder” and your organization reports customer-related emissions in two downstream scope 3 categories, Category 10 “Processing of sold products” and Category 11 “Use of sold products”, you should calculate the percentage in this column using the formula below:</li> </ul> $\frac{\text{Emissions attributable to engaged customers in "Category 10" + "Category 11"}}{\text{Total emissions in "Category 10" + "Category 11"}} \times 100$
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	<ul style="list-style-type: none"> <li>If you are reporting engagement with a value chain stakeholder for which there are no scope 3 emissions associated (for example, a non-governmental organization reported under “Other value chain stakeholder, please specify”), select “None” in this column and explain that there are no scope 3 emissions associated with this stakeholder in column 6 “Rationale for engaging these stakeholders and scope of engagement”.</li> </ul> <p><i>Rationale for engaging these stakeholders and scope of engagement (column 6)</i></p> <ul style="list-style-type: none"> <li>Explain how and why the stakeholders were chosen for the type of engagement activity selected in columns 3a “Type of engagement” and 3b “Details of engagement”.</li> </ul> <p><i>Effect of engagement and measures of success (column 7)</i></p> <p>Outline the positive outcomes resulting from the engagement activity, whether anticipated or already achieved.</p> <ul style="list-style-type: none"> <li>For example: <ul style="list-style-type: none"> <li>If disclosing on water security, describe how the engagement has progressed or safeguarded water security for your organization and/or other stakeholders, or contributed to enhancing water resilience for your organization and/or other stakeholders.</li> <li>If disclosing on forests, describe how the engagement has affected compliance and commodity performance of your organization and/or stakeholders.</li> </ul> </li> <li>Define the criteria for measuring success, including the metrics used to assess the effectiveness of this engagement activity and explain the reasons behind the selection of these measures.</li> </ul>
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Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	CC, F, W
Sector	Question level	All

**Collaborative Opportunities [SC only]**

**(5.12) Indicate any mutually beneficial environmental initiatives you could collaborate on with specific CDP Supply Chain members.**

Question details	
Change from last year	Modified question (2023 SC2.1, SF2.1, SW2.1).
Rationale	Addressing environmental issues effectively oftentimes requires collective action. Through this question, your organization can propose ways it can work together with its requesting Supply Chain members to reduce environmental risks and/or to realize opportunities that would benefit both your organization and your customers. It can also be used to strengthen communication between you and your customers and help drive innovative new partnerships.
Connection to other frameworks	TNFD Strategy B AFi Core Principle 4 AFi Core Principle 6 AFi Core Principle 10
Response options	Please note that this table is designed so that only the customer that you select in column 1 “Requesting member” will be able to see the data relevant to them. If you enter an answer without selecting a requesting member, your answer will not be viewable at all. Please complete the following table. You are able to add rows by using the “Add Row” button at the bottom of the table.

1	2	3	4a	4b	5	6
Requesting member	Environmental issues the initiative relates to	Commodities the initiative relates to [F only]	Initiative category	Initiative type	Details of initiative	Expected benefits
Select from: Member drop-down list	Select all that apply: Climate change Forests Water	<ul style="list-style-type: none"> <li>Select all that apply:</li> <li>Drop-down options appear dependent on commodity tags.</li> <li>Not applicable</li> </ul>	Select from: Certification Change to provision of goods and services Change to supplier operations Communications Innovation Logistical change Promote collective action Relationship sustainability assessment Traceability and transparency Other, please specify	Select from drop-down list below	Text field [maximum 2,500 characters]	Select all that apply: Higher incomes due to increased productivity Improved resource use and efficiency Improved water quality [W only] Improved water stewardship [W only] Increase in use of certified materials [F only] Increased transparency of upstream/downstream value chain Lower price per unit Price premiums for deforestation and conversion-free materials [F only] Reduction of customers' operational emissions

						(customer scope 1 & 2) Reduction of own operational emissions (own scope 1 & 2) Reduction of downstream value chain emissions (own scope 3) Reduction of customers' operational water withdrawals and/or consumption [W only] Reduction of own operational water withdrawals and/or consumption [W only] Reduction of downstream value chain water withdrawals and/or consumption [W only] Other, please specify
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7	8	9	10	11
Estimated timeframe for realization of benefits	Are you able to estimate the lifetime CO <sub>2</sub> e and/or water savings of this initiative?	Estimated lifetime CO <sub>2</sub> e savings	Estimated lifetime water savings (megaliters)	Please explain
Select from: 0-1 year 1-3 years 3-5 years > 5 years Other, please specify	Select from: Yes, both lifetime CO <sub>2</sub> e and lifetime water savings Yes, lifetime CO <sub>2</sub> e savings only Yes, lifetime water savings only No	Numerical field [enter a range of 0-999,999,999,999 using a maximum of 2 decimal places]	Numerical field [enter a range of 0-999,999,999 using a maximum of 2 decimal places]	Text field [maximum 1,000 characters]

Initiative type (column 4b)	
<b>Certification</b> <ul style="list-style-type: none"> <li>Increase coverage of commodity certified [F only]</li> <li>Other certification, please specify</li> </ul> <b>Change to provision of goods and services</b> <ul style="list-style-type: none"> <li>More online/virtual provision of services [CC only]</li> <li>Reduce packaging weight</li> <li>Reduce water-related impacts [W only]</li> <li>Other change to provision of goods and services, please specify</li> </ul> <b>Change to supplier operations</b> <ul style="list-style-type: none"> <li>Assess life-cycle impact of products or services to identify efficiencies</li> <li>Implement energy reduction projects [CC only]</li> <li>Increase proportion of renewable energy purchased [CC only]</li> </ul>	<b>Logistical change</b> <ul style="list-style-type: none"> <li>Change timing of logistics [CC only]</li> <li>Change transportation mode (e.g., switch from aviation to rail) [CC only]</li> <li>Consolidate logistics [CC only]</li> <li>Route optimization [CC only]</li> <li>Other logistical change, please specify</li> </ul> <b>Promote collective action</b> <ul style="list-style-type: none"> <li>Invite customer to collaborate with other users in their river basins to reduce impact [W only]</li> <li>Invite customer to collaborate in landscape or jurisdictional initiatives [F only]</li> <li>Other collective action, please specify</li> </ul> <b>Relationship sustainability assessment</b> <ul style="list-style-type: none"> <li>Align goals to feed into customers targets and ambitions</li> </ul>

