

Climate Action 100+ Net Zero Company Benchmark Version 2.2 Framework

The Climate Action 100+ Net Zero Company Benchmark plays an integral role in defining corporate climate leadership, adding detail to the initiative's **three-high level goals**: emissions reduction, governance and disclosure. The assessments measure companies against key actions they can take to align their businesses with the Climate Action 100+ and Paris Agreement goals and independent assessments provided by our research partners support investors with clear insights into companies' progress on climate risks and opportunities.

The consolidation of a broad scope of research has resulted in simplified, broadly applicable roadmap for guiding focus company action. Assessments are provided by the Transition Pathway Initiative Centre (TPI Centre), FTSE Russell, Carbon Tracker Initiative (CTI), InfluenceMap and the Rocky Mountain Institute (RMI). You can view each of their full methodologies and assessment criteria on our [website](#).

The measurement of company actions against this roadmap provides an entry point for signatories' conversations with companies, however all investors have differing mandates and starting points together with considerations of jurisdiction, regulation and best practice, from which they make their own decisions and frame engagements at a local, sector and company specific scale.

Below is an overview of the full Benchmark Framework for the V2.2 Assessments:

Assessment Indicators and topic	Assessment Provider
<p>INDICATOR 1: NET ZERO GHG EMISSIONS BY 2050 (OR SOONER) AMBITION</p> <p>Evaluates whether companies have set an ambition to achieve net zero GHG emissions by 2050 or sooner.</p> <p><i>Sub-indicators 2.3, 3.3 and 4.3 of the TPI assessments are based on the TPI Centre's Carbon Performance methodologies for different sectors.</i></p>	<p>THE TPI CENTRE</p>
<p>INDICATOR 2: LONG-TERM GHG REDUCTION TARGETS</p> <p>Evaluates whether companies have set a long-term target for reducing GHG emissions in the period between 2036 and 2050.</p>	
<p>INDICATOR 3: MEDIUM-TERM GHG REDUCTION TARGETS</p> <p>Evaluates whether companies have set a medium-term target for reducing GHG emissions in the period between 2029 and 2035.</p>	
<p>INDICATOR 4: SHORT-TERM GHG REDUCTION TARGETS</p> <p>Evaluates whether companies have set a short-term target for reducing GHG emissions in the period up to 2028.</p>	
<p>INDICATOR 5: DECARBONISATION STRATEGY</p> <p>Evaluates whether companies have outlined a decarbonization strategy that explains how they intend to meet their GHG reduction targets and specifies the role of climate solutions.</p>	
<p>INDICATOR 6: CAPITAL ALLOCATION</p> <p>Evaluates whether companies are working to decarbonize their capital expenditures and explain how they intend to invest in climate solutions.</p>	
<p>CAPEX AND TRANSITION PLAN ALIGNMENT ASSESSMENTS: Capex and Transition Plan Assessment/ Analysis provide investors with insights into whether the company's capital expenditures and/or transition plans are aligned with the Paris Agreement goals. This presents a useful indication of real-world company impact and how exposed a company might be to risks associated with the transition.</p>	<p>CARBON TRACKER INITIATIVE & ROCKY MOUNTAIN INSTITUTE</p>
<p>INDICATOR 7: CLIMATE POLICY ENGAGEMENT</p>	
<p>The TPI Centre assesses if the company commits to conducting its policy engagement activities in accordance with the goals of the Paris Agreement (Sub-indicator 7.1).</p>	<p>THE TPI CENTRE</p>
<p>Evaluates if companies review their own and their industry associations' climate policy engagement positions / activities (Sub-indicator 7.2).*</p> <p>InfluenceMap's Alignment Assessments provide detailed analyses of the alignment of real-world company climate policy engagement actions (direct and indirect via their industry associations) with science-aligned pathways to limit warming to 1.5°C, as well as the quality, accuracy and completeness of corporate disclosures and reviews on climate policy engagement.</p>	<p>InfluenceMap</p>

