

## Methodological note on the 2026 ACT Core assessments

Published in February 2025 the newly developed [ACT Core methodology](#) was used as the analytical framework for the 2026 WBA Climate Benchmark. This first implementation covered 2,000 companies across multiple industries and sectors, including emissions-intensive and non-intensive sectors, and both real-economy companies and financial institutions.

As this was the first full application of a newly developed methodology, and it was implemented within a relatively short assessment cycle, a small number of targeted adjustments were made during the assessment process. These adjustments were intended to ensure consistency, analytical robustness and practical applicability across the full company universe.

All adjustments are documented below in the interest of transparency. The insights and lessons learned from this first assessment cycle will inform future refinements of the ACT Core methodology.

## Main adjustments to methodology arising from practical implementation Elements

Table 5 of the methodology outlines all elements that make up the ACT Core framework. During this first assessment cycle, a small number of elements, highlighted by a black box below, were removed from the final classification. This decision was taken to ensure consistency and robustness in the application of the methodology across the full company sample.

The rationale for excluding these elements in this first iteration is explained below.

Measurement Area	Indicators	Elements
A. GHG emissions reporting and target definition	01.The company discloses GHG emissions and sets targets that are based on science	A01.a - The company reports on its GHG emissions.
		A01.b - The company sets targets to reduce its GHG emissions.
		A01.c - Sectoral pathways used for target-setting are compatible with a 1.5°C scenario.
		A01.d - The company's targets exclude avoided GHG emissions and carbon credits.

1 A01.d was covered indirectly through A01.b. In A01.b, the assessment considers the company's use of offsets, including whether offsets exceed 10% in the net-zero year. Targets defined only in broad "net-zero" terms, without a clear reference year or an explanation of how residual emissions will be addressed, are therefore excluded at this stage.

Although data for A01.c was collected, it was treated as contextual rather than determinative in the scoring. This reflects the fact that a detailed assessment of target ambition and alignment with 1.5°C pathways is undertaken comprehensively in Area E, where these aspects are evaluated in full.

Measurement Area	Indicators	Elements
B. Planning for the low-carbon transition	01. The company is planning for the low-carbon transition	B01.a - The company discloses core elements required in a transition plan.
		B01.b - The plan covers the company's own operations and its supply chain/portfolio.
		B01.c - The company periodically reviews its transition plan.
	02. The company's transition planning is coherent, detailed and includes financial elements	B02.a - The company identifies key sector-specific decarbonisation levers/actions in its transition planning.
		B02.b - The company's decarbonisation levers/actions are considered for the near and long term.
		B02.c - The company estimates GHG emissions savings associated with its decarbonisation levers/actions.
		B02.d - The company discloses associated investments to deploy its decarbonisation levers/actions.
		<b>B02.e - The company's decarbonisation levers/actions account for future risks and uncertainties.</b>
	03. The company promotes GHG emissions reductions in its value chain	B03.a - The company implements actions to influence suppliers/investors/savers to reduce upstream GHG emissions.
		B03.b - The company's engagement with suppliers/investors/savers on scope 3 emissions is far-reaching.
		B03.c - The company implements actions to influence its clients/investees to reduce downstream GHG emissions.
		B03.d - The company's engagement with clients/investees on scope 3 emissions is far-reaching.

2 B02.e was generally straightforward to meet, in part due to some misalignment in the guidance provided to the research partner. While the intention was to consider only risks and uncertainties directly related to the identified decarbonisation levers, companies frequently included broader risk categories, such as physical risks to the business. These were nonetheless captured in reporting, which lowered the practical threshold for meeting this criterion.

Measurement Area	Indicators	Elements
C. Governance and policy	01. Accountability for sustainability performance	C01.a - The company assigns responsibility for its sustainability performance to the highest governance body.
		<b>C01.b - The company has functions/teams or committees responsible for the implementation of its sustainability plans.</b>
		C01.c - The company's supervisory board includes experts in climate change and the low-carbon transition.
	02. The company supports significant climate policies	C01.d - The company links climate performance criteria to senior executives' remuneration.
		C02.a - The company publicly supports significant climate policies.
		C02.b - The company is not affiliated with organisations holding climate-negative positions.

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4 Elements C01.b to C02.b were considered informative but were not a strong proxy for overall company performance. For companies outside traditionally energy-intensive sectors, disclosure on industry association engagement is less common, which can lead to a systematic disadvantage. While the relevant data was collected and documented, it was not used to drive the final score.

## Final classification

Following testing of the original thresholds for final classification, as set out in Tables 6/7 of the [ACT Core methodology](#), it was observed that progression to the highest performance categories could be disproportionately constrained by the non-fulfilment of a small number of relatively minor elements.

For this first assessment iteration, selected entry conditions in Areas A and B were therefore modestly adjusted, while greater weight was placed on performance-oriented Areas C, D and F in determining final classifications. This approach ensured that overall performance and demonstrated action were more accurately reflected, without altering the underlying ambition of the methodology.

