

## 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	No change
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.
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: • Yes • No		

[Fixed row]

Requested content	<p>From (years) (column 1) and to (years) (column 3)</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>How this time horizon is linked to strategic and/or financial planning (column 4)</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> <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>TCFD and TNFD position on time horizons:</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> </ul>

	<ul style="list-style-type: none"> <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>
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Tags		
Authority Type	All requesters	
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	No change
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	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.
Response options	

1	2	3	4	5
Process in place	Dependencies and/or impacts evaluated in this process	Biodiversity impacts evaluated before the mining project development stage	Primary reason for not evaluating dependencies and/or impacts	Explain why you do not evaluate dependencies and/or impacts and describe any plans to do so in the future
Select from: • Yes • No, but we plan to within the next two years • No, and we do not plan to within the next two years	Select from: • Dependencies only • Impacts only • Both dependencies and impacts	Select from: • Yes, in all cases • Yes, in some cases • No	Select from: • Lack of internal resources, capabilities, or expertise (e.g., due to organization size) • No standardized procedure	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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[Fixed row]

Requested content	<p>General</p> <ul style="list-style-type: none"> <li>• Note that this question asks if you have a process to identify, assess and manage dependencies and/or impacts. You will be asked about risks and opportunities in the following question.</li> </ul> <p>Process in place (column 1)</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>Explain why you do not evaluate dependencies and/or impacts and describe any plans to do so in the future (column 5)</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>Note for Financial Services companies</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>
Explanation of terms	<ul style="list-style-type: none"> <li>• Manage: the approach adopted by an organization to address and respond, which includes but is not limited to prioritizing and monitoring.</li> <li>• Dependencies (on the environment): aspects of environmental assets and ecosystem services that an organization relies on to function (<a href="#">TNFD, 2023</a>).</li> <li>• Impacts (on the environment): changes in the condition of nature (quality or quantity), which may result in changes to the capacity of nature to provide social and economic functions (adapted from <a href="#">TNFD, 2023</a>).</li> </ul>

Tags		
Authority Type	All requesters	
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	No change
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>
Response options	

1	2	3	4	5	6
Process in place	Risks and/or opportunities evaluated in this process	Is this process informed by the dependencies and/or impacts process?	Primary reason for not evaluating risks and/or opportunities	Explain why you do not evaluate risks and/or opportunities and describe any plans to do so in the future	Explain why you do not have a process for evaluating both risks and opportunities that is informed by a dependencies and/or impacts process
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]

<p>Requested content</p>	<p>Process in place (column 1)</p> <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 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.</li> <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>Explain why you do not evaluate risks and/or opportunities and describe any plans to do so in the future (column 5)</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>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)</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>
<p>Requested content – [sector] (if applicable)</p>	<p>Note for Financial Services companies</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>
<p>Explanation of terms</p>	<ul style="list-style-type: none"> <li>Environmental risks: potential threats (effects of uncertainty) posed to an organization that arise from its and wider society's dependencies and impacts on the environment. (Adapted from <a href="#">TNFD "Nature related risk", 2023</a>)</li> <li>Environmental opportunities: opportunities are generated through impacts and dependencies on nature, and can occur: <ul style="list-style-type: none"> <li>When organizations avoid, reduce, mitigate or manage nature-related risks, for example, connected to the loss of nature and ecosystem services that the organization and society depend on;</li> </ul> </li> <li>Through the strategic transformation of business models, products, services, markets and investments that actively work to reverse the loss of nature, including by restoration, regeneration of nature and implementation of nature-based solutions (Adapted from <a href="#">TNFD "Nature related opportunities", 2023</a>).</li> </ul>

Tags		
Authority Type	All requesters	
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	No change
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>
Response options	

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:	Select all that apply:	Select all that apply:	Select from:	Select all that apply:	Select all that apply:
• Climate change	• Dependencies	• Direct operations	• Full • Partial	• Tier 1 suppliers	

<ul style="list-style-type: none"> <li>• Forests</li> <li>• Water</li> <li>• Plastics</li> <li>• Biodiversity</li> </ul>	<ul style="list-style-type: none"> <li>• Impacts</li> <li>• Risks</li> <li>• Opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Upstream value chain</li> <li>• Downstream value chain [not shown to FS]</li> <li>• End of life management</li> </ul>		<ul style="list-style-type: none"> <li>• Tier 2 suppliers</li> <li>• Tier 3 suppliers</li> <li>• Tier 4+ suppliers</li> </ul>	<ul style="list-style-type: none"> <li>• All disclosed mining projects</li> <li>• Project 1-70</li> </ul>
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7	8	9	10	11	12
Type of assessment	Frequency of assessment	Time horizons covered	Integration of risk management process	Location-specificity used	Tools and methods used
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>	Grouped option (multi-select group; multi-select option) from dropdown list below:

13	14	15	16
Risk types and criteria considered	Partners and stakeholders considered	Has this process changed since the previous reporting year?	Further details of process
Grouped option (multi-select group; multi-select option) from dropdown 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 12)	
Enterprise Risk Management <ul style="list-style-type: none"><li>• COSO Enterprise Risk Management Framework</li><li>• Enterprise Risk Management</li></ul>	Commercially/publicly available tools <ul style="list-style-type: none"><li>• Beef on Track [Cattle products only] [F only]</li><li>• BFC – Biodiversity Footprint Calculator [B only]</li></ul>

