June 2026

CLIMATE BONDS RESILIENCE TAXONOMY (CBRT)

Annexes I–VI for CBRT V1.1 Methodology Document

Annex I: Adapting measures – assessment against global threshold

The Climate Bonds Resilience Taxonomy (CBRT) defines the target climate impact that each adapting measure addresses.

1. **Define the investment context for assessing the adapting measure**
   - Set assessment boundaries that correspond to the specific implementation of the measure, which may be more granular than the activity or even the asset in which it is implemented.
   - For example, the adapting measure 'Installing water-efficient fixtures and fittings' is assessed in the specific context in which the fixtures and fitting are installed (e.g., buildings, plumbing systems within buildings, etc.).
   - In addition, the following three steps may also be considered[1]:
     1. Set out the investment's context of vulnerability to climate change.
     2. Make an explicit statement of intent of the investment to reduce the climate change vulnerabilities identified.
     3. Articulate a clear and direct link between the investment and the climate change vulnerability identified in (1).

2. **Establish an appropriate timescale for the assessment**
   - This should normally be the same as the expected time horizon for the implementation of the measure (e.g., the installation of water-efficient fixtures or fittings) and should cover the expected lifespan of the adapting measure, and of the activity in which it is being implemented.

3. **Use the investment-appropriate global threshold for assessing the performance of the adapting measure**
   - Use the investment-specific global threshold to be defined in the CBRT (subject to its further development and refinement, including by Technical Working Groups (TWGs)).

4. **Define a counterfactual against which progress towards achieving the defined threshold may be measured.**
   - The counterfactual should be current actual performance (for existing assets) or current industry practice (for new assets) where available or definable.
     - 'Current industry practice' typically refers to the prevailing methods, procedures, standards, or techniques that are widely adopted and deemed up-to-date within a specific industry or profession. This term encompasses:
       - Best practices: Proven approaches that have been shown to yield optimal results.
       - Standard operating procedures: Commonly agreed-upon ways of carrying out tasks or operations.
       - Regulatory compliance: Practises that conform to current laws, regulations, and guidelines.
       - Technological uptake: Use of current technologies and tools prevalent in the sector.
   - The achievement of the defined threshold is assessed against this counterfactual, e.g., x% improvement, or confirmation that performance (observed performance, or expected performance based on design plans) is in the upper range (e.g., top 25%) of current market or industry practices.

5. **Means of implementing the assessment**

This assessment may be implemented in the following ways:

- As a stand-alone assessment performed by the issuer, following the steps defined above and using the CBRT screening criteria.

- By confirming that the investment has been checked against a proxy identified in the CBRT for investments in the respective subsector. These proxies are defined in the CBRT as being equivalent in focus and ambition with the CBRT screening criteria and above process-based guidance. The CBRT specifies whether any additional checks are required alongside the use of a given proxy (e.g., Do No Significant Harm (DNSH)).

Box A1: Worked examples of assessing an adapting measure against a global threshold

The below examples illustrate how an adapting measure can be assessed against a global performance threshold. The process-based assessment follows five key steps:

Step 1: Define the investment context
The assessor defines the specific context in which the adapting measure is implemented, including system boundaries and vulnerability context.

Step 2: Establish assessment timescale
Here, the assessor defines a timescale aligned with the lifespan of the adapting measure and the system in which it operates.

Step 3: Apply global threshold
Then the assessor evaluates the performance of the adapting measure against a predefined global threshold.

Step 4: Define counterfactual and assess performance
The assessor then defines a counterfactual (business as usual scenario) and assesses the extent to which the measure delivers improvement relative to this baseline.

Step 5: Means of implementing the assessment
Finally, the assessor determines how the assessment is implemented in practice, including the use of CBRT screening criteria and relevant proxies where needed.

Example 1
Adapting measure: Implementation of controlled environment agriculture with cooling ventilation
Climate hazard: Heat stress

Step	Action	Description	Outcome
STEP 1: DEFINE THE INVESTMENT CONTEXT	i. **Set assessment boundaries**	The assessment focuses on the implementation of enhanced cooling and ventilation systems within controlled environment agriculture (CEA), including greenhouse structures and internal climate regulation systems.	The assessment verifies that: • The measure is assessed at the appropriate system level • The intervention targets clearly defined heat stress risks. **Proceed to Step 2**
	ii. **Establish the context of vulnerability to climate change**	Crop production in CEA systems is vulnerable to heat stress due to rising ambient temperatures, which can exceed optimal growing conditions and reduce yields and quality.	
	iii. **Make an explicit statement of intent to reduce identified vulnerabilities**	The investment aims to reduce the exposure and sensitivity of crops to heightened	

		temperatures by improving internal climate control within the CEA system.	
	iv. **Make a clear and direct link between the investment and identified vulnerabilities**	The implementation of enhanced cooling and ventilation systems directly reduces internal temperatures, maintaining optimal growing conditions under heat stress.	
STEP 2: ESTABLISH ASSESSMENT TIMESCALE	**Define assessment timeframe**	The assessment covers the expected 20–25 year lifespan of the specific cooling and ventilation system components, ensuring alignment with operational performance over time.	The assessment timeframe ensures that: • System performance is evaluated over its full lifespan • Effectiveness under sustained heat stress conditions is captured.
STEP 3: APPLY GLOBAL THRESHOLD	**Use global performance threshold**	The adapting measure is assessed against a global threshold defined as temperature reduction potential of 3°C/l against business as usual, reflecting the cooling performance of the system.	The defined threshold reflects: • Standardised performance of cooling systems. **Proceed to Step 4**
STEP 4: DEFINE COUNTERFACTUAL AND ASSESS PERFORMANCE	i. **Define counterfactual**	The counterfactual is conventional greenhouse systems using passive or standard ventilation, reflecting current industry practice and associated exposure to heat stress under elevated temperatures.	The assessment confirms that: • The measure delivers a clear improvement over current practice • The global threshold is met or exceeded. **Proceed to Step 5**
	ii. **Assess performance against threshold**	The enhanced cooling and ventilation system demonstrates a measurable reduction of 5°C in internal temperatures relative to the counterfactual.	
STEP 5: MEANS OF IMPLEMENTING THE ASSESSMENT	**Determine implementation approach**	The assessment was conducted as a stand-alone evaluation using CBRT screening criteria.	The assessment concluded that: • The adapting measure effectively

		Where applicable, proxies (e.g., recognised CEA climate control standards) were used, with additional checks applied as required.	reduces heat stress risks • Performance meets the global threshold • The measure qualifies under CBRT criteria for adaptation.

Example 2
Adapting measure: Strengthening of building structure
Climate hazard: Cold stress

Step	Action	Description	Outcome
STEP 1: DEFINE THE INVESTMENT CONTEXT	i. **Set assessment boundaries**	The assessment focuses on strengthening structural components of industrial buildings, including load-bearing elements such as roofs and supporting structures.	The assessment verifies that: • The measure is assessed at the appropriate asset level • The measure targets clearly defined cold stress risks. **Proceed to Step 2**
	ii. **Establish the context of vulnerability to climate change**	Industrial buildings are vulnerable to cold stress, including cold spells, frost, permafrost, heavy snowfall and ice storm and snow, glacier and ice sheet, which can lead to increased structural loads, material degradation, and potential failure.	
	iii. **Make an explicit statement of intent to reduce identified vulnerabilities**	The investment aims to improve the structural resilience of buildings to withstand increased snow loads and extreme cold conditions.	
	iv. **Make a clear and direct link between the investment and identified vulnerabilities**	Strengthening structural components directly increases the building's capacity to withstand snow loads and maintain structural integrity under cold stress.	
STEP 2: ESTABLISH ASSESSMENT TIMESCALE	**Define assessment timeframe**	The assessment covers the expected 50–100 year lifespan of specific structural components, ensuring alignment with long-	The assessment timeframe ensures that: • Long-term exposure to

		term building performance.	cold stress is considered • Structural durability is captured over time. **Proceed to Step 3**
STEP 3: APPLY GLOBAL THRESHOLD	**Use global performance threshold**	The adapting measure is assessed against a global threshold defined as increased snow load capacity in 0.6 kPa against business as usual (counterfactual), reflecting enhanced structural performance.	The defined threshold reflects: • Standardised engineering performance metrics • Applicability across different building contexts • A minimum improvement required to meaningfully reduce cold stress risks. **Proceed to Step 4**
STEP 4: DEFINE COUNTERFACTUAL AND ASSESS PERFORMANCE	i. **Define counterfactual**	The counterfactual (business as usual) is industrial buildings constructed to current standard practice, reflecting typical structural performance under cold and snow load conditions.	The assessment confirms that: • The measure delivers a clear improvement over current practice • The global threshold is met or exceeded. **Proceed to Step 5**
	ii. **Assess performance against threshold**	The strengthened building structure demonstrates increased load-bearing capacity relative to the counterfactual.	
STEP 5: MEANS OF IMPLEMENTING THE ASSESSMENT	**Determine implementation approach**	The assessment was conducted as a stand-alone evaluation using CBRT screening criteria. Where applicable, proxies (e.g., recognised building codes or engineering standards) were used, with additional checks applied as required.	The assessment concluded that: • The adapting measure effectively reduces cold stress risks • Performance meets the global threshold • The measure qualifies under CBRT criteria for adaptation.

