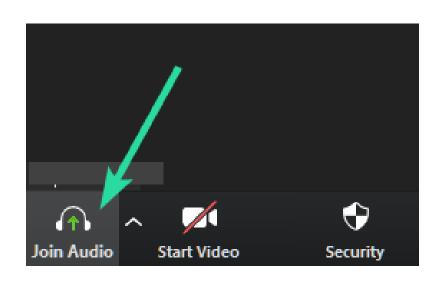


Navigating CDP's 2024 Integrated Questionnaire for the Financial Services Sector

10th July 2024 | 14:00 – 15:00 (GMT+8)

Please note:

- All attendees are muted upon entry
- Please ensure you have connected to your device's audio
- Please use the Q&A button to ask questions
- Slides and recording of this webinar will be shared with all registrants



Agenda



Introduction to CDP	
Disclosure conditions in 2024	
Key changes to the Financial Services sector questionnaire	
Resources	
Q&A Session	



CDP – Global Disclosure System

CDP DISCLOSURE INSIGHT ACTION

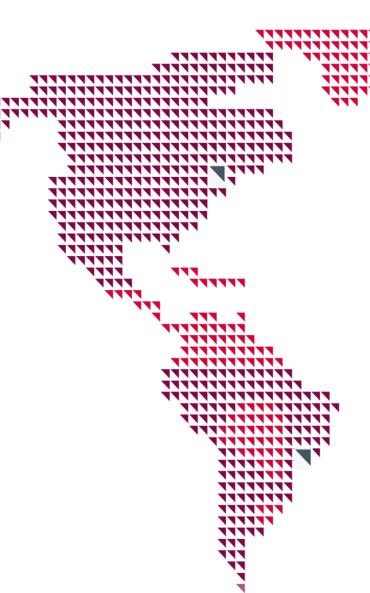
- Mission driven environmental non-profit
- Drives efforts towards a net zero, nature-positive economy
- Maintains the world's most comprehensive database of environmental data
- Converges frameworks, standards, and laws for comparable disclosure and data

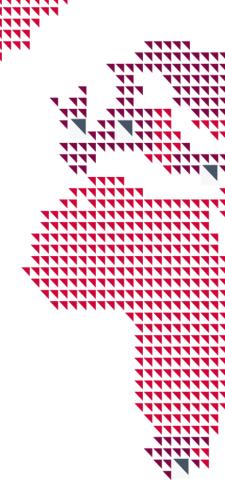
700+

Investors requested thousands of companies to disclose to them through CDP in 2024 340+

Buyers asked their suppliers to disclose through CDP 23,000+

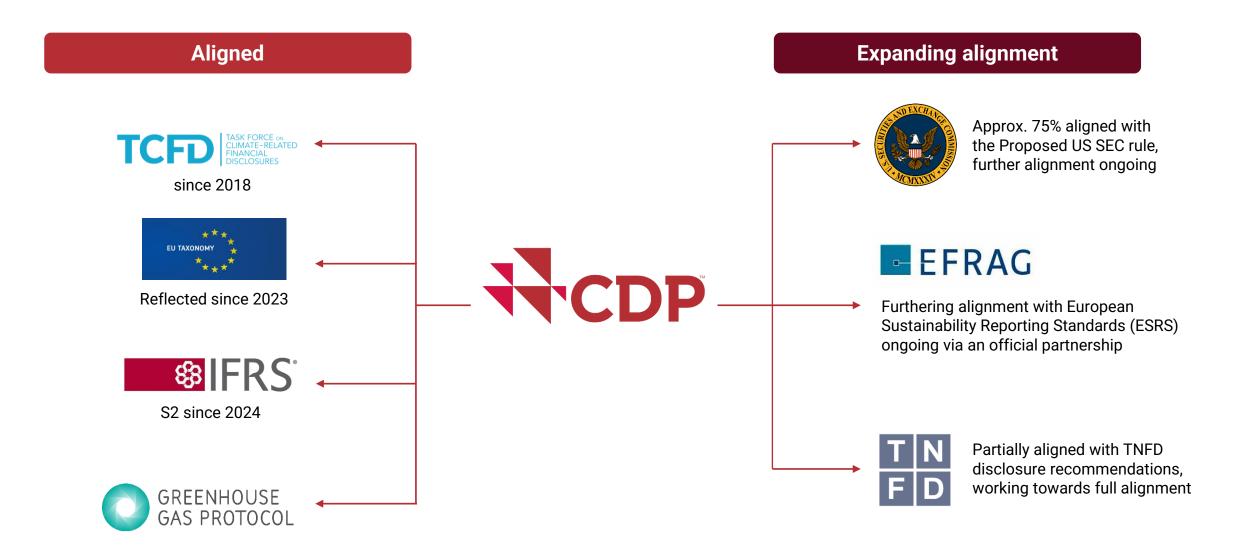
Companies worth over 66% of global market capitalisation disclosed through CDP in 2023





