

IIGCC

Net Zero Standard for Oil & Gas



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Investor foreword

Net Zero Standards (NZS) are sector-specific frameworks developed to help Climate Action 100+ investors and other stakeholders assess the alignment of transition plans with a 1.5°C climate scenario (“Net Zero”). They are designed to integrate with and complement the sector-neutral CA100+ Company Benchmark¹. They will also help investors using the Net Zero Investment Framework (NZIF)² to align their portfolios with net zero targets.

The Standard concept emanated from a desire to be able to better understand the increasing differences in company transition plans. There was a need to recognise that companies were developing different approaches and therefore, to better support investor engagement as both shareholders and bond holders, it was necessary to evolve our assessment beyond the current sector-neutral Climate Action 100+ Company Benchmark.

The development of the Net Zero Standard for the Oil & Gas sector began in September 2020. Following industry and stakeholder consultation a provisional indicator list was published in September 2021³. A pilot study which tested these indicators on the most ambitious oil and gas companies was then conducted. This report presents the final indicator list and the scoring framework, reflecting the feedback and lessons learned from that pilot.

These indicators will be used for initial public assessments of leading Oil and Gas companies in late 2023. Following these assessments, the framework will be reviewed again with the aim of making further refinements post-2023.

The development of the Net Zero Standard for Oil & Gas was led by IIGCC with support from the Transition Pathway Initiative (TPI), leading Climate Action 100+ investors and regional investor groups and was Chaired by the Church of England Pensions Board. We would also like to acknowledge and thank those leading European companies that agreed to participate in the pilot. We recognise this is a demanding Standard, but it is one that enables a better understanding of the transition challenges and opportunities across the sector. Alignment to the Standard should be a key focus of future engagement with oil and gas companies for Climate Action 100+ investors and we invite companies to commit to disclosure against it.

Adam Matthews

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- 1 Climate Action100+, “Climate Action 100+ Net Zero Company Benchmark 2.0,” March 2023. [Online]. Available: <https://www.climateaction100.org/wp-content/uploads/2023/03/Climate-Action-100-Net-Zero-Company-Benchmark-Framework-2.0.pdf>
- 2 PAII, “Net Zero Investment Framework Implementation Guide”, March 2021. [Online]. Available: https://www.parisalignedinvestment.org/media/2021/03/PAII-Net-Zero-Investment-Framework_Implementation-Guide.pdf
- 3 IIGCC, “Net Zero Standard for Oil and Gas”, September 2021. [Online]. Available: <https://www.iigcc.org/resource/net-zero-standard-for-oil-and-gas-companies/>

SECTION 1: THE STANDARD

Net Zero Standard for Oil & Gas metric list

Exhibit 2 presents the metrics that will be used to make public assessments of leading Oil & Gas companies in late 2023. Consistent with the structure established in the original Standard, all metrics are shown under the updated CA100+ Company Benchmark indicators.

The metrics are also classified by type depending on whether they aim to capture disclosure or assess the alignment of disclosure against a benchmark. Metrics relating to climate solutions are categorised and scored separately (for further details on scoring see Section 2 of this document).

Not all metrics are relevant to all companies. For example, if a company does not have a separate upstream business, it does not need to set a separate upstream target. Exhibit 1 highlights those metrics that are contingent on responses to other metrics.

Exhibit 1: Summary of Contingencies attached to the Net Zero Standard for Oil & Gas Metrics

Indicators / metrics	Topic	Contingency	Applies if ...
2.iii.a – b, 3.iii.a – b	Set additional upstream targets	Only applies to integrated* companies	0.1= “Integrated”
5.2, 5.ii.a – h, 6.iii.a – i	“Green” energy, revenue, and capex disclosure	Only applies to companies diversifying	0.2= “Yes”
5.v.a – 5.v.t	Production disclosure	Only applies to companies with an upstream business	0.1= “Integrated OR “Upstream”
6.i.c– 6.i.i	Upstream fossil fuel capex disclosure	Only applies to integrated and upstream companies	0.1= “Integrated” OR “Upstream”
6.ii.a – 6.ii.b	Disclosure on neutralising investment	Only applies to companies with a disclosed medium term carbon capture, utilisation and storage (CCUS) / bioenergy with carbon capture and storage (BECCS) target	0.2= “Yes” AND 6.iii c= “Yes”
6.iii.f – i	Alignment of green capacity targets (PV, Wind, Biofuel, low carbon hydrogen)	Only applies to companies that have set targets in the corresponding technology	Where corresponding metric 6.iii.b – e = “Yes”

*Integrated companies are defined here as those assessed by TPI on their downstream activities but also have separate upstream activities

Exhibit 2: Net Zero Standard for Oil & Gas – Indicator List

Updated CA100+ Indicators⁴
 New NZS O&G Metrics

CA100+ Indicator / Net Zero Standard Metric	Metric type	Contingency
0.1 Is the company an upstream, integrated, or other (midstream) player?	Does not affect the score, only which indicators are assessed (see Exhibit 1)	
0.2 Has the company set out a strategy to diversify (either through an explicit statement or its disclosure) into selling low carbon energy		

