

Net Zero Asset Manager's Initiative (NZAM)

'Step by step guide for reporting against NZAM commitments when responding to CDP's Climate Change questionnaire for the Financial Sector'

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Summary

This guide is designed to help signatories of the NZAM report against their commitments.

It provides a high-level overview of CDP's Climate Change questionnaire for the Financial Sector and is not intended as a comprehensive guide to CDP disclosure or scoring methodology. Please see questionnaire guidance and scoring criteria available on the [CDP website](#) and noted throughout the document.

CDP will host webinars leading up to and during the reporting period (April – July in 2022), and signatories can ask specific questions by contacting their CDP account manager or netzero_fi@cdp.net.

CDP Disclosure

CDP's annual disclosure framework can support financial institutions to fulfill the requirements of NZAM by tracking and reporting on their progress against net zero commitments. CDP has developed three comprehensive questionnaires – Climate Change, Water Security, and Forests – asking companies to disclose environmental impact and business impact information. These disclosures include emissions metrics, reduction targets, physical and transition risks, as well as opportunities.

While CDP's disclosure framework requests information outside the scope of NZAM commitments, the reporting process ensures respondents have a full understanding of their respective environmental impact, and mitigation actions. Respondents will also gain clarity on what is needed to reach the agreed-upon goals. CDP will provide the relevant information per commitment to the NZAM network partners.

Reporting to CDP also ensures transparency on all climate-related issues, allowing alignment across the entire economy – from business, to financing, to policy.

Disclosure through CDP's Climate Change questionnaire for the Financial Sector

Rationale for disclosing:

- Enhancing transparency that in turn demonstrates a commitment to sustainability.
- Fulfilling the recommendations of the TCFD (actionable metrics, risks and opportunities).
- Spurring ambition concerning portfolio impacts, especially in the case of financial institutions.
- Increasing pressure from stakeholders for disclosure on natural capital.
- Establishing the CDP questionnaire as the basis for activating initiatives such as Science Based Targets initiative, GFANZ or emerging disclosure regulation.

Alignment to NZAM commitments

The guide below outlines how responding to each question in the CDP's Climate Change questionnaire for the Financial Sector can help NZAM signatories:

1. Report against the 10 commitments
2. Complete a TCFD report
3. Complete a Climate Action Plan. For this, we have used the network partner endorsed [Investor Climate Action Plans \(ICAPs\)](#) Expectations Ladder and Guidance as a framework

Completing the questionnaire

The questionnaire is accessed through [CDP's disclosure portal](#). We will provide a further step-by-guide to logging on, accessing, and navigating the portal, closer to the opening of the reporting cycle. The portal will be open for reporting from early April – late July (with some headroom for late submissions).

An outline of CDP's Climate Change questionnaire for the Financial Sector can be found [here](#).

All questions are optional, however, should you wish to meet your NZAM commitments, those noted in the guide below must be completed. If TCFD reports or Climate Action Plans are completed in separate reports we recommend pasting the content into the CDP response, or for the purposes of signaling this to the NZAM, you can link to the report. However, please read our note on CDP scoring in the next point when considering how to complete the questionnaire as linking to reports may attract a lower CDP score.

CDP Scoring and Public vs. Non-Public Responses

CDP scores are based on the completeness and comprehensiveness of response to the questions posed. Our scoring methodology is available [here](#). We recommend that all disclosing entities make public disclosures and seek to be scored to understand areas where ambition on disclosure and performance can be raised.

Where only minimal questions are completed (if you choose to only reply to NZAM commitment questions), a lower score will be applied, and first-time responders should consider this in choosing how to submit their responses.

First-time responders to CDP can choose to keep their disclosure and score non-public (meaning it can only be viewed by CDP Capital Markets signatories). If you choose to keep your CDP disclosure and CDP score non-public through the CDP platform, a copy of your full responses must be made public (e.g. on your company website) in order to meet your NZAM commitment. Please notify NZAM secretariat if you intend to do so.

Reporting format

For consistency and comparability among NZAM signatories please input data accordingly:

- Currency: USD
- Denomination: Billions
- GHG Emissions: CO₂e

Parents vs. Subsidiary reporting

When a parent entity already discloses or intends to do so, it has two options regarding its subsidiaries:

- A. The asset management subsidiary submits to CDP separately from the parent or;
- B. The parent and subsidiary submit to CDP jointly and clearly outline for the subsidiary how the response relates to NZAM commitments. As explained below, this should be done by reporting specifically for NZAM and explicitly detailing the information that applies to the asset management business within the appropriate disclosures. (Example below)

Example for option B – Parent and Subsidiary submitting to CDP jointly:

(C4.1a)_Provide details of your absolute emissions target(s) and progress made against those targets

Response options:

Please complete the following table. The table is displayed over several rows for readability. You are able to add rows by using the “Add Row” button at the bottom of the table.

Target reference number	Year target was set	Target coverage	Scope(s) (or Scope 3 category)	Base year	Covered emissions in base year (metric tons CO ₂ e)
Abs1-Abs100	Numerical field [enter a number between 1900-2021]	Select from: <ul style="list-style-type: none"> Company-wide Business division Business activity Site/facility Country/region Product-level Other, please specify 	Select from drop-down options below	Numerical field [enter a number between 1900-2021]	Numerical field [enter a number from 0-999,999,999,999 using a maximum of 2 decimal places and no commas]

In the example above the question on targets is answered via a table. You can ‘add rows’ in the table to break up your answer. For your NZAM related target, ‘Business Division’ or ‘Other’ could be selected as appropriate, and details in that row should be relevant to and clearly noted as pertaining to the asset management arm of your business.

Most questions relating to specific NZAM commitments, TCFD and ICAPs include the ability to delineate between business units or types of financial activities within tables. If there is not this option *and* you believe the response at parent level is not sufficient (e.g., providing details in free form text) please note ‘For asset management business’ and/or ‘in line with Net Zero Asset Manager commitment’ to make this information easier to find in reporting to NZAM.

Step-by-Step Guide for completing the CDP's Climate Change questionnaire for the Financial Sector

Outlined below is a question-specific mapping of CDP's Climate Change questionnaire for the Financial Sector against the NZAM commitments, TCFD recommended disclosures, and tenets outlined in the Investor Climate Action Plan Expectations Ladder and Guidance. The relevant information reported to CDP by NZAM signatories will be directly provided to the NGO network partners of NZAM.

Question	Question text	NZAM commitment	TCFD	ICAP	CDP Guidance
C1.1	Is there board-level oversight of Climate-related issues within your organization?			<p><u>Governance Tier 1</u> Ensure the organization's climate change policies and plans are actively supported by the Board and senior management</p> <p><u>Governance Tier 2</u> Ensure the organization's climate change policies and plans are actively supported by the Board and senior management</p>	Refer to CDP Climate Change 2022 Question-level Guidance
C1.1a	Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for Climate-related issues.			<p><u>Governance Tier 1</u> Ensure the organization's climate change policies and plans are actively supported by the Board and senior management</p> <p><u>Governance Tier 2</u> Ensure the organization's climate change policies and plans are actively supported by the Board and senior management</p> <p><u>Governance Tier 3</u> Define formal climate change responsibilities in Board and/or Board Committee Terms of Reference and role descriptions</p> <p><u>Governance Tier 4</u> Define roles and responsibilities for overseeing and implementing the organization's commitments on climate change and reporting on the organization's climate performance</p>	Refer to CDP Climate Change 2022 Question-level Guidance
C1.1b	Provide further details on the board's oversight of Climate-related issues.		<p>Governance recommended disclosure a) Describe the board's oversight of climate related risks and opportunities.</p>	<p><u>Governance Tier 1</u> Ensure the organization's climate change policies and plans are actively supported by the Board and senior management</p> <p>Report regularly to the Board and senior management on climate performance and portfolio climate risk exposures</p> <p><u>Governance Tier 2</u> Ensure the organization's climate change policies and</p>	Refer to CDP Climate Change 2022 Question-level Guidance

