



**CFP Statement of Application for ICMA Codes of Conduct for ESG
Data Products Providers**

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Introduction

Below is CFP Green Buildings's statement related to its application of the International Capital Markets Association Code of Conduct for ESG Ratings and Data Products Providers (ICMA Code), a self-attestation of compliance with the Hong Kong Code of Conduct for ESG Ratings and Data Products Providers (Hong Kong Code), and a self-attestation of compliance with the Singapore Code of Conduct for ESG Rating and Data Product Provider (Singapore Code), collectively "the Codes". CFP supports all of these codes given they closely follow the International Organisation of Securities Commissions (IOSCO) 2021 Recommendations for ESG Ratings and Data Products Providers.

CFP undertakes its business in a manner that is consistent with the principles underpinning the IOSCO Recommendations: transparency, striving for the highest quality, good governance, managing conflicts of interest and efficient data procurement. Alongside our endorsement of both the Codes, we stand ready to further engage with industry and regulatory groups on the development of similar initiatives going forward to ensure – via mutual reference to the IOSCO Recommendations – the maximum level of interoperability between different initiatives across different jurisdictions. Ultimately, the adoption of these principles across the board can improve outcomes at an industry level, and support trust in the ESG data and evaluation industry.

Background

CFP Green Buildings is a consultancy firm dedicated to simplifying and promoting sustainability in the real estate sector.

A key offering is the **Green Buildings Tool**, an online platform that enables users to assess the sustainability of their buildings or entire portfolios. This tool provides insights into energy consumption, CO₂ emissions, and potential savings, facilitating compliance with regulations such as the Energy Savings Obligation in the Netherlands and aiding in the preparation of ESG reports.

In addition to the Green Buildings Tool, CFP Green Buildings assists organizations with **carbon reporting**. They guide clients through data collection, analysis, and the development of actionable strategies to reduce carbon footprints, ensuring alignment with frameworks like the Corporate Sustainability Reporting Directive (CSRD).

Furthermore, CFP offers **data consultancy services**, providing in-depth analyses of real estate portfolios. This includes baseline assessments, progress reports, and support in issuing green bonds by identifying assets that meet sustainability criteria.

Through these services, CFP Green Buildings empowers clients to make informed decisions, comply with evolving ESG regulations, and contribute to a more sustainable built environment.

Application of the Codes

Below is a principle-by-principle analysis of CFP's business in relation to the ICMA, Hong Kong and Singapore Codes of Conduct.

1. Good Governance

ESG ratings and data products providers should ensure appropriate governance arrangements are in place that enable them to promote and uphold the principles and overall objectives of the Code of Conduct. (ICMA/Hong Kong Code only, Principle 1)

Good governance, transparency and accountability are at the core of CFP's business operations. Through this, CFP ensures it can uphold the principles outlined in the Codes. CFP has a clear organizational structure, with appropriate oversight of all ESG data and evaluation products and minimizes any conflicts of interest that arise in the process of doing business.

When making significant decisions – such as developing new products, making changes to existing methodologies or onboarding new data sources – clear processes and procedures are followed to ensure the quality and independence of CFP's products.

The product development involves an internal group of ESG experts that helps to ensure the sound and appropriate application of ESG principles to the product's objectives, usability, and application. All those involved are responsible for and enabled to follow the principles set out in this Statement of Application through their respective role

2. Securing Quality

ESG ratings and data products providers should adopt and implement written policies and procedures designed to help ensure the issuance of high quality ESG ratings and data products. (ICMA/Hong Kong Principle 2)

The ESG Rating and Data Product Provider should adopt and implement written policies and procedures designed to ensure the issuance of high quality ESG rating and data products based on publicly disclosed data sources where possible, and other information sources where necessary, using transparent and defined methodologies. (Singapore Principle 1)

CFP strives for excellence in terms of the quality of its data, methodologies and tools. CFP leverages advanced analytics to collect and analyse data points, perform reliability checks and run estimation models at scale. All CFP products are subject to rigorous policies, processes and standards that are regularly reviewed for improvements. Continuous learning is at the core of CFP's quality standards, and the company has multiple channels for clients to share feedback in order to drive improvements.

CFP sustainability experts work together with tech experts to innovate, create, deploy and maintain reliable and transparent tools and scores by leveraging advanced technology. In this way, CFP ensures that technology and human expertise work hand in hand delivering quality outputs for our clients.

In our data collection process, CFP employs comprehensive automated data quality controls, including reliability checks, developed and continuously improved by data science and sustainability

experts. When assessing data our algorithms, our human-in-the-loop approach, is able to identify, eliminate and correct inconsistencies. This approach allows us to provide our clients with high-quality and reliable data. Our data points are also fully traceable to the source.

Where CFP works with external data providers to complement its own data collection, it enforces the strictest standards with all of its providers and regularly and comprehensively reviews the quality of the data and services it receives, by applying quality assurance processes.

Next to the internal quality assurance processes the model used for delivering data is validated by an external party. We balance the need for transparency of our methodology with the protection of our intellectual property. As such, the external validation report can be obtained by our customers upon request under NDA.

3. Ensuring Independence and Managing Conflicts of Interest

ESG ratings and data products providers should adopt and implement written policies and procedures designed to help ensure their decisions are independent, free from political or economic interference, and appropriately address actual or potential conflicts of interest that may arise from, among other things, the ESG ratings and data products providers' organisational structure, business or financial activities, or the financial interests of the ESG ratings and data products providers and their officers and employees. ESG ratings and data products providers should identify, avoid or appropriately manage, mitigate and disclose actual or potential conflicts of interest that may compromise the independence and integrity of the ESG ratings and data products providers' operations. (ICMA/Hong Kong Principle 3)

The ESG Rating and Data Product Provider should adopt and implement written policies and procedures designed to ensure its decisions are independent, free from political or economic interference, and appropriately address potential conflicts of interest that may arise from, among other things, its organisational structure, business or financial activities, financial interests, and personnel.