Pathway to ESG disclosure going mainstream Launch IFRS Sustainability Disclosure Standards **DISCLOSURE INSIGHT ACTION** Adoption of EU Corporate Sustainability Sustainability Disclosure Reporting Standards apply PRI Principles for Responsible Investment Reporting Directive to countries that adopted it **EU CSRD B**IFRS Standards **EU CSRD** WØRLD ECONOMIC Benchmarking European **BIFRS** Launch European Sustainability FORUM Sustainability Reporting Reporting WEF Standards INTEGRATED KIR Standards Common apply to Metrics companies **EU NFRD** EFRAG subject to SUSTAINABLE NFRD SASB Corporate GREENHOUSE GAS PROTOCOL Launch TNFD Reporting Dialogue` **EU CSRD** 1997 2000 2005 2010 2011 2012 2014 2015 2016 2018 2020 2021 2022 2023 2024 Nov 2021, COP26 announced launch of ISSB Mar 2022, IFRS and GRI announced MoU Seeks to establish a global baseline for A collaboration agreement to coordinate their work sustainability reporting. Applies the financial programmes and standard-setting activities. GRI materiality concept. applies the impact materiality concept. INTEGRATED (IR) Host the secretariat Consolidated VALUE REPORTING SASB STANDARDS A not-for-profit A not-for-profit, public interest organisation that runs organisation established to develop a leading global framework enforceable and globally accepted Aug 2022, IFRS Foundation assumed accounting and sustainability for environmental responsibility for SASB Standards reporting. disclosure standards. ISSB committed to building on the SASB Standards and embedding its industry-based approach to standards development. IFRS Foundation took over the monitoring of the progress on companies' climaterelated disclosures from TCFD. IFRS S1 and IFRS S2 standards fully incorporate the recommendations of the TCFD. Source: IFC, 2023

Enabling standards-aligned disclosure globally





2024 Disclosure Conditions

	2024 Conditions
Scoring deadline	18 September
Disclosure platform closure	2 October
Scoring	Climate: public score (private score for first-time responders*) Forests: private score Water security: private score Biodiversity: not scored Plastics: not scored
Public/non-public response	Public or non-public response

^{*}First-time responders: companies that have not responded/disclosed to CDP's capital market signatory request for the past 3 years



	Public response	Non-public response
Shared with stakeholders (investors and/or customers) requesting your response	Yes	Yes
Made available via CDP website	Yes	No
Shared with CDP scoring partners for scoring purposes	Yes	Yes
Response/information in response published by CDP or third parties in reports	Yes	Data anonymised and aggregated

^{*}Private score: made only available to disclosing organisation and not shared with requesting authority or appear on CDP website

Scoring Approach

Environmental stewardship is a journey



Leadership

 Best practice in environmental stewardship

Disclosure

Tracking transparency

D- or D

Awareness

Understanding what environmental issues mean to your organization

 Taking actions to tackle environmental issues, minimize risks and realize opportunities

B- or B

Management

A- or A

Essential Criteria

C- or C

Essential criteria are applied at Awareness, Management and Leadership levels, the criteria must be met at each level to progress their score to the next level.

Not all topics will have criteria applied to all levels. Refer to guidance here.

For example, unmet Awareness criteria cap the score at D, while met Awareness but unmet Management criteria cap it at C and so on.