Question	Question text	NZAM commitment	TCFD	ICAP	CDP Guidance
				<p>plans are actively supported by the Board and senior management</p> <p>Report regularly to the Board and senior management on climate performance and portfolio climate risk exposures</p> <p><u>Governance Tier 3</u> Ensure that climate change is central to the organization's strategic plan and that the climate strategy is fully endorsed by the Board</p>	
C1.1d	Does your organization have at least one board member with competence on Climate-related issues?			<p><u>Governance Tier 1</u> Ensure that the Board has sufficient capabilities and competencies to oversee, assess and manage climate change-related risks and opportunities</p> <p><u>Governance Tier 2</u> Provide adequate resources to ensure the effective implementation of the organization's climate change policies and plans</p> <p>Formally assess organizational knowledge and expertise on climate change for the Board, senior management, and investment teams</p> <p><u>Governance Tier 3</u> Provide training for staff on climate risks and opportunities and implications for investment portfolios</p>	Refer to CDP Climate Change 2022 Question-level Guidance
C1.2	Provide the highest-level management position(s) or committee(s) with responsibility for Climate-related issues.		Governance recommended disclosure b) Describe management's role in assessing and managing climate related risks and opportunities.	<p><u>Governance Tier 1</u> Ensure the organization's climate change policies and plans are actively supported by the Board and senior management</p> <p>Report regularly to the Board and senior management on climate performance and portfolio climate risk exposures</p> <p><u>Governance Tier 2</u> Ensure the organization's climate change policies and plans are actively supported by the Board and senior management</p> <p>Report regularly to the Board and senior management on climate performance and portfolio climate risk exposures</p> <p><u>Governance Tier 4</u> Define roles and responsibilities for overseeing and implementing the organization's commitments on climate change and reporting on the organization's climate performance</p>	Refer to CDP Climate Change 2022 Question-level Guidance

Question	Question text	NZAM commitment	TCFD	ICAP	CDP Guidance
C1.3	Do you provide incentives for the management of Climate-related issues, including the attainment of targets?			<u>Governance Tier 1</u> Align achievement of Climate-related metrics with executive remuneration and incentives	Refer to CDP Climate Change 2022 Question-level Guidance
C1.3a	Provide further details on the incentives provided for the management of Climate-related issues (do not include the names of individuals).			<u>Governance Tier 1</u> Align achievement of Climate-related metrics with executive remuneration and incentives	Refer to CDP Climate Change 2022 Question-level Guidance
C2.1	Does your organization have a process for identifying, assessing, and responding to Climate-related risks and opportunities?		Risk Management recommended disclosure a) Describe the organization's processes for identifying and assessing Climate-related risks. b) Describe the organization's processes for managing Climate-related risks c) Describe how processes for identifying, assessing, and managing Climate-related risks are integrated into the organization's overall risk management.		Refer to CDP Climate Change 2022 Question-level Guidance
C2.1a	How does your organization define short-, medium- and long-term time horizons?		Strategy recommended disclosure a) Describe the Climate-related risks and opportunities the organization has identified over the short, medium, and long term.		Refer to CDP Climate Change 2022 Question-level Guidance
C2.2	Describe your process(es) for identifying, assessing and responding to Climate-related risks and opportunities.		Risk Management recommended disclosure a) Describe the organization's processes for identifying and assessing Climate-related risks. b) Describe the organization's processes for managing	<u>Investment Tier 4</u> Undertake portfolio climate risk assessment and regularly monitor portfolio climate risks including physical risks	Refer to CDP Climate Change 2022 Question-level Guidance

Question	Question text	NZAM commitment	TCFD	ICAP	CDP Guidance
			Climate-related risks c) Describe how processes for identifying, assessing, and managing Climate-related risks are integrated into the organization's overall risk management		
C2.2a	Which risk types are considered in your organization's Climate-related risk assessments?		Risk Management recommended disclosure a) Describe the organization's processes for identifying and assessing Climate-related risks.	Investment Tier 4 Undertake portfolio climate risk assessment and regularly monitor portfolio climate risks including physical risks	Refer to CDP Climate Change 2022 Question-level Guidance
C-FS2.2b	Do you assess your portfolio's exposure to climate- related risks and opportunities?		Risk Management recommended disclosure a) Describe the organization's processes for identifying and assessing Climate-related risks.	Investment Tier 4 Undertake portfolio climate risk assessment and regularly monitor portfolio climate risks including physical risks	Refer to CDP Climate Change 2022 Question-level Guidance
C-FS2.2c	Describe how you assess your portfolio's exposure to Climate-related risks and opportunities.		Risk Management recommended disclosure a) Describe the organization's processes for identifying and assessing Climate-related risks.	Investment Tier 4 Undertake portfolio climate risk assessment and regularly monitor portfolio climate risks including physical risks	Refer to CDP Climate Change 2022 Question-level Guidance
C-FS2.2d	Does your organization request Climate-related information from your clients/investees as part of your due diligence and/or risk assessment process?		Risk Management recommended disclosure a) Describe the organization's processes for identifying and assessing Climate-related risks. b) Describe the organization's processes for managing Climate-related risks	Investment Tier 4 Undertake portfolio climate risk assessment and regularly monitor portfolio climate risks including physical risks	Refer to CDP Climate Change 2022 Question-level Guidance

Question	Question text	NZAM commitment	TCFD	ICAP	CDP Guidance
C-FS2.2e	Indicate the Climate-related information your organization requests from clients/investees as part of your due diligence and/or risk assessment process, and how this influences decision making.		Risk Management recommended disclosure a) Describe the organization's processes for identifying and assessing Climate-related risks. b) Describe the organization's processes for managing Climate-related risks	<u>Investment Tier 4</u> Undertake portfolio climate risk assessment and regularly monitor portfolio climate risks including physical risks	Refer to CDP Climate Change 2022 Question-level Guidance
C2.3	Have you identified any inherent Climate-related risks with the potential to have a substantive financial or strategic impact on your business?		Strategy recommended disclosure a) Describe the Climate-related risks and opportunities the organization has identified over the short, medium, and long term.	<u>Disclosure Tier 4</u> Publish a formal statement recognizing that climate change presents new and material challenges and requires an organization-wide commitment to integrating related risks and opportunities into investment practice	Refer to CDP Climate Change 2022 Question-level Guidance
C2.3a	Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.		Strategy recommended disclosure a) Describe the climate related risks and opportunities the organization has identified over the short, medium, and long term. b) Describe the impact of climate- related risks and opportunities on the organization's businesses, strategy, and financial planning.	<u>Disclosure Tier 4</u> Publish a formal statement recognizing that climate change presents new and material challenges and requires an organization-wide commitment to integrating related risks and opportunities into investment practice	Refer to CDP Climate Change 2022 Question-level Guidance
C2.4	Have you identified any Climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?		Strategy recommended disclosure a) Describe the Climate-related risks and opportunities the organization has identified over the short, medium, and long term.		Refer to CDP Climate Change 2022 Question-level Guidance

