

3. Review Methodology

The AI technology used to review disclosures for this report was initially developed for the Task Force's 2018 status report and was updated for use in 2019 as described below.⁷²

Trained the AI Technology

The AI technology was based on a set of statistical language models that were trained to answer questions tied to the recommended disclosures for companies in the review population. The statistical language models underlying the AI technology were trained using passages of text or excerpts identified as aligning with the Task Force's 11 recommended disclosures—"labeled data." To collect this "labeled data" for its 2018 status report, the Task Force formed a small group to manually review publicly available reports from a sample of 150 high-disclosing companies. The small group agreed to use a common standard for reviewing the reports, which included narrowing down each recommended disclosure to a single yes-no question (Figure A2). For example, recommended disclosure a) under the Governance recommendation (*Governance a*) asks companies to describe the board's oversight of climate-related risks and opportunities. The yes-no question for *Governance a*), Question 1, asked reviewers whether the company describes the board's or a board committee's oversight of climate-related risks or opportunities. As part of the process the group performed multiple levels of review to ensure consistency in approach.

Figure A2

AI Review Questions

#	Question	Recommended Disclosure
1	Does the company describe the board's or a board committee's oversight of climate-related risks or opportunities?	<i>Governance a)</i>
2	Does the company describe management's or a management committee's role in assessing and managing climate-related risks or opportunities?	<i>Governance b)</i>
3	Does the company describe the climate-related risks or opportunities the organization has identified?	<i>Strategy a)</i>
4	Does the company describe the impact of climate-related risks and opportunities on the organization (e.g. businesses, strategy, or financial planning)?	<i>Strategy b)</i>
5	Does the company describe the resilience of its strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario?	<i>Strategy c)</i>
6	Does the company describe the organization's processes for identifying and/or assessing climate-related risks?	<i>Risk Management a)</i>
7	Does the company describe the organization's processes for managing climate-related risks?	<i>Risk Management b)</i>
8	Does the company describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management?	<i>Risk Management c)</i>
9	Does the company disclose the metrics it uses to assess climate-related risks or opportunities?	<i>Metrics and Targets a)</i>
10	Does the company disclose Scope 1 and Scope 2, and, if appropriate Scope 3 greenhouse gas (GHG) emissions?	<i>Metrics and Targets b)</i>
11	Does the company describe the targets it uses to manage climate-related risks or opportunities?	<i>Metrics and Targets c)</i>

⁷² Please refer to the Task Force's 2018 report for additional information on the development of the AI technology in 2018.