<ul style="list-style-type: none"> <li>• Increase water efficiency in operations [W only]</li> <li>• Other change to supplier operations, please specify</li> </ul> <p><b>Communications</b></p> <ul style="list-style-type: none"> <li>• Awards – apply for external awards together</li> <li>• Joint case studies or marketing campaign</li> <li>• Other communications, please specify</li> </ul> <p><b>Innovation</b></p> <ul style="list-style-type: none"> <li>• Implement new techniques/technologies to ensure sustainable production [F only]</li> <li>• New product or service that has a lower upstream emissions footprint [CC only]</li> <li>• New product or service that has a lower upstream impact on forests [F only]</li> <li>• New product or service that has a lower upstream water impacts [W only]</li> <li>• New product or service that reduces customers' operational emissions [CC only]</li> <li>• New product or service that reduces customers' operational water consumption [W only]</li> <li>• New product or service that reduces customers' products/services commodity consumption [F only]</li> <li>• New product or service that reduces customers' products/services operational emissions [CC only]</li> <li>• Reduce packaging</li> <li>• Other innovation, please specify</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainability audit of existing relationship</li> <li>• Other assessment, please specify</li> </ul> <p><b>Traceability and transparency</b></p> <ul style="list-style-type: none"> <li>• Improve existing traceability system [F only]</li> <li>• New traceability system [F only]</li> <li>• Other traceability system, please specify</li> </ul> <p><b>Other</b></p> <ul style="list-style-type: none"> <li>• Other initiative type, please specify</li> </ul>
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Requested content	<p><i>General</i></p> <ul style="list-style-type: none"> <li>• Please note that this table is designed so that only the customer that you select in column 1 “Requesting member” will be able to see the data relevant to them. If you enter an answer without selecting a requesting member, your answer will not be viewable at all.</li> <li>• This question is optional.</li> <li>• Disclosers must check that the requesting members presented in this table are correct for their organization for the reporting year.</li> <li>• Provide information on any initiatives you would like to present to a requesting CDP Supply Chain member. Do not include details of existing commercial offerings of which your customer will already be aware of.</li> <li>• If you are disclosing on forests and your initiative relates to more than one commodity, add a row for each commodity that applies and indicate whether it refers to the same project in column 5 “Details of initiative”.</li> </ul> <p><i>Requesting member (column 1)</i></p> <ul style="list-style-type: none"> <li>• Select the relevant “Requesting member” that you have identified as a potential collaborator.</li> <li>• Note that only the requesting member you select in this column will be able to see the data relevant to them. If you enter any information without selecting a requesting member here, your answer will not be viewable at all.</li> <li>• If you would like to collaborate with more than one requesting member on the same initiative, add a row per requesting member.</li> </ul> <p><i>Commodities the initiative relates to (column 3)</i></p> <ul style="list-style-type: none"> <li>• This column only appears if you select “Forests” in column 2 “Environmental issue the initiative relates to”.</li> </ul> <p><i>Initiative type (column 4b)</i></p>
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- Select one of the options to provide the type of initiative you are proposing. This will allow requesting members to better understand the types of opportunities available and streamline their analysis.
- If none of the options are suitable, select “Other category, please specify”. You’ll be able to provide details on the type of initiative in column 5 “Details of initiative”.

*Details of initiative (column 5)*

- Explain how the initiative relates to the environmental issues you selected in column 2 “Environmental issue the initiative relates to”.
- Provide details of the nature of the initiative including:
  - the regions, facilities, and/or product lines involved; and
  - the proposed participants.

*Expected benefits (column 6)*

- Select all the options which reflect the ways in which your organization and the requesting member could benefit if this initiative were to be implemented.
- For example:
  - Collaborating to hold more online/virtual services may result in reduced emissions from the transportation of goods or services.
  - Collaborating to increase the coverage of certification for a particular commodity may allow for higher income, both due to increased productivity and premium prices.
  - Collaborating to influence stronger local water policy may result in improved water quality in a basin where you operate. This could lead to reduced water treatment costs at a facility where you manufacture products for the requesting member, therefore leading to a lower price per unit and other environmental benefits in the basin.

*Estimated timeframe for realization of benefits (column 7)*

- Select the most appropriate timeline within which you expect the benefits of this initiative to be realized.
- If you select more than one expected benefit in column 6 “Expected benefits”, and the most appropriate timeline within which you expect the benefits to be realized varies, provide an average of the estimated timelines.

*Are you able to estimate the lifetime CO<sub>2</sub>e and/or water savings of this initiative? (column 8)*

- Note that projects related to any environmental issue may result in CO<sub>2</sub>e or water savings. Select one of the “Yes” options if the relevant saving can be estimated.

*Estimated lifetime CO<sub>2</sub>e savings (column 9)*

- This column appears if you select “Yes, both lifetime CO<sub>2</sub>e and lifetime water savings” or “Yes, lifetime CO<sub>2</sub>e savings only” in column 9 “Are you able to estimate the lifetime CO<sub>2</sub>e and/or water savings of this initiative?”.
- Specify the amount of CO<sub>2</sub>e savings associated with your customer estimated as a result of this initiative.
- Note that the emissions reduction should only be those you are associating with your customer, not the whole initiative.

*Estimated lifetime water savings (megaliters) (column 10)*

- This column appears if you select “Yes, both lifetime CO<sub>2</sub>e and lifetime water savings” or “Yes, lifetime water savings only” in column 9 “Are you able to estimate the lifetime CO<sub>2</sub>e and/or water savings of this initiative?”.
- Specify the amount of water savings associated with your customer estimated as a result of this initiative.
- Note that the water savings should only be those you are associating with your customer, not the whole initiative.

