Disclosure Indicator 1 - Net zero GHG Emissions by 2050 (or sooner) ambition

Sub-indicator 1.1
The company has set an ambition to achieve net zero GHG emissions by 2050 or sooner.

Metric a): The company has made a qualitative net zero GHG emissions ambition statement that explicitly includes at least 95% of its Scope 1 and 2 emissions.

Metric b): The company’s net-zero GHG emissions ambition covers the most relevant Scope 3 GHG emissions categories for the company’s sector, where applicable.

Disclosure Indicator 2 - Long-term (2036-2050) GHG reduction target(s)

Sub-indicator 2.1
The company has set a target for reducing its GHG emissions by between 2036 and 2050.

Sub-indicator 2.2
The long-term (2036 to 2050) GHG reduction target covers at least 95% of Scope 1 & 2 emissions and the most relevant Scope 3 emissions (where applicable).

Metric a): The company has specified that this target covers at least 95% of its total Scope 1 and 2 emissions.

Metric b): Where applicable, the company’s Scope 3 GHG emissions target covers at least the most relevant Scope 3 emissions categories for the sector, and the company has published the methodology used to establish the Scope 3 target.

Sub-indicator 2.3
The company’s last disclosed carbon intensity OR its short-term or medium-term targeted carbon intensity OR the company’s expected carbon intensity derived from their long-term GHG target is aligned with or below the relevant sector trajectory needed to achieve the Paris Agreement goal of limiting global temperature increase to 1.5°C Celsius with low or no overshoot in 2050.

In the case of electricity utility companies, the relevant year of long term alignment is 2040. This is equivalent to IPCC Special Report on 1.5°C Celsius pathway P1 or net zero emissions by 2050.4

Disclosure Indicator 3 - Medium-term (2026 to 2035) GHG reduction target(s)

Sub-indicator 3.1
The company has set a target for reducing its GHG emissions by between 2026 and 2035.

Sub-indicator 3.2
The medium-term (2026 to 2035) GHG reduction target covers at least 95% of Scope 1 & 2 emissions and the most relevant Scope 3 emissions (where applicable).

Metric a): The company has specified that this target covers at least 95% of its total Scope 1 and 2 emissions.

Metric b): If the company has set a Scope 3 GHG emissions target, it covers the most relevant Scope 3 emissions categories for the company’s sector (for applicable sectors), and the company has published the methodology used to establish any Scope 3 target.
Sub-indicator 3.3
The company’s last disclosed carbon intensity or its short-term targeted carbon intensity target OR the company’s expected carbon intensity derived from their medium-term GHG target is aligned with or below the relevant sector trajectory needed to achieve the Paris Agreement goal of limiting global temperature increase to 1.5°C Celsius with low or no overshoot in 2035. This is equivalent to IPCC Special Report on 1.5°C Celsius pathway P1 or net zero emissions by 2050.

Disclosure Indicator 4 - Short-term (up to 2025) GHG reduction target(s)
Sub-indicator 4.1
The company has set a target for reducing its GHG emissions up to 2025.

Sub-indicator 4.2
The short-term (up to 2025) GHG reduction target covers at least 95% of Scope 1 & 2 emissions and the most relevant Scope 3 emissions (where applicable).

Metric a): The company has specified that this target covers at least 95% of its total Scope 1 and 2 emissions.

Metric b): If the company has set a Scope 3 GHG emissions target, it covers the most relevant Scope 3 emissions categories for the company’s sector (for applicable sectors), and the company has published the methodology used to establish any Scope 3 target.

Sub-indicator 4.3
The company’s last disclosed carbon intensity OR the company’s expected carbon intensity derived from their short-term GHG target is aligned with or below the trajectory (for its respective sector) to achieve the Paris Agreement goal of limiting global temperature increase to 1.5°Celsius with low or no overshoot (equivalent to IPCC Special Report on 1.5°C Celsius pathway P1 or net zero emissions by 2050) in 2025.