<ul style="list-style-type: none"> <li>• Field surveys [F, B only]</li> <li>• Internal company methods</li> <li>• ISO 31000 Risk Management Standard</li> <li>• Landscape-scale field surveys [F, B only]</li> <li>• Risk models</li> <li>• Stress tests</li> <li>• Other enterprise risk management, please specify</li> </ul> <p>International methodologies and standards</p> <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>Databases</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>Other</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>• 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>• BNCG – Biodiversity Net Gain Calculator [B only]</li> <li>• CBF – Corporate Biodiversity Footprint [B only]</li> <li>• CBD – Convention on Biological Diversity [B only]</li> <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 Footprint 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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Risk types and criteria considered (column 13)	
<p>Policy</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> </ul>	<p>Reputation</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> </ul>

<ul style="list-style-type: none"> <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, W only]</li> <li>Other policy, please specify</li> </ul>	<ul style="list-style-type: none"> <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>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> <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>Acute physical</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>
<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) [W 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> </ul>	<p>Chronic physical</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> </ul>

<ul style="list-style-type: none"> <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> <li>Other liability, please specify</li> </ul>	<ul style="list-style-type: none"> <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><b>General</b></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><b>Coverage (column 4)</b></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><b>Supplier tiers covered (column 5)</b></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 or known that is provided in 1.24.</li> <li>Select all options that represent the supplier tiers covered in your assessment process.</li> </ul> <p><b>Type of assessment (column 7)</b></p> <ul style="list-style-type: none"> <li>Disclose whether the assessment is qualitative, quantitative, or both.</li> <li>Qualitative assessment is descriptive and may include stakeholder involvement, meetings, interviews, and analysis of scenario impacts or descriptive risk matrices.</li> </ul>
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- 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 8)**
- 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 9)**
- 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.
- Integration of risk management process (column 10)**
- 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 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 13)**
- 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.
  - The proportion of operational locations assessed (screening site locations, business activities and assets within value chain to identify dependencies, impacts, risks, and/or opportunities).
  - The methodology/data sources used for key data not obtained directly from the organization's operations.
  - Describes how your process for identifying, assessing, and managing dependencies, impacts, and/or opportunities is integrated into your company-wide risk management process.
- 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:
  - 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);
  - The inputs and parameters used (for example, information about data sources and the scope of operations covered by the process);
  - Details on the use of scenario analysis;
  - The processes and related policies for monitoring dependencies, impacts, risks, and/or opportunities.

	<ul style="list-style-type: none"> <li>• If in column 3 "Value chain stages covered" you did not 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>Note for Forests and Water disclosers:</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>Note for Financial Services companies</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>
Explanation of terms	<ul style="list-style-type: none"> <li>• Direct operations: all activities and sites (e.g., buildings, farms, mines, retail stores) over which the reporting company has operational or financial control. This covers any internal supply chains between the organization's business units (adapted from <a href="#">TNFD, 2023; SBTN, 2023</a>).</li> <li>• Embedded commodity: a commodity is considered 'embedded' when it is used anywhere in the supply chains, or the direct operations associated with a final product. Adapted from the SBTN embedded (or highly transformed commodities) are volumes of high impact commodities, integrated into complex products, for example, companies do not purchase a commodity in its raw or processed forms, but they purchase a product that contains them. (<a href="#">SBTN, 2023</a>)</li> <li>• Enterprise risk management: an integrated and joined-up approach to managing risk across an organization and its extended networks (<a href="#">Institute of Risk Management, 2016</a>).</li> <li>• Environmental risks: potential threats (effects of uncertainty) posed to an organization that arise from its and wider society's dependencies and impacts on the environment. (Adapted from <a href="#">TNFD "Nature related risk", 2023</a>)</li> <li>• Environmental opportunities: opportunities are generated through impacts and dependencies on nature, and can occur: <ul style="list-style-type: none"> <li>◦ When organizations avoid, reduce, mitigate or manage nature-related risks, for example, connected to the loss of nature and ecosystem services that the organization and society depend on;</li> <li>◦ Through the strategic transformation of business models, products, services, markets and investments that actively work to reverse the loss of nature, including by restoration, regeneration of nature and implementation of nature-based solutions (Adapted from <a href="#">TNFD "Nature related opportunities", 2023</a>).</li> </ul> </li> <li>• Leakage Market: refers to a market in which capital, income or commodities are diverted to non-compliant activities. For example, Southeast Asian palm oil producers facing a restrictive NDPE market, may move towards biofuel production due to weaker sustainability restrictions, creating potential for environmental damage and reputation risk (<a href="#">CRR, 2020</a>).</li> <li>• Regulator: a body with a statutory authority to enforce laws, standards, and other legal regulations. They are appointed by government but can operate independently of it.</li> </ul>

	<ul style="list-style-type: none"> <li>• Risk management: involved understanding, identifying, assessing, and responding to risk to make sure organizations achieve their objectives. This must be proportionate to the complexity and type of organization (based on <a href="#">Institute of Risk Management, 2016</a>). Risk management is a set of processes which are conducted by the board and management of an organization to support achievement of objectives through addressing risks and management of the combined potential impacts identified (Adapted from <a href="#">TCFD, 2021</a>).</li> <li>• Upstream and downstream risks: defined based on the location of the risks in your value chain and can also refer to any of the risk types above i.e. emerging regulation, technology, legal, market reputation etc.</li> <li>• Value chain: the entire sequence of upstream and downstream activities, sites, resources, and relationships associated with the reporting organization's operations, starting with the raw materials, and extending through end-of-life management, aimed at providing or receiving value from an organization's products and services either within, upstream, or downstream of direct operations (adapted from <a href="#">GHG Protocol, 2013</a>; <a href="#">ESRS, 2023</a>; <a href="#">SBTN, 2023</a>).</li> <li>• Value chain stage: A part of the sequence of activities that provide value to/ or receive value from the organization's products and services. This can include activities within the organizations direct operations, or up or downstream of those operations; such as the supply chain, joint ventures, franchisees and product users.</li> <li>• Water stress ('areas with'): a concept that considers physical quantity aspects related to water resources, including water availability. As good practice, a water stressed area should be measured at the catchment level as a minimum. Commonly accepted global indicators to assess areas as water stressed and their thresholds for reporting to CDP include: <ul style="list-style-type: none"> <li>◦ Water availability – category greater than 'High risk': 3.4 (<a href="#">WWF Water Risk Filter</a>). WWF recommends that users also take into consideration 'Medium risk': &gt;2.6. This category is based on a multi-model approach which integrates the best available global water scarcity risk indicators: water depletion, baseline water stress, and blue water scarcity.</li> <li>◦ Baseline water stress – indicator equal to/greater than 'High': 40-80% (<a href="#">WRI Aqueduct Water Risk Atlas</a>). This refers to ratio of total annual water withdrawals to available renewable water supply.</li> <li>◦ Baseline water depletion – indicator equal to/greater than 'High': 50-75% (<a href="#">WRI Aqueduct Water Risk Atlas</a>). This refers to the ratio of total annual water consumption to available renewable water supply.</li> </ul> </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>