Disclosure Admin Fee



The admin fee applies to companies requested to disclose by CDP's Capital Market Signatories, as well as self-selected disclosers

Organization headquarters	Enhanced fee	Foundation fee	Essential fee
Japan	¥ 740,000	¥310,000	n/a
China	CN¥51,50	CN¥20,500	CN¥8,250
India	₹5,70,000	₹2,27,500	₹91,000
Southeast Asia, South Korea, Australia or New Zealand	US\$7,300	US\$3,100	n/a
Hong Kong, China and Taiwan, China	US\$7,300	US\$3,100	n/a
Other countries	US\$7,300	US\$3,100	US\$ 1,115



Evolution of Financial Services Questionnaire



Vision: Create a reporting framework for financial services covering all climate- and nature-related impacts of financing

2020

Launched first sector questionnaire for financial services focusing on climate change

Piloted *FS Q with climate change & forests metrics with banks in Southeast Asia

2021

Continued pilot of *FS Q w/ next phase of forests metrics

Began to develop water metrics

2022

Pilot ended and introduced two new modules:

- Biodiversity
- Forests & Water Security

2023

Expansion on metrics on biodiversity, forests and water for the financial service sector

2024

New portal and integrated questionnaire with environmental issues covering:

- Climate
- Forests
- Water Security
- Biodiversity
- Plastics

Overview of the 2024 questionnaire



FS-specific

module



Module 2 – Identification, Assessment & Management of Dependencies, Impacts, Risks, & Opportunities

Module 3 – Disclosure of Risks & Opportunities

Module 4 – Governance

Module 5 – Business Strategy

Module 6 – Environmental Performance – Consolidation Approach

Cross environmental issue modules

Module 7 – Environmental Performance – Climate Change

Module 8 – Environmental Performance - Forests

Module 9 – Environmental Performance – Water Security

Module 10 – Environmental Performance – Plastics

Module 11 – Environmental Performance – Biodiversity

Environmental issue-specific modules

Module 12 – Environmental Performance – Financial Services

Module 13 – Further Information & Sign off

Cross-issue modules

Module not shown if primary activity classification is Financial Services

The full

The full questionnaire can be found on CDP's Guidance for Companies page

Key changes for more thorough disclosure



Beyond risk assessment

 Shift from risk assessment focused on business risks & opportunities, to assessment of environmental impacts and dependencies.



Value chain mapping

 Disclosers must demonstrate visibility and knowledge of entities across their value chain.

Priority locations



 Identification of priority locations for forests, water and biodiversity.



Environmental issues

- Plastics activities expand from production/ commercialization to waste and/or water management activities, as well as provision of financial products and services for plasticsrelated activities.
- Forests questions reframed previously commodity-based, now in transition to land usebased. Scoring methodology facilitates a single Forests score (previously one per commodity).

New questions in 2024

11 New Questions

- **1.5** on reporting boundaries
- **1.9** − on organization size based on total assets value
- **1.24** − on value chain mapping
- 2.2.4 on process for environmental dependencies and/or portfolio activities impacts
- **2.2.7** on interconnections of environmental dependencies, impact, risks and/or opportunities
- **3.1.2** on financial metrics that are vulnerable to substantive effects of environmental risks
- **3.6.2** − on financial metrics that are aligned with substantive effects of environmental opportunities
- **■4.1** on board of directors or equivalent governing body
- **4.4** on management level competency
- **▼5.3** on influences of strategy and/or financial planning
- $\mathbf{7}$ 12.5 on finance and/or insurance for activities or sector aligned with sustainable finance taxonomy

Key changes for the Financial Services sector



- 2024 modules: Financial services questions with key changes
 - **Module 1:** Introduction
 - *Module 4:* Governance
 - Module 5: Business strategy



Clarifications



- Note: only significant changes will be addressed in the 2024 changes webinars. For more details about changes see <u>Disclosure 2024 materials</u>.
- > This presentation will only address changes to FS-specific questions.
- > The two keys below indicate how the relevant environmental issues and the types of changes will be indicated in the webinar

Environmental issue – icon key:

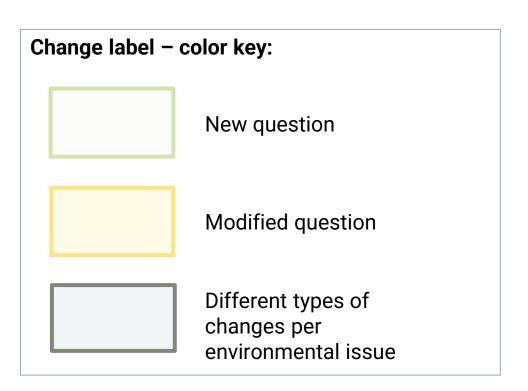
c : Climate change

F : Forests

w : Water security

B : Biodiversity

P : Plastics



Module 1: Introduction



2024 MODULES

M1 Introduction

M2 Identification, assessment and management of dependencies, impacts, risks, and opportunities