Assessment Indicators and topic	Assessment Provider
<p>INDICATOR 8: CLIMATE GOVERNANCE</p> <p>Evaluates whether companies have disclosed evidence of board oversight of climate change, if their executive remuneration scheme incorporates climate change performance elements and if their board has sufficient capabilities/competencies to assess and manage climate-related risks and opportunities.</p>	<p>THE TPI CENTRE</p>
<p>INDICATOR 9: JUST TRANSITION</p> <p>Evaluates whether companies commit to the principles of a Just Transition and have disclosed how they are planning for and monitoring progress towards a Just Transition.</p>	
<p>INDICATOR 10: CLIMATE-RELATED DISCLOSURES</p> <p>Evaluates whether companies have publicly committed to implement the recommendations of the Task Force on Climate related Financial Disclosures (TCFD) OR IFRS S2 Standards and employ as well as disclose climate-scenario planning to test their strategic and operational resilience.</p>	
<p>INDICATOR 11: HISTORICAL GHG EMISSIONS REDUCTIONS</p> <p>Evaluates whether companies' historical intensity and absolute emissions are decreasing and if they have disclosed the factors underlying any changes in their historical emissions trajectory.</p>	
<p>CLIMATE ACCOUNTING & AUDIT</p> <p>This assessment, provided by the Carbon Tracker Initiative, evaluates whether a company's financial statements (including the notes thereto), and the auditor's report thereon, reflect the financial effects of climate-related risk and the global move onto a 2050 (or sooner) net zero greenhouse gas (GHG) emissions pathway and achieving the Paris Agreement goal of limiting global warming to no more than 1.5°C.</p>	<p>CARBON TRACKER INITIATIVE</p>

*The assessment of whether a company has reviewed its own and its trade associations' climate policy engagement positions/activities (previously Sub-indicator 7.2 in the Disclosure Framework assessed by the TPI Centre) will be evaluated by InfluenceMap in 2025. This Indicator will be a binary assessment (Yes/No) of whether a company has published a review of its direct (corporate) and indirect (industry associations) climate policy engagement. Assessments within this Indicator will no longer have an impact on the overall assessment of Indicator 7.

Scope 3 Assessment - Used for Indicators 1-4, 5 and 11:

You can read more about the TPI Centre and FTSE Russell's approach to Scope 3 assessment classification [here](#).

Cluster	Sector	Scope 3 emissions / targets assessed (Type of scope 3 assets)
Energy	Oil and Gas	Yes (GHG Protocol Category 11 - Use of sold products)
	Oil and Gas Distribution	Yes (GHG Protocol Category 11 - Use of sold products)
	Electric Utilities	Utilities with oil/gas distribution businesses (GHG Protocol Category 11 - Use of sold products for electric utilities with an oil and gas distribution business)
	Coal Mining	Yes (GHG Protocol Category 11 - Use of sold products)
Transport	Autos	Yes (GHG Protocol Category 11 - Use of sold products)
	Airlines	Yes (GHG Protocol Category 3 - Fuel- and energy-related activities)
	Shipping	No
	Other Transport	Yes (GHG Protocol Category 11 - Use of sold products)
Industrials	Aluminium	No
	Cement	No
	Steel	No
	Chemicals	Yes (GHG Protocol Category 1 - Purchased goods and services and GHG Protocol Category 11 - Use of sold products)
	Paper	No
	Diversified Mining	Yes (GHG Protocol Category 10 - Processing of sold products, for coal manufacturers and Category 11 - Use of sold products)
	Other Industrials	On a case-by-case basis (GHG Protocol Category 11 - Non-electricity use of sold products)
Consumer Goods and Services	Food Producers	Yes (GHG Protocol Category 1 - Purchased goods and services)
	Household Goods and Services	Yes (GHG Protocol Category 11 - Use of sold products)
	Retailers*	Yes (GHG Protocol Category 1 - Purchased goods and services)

*Within Retailers, companies can instead be assessed on Category 11 emissions if their primary business line is sale of non-essential consumer goods (i.e., discretionary retail).

Please note that there are some exceptions to the above Scope 3 assessment classifications. Please get in touch with us at benchmark@climateaction100.org if you would like to learn more.

For each data provider's full methodology please visit our [website](#).