climate arc

More Than Metrics

Enriching Transition Data for Better Decisions

Workshop Outcomes

Executive Summary

Executive summary

As part of London Climate Action Week (LCAW) 2025, Climate Arc (Arc) hosted *More Than Metrics: Enriching Transition Data for Better Decisions*. This was a practical, action-focused workshop convening over 140 leading technical experts working in climate action. The session focused on advancing the quality and usability of transition data. It brought together voices from finance, policy, academia, and civil society to unpack critical challenges across seven crucial areas identified through our partnership engagement and research.

These discussions advanced existing thinking and reinforced a clear message: credible transitions require context-aware, interoperable, and decision-useful data. Participants identified persistent gaps - fragmented systems, misaligned metrics, and underdeveloped frameworks - but also surfaced practical actions to address them. These insights are already shaping the evolution of Arc's corporate transition analysis tool, TransitionArc, from expanding existing metrics to developing frameworks that enrich the analysis with new sectoral and localized pathways.

At Arc, we believe that unlocking capital is essential to accelerating the transition. Whatever the industry—energy or technology, food or transport—the climate emergency requires a complete shift in the way our economies and societies function. Companies need to transition their businesses, and fast. And those that invest, lend and insure them are critical to driving this urgently needed action. We're here to empower these financial decision makers with relevant, decision-ready tools, and information.

This vision cannot be achieved by any one organization alone. That's why we strive to work in partnership with the entire transition finance community, building connections—or arcs—that create the conditions for change.

Our *More Than Metrics* workshop exemplified this approach—fostering collaboration, surfacing solutions, and laying the groundwork for a more coherent and credible global transition.

Contextual background

Over the past few years, the climate finance community has achieved extraordinary momentum—pushing transition planning into the mainstream, catalyzing new frameworks, and embedding climate alignment into boardroom agendas and investment decisions.

But today that momentum is meeting real headwinds.

The levers of influence on corporate transition—from policy and capital allocation to public pressure—are shifting. Scrutiny is growing. Backlash is real. And progress is slowing in places where it needs to accelerate. In this moment, getting the data, methodologies, and insights right is not just a technical exercise—it's a strategic imperative.

In September, 2024, Arc convened a high-level workshop during New York Climate Week to explore the next frontier in company transition analysis—localization. The session brought together leading voices from across the climate finance and data community to examine how global transition frameworks can be adapted to reflect local realities.

The workshop emphasized the need for richer, context-specific analysis to support credible transition planning. The session facilitated discussions across key thematic areas: climate solutions metrics, asset-level and value chain data, localized pathways, physical risk, adaptation, and resilience, and food, land and agriculture. Participants identified critical gaps, coordination challenges, and opportunities for leadership across these domains and highlighted the importance of cross-sector collaboration as well as the need to integrate diverse data sources to inform robust local transition strategies.

This workshop laid the groundwork for continued dialogue and action, setting the stage for deeper exploration during LCAW 2025 to bring our collective expertise to bear on the most urgent and unresolved questions in transition analysis.

This is about unlocking the next level of impact—by sharpening how we assess progress, target influence, and support real-economy change.

Arc's strategy and session partners

In June 2025, *More Than Metrics* brought together technical leads from non-profit organizations, financial services, philanthropy, academia, national governments, corporate sectors, and global alliances. Thematic and strategic partners joined forces with Arc to drive the discussions across seven thematic areas:

- **Linking corporate and national transition plans**: Working with International Transition Plan Network (ITPN) and Centre for Economic Transition Expertise (CETEx) to bridge corporate strategies with national plans.
- **Localized pathways:** Collaborating with Climateworks Centre, Open Insjennights, One Earth, and Universidade Federal do Rio de Janeiro to tailor transition analysis to geographic realities.
- **Strengthening the climate data ecosystem**: Working with the Climate Champions Team and other partners on practical steps to strengthen transition data infrastructure along the value chain, to optimize data collection, sharing, and analysis.
- **Redefining climate governance**: Partnering with Climate Governance Initiative (CGI) and Transition Pathways Initiative (TPI) and the TPI Centre at the London School of Economics (LSE) to define and measure credible governance.
- **Food and agriculture**: Joining forces with World Benchmarking Alliance (WBA) and World Business Council for Sustainable Development (WBCSD) to assess transitions in sectors with deep nature and social linkages.
- **Assessing financial institutions**: Collaborating with the Institut Louis Bachelier (ILB), Columbia Center for Sustainable Investment (CCSI) and Climate Policy Initiative (CPI) to develop frameworks for banks, investors and insurers.
- **Physical risk, adaptation, and resilience**: Partnering with Resilient Planet Finance Lab and Cross Dependency Initiative (XDI) to integrate climate risk and adaptation into transition planning.

Outcomes from across the thematic discussions

Corporate vs. national transition plans

How can we align corporate transitions with national strategies?

Led by International Transition Plan Network (ITPN) and Centre for Economic Transition Expertise (CETEx)

Plenary framing

As the conversation around corporate transition planning matures, the distinction between company-level ambition and national policy frameworks is coming into sharper focus. There is increasing awareness of the misalignment that can emerge when companies anchor their strategies in global decarbonization pathways, without fully integrating the practical realities of local policy, infrastructure, and economic circumstances. This challenge is particularly pronounced in emerging markets, where robust transition plans may prove unworkable if not grounded in national contexts.

The ambition is to foster a planning environment where corporate and national strategies are no longer developed in isolation but instead are mutually reinforcing. For this vision to materialize, it is essential to establish mechanisms for structured collaboration between governments, industry, finance, and academia—creating national sectoral pathways that serve as both strategic direction and actionable reference points. Such frameworks would allow users to closely compare global and national perspectives, enabling more meaningful comparisons and clearer guidance for decision-making.

At the technical level, companies are increasingly being called upon to disclose the external dependencies embedded in their transition plans—factors like technology access, infrastructure development, or enabling policy. These disclosures are most impactful when embedded in integrated systems that help translate granular corporate data into actionable insights for policymakers—clarifying capital flows, surfacing systemic barriers, and illuminating private sector contributions to climate goals.

Ultimately, the goal is to equip stakeholders with interoperable tools and frameworks—anchored in context and collaboration—that drive a transition both credible and responsive to the realities on the ground.