Disclosure Indicator 5 - Decarbonisation Strategy (Target Delivery)
Sub-indicator 5.1
The company has a decarbonisation strategy that explains how it intends to meet its long and medium-term GHG reduction targets.

Metric a): The company identifies the set of actions it intends to take to achieve its GHG reduction targets over the targeted timeframe. These measures clearly refer to the main sources of its GHG emissions, including Scope 3 emissions where applicable.

Metric b): The company quantifies key elements of this strategy with respect to the major sources of its emissions, including Scope 3 emissions where applicable (e.g. changing technology or product mix, supply chain measures, R&D spending).

Sub-indicator 5.2
The company’s decarbonisation strategy (target delivery) specifies the role of ‘green revenues’ from low carbon products and services.

Metric a): The company already generates ‘green revenues’ and discloses their share in overall sales.

Metric b): The company has set a target to increase the share of ‘green revenues’ in its overall sales.
Disclosure Indicator 6 - Capital Alignment

Sub-indicator 6.1 The company is working to decarbonise its capital expenditures.
- **Metric a):** The company explicitly commits to align its capital expenditure plans with its long-term GHG reduction target OR to phase out planned expenditure in unabated carbon intensive assets or products.
- **Metric b):** The company explicitly commits to align its capital expenditure plans with the Paris Agreement’s objective of limiting global warming to 1.5° Celsius AND to phase out investment in unabated carbon intensive assets or products.

Sub-indicator 6.2
The company discloses the methodology used to determine the Paris alignment of its future capital expenditures.
- **Metric a):** The company discloses the methodology and criteria it uses to assess the alignment of its capital expenditure plans with decarbonisation goals, including key assumptions and key performance indicators (KPIs).
- **Metric b):** The methodology quantifies key outcomes, including the percentage share of its capital expenditures that is invested in carbon intensive assets or products, and the year in which capital expenditures in such assets will peak.

Disclosure Indicator 7 - Climate Policy Engagement

Sub-indicator 7.1
The company has a Paris Agreement-aligned climate lobbying position and all of its direct lobbying activities are aligned with this.
- **Metric a):** The company has a specific commitment/position statement to conduct all of its lobbying in line with the goals of the Paris Agreement.
- **Metric b):** The company lists its climate-related lobbying activities, e.g. meetings, policy submissions, etc.

Sub-indicator 7.2
The company has Paris Agreement-aligned lobbying expectations for its trade associations, and it discloses its trade association memberships.
- **Metric a):** The company has a specific commitment to ensure that the trade associations the company is a member of lobby in line with the goals of the Paris Agreement.
- **Metric b):** The company discloses its trade associations memberships.

Sub-indicator 7.3
The company has a process to ensure its trade associations lobby in accordance with the Paris Agreement.
- **Metric a):** The company conducts and publishes a review of its trade associations’ climate positions/alignment with the Paris Agreement.
- **Metric b):** The company explains what actions it took as a result of this review.

Disclosure Indicator 8 - Climate Governance

Sub-indicator 8.1
The company’s board has clear oversight of climate change.
- **Metric a):** The company discloses evidence of board or board committee oversight of the management of climate change risks. See the detailed methodology for more information.
- **Metric b):** The company has named a position at the board level with responsibility for climate change. See the detailed Methodology document for more information.
Sub-indicator 8.2
The company’s executive remuneration scheme incorporates climate change performance elements. **Metric a):** The company’s CEO and/or at least one other senior executive’s remuneration arrangements specifically incorporate climate change performance as a KPI determining performance-linked compensation (reference to ‘ESG’ or ‘sustainability performance’ are insufficient).

**Metric b):** The company’s CEO and/or at least one other senior executive’s remuneration arrangements incorporate progress towards achieving the company’s GHG reduction targets as a KPI determining performance linked compensation (requires meeting relevant target indicators 2, 3, and/or 4).

Sub-indicator 8.3 [Beta]
The board has sufficient capabilities/competencies to assess and manage climate related risks and opportunities.

**Metric a):** The company has assessed its board competencies with respect to managing climate risks and discloses the results of the assessment.