*Please explain (column 11)*

- Provide any further details useful to requesting members, such as:

	<ul style="list-style-type: none"> <li>the calculation methods or tools you used to estimate the lifetime CO<sub>2</sub>e savings reported in column 10 “Estimated lifetime CO<sub>2</sub>e savings” and/or lifetime water savings in column 11 “Estimated lifetime water savings (megaliters)”;</li> <li>how these figures are associated with your customer;</li> <li>any additional details on estimated timeframe for realization of benefits if an average timeframe was provided in column 8 “Estimated timeframe for realization of benefits”; and</li> <li>any customer-specific contextual information.</li> </ul>
Additional information	For further details on upstream activities: <a href="#">GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard</a> .

Authoring notes		
Tags		
Corporate authority	SC	
Environmental Issue (Theme)	Question level	CC,F, W
Sector	Question level	All

**(5.13) Has your organization already implemented any mutually beneficial environmental initiatives due to CDP Supply Chain member engagement?**

Question details	
Change from last year	Modified question (2023 SC2.2, SF2.2, SW2.2).
Rationale	Effectively addressing environmental issues oftentimes requires collective action. This question allows organizations to indicate their commitment to collaborative environmental action through the implementation of initiatives.
Connection to other frameworks	AFi Core Principle 4 AFi Core Principle 6
Response options	Please complete the following table:

1	2	3
Environmental initiatives implemented due to CDP Supply Chain member engagement	Primary reason for not implementing environmental initiatives	Explain why your organization has not implemented any environmental initiatives
Select from: <ul style="list-style-type: none"> <li>Yes</li> <li>No, but we plan to within the next two years</li> <li>No, and do not plan to in the next two years</li> </ul>	Select from: <ul style="list-style-type: none"> <li>Lack of internal resources, capabilities, or expertise (e.g., due to organization size)</li> <li>No standardized procedure</li> <li>Not an immediate strategic priority</li> <li>Judged to be unimportant or not relevant</li> <li>Other, please specify</li> </ul>	Text field [maximum 2,500 characters]

Requested content	<i>General</i> <ul style="list-style-type: none"> <li>This question is about projects/initiatives a requesting CDP Supply Chain member has driven that prompted your organization implement any mutually beneficial environmental initiatives.</li> </ul>
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	<p><i>Primary reason for not implementing environmental initiatives (column 2)</i></p> <ul style="list-style-type: none"> <li>This column only appears if you select “No, but we plan to within the next two years” or “No, and do not plan to in the next two years” in column 1 “Environmental initiatives implemented due to CDP Supply Chain member engagement”.</li> </ul> <p><i>Explain why your organization has not implemented any environmental initiatives (column 3)</i></p> <ul style="list-style-type: none"> <li>This column only appears if you select “No, but we plan to within the next two years” or “No, and do not plan to in the next two years” in column 1 “Environmental initiatives implemented due to CDP Supply Chain member engagement”.</li> <li>Ensure your explanation is specific to your organization and provides details on the reasons why you have not yet implemented any environmental initiatives. You may also include details on whether you are exploring ways to do this in the future and what actions you are planning on taking.</li> </ul>
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Authoring notes		
Tags		
Corporate authority	SC	
Environmental Issue (Theme)	Question level	CC, F, W
Sector	Question level	All

**(5.13.1) Specify the CDP Supply Chain members that have prompted your implementation of mutually beneficial environmental initiatives and provide information on the initiatives.**

Question details	
Question dependencies	This question only appears if you select “Yes” in response to column “Environmental initiatives implemented due to CDP Supply Chain member engagement” of 5.13.
Change from last year	Modified question (2023 SC2.2a, SF2.2a, SW2.2a)
Rationale	Addressing environmental issues effectively oftentimes requires collective action. This question presents an opportunity to demonstrate the types of initiatives that you have implemented due to CDP Supply Chain member engagement and to detail how they have progressed and any mutual benefits that have been seen so far.
Connection to other frameworks	TNFD Strategy B AFi Core Principle 10 AFi Core Principle 11
Response options	<p>Please note that this table is designed so that only the customers that you select in column 1 “Requesting member” will be able to see the data relevant to them. If you enter an answer without selecting a requesting member, your answer will not be viewable at all.</p> <p>Please complete the following table. You are able to add rows by using the “Add Row” button at the bottom of the table.</p>

1	2	3	4	5a	5b	6
<b>Requesting member</b>	<b>Environmental issues the initiative relates to</b>	<b>Commodities the initiative relates to [F only]</b>	<b>Initiative ID</b>	<b>Initiative category</b>	<b>Initiative type</b>	<b>Details of initiative</b>
Select from: Member drop-down list	Select all that apply: Climate change	<ul style="list-style-type: none"> <li>Select all that apply: <ul style="list-style-type: none"> <li>Drop-down options appear</li> </ul> </li> </ul>	Select from: [Drop-down menu of IDs]	Select from: Certification Change to provision of	Select from drop-down list below	Text field [maximum 2,500 characters]

	Forests Water	<p>dependent on commodity tags.</p> <ul style="list-style-type: none"> <li>• Not applicable</li> </ul>		<p>goods and services</p> <p>Change to supplier operations</p> <p>Communications Innovation</p> <p>Logistical change</p> <p>Promote collective action</p> <p>Relationship sustainability assessment</p> <p>Traceability and transparency</p> <p>Other, please specify</p>		
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7	8	9	10	11	12
Benefits achieved	Are you able to provide figures for emissions savings or water savings in the reporting year?	Estimated savings in the reporting year in metric tons of CO <sub>2</sub> e	Estimated water savings in the reporting year in megaliters	Please explain how success for this initiative is measured	Would you be happy for CDP Supply Chain members to highlight this work in their external communication?
<p>Select all that apply:</p> <p>Higher incomes due to increased productivity</p> <p>Improved resource use and efficiency</p> <p>Improved water quality [W only]</p> <p>Improved water stewardship [W only]</p> <p>Increase in use of certified materials [F only]</p> <p>Increased transparency of upstream/downstream value chain</p> <p>Lower price per unit</p> <p>Price premiums for deforestation and conversion-free materials [F only]</p> <p>Reduction of customers' operational emissions (customer scope 1 &amp; 2)</p>	<p>Select from:</p> <p>Yes, emissions savings and water savings</p> <p>Yes, emissions savings only</p> <p>Yes, water savings only</p> <p>No</p>	<p>Numerical field [enter a range of 0-999,999,999,999 using a maximum of 2 decimal places]</p>	<p>Numerical field [enter a range of 0-999,999,999,999 using a maximum of 2 decimal places]</p>	<p>Text field [maximum 1,500 characters]</p>	<p>Select from:</p> <p>Yes</p> <p>No</p>