Breakout discussions

Key takeaways

- **Constructive feedback loop is essential:** A dynamic, iterative relationship between corporate and national transition plans is critical. Corporate plans—especially those in more incumbent industries—can inform national policy through demand signals, data, and clear identification of barriers and enablers to transition, while national plans provide the enabling environment and policy clarity needed for corporate action.
- **Sectoral and regional specificity matters:** Transition planning must be tailored to sectoral and regional contexts, and incorporate concrete, costed actions. National-level plans often lack the granularity and sectoral specificity needed for corporate implementation, especially for multinationals operating across jurisdictions.
- **Data must be localized and decision-useful:** There is a wealth of data, but it is often not in a format that is useful for policymakers. Localized, disaggregated, comparable, and decision-useful data is needed to bridge the gap between corporate disclosures and national planning.
- **Co-creation and trusted conveners are crucial:** Effective sectoral roadmaps and transition plans require structured, co-creative processes involving governments, corporates, investors, civil society, and academia. Trusted conveners (e.g., independent agencies or standard-setting bodies), and an inclusive approach are key to legitimacy, while orientation around a clear mission/objective is critical to purposeful engagement.
- **Transition plans must include detailed and comparable information on transition levers and the dependencies associated with them:** Beyond targets and actions, plans should articulate clearly the dependencies associated with the transition levers that the company has identified (e.g., on infrastructure, policy, finance). They should also identify how different outcomes in respect of these dependencies will impact the contribution of each lever to the company's transition targets (e.g., the contribution to emissions reduction associated with the scaling and deployment of enabling technology, or access to infrastructure).
- **Investor and policy alignment is growing but fragmented:** Investors are increasingly engaging with both corporate and national transition plans, but the integration of these conversations remains inconsistent, as is the comparability of the information provided. Forums that bring together investors, corporates, and policymakers—and are grounded in decision-useful data—are emerging as critical spaces.

Gaps identified

- **Commercial sensitivity and data sharing barriers:** Forward-looking, project-level data, which is most useful for sectoral policymaking, is commercially sensitive and rarely disclosed.
- **Lack of localized, decision-useful corporate data:** Corporate transition plans are typically entity-level and not disaggregated by geography, limiting their utility for national planning. Furthermore, information on transition levers—and their contribution to emissions reduction, dependencies (i.e., barriers and enablers to transition), implementation actions, and financial plans—is often incomplete, high level, and incomparable across companies.
- **Ambiguity in national plans:** Governments often fall short of providing the policy clarity and certainty that would facilitate corporate planning and investment, such as guidance around investment plans and technology roadmaps.

- **Greater involvement from state finance required:** Finance ministries need to better understand the impact of planned projects and investment on the economy, including tax income, GDP growth, and jobs, as well as the reliance of plans on input costs, such as energy. This allows them to adjust subsidies and tax reform to best support the transition alongside other objectives like growth and employment.
- **Fragmented dialogue and forums:** Conversations between corporates, investors, and policymakers are often siloed or ad hoc. There is a need for more structured, inclusive, and recurring forums to create a constructive feedback loop between national policies and corporate transition plans.

Cross-cutting themes

- **Integrity and accountability:** Ensuring the credibility of both corporate and national plans is a shared concern. There is a call for third-party validation and alignment with science-based targets.
- **Adaptation and resilience:** Adaptation planning is highly localized and lacks standardized frameworks. Granular, location-specific information from national adaptation plans is needed to guide corporate action and investment.
- **Sectoral interdependencies:** Transition planning must account for inter-sectoral linkages (e.g., energy providers enabling decarbonization in manufacturing or transport).
- **Role of state-owned enterprises and strategic sectors:** In many regions, especially Asia, state-owned enterprises and strategic sectors (e.g., steel, auto, energy) are central to transition planning and require tailored approaches.
- **Global vs. local pathways:** Some sectors (e.g., automotive and mining) are globally integrated, making national benchmarks less relevant. There is a need to distinguish when global vs. local alignment is appropriate. Company ambitions need to be carefully weighted according to the local jurisdictions they operate in to ensure consistency.

Priority actions

- ✓ **Improve availability and accessibility of transition data and disclosure:** Encourage or require corporates to disclose transition data that can inform financial and policy decision making at the jurisdictional level. Support the development of shared data platforms to support the ability of users of transition plan disclosures to access accurate, up-to-date, and widespread data.
- ✓ **Enrich and build comparability of data:** Develop and apply common typologies for transition levers, dependencies (i.e., barriers and enablers), actions, and contributions. This will facilitate systematic identification, categorization, and evaluation of dependencies to help inform policymaker decisions and those in the broader system (e.g., technology developers, value chain counterparts, capital providers).
- ✓ **Aggregate and analyze transition data:** Aided by more comparable data, create methodologies to analyze corporate transition data by sector and region to inform national planning and identify investment gaps.
- ✓ **Empower policymakers:** Engage policymakers to support the use of corporate and project-level data and analysis for policy design, subsidy allocation, and fiscal planning, with the aim enabling policy development that supports private sector action and crowds in private capital.
- ✓ **Increase visibility around corporate policy engagement:** Surface greater detail on corporates' engagement in policy development to aid efforts to align engagements to principles for responsible policy engagement.

- ✓ **Develop structured policy co-creation mechanisms:** Establish trusted, ambitious, and well-targeted processes for co-developing sectoral transition roadmaps and investment plans. Include industry participants, value chain representatives, governments, capital providers, and NGOs to build a shared vision with buy-in across the climate finance ecosystem, improving access to expertise, validating inputs, understanding the limits, and tracking progress.
- ✓ **Advance adaptation metrics and frameworks:** Develop frameworks for assessing corporate adaptation actions that build toward integration with national adaptation plans, considering local risks and systemic impacts.

Arc is working on improving the linkages between corporate transitions and the policy landscape. This includes sourcing new analysis on national plans and policy impacts to integrate into TransitionArc. The aim is to strengthen assessments of corporate policy alignment and identify key dependencies and enablers, harnessing these insights to support evidence-based policy advocacy. Arc's team will work closely with aligned collaborators to determine the best way to integrate the priority actions identified here into these efforts. To discuss further, and explore collaboration – please contact Arc's Head of Policy, Jennifer Bell, on jennifer.bell@climatearc.org

Localized pathways

How can transition analysis better reflect the real-world constraints and opportunities playing out across different geographies?

Led by Arc, Climateworks Centre, Open Insights, One Earth, and Universidade Federal do Rio de Janeiro

Plenary framing

As momentum builds around corporate climate transition planning, the concept of localized pathways—assessing corporate progress against country and sector-specific targets—is emerging as a critical catalyst. This shift is especially relevant in contexts where global targets may obscure meaningful local progress.

The ambition is to build a shared infrastructure where users can switch between global and national pathways to compare results and implications, with practical guidance and transparent assumptions as they make these choices.

To make this a reality, in transition analysis tools such as TransitionArc, several challenges must be addressed. Translating national models into usable benchmarks for assessing corporate performance is a key technical translation step that needs support. Users of the tool will then need to navigate pathways in different countries that may have a variety of speeds of transition and differing views on the 'fair share' of emissions cuts.

At its core, this effort is about equipping practitioners with the tools and understanding to apply localized pathways meaningfully—contributing to a more coherent and context-aware approach to the transition.

Breakout discussions

Key takeaways

- **Importance of localized pathways**: The discussion highlighted the significance of localized pathways in enabling scientifically aligned understanding of the transition of specific sectors within their local context. This approach allows for a more accurate and fair assessment of companies against benchmarks and helps manage transition risks.
- **Science-based pathways**: Emphasis was placed on the importance of science-based pathways that align with the global carbon budget and the Paris Agreement. These pathways provide a credible assessment of different governments and corporate plans against what is needed to support the transition.

