

Appendix

Assessment methodology & key transition-focused indicators in the 2022 climate change questionnaire

Climate transition plan element	CDP 2022 climate change question and question code	Relevance to climate transition plans	Assessment methodology
 Governance	(C1.1b) Provide further details on the board's oversight of climate-related issues.	An organization should have board-level oversight of its climate transition plan with defined governance mechanisms in place to ensure delivery of the plan. Climate issues should be a scheduled item at all or some board meetings.	Organization discloses the frequency with which climate-related issues are a scheduled agenda item, the governance mechanisms into which climate issues are integrated and elaborate with an explanation.
	(C1.3a) Provide further details on the incentives provided for the management of climate related issues.	To incentivize conscious action and commitment in realizing the plan's goals, it is recommended that executive management incentives are aligned with the organization's climate transition plan goals.	Organization discloses who is entitled to the incentives, the type of incentive and the activity incentivized, and elaborated with a comment.
 Scenario analysis	(C3.2a) Provide details of your organization's use of climate-related scenario analysis.	Robust scenario analysis is an important strategic planning tool that can be used to inform the development of a climate transition plan.	Organization discloses on its use of climate-related scenario analysis, scenario analysis coverage, temperature alignment of scenario, parameters, assumptions, and analytical choices.
 Financial planning	(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.	Financial planning is crucial when demonstrating that an organization is aligning with climate goals (as elaborated in its climate transition plan), and that it will be relevant (i.e., profitable) in a 1.5°C-aligned world. Climate transition plans should include a demonstration of how they have aligned/intend to align their financial planning with their climate transition plan in the reporting year and at milestone years '2025' and '2030'. Financial details may describe revenue, CAPEX, and/or OPEX projections which are crucial for realizing the plan's ambition.	Organization reports on at least one area of its financial planning that has been influenced by climate and describes its influences.
	(C3.5a) Quantify the percentage share of your spending/revenue that is aligned with your organization's transition to a 1.5°C-aligned world.		Organization must select at least one financial metric and disclose the percentage share of the selected financial metric which is aligned with a 1.5°C world in the reporting year, 2025, 2030 and description of methodology used to identify spending/revenue that is aligned with a 1.5°C world.
 Value chain engagement & low carbon initiatives	(C12.1a) Provide details of your climate-related supplier engagement strategy.	Organizations are facing resiliency risks in the value chain that have material environmental and financial implications; hence, value chain engagement plays a significant role in realizing a climate transition plan. Organizations with significant emissions in their supply chain can leverage their buyer power and engage their suppliers towards a 1.5°C-aligned transition. A climate transition plan should include time-bound actions to decarbonize business processes within the value chain, including supply chain engagement that covers at least 25% of its suppliers by procurement spend or Scope 3 emissions.	Organization discloses the type of supplier engagement, details of the engagement, a description of the impact of the engagement, including measures of success, a figure in both the % of suppliers by number and % of procurement spend, and a rationale for the cover of its engagement.
	(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.	A climate transition plan should include time-bound actions to decarbonize business processes, such as growing the revenue earned from its products and services portfolio.	Organization discloses details of its low-carbon products and services, as well as a non-zero figure for the % revenue from that product in the reporting year and elaborate with a comment.