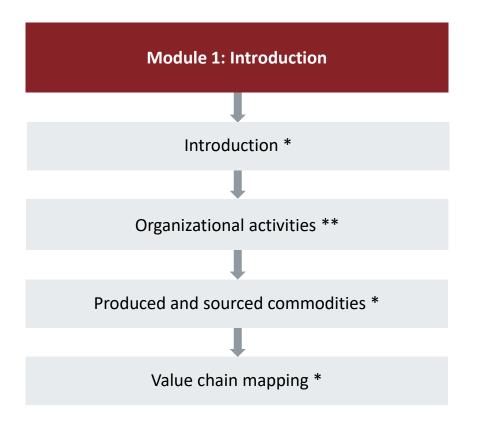
M3 Disclosure of risks and opportunities

M4 Governance

M5 Business strategy

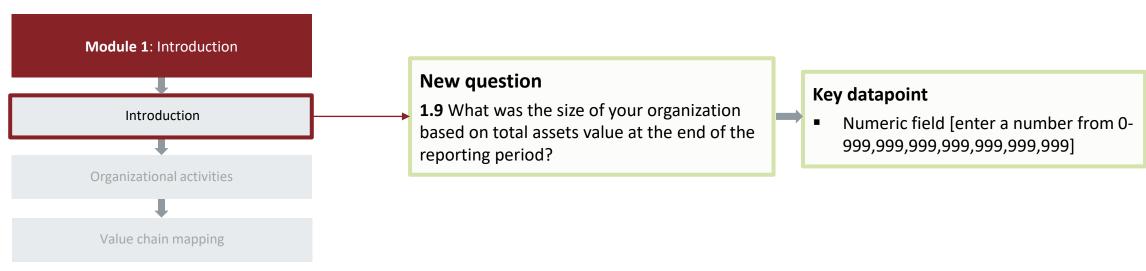
M6-12 Environmental performance





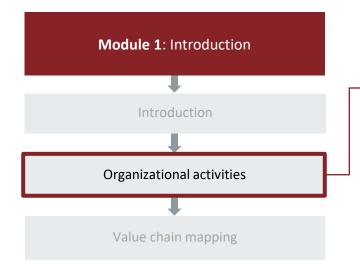
Module 1 – Introduction





Module 1 – Introduction





New question for Modified for C

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

Key datapoints

- Activity undertaken
- Portfolio value based on total assets
- Percentage of revenue
- Types of clients

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



2024 MODULES

M1 Introduction

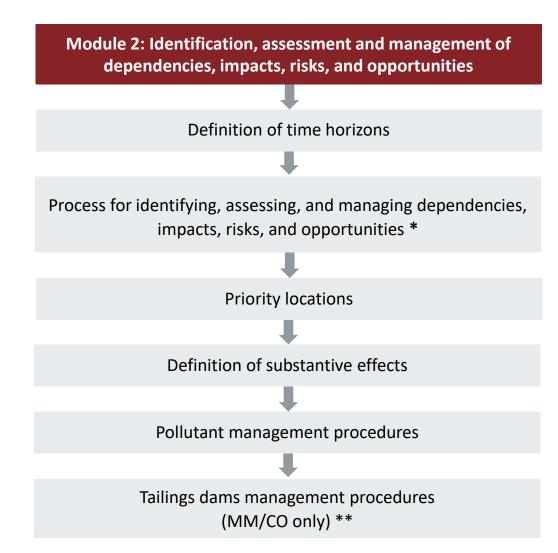
M2 Identification, assessment and management of dependencies, impacts, risks, and opportunities

M3 Disclosure of risks and opportunities

M4 Governance

M5 Business strategy

M6-12 Environmental performance



^{*} Includes sector-specific questions

Module 3: Disclosure of risks and opportunities



2024 MODULES

M1 Introduction

M2 Identification, assessment and management of dependencies, impacts, risks, and opportunities

