Net zero alignment staircase

	Criteria/Milestone	Committed low impact	Committed high impact	Aligning - low impact	Aligning - high impact	Aligned to a net zero pathway - low impact	Aligned to a net zero pathway - high impact
Core	1. Ambition	Has set, or has signalled the intention of setting, a long-term emissions reduction goal	A long-term emissions goal based on at least 95% of scope 1 and 2 emissions, consistent with limiting the increase in global temperatures to 1.5C with limited or no overshoot ("net zero")	A long-term emissions goal based on at least 95% of scope 1 and 2 emissions, consistent with limiting the increase in global temperatures to 1.5C with limited or no overshoot ("net zero")	A long-term emissions goal based on Scope 1, 2 and material Scope 3 (where applicable for the company' sector) consistent with limiting the increase in global temperatures to 1.5C with limited or no overshoot ("net zero"). This may imply emissions falling to net zero before 2050 in some sectors (e.g. Electricity).	A long-term emissions goal based on Scope 1, 2 and material Scope 3 consistent with limiting the increase in global temperatures to 1.5C with limited or no overshoot ("net zero"). This may imply emissions falling to net zero before 2050 in some sectors (e.g. Electricity).	
	2. Targets			Short- (2025) and medium-term (2026-2035) emissions targets (for Scope 1 and 2) should aim to be consistent with the trajectory implied by the long-term target and the science-based net zero pathway (1.5C).	Short- (2025) and medium-term (2026-2035) emissions targets (for Scope 1, 2 and material Scope 3 - where applicable for the company sector) should aim to be consistent with the trajectory implied by the long-term target and the science-based net zero pathway (1.5C).	Short- and medium-term emissions targets (for Scope 1, 2 and material Scope 3) should aim to be consistent with the trajectory implied by the long-term target and the science-based net zero pathway (1.5C).	
	3. Emissions performance					Current emissions intensity performance (for Scope 1, 2 and material Scope 3) on a metric consistent with targets should be disclosed and show a trajectory consistent with a 1.5C warming pathway to meet emissions targets.	
	4. Disclosure	Scope 1 and 2 emissions should be disclosed	Scope 1 and 2 emissions should be disclosed	Scope 1 and 2 emissions should be disclosed, alongside a commitment to measure and report on scope 3 emissions within the next 3 years or an explanation as to why scope 3 emissions are not material	Scope 1, 2 and material Scope 3 emissions should be disclosed along with the company's measurement, reporting and verification process.	Scope 1, 2 and material Scope 3 emissions should be disclosed along with the company's measurement, reporting and verification process.	Scope 1, 2 and material Scope 3 emissions should be disclosed along with the company's measurement, reporting and verification process.
	5. Decarbonisation strategy				Climate strategy should be disclosed as per Task Force on Climate-Related Financial Disclosures (TCFD) recommendations, with evidence of quantitative climate scenario analysis and transition analysis. The measures should refer to the main sources of its GHG emissions, including scope 3 emissions where applicable.		Climate strategy should be disclosed as per TCFD recommendations, with evidence of quantitative climate scenario analysis and transition analysis. The measures should refer to the main sources of its greenhouse gas (GHG) emissions, including scope 3 emissions where applicable. The quantified plan should also set out the measures that will be deployed to deliver GHG targets, including proportions of revenues that considered "green" where relevant and the use of neutralising actions such as Carbon Capture, Utilisation and Storage (CCUS) and offsets are clearly disclosed. The plan should also set a target to increase the share of 'green revenues' or disclose the 'green revenue share is above the sector average.
	6. Capital allocation alignment						Commits to align future capital expenditures with long-term GHG reduction target. Commits to align future capital expenditures with the Paris Agreement's objective of limiting global warming to 1.5C. Discloses the methodology used to align future capital expenditures with decarbonisation goals, including key assumptions and key performance indicators (KPIs) and quantifies key outcomes, including share of future capital expenditures aligned with a 1.5C scenario, and the year in which capital expenditures in carbon intensive assets will peak.
Additional	7. Climate policy engagement				The company has a Paris aligned climate lobbying position and demonstrates alignment of its direct and indirect lobbying activities (level of detail required dependent on sector).		The company has a Paris aligned climate lobbying position and demonstrates alignment of its direct and indirect lobbying activities.
	8. Climate governance			Board capabilities and competencies to manage climate change.	Board capabilities and competencies to manage climate change. Board member nominated responsible for climate and net zero oversight. Executive remuneration should be linked to delivering targets.	Board capabilities and competencies to manage climate change.	Board capabilities and competencies to manage climate change. Board member nominated responsible for climate and net zero oversight. Executive remuneration should be linked to delivering targets.
	9. Just transition				The company considers the impacts from transitioning to a lower-carbon business model on its workers and communities.		The company considers the impacts from transitioning to a lower-carbon business model on its workers and communities.
	10. Climate risk accounting and audit			The company provides disclosures on risks associated with the transition through TCFD reporting (if applicable).	The company provides disclosures on risks associated with the transition through TCFD reporting and financial accounts state the climate scenario under which they were generated as well as any material, climate sensitive, assumptions (e.g., fossil fuel prices, carbon taxes) and outcomes (eg: write-downs on coal assets, useful life impact on gas assets). Where assumptions are not consistent with a net zero scenario, the impact of a net zero scenario on financial statements should be indicated.	The company provides disclosures on risks associated with the transition through TCFD reporting (if applicable).	The company provides disclosures on risks associated with the transition through TCFD reporting and financial accounts state the climate scenario under which they were generated as well as any material, climate sensitive, assumptions (e.g., fossil fuel prices, carbon taxes) and outcomes (eg: write-downs on coal assets, useful life impact on gas assets). Where assumptions are not consistent with a net zero scenario, the impact of a net zero scenario on financial statements should be indicated.

Rathbone Greenbank Investments