Reduction of own operational emissions (own scope 1 & 2) Reduction of downstream value chain emissions (own scope 3) Reduction of customers' operational water withdrawals and/or consumption [W only] Reduction of own operational water withdrawals and/or consumption [W only] Reduction of downstream value chain water withdrawals and/or consumption [W only] Other, please specify					
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Initiative type (column 5b)	
<p><b>Certification</b></p> <ul style="list-style-type: none"> <li>• Increase coverage of commodity certified [F only]</li> <li>• Other certification, please specify</li> </ul> <p><b>Change to provision of goods and services</b></p> <ul style="list-style-type: none"> <li>• More online/virtual provision of services [CC only]</li> <li>• Reduce packaging weight</li> <li>• Reduce water-related impacts [W only]</li> <li>• Other change to provision of goods and services, please specify</li> </ul> <p><b>Change to supplier operations</b></p> <ul style="list-style-type: none"> <li>• Assess life-cycle impact of products or services to identify efficiencies</li> <li>• Implement energy reduction projects [CC only]</li> <li>• Increase proportion of renewable energy purchased [CC only]</li> <li>• Increase water efficiency in operations [W only]</li> <li>• Other change to supplier operations, please specify</li> </ul> <p><b>Communications</b></p> <ul style="list-style-type: none"> <li>• Awards – apply for external awards together</li> <li>• Joint case studies or marketing campaign</li> <li>• Other communications, please specify</li> </ul> <p><b>Innovation</b></p> <ul style="list-style-type: none"> <li>• Implement new techniques/technologies to ensure sustainable production [F only]</li> <li>• New product or service that has a lower upstream emissions footprint [CC only]</li> </ul>	<p><b>Logistical change</b></p> <ul style="list-style-type: none"> <li>• Change timing of logistics [CC only]</li> <li>• Change transportation mode (e.g., switch from aviation to rail) [CC only]</li> <li>• Consolidate logistics [CC only]</li> <li>• Route optimization [CC only]</li> <li>• Other logistical change, please specify</li> </ul> <p><b>Promote collective action</b></p> <ul style="list-style-type: none"> <li>• Invite customer to collaborate with other users in their river basins to reduce impact [W only]</li> <li>• Invite customer to collaborate in landscape or jurisdictional initiatives [F only]</li> <li>• Other collective action, please specify</li> </ul> <p><b>Relationship sustainability assessment</b></p> <ul style="list-style-type: none"> <li>• Align goals to feed into customers targets and ambitions</li> <li>• Sustainability audit of existing relationship</li> <li>• Other assessment, please specify</li> </ul> <p><b>Traceability and transparency</b></p> <ul style="list-style-type: none"> <li>• Improve existing traceability system [F only]</li> <li>• New traceability system [F only]</li> <li>• Other traceability system, please specify</li> </ul> <p><b>Other</b></p> <ul style="list-style-type: none"> <li>• Other initiative type, please specify</li> </ul>

- New product or service that has a lower upstream impact on forests [F only]
- New product or service that has a lower upstream water impacts [W only]
- New product or service that reduces customers' operational emissions [CC only]
- New product or service that reduces customers' operational water consumption [W only]
- New product or service that reduces customers' products/services commodity consumption [F only]
- New product or service that reduces customers' products/services operational emissions [CC only]
- Reduce packaging
- Other innovation, please specify

Requested content	<p><i>General</i></p> <ul style="list-style-type: none"> <li>• Provide information on any initiatives in which a requesting CDP Supply Chain member has prompted your organization to take organizational-level action.</li> <li>• Disclosers must check that the requesting members presented in this table are correct for their organization for the reporting year.</li> </ul> <p><i>Requesting member (column 1)</i></p> <ul style="list-style-type: none"> <li>• Select the relevant “Requesting member” that has driven your organization to take organizational-level action.</li> <li>• Note that only the requesting member you select in this column will be able to see the data relevant to them. If you enter any information without selecting a requesting member here, your answer will not be viewable.</li> <li>• If more than one member influenced the same initiative, add one row per requesting member.</li> </ul> <p><i>Commodities the initiative relates to (column 3)</i></p> <ul style="list-style-type: none"> <li>• This column only appears if you select “Forests” in column 2 “Environmental issue the initiative relates to”.</li> </ul> <p><i>Initiative type (column 5b)</i></p> <ul style="list-style-type: none"> <li>• Select one of the options to provide the type of initiative. This will allow requesting members to better understand the types of initiatives and streamline their analysis.</li> <li>• If none of the options are suitable, select “Other category, please specify”. You’ll be able to provide details on the type of initiative in the column 6 “Details of initiative”.</li> </ul> <p><i>Details of initiative (column 6)</i></p> <ul style="list-style-type: none"> <li>• Provide details of the nature of the initiative including: <ul style="list-style-type: none"> <li>○ all participants involved and how it relates to the requesting member, and;</li> <li>○ relation to the environmental issue.</li> </ul> </li> <li>• If reporting an emissions reduction initiative, the responses you provide here should be consistent with the responses provided in 7.55.2. If they are not, state why, e.g., “Emissions reduction initiative too small to make it into our key emissions reduction initiatives section.”</li> </ul> <p><i>Benefits achieved (column 7)</i></p> <ul style="list-style-type: none"> <li>• Select all the options which reflect the ways in which your organization and the requesting member have benefited from implementing this initiative.</li> <li>• For example: <ul style="list-style-type: none"> <li>○ Collaborating to hold more online/virtual services may have resulted in reduced emissions from the transportation of goods or services.</li> <li>○ Collaborating to increase the coverage of certification for a particular commodity may have allowed for higher income, both due to increased productivity and premium prices.</li> </ul> </li> </ul>
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	<ul style="list-style-type: none"> <li>○ Collaborating to influence stronger local water policy may have resulted in improved water quality in a basin where you operate. This could have also led to reduced water treatment costs at a facility where you manufacture products for the requesting member, therefore resulting in a lower price per unit and other environmental benefits in the basin.</li> </ul> <p><i>Emissions savings in the reporting year in metric tons CO<sub>2</sub>e (column 9)</i></p> <ul style="list-style-type: none"> <li>• This column appears if you select “Yes, emission savings and water savings” or “Yes, emissions savings only” in column 8 “Are you able to provide figures for emissions savings or water savings in the reporting year?”.</li> <li>• Specify the emissions reduction, in CO<sub>2</sub>e, you are associating with your customer.</li> </ul> <p><i>Estimated water savings in the reporting year in megaliters (column 10)</i></p> <ul style="list-style-type: none"> <li>• This column appears if you select “Yes, emission savings and water savings” or “Yes, water savings only” in column 8 “Are you able to provide figures for emissions savings or water savings in the reporting year?”.</li> <li>• Specify the emissions reduction, in megaliters, you are associating with your customer.</li> </ul> <p><i>Please explain how success for this initiative is measured (column 11)</i></p> <ul style="list-style-type: none"> <li>• Indicate a measurable outcome used for tracking the success of the project. For example, it may be increased coverage of certification for a particular commodity, which can allow for higher income, both due to increased productivity and premium prices.</li> <li>• If figures were given in columns 8 “Emissions savings in the reporting year in metric tons CO<sub>2</sub>e” and 9 “Estimated water savings in the reporting year in megaliters” briefly explain in your response how they were calculated and how these savings are associated with your customer.</li> </ul> <p><i>Would you be happy for CDP Supply Chain members to highlight this work in their external communication? (column 12)</i></p> <ul style="list-style-type: none"> <li>• Note that this selection refers to each individual initiative per requesting member.</li> </ul>
Additional information	To identify existing water-related projects for specific locations, you may find it useful to refer to the CEO Water Mandate’s <a href="#">Water Action Hub</a> .