Question	Question text	NZAM commitment	TCFD	ICAP	CDP Guidance
C2.4a	Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.		Strategy recommended disclosure a) Describe the climate related risks and opportunities the organization has identified over the short, medium, and long term. b) Describe the impact of climate- related risks and opportunities on the organization's businesses, strategy, and financial planning.		Refer to CDP Climate Change 2022 Question-level Guidance
C3.1	Does your organization's strategy include a transition plan that aligns with a net-zero emissions by 2050 future?		Strategy recommended disclosure b) Describe the impact of climate- related risks and opportunities on the organization's businesses, strategy, and financial planning.	<u>Governance Tier 1</u> Implement processes to review and revise investment strategy as targets are met and climate risks exposures and best practices emerge/evolve <u>Governance Tier 2</u> Implement processes to review and revise investment strategy as targets are met and climate risks exposures and best practices emerge/evolve <u>Governance Tier 3</u> Ensure that climate change is central to the organization's strategic plan and that the climate strategy is fully endorsed by the Board Implement processes to review and revise investment strategy as targets are met and climate risks exposures and best practices emerge/evolve <u>Governance Tier 4</u> Develop a plan for delivering on the organization's Climate-related objectives and for managing the risks and opportunities presented by climate change to the portfolio	Refer to CDP Climate Change 2022 Question-level Guidance
C3.2	Does your organization use Climate-related scenario analysis to inform its strategy?		Strategy recommended disclosure c) Describe the resilience of the organization's strategy, taking into consideration different climate related scenarios, including a 2°C or lower scenario.	<u>Investment Tier 1</u> Explicitly incorporate net zero scenario analysis <u>Investment Tier 2</u> Use scenario analysis and stress testing to assess the impacts of physical and transition risks on the portfolio and to inform current and future investment decisions <u>Investment Tier 3</u> Conduct a 1.5- and 2-degree scenario analysis including transition and physical risk, using a recognized methodology. Revise and update this analysis annually	Refer to CDP Climate Change 2022 Question-level Guidance

Question	Question text	NZAM commitment	TCFD	ICAP	CDP Guidance
C3.2a	Provide details of your organization's use of Climate-related scenario analysis.		Strategy recommended disclosure b) Describe the impact of climate- related risks and opportunities on the organization's businesses, strategy, and financial planning. Strategy recommended disclosure c) Describe the resilience of the organization's strategy, taking into consideration different climate related scenarios, including a 2°C or lower scenario.	<u>Investment Tier 1</u> Explicitly incorporate net zero scenario analysis <u>Investment Tier 2</u> Use scenario analysis and stress testing to assess the impacts of physical and transition risks on the portfolio and to inform current and future investment decisions <u>Investment Tier 3</u> Conduct a 1.5- and 2-degree scenario analysis including transition and physical risk, using a recognized methodology. Revise and update this analysis annually	Refer to CDP Climate Change 2022 Question-level Guidance
C3.2b	Detail the and/or potential decisions your organization sought to address by using scenario analysis and summarize the results with respect to those questions/decisions				
C3.3	Describe where and how Climate-related risks and opportunities have influenced your strategy.		Strategy recommended disclosure b) Describe the impact of climate- related risks and opportunities on the organization's businesses, strategy, and financial planning.	<u>Governance Tier 2</u> Provide adequate resources to ensure the effective implementation of the organization's climate change policies and plans <u>Governance Tier 4</u> Develop a plan for delivering on the organization's Climate-related objectives and for managing the risks and opportunities presented by climate change to the portfolio	Refer to CDP Climate Change 2022 Question-level Guidance
C3.4	Describe where and how Climate-related risks and opportunities have influenced your financial planning.				Refer to CDP Climate Change 2022 Question-level Guidance
C3.5	In your organization's financial accounting, do you identify transition to a net-zero by 2050 future?			<u>Governance Tier 2</u> Provide adequate resources to ensure the effective implementation of the organization's climate change policies and plans <u>Governance Tier 4</u> Develop a plan for delivering on the organization's Climate-related objectives and for managing the risks and opportunities presented by climate change to the portfolio	This question only appears if "Yes, we have a transition plan which aligns with a net-zero emissions by 2050 future" is selected in column 1 of C3.1. For more, refer to CDP Climate Change 2022 Question-level Guidance

Question	Question text	NZAM commitment	TCFD	ICAP	CDP Guidance
C3.5a	Quantify the percentage share of your spending/revenues that is aligned with your organization's transition to a net-zero emissions by 2050 future			<p><u>Governance Tier 2</u> Provide adequate resources to ensure the effective implementation of the organization's climate change policies and plans</p> <p><u>Governance Tier 4</u> Develop a plan for delivering on the organization's Climate-related objectives and for managing the risks and opportunities presented by climate change to the portfolio</p>	Refer to CDP Climate Change 2022 Question-level Guidance
C-FS3.6	Does the policy framework for your portfolio activities include Climate-related requirements for clients/investees, and/or exclusion policies?	Commitment 7: Implement a stewardship and engagement strategy, with a clear escalation and voting policy, that is consistent with our ambition for all assets under management to achieve net zero emissions by 2050 or sooner		<p><u>Investment Tier 1</u> Eliminate all investments in thermal coal, tar sands, and Arctic drilling</p> <p>Define a strategy for all high emitting sectors</p> <p><u>Investment Tier 2</u> Establish a formal investment policy on fossil fuels and other high impact activities, that (a) aligns with a net zero target, (b) includes an explicit commitment to phase out exposure to fossil fuels (either through engagement or divestment) in line with science-based net zero pathways and c) aligns with just transition principles.</p> <p>Incorporate climate change into strategic asset allocation and invest in 1.5 degrees aligned-companies, products, and projects in multiple asset classes</p> <p><u>Investment Tier 4</u> Establish a formal policy on integrating climate change into investment analysis, decision-making, investment manager, and selection and appointment</p> <p><u>Corporate Engagement Tier 1</u> Support climate resolutions that call on companies to address material and systemic climate risks and opportunities (in situations where the company has shown little commitment to aligning its business strategies with 1.5C degree pathways)</p> <p><u>Corporate Engagement Tier 2</u> Support climate resolutions that call on companies to address material and systemic climate risks and opportunities (in situations where the company has shown little commitment to aligning its business strategies with 1.5C degree pathways)</p> <p><u>Governance Tier 4</u> Develop investment beliefs or statements of investment</p>	Response option drop-downs cover voting and engagement examples. 2022 version of the question may include dropdowns to better capture implementation of a "stewardship" strategy and long-term "escalation" policy. Otherwise, follow CDP reporting guidance because in general, "policies" and "strategy" could be used interchangeably, and this distinction, as well as the escalation process, can be reported on in the relevant text fields. For more, refer to CDP Climate Change 2022 Question-level Guidance

Question	Question text	NZAM commitment	TCFD	ICAP	CDP Guidance
				<p>policy that define the organization's approach to managing climate risks and opportunities. Explain how this is integral to long-term value creation and to the fiduciary and other duties owed to beneficiaries or clients</p> <p>Develop a plan for delivering on the organization's Climate-related objectives and for managing the risks and opportunities presented by climate change to the portfolio</p>	
C-FS3.6a	Provide details of the policies which include Climate-related requirements that clients/investees need to meet.	<p>Commitment 3: Prioritize the achievement of real economy emissions reductions within the sectors and companies in which we invest</p> <p>Commitment 7: Implement a stewardship and engagement strategy, with a clear escalation and voting policy, that is consistent with our ambition for all assets under management to achieve net zero emissions by 2050 or sooner</p>		<p><u>Investment Tier 1</u> Define a strategy for all high emitting sectors</p> <p>Invest (and grow the proportion annually) in 1.5C degrees aligned companies, products, and projects in all asset classes</p> <p><u>Investment Tier 2</u> Establish a formal investment policy on fossil fuels and other high impact activities, that (a) aligns with a net zero target, (b) includes an explicit commitment to phase out exposure to fossil fuels (either through engagement or divestment) in line with science-based net zero pathways and c) aligns with just transition principles.</p> <p>Develop and start to implement a decarbonization strategy for at least one portfolio or asset class</p> <p>Incorporate climate change into strategic asset allocation and invest in 1.5 degrees aligned-companies, products, and projects in multiple asset classes</p> <p>Implement explicit net-zero aligned targets for clean energy and low carbon investments in each asset class</p> <p><u>Investment Tier 3</u> Commit to increasing investments in appropriate clean energy and low-carbon opportunities</p> <p>Invest part of the portfolio in 1.5 degrees aligned companies, products, and projects</p> <p><u>Investment Tier 4</u> Establish a formal policy on integrating climate change into investment analysis, decision-making, investment manager, and selection and appointment</p> <p>Support, file, or co-file climate resolutions at companies who have not responded appropriately to engagement, and vote against directors on climate grounds.</p>	<p>Under column 6 "Criteria required of clients/investees", dropdown" Set a science-based emissions reduction target"</p> <p>Follow CDP reporting guidance to explain where efforts are prioritized in your investment strategy.</p>