- **Investor perspective**: For investors, localized pathways offer greater accuracy, reflect differentiated responsibilities, and help assess transition and regulatory risks—ultimately supporting more context-aware and credible investment decisions. It will be essential to help investors understand the assumptions behind decarbonization pathways and interpret them effectively.
- **Working from bottom-up scenarios**: Connecting global carbon budgets to regional, bottom-up scenarios will be challenging, not least since countries take differing positions on their fair share of emissions reduction. A range of pathways and an iterative process may be needed to understand the sensitivity of the results, as well as their implications for certain starting assumptions and decision-making.

Identified gaps

- **Understanding assumptions**: There is a need for better understanding and interpretation of the assumptions behind decarbonization pathways. This includes understanding how quickly the energy system will be decarbonized and the assumptions around technology costs and influence of policies.
- **Established typologies:** Localized pathways can be based on temperature-aligned scenarios (such as 1.5°C), national targets such as Nationally Determined Contributions (NDCs), or local policies. Translating NDCs into sector-level guidance helps companies and investors make more informed decisions—but it's important to acknowledge that current NDCs do not collectively align with a 1.5°C trajectory. Additionally, pathways that assess what national and sub-national policies are in effect "on the ground" may be most relevant for policy risk analysis, since credible assessments of local policies often don't match the ambition of NDCs. This makes it essential to develop a clear typology of localized pathways, clarifying their basis and implications.
- **Uncertainty management**: The discussion addressed the challenge of managing uncertainty in pathway modeling, including the use of Monte Carlo analysis[1] and other tools. Managing uncertainty is crucial for making informed decisions and understanding the potential outcomes of different pathways.
- **Balancing decisiveness and flexibility:** The group debated the tension between the need for decisive action in climate transition planning and the complexity of modeling multiple technological and policy scenarios. In some contexts—particularly in developing countries with limited resources—decision-makers must choose a strategic direction quickly, such as prioritizing electrification or hydrogen, even if that means implicitly "picking a winner" or choosing a "best bet" in terms of technology, investment, and policy solutions. These decisions are difficult due to their inherent uncertainty, but having robust data helps the decision-making process.

Cross-cutting themes

- **Data availability**: Data availability across sectors can vary. For example, in Canada, the availability of accurate and localized data for sectors like iron, steel, and aluminum remains a challenge as there are relatively fewer manufacturers in those sectors. This data is crucial for modeling and assessing the feasibility of different pathways.

[1] Monte Carlo analysis is a computational technique that uses random sampling to model the probability of different outcomes in a process that cannot easily be predicted due to the intervention of random variables.

- **Transparency**: There is a need for greater transparency in the assumptions and data used in pathway modeling. Transparency helps build trust and credibility in the pathways and allows for better decision-making. Focus will need to be paid to surfacing methodological differences, especially in localized pathways.
- **Ownership and authenticity**: The importance of creating ownership and authenticity through dialogue and co-creation of pathways with local stakeholders was emphasized. This approach helps build trust and ensures that the pathways are relevant and accepted.

Priority actions

- ✓ **Enhance transparent and flexible modeling:** Rather than prescribing a single solution, a range of pathways with clearly surfaced assumptions should be presented, allowing users to understand the rationale behind each scenario. While TransitionArc may compare and contrast multiple pathways, it aims to make the underlying assumptions transparent and thereby enable companies and investors to navigate the landscape with greater clarity and accountability.
- ✓ **Propose a clear typology of pathways to be used/tested**: It's important to create a clear typology of localized pathways and what they mean when presenting these publicly. This involves categorizing the 'types' of pathways presented across different countries (e.g. Paris-aligned, NDC-aligned, etc.).
- ✓ **Improve data collection**: Support efforts to improve the collection and availability of localized transition and asset-level data for better modeling accuracy. Accurate and transparent data is essential for assessing the feasibility and impact of different pathways.
- ✓ **Enhance the authenticity and ownership of localized pathways**: Encourage dialogue and co-creation with modelling communities on the ground, especially in developing countries.
- ✓ **Establish stakeholder take-up of localized pathways:** Ensure that the pathways are clearly presented, relevant and accepted by local financial institutions through deep engagement to build understanding around how assessments can be made against localized pathways.

Arc's work to build the fundamentals of integrating localized pathways into TransitionArc is already underway through collaborations in Australia, Brazil, and Canada, with a broader vision to scale across the G20. The team will collaborate closely with transition finance partners to establish methods of integrating the priority actions identified here into this work. To discuss further and explore collaboration please contact Arc's Program Manager, Harry Douglas, on harry.douglas@climatearc.org

Strengthening the climate data ecosystem

How can we optimize the collection, sharing, and analysis of data to support decision-making and accelerate financing for credible transitions?

Led by Arc and the Climate Champions Team

Plenary framing

As the climate data landscape grows in complexity and ambition, strengthening the underlying data ecosystem has become increasingly urgent. Across the sector, there's a growing recognition that fragmented infrastructure and inconsistent standards are slowing progress. While many communities have been working bottom-up to co-develop tools, taxonomies, and protocols, there's now a parallel need for top-down alignment. That means fostering a shared language among funders, data providers, and users, and building connective tissue between siloed efforts.

At the heart of this challenge is both semantic and digital interoperability: the ability to combine diverse data types (entity-level, asset-level, reported, and observed) into coherent, decision-ready insights. We're still far from being able to compare apples to apples. The sector lacks common language to discuss these issues, common use of entity codes, standardized time-stamping systems, and open access to foundational datasets. Inconsistent formats, uncoordinated funding, and commercial paywalls further compound the challenge of creating a seamless data ecosystem. The goal is clear: to enable faster, more confident decisions about what constitutes a credible transition, and to ensure those decisions are grounded in the best available information.

This session explored how we can move from fragmentation to functionality. Through surfacing the pain points—vocabulary gaps, data silos, and governance blind spots—we can propose practical next steps. The aim of this conversation was to catalyze a community that can co-design the infrastructure we need—one that's fit for purpose, future-proof, and capable of supporting the transition at scale.

Breakout discussions

Key takeaways

- **Importance of coordination**: The workshop participants emphasized the need for better coordination among data organizations to enhance the climate data ecosystem. It was highlighted that a lack of coordination often stems from the absence of impact metrics associated with coordination efforts.
- **Role of funders**: Funders play a crucial role in supporting initiatives that promote data sharing and collaboration. The discussion suggested that funders should take an active role in convening meetings and supporting open data initiatives.

- **Community building**: Building a strong community is essential for the success of climate data initiatives. The conversation underscored the importance of knowing what others are working on to build upon it and avoid duplication.

Identified gaps

- **Fragmentation of information systems**: The fragmentation of information systems was identified as a significant gap. Different information systems often do not communicate with each other, between climate data and accounting systems for example, or due to paywalls, leading to inefficiencies and duplication. This lack of seamless integration is not well understood by funders and is likely to require bottom-up synchronization and education to overcome.
- **Sector-specific data needs**: There is a need for a sector-based approach to data analysis. Different sectors, such as retail and construction, have different data needs and challenges, which should be addressed individually. The various types of analyses require specific data too. For example, relevant and detailed data is especially important for asset-based analysis, and spatial protocols are needed when considering nature-based solutions.
- **Semantic Interoperability:** It's not just the digital alignment of data that our wider climate data community is lacking. Without robust communication across the different silos, fragmentation leads to a lack of understanding of the issues between different groups within the sustainability space. Providing common language and coordination to develop that was a key gap identified in the ecosystem.