Authoring notes		
Tags		
Corporate authority	SC	
Environmental Issue (Theme)	Question level	CC,F, W
Sector	Question level	All

**Environmental requirements for asset managers [FS only]**

**Section overview**

Section Overview	This section asks organizations in the financial services sector to disclose their approaches to incorporate environmental issues within external investment management practices. This includes information on selecting external fund managers and fiduciary managers and oversight/accountability approach to assessing the quality of the incorporation of environmental issues.
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**(5.14) Do your external asset managers have to meet environmental requirements as part of your organization’s selection process and engagement?**

Question details	
Question dependencies	This question only appears if you select “Yes” in response to column 1 “Activity undertaken” for the rows “Investing (Asset manager)” and/or “Investing (Asset owner)” of 1.10.
Change from last year	New question for Forests and Water Modified question for Climate change (2023 C-FS3.7).
Rationale	For asset owners and asset managers working with external funds (third parties), the external asset managers have a significant effect on investment strategies and objectives. Including environmental requirements into the selection of and engagement with external asset managers ensures that these investment strategies and objectives are aligned with the organization’s business strategy.
Ambition	<ul style="list-style-type: none"> <li>Investors include environmental requirements in the selection process and engagement with external asset managers.</li> </ul>
Connection to other frameworks	TCFD Strategy B  NZAM Commitment 7 TNFD Strategy B

1	2	3	4
External asset managers have to meet specific environmental requirements as part of the selection process and engagement	Policy in place for addressing external asset manager non-compliance	Primary reason for not including environmental requirements in selection process and engagement with external asset managers	Explain why environmental requirements are not included in selection process and engagement with external asset managers
Select from: <ul style="list-style-type: none"> <li>Yes</li> <li>No, but we plan to include environmental requirements in the next two years</li> <li>No, and we do not plan to include environmental requirements in the next two years</li> <li>Not applicable, because we do not have externally managed assets</li> </ul>	Select from: <ul style="list-style-type: none"> <li>Yes, we have a policy in place for addressing non-compliance</li> <li>No, we do not have a policy in place for addressing non-compliance</li> </ul>	Select from: <ul style="list-style-type: none"> <li>Lack of internal resources, capabilities, or expertise (e.g., due to organization size)</li> <li>No standardized procedure</li> <li>Not an immediate strategic priority</li> <li>Judged to be unimportant or not relevant</li> <li>Other, please specify</li> </ul>	[Text field, 2,500 characters]

[Fixed row]

Requested content	<i>External asset managers have to meet specific environmental requirements as part of the selection process and engagement (column 1)</i> <ul style="list-style-type: none"> <li>Select “Yes” if the external asset managers that are part of your selection process and engagement have to meet specific environmental requirements.</li> </ul> <i>Policy in place for addressing external asset manager non-compliance (column 2)</i>
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	<ul style="list-style-type: none"> <li>This column is only shown if “Yes” is selected in column 1 “External asset managers have to meet specific environmental requirements as part of the selection process and engagement”.</li> <li>Select “Yes, we have a policy in place for addressing non-compliance” if you have an established policy to manage external asset managers who do not adhere to the environmental requirements withing your selection process and engagement.</li> </ul> <p><i>Explain why environmental requirements are not included in selection process and engagement with external asset managers (column 4)</i></p> <ul style="list-style-type: none"> <li>Your response should be specific to your organization and include why your organization does not consider environmental requirements when selecting and engaging with asset managers.</li> <li>Briefly describe any plans you may have to address this in the future.</li> </ul>
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Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	CC, F, W
Sector	Question level	FS

**(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.**

Question details	
Question dependencies	<i>This question only appears if you select “Yes” in column 1 “External asset managers have to meet specific environmental requirements as part of the selection process and engagement” of 5.14.</i>
Change from last year	New question for Forests and Water Modified question for Climate change (2023 C-FS3.7a).
Rationale	For asset owners and managers working with external funds (third parties), the external asset managers have a significant effect on investment strategies and objectives. Including environmental requirements into the selection of and engagement with external asset managers ensures that these investment strategies and objectives are aligned with the organization’s business strategy.
Ambition	Investors include environmental requirements in the selection process and engagement with external asset managers. Where relevant, the entity discloses its approach to incorporation of environmental issues in external investment management practices: in selecting external fund managers and fiduciary managers and oversight/accountability approach to assessing the quality of incorporation.
Connection to other frameworks	TCFD Strategy B NZAM Commitment 7 TNFD Strategy B

