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Update to Transition Pathway Initiative (TPI) Carbon Performance Score scenarios

30 October 2023

FTSE Russell would like to inform clients that Ground Rules which include information on Transition Pathway Initiative (TPI) Carbon Performance scores have been updated to include a link to the Guide to FTSE and Third Party Sustainable Investment data used in FTSE Russell Indices. The Guide now describes the updated 2050 Carbon Performance benchmarks used by the TPI, as detailed in the TPI's methodology report: [Management Quality and Carbon Performance Version 4.0 \(November 2021\)](#)

6.3 Transition Pathway Initiative (TPI)

6.3.1 TPI Carbon Performance Scores (CP)

TPI CP scores are provided by the TPI Global Climate Transition Centre, which is based at the Grantham Research Institute on Climate Change and the Environment at the London School of Economics and Political Science.

TPI Carbon Performance (CP) scores assess how companies' carbon performance now and in the future might compare to the international targets and national pledges made as part of the Paris Agreement.

Companies that receive an assessment are categorized into different groups.

For companies in Pulp and Paper:

- Below 2°C: A company's carbon emissions pathway is aligned with limiting global warming to below 2°C above pre-industrial levels.
- 2°C: A company's carbon emissions pathway is aligned with limiting global warming to 2°C above pre-industrial levels.
- Paris Pledges: A company's carbon emission pathway is aligned with the public country-level commitments made on the Paris Agreement (known as Nationally Determined Contributions or NDCs) but is not aligned with limiting global warming to 2°C
- A company's carbon emissions pathway is not aligned with limiting global warming to 2°C above pre-industrial levels or has insufficient disclosures to enable such an assessment.
- A company has not yet been assessed for its Carbon Performance

For companies in Electricity Utilities, Oil & Gas, Automobiles, Airlines, Shipping, Cement, Diversified Mining, Steel, and Aluminium sectors ("all other sectors"):

- 1.5°C: A company's carbon emissions pathway is consistent with the overall aim of the Paris Agreement, and at the high end of the range of ambition, namely, to limit "the increase in the global average temperature to well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels".
- Below 2°C: A company's carbon emissions pathway is consistent with the overall aim of the Paris Agreement to limit warming, albeit at the middle of the range of ambition.
- National / International Pledges: A company's carbon emission pathway is consistent with the global aggregate of emissions reductions related to policies introduced or under development as of mid-2021
- A company's carbon emissions pathway is not aligned with limiting global warming to 2°C above pre-industrial levels or has insufficient disclosures to enable such an assessment. A company has not yet been assessed for its Carbon Performance

More information can be found here: www.transitionpathwayinitiative.org/methodology

Updated copies of the Guide to Third Party Sustainable Investment Data used in FTSE Russell Indices (v1.4) are now available using the following link: [guide-to-ftse-and-third-party-sustainable-investment-data-used-in-ftse-russell-](#)

[indices.pdf](#)

Updated copies of the Ground Rules are now available on the FTSE Russell website.

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