

Guidance 13: Metrics for tracking climate performance

Category	Data collected from clients	Insights from due diligence	KPIs/KRIs from CAP mandates
Identification and context	- Client and project name - Asset location(s) - Sector code - Loan size and tenor	- Peer benchmarking - Market/sector analysis - Asset valuation	- Corporate governance structure and overall strategy to navigate climate risks - Self-reported climate risk maturity
Physical risk exposure	- Past hazard experience - Existing asset-level vulnerabilities - Insurance coverage - Existing mitigation/adaptation (roadmap)	- Location-based critical hazards identification - Client/asset-level adaptive capacity - Potential losses from extreme weather events	% assets facing high physical risk - Total exposure to high physical risk by type # of (proposed and sufficient) adaptation measures with budgets and timelines for implementation
Transition risk exposure	- Emissions inventory - Energy usage - Client transition plan documentation	- Vulnerability to policy/market/technology shifts - Impact from potential carbon pricing - Carbon intensity weighted by loan size and tenor - Potential losses from transition risk events	% of business value at risk from transition dynamics - Year-on-year emissions reduction progress # of (proposed and sufficient) mitigation measures with budgets and timelines for implementation - Alignment to sectoral decarbonisation benchmarks - Transition plan credibility
Materiality assessment	- Financial performance (and climate impacts) - Qualitative materiality self-assessment	- Expected (level of) financial impacts - Potential for stranded assets - Level of maturity to navigate transition challenges	% of business value at risk (e.g. CVaR) - Potential losses from extreme weather events - Potential losses from transition risk events - Cumulative losses tracked from exposure to extreme weather events
Scenario analysis	- Key business and risk drivers - Business strategy (and climate-related considerations)	- Scenario narratives for client/sector - Transmission channel scenarios for stress testing - Assessment of management's readiness to navigate uncertain future risks	# scenarios assessment and key insights - Estimated materiality from scenario shocks
Mitigation/adaptation measures	Climate/sustainability disclosures (if any)	- Credibility and effectiveness of existing adaptation/mitigation measures - Adequacy of existing CAPEX/OPEX allocations for adaptation/mitigation measures - Eligibility of project for green financing (label)	# of (proposed and sufficient) adaptation measures with budgets and timelines for implementation # of (proposed and sufficient) mitigation measures with budgets and timelines for implementation % milestones met/on track
Portfolio thresholds to monitor	- Periodic reporting - Updates on market/business disruptions	- Emerging risks of concern - Net physical/transition risk profile - Total green asset ratio - Weighted carbon intensity of portfolio	- Risk monitoring process and early warning indicators # incidents tracked and escalated
Data quality/assurance	- Data sources - Self-reporting data quality - Third-party assurance	Data completeness assessment	Third-party assurance

Metrics like these, when tracked at client or transaction level, can be aggregated for portfolio-level monitoring.