1	2	3	4	5	6
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Environmental issues covered by the requirement	Coverage	Environmental requirement that external asset managers have to meet	Mechanisms used to include environmental requirement in external asset manager selection	Response to external asset manager non-compliance with environmental requirement	% of non-compliant external asset managers engaged
Select all that apply: <ul style="list-style-type: none"> <li>Climate change</li> <li>Forests</li> <li>Water</li> </ul>	Select from: <ul style="list-style-type: none"> <li>All assets managed externally</li> <li>Majority of assets managed externally</li> <li>Minority of assets managed externally</li> </ul>	Select from: <ul style="list-style-type: none"> <li>Committing to net-zero emissions by 2050 [Appears only if CC is selected in C1]</li> <li>Having a transition plan, which is aligned with a 1.5°C world [Appears only if CC is selected in C1]</li> <li>Membership/signatory of a sustainable finance initiative(s) and/or alliance(s)</li> <li>Offering environmentally sustainable products and services</li> <li>Setting environmental target(s)</li> <li>Setting science-based target(s)</li> <li>Other, please specify</li> </ul>	Select all that apply: <ul style="list-style-type: none"> <li>Include environmental requirements in requests for proposals</li> <li>Preference for investment managers with an offering of funds resilient to environmental issues</li> <li>Include environmental requirements in investment mandates</li> <li>Include environmental requirements in performance indicators and incentive structures</li> <li>Review investment manager's environmental performance (e.g., active ownership, proxy voting records, under-weighting in high impact activities)</li> <li>Review investment manager's environmental policies</li> <li>Publish requirements of external investment managers in relation to environmental issues</li> <li>Other, please specify</li> </ul>	Select from: <ul style="list-style-type: none"> <li>Exclude</li> <li>No response</li> <li>Suspend and engage</li> <li>Retain and engage</li> <li>Other, please specify</li> </ul>	Select from: <ul style="list-style-type: none"> <li>None</li> <li>Less than 1%</li> <li>1-25</li> <li>26-50</li> <li>51-75</li> <li>76-99</li> <li>100%</li> <li>Unknown</li> </ul>

[Add row]

Requested content	<p><i>General</i></p> <ul style="list-style-type: none"> <li>Add rows if the requirements that external asset managers have to meet differ between environmental issues or if you do not use the same mechanisms for all your assets managed externally.</li> </ul> <p><i>Response to external asset manager non-compliance with environmental requirement (column 5)</i></p> <ul style="list-style-type: none"> <li>Select the most relevant procedure your organization has in place for responding to non-compliant external asset managers. Further details on each of the options are provided below:             <ul style="list-style-type: none"> <li><b>Exclude:</b> Select this option if you end a relationship with an external asset manager (in the case of a prior or ongoing relationship). This option is also applicable if you do not</li> </ul> </li> </ul>
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	<p>establish a relationship because of the external asset manager’s unwillingness to comply with the environmental requirement.</p> <ul style="list-style-type: none"> <li>○ <b>No response:</b> Select this option if you do not have a procedure for responding to non-compliant external asset managers.</li> <li>○ <b>Suspend and engage:</b> Select this option if you temporarily do not use the external asset manager service but continue to engage with the external asset manager to resolve the non-compliance.</li> <li>○ <b>Retain and engage:</b> Select this option if you continue to use the external asset manager service while engaging with the external asset manager to resolve the non-compliance.</li> <li>○ <b>Other, please specify:</b> Select this option if your response to external asset manager non-compliance with environmental requirements is not on the list and provide a label.</li> </ul>
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Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	CC, F, W
Sector	Question level	FS

## Shareholder Voting [FS only]

### Section overview

Section Overview	This section asks organizations in the financial services sector to disclose how aligned their shareholders’ voting on their investment portfolios is with the organization’s overall environmental strategy. In addition, this section requests organizations to demonstrate how they support introducing environmental shareholder resolutions into their business strategy and investment portfolios.
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### (5.15) Does your organization exercise voting rights as a shareholder on environmental issues?

Question details	
Question dependencies	This question only appears if you select “Yes” in response to column 1 “Activity undertaken” for the rows “Investing (Asset manager)” and/or “Investing (Asset owner)” of 1.10.
Change from last year	Modified question (C-FS12.2, FW-FS4.2)
Rationale	Active ownership is a key tool for positively affecting the real economy because divestment alone leaves investors without a voice to promote sustainable practices. Alongside their investee engagement activities, investors can influence their investee companies on environmental issues by exercising their voting rights. Data users are interested in understanding how aligned shareholders’ voting decisions across the investment portfolio are with the overall environmental strategy and how they support environmental shareholder resolutions.
Ambition	<ul style="list-style-type: none"> <li>• Investors exercise their right for shareholder voting on environmental issues.</li> </ul>
Connection to other frameworks	NZAM Commitment 7

1	2	3
Exercise voting rights as a shareholder on environmental issues	Primary reason for not exercising voting rights as a shareholder on environmental issues	Explain why you do not exercise voting rights on environmental issues
Select from: <ul style="list-style-type: none"> <li>• Yes</li> <li>• No, but we plan to in the next two years</li> <li>• No, and we do not plan to in the next two years</li> <li>• No, as we do not have shareholder voting rights in any of our investments</li> </ul>	Select from: <ul style="list-style-type: none"> <li>• Lack of internal resources, capabilities, or expertise (e.g., due to organization size)</li> <li>• No standardized procedure</li> <li>• Not an immediate strategic priority</li> <li>• Judged to be unimportant or not relevant</li> <li>• Other, please specify</li> </ul>	Text field [maximum 2,500 characters]

[Fixed row]