CA100+ Indicator / Net Zero Standard Metric	Metric type	Contingency
1 Net-zero GHG Emissions by 2050 (or sooner) ambition		
1.1 The company has set an ambition to achieve net zero GHG emissions by 2050 or sooner	Disclosure	
1.1 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	Disclosure	
1.1 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	

CA100+ Indicator / Net Zero Standard Metric	Metric type	Contingency
2 Long-term (2036–2050) GHG reduction target (s)		
2.1 The company has set a target for reducing its GHG emissions by between 2036 and 2050	Disclosure	
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)		
2.2a The company has specified that this target covers at least 95% of its total Scope 1 and 2 emissions	Disclosure	
2.2b The company's Scope 3 GHG reduction target covers at least the most relevant Scope 3 emissions categories for its sector and the company has published the methodology used to establish its Scope 3 target (where applicable).	Disclosure	
2.i.a Has the company converted its main emissions target to a supplementary net absolute or net intensity value (can be stated either as point or narrow (<10%) range)	Disclosure	
2.i.b Is the reduction implied by (a) in-line or below the relevant net zero pathway	Alignment	
2.ii.a Has the company disclosed the total contribution of neutralising measures to the target (in MtCO _{2e})	Disclosure	
2.ii.b Is the total contribution of neutralising measures less than 50%	Alignment	
2.iii.a Has the company disclosed an upstream emissions target	Disclosure	Only if 0.1= "Integrated"
2.iii.b Is the upstream target in-line or below that of a net zero pathway	Alignment	Only if 0.1= "Integrated"
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° Celsius with low or no overshoot in 2050	Alignment	

⁴ Climate Action100+, "Climate Action 100+ Net Zero Company Benchmark," 1 October 2022. [Online]. Available: <https://www.climateaction100.org/wp-content/uploads/2021/10/Climate-Action-100-v1.1-Benchmark-Indicators-Oct21.pdf>

CA100+ Indicator / Net Zero Standard Metric		Metric type	Contingency
3	Medium-term (MT) (2027 to 2035) GHG reduction target(s)		
3.1	The company has set a target for reducing its GHG emissions by between 2027 and 2035	Disclosure	
3.2	The medium-term (2027 to 2035) GHG reduction target covers at least 95% of Scope 1 & 2 emissions and the most relevant Scope 3 emissions (where applicable)		
3.2a	The company has specified that its medium-term GHG reduction target covers at least 95% of its total Scope 1 and 2 emissions	Disclosure	
3.2b	The company's medium-term Scope 3 GHG reduction target covers at least the most relevant Scope 3 emissions categories for its sector and the company has published the methodology used to establish its Scope 3 target (where applicable)	Disclosure	
3.i.a	Has the company converted its main emissions target to a supplementary net absolute or net intensity value (can be stated either as a point or narrow (<10%) range)	Disclosure	
3.i.b	Is the reduction implied by (a) in-line or below the relevant net zero pathway	Alignment	
3.ii.a	Has the company disclosed the total contribution of neutralising measures to the target (in MtCO _{2e})	Disclosure	
3.ii.b	Is the total contribution of neutralising measures less than 50%	Alignment	
3.iii.a	Has the company disclosed an upstream emissions target	Disclosure	Only if 0.1= "Integrated"
3.iii.b	Is the upstream target in-line or below that of a net zero pathway	Alignment	Only if 0.1= "Integrated"
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 its medium-term GHG reduction 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° Celsius with low or no overshoot in 2035. This is equivalent to IPCC's Special Report on the 1.5° Celsius pathway P1 or the IEA's Net Zero Emissions by 2050 Scenario.	Alignment	
3.4	[BETA] If the company has only set an intensity GHG reduction target, it has converted it into corresponding projected absolute emissions reductions		

CA100+ Indicator / Net Zero Standard Metric		Metric type	Contingency
4	Short-term (ST) (up to 2026) GHG reduction targets		
4.1	The company has set a short-term target for reducing its GHG emissions in the period between 2023 and 2026	Disclosure	
4.2	The short-term (up to 2026) GHG reduction target covers at least 95% of Scope 1 & 2 emissions and the most relevant Scope 3 emissions (where applicable)		
4.2a	The company has specified that this target covers at least 95% of its total Scope 1 and 2 emissions	Disclosure	
4.2b	The company's short-term Scope 3 GHG reduction target covers at least the most relevant Scope 3 emissions categories for its sector and the company has published the methodology used to establish its Scope 3 target (where applicable).	Disclosure	
4.3	The company's last disclosed carbon intensity OR the company's expected carbon intensity derived from its short-term GHG reduction 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°C with low or no overshoot in 2026. This is equivalent to IPCC's Special Report on the 1.5° Celsius pathway P1 or the IEA's Net Zero Emissions by 2050 scenario (IEA NZE).	Alignment	