Tags		
Authority Type	All requesters	
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	No change
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	

1	2	3	4
Mining project ID	Extent of assessment	Impacts considered	Scope defined by
Select from:  • Project 1-70	Select from:  • Full-scale environmental and social impact assessment • A limited or focused environmental and social assessment • Straightforward application of environmental siting, pollution standards, design criteria, or construction standards • Other, please specify	Select from:  • Direct impacts • Indirect impacts • Cumulative impacts	Select all that apply:  • Government agency requirements • Lender requirements • Company own standards and/or policies • Other, please specify

5	6	7	8
Aspects considered	Baseline biodiversity data available	Environmental Impact Statement publicly available	Please explain
Select all that apply:  • Alternative locations • Threatened species • Migratory species • Endemic species • Protected habitats • Critical habitats • Natural habitats • Ecosystem services • Other, please specify	Select from:  • Yes • No	Select from:  • Yes • No	Text field [maximum 2,500 characters]

[Add row]

Requested content	Extent of assessment (column 2)
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	<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>Scope defined by (column 4)</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 8 "Please explain".</li> </ul> <p>Aspects considered (column 5)</p> <ul style="list-style-type: none"> <li>Select all options that are covered by your assessment of biodiversity impacts.</li> </ul> <p>Baseline biodiversity data available (column 6)</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>Environmental Impact Statement publicly available (column 7)</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>Please explain (column 8)</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>
Explanation of terms	<ul style="list-style-type: none"> <li>Baseline biodiversity data: data on biodiversity values (specific species, habitats or ecosystems, and ecosystem services) occurring at a site, their current condition, and trends before a project commences (Adapted from <a href="#">Gullison et al., 2015</a>).</li> <li>Cumulative impacts: the overall impacts occurring in the project landscape caused by the project and non-project activities (related and unrelated to the project), generally including clusters of projects, land use change trends, and/or foreseeable developments (<a href="#">Hardner et al., 2015</a>).</li> <li>Direct impacts: the physical footprint of project activities (including project infrastructure and the incremental transportation and energy infrastructure required to support it) plus the area affected by emissions and effluents (<a href="#">Hardner et al., 2015</a>).</li> <li>Ecosystem services: the contributions of ecosystems to the benefits that are used in economic and other human activity (<a href="#">TNFD, 2023</a>).</li> <li>Environmental Impact Assessment (EIA): the process of identifying, predicting, evaluating and mitigating the biophysical, social, and other relevant effects of development proposals prior to major decisions being taken and commitments made (<a href="#">IAIA, 2009</a>).</li> <li>Environmental Impact Statement (EIS): a physical report on the EIA process and findings. The EIS should provide a clear, jargon-free review of potential impacts and how they have been and will be mitigated. The report often forms the basis of public consultation activities and is the document that is presented to regulatory authorities and others, as the basis for decision making (<a href="#">IFC, 2012</a>).</li> </ul>

	<ul style="list-style-type: none"> <li>Indirect impacts: the physical footprint of non-project activities in the surrounding area that are caused or stimulated by the project plus the area affected by their emissions and effluents (<a href="#">Hardner et al., 2015</a>).</li> </ul>
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Tags		
Authority Type	All requesters	
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	No change
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>
Response options	

0	1	2	3	4
Portfolio	Process in place covering this portfolio	Dependencies and/or impacts related to this portfolio evaluated in this process	Primary reason for not evaluating dependencies and/or impacts related to this portfolio	Explain why you do not evaluate dependencies and/or impacts related to this portfolio and 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> </ul>	Text field [maximum 2,500 characters]

			• Other, please specify	
Investing (Asset manager)				
Investing (Asset owner)				
Insurance underwriting (Insurance company)				

[Fixed Row]

Requested content	<p>General</p> <ul style="list-style-type: none"> <li>Note that this question asks if you have a process to identify, access and manage dependencies and/or impacts related to your portfolio (lending, investing and insurance activities). You will be asked about risks and opportunities in the following question.</li> </ul> <p>Portfolio (column 0)</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>Process in place covering this portfolio (column 1)</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>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)</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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Tags		
Authority Type	All requesters	
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	No change
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	The financial institution has a robust process to identify, assess, and manage environmental dependencies, impacts, risks, and opportunities across all of its portfolios.
Response options	

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> <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]

Investing (Asset manager)					
Investing (Asset owner)					
Insurance underwriting (Insurance company)					

[Fixed row]

