

S&P Global Sustainable 1

Net-Zero Commitments Tracker dataset

Notice of Methodology Enhancements

May 2024

The S&P Global Sustainable 1 Net-Zero Commitments Tracker dataset provides a comprehensive database of corporate climate targets and indicators of their comprehensiveness, adequacy, credibility, and completion, and examines long-term forecasts of Scopes 1, 2, and 3 greenhouse gas (GHG) emissions through 2050. Data is updated on at least an annual basis, including updates to latest collected greenhouse gas reduction targets, forecasts, and updated analytics. This notice describes the methodology enhancements that are currently under review and that S&P Global Sustainable1 intends to incorporate in the 2024 Net-Zero Commitments Tracker annual update, which we expect to release in Q2 2024. The methodology updates contained in this notice are under currently review and may be subject to change. The purpose of this notification is to ensure we maintain transparency in our methodological process and decisions with the market. The full release will be accompanied by a detailed methodology report describing the data sources, methods and assumptions used in the analysis, and a release note describing the impact of the methodology changes on the dataset.

Methodology Enhancements under Review

The following table describes the methodology enhancements that are under review and being considered for the Q2 2024 Net-Zero Commitments Tracker release, the expected impact on the dataset, and the intended benefit of these enhancements for clients. The enhancements described below may be subject to change and the related expected impact may also differ from what has been described below as these updates are yet to be implemented and are under review.

Enhancement Name	Enhancement Description	Client Benefit	Expected Impact on Net-Zero Commitments Tracker dataset
Updated calculation of annualized emissions reduction required to meet targets	Methodology is being enhanced in order to be able to calculate annualized emissions reduction required to meet targets even in cases where baseline year is not disclosed as part of a company's greenhouse gas reduction target. In the case of a missing baseline year, the calculation will be based on the announcement year to horizon/end year, and in cases when both baseline year and announcement year are missing, the calculation will be based on latest year of greenhouse gas data available to horizon/end year.	Improved coverage of this indicator, avoiding prior null values in cases when baseline year was undisclosed.	Around 14% of companies in this dataset currently have at least one target without an identified baseline year. In these cases a null value would previously have been calculated, and with the enhancement a usable percentage value will be calculated.

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