CA100+ Indicator / Net Zero Standard Metric		Metric type	Contingency
5	Decarbonisation strategy		
5.1	The company has a decarbonisation strategy that explains how it intends to meet its medium- and long-term GHG reduction targets		
5.1a	The company identifies the set of actions it intends to take to achieve its GHG reduction targets over the targeted timeframes. These actions clearly refer to the main sources of the company's GHG emissions, including Scope 3 emissions (where applicable)	Disclosure	
5.1b	The company quantifies the contribution of individual decarbonisation levers to achieving its medium- and long-term GHG reduction targets, including Scope 3 emissions where applicable (e.g. changing technology or product mix, supply chain measures)	Disclosure	
5.1c	If the company chooses to employ offsetting and negative emissions technologies to meet its medium- and long-term GHG reduction targets, it discloses the quantity of offsets, type of offsets, offset certification and the negative emissions technologies it is planning to use	Disclosure	
5.1d	[BETA] The company discloses the abatement measures it intends to use that are technologically feasible under current economic conditions and quantifies the contribution of these measures to achieving its medium- and long-term GHG reduction targets.	Disclosure	
5.i.a	Has the company disclosed measures that account for over 50% of the emissions reduction implied by its main LT target	Disclosure	
5.i.b	Has the company disclosed measures that account for over 75% of the emissions reduction implied by its main MT target	Disclosure	
5.2	The company's decarbonisation strategy specifies the role of climate solutions (i.e., technologies and products that will enable the economy to decarbonise)		If 0.2= "Yes"
5.2a	The company discloses the revenue OR production it already generates from climate solutions and discloses its share in overall sales	Solutions	If 0.2= "Yes"
5.2b	The company has set a target to increase revenue OR production from climate solutions in its overall sales	Solutions	If 0.2= "Yes"
5.ii.a	Has the company clearly set out a definition of "green" that it will use to consistently report both investment in low carbon energy production, increases in production capacity, output, and revenue as well as sales of low carbon energy	Solutions	If 0.2= "Yes"
5.ii.b	Does the definition of green exclude unabated fossil fuel-based products and for fuels like hydrogen and bioenergy reference thresholds consistent with established regional taxonomies	Solutions	If 0.2= "Yes"
5.ii.c	Has the company set a target to grow total green energy production (in TJ or KWh from investment in new capacity + long-term PPAs) with at least ST and MT target components and established base year and base year value	Solutions	If 0.2= "Yes"
5.ii.d	Is the targeted growth in total green energy production (ST+MT trajectory) consistent with 1.5 scenario as modelled by the IEA	Solutions	If 0.2= "Yes"
5.ii.e	Has the company set a quantified target (target/base year and values) to grow solar AND/OR wind energy production (measured in TWh or GJ)	Solutions	If 0.2= "Yes"
5.ii.f	Is the targeted growth in solar AND/OR wind energy production (ST+MT trajectory) consistent with IEA's NZE 1.5 scenario	Solutions	If 0.2= "Yes"
5.ii.g	Has the company given guidance on total annual sales of "green" energy (in TJ or TWh) for the year specified in its long-term emissions target (i.e. sales from investing in generation capacity/PPAs or from green energy generated by third parties)	Solutions	If 0.2= "Yes"
5.ii.h	Has the company given guidance on total annual sales of "green" energy (in TJ or TWh) for the year specified in its medium-term emissions target (i.e. sales from investing in generation capacity/PPAs or from green energy generated by third parties)	Solutions	If 0.2= "Yes"

CA100+ Indicator / Net Zero Standard Metric		Metric type	Contingency		
5.iii.a	iii) Operational emissions (i.e. scope 1 & 2)	Has the company made a specific commitment to be net zero on operational emissions with a long-term emissions target	Disclosure		
5.iii.d		Is the long-term operational emissions target aligned with net zero as defined by the relevant sectoral emissions pathway	Disclosure		
5.iii.e		Has the company specified a medium-term value in either absolute (Mtco2e) or intensity (tco2e/TJ)	Disclosure		
5.iii.g		Is the operational emissions pathway implied by (e) aligned with NZ as defined by the relevant sectoral emissions pathway	Disclosure		
5.iii.h		Has the company set out a strategy for reaching net zero operational emissions and interim targets that includes the quantification of the major components including the increase in green energy, any use of neutralising measures (including CCUS) and reductions in methane (see iv)	Disclosure		
5.iv.a		iv) Methane	Is the company a member of OGMP 2.0 and has made a public commitment to the "gold standard" of constant improvements in methane reporting covering all assets in-line with this initiative	Disclosure	
5.iv.b			Has the company explicitly set out the date when it will publish an independent and externally verified assessment of its methane emissions which integrates direct measurement with estimations (OGMP level 5) that is consistent with OGMP membership commitments (i.e. within three years of it becoming a member)	Disclosure	
5.iv.c			Has the company disclosed methane emissions consistent with OGMP level 5, both on an absolute basis (in metric tonnes) and intensity basis (in tCH4 per PJ of total upstream production). Has it disclosed an additional energy-based denominator for mid-stream or distribution companies as appropriate. Has it clearly disclosed the denominator of any intensity target	Disclosure	
5.iv.d	Has the company clearly stated its strategy to reduce methane emissions referencing emission sources (venting, flaring and leaks), prioritisation, coverage, and the use of best available measurement technology		Disclosure		
5.iv.e	Has the company committed to zero non-emergency flaring by 2030 in line with World Bank and UN initiative [29] and minimise non-routine flaring		Disclosure		
5.iv.f	Has the company set a medium-term methane emissions reductions target stating a base year, base year value, target year, target year reduction with both absolute and intensity values and an interim milestone		Disclosure		
5.iv.g	Is the methane emissions pathway indicated in (f) aligned with the relevant benchmark		Alignment		