Requested content	<p>Portfolio (column 0)</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>Process in place covering this portfolio (column 1)</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>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)</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>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)</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		
Authority Type	All requesters	
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" of 2.2.4 or 2.2.5.
Change from last year	No change
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>
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
Portfolio	Environmental issue	Indicate which of dependencies, impacts, risks,	% of portfolio covered by the	Type of assessment	Industry sectors covered by the assessment	Frequency of assessment

		and opportunities are covered by the process for this portfolio	assessment process in relation to total portfolio value			
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	11	12	13
Time horizons covered	Integration of risk management process	Location-specificity used	Tools and methods used	Risk type and criteria considered	Partners and stakeholders considered	Further details of process

Select all that apply:	Select from:	Select all that apply:	Select all that apply:	Grouped dropdowns (multi-select group; multi-select option) from dropdown list below	Select all that apply:	Text field [maximum 2,500 characters]
<ul style="list-style-type: none"> <li>• Short-term</li> <li>• Medium-term</li> <li>• Long-term</li> <li>• Not defined</li> </ul>	<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>	<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>	<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> <li>• UNEP FI Portfolio Impact Analysis Tool for Banks</li> <li>• WRI Aqueduct</li> <li>• WWF Biodiversity Risk Filter</li> </ul>		<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>	

			<ul style="list-style-type: none"> <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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Risk type and criteria considered (column 11)					
<b>Policy</b> <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, W only]</li> <li>• Other policy, please specify</li> </ul>			<b>Reputation</b> <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>		
<b>Technology</b> <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> <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> </ul>			<b>Acute physical risks</b> <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 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> <li>Other liability, please specify</li> </ul>	<ul style="list-style-type: none"> <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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[Fixed row, add row]

Requested content	<p><b>General</b></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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	<p>environmental issues are considered within your processes, you may use the text fields to provide details of these differences.</p> <ul style="list-style-type: none"> <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>
	<p><b>Portfolio (column 0)</b></p> <ul style="list-style-type: none"> <li>• The rows presented in this table depend on your response to 2.2.4 and 2.2.5</li> <li>• Respond to all rows individually.</li> </ul>
	<p>% of portfolio covered by the assessment process in relation to total portfolio value (column 3)</p> <ul style="list-style-type: none"> <li>• 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.</li> </ul>
	<p><b>Type of assessment (column 4)</b></p> <ul style="list-style-type: none"> <li>• Disclose whether the assessment is qualitative, quantitative, or both.</li> <li>• Qualitative assessment is descriptive and may include stakeholder involvement, meetings, interviews, and analysis of scenario impacts or descriptive risk matrices.</li> <li>• 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.</li> </ul>
	<p><b>Frequency of assessment (column 6)</b></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><b>Time horizons covered (column 7)</b></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 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.</li> </ul>
	<p><b>Integration of risk management process (column 8)</b></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> <li>• 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. <ul style="list-style-type: none"> <li>○ 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.</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>○ 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.</li> </ul> <p>Location-specificity used (column 9)</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• Local: the assessment process is conducted within a defined area below sub-national level (e.g., cities, towns, villages).</li> <li>• 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).</li> <li>• 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.</li> </ul> <p>Tools and methods used (column 10)</p> <ul style="list-style-type: none"> <li>• Select which tools and methodologies you use to assess your portfolio's exposure to environmental risks: <ul style="list-style-type: none"> <li>○ 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.</li> <li>○ 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.</li> <li>○ 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).</li> <li>○ The Transition Pathway Initiative (TPI): bottom-up assessment of how listed companies are preparing for the transition to a low-carbon economy.</li> <li>○ 2 Degrees of Separation: In-depth sector and company-level analysis of oil and gas companies' upstream exposure to climate transition risks.</li> <li>○ 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.</li> <li>○ Risk models: computerized systems, such as catastrophe models, used to assess and quantify the financial impact of a range of potential future disasters.</li> <li>○ 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.</li> <li>○ 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.</li> <li>○ 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</li> </ul> </li> </ul>
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	<p>to assess the credit strengths of corporates across water-intensive sectors including power utilities, beverages and mining.</p> <ul style="list-style-type: none"> <li>○ 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).</li> <li>○ ENCORE: identifies business risks arising from economic dependencies on natural capital (NCFA, Global Canopy, UN).</li> <li>○ Environmental Justice Atlas: documents and catalogues social conflict around environmental issues.</li> <li>○ Global Forests Watch Pro: delivers critical decision-making analysis at the property, supply shed and portfolio levels.</li> <li>○ 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).</li> <li>○ Risk models: computerized systems, such as catastrophe models, used to assess and quantify the financial impact of a range of potential future disasters.</li> <li>○ 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.</li> <li>○ 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.</li> <li>○ 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.</li> <li>○ 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.</li> <li>○ 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.</li> <li>○ 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.</li> <li>○ WWF Water Risk Filter: free online tool designed to help companies and investors to explore, assess and act on water risks hotspots and opportunities across their direct operations, value chain and investments.</li> <li>○ WWF Biodiversity Risk Filter: free online tool designed to help companies and investors to identify biodiversity risks hotspots and opportunities across their direct operations, value chain and investments.</li> <li>○</li> </ul> <ul style="list-style-type: none"> <li>● If you select "Other, please specify", please describe the tools and methodologies you use to assess your portfolio's exposure.</li> </ul>
Risk type and criteria considered (columns 11)	

	<ul style="list-style-type: none"> <li>• 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".</li> <li>• Select the option that best represents the types of risk considered in your assessment process, having the following in mind: <ul style="list-style-type: none"> <li>◦ 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;</li> <li>◦ Chronic physical – gradual changes to the state of nature. For example, pollution stemming from pesticide use or climate change.</li> <li>◦ 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;</li> <li>◦ 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;</li> <li>◦ 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;</li> <li>◦ 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.</li> <li>◦ 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.</li> </ul> </li> </ul>
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#### Further details of process (column 13)