[1] These three steps are mandatory if the CBRT is to be applied in a way that is consistent with the MDB Joint Methodology for Tracking Climate Change Adaptation Finance (Multilateral Development Banks, 2022. Joint Methodology for Tracking Climate Change Adaptation Finance, https://thedocs.worldbank.org/en/doc/20cd787e947dbf44598741469538a4ab-0020012022/original/20220242-mdbs-joint-methodology-climate-change-adaptation-finance-en.pdf).

Annex II: Adapting measures – assessment against local threshold

The CBRT defines the target climate impact that each adapting measure addresses.

1. **Define the investment context for assessing the adapting measure**
   - Set assessment boundaries that correspond to the specific implementation of the measure, which may be more granular than the activity or even the asset in which it is implemented.
   - For example, the adapting measure 'Installing water-efficient fixtures and fittings' is assessed in the specific context in which the fixtures and fitting are installed (e.g., buildings, plumbing systems within buildings, etc.).
   - In addition, the following three steps may also be considered[2]:
     1. Set out the investment's context of vulnerability to climate change.
     2. Make an explicit statement of intent of the investment to reduce the climate change vulnerabilities identified.
     3. Articulate a clear and direct link between the investment and the climate change vulnerability identified in (1).

2. **Establish an appropriate timescale for the assessment**
   - This should normally be the same as the expected time horizon for the implementation of the measure (e.g., the installation of water-efficient fixtures or fittings) and should cover the expected lifespan of the adapting measure, and of the activity in which it is being implemented.

3. **Determine and use an investment-appropriate local threshold for assessing the performance of the adapting measure**
   - Define an investment-appropriate local threshold, using the units of measurement defined in the CBRT.
   - The local threshold should reference as far as possible other examples of the use of the adapting measure in comparable investment contexts.

4. **Define a counterfactual against which progress towards achieving the defined threshold may be measured.**
   - The counterfactual should be current actual performance (for existing assets) or current industry practice (for new assets) where available or definable.
     - 'Current industry practice' typically refers to the prevailing methods, procedures, standards, or techniques that are widely adopted and deemed up-to-date within a specific industry or profession. This term encompasses:
       - Best practices: Proven approaches that have been shown to yield optimal results.
       - Standard operating procedures: Commonly agreed-upon ways of carrying out tasks or operations.
       - Regulatory compliance: Practises that conform to current laws, regulations, and guidelines.
       - Technological uptake: Use of current technologies and tools prevalent in the sector.
   - The achievement of the defined threshold is assessed against this counterfactual, e.g., x% improvement, or confirmation that performance is in the upper range of current market or industry practices.

5. **Means of implementing the assessment**

This assessment may be implemented in the following ways:

- As a stand-alone assessment performed by the issuer, following the steps defined above and using the CBRT screening criteria.
- By confirming that the investment has been checked against a proxy identified in the CBRT for investments in the respective subsector. These proxies are defined in the CBRT as being equivalent in focus and ambition with the CBRT screening criteria and above process-based guidance. The CBRT specifies whether any additional checks are required alongside the use of a given proxy (e.g., DNSH).

Box A2: Worked example of assessing an adapting measure against a local threshold

The below examples illustrate how an adapting measure can be assessed against a local performance threshold. The process-based assessment follows five key steps:

Step 1: Define the investment context
The assessor defines the specific context in which the adapting measure is implemented, including system boundaries and the relevant vulnerability context.

Step 2: Establish assessment timescale
Here, the assessor defines a timescale aligned with the lifespan of the adapting measure and the system in which it operates.

Step 3: Determine local threshold
The assessor then defines an investment-appropriate local threshold, reflecting the specific climatic and operational context in which the measure is implemented.

Step 4: Define counterfactual and assess performance
The assessor defines a counterfactual (business as usual scenario) and assesses the extent to which the measure delivers improvement relative to this baseline.

Step 5: Means of implementing the assessment
Finally, the assessor determines how the assessment is implemented in practice, including the use of CBRT screening criteria and relevant proxies where needed.

Example 1:
Adapting measure: Adjustment of reservoir capacity
Climate hazard: Water stress
Location: Northern Cape Province, South Africa

Step	Action	Description	Outcome
STEP 1: DEFINE THE INVESTMENT CONTEXT	**i. Set assessment boundaries**	The assessment focuses on the adjustment of reservoir storage capacity within South Africa's Northern Cape Province water management system, including inflows, storage infrastructure, and downstream supply systems. Boundaries reflect the specific reservoir and its role within the wider catchment.	The assessment verifies that: • The measure is assessed at the appropriate system level, with the system being the watershed • The intervention targets clearly defined water stress risks. **Proceed to Step 2**
	ii. Establish the context of vulnerability to climate change	Reservoir systems are vulnerable to water stress associated with changes in mean precipitation, aridity, hydrological drought, agricultural and ecological drought or reduced freshwater availability due to saline intrusion, which can reduce water	

		availability and reliability of supply.	
	iii. Make an explicit statement of intent to reduce identified vulnerabilities	The investment aims to increase reservoir storage capacity and improve the reliability of water supply under conditions of increasing water stress.	
	iv. Make a clear and direct link between the investment and identified vulnerabilities	The adjustment of reservoir capacity directly addresses variability in water availability by enhancing storage and reserve capacity (expressed as enhanced water storage potential –see Step 3) during periods of low water inflow.	
STEP 2: ESTABLISH ASSESSMENT TIMESCALE	**Define assessment timeframe**	The assessment covers the expected 30–80 year lifespan of reservoir infrastructure, ensuring alignment with long-term hydrological variability and projected climate change impacts.	The assessment timeframe ensures that: • Long-term water stress trends are captured • The measure remains effective under future climate conditions. **Proceed to Step 3**
STEP 3: DETERMINE LOCAL THRESHOLD	**Define local performance threshold**	A local performance threshold is defined as water storage potential of 10 million m³ against business as usual (counterfactual), reflecting the increase in effective reservoir storage capacity relative to baseline conditions.	This threshold is benchmarked against comparable reservoirs in the region and reflects local hydrological and climatic contexts. **Proceed to Step 4**
STEP 4: DEFINE COUNTERFACTUAL AND ASSESS PERFORMANCE	**i. Define counterfactual**	The counterfactual is the existing reservoir storage capacity and operational regime, reflecting current infrastructure design and water management practices without additional capacity expansion. For the purposes of this example, the	The assessment confirms that: • The measure delivers a clear improvement over current performance • The defined threshold is met or exceeded.

		counterfactual is defined as 103.3 million m^3 across the entirety of Northern Cape.	**Proceed to Step 5**
	ii. Assess performance against threshold	The adjustment of reservoir capacity demonstrates a measurable increase in storage potential relative to the counterfactual, improving water availability and reducing the frequency and severity of reduced supply under drought conditions.	
STEP 5: MEANS OF IMPLEMENTING THE ASSESSMENT	**Determine implementation approach**	The assessment was conducted as a stand-alone evaluation using CBRT screening criteria. Where applicable, proxies were used for reservoir design and water resource management, with additional checks applied as required.	The assessment concluded that: • The adapting measure effectively reduces water stress risks • Performance meets the defined local threshold • The measure qualifies under CBRT criteria for adaptation

Example 2:
Adapting measure: Installation of flood barriers and floodproofing for buildings
Climate hazard: Flood damage
Location: Bangladesh