M3 Disclosure of risks and opportunities

M4 Governance

M5 Business strategy

M6-12 Environmental performance





^{*} Includes sector-specific questions

Module 4: Governance



2024 MODULES

M1 Introduction

M2 Identification, assessment and management of dependencies, impacts, risks, and opportunities

M3 Disclosure of risks and opportunities

M4 Governance

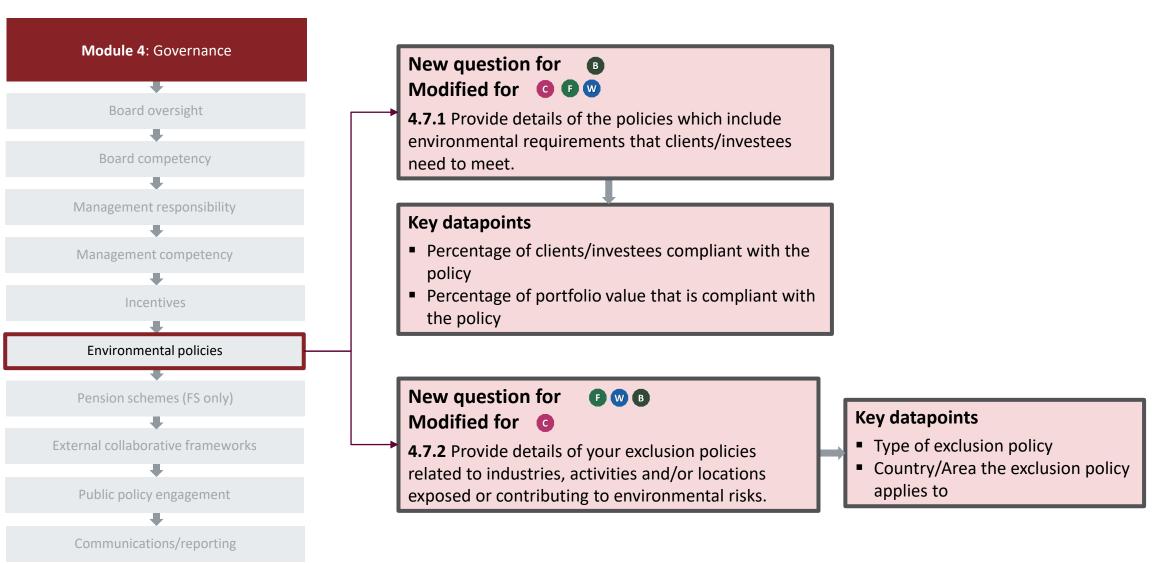
M5 Business strategy

M6-12 Environmental performance



Module 4: Governance





Module 5: Business strategy



2024 MODULES

M1 Introduction

M2 Identification, assessment and management of dependencies, impacts, risks, and opportunities

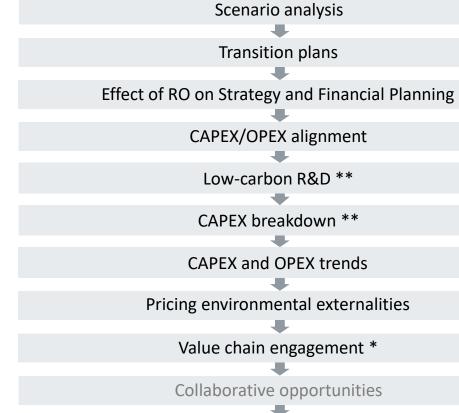
M3 Disclosure of risks and opportunities

