

May 2025

# Climate Bonds Resilience Taxonomy

CLIMATE RESILIENCE PROCESS  
CRITERIA FOR CERTIFICATION

# SUPPLEMENTARY DOCUMENT

## 1. Introduction

This supplementary document outlines:

Criteria for certifying climate resilience investments that are identified in the Climate Bonds Resilience Taxonomy (CBRT), but which do not currently have Climate Bonds Sector Criteria covering climate resilience<sup>i</sup>. This should be read and applied alongside the draft of the Climate Bonds Standard v4.3 Section 2.

## 2. Criteria for certifying climate resilience investments listed in the climate bonds resilience taxonomy

This document sets out interim criteria for certifying climate resilience investments that are listed in the Climate Bonds Resilience Taxonomy<sup>ii</sup> ('CBRT investments'). These investments and associated criteria are relevant to Use-of-Proceeds (UoP) Certification and Asset Certification only.

These interim criteria apply to CBRT investments across all the sectors and investment types (i.e. adapted activity, enabling activity, adapting measure, enabling measure) identified in the CBRT. They override the draft technical screening criteria set out in the CBRT as these are still pending review and validation and cannot yet be used.

They are interim as, on a sector-by-sector basis, the draft criteria set out in the CBRT will be reviewed and validated by sector-specific TWGs, who will also identify investment-specific proxies that may be used to simplify and standardise investment screening. Those validated criteria and proxies will progressively replace the interim criteria presented in this document. It is expected that this will, over time, facilitate more streamlined and efficient certification processes.

This document should be read and applied in conjunction with paragraph 2.4 of the Climate Bonds Standard v4.3.

### 2.1 Requirements for Certification

CBRT investments are certifiable if they:

- i) Make a Substantial Contribution (SC) to climate resilience; and
- ii) Manage any associated maladaptation risks; and
- iii) Do no significant harm (DNSH) to climate mitigation objectives.

It is important to note that some CBRT investments have been pre-assessed during the development of the CBRT as meeting some or all of these elements. For other CBRT investments issuers/applicants for certification are required to provide evidence that these elements are met.

### Box 1: Definitions of terms used

This guidance uses the same terms that are defined in the CBRT Methodology Document<sup>iii</sup>, which provides fuller explanations of each term:

**Substantial Contribution (SC) to climate resilience:** a measurable reduction in vulnerability (or exposure) to climate impacts in the investment context.

**Maladaptation:** the risk of an unintended measurable increase in vulnerability (or exposure) in the investment context and/or in the wider system within which the investment is situated. This may be the result of physical climate risk uncertainty, or of miscalculation that leads to increased vulnerability to the risk to that the investment is intended to address. It may also be caused by a failure to consider system boundaries that leads to increased vulnerability to physical climate risks that are externalities to the investment context.

**Do no significant harm (DNSH) to mitigation:** avoiding undermining climate mitigation objectives by causing a significant increase in GHG emissions (e.g., high energy-intensity and/or fossil fuel use)<sup>iv</sup>.

**Adapted investment:** an investment that includes measures that substantially reduce the risk of adverse impacts of current and expected future climate on that investment itself. These are further defined in the CBRT as:

**Adapting measure:** a specific action or intervention taken within an activity to make it more climate resilient.

**Adapted activity:** an economic activity that has implemented specific adapting measures to make it more climate resilient to the target climate impacts that it is intended to address, bringing the risk down to an acceptable level.

**Enabling investment:** an investment that makes an enabling contribution through the provision of a technology, product, service, information, or practice, or through promoting their use, to build the climate resilience to identified climate impacts of other activities including people, nature, cultural heritage or other economic activities beyond the investment. These are further defined in the CBRT as:

**Enabling measure:** a specific intervention implemented within an economic activity with the primary intention to enhance the resilience of one or more other economic activities.

**Enabling activity:** an activity that has the primary purpose of enhancing the climate resilience of other activities or systems.

**Investment-level assessment:** the process of assessing an investment to identify any material climate impacts to the investment and determine whether they have been mitigated to a tolerable level, and also (for enabling investments only) to determine whether the investment makes an enabling contribution that builds the climate resilience of activities beyond the investment.

Further explanations are provided in the CBRT Methodology Document<sup>v</sup>.

This document:

- a) Describes how to identify for any investment when additional evidence is required in respect of any of these elements (see Table 1)
- b) Describes the evidence required to demonstrate compliance with each of these elements. This is how to demonstrate that an investment meets these requirements. It is presented in a form of a checklist of information that issuers must provide to verifiers, and verifiers must assess meets the requirements of this document.