Question	Question text	NZAM commitment	TCFD	ICAP	CDP Guidance
				<p><u>Corporate Engagement Tier 1</u> Ensure that most of the companies in the portfolio meet 1.5C degree-aligned (external) sector-specific benchmarks, taxonomies, or thresholds</p> <p>Publish detailed voting policy on ESG (focusing on director votes and shareholder resolutions), publish criteria that need to be met for the investor to vote for a company's SOC plan</p> <p>Pre-declare voting intentions on ESG defining resolutions and at company laggards</p> <p><u>Corporate Engagement Tier 2</u> Ensure that most of the companies in the portfolio have 1.5C degree-aligned business strategies or have committed to establishing such strategies</p> <p><u>Corporate Engagement Tier 3</u> Engage with companies to reduce greenhouse gas emissions across their value chains in line with just transition principles and align their public policy activities with the goals of the Paris Agreement (directly or via industry associations/trade bodies)</p> <p>Establish a clear escalation strategy for companies or other entities that have not responded appropriately to engagement</p> <p><u>Corporate Engagement Tier 4</u> Engage directly with companies, asset managers, industry forums and other entities to encourage better governance, management and disclosure of greenhouse gas emissions and physical climate risks</p> <p>Explicitly integrate climate change into proxy voting guidelines</p> <p><u>Governance Tier 1</u> Implement processes to review and revise investment strategy as targets are met and climate risks exposures and best practices emerge/evolve</p> <p><u>Governance Tier 2</u> Implement processes to review and revise investment strategy as targets are met and climate risks exposures and best practices emerge/evolve</p> <p><u>Governance Tier 3</u> Implement processes to review and revise investment strategy as targets are met and climate risks exposures and best practices emerge/evolve</p>	

Question	Question text	NZAM commitment	TCFD	ICAP	CDP Guidance
				<p>Governance Tier 4 Develop investment beliefs or statements of investment policy that define the organization's approach to managing climate risks and opportunities. Explain how this is integral to long-term value creation and to the fiduciary and other duties owed to beneficiaries or clients</p> <p>Develop a plan for delivering on the organization's Climate-related objectives and for managing the risks and opportunities presented by climate change to the portfolio</p>	
C-FS3.6b	Provide details of your exclusion policies related to industries and/or activities exposed or contributing to Climate-related risks.	Commitment 7: Implement a stewardship and engagement strategy, with a clear escalation and voting policy, that is consistent with our ambition for all assets under management to achieve net zero emissions by 2050 or sooner		<p>Investment Tier 1 Eliminate all investments in thermal coal, tar sands, and Arctic drilling</p> <p>Investment Tier 2 Establish a formal investment policy on fossil fuels and other high impact activities, that (a) aligns with a net zero target, (b) includes an explicit commitment to phase out exposure to fossil fuels (either through engagement or divestment) in line with science-based net zero pathways and c) aligns with just transition principles.</p> <p>Incorporate climate change into strategic asset allocation and invest in 1.5 degrees aligned-companies, products, and projects in multiple asset classes</p> <p>Investment Tier 4 Establish a formal policy on integrating climate change into investment analysis, decision-making, investment manager, and selection and appointment</p> <p>Governance Tier 4 Develop a plan for delivering on the organization's Climate-related objectives and for managing the risks and opportunities presented by climate change to the portfolio</p>	Refer to CDP Climate Change 2022 Question-level Guidance
C-FS3.6c	Why are Climate-related issues not considered in the policy framework of your organization?			<p>Investment Tier 2 Establish a formal investment policy on fossil fuels and other high impact activities, that (a) aligns with a net zero target, (b) includes an explicit commitment to phase out exposure to fossil fuels (either through engagement or divestment) in line with science-based net zero pathways and c) aligns with just transition principles.</p>	Refer to CDP Climate Change 2022 Question-level Guidance

Question	Question text	NZAM commitment	TCFD	ICAP	CDP Guidance
				<p>Incorporate climate change into strategic asset allocation and invest in 1.5 degrees aligned-companies, products, and projects in multiple asset classes</p> <p>Investment Tier 4 Establish a formal policy on integrating climate change into investment analysis, decision-making, investment manager, and selection and appointment</p>	
C-FS3.7	Does your organization include Climate-related requirements in your selection process and engagement with external asset managers?	Commitment 7: Implement a stewardship and engagement strategy, with a clear escalation and voting policy, that is consistent with our ambition for all assets under management to achieve net zero emissions by 2050 or sooner	<p>Strategy recommended disclosure b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.</p>	<p>Investment Tier 4 Establish a formal policy on integrating climate change into investment analysis, decision-making, investment manager, and selection and appointment</p> <p>Corporate Engagement Tier 2 Support climate resolutions that call on companies to address material and systemic climate risks and opportunities (in situations where the company has shown little commitment to aligning its business strategies with 1.5C degree pathways)</p> <p>Corporate Engagement Tier 1 Support climate resolutions that call on companies to address material and systemic climate risks and opportunities (in situations where the company has shown little commitment to aligning its business strategies with 1.5C degree pathways)</p> <p>Corporate Engagement Tier 4 Explicitly integrate climate change into proxy voting guidelines</p>	Response option drop-downs cover voting and engagement examples. 2022 version of the question may include drop-downs to better capture implementation of a "stewardship" strategy and long-term "escalation" policy. Otherwise, follow CDP Climate Change 2022 Question-level Guidance because in general, "policies" and "strategy" could be used interchangeably, and this distinction, as well as the escalation process, can be reported on in the relevant text fields.
C-FS3.7a	Provide details of the Climate-related requirements included in your selection process and engagement with external asset managers.	Commitment 7: Implement a stewardship and engagement strategy, with a clear escalation and voting policy, that is consistent with our ambition for all assets under management to achieve net zero emissions by 2050 or sooner	<p>Strategy recommended disclosure b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.</p>	<p>Investment Tier 4 Establish a formal policy on integrating climate change into investment analysis, decision-making, investment manager, and selection and appointment</p> <p>Corporate Engagement Tier 1 Support climate resolutions that call on companies to address material and systemic climate risks and opportunities (in situations where the company has shown little commitment to aligning its business strategies with 1.5C degree pathways)</p> <p>Corporate Engagement Tier 2 Support climate resolutions that call on companies to</p>	Response option drop-downs cover voting and engagement examples. 2022 version of the question may include drop-downs to better capture implementation of a "stewardship" strategy and long-term "escalation" policy. Otherwise, follow CDP

Question	Question text	NZAM commitment	TCFD	ICAP	CDP Guidance
				<p>address material and systemic climate risks and opportunities (in situations where the company has shown little commitment to aligning its business strategies with 1.5C degree pathways)</p> <p>Corporate Engagement Tier 4 Explicitly integrate climate change into proxy voting guidelines</p>	<p>Climate Change 2022 Question-level Guidance because in general, "policies" and "strategy" could be used interchangeably, and this distinction, as well as the escalation process, can be reported on in the relevant text fields.</p>
C4.1	Did you have an emissions target that was active in the reporting year?		<p>Metrics & Targets recommended disclosure c) Describe the targets used by the organization to manage climate related risks and opportunities and performance against targets.</p>	<p>Targets Tier 1 Align portfolio emissions reduction target with 1.5C degrees and global net zero emissions by 2050 or sooner. Set intermediate targets every 5 years using recognized methodologies and frameworks for setting, assessing, reporting and verifying performance</p> <p>Targets Tier 2 Align portfolio emissions reduction target with 1.5C degrees and global net zero emissions by 2050</p> <p>Investment Tier 2 Set Scope 3 decarbonization targets if they are material i.e., >40% of emissions of underlying assets</p> <p>Investment Tier 3 Set Scope 1 and 2 decarbonization targets for your own operational emissions</p>	<p>Refer to CDP Climate Change 2022 Question-level Guidance</p>
C4.1a	Provide details of your absolute emissions target(s) and progress made against those targets.	<p>Commitment 1: Set interim targets for 2030, consistent with a fair share of the 50% global reduction in CO2 identified as a requirement in the IPCC special report on global warming of 1.5°C</p>	<p>Metrics & Targets recommended disclosure c) Describe the targets used by the organization to manage climate related risks and opportunities and performance against targets.</p>	<p>Targets Tier 1 Align portfolio emissions reduction target with 1.5C degrees and global net zero emissions by 2050 or sooner. Set intermediate targets every 5 years using recognized methodologies and frameworks for setting, assessing, reporting and verifying performance</p> <p>Targets Tier 2 Align portfolio emissions reduction target with 1.5C degrees and global net zero emissions by 2050</p> <p>Investment Tier 2 Set Scope 3 decarbonization targets if they are material i.e., >40% of emissions of underlying assets</p> <p>Investment Tier 3 Set Scope 1 and 2 decarbonization targets for your own operational emissions</p>	<p>Refer to CDP Climate Change 2022 Question-level Guidance</p>