M4 Governance

M5 Business strategy

M6-12 Environmental performance

M13 Further information & sign off



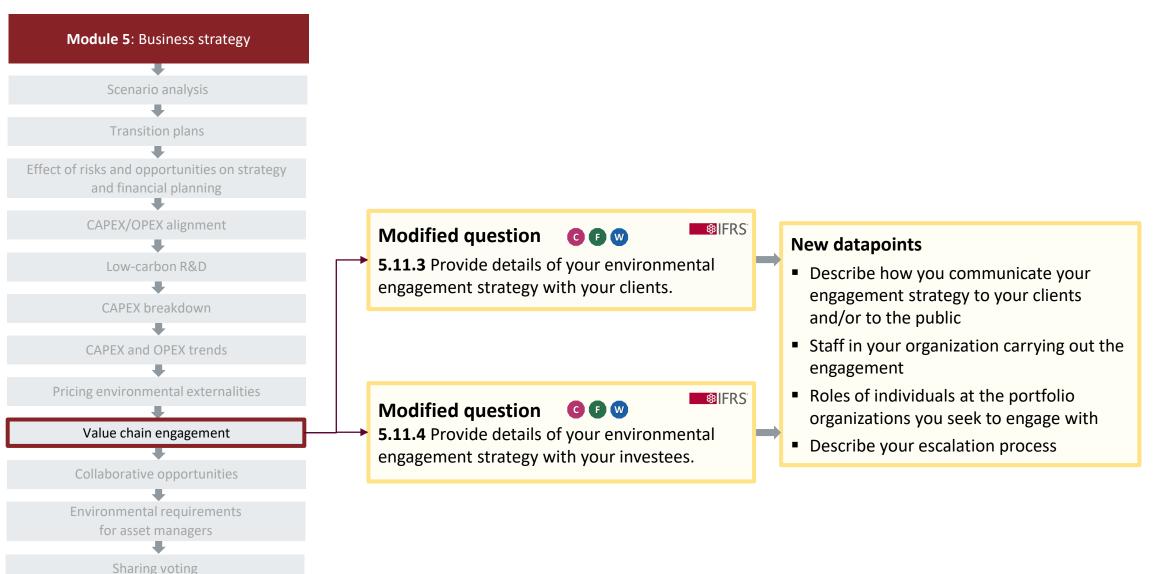
Module 5: Business strategy

Environmental requirements for asset managers (FS only) **

Shareholder voting (FS only) **

Module 5: Business strategy





Module 5: Business strategy





New question for

Modified for

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.

New datapoints

- Environmental requirement that external asset managers have to meet
- Response to external asset manager non-compliance with environmental requirement
- % of non-compliant external asset managers engaged

