

CDP Reporting Framework for Financial Institutions

Organization CDP

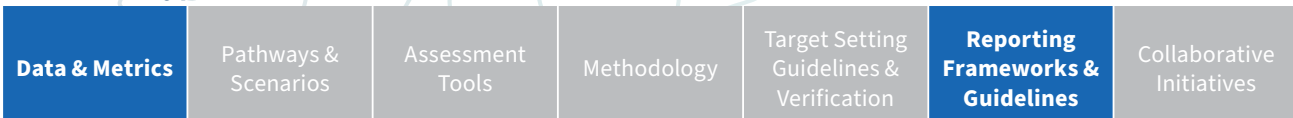
Summary

Starting in 2020, CDP began asking financial institutions specific questions focused on the impact of their lending, investment, and insurance portfolios. The Task Force on Climate-Related Financial Disclosures (TCFD) highlighted that the finance sector should be seen as producers of environmental data, as well as users of that data. CDP's Reporting Framework meets that demand—asking financial institutions to disclose on their climate governance, strategy, risk processes, and aims to build a structured, comparable data set of self-reported scope 3 financed emissions (in line with the Partnership for Carbon Accounting Financials, or PCAF, Standard). This TCFD-aligned data is shared with, and used by, over 590 investors. In 2020, over 330 financial institutions, representing total assets of US\$109 trillion, responded via CDP's Reporting Framework, allowing for a baseline assessment of where the financial sector stands on climate.

Climate Focus

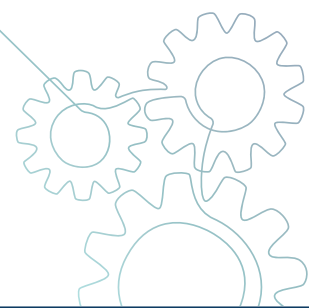


Resource Type



Intended Users





CDP Reporting Framework for Financial Institutions

WHO	<ul style="list-style-type: none"> Public and private financial institutions, including banks, investors, and insurers. The reporting framework can also be used by corporates.
WHAT	<p>The CDP Reporting Framework for Financial Institutions allows financial institutions to report on the climate-related risks, opportunities, and impacts of their financing portfolios. It also allows firms to communicate this information effectively, in a TCFD-aligned way, to over 590 global investors. The CDP framework allows financial institutions to benchmark their current performance against best practices on key elements of their climate strategy and transition to a low-carbon future.</p>
WHEN	<p>The CDP Reporting Framework for Financial Institutions is open for responses from April to July each year. The earlier financial institutions begin preparing their response and collecting requested metrics, the better.</p>
WHERE	<p>The CDP Reporting Framework asks financial institutions in particular about bank lending, investing (as both an asset manager and asset owner), and insurance underwriting. Companies undertaking these industry activities can report on any asset classes invested in the course of such activities. For example, in reporting financed emissions, institutions should report on all asset classes for which a methodology currently exists.</p>
WHY	<ul style="list-style-type: none"> Protect and improve your company’s reputation—build trust through transparency and respond to rising environmental concern among the public. Boost your competitive advantage—gain a competitive edge when it comes to performance on the stock market, access to capital, and winning tenders. Get ahead of regulation—prepare your business for likely mandatory environmental reporting rules. With CDP, you’ll be fully aligned with best-practice TCFD recommendations. Uncover risks and opportunities—identify emerging environmental risks and opportunities that would otherwise be overlooked, and use them to inform data-driven strategy. Track and benchmark progress—benchmark your environmental performance against your industry peers and receive feedback on your progress each year.
HOW	<ul style="list-style-type: none"> Visit www.cdp.net for more information. Read CDP’s report on the disclosures of 332 financial institutions representing US\$109 trillion in assets. Contact: Get in touch with the CDP Capital Markets team through your usual contact or at investor@cdp.net