Cross-cutting themes

- **Data granularity**: The level of granularity of data is a cross-cutting issue. The challenges of translating data between different levels of granularity and the importance of maintaining consistency were emphasized. Having data on the data itself, metadata, is lacking across data systems and is crucial for useful analysis.
- **Data quality and due diligence**: Maintaining data quality and conducting due diligence on data vendors is crucial. The need for data quality checks and transparency in data governance processes was emphasized.
- **Interoperability of data**: Making data interoperable across different use cases and ecosystems is important. Data should be mapped and structured to meet the specific needs of a variety of end users and to ensure no information or nuance is lost or duplicated. The lack of common usage of entity identifiers or classifications is an example of a barrier that could be bridged with stronger coordination and communication across regulators, corporates, data providers, and financial institutions (FIs).

Priority actions

- ✓ **Engagement and community coordination:** Enhanced coordination across data organizations, analysis providers, and the end users of sustainability data emerged as a priority. There was a clear ask for regular convenings that engage specific topics using Arc's wide network of relevant partners. Examples of these convenings include entity identification management, narrative building around the impacts of better data alignment, the development of centralized guidance for data interoperability, and the exploration of the business models and paywall management for key data sets.
- ✓ **Feasibility assessment/evidence gathering:** Aside from regular convenings of the wider data community, coordinating the data ecosystem through a robust survey that assesses the feasibility and impact of different data interoperability interventions was well received by the groups. The survey would need to be targeted—i.e. one specifically targeting financial decision makers, the other data providers, sector specific questions—to pinpoint the main

barriers and potential solutions to interoperability. This would take the form of a comprehensive network analysis to map the broader ecosystem and help to inform and prioritize coordinated initiatives.

Arc will continue to drive conversations to develop fit-for-purpose approaches to strengthen data interoperability by building common guidelines for data infrastructure protocols across the climate data ecosystem. In tandem, Arc will continue liaison with aligned collaborators to build a common language and understanding across those that fund climate information systems, highlighting the benefit of working together to build cohesive data systems to influence change. To discuss further and explore collaboration please contact Arc's Data Innovation Lead, Louisa Durkin, on louisa.durkin@climatearc.org

Redefining climate governance

What does “credible” governance look like in a corporate transition — and how do we measure it meaningfully?

Led by Climate Governance Initiative (CGI), Transition Pathways Initiative (TPI), and the TPI Centre at the London School of Economics (LSE)

Plenary framing

Climate governance is increasingly recognized as a critical lever for corporate climate action, but current approaches to assessing it fall short.

Despite growing attention, there is a persistent disconnect between governance scores and real-world outcomes. Some of the companies most resistant to transition continue to score well on governance ratings, when assessments are based only on disclosure—what boards say, rather than performance—what boards do. This creates a paradox where compliance and box-ticking are incentivized over meaningful oversight and accountability.

In response, the CGI has been working with non-governmental organizations (NGOs), data providers, and governance experts to map existing governance metrics against its foundational Principles for Effective Climate Governance, developed with the World Economic Forum in 2019. These principles are now being refreshed to reflect the growing importance of nature alongside climate, and to better capture the evolving responsibilities of boards.

Key challenges have emerged: a lack of metrics that assess whether boards are actively steering transition strategy, limited visibility into how climate is integrated into board-level risk and opportunity assessments, and a tendency for governance data to be used for benchmarking rather than driving change. There is also a motivation gap—many boards view climate governance as a compliance issue rather than a strategic imperative.

This session focused on addressing these issues through shifts in how governance is defined, measured, and incentivized—moving from disclosure to effectiveness, and from form to function.

Breakout discussions

Key takeaways

- **Disconnect between governance scores and real-world impact:** Some companies may receive high scores for governance, yet this does not always correspond to progress on decarbonization or other meaningful climate actions. Often, governance metrics capture structural compliance, such as the mere existence of a climate committee, rather than demonstrating whether these structures have a real impact on climate-related outcomes.
- **Need for better metrics:** While binary (yes/no) metrics provide a useful foundation for analyzing and engaging on climate governance, there is a growing demand for more nuanced and layered metrics as the concept evolves. These advanced metrics should capture elements such as the composition and preparedness of the board, the extent to which executive remuneration aligns with climate goals, evidence of meaningful board

engagement and quality of decision-making, as well as the effectiveness of audits in identifying climate-related risks. Together, these factors offer a more comprehensive and insightful view of how boards are addressing climate governance beyond simple compliance measures.

- **Board dynamics and accountability:** In many cases, board members lack sufficient climate literacy and typically convene only a few times per year, resulting in climate issues remaining low on the agenda. This limited engagement hinders meaningful oversight and reduces the effectiveness of board-level climate governance. To address these challenges, participants suggested increasing legal accountability for board actions and introducing competitive benchmarking as ways to motivate more active and informed involvement from boards on climate-related matters.
- **Tools vs. Metrics:** A clear distinction emerged between tools and metrics in climate governance. Tools—training programs and board preparation materials—serve as inputs and enablers of effective governance. Metrics, on the other hand, include measures like attendance and performance-linked pay, and should demonstrate how these inputs translate into positive outcomes for climate governance. Ultimately, the effectiveness of governance should be assessed by how well these tools and metrics work together to drive meaningful progress.

Identified Gaps

- **Metrics:** An important gap concerns the interplay between disclosure and alignment metrics; particularly how executive remuneration is tied to climate targets. To be effective, these metrics should not stand in isolation but function in tandem, offering a holistic view of governance quality. Their relative weight or significance may shift depending on whether the focus is on active engagement with boards, investment decisions, or both. Developing integrated measures that clearly demonstrate the connection between leadership incentives and climate outcomes is therefore critical for advancing meaningful climate governance.
- **Board composition and preparation:** A significant challenge lies in the lack of detailed information about board composition and preparation, particularly relating to individual members' track records, committee responsibilities, and expertise in climate matters. Additionally, the quality and content of the board's preparatory materials—and the processes behind their creation—play a crucial role in effective climate governance and should be carefully assessed.
- **Transparency:** Transparency remains limited when it comes to understanding real boardroom dynamics, such as identifying who attends meetings and who actively participates, as well as the nature of pre-meeting discussions held between board members. Furthermore, it is unclear whether assigning explicit responsibility for climate change at the board level leads to meaningful changes in executive decision-making related to climate issues.
- **Remuneration:** Another key gap identified is the weak connection between remuneration and climate performance, with few effective links between executive pay and climate outcomes, and a noticeable lack of sector-specific benchmarks to guide such alignment. Addressing this issue is critical, as stronger, more transparent remuneration structures tied directly to climate objectives can incentivize meaningful action and foster better governance across industries.
- **Legal and regulatory frameworks**: Legal and regulatory frameworks present another significant challenge, as requirements for climate governance vary widely across jurisdictions. This inconsistency leads to a lack of clear legal incentives for boards to engage proactively with climate-related issues.
- **Investor tools:** A lack of effective investor tools for assessing governance quality beyond surface-level disclosures was discussed. Without deeper insights and robust instruments, investors face challenges in evaluating whether boards are genuinely engaging with climate governance or merely fulfilling minimal reporting requirements, hindering informed decision-making and meaningful accountability.