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C4.1b	Provide details of your emissions intensity target(s) and progress made against those target(s).	Commitment 1: Set interim targets for 2030, consistent with a fair share of the 50% global reduction in CO2 identified as a requirement in the IPCC special report on global warming of 1.5°C	Metrics & Targets recommended disclosure c) Describe the targets used by the organization to manage climate related risks and opportunities and performance against targets.	<p><u>Targets Tier 1</u> Align portfolio emissions reduction target with 1.5C degrees and global net zero emissions by 2050 or sooner. Set intermediate targets every 5 years using recognized methodologies and frameworks for setting, assessing, reporting and verifying performance</p> <p><u>Targets Tier 2</u> Align portfolio emissions reduction target with 1.5C degrees and global net zero emissions by 2050</p> <p><u>Investment Tier 2</u> Set Scope 3 decarbonization targets if they are material i.e., >40% of emissions of underlying assets</p> <p><u>Investment Tier 3</u> Set Scope 1 and 2 decarbonization targets for your own operational emissions</p>	Refer to CDP Climate Change 2022 Question-level Guidance
C4.1c	Explain why you did not have an emissions target and forecast how your emissions will change over the next five years.			<p><u>Investment Tier 2</u> Set Scope 3 decarbonization targets if they are material i.e., >40% of emissions of underlying assets</p> <p><u>Investment Tier 3</u> Set Scope 1 and 2 decarbonization targets for your own operational emissions</p>	Refer to CDP Climate Change 2022 Question-level Guidance
C-FS4.1d	Provide details of the Climate-related targets for your portfolio.	<p>Commitment B: Set an interim target for the proportion of assets to be managed in line with the attainment of net zero emissions by 2050 or sooner</p> <p>Commitment C: Review our interim target at least every five years, with a view to ratcheting up the proportion of AUM covered until 100% of assets are included</p>		<p><u>Targets Tier 2</u> Align portfolio emissions reduction target with 1.5C degrees and global net zero emissions by 2050</p> <p><u>Targets Tier 3</u> Align portfolio emissions reduction target with domestic policy goals and NDCs</p> <p><u>Investment Tier 1</u> Set 1.5C degrees targets in all asset classes where recognized methodologies exist</p> <p>Establish net zero-aligned targets for high impact sectors</p> <p>Set intermediate targets that enable progression and assessment of portfolio emissions reduction</p> <p><u>Investment Tier 2</u> Set Scope 3 decarbonization targets if they are material i.e., >40% of emissions of underlying assets</p>	C-FS4.1d allows for disclosure of portfolio coverage targets, though these details can also be explained in the "Please explain" column. If coverage is less than 100%, briefly explain why this proportion is the maximum achievable and the actions to be taken to increase the proportion over time. The "Please explain" column can also include a brief description of how the asset manager considers the target to be consistent with delivering a fair share

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					of the 50% global reduction in CO2 emissions by 2030 identified as a requirement in the IPCC special report on global warming of 1.5°C. Also, rationale for the methodology used and how it sufficiently rigorous and consistent with the target setting commitment. For more, refer to CDP Climate Change 2022 Question-level Guidance
C4.2	Did you have any other Climate-related targets that were active in the reporting year?		Metrics & Targets recommended disclosure a) Disclose the metrics used by the organization to assess Climate-related risks and opportunities in line with its strategy and risk management process. c) Describe the targets used by the organization to manage climate related risks and opportunities and performance against targets.	Targets Tier 3 Align portfolio emissions reduction target with domestic policy goals and NDCs Investment Tier 1 Establish net zero-aligned targets for high impact sectors Set intermediate targets that enable progression and assessment of portfolio emissions reduction	Refer to CDP Climate Change 2022 Question-level Guidance
C4.2a	Provide details of your target(s) to increase low- carbon energy consumption or production.		Metrics & Targets recommended disclosure a) Disclose the metrics used by the organization to assess Climate-related risks and opportunities in line with its strategy and risk management process. c) Describe the targets used by the organization to manage climate related risks and opportunities and performance against targets.		Refer to CDP Climate Change 2022 Question-level Guidance

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C4.2b	Provide details of any other key Climate-related targets, including methane reduction targets.		Metrics & Targets recommended disclosure a) Disclose the metrics used by the organization to assess Climate-related risks and opportunities in line with its strategy and risk management process. c) Describe the targets used by the organization to manage climate related risks and opportunities and performance against targets.	<u>Targets Tier 1</u> Align portfolio emissions reduction target with 1.5C degrees and global net zero emissions by 2050 or sooner. Set intermediate targets every 5 years using recognized methodologies and frameworks for setting, assessing, reporting and verifying performance <u>Targets Tier 2</u> Align portfolio emissions reduction target with 1.5C degrees and global net zero emissions by 2050 <u>Targets Tier 3</u> Align portfolio emissions reduction target with domestic policy goals and NDCs <u>Investment Tier 1</u> Establish net zero-aligned targets for high impact sectors Set intermediate targets that enable progression and assessment of portfolio emissions reduction	Refer to CDP Climate Change 2022 Question-level Guidance
C4.2c	Provide details of your net-zero target(s).	General Commitment: Commits to support the goal of net zero greenhouse gas ('GHG') emissions by 2050, in line with global efforts to limit warming to 1.5°C ('net zero emissions by 2050 or sooner'). It also commits to support investing aligned with net zero emissions by 2050 or sooner.		<u>Targets Tier 1</u> Align portfolio emissions reduction target with 1.5C degrees and global net zero emissions by 2050 or sooner. Set intermediate targets every 5 years using recognized methodologies and frameworks for setting, assessing, reporting and verifying performance <u>Targets Tier 2</u> Align portfolio emissions reduction target with 1.5C degrees and global net zero emissions by 2050 <u>Investment Tier 1</u> Establish net zero-aligned targets for high impact sectors	Refer to CDP Climate Change 2022 Question-level Guidance
C-FS4.5	Do any of your existing products and services enable clients to mitigate and/or adapt to the effects of climate change?	Commitment 5: As required, create investment products aligned with net zero emissions by 2050 and facilitate increased investment in climate solutions		<u>Investment Tier 4</u> Invest at least part of the portfolio in 2-degrees aligned products	Facilitating increased investment in climate solutions can be reported on by disclosing a "green financing" target in the "Target type: Category" column. Elaborate on the climate solutions in the "Please explain" column. Follow CDP
C-FS4.5a	Provide details of your existing products and services that enable clients to mitigate and/or adapt to climate				