Step	Action	Description	Outcome
STEP 1: DEFINE THE INVESTMENT CONTEXT	i. **Set assessment boundaries**	The assessment focuses on the installation of flood barriers and floodproofing measures at the building or site level in Bangladesh, including entry points, structural components and immediate surroundings.	The assessment verifies that: • The measure is assessed at the appropriate asset level • The intervention targets clearly defined flood risks. **Proceed to Step 2**
	ii. **Establish the context of vulnerability to climate change**	Buildings are vulnerable to flood damage due to heavy precipitation and pluvial floods, river floods, coastal floods, glacial lake outburst	

		floods and changes in relative sea level, leading to structural damage, asset loss and business disruption.	
	iii. **Make an explicit statement of intent to reduce identified vulnerabilities**	The investment aims to reduce the exposure and sensitivity of buildings to flood events, protecting assets and maintaining functionality during and after flooding.	
	iv. **Make a clear and direct link between the investment and identified vulnerabilities**	The installation of flood barriers and floodproofing measures directly reduces the ingress of floodwater and limits damage to building structures and contents.	
STEP 2: ESTABLISH ASSESSMENT TIMESCALE	**Define assessment timeframe**	The assessment covers the expected 20–50 year lifespan of specific flood protection measures and building components, ensuring alignment with projected changes in flood risk over time.	The assessment timeframe ensures that: • Future flood risk conditions are considered • The durability and effectiveness of measures are captured. **Proceed to Step 3**
STEP 3: DETERMINE LOCAL THRESHOLD	**Define local performance threshold**	A local threshold is defined as reduction of floodwater inundation/intrusion likelihood by 50 m³/t against business as usual (counterfactual), reflecting the extent to which floodproofing measures reduce water ingress relative to baseline conditions. For the purposes of this illustrative example, floodwater ingress is expressed as volume per flood event to reflect the total water entering a structure during a defined flooding episode.	This threshold is aligned with local flood risk characteristics and relevant building protection standards. **Proceed to Step 4**
STEP 4: DEFINE COUNTERFACTUAL	i. **Define counterfactual**	The counterfactual refers to buildings	The assessment confirms that:

AND ASSESS PERFORMANCE		without dedicated flood protection measures, reflecting current conditions or minimum regulatory compliance and resulting exposure to floodwater ingress during relevant flood events.	• The measure delivers a clear improvement over current practice • The defined threshold is met or exceeded. **Proceed to Step 5**
	ii. **Assess performance against threshold**	The installation of flood barriers and floodproofing measures demonstrates a measurable reduction in floodwater ingress volume per flood event and associated damage relative to the counterfactual.	
STEP 5: MEANS OF IMPLEMENTING THE ASSESSMENT	**Determine implementation approach**	The assessment was conducted as a stand-alone evaluation using CBRT screening criteria. Where applicable, proxies (e.g., recognised flood resilience standards) were used, with additional DNSH or technical checks applied as required.	The assessment concluded that: • The adapting measure effectively reduces flood damage risks • Performance meets the defined local threshold • The measure qualifies under CBRT criteria for adaptation.

[2] These three steps are mandatory if the CBRT is to be applied in a way that is consistent with the MDB Joint Methodology for Tracking Climate Change Adaptation Finance (Multilateral Development Banks, 2022. Joint Methodology for Tracking Climate Change Adaptation Finance, https://thedocs.worldbank.org/en/doc/20cd787e947dbf44598741469538a4ab-0020012022/original/20220242-mdbs-joint-methodology-climate-change-adaptation-finance-en.pdf).

Annex III: Adapted activities – investment-level assessment

The process-based criteria for **adapted activities** draws from the EU Taxonomy Technical Screening Criteria for Substantial Contribution to Adaptation and the Climate Bonds Climate Resilience Principles.[3]

1. Assessment framing

The purpose of this investment-level assessment is to verify that the adapted activity is resilient to the specific climate impacts that the investment is intended to address, through the integration of investment-appropriate adapting measures that build climate resilience to the specific climate impacts.

The assessment is performed within clear boundaries that take account of the nature of the activity and of any interdependencies that go beyond the activity itself, including any potentially critical or cascading impacts within the wider system within which the activity takes place.

In addition, the following three steps may also be considered[4]:

1. Establish the investment's context of vulnerability to climate change.
2. Make an explicit statement of intent of the investment to reduce the climate change vulnerabilities identified.
3. Articulate a clear and direct link between the investment and the climate change vulnerability identified in (1).

2. Assess material climate impacts

The materiality of the **target climate impacts that the activity is addressing** are assessed, and the findings used the to identify adapting measures that can be implemented in the activity to build resilience to those impacts.

The assessment of climate impacts should be proportionate to the scale of the activity and its expected lifespan. This should entail using climate projections at the smallest appropriate scale for activities with an expected lifespan of less than 10 years. For all other activities, this should entail using the highest available resolution, best available, science-based climate projections across the existing range of future scenarios consistent with the expected lifetime of the activity, including at least, 10- to 30-year climate projections scenarios for major investments. The assessment should be performed in a robust and flexible manner that accounts for inherent uncertainties in future climate change projections. The level of assessment detail should match the expected level of materiality of the climate impact under both current and expected future climate conditions over the activity's lifetime. If any climate impacts are shown not to be material, then no further assessment will be required.

The assessment should use an appropriate timescale over which climate impacts are assessed, matching the intended lifespan of the activity. A baseline scenario of a suitable historical reference period should also be used. The assessment should make use of best practice guidance and take into account best available, science-based projections and related methodologies in line with the most recent Intergovernmental Panel on Climate Change reports,[5] scientific peer-reviewed publications, and open source or paying models. This should entail the use of multiple climate scenarios[6] (e.g., based on Shared Socioeconomic Pathway (SSP) 5-8.5 at a minimum and SSP2-4.5 if available) and use bottom-up climate impact models to determine the context-specific climate hazards and impacts as appropriate for the size, type, location, and lifespan of the activity. This should include assessing the degree to which the activity is exposed to a specific climate hazard, depending on its geographic and sector market, and assessing the degree to which the activity is vulnerable to the hazard(s) that it is exposed to and the nature of any impacts that may be experienced as a result.

3. Assess whether activity is climate resilient (adapted)

The assessment should identify adapting measures that build the resilience of the activity to the specific target climate impacts that the investment is designed to address. These adapting measures are implemented in the investment and checked against their respective CBRT screening criteria for Substantial Contribution to climate resilience so that any material climate impacts identified through the climate risk and vulnerability assessment are mitigated to a tolerable level, at which point the activity may be considered to be adapted. These checks are simpler if the adapting measures implemented are all automatically eligible or only require a technical specification check, but may be more complex if any of the adapting measures implemented require investment-level assessment (e.g., against global or local thresholds).

The adapting measures implemented in the investment should, where possible, be consistent with any relevant local, sectoral, regional, or national climate resilience plans and strategies, including National Adaptation Plans (NAPs), Nationally Determined Contributions (NDCs), and others. Where relevant and appropriate, they should consider the use of nature-based solutions or blue/green infrastructure.

The climate risk and vulnerability assessment and the consequent integration of adapting measures into the investment should take account of **maladaptation** as defined in section 4.3. This requires checking that none of the adapting measures implemented in the investment are expected to affect adversely the climate resilience of other people, of nature, of cultural heritage, of assets, and of other economic activities. In addition, the implementation of adapting measures in the activity should **do no significant harm** to mitigation nor to other environmental or social objectives, as defined in section 4.4.

Processes should remain in place over the lifespan of the investment at a minimum and over the lifespan of the activity, if possible, to keep this assessment under regular review and subject to periodic re-assessment subject to evolving needs and/or changes to climate conditions that affect the activity. This may include, as necessary, monitoring and measuring against the CBRT screening criteria or other pre-defined indicators. Remedial action may be considered where those criteria or indicators are not met.

4. Means of implementing the assessment

This assessment may be implemented in the following ways:

- As a stand-alone assessment performed by the issuer, following the steps defined above and using the CBRT screening criteria.
- By confirming that the investment has been checked against a proxy identified in the CBRT for investments in the respective subsector. These proxies are defined in the CBRT as being equivalent in focus and ambition with the CBRT screening criteria and above process-based guidance. The CBRT specifies whether any additional checks are required alongside the use of a given proxy (e.g., DNSH check).

Box A3: Worked example of investment-level assessment of an adapted activity

The below examples illustrate how an adapted activity can be assessed for climate resilience. The process-based assessment follows four key steps:

Step 1: Assessment framing
The assessor defines the scope and boundaries of the activity, establishes the context of vulnerability to climate change and articulates how the investment aims to reduce identified risks.

Step 2: Assess material climate impacts
The assessor evaluates the material climate impacts affecting the activity over its lifespan using appropriate climate scenarios and assessing exposure, sensitivity, and adaptive capacity.

Step 3: Assess whether the activity is climate-resilient
The assessor identifies and evaluates adapting measures integrated within the activity to address the material risks, ensuring alignment with CBRT screening criteria, and checks for maladaptation risks and compliance with DNSH requirements.