Accordingly, the following scoring logic was applied to determine the final company classification:

Class	Description
Uncommitted	The company does not disclose climate targets, or it does not provide sufficient information to validate at least one emissions target ( <b>A01.b is Unmet</b> ). A target is considered valid only if the baseline year, baseline emissions, and expected emissions reductions are clearly disclosed. In addition, the target must be set for a year no later than 2034 and be supported by evidence that it covers at least 95% of Scope 1 and 2 emissions, or at least 40% of Scope 3 emissions.
Non-mature	The company has set at least one valid climate target before 2034 independent of scope and time frame but not for its most material emissions scopes ( <b>A01.b is at least Basic</b> ).
Committed but not planning	The company has set valid emissions targets that cover the most material scopes ( <b>A01.b is at least Standard</b> ) but the company has not published a standalone transition plan nor sufficient transition-planning details embedded in its annual sustainability annual/reports.
Unstructured plan execution	The company has set valid emissions targets for its most material emissions ( <b>A01.b is at least Standard</b> ) and published a standalone transition plan or has disclosed sufficient transition-planning details embedded in its annual sustainability reports ( <b>B01.a and B01.b are met</b> ). In addition the company the company assigns responsibility for its transition planning/climate-change oversight to the highest governance body ( <b>C01.a is met</b> ).
Inconsequential planning	The company has set valid targets for its most material emissions scopes ( <b>A01.b is at least Standard</b> ). It has a transition plan with oversight to the highest governance body ( <b>B01.a, B01.b and C01.a are met</b> ), and is reporting emissions under a recognised methodology ( <b>A01.a at least Basic</b> ). However, there is no evidence that the company is mobilizing low-carbon investments through capital expenditure (CapEx) or R&D ( <b>D01.a is unmet</b> ). In addition, the company's Scope 1 and 2 and Scope 3 emissions data for the period 2019–2024 are either not reported consistently for at least four years, or the emissions trajectory is significantly misaligned with the reductions required under the relevant 1.5 °C sectoral pathway ( <b>F01.a is less than Basic</b> ).

Commented [VS1]: @Luis Costa see here alternative wording

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Consequential planning	The company has set valid targets for its most material emissions scopes ( <b>A01.b is at least Standard</b> ). It has a transition plan with oversight to the highest governance body ( <b>B01.a, B01.b and C01.a are met</b> ),, and is reporting emissions under a recognised methodology ( <b>A01.a at least Basic</b> ). There is evidence that the company is mobilizing low-carbon investments through capital expenditure (CapEx) or R&D, but these account for no more than 10–20% of total investment, depending on the sector ( <b>D01.a at least Basic</b> ). The company reports Scope 1 and 2 and Scope 3 emissions consistently, and a declining emissions trajectory is observed; however, the level of reductions achieved remains insufficient to align with ambitious 1.5 °C sectoral pathway ( <b>F01.a is at least Standard</b> ). The company has established valid near- and long-term Scope 1 and 2 and Scope 3 targets, and at least one is aligned with ambitious 1.5 °C sectoral pathway when emissions performance and expected sectoral activity growth are taken into account (at least one of <b>E01.a, E01.b, E01.c or E01.d is met</b> ).
1.5°C aligned and planning	This reflects that the company has a detailed transition plan with detailed information on decarbonization levers and supply chain engagement (At least 5 elements of <b>B02.a, B02.b, B02.c, B02.d, B03.a, B03.b, B03.c, B03.d or B03.e</b> are met). There is convincing evidence that the company is mobilizing significant low-carbon investments, typically accounting for 40% or more of total investment ( <b>D01.a at least Standard</b> ). The company's total emissions between 2019 and 2024 have decreased consistently at a pace sufficient to keep the company aligned with ambitious 1.5 °C sectoral pathway over the next five years ( <b>F01.a is at least Next Practice</b> ). The company has established valid near- and long-term Scope 1 and 2 and Scope 3 targets, and at least half of these targets are aligned with ambitious 1.5 °C sectoral pathway when emissions performance and expected sectoral activity growth are taken into account (at least two of <b>E01.a, E01.b, E01.c or E01.d</b> are met ).

## Pathway library used to assess company's target alignment and emissions performance.

Areas E and F of the ACT Core methodology focus on the quantification of company emissions and the assessment of target alignment with ambitious 1.5°C pathways. The pathways applied, and their sources, are summarised in the table below for all sectors covered.

Given the heterogeneity of companies assessed, sector-specific pathways are not always available or appropriate. In such cases, the SBTi cross-sectoral pathways are used as a fallback option. All pathways are expressed in absolute emissions terms, and all companies are assessed consistently on the basis of absolute emissions performance and targets. At the time of publication of the ACT Core methodology, these pathways had not yet been formally defined. They are therefore provided separately through this note to support transparency and consistent application of the assessment framework.