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	change, including any taxonomy used to classify the product(s).				guidance to disclose other details. Follow CDP Climate Change 2022 Question-level Guidance to disclose details of products that are aligned with net zero emissions by 2050 (referred to as "enable a third party to avoid GHG emissions.") Use the coverage columns to report on the creation of these products. Use the "Description" column to elaborate on how these products/services facilitate increased investment in climate solutions. This can be linked to a target to demonstrate how the creation of these products will increase over time.
C6.1	What were your gross global Scope 1 emissions in metric tons CO ₂ e?		Metrics & Targets recommended disclosure b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.		Refer to CDP Climate Change 2022 Question-level Guidance
C6.3	What were your gross global Scope 2 emissions in metric tons CO ₂ e?		Metrics & Targets recommended disclosure b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.		Refer to CDP Climate Change 2022 Question-level Guidance
C6.5	Account for your organization's gross		Metrics & Targets recommended		Refer to CDP Climate Change 2022

Question	Question text	NZAM commitment	TCFD	ICAP	CDP Guidance
	global Scope 3 emissions, disclosing and explaining any exclusions.		disclosure b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.		Question-level Guidance
C9.1	Provide any additional Climate-related metrics relevant to your business.		Metrics & Targets recommended disclosure a) Disclose the metrics used by the organization to assess Climate-related risks and opportunities in line with its strategy and risk management process.		Refer to CDP Climate Change 2022 Question-level Guidance
C11.2a	Provide details of the project-based carbon credits originated or purchased by your organization in the reporting period.	Commitment 4: If using offsets, invest in long-term carbon removal, where there are no technologically and/or financially viable alternatives to eliminate emissions			"Project-based carbon credits" refers to offsets. Use the "Project identification" column to describe how offsets are restricted to long-term carbon removals where there are limited technologically or financially viable alternatives to eliminate emissions. Refer to CDP Climate Change 2022 Question-level Guidance
C12.1	Do you engage with your value chain on Climate-related issues?			Corporate Engagement Tier 3 Engage with companies to reduce greenhouse gas emissions across their value chains in line with just transition principles and align their public policy activities with the goals of the Paris Agreement (directly or via industry associations/trade bodies) Corporate Engagement Tier 4 Engage directly with companies, asset managers, industry forums and other entities to encourage better governance, management and disclosure of greenhouse gas emissions and physical climate risks	Refer to CDP Climate Change 2022 Question-level Guidance
C-FS12.1b	Give details of your Climate-related	Commitment A: Work in partnership with asset owner clients on decarbonization			Follow CDP 2022 Guidance to disclose details of client

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	engagement strategy with your clients.	goals, consistent with an ambition to reach net zero emissions by 2050 or sooner across all assets under management ('AUM') Commitment 6: Provide asset owner clients with information and analytics on net zero investing and climate risk and opportunity			engagement (referred to as "customers"). 2022 drop-down selections are expanded to include "working in partnership on decarbonization goals". Use the "Impact" column to elaborate on how this engagement is consistent with the ambition of net zero by 2050 or sooner. Use the "Rationale" column to explain the coverage of AUM.
C-FS12.1c	Give details of your Climate-related engagement strategy with your investees	Commitment 3: Prioritize the achievement of real economy emissions reductions within the sectors and companies in which we invest Commitment 7: Implement a stewardship and engagement strategy, with a clear escalation and voting policy, that is consistent with our ambition for all assets under management to achieve net zero emissions by 2050 or sooner		<p><u>Investment Tier 1</u> Invest (and grow the proportion annually) in 1.5C degrees aligned companies, products, and projects in all asset classes</p> <p><u>Investment Tier 2</u> Develop and start to implement a decarbonization strategy for at least one portfolio or asset class</p> <p>Incorporate climate change into strategic asset allocation and invest in 1.5 degrees aligned-companies, products, and projects in multiple asset classes</p> <p>Implement explicit net-zero aligned targets for clean energy and low carbon investments in each asset class</p> <p><u>Investment Tier 3</u> Commit to increasing investments in appropriate clean energy and low-carbon opportunities</p> <p>Invest part of the portfolio in 1.5 degrees aligned companies, products, and projects</p> <p><u>Corporate Engagement Tier 1</u> Support climate resolutions that call on companies to address material and systemic climate risks and opportunities (in situations where the company has shown little commitment to aligning its business strategies with 1.5C degree pathways)</p>	<p>Follow CDP reporting guidance to explain where efforts are prioritized in your investment strategy.</p> <p>Refer to CDP Climate Change 2022 Question-level Guidance</p>

Question	Question text	NZAM commitment	TCFD	ICAP	CDP Guidance
				<p>Ensure that most of the companies in the portfolio meet 1.5C degree-aligned (external) sector-specific benchmarks, taxonomies, or thresholds</p> <p>Publish detailed voting policy on ESG (focusing on director votes and shareholder resolutions), publish criteria that need to be met for the investor to vote for a company's SOC plan</p> <p>Pre-declare voting intentions on ESG defining resolutions and at company laggards</p> <p>Corporate Engagement Tier 2 Support climate resolutions that call on companies to address material and systemic climate risks and opportunities (in situations where the company has shown little commitment to aligning its business strategies with 1.5C degree pathways)</p> <p>Ensure that most of the companies in the portfolio have 1.5C degree-aligned business strategies or have committed to establishing such strategies</p> <p>Support, file, or co-file climate resolutions at companies who have not responded appropriately to engagement, and vote against directors on climate grounds.</p> <p>Corporate Engagement Tier 3 Engage with companies to reduce greenhouse gas emissions across their value chains in line with just transition principles and align their public policy activities with the goals of the Paris Agreement (directly or via industry associations/trade bodies)</p> <p>Establish a clear escalation strategy for companies or other entities that have not responded appropriately to engagement</p> <p>Corporate Engagement Tier 4 Engage directly with companies, asset managers, industry forums and other entities to encourage better governance, management and disclosure of greenhouse gas emissions and physical climate risks</p> <p>Explicitly integrate climate change into proxy voting guidelines</p>	
C12.1d	Give details of your Climate-related engagement strategy with other partners in the value chain.	Commitment 8: Engage with actors key to the investment system including credit rating agencies, auditors, stock exchanges, proxy advisers,		<p>Corporate Engagement Tier 3 Engage with companies to reduce greenhouse gas emissions across their value chains in line with just transition principles and align their public policy activities with the goals of the Paris Agreement (directly or via industry associations/trade bodies)</p>	In "Details of engagement" column, the "Innovation & collaboration (changing markets)" drop down option is

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		investment consultants, and data and service providers to ensure that products and services available to investors are consistent with the aim of achieving global net zero emissions by 2050 or sooner		<u>Corporate Engagement Tier 4</u> Engage directly with companies, asset managers, industry forums and other entities to encourage better governance, management and disclosure of greenhouse gas emissions and physical climate risks	most relevant here. In circumstances where these partners are not considered suppliers, details can be provided in C12.1d. Follow CDP reporting guidance to explain how this engagement enables products and services that are available to investors are consistent with achieving net zero by 2050 or sooner. For more, refer to CDP Climate Change 2022 Question-level Guidance