Step 4: Means of implementing the assessment
Finally, the assessor determines how the assessment is implemented in practice, including the application of CBRT screening criteria and the use of relevant proxies and supporting data where needed.

Example 1:
Adapted activity: Constructing/expanding/operating/upgrading power transmission and distribution systems
Climate hazard: Storm damage

Step	Action	Description	Outcome
STEP 1: ASSESSMENT FRAMING	i. **Establish the context of vulnerability to climate change**	Power transmission and distribution systems are highly exposed to storm events, including high winds, heavy rainfall, and lightning, which can damage overhead lines, towers, and substations, leading to service disruptions.	The assessment verifies that: • The activity can be made resilient to identified storm risks • The investment contributes to system-wide resilience, not only asset-level protection. **Proceed to Step 2**
	ii. **Make an explicit statement of intent to reduce identified vulnerabilities**	The investment aims to reduce the vulnerability of power transmission and distribution infrastructure to storm damage and improve the reliability and continuity of electricity supply during extreme weather events.	
	iii. **Make a clear and direct link between the investment and identified vulnerabilities**	The investment integrates targeted adaptation measures to reduce exposure and sensitivity of the system to storm-related hazards and maintain system functionality during such events.	

STEP 2: ASSESS MATERIAL CLIMATE IMPACTS	i. **Establish the timeframe of the assessment**	The assessment covers the expected 30–50 year lifespan of the power transmission and distribution infrastructure, ensuring that both current and future climate conditions are considered over the full operational period of the investment.	The assessment identified the following material, storm-related impacts: • Physical damage to overhead lines and towers from high winds • Vegetation-related damage (e.g., falling trees, debris) • Substation exposure to storm-related flooding or wind damage • Increased frequency and duration of power outages • Disruption to maintenance and repair access • Cascading failures across interconnected grid systems. **Proceed to Step 3**
	ii. **Select appropriate climate scenarios to identify material impacts**	A proportionate assessment of material climate impacts has been conducted using multiple climate scenarios, including at minimum SSP5-8.5 and, where available, SSP2-4.5. The assessment used historical storm data as the baseline scenario and draws upon national climate projections, hazard maps and grid reliability data in line with best available science.	
	iii. **Assess exposure, sensitivity, and adaptive capacity**	The assessment evaluated the: • Exposure of power transmission and distribution infrastructure to areas where storms occur • Sensitivity of infrastructure components (e.g., overhead lines, substations) • Adaptive capacity of the existing system to withstand and respond to storms.	
STEP 3: ASSESS WHETHER ACTIVITY IS CLIMATE RESILIENT	i. **Identify adapting measures implemented within the activity**	Adapting measures are identified in alignment with national grid resilience strategies, energy sector standards, and national adaptation plans. These include: • Strengthening substations (roofs and walls) • Strengthening grid configuration	The identified measures have been confirmed as fit-for-purpose and robust under future climate conditions. **Proceed to Step 4**

		• Relocating substations • Managing vegetation around transmission and distribution lines • Installing safety and emergency systems. These measures are linked directly to the material risks identified in Step 2 and are assessed against CBRT screening criteria. Where required, measures are assessed against relevant local or global thresholds.	
	ii. **Check for maladaptation risks**	The identified adapting measures were assessed to ensure they do not pose a maladaptation risk by transferring risk to other parts of the network or creating unintended environmental impacts.	
	iii. **Check compliance with DNSH requirements**	The identified adapting measures were assessed to ensure compliance with DNSH requirements including via no significant increase in emissions and no harm to ecosystems or land use.	
STEP 4: MEANS OF IMPLEMENTING THE INVESTMENT	i. **Determine implementation approach**	The investment was implemented through a stand-alone assessment following Steps 1–3 and applying the CBRT screening criteria. Where applicable, proxies were used in line with CBRT guidance, with any additional required checks applied.	The assessment concluded that: • The activity is resilient to identified material storm-related impacts • The adapting measures effectively reduce vulnerability to a tolerable level • The investment supports reliable electricity supply under future climate conditions. The activity meets the criteria to be classified as an

			adapted activity under the CBRT.

Example 2: Adapted Activity
Investment: Constructing/renovating/managing commercial buildings
Climate hazard: Mass movement damage

Step	Action	Description	Outcome
STEP 1: ASSESSMENT FRAMING	i. **Establish the context of vulnerability to climate change**	Commercial buildings are exposed to mass movement hazards such as landslides, coastal erosion, snow avalanches, permafrost, subsidence, and other climate-driven mass movement impacts. These hazards can cause structural damage, disrupt building operations, and endanger occupants.	The assessment verifies that: • The activity can be made resilient to identified mass movement risks • The investment contributes to site- and system-level resilience, not only individual building protection. **Proceed to Step 2**
	ii. **Make an explicit statement of intent to reduce identified vulnerabilities**	The investment aims to reduce the vulnerability of commercial buildings to mass movement events, safeguarding structural integrity, occupant safety, and continuity of operations during and after such events.	
	iii. **Make a clear and direct link between the investment and identified vulnerabilities**	The investment integrates targeted adaptation measures to reduce exposure and sensitivity to mass movement hazards.	
	i. **Establish the timeframe of the assessment**	The assessment covers the expected 60–80 year lifespan of commercial buildings, ensuring that both current and future climate conditions are considered over the full operational period of the investment.	The assessment identified the following material, mass movement–related impacts: • Structural damage to foundations, walls, and lower floors • Safety risks to occupants and surrounding areas • Cascading impacts on nearby properties and infrastructure.
	ii. **Select appropriate climate scenarios to identify material impacts**	A proportionate assessment of mass movement risks was conducted using multiple climate and hazard scenarios, including historical landslide data and projections of extreme precipitation and slope instability under SSP5-8.5 and, where available, SSP2-4.5.	

	iii. **Assess exposure, sensitivity, and adaptive capacity**	The assessment evaluated: • Exposure of building sites to slope failures and unstable terrain • Sensitivity of building structures and materials • Adaptive capacity of existing measures and building design to withstand mass movement hazards.	**Proceed to Step 3**
STEP 3: ASSESS WHETHER ACTIVITY IS CLIMATE RESILIENT	i. **Identify adapting measures implemented within the activity**	Adapting measures were identified in alignment with local building codes, geotechnical standards, and national adaptation plans. These include: • Installation of movement joints • Strengthened foundations • Strengthening of building structure. These measures are linked directly to the material risks identified in Step 2 and are assessed against CBRT screening criteria. Where required, measures were assessed against relevant local or global thresholds.	The identified measures have been confirmed as fit-for-purpose and robust under future climate conditions. **Proceed to Step 4**
	ii. **Check for maladaptation risks**	The identified adapting measures were assessed to ensure they do not transfer risk to neighbouring properties, disrupt natural landscape, or cause unintended environmental impacts.	
	iii. **Check compliance with DNSH requirements**	The identified adapting measures were assessed to ensure compliance with DNSH to mitigation and other social and environmental objectives requirements.	
STEP 4: MEANS OF IMPLEMENTING THE INVESTMENT	i. **Determine implementation approach**	The investment was implemented through a stand-alone assessment following Steps 1–3 and applying the CBRT screening criteria. Where applicable, proxies were used in line with	The assessment concluded that: • The activity is resilient to identified material mass movement-related impacts

		CBRT guidance, with any additional required checks applied.	• The adapting measures effectively reduce vulnerability to a tolerable level • The investment supports the structural integrity of commercial buildings under future climate conditions. The activity meets the criteria to be classified as an adapted activity under the CBRT.

[3] Climate Bonds Initiative, Climate Resilience Consulting and World Resources Institute, 2019. Climate Resilience Principles: A framework for assessing climate resilience investments, https://www.climatebonds.net/files/page/files/climate-resilience-principles-climate-bonds-initiative-20190917-.pdf

[4] These three steps are mandatory if the CBRT is to be applied in a way that is consistent with the MDB Joint Methodology for Tracking Climate Change Adaptation Finance (Multilateral Development Banks, 2022. Joint Methodology for Tracking Climate Change Adaptation Finance, https://thedocs.worldbank.org/en/doc/20cd787e947dbf44598741469538a4ab-0020012022/original/20220242-mdbs-joint-methodology-climate-change-adaptation-finance-en.pdf).

[5] IPCC, 2023. Sixth Assessment Report, https://www.ipcc.ch/assessment-report/ar6/

[6] For the purposes of this document, 'climate scenarios' refer to projected future climate conditions based on emissions scenarios such as Shared Socioeconomic Pathways (SSPs).