Table 1: Evidence required for certification of different types of CBRT investments

Element		Evidence required when
The investment makes a Substantial Contribution (SC) to resilience	The investment is adapted	The investment is any of the following: Adapted Activity or Enabling Activity or Enabling Measure (indicated in CBRT column F); or Adapting Measure (indicated in CBRT column F) that is <i>not</i> flagged as “n/a” in CBRT column I.
	The investment makes an enabling contribution	The investment an Enabling Activity or an Enabling Measure (indicated in CBRT column F)
Maladaptation risks are managed		The investment is any of the following: Adapted Activity or Enabling Activity or Enabling Measure (indicated in CBRT column F); Adapting measure (indicated in CBRT column F) that requires “an investment-level assessment against a global or local threshold” (indicated in CBRT column J)
The investment does no significant harm (DNSH) to mitigation		The investment is flagged as having the potential for significant harm to mitigation objectives (indicated by “Y” in CBRT column L.

## Component 1: The investment makes a Substantial Contribution to climate resilience

### a. Investment-specific material climate change impacts are identified

- Description of the boundaries used for the investment-level assessment, where:
  - For adapting measures: focus is on the activity within which the investment is made.
  - For other investment types: the boundaries are set so as to cover the wider system (i.e. value-chain, sector, market, ecosystem, region or country) within which the investment takes place, including any interdependencies with supporting infrastructure, supply chains, workforce, communities, natural capital, etc.
- Evidence that the timescale (e.g. 10-year time horizon) used for the investment-level assessment covers the expected lifespan of the assets or activities being financed in the investment.
- Description of the sources of climate change projections used in the investment-level assessment, and of any uncertainties in those projections:
  - For adapting measures: citing evidence from authoritative third-party sources (e.g. government reports, industry recommendations, academic research, etc.) of climate impacts that may affect the activity in which the investment takes place.
  - For other investment types: using best available, science-based projections and related methodologies in line with the most recent Intergovernmental Panel on Climate Change reports<sup>vi</sup>, scientific peer-reviewed publications or open source or paying models, confirming the use of multiple climate scenarios (e.g. SSP5-8.5 at a minimum and SSP2- 4.5 if available) and downstream impact modelling<sup>vii</sup>.
- Identification of all investment-specific climate impacts (using the climate hazard consequences listed in Table 6 of the CBRT Methodology Document) that may have detrimental effects on:
  - For adapting measures: The activity within which the investment is taking place.

- For all other investment types: The wider system (as defined above) within which the investment takes place.
- b. The investment is adapted to identified material climate impacts
- Description of the adapting measure, or (for other investment types) all the measures integrated into the investment, that respond(s) to the material climate impacts identified through the investment-level assessment.
  - Explanation of how the adapting measure, or (for other investment types) all the measures integrated into the investment, is/are expected to build resilience to the identified material climate change impacts so that the investment can perform its intended function notwithstanding the projected climate impacts over the lifespan of the assets or activities being financed.
  - Description of whether the adapting measure, or (for other investment types) the integrated measures are consistent with relevant sectoral, local or national climate resilience plans or strategies, including at a minimum National Adaptation Plans (NAPs) or equivalent, where available.
- c. The investment makes an enabling contribution to wider climate resilience (for enabling investments only – indicated in CBRT Column F)
- Description of the technology, product, service, information set, or practice that the investment provides, produces or delivers that is expected to improve the climate resilience of activities beyond the investment.
  - Identification of the specific activities beyond the investment, which could be people, nature, cultural heritage or other economic activities, that are expected to be made more climate resilient by the investment.
  - Explanation of how the technology, product, service, information set, or practice that the investment provides, produces or delivers is expected to improve the climate resilience of the identified activities beyond the investment so that they can perform their intended functions notwithstanding the projected climate impacts over the lifespan of the investment.

**Component 2: Any maladaptation risks associated with the investment are managed**

- a. Identified maladaptation risks are addressed
- Identification of any uncertainties in the climate change projections used in the investment-level assessment that may impair the effectiveness of the measures integrated into the investment to build resilience to identified material climate impacts.
  - Identification of any other people, nature, cultural heritage, assets or other economic activities may be adversely affected by the potentially impaired effectiveness of those measures as a result of any identified uncertainties in climate change projections.
  - Description of actions taken to avoid or minimise any potential adverse effects on parties beyond the investment so that they are not adversely affected by any impaired effectiveness of the measures integrated into the investment to build resilience to identified material climate impacts.
- b. Emergent maladaptation risks are monitored
- Description of investment monitoring processes including environmental and social risk management over the lifespan of the investment.
  - Explanation of how the climate change projections used in the investment-level assessment will be reviewed against actual climate conditions over the lifespan of the investment.

- Description of remedial actions to be taken in the management of the assets or activities financed through the investment in the event that the climate change projections used in the investment-level assessment turn out to misrepresent actual climate conditions over the lifespan of the investment.