- Details of the process for identifying, assessing, and managing dependencies, impacts, risks, and/or opportunities, including:
  - If relevant, an assessment of how your organization's dependencies and/or impacts fed into your assessment of your risks and/or opportunities.
  - 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.
  - Consideration of existing/emerging regulatory requirements (e.g., restrictions on water or land use).
  - 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).
  - Describes how your process for identifying, assessing, and managing dependencies, impacts, and/or opportunities is integrated into your company-wide risk management process.
- 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:
  - The inputs and parameters used (for example, information about data sources and the scope of operations covered in the process)
  - Details on the use of scenario analysis

	<ul style="list-style-type: none"> <li>○ The processes and related policies for monitoring dependencies, impacts, risks, and/or opportunities.</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>
Explanation of terms	Portfolio: in the context of this questionnaire your portfolio is the entire collection of your core financing activities and insurance policies that you offer. For bank lending, this is the entire collection of products and loans held on your balance sheet for which you own the receivable stream. For asset managers, this is the entire collection of your products and investments that you hold and/or manage on behalf of your clients. For asset owners, this is the entire collection of products, funds and investments owned and controlled by your company. For investment portfolios, asset managers should consider discretionary investments, those where the company has discretion over investment decision. For insurance underwriting, this is the entire collection of products and insurance policies you provide to your clients.

Tags		
Authority Type	All requesters	
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	No change
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	The organization assesses the interconnections between environmental dependencies, impacts, risks and/or opportunities and identifies any alignment, synergies, contributions and possible trade-offs.
Response options	

1	2	3	4
Interconnections between environmental dependencies, impacts, risks and/or opportunities assessed	Description of how interconnections are assessed	Primary reason for not assessing interconnections between environmental dependencies, impacts, risks and/or opportunities	Explain why you do not assess the interconnections between environmental dependencies, impacts, risks and/or opportunities
Select from: <ul style="list-style-type: none"><li>• Yes</li><li>• No</li></ul>	Text field [maximum 3,000 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]

[Fixed row]

Requested content	<p>Interconnections between environmental dependencies, impacts, risks and/or opportunities assessed (column 1)</p> <ul style="list-style-type: none"> <li>• Select "Yes" if you assess the interconnections between environmental dependencies, impacts, risks and/or opportunities. This includes whether you have assessed the extent to which any risks may arise from your activities linked to environmental dependencies and/or impacts. <ul style="list-style-type: none"> <li>◦ For instance, if you have identified that your organization is dependent on certain ecosystem services (e.g., flood mitigation services), you may have assessed this dependency in the context of forests, water, and climate-related risks.</li> </ul> </li> </ul> <p>Description of how interconnections are assessed (column 2)</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> <p>Explain why you do not assess the interconnections between environmental dependencies, impacts, risks and/or opportunities (column 4)</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> </ul>
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	<ul style="list-style-type: none"> <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>
Explanation of terms	Trade-offs: the strategic choices made by an organization to balance environmental dependencies, impacts, risks, and opportunities, while acknowledging and managing any conflicts or compromises that arise in pursuit of a single holistic approach.

Tags		
Authority Type	All requesters	
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	This question appears for organizations in the Financial Services sector who report in 1.10 that they undertake banking, investing and "General(non-life)" insurance underwriting activities. The question does not appear for organizations who report that they only insure "Life and/or Health". Rows are presented according to the reported organizational activities.
Change from last year	No change
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	Financial institutions consider environmental information about clients/investees as part of the due diligence and/or risk assessment process for all relevant portfolios.
Response options	

0	1	2
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)		

[fixed row]

Requested content	<p><b>General</b></p> <p>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.</p> <p>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.</p> <p>For the purpose of this question focus on your commercial/corporate clients.</p> <p>Some examples include:</p> <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> <p>We consider environmental information (column 1)</p> <p>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.</p> <p>Explain why you do not consider environmental information and your plans to address this in the future (column 2)</p> <p>This column only appears if any "No..." option is selected in column 1 "We consider environmental information".</p> <p>If you do not consider environmental information, explain your reasons and include any plans to address this in the future.</p>
Explanation of terms	<ul style="list-style-type: none"> <li>• Due diligence: research or investigation performed by the financial services company before entering into an agreement or a financial transaction with another party.</li> </ul>

	<ul style="list-style-type: none"> <li>• Portfolio: in the context of this questionnaire your portfolio is the entire collection of your core financing activities and insurance policies that you offer. For banking, this is the entire collection of products, securities and loans held on your balance sheet for which you own the receivable stream. For asset managers, this is the entire collection of your products and investments that you hold and/or manage on behalf of your clients. For asset owners, this is the entire collection of products, funds and investments owned and controlled by your company. For investment portfolios, asset managers should consider discretionary investments, those where the company has discretion over investment decisions. For insurance underwriting, this is the entire collection of products and insurance policies you provide to your clients.</li> </ul>
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Tags		
Authority Type	All requesters	
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	No change
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>
Response options	

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><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></ul>	Select all that apply: <ul style="list-style-type: none"><li>• Directly from the client/investor</li><li>• From an intermediary or business partner</li><li>• Data provider</li><li>• Public data sources</li><li>• Other, please specify</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>	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 covered by the process in relation to total portfolio value", and the total assets value for the portfolio, reported in 1.10]	

		<ul style="list-style-type: none"> <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 areas [W only]</li> <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>		
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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>					

[Fixed row; Add Row]