Module 6: Consolidation approach



2024 MODULES

M1-5

Environmental Performance

M6 Consolidation approach

M7 Climate change

M8 Forests

M9 Water

M10 Plastics

M11 Biodiversity

M12 Financial Services

M13 Further information & sign off



Module 6: Consolidation approach

Consolidation approach

Module 7: Environmental performance – Climate change



2024 MODULES

M1-5

Environmental Performance

M6 Consolidation approach

M7 Climate change

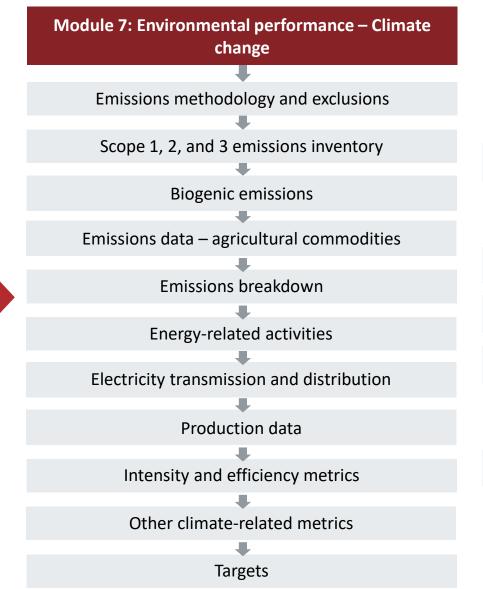
M8 Forests

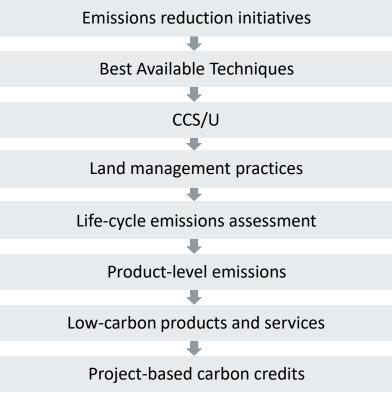
M9 Water security

M10 Plastics

M11 Biodiversity

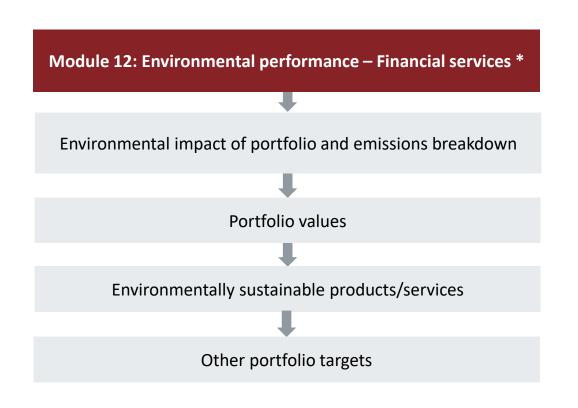
M12 Financial Services



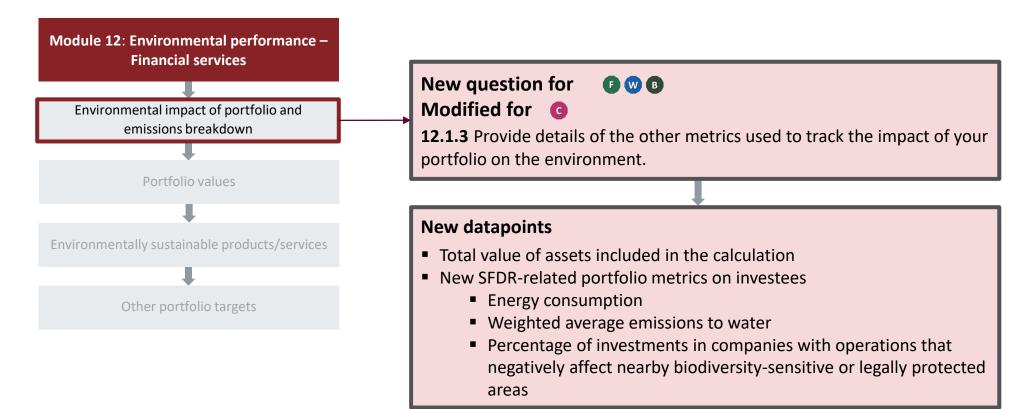




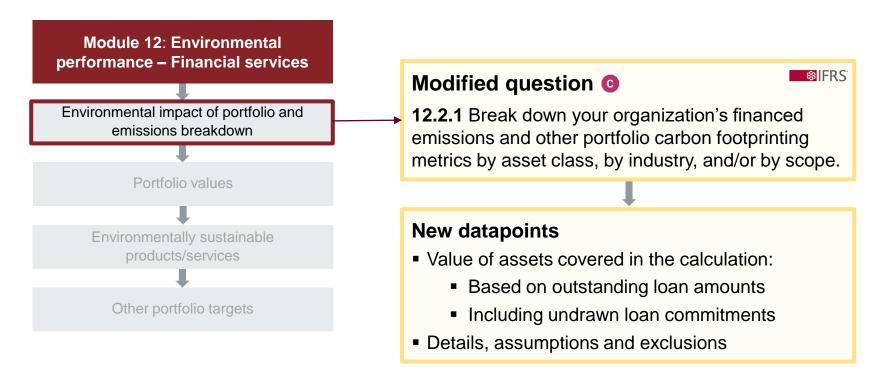
2024 MODULES
M1-5
Environmental Performance
M6 Consolidation approach
M7 Climate change
M8 Forests
M9 Water
M10 Plastics
M11 Biodiversity
M12 Financial Services
M13 Further information & sign off