Requested content	<p><i>Exercise voting rights as a shareholder on environmental issues (column 1)</i></p> <ul style="list-style-type: none"> <li>• Select “Yes” if you exercise your voting rights as a shareholder, including directly and indirectly (e.g., through an external service provider) on environmental issues.</li> <li>• You will have the opportunity to provide further details on how you have exercised your voting rights in the following question.</li> <li>• Select “No, as we do not have shareholder voting rights in any of our investments” if voting rights are not applicable for your investments, e.g.: non-voting shares.</li> </ul> <p><i>Explain why you do not exercise voting rights on environmental issues (column 3)</i></p> <ul style="list-style-type: none"> <li>• Provide an explanation specific to your organization explaining why you do not exercise voting rights on environmental issues, and outline any plans to do so in the future.</li> </ul>
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Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	CC, F, W
Sector	Question level	FS

**(5.15.1) Provide details of your shareholder voting record on environmental issues.**

Question details	
Question dependencies	This question only appears if you select “Yes” in column 1 “Exercise voting rights as a shareholder on environmental issues” of 5.15.
Change from last year	Modified question (C-FS12.2a, FW-FS4.2)
Rationale	Active ownership is a key tool for positively affecting the real economy because divestment alone leaves investors without a voice to promote sustainable practices. Alongside their investee engagement activities, investors can influence their investee companies on environmental issues, by exercising their voting rights. Data users are interested in understanding how aligned shareholders’ voting decisions across the investment portfolio are with the overall environmental strategy and how they support environmental shareholder resolutions.
Ambition	Investors exercise their right for shareholder voting on environmental issues. The entity shall describe how the outcomes of its proxy voting and engagement activities inform its investment decision-making process.

Connection to other frameworks	NZAM Commitment 7
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1	2	3	4	5	6	7
Method used to exercise your voting rights as a shareholder	How do you ensure your shareholder voting rights are exercised in line with your overall strategy or transition plan?	% of voting rights exercised	% of voting which is publicly available	Environmental issues covered in shareholder voting	Global environmental commitments that your shareholder voting is aligned with	Issues supported in shareholder resolutions
Select from: <ul style="list-style-type: none"> <li>Exercise voting rights directly</li> <li>Exercise voting rights through an external service provider</li> </ul>	Select all that apply: <ul style="list-style-type: none"> <li>Vote tracking</li> <li>Publish requirements of external service providers in relation to environmental issues</li> <li>Review external service provider's environmental policies</li> <li>Review external service provider's environmental performance (e.g. active ownership, proxy voting records)</li> <li>Include environmental requirements in requests for proposals</li> <li>Include environmental requirements in service</li> </ul>	Percentage field [enter a percentage from 0-100]	Percentage field [enter a percentage from 0-100]	Select all that apply: <ul style="list-style-type: none"> <li>Climate change</li> <li>Forests</li> <li>Water</li> </ul>	Select all that apply: <ul style="list-style-type: none"> <li>Aligned with the Paris Agreement [CC only]</li> <li>Aligned with the Kunming-Montreal Global Biodiversity Framework [F, W]</li> <li>Aligned with Sustainable Development Goal 6 on Clean Water and Sanitation [W only]</li> <li>Aligned with another global environmental commitment, please specify</li> <li>Our shareholder voting is not aligned with any environmental commitment</li> <li>Not assessed</li> </ul>	Select all that apply: <ul style="list-style-type: none"> <li>Aligning public policy position (lobbying)</li> <li>Board oversight of environmental issues</li> <li>Climate transition plans [CC only]</li> <li>Elimination of hazardous chemicals [W only]</li> <li>Emissions reduction targets [CC only]</li> <li>Environmental disclosures</li> <li>Halting deforestation and/or conversion of natural ecosystems [F only]</li> <li>Improve water efficiency [W only]</li> <li>Net zero emissions by 2050 [CC only]</li> <li>Phase out of fossil fuel financing [CC only]</li> </ul>

	<ul style="list-style-type: none"> <li>provider mandates</li> <li>• Include environmental requirements in performance indicators and incentive structures</li> <li>• Other, please specify</li> </ul>					<ul style="list-style-type: none"> <li>• Reduce water pollution [W only]</li> <li>• Reduce water withdrawal and/or consumption [W only]</li> <li>• Water, Sanitation and Hygiene (WASH) provisions for all employees [W only]</li> <li>• Other, please specify</li> </ul>
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Requested content	<p><i>How do you ensure your shareholder voting rights are exercised in line with your overall strategy or transition plan? (column 2)</i></p> <ul style="list-style-type: none"> <li>• This column appears if “Exercise voting rights through an external service provider” is selected in column 1 “Method used to exercise your voting rights as a shareholder”.</li> <li>• Select which processes you use to ensure that your voting rights are exercised in line with your overall strategy.</li> </ul> <p><i>% of voting rights exercised (column 3)</i></p> <ul style="list-style-type: none"> <li>• This column appears if “Exercise voting rights directly” is selected in column 1 “Method used to exercise your voting rights as a shareholder” or if “Vote tracking” is selected in column 2 “How do you ensure your shareholder voting rights are exercised in line with your overall strategy or transition plan?”.</li> <li>• Indicate the proportion of voting rights that are exercised out of all available shareholder voting rights.</li> <li>• If you are reporting for subsidiaries within your reporting boundary, focus on the proportion of voting rights that are exercised out of all available voting rights for the subsidiaries.</li> </ul> <p><i>% of voting which is publicly available (column 4)</i></p> <ul style="list-style-type: none"> <li>• Indicate the proportion of voting, for which the voting rationale is publicly available and where data users can see what environmental issues have been voted on, out of all available shareholder voting rights.</li> </ul> <p><i>Global environmental commitments that your shareholder voting are aligned with (column 6)</i></p> <ul style="list-style-type: none"> <li>• <b>Alignment with the goals of the Paris Agreement:</b> refers to the Paris Agreement long-term temperature goal (<a href="#">United Nations</a>), as expressed in relevant IPCC reports, in particular the <a href="#">IPCC Sixth Assessment Report (AR6)</a> and the <a href="#">IPCC Special Report on Global Warming of 1.5°C (SR1.5)</a>.</li> <li>• <b>Alignment with the goals of the Kunming-Montreal Global Biodiversity Framework:</b> refers to the four long-term goals for 2050 (<a href="#">CBD, 2023</a>), including the goal to ensure that the integrity, connectivity and resilience of all ecosystems are maintained, enhanced, or restored, substantially increasing the area of natural ecosystems by 2050. When evaluating alignment with the Global Biodiversity Framework, it is particularly important to consider</li> </ul>
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	<p>alignment with <a href="#">Target 18</a> on harmful incentives and <a href="#">Target 19</a> on increasing financial resources.</p> <ul style="list-style-type: none"> <li>• <b>Alignment with Sustainable Development Goal 6 on Clean Water and Sanitation:</b> refers to alignment specifically with Goal 6 from the seventeen goals for 2030 set out in the <a href="#">UN's Sustainable Development Goals</a>. Alignment means that your engagement is aligned with the <a href="#">targets and indicators</a> associated with SDG 6 (e.g., Target 6.1 on achieving universal and equitable access to safe and affordable drinking water for all; Target 6.3 on improving water quality through means including reducing pollution).</li> </ul>
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Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	CC, F, W
Sector	Question level	FS