Climate transition plan element	CDP 2022 climate change question and question code	Relevance to climate transition plans	Assessment methodology
 Policy engagement	<p>(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?</p>	<p>For many organizations, a successful climate transition will depend on an accommodative policy landscape, thus organizations should advocate for climate-positive policies that impact their relevant industry(s). A climate transition plan should demonstrate that an organization's public policy engagement aligns with its climate ambitions and strategy.</p>	<p>Organization should disclose whether it has a direct or indirect engagement that could influence policy, law, or regulation that may impact climate, whether it has a public commitment or position statement to conduct its engagement activities in line with the goals of the Paris Agreement, describe the process(es) it has in place to ensure that its engagement activities are consistent with its overall climate change strategy and where relevant, a reason (and explanation) for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate.</p>
 Strategy	<p>(C3.1) Does your organization's strategy include a transition plan that aligns with a 1.5°C world?</p>	<p>Developing a climate transition plan provides certainty to data users that a company is aligning to the long-term climate goals and that its business model will continue to be relevant in a net-zero carbon economy. Collecting feedback on the transition plan allows shareholders to review and raise resolutions related to progress.</p>	<p>Organization discloses that it has a publicly available 1.5°C climate transition plan with a well-defined feedback mechanism in place, to track progress.</p>
	<p>(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.</p>	<p>A climate transition plan should outline how an organization will achieve its strategy to pivot its products and services, supply/value chain, investment in R&D, and operations to a 1.5°C-aligned world.</p>	<p>Organization describes how climate has influenced, has not influenced, or how they are considering climate's influence to their products and services, investment in R&D, operations, and supply/value chain.</p>
 Risks & opportunities	<p>(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.</p> <p>(C2.3b) Why do you not consider your organization to be exposed to climate-related risks with the potential to have a substantive financial or strategic impact on your business?</p>	<p>Disclosing details of material climate risks posed to an organization, including the potential financial impact and the cost to respond to these risks, indicates a robust climate transition plan is in place.</p>	<p>Organization reports details of at least one climate-related risk identified, including the potential financial impact and cost to respond to the risk.</p> <p>However, if an organization has not disclosed to C2.3a, it must have disclosed to C2.3b, by providing an explanation why it does not consider itself to be exposed to climate related risks with the potential to have a substantive financial or strategic impact on its business.</p>
	<p>(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.</p> <p>(C2.4b) Why do you not consider your organization to have climate-related opportunities?</p>	<p>Disclosing details of material climate opportunities posed to an organization, including the potential financial impact and the cost to realize these opportunities, indicates a robust transition plan is in place.</p>	<p>Organization reports details of at least one climate-related opportunity identified, including the potential financial impact and cost to realize the opportunity.</p> <p>However, if an organization has not disclosed to C2.4a, it must have disclosed to C2.4b, by providing an explanation why it does not consider itself to be exposed to climate related risks with the potential to have a substantive financial or strategic impact on its business.</p>

Climate transition plan element	CDP 2022 climate change question and question code	Relevance to climate transition plans	Assessment methodology
 Targets	<p>(C4.1a) Provide details of your absolute emissions targets and progress made against those targets.</p> <p>(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).</p>	<p>A climate transition plan should be underpinned by ambitious near-and long-term science-based targets which are in line with the latest climate science to achieve a 1.5°C-aligned world.</p>	<p>The criteria for credible targets disclosure within a credible climate transition plan require an organization to disclose: (1) its target to have a science-based status, (2) details on intensity or absolute emissions targets (3) that it has a 1.5°C-aligned target.</p> <p>For this year's assessment, we leveraged the CDP scoring methodology and resultantly, 2,597 organizations could not be assessed for several operational reasons such as: Late submissions, minimum tier responses with Investor request only, HQ in Russian Federation/Belarus, Forests only - Coal OR Metals & mining companies, Forests only - didn't respond to any commodity, Unpaid administration fees.</p>
	<p>(C4.2c) Provide details of your net-zero target(s).</p>	<p>A climate transition plan should aim to achieve science-based net-zero targets in line with the latest climate science to achieve a 1.5°C-aligned world by 2050 at the latest.</p>	<p>Organization reports on whether it is reporting a net-zero target, whether it is science based – and if so, it also reports details on its net-zero target.</p>
 Scope 1,2,3 Accounting with verification	<p>(C6.1) What were your organization's gross global Scope 1 emissions in indicator tons CO₂e?</p> <p>(C6.3) What were your organization's gross global Scope 2 emissions in indicator tons CO₂e?</p>	<p>A climate transition plan should be accompanied by a complete, accurate, transparent, consistent, and relevant inventory of all three scopes of emissions. Organizations should calculate and disclose all material categories of Scope 3 and provide an explanation for categories that are not relevant.</p>	<p>Organization discloses a figure for its Scope 1 emissions.</p>
	<p>(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.</p> <p>(C10.1) Indicate the verification/assurance status that applies to your reported emissions.</p>		<p>Organization discloses a figure for its Scope 2 location-based or market-based emissions.</p> <p>For each category of Scope 3 emissions, the organization discloses a figure for any "relevant, calculated" or "not relevant, calculated" categories, or provides an explanation for any categories "not relevant, explanation provided".</p> <p>Organization reports verification is in place for its Scope 1, 2, and 3 emissions.</p>