CA100+ Indicator / Net Zero Standard Metric		Metric type	Contingency	
5.v.a	v) Production	Has the company acknowledged the need for substantial reductions in fossil fuel production across the industry by 2050 and that those reductions need to begin before 2030, particularly for oil	Disclosure	Only if 0.1= "Integrated/Upstream"
5.v.b		Has the company given guidance on annual combined long-term oil and gas production (for the year specified in its long-term emissions target). This can be expressed either in energy units (boe or TJ) or as a % or absolute change from a stated base year value	Disclosure	Only if 0.1= "Integrated/Upstream"
5.v.c		Has the company given guidance on annual long-term oil production (for the year specified in its long-term emissions target). This can be expressed either in energy units (boe or TJ) or as a % or absolute change from a stated base year value	Disclosure	Only if 0.1= "Integrated/Upstream"
5.v.d		Has the company given guidance on medium-term gas production (for the year specified in its medium-term emissions target). This can be expressed either in energy units (boe or TJ) or as a % or absolute change from a stated base year value	Disclosure	Only if 0.1= "Integrated/Upstream"
5.v.f		Has the company given guidance on annual combined medium-term oil and gas production (for the year specified in its medium-term emissions target). This can be expressed either in energy units (boe or TJ) or as a % or absolute change from a stated base year value	Disclosure	Only if 0.1= "Integrated/Upstream"
5.v.g		Has the company given guidance on annual medium-term oil production (for the year specified in its medium-term emissions target). This can be expressed either in energy units (boe or TJ) or as a % or absolute change from a stated base year value	Disclosure	Only if 0.1= "Integrated/Upstream"
5.v.h		Has the company given guidance on medium-term gas production (for the year specified in its medium-term emissions target). This can be expressed either in energy units (boe or TJ) or as a % or absolute change from a stated base year value	Disclosure	Only if 0.1= "Integrated/Upstream"
5.v.j		Is the long-term production plan for combined oil and gas consistent with the IEA NZE (-69% between 2019 and 2050)	Alignment	Only if 0.1= "Integrated/Upstream"
5.v.k		Is the long-term production plan for oil consistent with the IEA NZE (-78% between 2019 and 2050)	Alignment	Only if 0.1= "Integrated/Upstream"
5.v.l		Is the long-term production plan for gas consistent with the IEA NZE (-57% between 2019 and 2050)	Alignment	Only if 0.1= "Integrated/Upstream"
5.v.m		Is the medium-term production plan for total oil and gas consistent with the IEA NZE (-19% between 2019 and 2030)	Alignment	Only if 0.1= "Integrated/Upstream"
5.v.n		Is the medium-term production plan for oil consistent with the IEA NZE (-28% between 2019-30)	Alignment	Only if 0.1= "Integrated/Upstream"
5.v.o		Is the medium-term production plan for gas consistent with the IEA NZE (-7% between 2019 and 2030)	Alignment	Only if 0.1= "Integrated/Upstream"
5.v.p		If either 5.v.j-o are No, has the company given a reason	Disclosure	Only if 0.1= "Integrated/Upstream"
5.v.q		If the oil pathway is not aligned with NZE (i.e. if either 5.v.k OR 5.v.n is No) has the company given guidance on an average breakeven cost of its currently sanctioned oil production (\$ per barrel)	Disclosure	Only if 0.1= "Integrated/Upstream"
5.v.r		Is the average breakeven cost of its currently sanctioned Oil production (\$ per barrel) consistent with a net zero scenario	Alignment	Only if 0.1= "Integrated/Upstream"
5.v.s		If the gas pathway is not aligned with NZE (i.e. if either 5.v.l OR 5.v.o is No) has the company given guidance on an average breakeven cost of its currently sanctioned gas production (\$ per BTU)	Disclosure	Only if 0.1= "Integrated/Upstream"
5.v.t		Is the average breakeven cost of its currently sanctioned gas production (\$ per BTU) consistent with a net zero scenario	Alignment	Only if 0.1= "Integrated/Upstream"