**Metric b):** The company provides details on the criteria it uses to assess the board competencies with respect to managing climate risks and/or the measures it is taking to enhance these competencies.

Disclosure Indicator 9 - Just Transition [Beta]
In the Preamble to the Paris Agreement on Climate Change, signatory countries agree that their actions on climate change need to account for the imperatives of a just transition of the workforce and the creation of decent work and quality jobs in accordance with nationally defined development priorities.

Sub-indicator 9.1
Acknowledgement

**Metric a):** The company has made a formal statement recognising the social impacts of their climate change strategy—the Just Transition—as a relevant issue for its business.

**Metric b):** The company has explicitly referenced the Paris Agreement on Climate Change and/or the International Labour Organisation’s (ILO’s) Just Transition Guidelines.

Sub-indicator 9.2
Commitment
The company has committed to Just Transition principles:

**Metric a):** The company has published a policy committing it to decarbonise in line with Just Transition principles.

**Metric b):** The company has committed to retain, retrain, redeploy and/or compensate workers affected by decarbonisation.

Sub-indicator 9.3
Engagement
The company engages with its stakeholders on Just Transition:

**Metric a):** The company, in partnership with its workers, unions, communities and suppliers has developed a Just Transition Plan.
Sub-indicator 9.4
Action
The company implements its decarbonisation strategy in line with Just Transition principles.

**Metric a:** The company supports low-carbon initiatives (e.g. regeneration, access to clean and affordable energy, site repurposing) in regions affected by decarbonisation.

**Metric b:** The company ensures that its decarbonisation efforts and new projects are developed in consultation and seek the consent of affected communities.

**Metric c:** The company takes action to support financially vulnerable customers that are adversely affected by the company's decarbonisation strategy.

**Disclosure Indicator 10 - TCFD Disclosure**
Sub-indicator 10.1
The company has publicly committed to implement the recommendations of the Task Force on Climate related Financial Disclosures (TCFD).

**Metric a:** The company explicitly commits to align its disclosures with the TCFD recommendations OR it is listed as a supporter on the TCFD website.

**Metric b:** The company explicitly sign-posts TCFD aligned disclosures in its annual reporting or publishes them in a TCFD report.

Sub-indicator 10.2
The company employs climate-scenario planning to test its strategic and operational resilience.

**Metric a:** The company has conducted a climate-related scenario analysis including quantitative elements and disclosed its results.

**Metric b:** The quantitative scenario analysis explicitly includes a 1.5° Celsius scenario, covers the entire company, discloses key assumptions and variables used, and reports on the key risks and opportunities identified.

**Sector classification & scope 3 emissions application**

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<tr>
<th>Cluster</th>
<th>Sector</th>
<th>Scope 3 applicable?</th>
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</thead>
<tbody>
<tr>
<td>Energy</td>
<td>Oil and gas</td>
<td>Yes (use of sold product)</td>
</tr>
<tr>
<td></td>
<td>Oil and gas</td>
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<td>utilities</td>
<td>businesses (use of sold product</td>
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<td></td>
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<td>Coal Mining</td>
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<td>Transport</td>
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<td>Other Transport</td>
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<table>
<thead>
<tr>
<th>Cluster</th>
<th>Sector</th>
<th>Scope 3 applicable?</th>
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</thead>
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<tr>
<td>Industrials</td>
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<td></td>
<td>Cement</td>
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<td></td>
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<td></td>
<td>Chemicals</td>
<td>Yes (purchased goods and services and use of sold products)</td>
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<td></td>
<td>Paper</td>
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<td></td>
<td>Diversified Mining</td>
<td>Yes (processing of sold products; for coal manufacturers also use of sold products)</td>
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<td></td>
<td>Other Industrials</td>
<td>On a case by case basis (non-electricity use of sold product)</td>
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<td>Consumer</td>
<td>goods and services</td>
<td>Yes (purchased goods and services)</td>
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<tr>
<td>services</td>
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</table>