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C-FS12.2	Does your organization exercise voting rights as a shareholder on Climate-related issues?	Commitment 7: Implement a stewardship and engagement strategy, with a clear escalation and voting policy, that is consistent with our ambition for all assets under management to achieve net zero emissions by 2050 or sooner		<p><u>Corporate Engagement Tier 1</u> Support climate resolutions that call on companies to address material and systemic climate risks and opportunities (in situations where the company has shown little commitment to aligning its business strategies with 1.5C degree pathways)</p> <p>Publish detailed voting policy on ESG (focusing on director votes and shareholder resolutions), publish criteria that need to be met for the investor to vote for a company's SOC plan</p> <p>Pre-declare voting intentions on ESG defining resolutions and at company laggards</p> <p><u>Corporate Engagement Tier 2</u> Support climate resolutions that call on companies to address material and systemic climate risks and opportunities (in situations where the company has shown little commitment to aligning its business strategies with 1.5C degree pathways)</p> <p>Support and/or file climate resolutions at companies whose public policy engagement is not aligned with the goals of the Paris Agreement.</p> <p>Support, file, or co-file climate resolutions at companies who have not responded appropriately to engagement, and vote against directors on climate grounds.</p> <p><u>Corporate Engagement Tier 4</u> Explicitly integrate climate change into proxy voting guidelines</p>	Response drop-downs options cover voting and engagement examples. 2022 version of the question may include dropdowns to better capture implementation of a "stewardship" strategy and long-term "escalation" policy. Otherwise, follow CDP reporting guidance because in general, "policies" and "strategy" could be used interchangeably, and this distinction, as well as the escalation process, can be reported on in the relevant text fields. For more, refer to CDP Climate Change 2022 Question-level Guidance
C-FS12.2a	Provide details of your shareholder voting record on Climate-related issues.	Commitment 7: Implement a stewardship and engagement strategy, with a clear escalation and voting policy, that is consistent with our ambition for all assets under management to achieve net zero emissions by 2050 or sooner		<p><u>Corporate Engagement Tier 1</u> Support climate resolutions that call on companies to address material and systemic climate risks and opportunities (in situations where the company has shown little commitment to aligning its business strategies with 1.5C degree pathways)</p> <p>Publish detailed voting policy on ESG (focusing on director votes and shareholder resolutions), publish criteria that need to be met for the investor to vote for a company's SOC plan</p> <p>Pre-declare voting intentions on ESG defining resolutions and at company laggards</p> <p><u>Corporate Engagement Tier 2</u> Support climate resolutions that call on companies to address material and systemic climate risks and opportunities (in situations where the company has</p>	

Question	Question text	NZAM commitment	TCFD	ICAP	CDP Guidance
				<p>shown little commitment to aligning its business strategies with 1.5C degree pathways)</p> <p>Support and/or file climate resolutions at companies whose public policy engagement is not aligned with the goals of the Paris Agreement.</p> <p>Support, file, or co-file climate resolutions at companies who have not responded appropriately to engagement, and vote against directors on climate grounds.</p> <p>Corporate Engagement Tier 4 Explicitly integrate climate change into proxy voting guidelines</p>	
C12.3	Do you engage in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate?	Commitment 9: Ensure any relevant direct and indirect policy advocacy we undertake is supportive of achieving global net zero emissions by 2050 or sooner		<p>Policy Advocacy Tier 1 Support collaborative investor statements calling on governments to implement specific policy measures aiming at achieving net zero emissions by 2050: phasing out coal, phasing out fossil fuel subsidies, introducing carbon pricing</p> <p>Provide strong public support and play a leading/active role in discussion of sustainable finance policy and regulatory measures to ensure 1.5 degree aligned financial flows</p> <p>Review the lobbying activities of all relevant trade associations and industry bodies to ensure that they are in line with the goals of the Paris Agreement. Require the organization to stop the lobbying otherwise or discontinue membership/support for the organization</p> <p>Policy Advocacy Tier 2 Support collaborative investor statements calling on governments to implement specific policy measures aiming at achieving net zero emissions by 2050: phasing out coal, phasing out fossil fuel subsidies, introducing carbon pricing</p> <p>Ensure that all lobbying activities carried out by the investor's trade associations are aligned with the goals of the Paris Agreement</p> <p>Participate in discussions or meetings with governments – regional, national, sub-national - calling on them to implement policy measures such as phasing out coal, phasing out fossil fuel subsidies, and introducing carbon pricing in line with the goal of achieving net-zero by 2050</p> <p>Policy Advocacy Tier 3 Support collaborative investor statements calling on governments to implement specific policy measures</p>	Follow CDP reporting guidance to disclose details of direct or indirect engagement with public policy. Use the text field columns to explain how the engagement supports the achievement of net zero emissions by 2050 or sooner. For more, refer to CDP Climate Change 2022 Question-level Guidance

Question	Question text	NZAM commitment	TCFD	ICAP	CDP Guidance
				<p>aiming at achieving net zero emissions by 2050: phasing out coal, phasing out fossil fuel subsidies, introducing carbon pricing</p> <p>Ensure that all lobbying activities carried out by the investor's trade associations are aligned with the goals of the Paris Agreement</p> <p>Participate in meetings with governments calling on them to achieve the Paris Agreement's goals, accelerate private sector investment into the net-zero carbon economy in line with just transition principles, and to institute mandatory Climate-related financial reporting</p> <p>Policy Advocacy Tier 4 Support collaborative investor statements calling on governments to achieve the Paris Agreement's goals, accelerate private sector investment into the net-zero transition in line with just transition principles, and improve Climate-related financial reporting</p> <p>Ensure that all lobbying activities carried out by the investor are aligned with all the goals of the Paris Agreement</p> <p>Participation in regional or global investor network and contributing to the organization's advocacy activities</p>	
C12.3a	On what policy, law, or regulation that may impact the climate have you been engaging directly with policy makers in the reporting year?	Commitment 9: Ensure any relevant direct and indirect policy advocacy we undertake is supportive of achieving global net zero emissions by 2050 or sooner		<p>Policy Advocacy Tier 1 Support collaborative investor statements calling on governments to implement specific policy measures aiming at achieving net zero emissions by 2050: phasing out coal, phasing out fossil fuel subsidies, introducing carbon pricing</p> <p>Provide strong public support and play a leading/active role in discussion of sustainable finance policy and regulatory measures to ensure 1.5 degree aligned financial flows</p> <p>Policy Advocacy Tier 2 Support collaborative investor statements calling on governments to implement specific policy measures aiming at achieving net zero emissions by 2050: phasing out coal, phasing out fossil fuel subsidies, introducing carbon pricing</p> <p>Ensure that all lobbying activities carried out by the investor's trade associations are aligned with the goals of the Paris Agreement</p> <p>Participate in discussions or meetings with governments – regional, national, sub-national - calling</p>	Follow CDP reporting guidance to disclose details of direct or indirect engagement with public policy. Use the text field columns to explain how the engagement supports the achievement of net zero emissions by 2050 or sooner. For more, refer to CDP Climate Change 2022 Question-level Guidance

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				<p>on them to implement policy measures such as phasing out coal, phasing out fossil fuel subsidies, and introducing carbon pricing in line with the goal of achieving net-zero by 2050</p> <p><u>Policy Advocacy Tier 3</u> Support collaborative investor statements calling on governments to implement specific policy measures aiming at achieving net zero emissions by 2050: phasing out coal, phasing out fossil fuel subsidies, introducing carbon pricing</p> <p>Ensure that all lobbying activities carried out by the investor's trade associations are aligned with the goals of the Paris Agreement</p> <p>Participate in meetings with governments calling on them to achieve the Paris Agreement's goals, accelerate private sector investment into the net-zero carbon economy in line with just transition principles, and to institute mandatory Climate-related financial reporting</p> <p><u>Policy Advocacy Tier 4</u> Support collaborative investor statements calling on governments to achieve the Paris Agreement's goals, accelerate private sector investment into the net-zero transition in line with just transition principles, and improve Climate-related financial reporting</p> <p>Ensure that all lobbying activities carried out by the investor are aligned with all the goals of the Paris Agreement</p> <p>Participation in regional or global investor network and contributing to the organization's advocacy activities</p>	
C12.3b	Are you on the board of any trade associations or do you provide funding beyond membership?			<p><u>Corporate Engagement Tier 3</u> Engage with companies to reduce greenhouse gas emissions across their value chains in line with just transition principles and align their public policy activities with the goals of the Paris Agreement (directly or via industry associations/trade bodies)</p> <p>Publish trade association memberships and membership fees</p> <p><u>Policy Advocacy Tier 1</u> Review the lobbying activities of all relevant trade associations and industry bodies to ensure that they are in line with the goals of the Paris Agreement. Require the organization to stop the lobbying otherwise or discontinue membership/support for the organization</p>	Refer to CDP Climate Change 2022 Question-level Guidance