CA100+ Indicator / Net Zero Standard Metric		Metric type	Contingency
5.vi.b	vi) Neutralising measures	Has the company disclosed the contribution of CCUS to long-term targets in both % and CO ₂ e/MJ or CO ₂ as appropriate	Disclosure
5.vi.c		Other TBS: if BECCS and/or direct air capture with carbon storage (DACCS) are mentioned, is their contribution to longer-term emissions targets disclosed (if BECCS and/or DACCS are not mentioned no disclosure is necessary and should be scored "Not Relevant")	Disclosure
5.vi.e		Has the company disclosed the contribution of offsets (nature-based solutions) to long-term emission targets in both % and CO ₂ e/MJ or CO ₂ as appropriate	Disclosure
5.vi.f		Has the company disclosed the contribution of actions by third parties to long-term emission targets in both % and CO ₂ e/MJ or CO ₂ as appropriate	Disclosure
5.vi.h		Has the company disclosed the contribution of CCUS to medium-term emission targets in both % and CO ₂ e/MJ or CO ₂ as appropriate	Disclosure
5.vi.i		Other TBS: if BECCS and/or DACCS are mentioned, is their contribution to medium-term emission targets disclosed (if BECCS and/or DACCS are not mentioned no disclosure is necessary and should be scored "Not Relevant")	Disclosure
5.vi.k		Has the company disclosed the contribution of offsets (nature-based solutions) to medium-term emission targets specified in both % and CO ₂ e/MJ or CO ₂ as appropriate	Disclosure
5.vi.l		Has the company disclosed contribution of actions by third parties to medium-term emission targets in both % and CO ₂ e/MJ or CO ₂ as appropriate	Disclosure
5.vi.m		Has the company conducted and published a study into all the technology solutions it is planning to deploy (CCUS/BECCS/DACCS) specifying the amount it intends to invest and the expected timing for operational availability (if TBS is not mentioned or there is no intention to deploy, can be scored "Not Relevant")	Disclosure
5.vi.n		Has the company conducted and published a study setting out its offset strategy that specifies cost (\$/tonne and total), accounting approach, type, mix, storage, and provider	Disclosure
5.vi.o		Has the company clearly set out the actions it is expecting others to take, how it will account for them etc	Disclosure

CA100+ Indicator / Net Zero Standard Metric		Metric type	Contingency	
6	Capital alignment			
6.1	The company is working to decarbonise its capital expenditures.			
6.1a	The company explicitly states that it has phased out or is planning to phase out capital expenditure in new unabated carbon intensive assets or products by a specified year.	Disclosure		
6.1b	The company discloses the stated value of its capital expenditures that is going towards carbon intensive assets or products.	Disclosure		
6.2	The company explains how it intends to invest in climate solutions (i.e., technologies and products that will enable the economy to decarbonise)			
6.2a	The company discloses the stated value of capital expenditure allocated towards climate solutions in the last reporting year	Disclosure		
6.2b	The company discloses the stated value of capital expenditure that it intends to allocate towards climate solutions in the future	Disclosure		
6.i.a	i) Fossil fuel capex	Has the company disclosed total group capex in both the last financial year and forward-looking guidance (minimum 3 years ahead and specifying the number of years included)	Disclosure	
6.i.b		Has the company disclosed capex in all fossil fuel activities in both the last financial year and forward-looking guidance (minimum 3 years ahead)	Disclosure	
6.i.c		Has the company disclosed upstream oil and gas capex in the last financial year and forward-looking guidance (minimum 3 years ahead)	Disclosure	Only if 0.1= "Integrated" OR Upstream"
6.i.d		Has the company disclosed exploration capex (i.e. non-maintenance of existing oil and gas facilities) in the last financial year and forward-looking guidance (minimum three years ahead)	Disclosure	Only if 0.1= "Integrated" OR Upstream"
6.i.e		If production decline is not consistent with IEA NZE, has the company disclosed current and forward-looking guidance on greenfield capex	Disclosure	Only if 0.1= "Integrated" OR Upstream"
6.i.f		If reductions in oil production (if either 5.v.j and 5.v.l is No) are not consistent with IEA NZE, has the company disclosed the estimated breakeven cost of all pre final investment decision (FID) oil pipeline ranked by cost (including fiscal costs)	Disclosure	Only if 0.1= "Integrated" OR Upstream"
6.i.g		Is the pre-FID oil pipeline ranked by cost (including fiscal costs) sufficiently low cost	Alignment	Only if 0.1= "Integrated" OR Upstream"
6.i.h		If reductions in gas production (if either 5.v.k and 5.v.m is No) are not consistent with IEA NZE, has the company disclosed the estimated breakeven cost of all pre-FID gas pipeline ranked by cost (including fiscal costs)	Disclosure	Only if 0.1= "Integrated" OR Upstream"
6.i.i		Is the pre-FID gas pipeline ranked by cost (including fiscal costs) sufficiently low cost	Alignment	Only if 0.1= "Integrated" OR Upstream"
6.ii.a	ii) Cap-ex in neutralising tech	Has the company disclosed investment (including R&D) in all appropriate abatement technology in most recent financial year and a forward-looking guidance (minimum three years ahead)	Disclosure	If 5.vi.h > 0
6.ii.b		Has the company disclosed the expected total capacity and capacity increase at the end of the investment	Disclosure	If 5.vi.h > 0