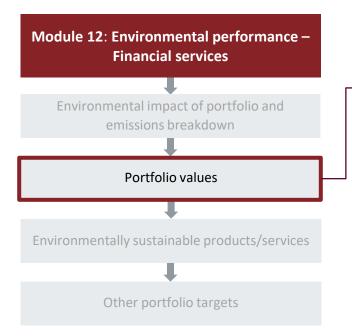












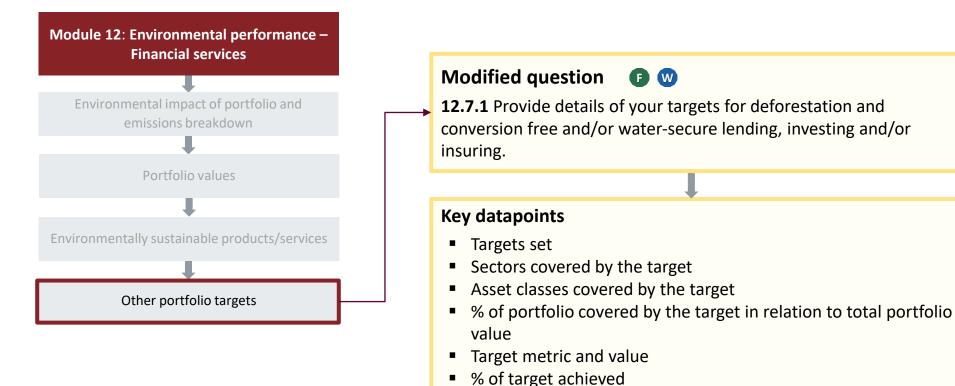
New question

12.5 In the reporting year, did your organization finance and/or insure activities or sectors that are aligned with, or eligible under, a sustainable finance taxonomy? If so, are you able to report the values of that financing and/or underwriting?

Key datapoints

- Taxonomy under which portfolio alignment is being reported
- Total assets aligned with the taxonomy
- % of portfolio that is aligned with the taxonomy
- Assets excluded from alignment calculation and reasons for exclusion
- Details of "Do No Significant Harm" analysis
- If reporting under 'EU Taxonomy for Sustainable Activities':
 - Assets covered, excluded and aligned with taxonomy KPIs
 - Share of aligned assets based on turnover and CAPEX of investees
 - Share of aligned assets contributing to climate change mitigation vs. adaptation







Resource: Technical Note





<u>CDP Technical Note: Portfolio Impact Metrics for Financial Servics Sector Companies:</u>

- Portfolio emissions
- Weighted average carbon intensity
- Portfolio carbon footprint
- Insurance-associated emissions
- Exposure to/value of carbon-related assets

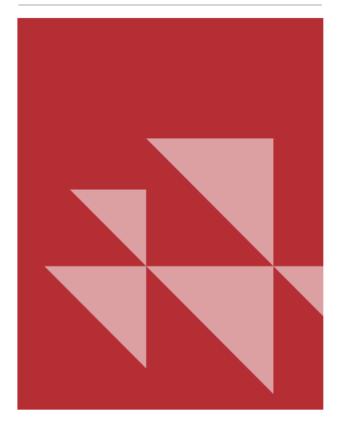
Scoring Resources



CDP Full Corporate Scoring Introduction



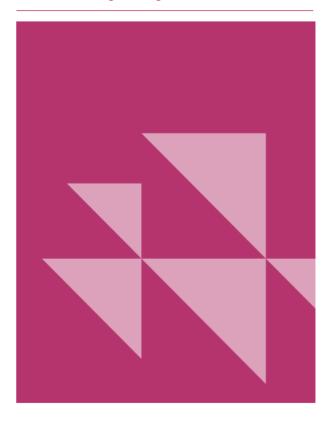
CDP Full Corporate Scoring Introduction 2024



CDP Climate Change Scoring Essential Criteria



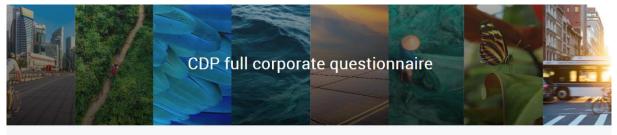
CDP Climate Change Scoring Essential Criteria 2024



2024 Questionnaire

Visit: <u>CDP full corporate questionnaire - CDP</u>





Home > 2024 Disclosure > CDP full corporate questionnaire

The CDP Portal and response window is now open for disclosers. You can prepare to disclose by browsing our Guidance for Companies page where you'll find key information and supporting materials – including the CDP full corporate and SME questionnaires and guidance – and visiting our 2024 disclosure hub.

Not yet registered? Register to disclose or to be added to a registered organization with no active users.

Introducing the new multi-environmental issue full corporate questionnaire

CDP evolves annually to push corporate ambition further, and to support companies and financial markets to transition in line with a 1.5°C, nature-positive world.

In 2024, CDP will roll out a new multi-environmental issue format for the CDP full corporate questionnaire, combining all three existing questionnaires across climate change, forests, and water security into one questionnaire. Learn more below

Further resources

Key changes for 2024: Part I ▶▶

Key changes for 2024: Part II 🕨



Guidance for Companies

Learn more about how companies can disclose through CDP.



CDP full corporate questionnaire quidance

Access the CDP full corporate questionnaire guidance.



Disclosure hub

Explore further information and supporting materials on how to disclose through CDP in 2024.



Q&A Session