Requested content	<p>General</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: <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> </li> <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>Portfolio (column 1)</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>Environmental issues covered (column 2)</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>
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	<p>Type of environmental information considered (column 3)</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>Process through which information is obtained (column 4)</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>% of portfolio covered by the process in relation to total portfolio value (column 6)</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>Total portfolio value covered by the process (column 7)</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>
Explanation of terms	<ul style="list-style-type: none"> <li>• Access to WASH in the workplace refers to water, sanitation, and hygiene services.</li> <li>• Breaches to local water regulations refers to failures in observing water regulations, which aim to prevent overuse, contamination and other detrimental activities.</li> <li>• Certification: the action or process of providing a product with an official document attesting to a status or level of achievement against a certain standard.</li> <li>• Commodity volumes: the total volumes of a commodity that are produced and/or sourced-by the portfolio company.</li> <li>• Certification of commodities: a certification process is carried out by an independent organization to ensure environmental and social criteria have been met.</li> <li>• Commitment to eliminate deforestation and conversion of other natural ecosystems: a company committing to no deforestation and no conversion of natural ecosystems.</li> <li>• Deforestation: loss of natural forest as a result of: i) conversion to agriculture or other non-forest land use; ii) conversion to a tree plantation; or iii) severe and sustained degradation. <ul style="list-style-type: none"> <li>◦ Severe and sustained degradation (scenario iii in the definition) constitutes deforestation even if the land is not subsequently used for non-forest land use.</li> <li>◦ Loss of natural forest that meets this definition is considered to be deforestation regardless of whether or not it is legal.</li> <li>◦ Deforestation signifies 'gross deforestation' of natural forest where 'gross' is used in the sense of "total; aggregate; without deduction for reforestation or other offset." (adapted from <a href="#">AFI, 2024</a>).</li> </ul> </li> <li>• Conversion: loss of a natural ecosystem as a result of its replacement with agriculture or another land use, or due to a profound and sustained change in the natural ecosystem's species composition, structure, or function. <ul style="list-style-type: none"> <li>◦ Deforestation is one form of conversion (conversion of natural forests).</li> </ul> </li> </ul>

- Conversion includes severe degradation or the introduction of management practices that result in a profound and sustained change in the ecosystem's species composition, structure, or function.
  - Change to natural ecosystems that meets this definition is considered to be conversion regardless of whether or not it is legal ([AFI, 2024](#)).
- Due diligence: research or investigation performed by the financial services company before transacting with another party.
- Impingements on the human right to water in communities refers water withdrawals, consumption or discharges which limit the water availability for local communities due to quantity or quality factors.
- No-conversion (synonym: conversion-free): commodity production, sourcing, or financial investments that do not cause or contribute to the conversion of natural ecosystems (as defined by the [Accountability Framework](#)).
  - No-conversion refers to no gross conversion of natural ecosystems, which the Accountability Framework specifies as the appropriate policy and goal on this topic for companies and supply chains.
  - The terms "no-conversion" and "conversion-free" are used in favor of "zero-conversion" because "zero" can imply an absolutist approach that may be at odds with the need to sometimes accommodate minimal levels of conversion at the site level in the interest of facilitating optimal conservation and production outcomes.
- No-deforestation (synonym: deforestation-free): commodity production, sourcing, or financial investments that do not cause or contribute to deforestation (as defined by the [Accountability Framework](#)).
  - No-deforestation refers to no gross deforestation of natural forests, which the Accountability Framework specifies as the appropriate policy and goal on this topic for companies and supply chains.
  - In the context of the Accountability Framework, deforestation refers to the loss of natural forest (see definition of deforestation).
  - The terms "no-deforestation" and "deforestation-free" are used in favor of "zero deforestation" because "zero" can imply an absolutist approach that may be at odds with the need sometimes to accommodate minimal levels of conversion at the site level in the interest of facilitating optimal conservation and production outcomes (see definition for minimal level [of deforestation or conversion]).
- Origin of commodities: where the supply base of a given commodity is grown, harvested or reared.
- Proportion of commodity volumes in compliance with no deforestation and conversion: how much of the total commodity volume produced or consumed by the portfolio company can be verified as in compliance with no-deforestation and no-conversion policies and commitments.
- Scope and content of forests policy: a statement by a portfolio organization specifying the goals or targets that it intends to meet or the actions it intends to take in regards to its management of forest-related issues.
- Scope and content of water policy refers to a statement of an organization's water-related commitments, and the actions that will achieve them.
- Traceability: the ability to follow a product or its components through stages of the value chain (e.g., production, processing, manufacturing, and distribution) (adapted from [AFI, 2024](#)).
- Water withdrawal: the sum of all water drawn into the boundaries of an organization from all sources for any use over the course of a reporting period.
- Water consumption: the amount of water that is drawn into the boundaries of an organization and not discharged back to the water environment or a third party over the course of a reporting year.
- Water stress ('areas with'): a concept that considers physical quantity aspects related to water resources, including water availability. As good practice, a water stressed area should be

	<p>measured at the catchment level as a minimum. Commonly accepted global indicators to assess areas as water stressed and their thresholds for reporting to CDP include:</p> <ul style="list-style-type: none"> <li>○ Water availability – category greater than ‘High risk’: 3.4 (<a href="#">WWF Water Risk Filter</a>). WWF recommends that users also take into consideration ‘Medium risk’: &gt;2.6. This category is based on a multi-model approach which integrates the best available global water scarcity risk indicators: water depletion, baseline water stress, and blue water scarcity.</li> <li>○ Baseline water stress – indicator equal to/greater than ‘High’: 40-80% (<a href="#">WRI Aqueduct Water Risk Atlas</a>). This refers to ratio of total annual water withdrawals to available renewable water supply.</li> <li>○ Baseline water depletion – indicator equal to/greater than ‘High’: 50-75% (<a href="#">WRI Aqueduct Water Risk Atlas</a>). This refers to the ratio of total annual water consumption to available renewable water supply.</li> <li>● Water discharge treatment data informs on the quality of effluents and other water leaving the boundaries of an organization and released to surface water, groundwater, or third parties.</li> </ul>
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Tags		
Authority Type	All requesters	
Environmental Issue (Theme)	Question level	C, F, W
Sector	Question level	FS only