CA100+ Indicator / Net Zero Standard Metric		Metric type	Contingency	
6.iii.a	iii) Green investment	Has the company disclosed total investment in “green” energy production in both the last financial year and a forward-looking guidance (minimum three years ahead) where “green” is clearly defined and consistent with the one used in indicator 5	Solutions	If 0.2= “Yes”
6.iii.b		Has the company disclosed a target to increase PV (or blended PV / wind) capacity	Solutions	If 0.2= “Yes”
6.iii.c		Has the company disclosed a target to increase wind production capacity (if target in b) is blended PV/Wind “Not Relevant”)	Solutions	If 0.2= “Yes”
6.iii.d		Has the company disclosed a target to increase biofuel production	Solutions	If 0.2= “Yes”
6.iii.e		Has the company disclosed a target to increase low-carbon hydrogen production	Solutions	If 0.2= “Yes”
6.iii.f		Is the PV (/blended PV/Wind) capacity target consistent w/IEA NZE	Solutions (AI)	If 0.2, 6.iiic= “Yes”
6.iii.g		Is the wind production capacity target (6.iii.c) consistent w/IEA NZE	Solutions (AI)	If 0.2, 6.iiic= “Yes”
6.iii.h		Is the biofuel capacity target (6.iii.d) consistent w/IEA NZE	Solutions (AI)	If 0.2, 6.iiic= “Yes”
6.iii.i		Is the low-carbon hydrogen capacity target (6.iii.e) consistent w/IEA NZE	Solutions (AI)	If 0.2, 6.iiic= “Yes”

CA100+ Indicator/ Net Zero Standard Metric		Metric type	Contingency
7	Climate policy engagement		
7.1	The company commits to conducting its policy engagement activities in accordance with the goals of the Paris Agreement	Disclosure	
7.1a	The company has a specific public commitment/position statement to conduct all of its lobbying in line with the goals of the Paris Agreement	Disclosure	
7.1b	The company commits to advocate for Paris-aligned lobbying within the trade associations of which it is a member	Disclosure	
7.1c	The company's public commitment/position statement to conduct all of its own lobbying in line with the goals of the Paris Agreement specifies the goal of restricting global temperature rise to 1.5°C above pre-industrial levels	Disclosure	
7.2	The company reviews its own and its trade associations' climate policy engagement positions / activities	Disclosure	
7.2a	The company publishes a review of its climate policy positions' alignment with the Paris Agreement goals and discloses how it has advocated for these positions through its own climate policy engagement activities	Disclosure	
7.2b	The company publishes a review of its trade associations' climate positions / alignment with the Paris Agreement and discloses what actions it took as a result.	Disclosure	

CA100+ Indicator/ Net Zero Standard Metric		Metric type	Contingency
8	Climate governance		
8.1	The company's board has clear oversight of climate change	Disclosure	
8.1a	The company discloses evidence of board or board committee oversight of the management of climate change risks	Disclosure	
8.1b	The company has named a position at the board level with responsibility for climate change	Disclosure	
8.2	The company's executive remuneration scheme incorporates climate change performance elements	Disclosure	
8.2a	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)	Disclosure	
8.2b	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 key performance Indicator determining performance-linked compensation.	Disclosure	
8.3	The Board has sufficient capabilities/competencies to assess and manage climate-related risks and opportunities	Disclosure	
8.3a	The company has assessed its board competencies with respect to managing climate risks and discloses the results of the assessment	Disclosure	
8.3b	The company provides details on the criteria it uses to assess the board competencies with respect to managing climate risks and opportunities and the measures it is taking to enhance these competencies	Disclosure	

CA100+ Indicator/ Net Zero Standard Metric		Metric type	Contingency
9	Just Transition		
9.1	The company has committed to the principles of a Just Transition	Disclosure	
9.1a	The company has committed to decarbonise in line with defined Just Transition principles, recognising the social impacts of its decarbonisation efforts	Disclosure	
9.1b	The company has committed to retain, retrain, redeploy and/or compensate workers affected by its decarbonisation efforts	Disclosure	
9.1c	The company has committed that new projects associated with its decarbonisation efforts are developed in consultation with affected communities and seek their consent.	Disclosure	
9.2	The company has disclosed how it is planning for and monitoring progress towards a Just Transition.	Disclosure	
9.2a	The company has developed a Just Transition plan for how it aims to support workers and communities negatively affected by its decarbonisation efforts	Disclosure	
9.2b	The company's Just Transition plan was developed in consultation with workers, communities and other key stakeholders affected by its decarbonisation efforts	Disclosure	
9.2c	The company discloses the quantified Key Performance Indicators it uses to track its progress towards the objectives of its Just Transition plan	Disclosure	

CA100+ Indicator/ Net Zero Standard Metric		Metric type	Contingency
10	TCFD disclosure		
10.1	The company has publicly committed to implement the recommendations of the Task Force on Climate related Financial Disclosures (TCFD)	Disclosure	
10.1a	The company explicitly commits to align its disclosures with the TCFD recommendations OR it is listed as a supporter on the TCFD website	Disclosure	
10.1b	The company explicitly sign-posts TCFD aligned disclosures in its annual reporting or publishes them in a TCFD report	Disclosure	
10.2	The company employs climate-scenario planning to test its strategic and operational resilience	Disclosure	
10.2a	The company has conducted a climate-related scenario analysis including quantitative elements and disclosed its results	Disclosure	
10.2b	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	Disclosure	
10.ii.a	ii) Energy and emissions disclosure	Has the company disclosed all externally sold energy (this is a comprehensive metric covering all forms of energy sales on both an equity and operational boundary and on a primary basis with no fossil fuel equivalent [FFE] adjustments and exclude non-energy and financial trading)	Disclosure
10.ii.b		Has the company disclosed any assumptions on the sales of "nonenergy" products and the impact of the exclusion	Disclosure
10.ii.c		Has the company disclosed any assumptions on any "financial trading" volumes and the impact of the exclusion	Disclosure
10.ii.d		Has the company disclosed its treatment of FFE either in the stated energy figure or targets	Disclosure
10.ii.f		Has the company disclosed net emissions from all externally sold energy (this can be disclosed on the same (comprehensive) footprint used for energy covering all emission scopes and greenhouse gases [methane, as well as CO2]. To enhance the credibility of emissions data it should be verified by independent and external advisors)	Disclosure
10.ii.g		Has the company's emissions disclosure been externally and independently verified	Disclosure
10.ii.h		Has the company disclosed the difference between gross and net emissions	Disclosure