The ESG Rating and Data Product Provider should identify, avoid or appropriately manage, mitigate and disclose potential conflicts of interest that may compromise the independence and objectivity of its operations. (Singapore Principle 2 & 3)

CFP outputs are calculated by algorithms based on publicly available information. The development of algorithms and their underlying rules and methodology are the joint responsibility of our Head of Product Development and in house experts, who ensure that the integrity of our data is maintained.

Any production data changes go through a review and validation process.

Customers can only affect outputs generated by CFP through the initial customization of parameters to define the scope of any analysis and the ability to complement calculated or generated outputs with their own data. This data is solely available to those customers.

Finally, all our employees and contractors must adhere to our Code of Conduct, which covers our key values, including our commitment to prevent any conflicts of interest.

Nevertheless, conflicts may arise in the course of changing industry dynamics or further growth of the company. CFP monitors conflicts throughout its business and continuously updates its policies, including regarding the management of conflicts of interest as necessary.

4. Ensuring Transparency

ESG ratings and data products providers should make adequate levels of public disclosure and transparency a priority for their ESG ratings and data products, including their methodologies and processes to enable the users of the product to understand what the product is and how it is produced, including any potential conflicts of interest and while maintaining a balance with respect to proprietary or confidential information, data and methodologies. (ICMA/Hong Kong Principle 4)

The ESG Rating and Data Product Provider should make adequate levels of public disclosure and transparency a priority for its ESG rating and data products, including their methodologies and processes to enable the users of the ESG rating and data products to understand what the product entails and how it is produced, while maintaining a balance with respect to proprietary or confidential information, data and methodologies. (Singapore Principle 4)

CFP offers full transparency to its clients on the methodology and the source of each underlying data point.

Documentation of our used methodology for calculated metrics includes an explanation of how the metric has been constructed and the inputs that went into that calculation.

Type and source of raw data is specified: e.g. for quantitative metrics, CFP flags whether the data is reported or estimated and whether the data is from CFP or an external provider

For CFP estimated data, we provide the confidence level of the estimate.

CFP investigates any queries on its data or outputs with the utmost diligence. Our outputs are based on data collected directly from reported entities or trusted third parties. Where estimates are used, the assumptions underpinning them are well documented.

Any updates to methodologies or changes to underlying data are fully communicated in advance to impacted clients, along with an explanation of the change and its implications. CFP also maintains a data change log that tracks any such changes to ensure they can be reviewed and audited at a later date as required. CFP keeps an accurate track of every change in its data sets over time. Every sustainability measure can be reproduced at any point in time upon request.

5. Confidentiality

ESG ratings and data products providers should adopt and implement written policies and procedures designed to address and protect all non-public information received from or communicated to them by any entity, or its agents, related to their ESG ratings and data products, in a manner appropriate in the circumstances. (ICMA/Hong Kong Principle 5)

The ESG Rating and Data Product Provider should adopt and implement written policies and procedures designed to address and protect all non-public information received from or communicated to it by any entity, or its agents, related to its ESG rating and data products, where appropriate in the circumstances. (Singapore Principle 5)

In the instances where CFP receives any confidential information, we have policies in place to ensure it is handled to the highest possible standards. CFP processes any sensitive information in line with confidentiality obligations and ensures all of our providers do the same. In addition, CFP has a code of conduct and information security policies which also contain obligations to maintain confidentiality of the information that employees need to abide by. CFP also has internal policies regarding data classification and data handling already in place.

We have been awarded the globally recognised ISO 27001 and SOC 2 Type II accreditations, demonstrating our commitment to exceptional quality and robust information security management.

The ISO 27001 certification is the international standard for Information Security Management Systems (ISMS). It provides a framework for managing information security risks, including legal, physical, and technical controls that involve an organisation's information risk management processes. The team's achievement of ISO 27001 accreditation testifies to their dedication to ensuring the security and integrity of the confidential data entrusted to them.

SOC2 Type II is a Service Organization Control (SOC) audit on how a cloud-based service provider handles sensitive information. For cloud service companies, having an independent assessment of their security safeguards is a cornerstone of trust, covering four out of the five total trust service principles (TSPs) for CFP: security, availability, processing integrity and confidentiality.

6. Engagement and Communication with Companies

ESG ratings and data products providers should regularly consider whether their information gathering processes with entities covered by their products leads to efficient information procurement for both the providers and these entities. Where potential improvements to information gathering processes are identified, ESG ratings and data products providers should consider what measures can be taken to implement them. Where feasible and appropriate, ESG ratings and data products providers should respond to, and address issues flagged by entities covered by their ESG ratings and data products and by users while maintaining the independence and integrity of these products. (ICMA/Hong Kong Principle 6)

The ESG Rating and Data Product Provider should ensure that information gathering processes with the covered entity, where relevant, is done in a manner that leads to efficient information procurement for it and these entities.

*Where feasible and appropriate, the ESG Rating and Data Product Provider should respond to, and address issues raised by the covered entity while maintaining the objectivity of these products.
(Singapore Principle 6 & 7)*

CFP leverages technology to perform data collection and extraction, and to perform quality analysis and reliability checks. In doing so, CFP minimizes errors inherent in manual data collection processes. This procurement also ensures the quality of the derived sustainability data.

When CFP communicates with companies, we ensure those communications are open and never influence the outcome of pre-defined, rules-based assessments. CFP welcomes any relevant, factual feedback on raw data from companies. Data errors or missing data points can be reported directly to CFP.