## Module 6: Environmental Performance – Consolidation Approach

Guidance for companies reporting on Climate change, Forests, Water Security, Plastics, Biodiversity on behalf of investors & supply chain members.

The full reporting guidance including explanation of terms is available via the portal/public guidance page.

### Definition of time horizons

#### (6.1) Provide details on your chosen consolidation approach for the calculation of environmental performance data.

Question details	
Change from last year	Modified question (2023 C0.5, F0.5, F-MM0.9/F-CO0.9, W0.5)
Rationale	The consolidation approach is the method by which environmental impacts (e.g., GHG emissions, water withdrawals etc.) have been attributed to your organization. This context will help data users interpret how the environmental impacts relate to your business operations.
Ambition	<ul style="list-style-type: none"> <li>The organization discloses whether the consolidation of their entities in the accounting of their environmental impacts has been done through the financial control approach, operational control approach, equity share approach, or another method. The organization provides an explanation for why the particular method was chosen.</li> </ul>
Connection to other frameworks	IFRS S2 29 RE100 ESRS 2
Response options	Please complete the following table:

0	1	2
Environmental issue	Consolidation approach used	Provide the rationale for the choice of consolidation approach
Climate change	Select from: <ul style="list-style-type: none"> <li>Financial control</li> <li>Operational control</li> <li>Equity share</li> <li>Other, please specify</li> </ul>	Text field [maximum 2,500 characters]
Forests		
Water		
Plastics		
Biodiversity		

Requested content	<p><i>General</i></p> <ul style="list-style-type: none"> <li>The “consolidation approach” identifies which entities are included within the calculation of your environmental performance data and determines the information that is relevant for your organization to disclose within Modules 7-12.</li> </ul>
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- CDP recommends that you consult your legal or accounting advisor when determining your consolidation approach.
- This question is asking you to provide details on your consolidation approach only. You will be able to indicate exclusions to your environmental performance data from the boundary determined by this approach later in the relevant environmental performance module for each relevant environmental issue.
- In line with the Science-Based Targets Network (SBTN), organizations should use the same consolidation approach across environmental issues and use the financial or operational control approach when setting science-based targets for nature. Refer to the [SBTN Technical Guidance Step 1 Assess](#) for more details.
- Organizations who have used the GHG Protocol for emissions accounting are strongly recommended by SBTN to use the same consolidation approach for setting science-based targets for nature. For example, if your organization uses the financial control approach for consolidating GHG emissions, then you should use the same approach to consolidate other environmental data.

*Consolidation approach used (column 1)*

- Select the consolidation approach that best reflects the approach used to attribute environmental impacts to your organization.
- In row “Climate change”, select the consolidation approach used to consolidate your GHG inventory. To support the use, tracking, and comparability of reported GHG information, respondents are encouraged to adopt the consolidation approaches based on the [GHG Protocol Corporate Standard](#), outlined in more detail in Chapter 3 of the Standard.
- If you have previously disclosed data to CDP and your consolidation approach has changed in the reporting year, select your new approach in the relevant row. If your consolidation approach in row “Climate change” has changed in the reporting year, you should also provide details of the change in 7.1.2.
- The drop-down options are based on the GHG Protocol Corporate Standard, and are described in more detail below (text adapted from the [GHG Protocol Corporate Standard](#))
  - **Financial control:** An organization has financial control over an operation if it has the ability to direct the financial and operating policies of the operation with a view to gaining economic benefits from its activities. Generally, an organization has financial control over an operation for GHG accounting purposes if the operation is treated as a group company or subsidiary for the purposes of financial consolidation.
  - **Operational control:** An organization has operational control over an operation if it or one of its subsidiaries has the full authority to introduce and implement its operating policies at the operation.
  - **Equity share:** Under the equity share approach, an organization accounts for GHG emissions from operations according to its share of equity in the operation. The equity share reflects the economic interest, which is the extent of rights an organization has to the risks and rewards flowing from an operation. Typically, the share of economic risks and rewards in an operation is aligned with the organization’s percentage ownership of that operation, and equity share will normally be the same as the ownership percentage. Where this is not the case, the economic substance of the relationship the company has with the operation always overrides the legal ownership form to ensure the equity share reflects the percentage of economic interest. The principle of economic substance taking precedence over legal form is consistent with international financial reporting standards.

	<ul style="list-style-type: none"> <li>○ <b>Other, please specify:</b> Select this option if none of the other options apply. If you select this option, provide a label in the text field provided.</li> <li>• In the case of leasing arrangements, see the <a href="#">GHG Protocol Appendix: Categorizing GHG Emissions from Leased Assets</a> and the lease accounting standard from your relevant generally accepted accounting principles (GAAP) to determine the appropriate scope for those emissions.</li> </ul> <p><i>Provide the rationale for the choice of consolidation approach (column 2)</i></p> <ul style="list-style-type: none"> <li>• For example, if you have used the same consolidation approach for reporting water and forests-related data due to alignment with SBTN guidance, then state this here.</li> <li>• If you have used the same consolidation approach as used in your financial accounting, then state this here.</li> <li>• If you have used a different consolidation approach for consolidating different types of environmental data, explain the rationale for this difference. For example, if you use a different consolidation approach for GHG emissions accounting and for water accounting, explain why.</li> </ul>
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Authoring notes		
Tags		
Corporate authority	Capital Markets	
Environmental Issue (Theme)	Question level	All
Sector	Question level	All