### Priority locations

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	Additional guidance
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>○ Sensitive locations: Locations where the activities in its direct operations – and, where possible upstream and downstream value chain – interface with nature in:</li> </ul> </li> </ul>

	<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. and/or</li> <li>○ Locations with substantive dependencies, impacts, risks, and opportunities: 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> <li>● The organization discloses a list or spatial map of their identified priority locations.</li> </ul>
Response options	Please complete the following table:

1	2	3	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> <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> </ul>	<p>Grouped dropdowns (multi-select group; multi-select option):</p> <p>Sensitive locations</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> <li>● Areas of importance for ecosystem service provision</li> <li>● Other sensitive location, please specify</li> </ul> <p>Locations with substantive dependencies, impacts, risks, and/or opportunities</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>	Text field [maximum 3,000 characters]

5	6	7	8
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Will you be disclosing a list/spatial map of priority locations?	Provide a list and/or spatial map of priority locations	Primary reason for not identifying priority locations	Explain why you do not identify priority locations
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>General</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>Description of process to identify priority locations (column 4)</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> <p>Provide a list and/or spatial map of priority locations (column 6)</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>
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	<p>Explain why you do not identify priority locations (column 8)</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>
Explanation of terms	<ul style="list-style-type: none"> <li>• Priority locations: locations that the organization has identified in their value chain where action should be prioritized most urgently due to locations being in or near sensitive locations and/or areas where the organization has substantive nature-related dependencies, impacts, risks, and/or opportunities (adapted from the <a href="#">TNFD, 2024</a>).</li> <li>• Areas important for biodiversity: according to the <a href="#">TNFD</a>, areas important for biodiversity include, but are not limited to: <ul style="list-style-type: none"> <li>◦ Areas protected through legal or other effective means, for example, areas designated as protected areas according to local, national, regional and/or international conventions and agreements, and/or areas conserved through other effective area-based conservation measures (OECMs).</li> <li>◦ Areas scientifically recognized for importance for biodiversity.</li> <li>◦ Areas important for species, including threatened species (Critically Endangered, Endangered and Vulnerable at global and/ or national and/or regional levels), and/ or congregatory, migratory and/or range-restricted or endemic species.</li> <li>◦ Areas containing ecosystems that are rare or very localized, highly threatened, important for ecosystem connectivity, and/or associated with key evolutionary processes.</li> <li>◦ Areas important for ecological connectivity – including important ecological corridors, areas and routes that are important for seasonal migratory patterns and areas that provide adaptive space for species to spread across a landscape in the face of changing environmental conditions.</li> </ul> </li> <li>• Ecosystem integrity: according to the <a href="#">TNFD</a>, ecosystem integrity refers to the extent to which the composition, structure and function of an ecosystem falls within the natural range of variation. It should be characterized at a landscape scale, using an appropriate area of assessment, such as an ecoregion. <ul style="list-style-type: none"> <li>◦ Areas of high ecosystem integrity: (both at global scale, and relative to the integrity in the surrounding landscape) are those that may contain large opportunities for safeguarding stocks of environmental assets and maintaining ecosystem service provision, both locally and globally.</li> <li>◦ Areas of rapid decline in ecosystem integrity: represent areas with declining resilience of ecosystem service provision, high exposure to an organization's dependency-related risks, and potentially at risk of ecological tipping points. This could include areas that have declined to a low state of integrity.</li> </ul> </li> <li>• Areas of limited water availability, flooding, and/or poor quality of water: commonly accepted tools to assess these and the thresholds for reporting to CDP include: <ul style="list-style-type: none"> <li>◦ <a href="#">WWF Water Risk Filter:</a> <ul style="list-style-type: none"> <li>▪ Limited water availability: when the physical risk category 'Water Availability' is greater than 'High risk': 3.4. WWF recommends that users also take into consideration locations facing equal to/greater than 'Medium risk': &gt;2.6;</li> <li>▪ Flooding: when the physical risk category 'Flooding' is greater than 'High risk': 3.4. WWF recommends that users also take into consideration locations facing 'Medium risk': &gt;2.6;</li> <li>▪ Poor quality of water: when the physical risk category 'Water Quality' is greater than 'High risk': 3.4. WWF recommends that users also take into consideration locations facing 'Medium risk': &gt;2.6.</li> </ul> </li> <li>◦ <a href="#">WRI Aqueduct Water Risk Atlas:</a></li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>▪ Limited water availability: when the risk indicator 'Water stress' or 'Water depletion' is equal to/greater than 'Medium – high';</li> <li>▪ Flooding: when the risk indicator 'Riverine flood risk' or 'Coastal flood' is equal to/greater than 'Medium – high';</li> <li>▪ Poor quality of water: when the risk category 'Physical Risk – Quality' or when either of the risk indicators 'Untreated connected wastewater' or 'Coastal eutrophication potential' is equal to/greater than 'Medium – high'.</li> <li>• Areas of importance for ecosystem service provision: according to the <a href="#">TNFD</a>, these include areas in which healthy ecosystems and biodiversity support local livelihoods, areas in which biodiversity and ecosystem services are important for the realization of human rights, areas that have been traditionally owned, occupied or otherwise used and/or acquired by Indigenous Peoples and Local Communities, and areas of biocultural importance to Indigenous Peoples and Local Communities.</li> </ul>
Additional information	<p>More about 'priority locations'</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>WWF tools to assess for 'priority locations'</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>