Cross-cutting themes

- **Disclosure vs. practice**: A persistent challenge identified is the discrepancy between formal disclosures and actual boardroom practices. Many organizations present comprehensive statements on governance, yet these may not fully capture the depth of board engagement or the effectiveness of climate oversight in practice.
- **Global variation:** There is considerable variation in board engagement and governance structures across geographies and sectors. This diversity complicates the task of benchmarking and assessing progress on climate governance at a global scale.
- **Tick-box culture:** The prevalence of a compliance-driven, tick-box approach to governance emerged as a key concern. When governance processes are reduced to procedural checklists, their ability to drive strategic climate action is undermined.
- **Data fragmentation**: While many relevant data sources exist, including board registers and audit reports—these are often dispersed and lack standardization for climate governance analysis. This fragmentation limits transparency and makes it difficult to draw robust conclusions about governance quality.

Priority actions

- ✓ **Build greater accountability on board performance:** Support efforts to systematically assess board performance on climate governance.
- ✓ **Expand governance metrics**: Introduce more nuanced measures and proxy indicators, such as the quality and frequency of board engagement, the presence of climate-linked remuneration, and risk committee oversight of climate strategy.
- ✓ **Integrate input from Boards**: Evaluate relevance and impact of existing indicators to inform refinement of assessment tools.
- ✓ **Enrich data sources**: Collaborate to enhance the breadth and depth of climate governance data. Explore the application of AI to aggregate and analyze data from a wider variety of sources and consider aligning collection efforts with emerging reporting standards.
- ✓ **Board education and empowerment**: Support efforts to develop targeted toolkits and training programs for non-executive directors, equipping them to ask critical questions and provide effective oversight of climate strategy.

Arc will continue to work with partners to incorporate enhanced governance metrics analysis in TransitionArc, aligning governance evaluation with broader transition frameworks and ensuring that data gaps are addressed effectively. To discuss further and explore collaboration please contact Arc's Program Manager, Harry Douglas, on harry.douglas@climatearc.org

Food and agriculture pathways

How do we credibly assess company progress on transition in a sector where climate is inextricably linked to broader nature and social dimensions?

Led by Arc, World Benchmarking Alliance (WBA), and World Business Council for Sustainable Development (WBCSD)

Plenary framing

Developing a food and agriculture sectoral pathway for corporate transitions requires a distinct approach. As a sector responsible for roughly one-third of global emissions, it is both highly material and uniquely complex. There is no consensus on what a credible transition looks like—either in terms of corporate practices or system-wide transformation. Value chains vary dramatically by region and commodity, and climate mitigation cannot be addressed in isolation from nature and social outcomes.

Arc has been approaching the development of a framework for food and agriculture that embraces this complexity. Rather than defining a single pathway, the focus is on identifying key components of transition—starting with areas where climate and nature intersect most clearly. These include ecosystem conservation, protein diversification, soil health, and food loss and waste, supported by analysis produced by the WBA's Food and Agriculture Benchmark.

The framework aims to balance systems thinking with clarity. It draws on the best available data across climate and nature dimensions to identify companies implementing practices and strategies that deliver positive outcomes for the climate and for nature. Recognizing the challenges of data opacity and limited disclosure in the sector, especially among privately held firms, the work also supports community strengthening through partnerships and grantmaking.

Localization is central. In Brazil, for example, Climate Arc is working with the Climate Finance Hub Brazil and the Federal University of Rio de Janeiro to adapt global methodologies to national contexts and develop Brazil-specific pathways. The framework is also being developed to allow for customization by supply chain segment and user priorities, reflecting evolving definitions of sustainable transition.

This discussion focused on gathering feedback on the approaches feeding into the development of the food and agriculture framework, working to unpack how best to ensure pathways in this sector can surface decision-leading insights.

Breakout discussions

Key takeaways

- **Localization is essential:** Agrifood systems are deeply context specific. Weather and soil conditions, climate impacts, crop types, farming practices, business models, and social dynamics vary significantly by geography, making localized transition pathways critical. Investors and corporates need clearer, localized targets to benchmark progress.
- **Investor appetite is growing:** FIs are increasingly interested in agrifood transitions, especially where risks (e.g. deforestation, water stress, supply chain disruption) are financially material. However, many investors still perceive agrifood as high-risk and low return, particularly when compared to sectors like energy where divestment and reinvestment pathways are clearer.
- **Data infrastructure and traceability are critical:** There is a wealth of data, but it is often fragmented, unreliable, or not decision-useful. Traceability remains a major challenge, especially in long, complex supply chains. While key initiatives are making strides to overcome this challenge, more work is needed to harmonize and validate data.
- **Protein diversification and regenerative agriculture are priority themes:** Protein diversification is a politically sensitive but high-impact area. Metrics like percentage (%) revenue from plant-based products are emerging as useful indicators. Regenerative agriculture is gaining traction, but definitions and measurement standards vary widely. Measures of nitrogen use efficiency (NUE) and water pollution are promising metrics by which to assess progress in implementing regenerative practices.

Gaps identified

- **Lack of clear investment pathways:** Unlike energy, agrifood lacks a clear "good vs bad" investment narrative. Investors are aware of the need to divest from high-deforestation-risk agriculture, but are uncertain about what to invest in. This is particularly the case when it comes to investing in 'resilient' value chains and in value chains that support healthy diets.
- **Insufficient integration of nutrition and health:** While climate and nature are increasingly integrated into transition planning, nutrition and health remain underrepresented in both corporate disclosures and investor frameworks. For example, protein diversification programs that produce alternative plant-based protein sources which are also unhealthy and highly processed are often missed through a sole focus on the climate and nature impacts of protein production.
- **Limited engagement from smaller actors:** Transition planning and collaboration are often dominated by large corporations. Small and medium-sized enterprises (SMEs) and producer cooperatives are frequently excluded, despite bearing much of the risk.
- **Weak business case for some transitions:** For areas like regenerative agriculture, the business case is not always clear to companies. Without regulatory pressure or consumer demand, uptake is limited.
- **Fragmented sectoral classification:** Agrifood companies span diverse activities (e.g. input suppliers, processors, retailers), making it difficult to apply uniform transition pathways.