CA100+ Indicator/ Net Zero Standard Metric		Metric type	Contingency
11	Historical GHG emissions reductions [BETA]⁵		
11.1	The company's emission intensity is decreasing	Disclosure	
11.1a	The company's GHG emissions intensity has decreased in the past year relative to the previous year	Disclosure	
11.1b	The company's GHG emissions intensity decreased over the past three years	Disclosure	
11.1c	The company has reduced its GHG emissions intensity at a rate faster than that projected by a credible 1.5°C pathway for its sector over the past 3 years	Disclosure	
11.2	The company discloses the factors that have led to changes in its historical emissions trajectory	Disclosure	
11.2a	The company has quantified the main actions that have driven any Scope 1 and 2 emissions changes, specifying the impact of any large "one-off" items (e.g., divestments, acquisitions, and mergers)	Disclosure	
11.2b	The company has quantified the main actions that have driven any Scope 3 emissions changes, specifying the impact of any large "one-off" items (e.g., divestments, acquisitions, and mergers)	Disclosure	
11.2c	The company discloses details on the carbon credits it retired in the previous year	Disclosure	

⁵ Climate Action100+, "Climate Action 100+ Net Zero Company Benchmark 2.0," March 2023. [Online]. Available: <https://www.climateaction100.org/wp-content/uploads/2023/03/Climate-Action-100-Net-Zero-Company-Benchmark-Framework-2.0..pdf>

SECTION 2: SCORING METHODOLOGY

Classifying metrics by type (“Bucketing”)

The Standard comprises of 90 binary metrics which align with the 11 indicators of CA100+ Net Zero Company Benchmark. Once metrics have been allocated to the appropriate CA100+ Company Benchmark indicator, they are sorted into one of the following four buckets:

<p>Disclosure</p>	<p>Good disclosure enables investors to make informed judgments about transition risks and opportunities. Therefore, the Standard aims to recognise (and ultimately encourage) good disclosure from O&G companies.</p>
<p>Alignment assessments</p>	<p>Investors who have committed to decarbonising their portfolios and understanding their transition risks, also want to test whether oil and gas companies have transition strategies aligned with net zero targets. These alignment assessments focus on forward-looking commitments and cover topics like reliance on neutralization, green energy production growth, upstream, absolute, operational emissions, and methane targets (see Exhibit 3).</p>
<p>Divergence of company wide emission targets with sector pathway</p>	<p>The Standard tests variation of the company-wide emissions pathway to a sector 1.5°C benchmark at three intervals (Long-term = 2050, medium-term = 2030 and Short-term = 2026) and variation over the whole pathway using cumulative benchmark divergence (CBD). These additional assessments complement the simple binary approach used by the existing CA100+ Company Benchmark and provide a comprehensive measure of performance across the entire pathway. Further details of this approach are set out in IIGCC’s Investor Expectations of Corporate Transition Plans and CBD methodology paper.</p>
<p>Climate solutions</p>	<p>Investors increasingly recognise that the pace of decarbonisation will be constrained without accelerating investment in “climate solutions” (defined here as low-carbon technologies, infrastructure, or other activities which help displace fossil fuels).</p> <p>NZIF asks investors to set a <10-year goal for allocating investment to climate solutions. The Standard asks companies to state the definitions it uses for categories like wind and solar electricity, low carbon fuels like hydrogen and biofuels. The Standard also looks at both inputs (capex and capacity targets) and outputs (low carbon revenue and energy production). In some cases, production or capacity commitments can be benchmarked against the relevant growth rates established in a 1.5°C scenario such as the IEA NZE⁶.</p>

⁶ Not all companies can or will want to diversify and so, consistent with both the principle of maximum strategic flexibility embedded in the Standard and the structure of the NZIF (which requires investors to set separate goals for climate solutions), a climate solutions strategy is considered optional. If a company indicates (either through lack of any relevant disclosure or an explicit statement) that it is not intending to diversify this does not undermine its ability to score highly on disclosure and alignment assessments. Whether a company intends to diversify into low carbon (climate solutions) or wind down fossil production is captured by indicator 0.2. If it indicates it is winding down Sub indicators 5.2 and 6.3 are not relevant.

Alignment Assessments included in the Assessment Methodology

The Standard has placeholders for 22 “alignment” assessments which are binary tests of disclosure provided by the company against a 1.5°C scenario data (typically from the IEA NZE). Half these indicators are operational currently with research underway to develop methodologies for the remainder. Exhibit 3 compiles a full list of the alignment indicators, both operational and to be developed.