Question	Question text	NZAM commitment	TCFD	ICAP	CDP Guidance
				<p><u>Policy Advocacy Tier 2</u> Ensure that all lobbying activities carried out by the investor's trade associations are aligned with the goals of the Paris Agreement</p> <p>Publish trade association memberships and membership fees</p> <p><u>Policy Advocacy Tier 3</u> Ensure that all lobbying activities carried out by the investor's trade associations are aligned with the goals of the Paris Agreement</p> <p><u>Policy Advocacy Tier 4</u> Participation in regional or global investor network and contributing to the organization's advocacy activities</p>	
C12.3c	Enter the details of those trade associations that are likely to take a position on climate change legislation.			<p><u>Policy Advocacy Tier 4</u> Participation in regional or global investor network and contributing to the organization's advocacy activities</p>	Refer to CDP Climate Change 2022 Question-level Guidance
C-FS12.5	Indicate the collaborative frameworks, initiatives, and/or commitments related to environmental issues for which you are a signatory/member.	<p>General commitment: Collaborate with each other and other investors via initiatives (Investor Agenda and its partner organizations (AIGCC, CDP, Ceres, IGCC, IIGCC, PRI, UNEPFI), Climate Action 100+, Climate League 2030, Paris Aligned Investment Initiative, Science Based Targets Initiative for Financial Institutions, UN-convened Net-Zero Asset Owner Alliance, among others, which are developing methodologies and supporting investors to take action towards net zero emissions) so that investors have access to best practice, robust and science based approaches</p>		<p><u>Corporate Engagement Tier 1</u> Lead collective/collaborative engagement initiatives that encourage companies to establish 1.5 degrees aligned business strategies and publish target companies</p> <p><u>Corporate Engagement Tier 2</u> Lead collective/collaborative engagement initiatives that encourage companies to establish 1.5 degrees aligned business strategies and publish target companies</p> <p><u>Corporate Engagement Tier 3</u> Actively participate in collective/collaborative engagement initiatives that encourage companies to establish 1.5C degrees-aligned business strategies.</p> <p>Engage with companies to reduce greenhouse gas emissions across their value chains in line with just transition principles and align their public policy activities with the goals of the Paris Agreement (directly or via industry associations/trade bodies)</p> <p><u>Corporate Engagement Tier 4</u> Support collective/collaborative engagement initiatives that encourage better governance, management and</p>	Select the relevant initiatives organizations, and in the "Comment" column, elaborate on collaborative efforts so that investors can access best practice, robust and science-based approaches and standardized methodologies, and improved data, through which to deliver these commitments. For more, refer to CDP Climate Change 2022 Question-level Guidance

Question	Question text	NZAM commitment	TCFD	ICAP	CDP Guidance
		and standardized methodologies, and improved data, through which to deliver these commitments.		<p>disclosure of greenhouse gas emissions and physical climate risks</p> <p>Engage directly with companies, asset managers, industry forums and other entities to encourage better governance, management and disclosure of greenhouse gas emissions and physical climate risks</p> <p><u>Policy Advocacy Tier 1</u> Support collaborative investor statements calling on governments to implement specific policy measures aiming at achieving net zero emissions by 2050: phasing out coal, phasing out fossil fuel subsidies, introducing carbon pricing</p> <p><u>Policy Advocacy Tier 2</u> Support collaborative investor statements calling on governments to implement specific policy measures aiming at achieving net zero emissions by 2050: phasing out coal, phasing out fossil fuel subsidies, introducing carbon pricing</p> <p><u>Policy Advocacy Tier 3</u> Support collaborative investor statements calling on governments to implement specific policy measures aiming at achieving net zero emissions by 2050: phasing out coal, phasing out fossil fuel subsidies, introducing carbon pricing</p> <p><u>Policy Advocacy Tier 4</u> Support collaborative investor statements calling on governments to achieve the Paris Agreement's goals, accelerate private sector investment into the net-zero transition in line with just transition principles, and improve Climate-related financial reporting</p> <p>Participation in regional or global investor network and contributing to the organization's advocacy activities</p> <p><u>Disclosure Tier 4</u> Issue a public statement supporting TCFD</p>	
C-FS14.1	Do you conduct analysis to understand how your portfolio impacts the climate? (Scope 3 portfolio impact)		<p>Metrics & Targets recommended disclosure</p> <p>b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.</p>	<p><u>Targets Tier 4</u> Measure portfolio carbon footprint</p>	Annual disclosure through CDP Financial Services Climate Change Questionnaire is consistent with the PCAF reporting methodology and GHG

Question	Question text	NZAM commitment	TCFD	ICAP	CDP Guidance
C-FS14.1a	Provide details of your organization's portfolio emissions in the reporting year.	Commitment 2: Take account of portfolio Scope 1 & 2 emissions and, to the extent possible, material portfolio Scope 3 emissions	Metrics & Targets recommended disclosure b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	<u>Targets Tier 4</u> Measure portfolio carbon footprint	Protocol. Follow CDP reporting guidance. For more, refer to CDP Climate Change 2022 Question-level Guidance
C-FS14.1b	Provide details of the other carbon foot printing and/or exposure metrics used to track the impact of your portfolio on the climate.	Commitment 2: Take account of portfolio Scope 1 & 2 emissions and, to the extent possible, material portfolio Scope 3 emissions	Metrics & Targets recommended disclosure b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	<u>Targets Tier 1</u> Align portfolio emissions reduction target with 1.5C degrees and global net zero emissions by 2050 or sooner. Set intermediate targets every 5 years using recognized methodologies and frameworks for setting, assessing, reporting and verifying performance <u>Targets Tier 4</u> Measure portfolio carbon footprint	
C-FS14.1c	Why do you not conduct analysis to understand how your portfolio impacts the climate?		Metrics & Targets recommended disclosure b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.		Refer to CDP Climate Change 2022 Question-level Guidance
C-FS14.3	Did your organization take any actions in the reporting year to align your portfolio with a 1.5-degree world?	Commitment 3: Prioritize the achievement of real economy emissions reductions within the sectors and companies in which we invest		<u>Investment Tier 1</u> Define a strategy for all high emitting sectors Invest (and grow the proportion annually) in 1.5C degrees aligned companies, products, and projects in all asset classes <u>Investment Tier 2</u> Develop and start to implement a decarbonization strategy for at least one portfolio or asset class Incorporate climate change into strategic asset allocation and invest in 1.5 degrees aligned-companies, products, and projects in multiple asset classes Implement explicit net-zero aligned targets for clean energy and low carbon investments in each asset class <u>Investment Tier 3</u> Commit to increasing investments in appropriate clean energy and low-carbon opportunities Invest part of the portfolio in 1.5 degrees aligned companies, products, and projects	Follow CDP reporting guidance to explain where efforts are prioritized in your investment strategy. Refer to CDP Climate Change 2022 Question-level Guidance

Question	Question text	NZAM commitment	TCFD	ICAP	CDP Guidance
C-FS14.3a	Do you assess if your clients/investees' business strategies are aligned to a well below 2-degree world?			<p><u>Investment Tier 1</u> Define a strategy for all high emitting sectors</p> <p>Invest (and grow the proportion annually) in 1.5C degrees aligned companies, products, and projects in all asset classes</p> <p><u>Investment Tier 2</u> Develop and start to implement a decarbonization strategy for at least one portfolio or asset class</p> <p>Incorporate climate change into strategic asset allocation and invest in 1.5 degrees aligned-companies, products, and projects in multiple asset classes</p> <p>Implement explicit net-zero aligned targets for clean energy and low carbon investments in each asset class</p> <p><u>Investment Tier 3</u> Commit to increasing investments in appropriate clean energy and low-carbon opportunities</p> <p>Invest part of the portfolio in 1.5 degrees aligned companies, products, and projects</p> <p><u>Corporate Engagement Tier 1</u> Ensure that most of the companies in the portfolio meet 1.5C degree-aligned (external) sector-specific benchmarks, taxonomies, or thresholds</p> <p><u>Corporate Engagement Tier 2</u> Ensure that most of the companies in the portfolio have 1.5C degree-aligned business strategies or have committed to establishing such strategies</p>	Refer to CDP Climate Change 2022 Question-level Guidance