Cross-cutting themes

- **Just transition:** There is growing recognition of the need to include social justice, livelihoods, and worker transitions in agrifood planning. Metrics for just transition are still emerging.
- **Collaboration and governance:** Effective transition planning requires collaboration across corporates, investors, governments, and civil society. However, overstretched ESG teams and a lack of internal coordination can often hinder progress.
- **Data accuracy and usefulness:** Disclosure alone is not enough. Data must be accurate, granular, and aligned with real-world outcomes. MRV (monitoring, reporting, verification) systems are needed to build trust.
- **Commodity-specific pathways:** There is value in tailoring transition strategies to specific commodities (e.g. livestock, rice, soy) to recognize their distinct environmental footprints, supply chain structures, and decarbonization levers. This does, however, present difficulties for comparing across multiple sectors, and for assessing companies whose operations span multiple commodities.
- **Risk and resilience:** While investing in resilience is compelling in the face of physical climate risks, investing in resilience poses a problem for investors as the returns are uncertain and are often likely to be reaped over long timeframes. For example, investments in improving and maintaining soil health can deliver higher returns in the medium to long term, but demonstrable gains in the short term, as required by many investors, are less certain.

Priority actions

- ✓ **Build region-specific and commodity-specific pathways as and where needed:** Articulate transition pathways and priorities that reflect local realities and the unique dynamics and risks of individual commodity value-chains. Explore opportunities to modify global methodologies for corporate transition analysis that allow for inter-region comparisons.
- ✓ **Strengthen data infrastructure and traceability:** Limited traceability at farm level, an overreliance on aggregated data, and a lack of alignment on key transition metrics—and how they should be measured—hinder both corporate transition analysis and sustainable transition itself. Enhancing the accuracy, credibility and usability of available data depends on harnessing advanced technologies that support end-to-end supply chain visibility, and on developing robust standards on monitoring, reporting, and verification—especially of asset-level data.
- ✓ **Promote use of underutilized, yet measurable metrics.** Despite the complexity of measuring climate, nature, and social impacts in agriculture, several reliable metrics remain underused in corporate reporting. These include water pollution, nutrient use efficiency, above- and below-ground carbon content, and food loss and waste. Emerging consensus around just transition and regenerative agriculture metrics should also be integrated early into disclosure frameworks and corporate transition assessments.
- ✓ **Strengthen investor awareness of emerging food systems policy.** Momentum is growing for a food-systems approach that integrates climate, nature, health, and economic policy. As national regulations evolve, investors will face rising pressure to address interconnected risks. Active engagement by investors in multistakeholder discussions will be essential to stay ahead of this shift.
- ✓ **Clarify how transition metrics relate to investor risk and financial materiality.**
  Many investors underestimate their exposure to climate, nature, and transition risks in agriculture, especially when not directly financing farming. Greater clarity is needed on how these risks arise indirectly—through supply chains, sovereign debt, and other channels—and how climate and nature transition metrics can reveal their financial relevance.

Arc has established a draft transition analysis framework for the food and agriculture sector based on best available guidelines developed by many of Arc's partners. Arc intends to integrate company level analysis into TransitionArc ahead of COP30, with continued scope for input and development as we take this work forwards. To discuss further and explore collaboration please contact Arc's Forest, Land, and Agriculture (FLAG) Lead, Laura Wellesley-Squires on laura.wellesley@climatearc.org

Assessing financial institutions

How do we know what 'good looks like' for transition progress in the financial sector?

Led by Institut Louis Bachelier (ILB), Columbia Center for Sustainable Investment (CCSI), and Climate Policy Initiative (CPI)

Plenary framing

Financial institutions play a pivotal role in enabling the real economy's transition—but assessing their contribution remains complex. Unlike corporates, their impact is indirect, shaped by how they allocate capital and influence systemic change. A new framework, developed by the Institut Louis Bachelier (ILB) and the Columbia Center on Sustainable Investment (CCSI), aims to bring clarity to this space by consolidating existing methodologies and data into a transparent, performance-oriented assessment framework.

The work began with banks and is now expanding to asset managers. It builds on the Transition Plan Taskforce (TPT) structure, translating disclosure-based indicators into performance-based metrics. The goal is to move beyond box-ticking and toward meaningful evaluation of whether FIs are enabling real-world decarbonization.

Key gaps remain. For example, few institutions assess whether their transition plans account for external dependencies—like grid decarbonization—beyond their control. Similarly, while some data exists on climate-aligned financing, there's little clarity on what constitutes "enough" to close the investment gap. Other challenges include limited coverage of emerging markets and weak tracking of progress against targets.

The framework is ambitious but grounded in feasibility. It's been shaped through extensive consultation with banks, civil society, and technical experts. The next step is to identify available and desired metrics that best incentivize FIs to support a credible transition in the real economy—without causing unintended consequences.

Breakout discussions

Key takeaways

- **Real-economy alignment is central:** Assessment frameworks must measure real-world transition progress, closely connecting FI evaluations to credible, enforceable corporate transition plans. The ILB/CCSI framework, building on TPT metrics, is designed for interoperability with current initiatives such as TPI, InfluenceMap, and CPI. It features a modular, web-based interface and includes indicators for incomplete disclosures and solution targets. Central to the framework is the need for transparent and consistent scoring systems that provide sufficient granularity across geographies and sectors—addressing the issue where many banks currently receive similar scores despite different practices. Additionally, the framework incorporates indicators to highlight incomplete disclosures, such as unreported sectors or assets, and encourages the setting of targets for

both emissions and solutions, which is not yet standard practice among FIs. Ongoing debate remains on whether to use a comprehensive framework with many sub-metrics, or to prioritize a few critical metrics, balancing thoroughness and practicality in assessment.

- **Data quality and usefulness:** Despite growing demands for accountability, decision-useful data remains elusive in many cases, as disclosures are often partial or lack clarity regarding their scope. Access to transaction-level data, which is vital for meaningful assessment, remains limited due to its proprietary or fragmented nature. To accurately attribute responsibility and measure impact, it is essential to improve ownership tracking and enhance transparency at the deal level.
- **Governance and coherence:** Ensuring coherence between stated policies, targeted goals, actual financing, and engagement practices is vital for driving real impact. Critical governance indicators include board composition and the alignment of internal strategies across various funds. Furthermore, engagement policies should be designed to achieve measurable outcomes, rather than simply existing on paper as formalities.
- **Sectoral and geographic materiality:** Many banks currently perceive the climate crisis as an immaterial risk, a perspective that urgently needs to shift. Even when scenario analyses are conducted, their findings are rarely integrated into day-to-day decision-making. To determine what is relevant, institutions typically apply materiality thresholds, such as requiring at least 1% of activities to be in high-emitting sectors. However, for assessments to be truly meaningful, it is essential to develop localized transition pathways and sector-specific benchmarks that reflect the unique characteristics and challenges of different regions and industries.

Gaps identified

- **Measuring engagement:** Measuring the real-world outcomes of engagement and financing activities remains a significant challenge, often due to the absence of effective enforcement mechanisms within transition finance policies. Engagement strategies, while increasingly common, frequently lack clear escalation pathways or tangible consequences for non-compliance, making it difficult to ensure meaningful progress and accountability.
- **Delegation and accountability:** Delegation and accountability are considerable challenges in the financial sector. Pension funds and asset owners frequently delegate responsibilities to asset managers, which complicates efforts to trace accountability across decision-making chains. As a result, disconnects often arise between fund-level and firm-level strategies, further obscuring where responsibility truly lies and hindering effective governance.
- **User diversity:** User diversity presents a significant challenge, as different stakeholders—such as asset managers, NGOs, and regulators—require varying degrees of data granularity and access. This diversity necessitates adaptable frameworks for reporting and disclosure, ensuring that each group can access the level of detail necessary for informed decision-making and oversight.