Annex IV: Enabling measures – investment-level assessment criteria

The process-based screening criteria for **enabling measures** draws from the EU Taxonomy Technical Screening Criteria for Substantial Contribution to Adaptation, the Climate Bonds Climate Resilience Principles,[7] the external guidance includes the ARIC Adaptation & Resilience Impact Measurement Framework for Investors,[8] the World Bank Group's Resilience Rating System,[9] the GIIN's Climate Adaptation & Resilience Metrics,[10] and the ICMA Impact Reporting Guidelines.[11]

1. Assessment framing

The purpose of this investment-level assessment is to verify that i) the enabling measure is resilient to all potentially material climate impacts through the integration of investment-appropriate adapting measures that build climate resilience to potentially material climate impacts, and ii) it makes an enabling contribution to the climate resilience of other activities.

The assessment is performed within clear boundaries that take account of the nature of the enabling measure and of any interdependencies that go beyond the investment itself, including any potentially critical or cascading impacts within the wider system within which the investment takes place.

In addition, the following three steps may also be considered[12]:

1. Establish the investment's context of vulnerability to climate change.
2. Make an explicit statement of intent of the investment to reduce the climate change vulnerabilities identified.
3. Articulate a clear and direct link between the investment and the climate change vulnerability identified in (1).

2. Assess material climate impacts

The assessment should identify **all climate impacts** that are material to the investment using the CBRT climate impacts breakdown as defined in section 3.2, to identify which climate impacts may affect the performance of the investment during its expected lifetime. The materiality of those climate impacts to the investment should be assessed, and findings used to identify adapting measures that can be implemented in the investment to build resilience to those impacts.

The assessment of climate impacts should be proportionate to the scale of the investment and its expected lifespan. This should entail using climate projections at the smallest appropriate scale for activities with an expected lifespan of less than 10 years. For all other activities, this should entail using the highest available resolution, best available, science-based climate projections across the existing range of future scenarios consistent with the expected lifetime of the investment, including at least, 10- to 30-year climate projections scenarios for major investments. The assessment should be performed in a robust and flexible manner that accounts for inherent uncertainties in future climate change projections. The level of assessment detail should match the expected level of materiality of the climate impact under both current and expected future climate conditions over the investment's lifetime. If any climate impacts are shown not to be material, then no further assessment will be required.

The assessment should use an appropriate timescale over which climate impacts are assessed, matching the intended lifespan of the investment. A baseline scenario of a suitable historical reference period should also be used. The assessment should make use of best practice guidance and take into account best available, science-based projections and related methodologies in line with the most recent Intergovernmental Panel on Climate Change reports,[13] scientific peer-reviewed publications, and open source or paying models. This should entail the use of multiple climate scenarios[14] (e.g., based on SSP5-8.5 at a minimum and SSP2-4.5 if available) and use bottom-up climate impact models to determine the context-specific climate hazards and impacts as appropriate for the size, type, location, and lifespan of the investment. This should include assessing the degree to which the

investment is exposed to a specific climate hazard, depending on its geographic and sector market, and assessing the degree to which the investment is vulnerable to the hazard(s) that it is exposed to and the nature of any impacts that may be experienced as a result.

3. Assess whether investment is climate resilient (adapted)

The assessment should identify adapting measures that build the resilience of the investment to any specific climate impacts that are found to be material. These adapting measures are implemented in the investment and checked against their respective CBRT screening criteria for Substantial Contribution to climate resilience so that any material climate impacts identified through the climate risk and vulnerability assessment are mitigated to a tolerable level. These checks are simpler if the adapting measures implemented are all automatically eligible or only require a technical specification check, but may be more complex if any of the adapting measures implemented require investment-level assessment (e.g., against global or local thresholds).

The adapting measures implemented in the investment should, where possible, be consistent with any relevant local, sectoral, regional, or national climate resilience plans and strategies including NAPs, NDCs, and others. Where relevant and appropriate, they should consider the use of nature-based solutions or blue/green infrastructure.

The climate risk and vulnerability assessment and the consequent integration of adapting measures into the investment should take account of maladaptation as defined in section 4.3. This requires checking that none of the adapting measures implemented in the investment are expected to affect adversely the climate resilience of other people, of nature, of cultural heritage, of assets, and of other economic activities. In addition, the implementation of adapting measures in the investment should do no significant harm to mitigation nor to other environmental or social objectives, as defined in section 4.4.

4. Assess the enabling contribution

The assessment should check whether the investment makes an enabling contribution through expanding or extending existing essential services to build the climate resilience of other activities including people, nature, and cultural heritage. This entails checking that the investment makes a measurable improvement in the climate resilience of activities beyond the activity in which it is implemented.

The CBRT defines the units of measurement that may potentially be used to assess this enabling contribution but does not define specific thresholds. These units of measurement may include, for example, the number of beneficiaries/people made more climate resilient by the investment; the economic value of assets made more climate resilient by the investment; and the extent of natural ecosystems made more climate resilient by the investment. Relevant external guidance includes the ARIC framework for assessing the climate resilience impact of investments,[15] the World Bank Group's Resilience Rating System, the GIIN's Climate Adaptation & Resilience Metrics,[16] and the ICMA Impact Reporting Guidelines.[17]

Processes should remain in place over the lifespan of the investment at a minimum and over the lifespan of the activity, if possible, to keep this assessment under regular review and subject to periodic re-assessment subject to evolving needs and/or changes to climate conditions that affect the investment. This may include, as necessary, monitoring and measuring against the CBRT screening criteria or other pre-defined indicators. Remedial action may be considered where those criteria or indicators are not met.

5. Means of implementing the assessment

This assessment may be implemented in the following ways:

- As a stand-alone assessment performed by the issuer, following the steps defined above and using the CBRT screening criteria.
- By confirming that the investment has been checked against a proxy that identified in the CBRT for investments in the respective subsector. These proxies are defined in the CBRT as

being equivalent in focus and ambition with the CBRT screening criteria and above process-based guidance. The CBRT specifies whether any additional checks are required alongside the use of a given proxy (e.g., DNSH; checking the enabling contribution on the climate resilience of other activities).

Box A4: worked example of investment-level assessment of an enabling measure

The below examples illustrate how an enabling measure can be assessed for climate resilience. The process-based assessment follows four key steps:

Step 1: Assessment framing
The assessor defines the scope and boundaries of the activity, establishes the context of vulnerability to climate change, and articulates how the investment aims to reduce identified risks.

Step 2: Assess material climate impacts
The assessor evaluates the material climate impacts affecting the activity over its lifespan using appropriate climate scenarios and assessing exposure, sensitivity, and adaptive capacity.

Step 3: Assess whether the investment is climate resilient (adapted)
The assessor identifies and evaluates adapting measures integrated within the investment to address the material risks, ensuring alignment with CBRT screening criteria, and checks for maladaptation risks and compliance with DNSH requirements.

Step 4: Assess the enabling contribution
The assessment should check whether the investment makes an enabling contribution through expanding or extending existing essential services to build the climate resilience of other activities including people, nature, and cultural heritage.

Step 5: Means of implementing the assessment
Finally, the assessor determines how the assessment is implemented in practice, including the application of CBRT screening criteria and the use of relevant proxies and supporting data where needed.