Pathway/scenario	Sector	Industry	Labels	Scope	Pathway source
Cross sectoral - CO2e (S3 SBTi-IPCC)	Multiple	Cross	sectoral - CO2e	S3	Science Based Targets Initiative
Cross sectoral - CO2 (S3 SBTi-IPCC)	Multiple	Cross	sectoral - CO2	S3	Science Based Targets Initiative
Cross sectoral - CO2 (S1+2 SBTi-IPCC)	Multiple	Cross	sectoral - CO2	S1+2	Science Based Targets Initiative
Cross sectoral - CO2e (S1+2 SBTi-IPCC)	Multiple	Cross	sectoral - CO2e	S1+2	Science Based Targets Initiative

Data centers (S1+2 ITU-IPCC)	ICT	Data	centers	S1+2	International Telecommunications Union
Hardware manufacturers (S1+2 ITU-IPCC)	ICT	Hardware	manufacturers	S1+2	International Telecommunications Union
Telecommunications networks (S1+2 ITU-IPCC)	ICT	Telecomm	networks	S1+2	International Telecommunications Union
Oil consumption (S3 ISF-OECM)	Oil and Gas	Oil	consumption	S3	Institute for Sustainable Futures
Light-duty vehicle use (S3 IEA-NZE)	Transport	Oil	Light-duty vehicle use	S3	International Energy Agency
Train use (- IEA-NZE)	Transport	Train	use	S1+2 or S3	International Energy Agency
Shipping use (- ISF-OECM)	Transport	Shipping	use	S1+2 or S3	Institute for Sustainable Futures
Plane use (- IEA-NZE)	Transport	Plane	use	S1+2 or S3	International Energy Agency
Heavy truck manufacture (S1+2 ISF-OECM)	Transport	Heavy truck	manufacture	S1+2	Institute for Sustainable Futures
Chemicals production (S1+2 ISF-OECM)	Heavy Industry	Chemicals	production	S1+2	Institute for Sustainable Futures
Water utilities (S1+2 ISF-OECM)	Utilities	Water	utilities	S1+2	Institute for Sustainable Futures
Plane manufacture (S1+2 ISF-OECM)	Transport	Plane	manufacture	S1+2	Institute for Sustainable Futures
Oil production (S1+2 IEA-NZE)	Oil and Gas	Oil	production	S1+2	International Energy Agency
Mining diversified (S1+2 TPI-NZE/IPCC)	Mining	Mining	diversified	S1+2	Transition Planning Initiative
Shipping manufacture (S1+2 ISF-OECM)	Transport	Shipping	manufacture	S1+2	Institute for Sustainable Futures
Light-duty vehicle manufacture (S1+2 ISF-OECM)	Transport	Light-duty vehicle	manufacture	S1+2	Institute for Sustainable Futures
Cement production (S1+2 ISF-OECM)	Heavy Industry	Cement	production	S1+2	Institute for Sustainable Futures
Buildings construction (- SBTi-NZE/IPCC)	Construction	Buildings	construction	S1+2 or S3	Science Based Targets Initiative
Power purchase (S3 ISF-OECM)	Utilities	Power	purchase	S3	Institute for Sustainable Futures
Power generation (S1+2 CA-SR1.5/SSP1)	Utilities	Power	generation	S1+2	Climate Analytics
Power generation (S1+2 ISF-OECM)	Utilities	Power	generation	S1+2	Institute for Sustainable Futures
Heavy truck use (- IEA-NZE)	Transport	Heavy truck	use	S1+2 or S3	International Energy Agency
Iron and steel production (S1+2 ISF-OECM)	Heavy Industry	Iron and steel	production	S1+2	Institute for Sustainable Futures
Iron and steel production (S1+2 SBTi-NZE)	Heavy Industry	Iron and steel	production	S1+2	Science Based Targets Initiative
Buildings energy use (- CREEM-NZE/IPCC)	Construction	Buildings	energy use	S1+2 or S3	Science Based Targets Initiative
Agrifood energy-related emissions (non-FLAG SBTi-IPCC)	Agriculture	Agrifood	energy-related emissions	non-FLAG	Science Based Targets Initiative
Agrifood land-related emissions (FLAG SBTi-IPCC)	Agriculture	Agrifood	land-related emissions	FLAG	Science Based Targets Initiative
Agrifood land-related emissions (S3 ISF-OECM)	Agriculture	Agrifood	land-related emissions	S3	Institute for Sustainable Futures
Agrifood energy-related emissions (S1+2 ISF-OECM)	Agriculture	Agrifood	energy-related emissions	S1+2	Institute for Sustainable Futures
Forestry and wood products (S1+2 ISF-OECM)	Forest	Forestry	products	S1+2	Institute for Sustainable Futures
Aluminium production (S1+2 ISF-OECM)	Heavy Industry	Aluminium	production	S1+2	Institute for Sustainable Futures