* Relevant to criteria for indicators 1, 2, 3, 4 and 5.
The Climate Action 100+ Net zero Company Benchmark assesses the world's largest corporate greenhouse gas emitters on their progress in the transition to the net zero future. It is composed of distinct sets of assessments, which draw on unique analytical methodologies and datasets designed to evaluate focus company performance on addressing climate change risks and provide greater insight for investors and companies. This document summarises the 10 disclosure indicators assessed by the Transition Pathway Initiative (TPI), supported by its research and data partners the Grantham Research Institute on Climate Change and the Environment at the London School of Economics (LSE) and FTSE Russell. All company specific data is based on companies’ publicly disclosed information, i.e., annual reports, financial filings, CDP disclosures, etc. This document does not cover the other Benchmark alignment assessments on capital allocation, accounting and lobbying. These are assessed by different data providers (Carbon Tracker Initiative, 2 Degrees Investing Initiative and InfluenceMap) and use their own separate assessment methodologies.

The necessary timeframe for companies to achieve net zero GHG emissions differs depending on the sector.

Note that sub-indicators 2.3, 3.3 and 4.3 will be based on Transition Pathway Initiative’s Carbon Performance methodology, which applies the Sectoral Decarbonisation Approach (SDA), a science-based method for companies to set GHG reduction targets necessary to stay within reference climate scenarios.

For the March 2022 and October 2022 iterations of the Benchmark, sub-indicators 2.3, 3.3 and 4.3 replace the International Energy Agency (IEA)’s previous Beyond 2 Degrees Scenario (B2DS) measure by incorporating the IEA’s 1.5°C scenario (Net zero by 2050) released in May 2021, for sectors where data is available. This sets out a pathway to reach net zero emissions by mid-century and keep the temperature rise to 1.5°C with a 50% probability. The emissions pathway of IEA’s Net-Zero Emissions by 2050 Scenario used in this assessment broadly follows an IPCC 1.5C scenario P2 trajectory until 2030 with emissions falling faster there-after, reaching net zero in 2050 (IEA, 2021). Although this scenario considers a wider range of abatement technologies than the IPCC PI pathway, both scenarios represent a no or low overshoot 1.5°C pathway with limited reliance on negative emissions. Despite the IEA scenario not being strictly equivalent to the IPCC Special Report on 1.5°C pathway PI it serves the purpose of illustrating the unparalleled transformation of energy systems and economies required in a transition to net zero emissions by 2050. CA100+ currently therefore views the IEA’s Net zero by 2050 scenario as the best available and most suitable for its granular benchmarking purposes, in line with the goal to assess companies against the Paris Agreement goal of limiting global temperature increase to 1.5°C. Though the sectors currently covered include the vast majority of companies, carbon performance cannot yet be assessed for the following sectors: Chemicals, Coal mining, Consumer goods & Services, Oil & gas distribution, Other industrials, Other transport. The sector Autos will be assessed on the 2 Degree Scenario (high efficiency) and Paper B2DS, the best available for those sectors.

The use of offsetting or carbon credits should be avoided and limited if at all applied. Offsetting or ‘carbon dioxide removal’ should not be used by companies operating in sectors where viable decarbonisation technologies exist. For example, offsetting would not be considered credible if used to offset emissions for a coal-fired power plant because viable alternatives exist to coal-fired power plants.

Currently sub-indicator 5.2 and related metrics only apply to focus companies headquartered in the European Economic Area (EEA) or United Kingdom. The assessment will leverage the European Union’s Green Taxonomy criteria on ‘turnover’ (or revenues) for companies headquartered in these regions. The criteria used to assess other companies will be an ongoing area of development as part of broader discussions on the use of green revenue classification systems and regional taxonomies.

Sub-Indicator 8.3 remains a ‘Beta’ version for the March 2022 and October 2022 iterations and will continue to be developed. Data will be collected for internal analysis (companies head-quartered in Australia only) - but are not publicly released or assessed for March 2022 and October 2022.

Indicator 9 on Just Transition takes the form of a ‘Beta’ indicator for the March 2022 and October 2022 assessments and will continue to be developed. Data will be collected for internal analysis - but will not be publicly released or assessed.