Example 1
Enabling measure: Expansion of waste collection and processing services
Climate hazard: Multi-hazard

Step	Action	Description	Outcome
STEP 1: ASSESSMENT FRAMING	i. **Establish the context of vulnerability to climate change**	Climate projections indicate increased higher temperatures, more extreme storms and increased flooding which collectively heighten risks of service disruption, infrastructure damage, and cascading public health risks.	The assessment verifies that: • The activity can be made resilient to identified heat/ rainfall/ flood risks • The investment contributes to system-wide resilience, not only asset-level protection. **Proceed to Step 2**
	ii. **Make an explicit statement of intent to reduce identified vulnerabilities**	The measure aims to ensure continuous waste collection and processing during periods of service disruption due to flooding, storm, and heat events.	
	iii. **Make a clear and direct link between the investment and identified vulnerabilities**	By developing and deploying waste facilities specifically designed to operate under hazard-related stressors, the measure directly enables service continuity despite potential	

		heat/rainfall/flood impacts.	
STEP 2: ASSESS MATERIAL CLIMATE IMPACTS	i. **Establish the timeframe of the assessment**	The assessment covers the expected 30–50 year lifespan of the waste processing facility, ensuring that both current and future climate conditions are considered over the full operational period of the investment.	The assessment identified the following material, heat/rainfall/flood-related impacts: • Extreme heat affecting processing efficiency, staff operations, and equipment performance. • Electricity disruption due to flood-related grid failures. • Route disruption due to road closures. • Facility closure to pluvial flooding. **Proceed to Step 3**
	ii. **Select appropriate climate scenarios to identify material impacts**	A proportionate assessment of material climate impacts has been conducted using multiple climate scenarios, including at minimum SSP5-8.5 and, where available, SSP2-4.5.	
	iii. **Assess exposure, sensitivity, and adaptive capacity**	The assessment evaluated the: • The analysis considers exposure, sensitivity, and adaptive capacity of the waste facilities. • Historical temperature, rainfall, wind, and flooding data provides the baseline scenario.	
STEP 3: ASSESS WHETHER INVESTMENT IS CLIMATE RESILIENT	i. **Identify adapting measures implemented within the investment**	The following measures are incorporated to ensure climate resilient operation under extreme conditions and are screened against CBRT criteria: • Backup power systems to ensure uninterrupted operation • Redundancy in logistics routes to maintain coverage during disruption • Flood protection measures at lowered docking areas • Emergency operating procedures to improve continuity. These measures are linked directly to the material risks identified	The identified measures have been confirmed as fit-for-purpose and robust under future climate conditions. **Proceed to Step 4**

		in Step 2 and are assessed against CBRT screening criteria. Where required, measures are assessed against relevant local or global thresholds.	
	ii. **Check for maladaptation risks**	The identified adapting measures were assessed to ensure they do not pose a maladaptation risk by transferring risk to other parts of the network or creating unintended environmental impacts.	
	iii. **Check compliance with DNSH requirements**	The identified adapting measures were assessed to ensure compliance with DNSH requirements including via no significant increase in emissions and no harm to ecosystems or land use.	
STEP 4: ASSESS THE ENABLING CONTRIBUTION	**Check activity against for enabling contribution**	The assessment checked if the activity is listed in the CBRT as a climate resilience solution. The enabling contribution is demonstrated by: • Improved business continuity for waste processing for communities and critical infrastructure • Reduced public health risks during extreme weather events • Increased resilience of other economic activities dependent on waste handling.	The investment meets the criteria to be classed as a resilient enabling measure.
STEP 5: MEANS OF IMPLEMENTING THE INVESTMENT	**Determine implementation approach**	The investment was implemented through a stand-alone assessment following Steps 1–3 and applying the CBRT screening criteria. Where applicable, proxies were used in line with CBRT guidance, with any additional required checks applied.	The assessment concluded that: • The investment is resilient to identified material heat/ rainfall/ flood-related impacts • The adapting measures effectively reduce vulnerability to a tolerable level

			• The investment supports waste processing under future climate conditions. The activity meets the criteria to be classified as an enabling measure under the CBRT.

Example 2
Enabling measure: Expansion of early warning systems and disaster preparedness
Climate hazard: Multi-hazard

Step	Action	Description	Outcome
STEP 1: ASSESSMENT FRAMING	i. **Establish the context of vulnerability to climate change**	Climate projections indicate increased higher temperatures, more extreme storms and increased flooding which collectively heighten risks of widespread public service disruption, infrastructure damage, and cascading public health risks.	The assessment verifies that: • The activity can be made resilient to identified heat/rainfall/wind/flood risks • The investment contributes to system-wide resilience, not only asset-level protection. **Proceed to Step 2**
	ii. **Make an explicit statement of intent to reduce identified vulnerabilities**	The measure aims to support timely decision-making and reduce vulnerability of people, assets and economic activities due to flooding, storm, and heat events.	
	iii. **Make a clear and direct link between the investment and identified vulnerabilities**	Taking into account increased probability of extreme events, by expanding early warning systems and disaster preparedness improves public safety and allows public service operation under hazard stressors.	
STEP 2: ASSESS MATERIAL CLIMATE IMPACTS	i. **Establish the timeframe of the assessment**	The assessment covers the expected 20–30 year lifespan of the early warning system, ensuring that both current and future climate	The assessment identified the following material heat/rainfall/wind/flood-related impacts: • Extreme heat affecting processing efficiency,

		conditions are considered over the full operational period of the investment.	staff operations, and equipment performance. • Electricity disruption due to wind and flood-related damage. • Route disruption due to road closures. • Facility closure to pluvial flooding. **Proceed to Step 3**
	ii. **Select appropriate climate scenarios to identify material impacts**	A proportionate assessment of material climate impacts has been conducted using multiple climate scenarios, including at minimum SSP5-8.5 and, where available, SSP2-4.5.	
	iii. **Assess exposure, sensitivity, and adaptive capacity**	The assessment evaluated the: • The analysis considers exposure, sensitivity, and adaptive capacity of the early warning system. • Historical temperature, rainfall, wind, and flooding data provides the baseline scenario. • Local hazard maps, national climate assessments, and hydrological models inform the identification of potential cascading impacts.	
STEP 3: ASSESS WHETHER INVESTMENT IS CLIMATE RESILIENT	i. **Identify adapting measures implemented within the investment**	The following measures are incorporated to ensure climate resilient operation under wildfire conditions and are screened against CBRT criteria: • Backup power systems to ensure uninterrupted operation • Redundancy in data sources to	The identified measures have been confirmed as fit-for-purpose and robust under future climate conditions. **Proceed to Step 4**

		reduce dependencies • Siting key electrical equipment outside flood zones • Multiple communication channels to ensure reach. These measures are linked directly to the material risks identified in Step 2 and are assessed against CBRT screening criteria. Where required, measures are assessed against relevant local or global thresholds.	
	ii. **Check for maladaptation risks**	The identified adapting measures were assessed to ensure they do not pose a maladaptation risk by transferring risk to other parts of the network or creating unintended environmental impacts.	
	iii. **Check compliance with DNSH requirements**	The identified adapting measures were assessed to ensure compliance with DNSH requirements including via no significant increase in emissions and no harm to ecosystems or land use.	
STEP 4: ASSESS THE ENABLING CONTRIBUTION	**Check activity against for enabling contribution**	The assessment checked if the activity is listed in the CBRT as a climate resilience solution. The enabling contribution is demonstrated by: • Enabling timely protective action • Reducing loss of life and damage of assets	

		• Reduced public health risks during extreme weather events • Increased resilience of other economic activities.	
STEP 5: MEANS OF IMPLEMENTING THE INVESTMENT	i. **Determine implementation approach**	The investment was implemented through a stand-alone assessment following Steps 1–3 and applying the CBRT screening criteria. Where applicable, proxies were used in line with CBRT guidance, with any additional required checks applied.	The assessment concluded that: • The investment is resilient to identified material heat/ rainfall/ wind/ flood-related impacts • The adapting measures effectively reduce vulnerability to a tolerable level • The investment supports early warning systems under future climate conditions The activity meets the criteria to be classified as an enabling measure under the CBRT.

[7] Climate Bonds Initiative, Climate Resilience Consulting and World Resources Institute, 2019. Climate Resilience Principles: A framework for assessing climate resilience investments, https://www.climatebonds.net/files/page/files/climate-resilience-principles-climate-bonds-initiative-20190917-.pdf

[8] United Nations Environment Programme – Finance Initiative, 2024. Adaptation & Resilience Impact: A measurement framework for investors, https://www.unepfi.org/themes/climate-change/adaptation-resilience-impact-a-measurement-framework-for-investors/

[9] World Bank, 2021. Resilience Rating System: A methodology for building and tracking resilience to climate change, https://www.worldbank.org/en/topic/climatechange/brief/resilience-rating-system-rrs

[10] GIIN, 2024. IRIS+ Climate Adaptation and Resilience theme, https://iris.thegiin.org/webinar/launch-webinar-navigating-impact-theme-climate-adaptation-and-resilience/

[11] ICMA, 2024. Handbook – Harmonised Framework for Impact Reporting, https://www.icmagroup.org/sustainable-finance/impact-reporting/green-projects/

[12] These three steps are mandatory if the CBRT is to be applied in a way that is consistent with the MDB Joint Methodology for Tracking Climate Change Adaptation Finance (Multilateral Development Banks, 2022. Joint Methodology for Tracking Climate Change Adaptation Finance, https://thedocs.worldbank.org/en/doc/20cd787e947dbf44598741469538a4ab-0020012022/original/20220242-mdbs-joint-methodology-climate-change-adaptation-finance-en.pdf).