Cross-cutting themes

- **Coverage and disclosure:** Coverage and disclosure limitations persist across the sector. FIs often report only a subset of their activities, with limited clarity regarding the scope, such as whether disclosures address emissions intensity or absolute emissions. The absence of standardized reporting frameworks results in inconsistent coverage and frequent data gaps, particularly among sectors and asset classes deemed material.
- **Data quality, transparency, and accessibility:** The coexistence of open-access and proprietary data sources impedes comparability and restricts transparency. Fragmented data platforms, inconsistent formats, and the lack of a unified taxonomy or open-source tools further inhibit effective data sharing and analysis, further limiting effective data sharing and interpretation.

- **Policy vs. practice:** A persistent gap exists between stated climate policies and their practical implementation. While policy commitments continue to strengthen, these are not always reflected in financing decisions or operational practices, limiting real-world impact. Misalignment between policies, targets, actual financing, and day-to-day decision-making remains a critical barrier.
- **Scalability and specificity:** The challenge of balancing high-level comparability with sector and geography-specific insights continues. Without localized transition pathways and tailored benchmarks, assessments risk overlooking the unique circumstances and priorities of distinct regions and industries.

Priority actions

- ✓ **Data coverage:** Ensure incomplete disclosures are highlighted in data and analysis and focus on collaboration to increase coverage, particularly for activities in high-emitting sectors.
- ✓ **Coherence checks:** Implement metrics that evaluate the consistency between stated policies, set targets, and actual financial flows or investments.
- ✓ **Engagement outcomes:** Move beyond the practice of tracking policies or stakeholder engagement activities and instead report on the tangible outcomes that result from these activities.
- ✓ **Ownership and attribution**: Work towards open datasets to monitor ownership structures and attribute financial transactions at a granular, transaction-specific level.
- ✓ **Governance metrics**: Incorporate indicators such as board composition, internal alignment, and delegation structures that consider the nuance and complexity of financial institution structures as core indicators of disclosure.
- ✓ **Open data advocacy**: Support the advancement of open-source data infrastructure and the adoption of common taxonomies to ensure accessible, decision-useful information for all stakeholders.
- ✓ **Scenario use:** Ensure granular pathways with enough specificity are available and usable to enable scenario integration into decision-making processes rather than treating it as just a compliance exercise.
- ✓ **Transition finance definition**: Clearly define the parameters of “transition finance,” ensuring alignment with robust and credible client transition plans.

Arc has worked with partners to establish the assessment framework for banks and asset managers, with further work planed for asset owners and insurers. The intention is to bring the assessment of financial institutions into TransitionArc in 2026. The outcomes of this discussion will inform engagement strategies and feed into continued development of these frameworks to assess financial institutions. To explore collaboration and discuss further please Arc’s Senior Partnerships Manager, Catherine McIntyre, on catherine.mcIntyre@climatearc.org

Physical risk, adaptation, and resilience

What does it take to bring physical climate risk and adaptation planning into the heart of transition analysis?

Led by Arc, Resilient Planet Finance Lab, and the Cross Dependency Initiative (XDI)

Plenary Framing

While much of the conversation around transition planning has focused on decarbonization pathways and emissions targets, one critical dimension remains underexplored: physical climate risk and resilience. As the world approaches 1.5°C of warming, the material impacts of climate change—floods, droughts, heatwaves, etc.—are becoming more visible and costly. Yet, unlike decarbonization, there are no established pathways or benchmarking frameworks to assess how companies are responding to these risks.

Many companies fail to assess and disclose their full physical climate risks. Even fewer companies are disclosing the actions they plan to take to address these risks, leaving investors and stakeholders unaware of the true extent of potential liabilities.

To fill this gap, Climate Arc has been working with the Resilient Planet Finance Lab, hosted at the London School of Economics in collaboration with XDI, to develop 'ResilienceArc'. Sitting alongside transition metrics in TransitionArc, ResilienceArc will provide a unique view on the physical risks of climate change for companies and their adaptation actions and plans.

Drawing on existing guidance from the Task Force on Climate-related Financial Disclosures (TCFD), TNFD, and others, the ResilienceArc approach combines asset-level data with corporate disclosures to assess both the physical exposure to climate risks from companies and their responses. The draft framework includes over 70 sub-metrics, organized around four key questions:

1. How at risk is a company?
2. What actions are they taking?
3. What are their future plans?
4. And will those plans contribute to broader systemic resilience?

This work is still underway, and very much open to continued feedback loops and input to test underlying assumptions and ensure the work aligns with user needs. The underlying approach and early wireframes were presented to frame with discussion followed by a discussion centered on feedback to the proposed framework.

Breakout discussions

Key takeaways

- **Resilience as a strategic imperative:** Resilience is increasingly recognized as essential for FIs, corporates, and investors—not just as a moral imperative but as a financial and operational necessity. The instability of systems due to climate change directly threatens economic and financial stability, making resilience a material concern for long-term value preservation.
- **Need for credible, comparable, and quantifiable data:** There is a strong demand for data that is not only credible and verifiable but also comparable across companies and sectors. Participants emphasized the importance of moving beyond self-disclosure to include external verification and "ground truth/bottom-up" data.
- **Framework for assessing adaptation actions:** During the discussion, XDI presented an approach to measure corporate resilience[2], which will contribute to the final methodology of ResilienceArc. The approach looks at five dimensions: policy, portfolio, perils, performance, and period (referred to as the "P-Five" approach) that together describe the scope, objective, and timeframe of adaptation strategies. By standardizing these elements, P-Five enables machine-readable, repeatable reporting that allows external stakeholders to assess risk reduction while accommodating the wide range of possible technical solutions companies may choose to achieve their adaptation goals
- **Double materiality and intrinsic resilience:** The concept of double materiality—how companies affect and are affected by environmental and societal systems—was central to the discussion. Intrinsic resilience was framed as a company's inherent ability to withstand shocks, which also contributes to broader societal stability.
- **Use case diversity and relativity of 'good':** What constitutes 'good' resilience varies by stakeholder: equity investors, lenders, suppliers, and regulators all have different thresholds and interests. A one-size-fits-all metric is insufficient; instead, a layered approach with multiple indicators tailored to use cases, sitting beneath a single topline score, is preferred.

Gaps identified

- **Lack of standardized targets and metrics:** There is no consensus on what companies should aim for in terms of resilience, making comparability difficult.
- **Insufficient evidence linking resilience to financial performance:** Despite strong theoretical support, there is limited empirical data showing that resilient companies outperform financially. It's important to show real-economy metrics linked to resilience, such as downtime or profit loss. These should be shown alongside transition metrics to understand the complete picture of corporate actions.