Exhibit 3: Alignment Assessments

Indicator		Sub-indicator	Methodology status
LT Target	2.2	Contribution of neutralisation measures is <50%*	Operational
	2.2	Benchmarking absolute declines w/NZE	In development
	2.2	Benchmarking upstream target	In development
MT Target	3.2	Contribution of neutralisation measures is <50%*	Operational
	3.2	Benchmarking absolute declines w/NZE	In development
	3.2	Benchmarking upstream target	In development
Strategy	5.ii	Definition of green is credible	Operational
	5.ii	Growth in green energy production is consistent with NZE	Operational
	5.ii	Growth in green electricity production (wind and solar) is consistent with NZE	Operational
	5.iii	Long-Term operations emissions v. NZE**	Operational
	5.iii	MT operation emissions vs NZE	In development
	5.iv	Methane pathway tested w/NZE	In development
	5.v	Long-Term blended O&G, Oil and Gas Production v. NZE	Operational
	5.v	Medium- and Long-Term blended O&G, Oil and Gas Production v. NZE	Operational
	5.v	Current breakeven price of oil	In development
	5.v	Current breakeven price of gas	In development
Capex	6.i	Growth in PV (blended PV/ wind) capacity is consistent with NZE	Operational
	6.i	Growth in wind capacity is consistent with NZE	Operational
	6.i	Growth in biofuel capacity is consistent with NZE	Operational
	6.i	Growth in low-carbon hydrogen capacity is consistent with NZE	Operational
	6.i	pre-FID expected breakeven cost of oil pipeline	In development
	6.i	pre-FID expected breakeven cost of gas pipeline	In development

*Development focused on reducing the 50% threshold

**Currently assumed to be zero




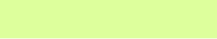
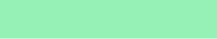

Aggregating metrics into sub-indicator and indicator and colour coding

Metrics are scored either as a binary “Yes” or “No”. Converting these scores into percentages (“Yes” = 100%, “No” = 0%) allows them to be aggregated at a (i) sub-indicator, (ii) indicator, and (iii) company level using the arithmetic mean. The percentage scores are then colour coded using the scheme set out in Exhibit 4a to allow investors to quickly locate the major outperforming and underperforming areas.



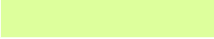




The variation of the company wide emission pathway from the sector decarbonisation pathway at short, medium, and long-term time intervals and the cumulative divergence over the entire pathway (2019-2050) are expressed as percentages. This percentage is colour coded with figures below 0% (indicating alignment) shown in green and figures above 100% shown in red (see Exhibit 4b).

Exhibit 4: Proposed colour coding and boundaries

a) Disclosure, alignment and solutions

Binary metric value	Aggregated sub-ind/ind buckets	Format
No	0-19.9%	
	20.0-39.9%	
	40.0-59.9%	
	60-79.9%	
	80-99.9%	
Yes	100%	
Not assessed	Not assessed	
Not relevant	Not relevant	

b) Divergence of company wide emissions targets

Percentage value	Aggregated sub-ind/ind buckets	Format
<0%	Aligned	
0-19.9%		
20.0-39.9%		
40.0-59.9%		
60-79.9%		
80-99.9%		
100%+		

* The colour scheme shown here is indicative only and ultimately it will likely be consistent with that developed by CA100+

Presenting/communicating aggregate results

The final output is likely to be displayed as a scorecard that shows aggregated scores by CA100+ Company Benchmark indicator and by data type (see Exhibit 5).

Exhibit 5: Aggregated scores by CA100+ Company Benchmark indicator and by data type

Indicators		Disclosure	Alignment assessments	Divergence of company wide emissions target (lower is better)	Climate solutions
Total company score →		78%	32%	37%	50%
↓ CA100+ Company Benchmark indicators					
1	Net-zero commitment	100%			
2	LT GHG reduction target (s)	80%	50%	Aligned	
3	MT GHG reduction target (s)	90%	50%	45%	
4	ST GHG reduction target (s)	100%	0%	36%	
5	Decarbonisation strategy	41%	27%		0%
6	Capital allocation alignment	11%			100%
7	Climate Policy engagement	100%			
8	Climate Governance	100%			
9	Just Transition				
10	TCFD Disclosure	80%			

Similar to how the CA100+ Company Benchmark is displayed currently, investors that wish to investigate a particular area of outperformance or underperformance are able to click on a particular indicator to access the supporting sub-indicators and metrics. [Exhibit 6](#) highlights the supporting sub-indicators for the strategy metric.

Exhibit 6: Supporting sub-indicators for the strategy metric

Indicator		Disclosure	Alignment assessments	Divergence of company wide emissions target	Climate solutions
5	Decarbonisation strategy	41%	27%		0%
5.1	Quantified strategy to reduce emissions	0%			
5.2	States green output and has set a target	75%			0%
5.iii	Operational emissions	100%	20%		
5.iv	Methane	50%			
5.v	Production	0%	33%		
5.vi	Fully specifies neutralising measures	22%			

IIGCC