[13] IPCC, 2023. Sixth Assessment Report, https://www.ipcc.ch/assessment-report/ar6/

[14] For the purposes of this document, 'climate scenarios' refer to projected future climate conditions based on emissions scenarios such as SSPs.

[15] United Nations Environment Programme – Finance Initiative, 2024. Adaptation & Resilience Impact: A measurement framework for investors, https://www.unepfi.org/themes/climate-change/adaptation-resilience-impact-a-measurement-framework-for-investors/

[16] GIIN, 2024. IRIS+ Climate Adaptation and Resilience theme, https://iris.thegiin.org/webinar/launch-webinar-navigating-impact-theme-climate-adaptation-and-resilience/

[17] ICMA, 2024. Handbook – Harmonised Framework for Impact Reporting, https://www.icmagroup.org/sustainable-finance/impact-reporting/green-projects/

Annex V: Enabling activities – investment-level assessment

The process-based guidance for investment-level assessments against CBRT screening criteria for enabling activities draws from the EU Taxonomy Technical Screening Criteria for Substantial Contribution to Adaptation, the Climate Bonds Climate Resilience Principles,[18] the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD),[19] and the International Sustainability Standards Board (ISSB) IFRS S2 on Climate-related Disclosures.[20]

1. Assessment framing

The purpose of this investment-level assessment is to verify that i) the enabling activity is resilient to all potentially material climate impacts, and ii) provides a technology, product, service, information, or practice that builds the climate resilience of other activities.

The assessment is performed within clear boundaries that take account of the nature of the activity and of any interdependencies that go beyond the activity itself, including any potentially critical or cascading impacts within the wider system within which the activity takes place.

In addition, the following three steps may also be considered[21]:

1. Set out the investment's context of vulnerability to climate change.
2. Make an explicit statement of intent of the investment to reduce the climate change vulnerabilities identified.
3. Articulate a clear and direct link between the investment and the climate change vulnerability identified in (1).

2. Assess material climate impacts

The assessment should identify all climate impacts that are material to the activity using the CBRT climate impacts breakdown as defined in section 3.2, to identify which climate impacts may affect the performance of the economic activity during its expected lifetime. The materiality of those climate impacts to the activity should be assessed, and findings used to identify adapting measures that can be implemented in the activity to build resilience to those impacts.

The assessment of climate impacts should be proportionate to the scale of the activity and its expected lifespan. This should entail using climate projections at the smallest appropriate scale for activities with an expected lifespan of less than 10 years. For all other activities, this should entail using the highest available resolution, best available, science-based climate projections across the existing range of future scenarios consistent with the expected lifetime of the activity, including at least, 10- to 30-year climate projections scenarios for major investments. The assessment should be performed in a robust and flexible manner that accounts for inherent uncertainties in future climate change projections. The level of assessment detail should match the expected level of materiality of the climate impact under both current and expected future climate conditions over the activity's lifetime. If any climate impacts are shown not to be material, then no further assessment will be required.

The assessment should use an appropriate timescale over which climate impacts are assessed, matching the intended lifespan of the activity. A baseline scenario of a suitable historical reference period should also be used. The assessment should make use of best practice guidance and take into account best available, science-based projections and related methodologies in line with the most recent Intergovernmental Panel on Climate Change reports,[22] scientific peer-reviewed publications, and open source or paying models. This should entail the use of multiple climate scenarios[23] (e.g., based on SSP5-8.5 at a minimum and SSP2-4.5 if available) and use bottom-up climate impact models to determine the context-specific climate hazards and impacts as appropriate for the size,

type, location, and lifespan of the activity. This should include assessing the degree to which the activity is exposed to a specific climate hazard, depending on its geographic and sector market, and assessing the degree to which the activity is vulnerable to the hazard(s) that it is exposed to and the nature of any impacts that may be experienced as a result.

3. Assess whether activity is climate resilient (adapted)

The assessment should identify adapting measures that build the resilience of the activity to any target climate impacts that are found to be material. These adapting measures are implemented in the investment and checked against their respective CBRT screening criteria for Substantial Contribution to climate resilience so that any material climate impacts identified through the climate risk and vulnerability assessment are mitigated to a tolerable level. These checks are simpler if the adapting measures implemented are all automatically eligible or only require a technical specification check, but may be more complex if any of the adapting measures implemented require investment-level assessment (e.g., against global or local thresholds).

The adapting measures implemented in the investment should, where possible, be consistent with any relevant local, sectoral, regional, or national climate resilience plans and strategies, including NAPs, NDCs, and others. Where relevant and appropriate, they should consider the use of nature-based solutions or blue/green infrastructure.

The climate risk and vulnerability assessment and the consequent integration of adapting measures into the investment should take account of maladaptation as defined in section 4.3. This requires checking that none of the adapting measures implemented in the investment are expected to affect adversely the climate resilience of other people, of nature, of cultural heritage, of assets, and of other economic activities. In addition, the implementation of adapting measures in the activity should do no significant harm to mitigation nor to other environmental or social objectives, as defined in section 4.4.

4. Assess the enabling contribution

The assessment should check that the technology, product, service, information, or practice, that the enabling activity provides is defined as a climate resilience solution in the CBRT.

5. Means of implementing the assessment

This assessment may be implemented in the following ways:

- As a stand-alone assessment performed by the issuer, following steps 1–4 as set out above and using the CBRT screening criteria.
- By obtaining confirmation through the issuer's climate- or sustainability-related disclosure practices (for example, ISSB disclosures) that the activity has adequately assessed steps 1–3 as set out above, in addition to confirming that the technology, product, service, information, or practice that the activity produces or promotes is defined as a climate resilience solution in the CBRT as per step 4.

Box A5: worked example of investment-level assessment of an enabling activity

The below examples illustrate how an enabling activity can be assessed for climate resilience. The process-based assessment follows four key steps:

Step 1: Assessment framing
The assessor defines the scope and boundaries of the activity, establishes the context of vulnerability to climate change, and articulates how the investment aims to reduce identified risks.

Step 2: Assess material climate impacts
The assessor evaluates the material climate impacts affecting the activity over its lifespan using appropriate climate scenarios and assessing exposure, sensitivity, and adaptive capacity.

Step 3: Assess whether the activity is climate resilient (adapted)
The assessor identifies and evaluates adapting measures integrated within the activity to address the material risks, ensuring alignment with CBRT screening criteria, and checks for maladaptation risks and compliance with DNSH requirements.

Step 4: Assess the enabling contribution
The assessment should check that the technology, product, service, information, or practice, that the enabling activity provides is defined as a climate resilience solution in the CBRT.

Step 5: Means of implementing the assessment
Finally, the assessor determines how the assessment is implemented in practice, including the application of CBRT screening criteria and the use of relevant proxies and supporting data where needed.

Example 1
Enabling activity: Manufacturing of water treatment and storage facilities to ensure emergency water supply
Climate hazard: Wildfire damage

Step	Action	Description	Outcome
STEP 1: ASSESSMENT FRAMING	i. **Establish the context of vulnerability to climate change**	Climate projections indicate increased wildfire occurrence, prolonged drought periods, and higher temperatures, which collectively heighten risks of water scarcity, infrastructure damage, and reduced water quality due to sediment and ash contamination.	The assessment verifies that: • The activity can be made resilient to identified wildfire risks • The investment contributes to system-wide resilience, not only asset-level protection. **Proceed to Step 2**
	ii. **Make an explicit statement of intent to reduce identified vulnerabilities**	The activity aims to ensure continuous emergency water supply for communities and critical facilities during wildfire events and recovery periods.	
	iii. **Make a clear and direct link between the investment and identified vulnerabilities**	By developing and deploying water treatment and storage facilities specifically designed to operate under wildfire related stressors, the activity directly enables	

		water system vulnerabilities exacerbated by wildfire impacts.	
STEP 2: ASSESS MATERIAL CLIMATE IMPACTS	i. **Establish the timeframe of the assessment**	The assessment covers the expected 30–50 year lifespan of the storage facility, ensuring that both current and future climate conditions are considered over the full operational period of the investment.	The assessment identified the following material, wildfire-related impacts: • Wildfire damage to above ground installations (heat, flames, smoke) • Extreme heat affecting treatment efficiency and equipment performance • Electricity disruption due to wildfire caused grid failures • Access disruption for maintenance due to road closures. **Proceed to Step 3**
	ii. **Select appropriate climate scenarios to identify material impacts**	A proportionate assessment of material climate impacts has been conducted using multiple climate scenarios, including at minimum SSP5-8.5 and, where available, SSP2-4.5.	
	iii. **Assess exposure, sensitivity, and adaptive capacity**	The assessment evaluated the: • The analysis considers exposure, sensitivity, and adaptive capacity of the treatment and storage facilities. • Historical wildfire data provides the baseline scenario. • Local hazard maps, national climate assessments, and hydrological models inform the identification of wildfire related cascading impacts (e.g., post-fire floods).	
STEP 3: ASSESS WHETHER INVESTMENT IS CLIMATE RESILIENT	i. **Identify adapting measures implemented within the investment**	The following measures are incorporated to ensure climate resilient operation under wildfire conditions and are screened against CBRT criteria: • Fire resistant design of tanks, piping, control panels, and above ground structures • Backup power systems to ensure uninterrupted operation • Remote operation and monitoring systems to maintain performance during access restrictions	The identified measures have been confirmed as fit-for-purpose and robust under future climate conditions. **Proceed to Step 4**