WWF Water Risk Filter	<ul style="list-style-type: none"> <li>• Areas important for biodiversity: when the reputational risk category "Environmental Factors" and associated indicators are greater than 'High risk': 3.4.. WWF recommends that users also take into consideration locations facing 'Medium risk' &gt;2.6.</li> <li>• Areas of high ecosystem integrity: when the reputational risk indicator 'Free Flowing Rivers' is greater than 'High risk': 3.4. WWF recommends that users also take into consideration locations facing 'Medium risk': &gt;2.6.</li> <li>• Areas of rapid decline in ecosystem integrity: when the physical risk category 'Ecosystem Services Status' and associated indicators are greater than 'High risk': 3.4. WWF recommends that users also take into consideration locations facing 'Medium risk': &gt;2.6.</li> <li>• Areas of limited water availability, flooding, and/or poor quality of water: <ul style="list-style-type: none"> <li>◦ Limited water availability: when the physical risk category 'Water Availability' is greater than 'High risk': 3.4. WWF recommends that users also take into consideration locations facing 'Medium risk' &gt;2.6, In addition, WWF recommends that users take into consideration locations facing 'Drought' risk as these can exacerbate risks related to 'Water Availability'.</li> </ul> </li> </ul>
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	<ul style="list-style-type: none"> <li>○ Flooding: when the physical risk category 'Flooding' is greater than 'High risk': 3.4. WWF recommends that users also take into consideration locations facing 'Medium risk' &gt;2.6;</li> <li>○ Poor quality of water: when the physical risk category 'Water Quality' is greater than 'High risk': 3.4. WWF recommends that users also take into consideration locations facing 'Medium risk' &gt;2.6.</li> </ul>
WWF Biodiversity Risk Filter	<ul style="list-style-type: none"> <li>● Areas important for biodiversity: when the reputational risk category 'Environmental Factors' and associated indicators are greater than 'High risk': 3.4. WWF recommends that users also take into consideration locations facing 'Medium risk': &gt;2.6.</li> <li>● Areas of high ecosystem integrity: when the reputational risk indicator 'Ecosystem Condition' is greater than 'High risk': 3.4. WWF recommends that users also take into consideration locations facing 'Medium risk': &gt;2.6.</li> <li>● Areas of rapid decline in ecosystem integrity: <ul style="list-style-type: none"> <li>○ when the physical risk indicator 'Ecosystem Condition' is 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 greater than 'High risk': 3.4. WWF recommends that users also take into consideration locations facing 'Medium risk': &gt;2.6.</li> </ul> </li> <li>● Areas of limited water availability, flooding, and/or poor quality of water: when the physical risk indicator 'Water Condition' (which includes marine water quality) is greater than 'High risk': 3.4. WWF recommends that users also take into consideration locations facing 'Medium risk': &gt;2.6.</li> <li>● Areas of importance for ecosystem service provision: when the reputational risk indicator 'Resource Scarcity' is greater than 'High risk': 3.4. WWF recommends that users also take into consideration locations facing 'Medium risk': &gt;2.6.</li> </ul>

Tags		
Corporate Authority	All requesters	
Environmental Issue (Theme)	Question level	Forests, Water, Biodiversity
Questionnaire 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 guidance

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>
Response options	Please complete the following table.

1	2	3	4	5
Effect type	Type of definition	Indicator used to define substantive effect	Change to indicator	% change to indicator
Risks	<p>Select all that apply:</p> <ul style="list-style-type: none"> <li>Qualitative</li> <li>Quantitative</li> </ul>	<p>Select from:</p> <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>	<p>Select from:</p> <ul style="list-style-type: none"> <li>Absolute decrease</li> <li>Absolute increase</li> <li>% decrease</li> <li>% increase</li> </ul>	<p>Select from:</p> <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> </ul>			

• Opportunities				
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6	7	8
Absolute increase/decrease figure	Metrics considered in definition	Application of definition
[Numerical field [enter a number from 0 to 999,999,999,999 using up to 2 decimal places]	Select all that apply: <ul style="list-style-type: none"> <li>• Frequency of effect occurring</li> <li>• Time horizon over which the effect occurs</li> <li>• Likelihood of effect occurring</li> <li>• Other, please specify</li> </ul>	Text field [maximum 2,500 characters]

[Fixed row, add row]

Requested content	<p>General</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>◦ the proportion of business units affected;</li> <li>◦ the size of the effect on those business units;</li> <li>◦ the dependency of the organization on that unit; and/or</li> <li>◦ 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>% Change to indicator (column 5)</p> <ul style="list-style-type: none"> <li>• This column only appears if "Quantitative" is selected in column 2 "Type of definition" and either "% increase" or "% decrease" is selected in column 4 "Change to indicator".</li> </ul> <p>Metrics considered in definition (column 7)</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</li> </ul>
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	<p>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".</p> <ul style="list-style-type: none"> <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><b>Application of definition (column 8)</b></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>Frequency of effect occurring: i.e. once, quarterly, every two years etc.</li> <li>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>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>
Explanation of terms	<ul style="list-style-type: none"> <li>Substantive effect: an effect that has a considerable or relatively significant effect on an organization at the corporate level in terms of risks and opportunities. This could include operational, financial, or strategic effects that undermine, or provide opportunities for, the entire organization or part of the organization.</li> </ul>

Tags		
Corporate Authority	All requesters	
Environmental Issue (Theme)	Question level	All
Questionnaire Sector	Question level	All (+M-B)