

Climate Action 100+ Net Zero Company Benchmark Version 2.1 Framework

The Climate Action 100+ Net Zero Company Benchmark assesses the performance of focus companies against the initiative’s three-high level goals: emissions reduction, governance and disclosure.

The Benchmark assesses the world’s largest corporate greenhouse gas emitters on their net zero transition. It is not a disclosure mechanism or database itself, rather, it is an evaluation tool for investor engagement that can be used by investors, all of whom will have differing mandates and starting points together with considerations of jurisdiction, regulation and best practice, from which they make their own decisions.

It draws on distinct analytical methodologies and datasets from public and self-disclosed information from companies, categorised into two types of indicators:

- **Disclosure Framework Indicators, which evaluate the adequacy of corporate disclosure**
- **Alignment Assessments, which evaluate the alignment of company actions with the Paris Agreement goals.**

The Disclosure Framework is assessed by the Transition Pathway Initiative Centre (TPI Centre) and FTSE Russell. Alignment Assessments are provided by Carbon Tracker Initiative (CTI), InfluenceMap (IM) and the Rocky Mountain Institute (RMI). The version 2.1 Benchmark framework to be used for assessments being released in September/October 2024 has been kept largely consistent with the version 2.0 iteration, to maintain continuity between assessments whilst allowing for year-by-year comparison.

Disclosure Framework	Alignment Assessments
1. Net Zero by 2050 Ambition	Capital allocation, transition and production plan assessments for select sectors: • Electric Utilities • Oil and Gas • Autos
2. Long-term GHG reduction target(s)	
3. Medium-term GHG reduction target(s)	
4. Short-term GHG reduction target(s)	
5. Decarbonisation Strategy	• Steel • Cement • Aviation
6. Capital Allocation	Climate Policy Engagement
7. Climate Policy Engagement	
8. Climate Governance	
9. Just Transition	
10. Climate Related Disclosures	
11. Historical GHG Emissions Reductions	
Climate Accounting and Audit	

Disclosure Framework Indicators

The Disclosure Framework evaluates the adequacy of corporate disclosure in relation to key actions companies can take to align their businesses with the Climate Action 100+ and Paris Agreement goals.

For more information please see the [full methodology](#)

INDICATOR 1: **NET ZERO GHG EMISSIONS BY 2050 (OR SOONER) AMBITION**

Evaluates whether companies have set an ambition to achieve net zero GHG emissions by 2050 or sooner.

Sub-indicators 2.3, 3.3 and 4.3 of the Disclosure Framework are based on the TPI Centre's [Carbon Performance methodologies](#) for different sectors.

INDICATOR 2: **LONG-TERM GHG REDUCTION TARGET(S)**

Evaluates whether companies have set a long-term target for reducing GHG emissions in the period between 2036 and 2050.

INDICATOR 3: **MEDIUM-TERM GHG REDUCTION TARGET(S)**

Evaluates whether companies have set a medium-term target for reducing GHG emissions in the period between 2028 and 2035.

INDICATOR 4: **SHORT-TERM GHG REDUCTION TARGET(S)**

Evaluates whether companies have set a short-term target for reducing GHG emissions in the period up to 2027.

TPI's Disclosure Framework Assessments for Indicators 5 and 6 are complemented by Alignment Assessments from the Rocky Mountain Institute and Carbon Tracker Initiative's Capex and Transition Plan Alignment Assessments.

INDICATOR 5: **DECARBONISATION STRATEGY**

Evaluates whether companies have outlined a decarbonisation strategy that explains how they intend to meet their GHG reduction targets and specifies the role of climate solutions.

INDICATOR 6: **CAPITAL ALLOCATION**

Evaluates whether companies are working to decarbonise their capital expenditures and explain how they intend to invest in climate solutions.

TPI's Disclosure Framework Assessments are complemented by InfluenceMap's Climate Policy Engagement Alignment Assessment.

INDICATOR 7: **CLIMATE POLICY ENGAGEMENT**

Evaluates whether companies have committed to conducting policy engagement activities in accordance with the goals of the Paris Agreement and if they review their own and their trade associations' climate policy engagement positions / activities.

INDICATOR 8: **CLIMATE GOVERNANCE**

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.

INDICATOR 9: **JUST TRANSITION**

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.

INDICATOR 10: **CLIMATE-RELATED DISCLOSURES**

Evaluates whether companies have publicly committed to implement the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) OR International Sustainability Standards Board (ISSB) Standards and employ as well as disclose climate-scenario planning to test their strategic and operational resilience.

INDICATOR 11: **HISTORICAL GHG EMISSIONS REDUCTIONS**

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.

Alignment Assessments

Alignment Assessments complement the Disclosure Framework. They provide independent evaluations of the alignment and adequacy of company actions with the goals of Climate Action 100+ and the Paris Agreement. Alignment Assessments are provided by Carbon Tracker Initiative, InfluenceMap and the Rocky Mountain Institute.

CARBON TRACKER INITIATIVE

Capex and Transition Plan Assessment/ Analysis for electric utilities and oil and gas companies.

Provides investors with insights into whether the company's capital expenditures and/or transition plans are aligned with the Paris Agreement goals.

For more information please see the [full methodology](#)

ROCKY MOUNTAIN INSTITUTE

Capex Assessment/ Analysis for electric utilities, autos, steel, cement and aviation companies.

Provides investors with insights into whether the company's planned capital expenditures and production are aligned with the Paris Agreement goals.

For more information please see the [full methodology](#)

INFLUENCEMAP Climate Policy Engagement Alignment Assessment

Provides investors with detailed analyses of the alignment of real-world company climate policy engagement actions (direct and indirect via their industry associations) with the goals of the Paris Agreement, as well as the quality, accuracy and completeness of corporate disclosures on climate policy engagement.

For more information please see the [full methodology](#)

CLIMATE ACCOUNTING & AUDIT

The Climate Accounting and Audit Assessment is a **hybrid** assessment comprising both disclosure and alignment elements.

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.

Scope 3 Applicability - Used for Disclosure Framework Indicators 1-4, 5 and 11:

You can read more about TPI Centre and FTSE Russell's approach to Scope 3 applicability 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	Consumer goods and services	Yes (GHG Protocol Category 1 - purchased goods and services)

Please note that there are some exceptions to the above Scope 3 applicability 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 and an outline of Indicators that have not changed since version 2.0 please visit [our website](#).