		• Firebreaks, defensible space, and on site suppression systems to reduce wildfire exposure. These measures are linked directly to the material risks identified in Step 2 and are assessed against CBRT screening criteria. Where required, measures are assessed against relevant local or global thresholds, such as: • National and regional climate adaptation plans • Local wildfire management and water scarcity strategies • Community emergency response plans.	
	ii. **Check for maladaptation risks**	The identified adapting measures were assessed to ensure they do not pose a maladaptation risk by worsening wildfire risk for surrounding ecosystems, or reducing water access for communities or ecosystems.	
	iii. **Check compliance with DNSH requirements**	The identified adapting measures were assessed to ensure compliance with DNSH requirements including by not increasing water extraction beyond sustainable levels, or increasing reliance on fossil fuels without mitigation considerations.	
STEP 4: ASSESS THE ENABLING CONTRIBUTION	**Check activity against for enabling contribution**	The assessment checked if the activity is listed in the CBRT as a climate resilience solution. The enabling contribution is demonstrated by: • Improved emergency water supply capacity for communities and critical infrastructure • Support to firefighting operations through accessible emergency water reserves • Increased resilience of other economic	The investment meets the criteria to be classed as a resilient enabling activity.

		activities dependent on secure water availability.	
STEP 5: MEANS OF IMPLEMENTING THE INVESTMENT	**Determine implementation approach**	The investment was implemented through a stand-alone assessment following Steps 1–4 and applying the CBRT screening criteria. Where applicable, proxies were used in line with CBRT guidance, with any additional required checks applied.	The assessment concluded that: • The investment is resilient to identified material wildfire-related impacts • The adapting measures effectively reduce vulnerability to a tolerable level • The investment supports wildfire risk mitigation under future climate conditions. The activity meets the criteria to be classified as an enabling activity under the CBRT.

Example 2
Enabling activity: Provision, upgrade or expansion of evacuation/shelter facilities
Climate hazard: Storm damage

Step	Action	Description	Outcome
STEP 1: ASSESSMENT FRAMING	i. **Establish the context of vulnerability to climate change**	Climate projections indicate increased storm occurrence and severity, which heightens risks to human life due to high winds and rainfall causing damage to surrounding buildings and infrastructure.	The assessment verifies that: • The activity can be made resilient to identified storm damage risks • The investment contributes to system-wide resilience, not only asset-level protection. **Proceed to Step 2**
	ii. **Make an explicit statement of intent to reduce identified vulnerabilities**	The activity aims to ensure there is a facility suitable for shelter during extreme storm events for protection of local communities.	
	iii. **Make a clear and direct link between the investment and identified vulnerabilities**	By providing an evacuation shelter facility specifically designed to withstand severe storm events, the activity directly enables storm vulnerabilities to wind damage, flooding, and	

		loss of habitable structures.	
STEP 2: ASSESS MATERIAL CLIMATE IMPACTS	i. **Establish the timeframe of the assessment**	The assessment covers the expected 30–50 year lifespan of the shelter facility, ensuring that both current and future climate conditions are considered over the full operational period of the investment.	The assessment identified the following material, storm-related impacts: • Wind damage to the structural envelope of a building. • Flooding from rainfall or storm surges. • Power outages disrupting operation and essential equipment. • Inaccessible evacuation routes. **Proceed to Step 3**
	ii. **Select appropriate climate scenarios to identify material impacts**	A proportionate assessment of material climate impacts has been conducted using multiple climate scenarios, including at minimum SSP5-8.5 and, where available, SSP2-4.5.	
	iii. **Assess exposure, sensitivity, and adaptive capacity**	The assessment evaluated the: • The analysis considers exposure, sensitivity, and adaptive capacity of the shelter facility. • Historical wind and precipitation data provides the baseline scenario. • Local hazard maps, national climate assessments, and hydrological models inform the identification of storm-related cascading impacts (e.g., post-storm floods).	
STEP 3: ASSESS WHETHER INVESTMENT IS CLIMATE RESILIENT	i. **Identify adapting measures implemented within the investment**	The following measures are incorporated to ensure climate resilient operation under wildfire conditions and are screened against CBRT criteria: • Reinforced structure and foundation to withstand extreme wind conditions and sudden impacts. • Aerodynamic roof to reduce wind loads stress. • Connectivity to power and emergency alert	The identified measures have been confirmed as fit-for-purpose and robust under future climate conditions. **Proceed to Step 4**

		systems for monitoring. These measures are linked directly to the material risks identified in Step 2 and are assessed against CBRT screening criteria. Where required, measures are assessed against relevant local or global thresholds, such as: • Community emergency response plans.	
	iii. **Check for maladaptation risks**	The identified adapting measures were assessed to ensure they do not pose a maladaptation risk by materially increasing surface runoff risk for surrounding ecosystems.	
	iv. **Check compliance with DNSH requirements**	The identified adapting measures were assessed to ensure compliance with DNSH requirements including by ensuring accessibility for vulnerable users.	
STEP 4: ASSESS THE ENABLING CONTRIBUTION	**i. Check activity against for enabling contribution**	The assessment checked if the activity is listed in the CBRT as a climate resilience solution. The enabling contribution is demonstrated by: • Reduced injury and mortality risk during extreme storm events. • Increased resilience of dependent activities through shelter capacity. • Support to emergency operations.	
STEP 5: MEANS OF IMPLEMENTING THE INVESTMENT	i. **Determine implementation approach**	The investment was implemented through a stand-alone assessment following Steps 1–4 and applying the CBRT screening criteria. Where applicable, proxies were used in line with CBRT guidance, with any additional required checks applied.	The assessment concluded that: • The investment is resilient to identified material storm-related impacts • The adapting measures effectively reduce

			vulnerability to a tolerable level • The investment supports storm risk management under future climate conditions. The activity meets the criteria to be classified as an enabling activity under the CBRT.

[18] Climate Bonds Initiative, Climate Resilience Consulting and World Resources Institute, 2019. Climate Resilience Principles: A framework for assessing climate resilience investments, https://www.climatebonds.net/files/page/files/climate-resilience-principles-climate-bonds-initiative-20190917-.pdf

[19] Task Force on Climate-related Financial Disclosures, 2017. Recommendations of the Task Force on Climate-related Financial Disclosures, https://www.fsb-tcfd.org/

[20] IFRS Foundation, 2023. IFRS S2 Climate-related Disclosures, https://www.ifrs.org/issued-standards/ifrs-sustainability-standards-navigator/ifrs-s2-climate-related-disclosures/

[21] These three steps are mandatory if the CBRT is to be applied in a way that is consistent with the MDB Joint Methodology for Tracking Climate Change Adaptation Finance (Multilateral Development Banks, 2022. Joint Methodology for Tracking Climate Change Adaptation Finance, https://thedocs.worldbank.org/en/doc/20cd787e947dbf44598741469538a4ab-0020012022/original/20220242-mdbs-joint-methodology-climate-change-adaptation-finance-en.pdf).

[22] IPCC, 2023. Sixth Assessment Report, https://www.ipcc.ch/assessment-report/ar6/

[23] For the purposes of this document, 'climate scenarios' refer to projected future climate conditions based on emissions scenarios such as SSPs.

Annex VI: Resilience Taxonomy Advisory Group Members (2023–2024)

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Eugene Karl Montoya Alessandri, Sandmont Natural Capital
Felicity Spors, Gold Standard Foundation
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Jaime Sarmiento, Inter-American Development Bank (IADB)
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John Firth, University of Liverpool (Department of Civil & Environmental Engineering)
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Michael Mullan, Organisation for Economic Co-operation and Development (OECD)
Morgan Richmond, Climate Policy Initiative (CPI)
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Sabrina Nagel, High-level Champions
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