**Component 3: The investment does no significant harm (DNSH) to mitigation objectives (see also Figure 2)**

- The causes of potential significant harm to mitigation are disclosed; and
  - Where possible and relevant, evidence that the investment meets existing sector-specific DNSH to mitigation criteria from credible and authoritative sources such as the EU Taxonomy or other sustainable finance taxonomies that have been approved by national or regional authorities.
  - Where not possible or relevant;
    - (i) Evidence that the investment avoids the lock-in of fossil fuel use by demonstrating that it only uses technologies or equipment that are compatible with non-fossil fuel use (e.g. grid electricity) and do not commit the assets or activities financed to long-term or permanent fossil fuel use, and
    - (ii) Where possible and practical, evidence on the basis of an investment-specific GHG audit or similar that the investment is expected to avoid a material increase in GHG emissions intensity per unit over the lifespan of the investment, e.g. tCO<sub>2</sub>eq per unit of product produced, or per unit floorspace, etc.

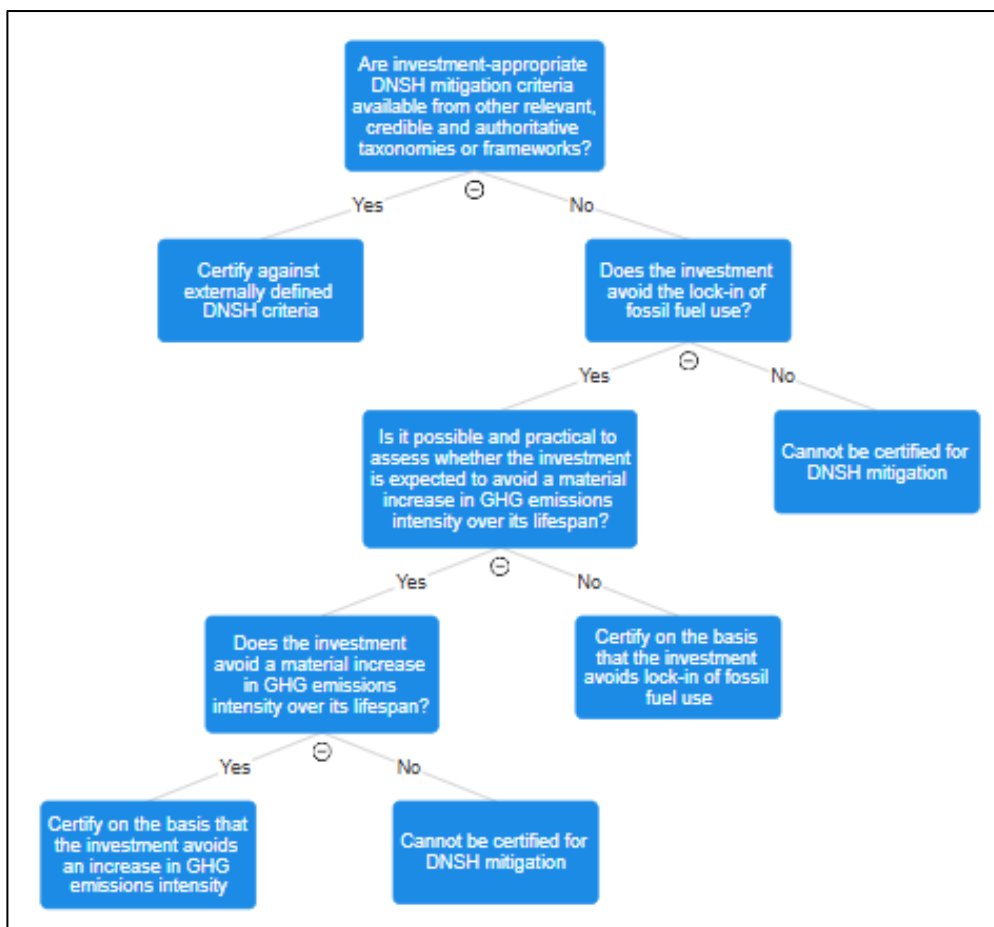


Figure 1: Decision tree for certifying climate resilience investments for DNSH mitigation

<sup>i</sup> For the purposes of this document, the terms ‘climate resilience’, ‘resilience’, ‘climate adaptation’ and ‘adaptation’ are all used interchangeably, but the preferred default term used throughout is ‘climate resilience’.

<sup>ii</sup> [Resilience Taxonomy Access | Climate Bonds Initiative](#)

<sup>iii</sup> [CBI Res Meth 24\\_03C.pdf](#)

<sup>iv</sup> NB In this certification guidance DNSH is limited to a focus on DNSH to climate mitigation objectives and does not consider DNSH to other environmental and social objectives.

<sup>v</sup> [https://www.climatebonds.net/files/files/CBI\\_Res\\_Meth\\_24\\_03C.pdf](https://www.climatebonds.net/files/files/CBI_Res_Meth_24_03C.pdf)

<sup>vi</sup> [Sixth Assessment Report — IPCC](#)

<sup>vii</sup> e.g. modelling how specific investment-relevant systems may be affected by changing climate conditions, e.g. river basins, food production, epidemiology, etc.