[2] XDI (The Cross Dependency Initiative) (2025) 'Measuring corporate resilience: The case for performance-based adaptation'. Available at: XDI systems.

- **Underrepresentation of supply chain risks:** Current frameworks focus heavily on asset-level risks, often neglecting supply chain vulnerabilities, which are critical for many business models and front-of-mind for the corporates that aim to mitigate them. However, reliable data on supply chain risks is extremely complicated to develop.
- **Overcomplexity and data overload:** The proliferation of metrics and methodologies risks creating confusion and undermining trust. At the same time, trying to summarize physical risk, adaptation, and resilience into a single metric will be too opaque and undefined. A balance between simplicity and detail is needed.
- **Limited integration with transition and disclosure frameworks:** There is a need to better integrate resilience assessments with existing frameworks and national adaptation plans.
- **Verification and trust:** There is a need to create a mechanism to allow companies to view and validate their physical risk and adaptation assessments. Especially, when these result from asset-level analysis and large language models, rather than disclosed data from companies.

Cross-cutting themes

- **Comparability versus innovation:** There is an ongoing tension between the need to standardize metrics for comparability across companies and platforms, and the importance of allowing methodological flexibility to enable innovation.
- **Open vs. proprietary data**: Questions remain about the appropriate balance between open-source data and commercial data providers in building a unified data ecosystem. Open data standards are seen by many as essential to bridging the interests of both for-profit and nonprofit stakeholders.
- **User-centric design:** It is critical to tailor outputs to the varied needs of different user groups—including asset managers, insurers, and banks—who each have unique requirements and risk profiles.
- **Transparency in modeling:** Participants raised concerns about the risks associated with opaque, "black box" models and emphasized the need for greater transparency around how resilience scores and ratings are calculated.
- **Tracking performance over time:** As with transition performance, tracking how companies' risks and adaptation strategies evolve over time is essential to understanding progress and impact.

Priority actions

- ✓ **Supply chain risk mapping:** Compliment company risk assessments by identifying and measuring business model sensitivities to external shocks arising from supply chains.
- ✓ **Credible adaptation pathways:** Define and validate practical adaptation actions to help companies understand what a road to adaptation could look like so they can build resilience at an asset and company level.
- ✓ **Metric comparability:** Advance the development of standardized metrics that apply across various hazards and adaptation responses, seeking alignment with recognized taxonomies wherever feasible.
- ✓ **Verification process:** Implement processes that allow organizations to transparently submit and verify data on risk exposure.
- ✓ **User reference group:** Convene a diverse group of stakeholders to test, review, and offer iterative feedback on the development of ResilienceArc.

- ✓ **Financial impact metrics:** Develop robust methodologies to quantify the financial outcomes associated with resilience and adaptation initiatives.
- ✓ **Public space integration**: Finalize the integration of the resilience framework into an accessible public platform to promote transparency and shared learning.
- ✓ **Use case development**: Gather and document practical examples that illustrate how adaptation and resilience measures can be strengthened across a range of financial institutions.

Arc and its partners will be launching a prototype for ResilienceArc ahead of COP30 which feature full assessment framework and explore initial results on a number of companies assessed. Continued feedback and input will be invited as the teams work to build the tool, with a view to launching the full platform in 2026, comprising the assessment of 250 companies. To explore collaboration and discuss further please contact Arc's Partnerships Manager, Federico Mazza, on federico.mazza@climatearc.org

Understanding the interconnected challenge

Insights from the Brazilian context

The seven thematic areas of focus for this workshop represent deeply interconnected challenges that will require creative and collaborative solutions. To demonstrate how these threads can be powerfully brought together, the Climate Finance Hub Brazil (Hub) was spotlighted as a case study.

The Hub, in partnership with Arc and other organizations, is assessing the maturity of climate transition among Brazilian companies and sectors using the internationally recognized ACT (Assessing Low Carbon Transition) methodology. Coordinated by the Brazilian Foundation for Sustainable Development and academic partners, the Hub aims to deliver transparent, sector-specific assessments that reflect local realities—particularly through the adaptation, or "tropicalization," of global frameworks for Brazil's diverse industries, including the agriculture sector.

The Hub explained the interconnected challenges they face, such as the need for granular, standardized data; integration of localized transition pathways; engagement with companies for data accuracy and validation; and the future incorporation of physical risk and resilience metrics. Lessons from the Hub's work and experience will be relevant in many other regional contexts.

General takeaways and next steps

More Than Metrics underscored a powerful consensus: credible climate transitions demand data that is not only technically robust but also context-aware, interoperable, and decision-useful. Across all thematic areas, from localized pathways and food systems to financial institutions and governance, participants identified persistent gaps in data infrastructure, transparency, and alignment. Yet, they also surfaced actionable solutions and a shared commitment to collaboration.

Overarching themes

The areas covered have their own specificities but there are four foundational commonalities and connections:

1. **Connected data:** Participants emphasized the need for interoperable data and open infrastructure across value chains, supporting a dynamic, continuously updated ecosystem of solutions. It is essential to determine who owns what data, how much of it they own, and how to update this information continuously. Capturing progress and trends is also key.
2. **Localized nuances:** Discussions highlighted the importance of incorporating localized, geo-specific information—spanning physical, climate, and nature-related data—to ensure relevance for business operations and national transition pathways.
3. **Impact on the ground:** There was a strong call to focus financing and metrics on real-economy outcomes and resilience, moving beyond traditional assessments of physical risks and greenhouse gas emissions.
4. **Decision leading formats:** Contributors stressed the value of decision-useful formats and governance structures that empower stakeholders with context-rich, actionable, impactful information.

Next steps

Building on the insights from this workshop, Arc and its partners are committed to incorporating these learnings into our collective work, including enhancing TransitionArc and ResilienceArc. Our priorities include refining metrics, frameworks, and sectoral pathways—with a keen focus on localizing transition analysis, integrating policy and national transition planning linkages and bringing physical risk, resilience, and adaptation into the heart of understanding transition progress. We also aim to strengthen data infrastructure by supporting open-source tools, establishing key approaches to ensuring interoperability of data structures, and advancing initiatives to improve traceability, reliability, and decision-usefulness. Additionally, we will continue to help knit these learnings across the corporate transition community with all our partners through future bilateral engagements and convenings.

Achieving these objectives will require ongoing collaboration across the community in tandem with financial decision-makers and other key actors to co-create transition pathways and align expectations. Equally important is empowering local actors and partners to ensure transition planning remains inclusive and relevant to regional needs.

This workshop represents an important milestone on the journey to a more coherent, credible, and collaborative transition finance community. Moving forward, our focus is clear: deepen partnerships, sharpen our tools, and remain steadfast in driving real-world impact.

Acknowledgements

We extend our sincere thanks to all participants of *More Than Metrics* for their time, insights, and commitment to advancing the climate transition data agenda. Your contributions—whether through plenary discussions, breakout sessions, or informal exchanges—were instrumental in shaping a rich, action-oriented dialogue.

We are especially grateful to the technical experts, practitioners, and thought leaders who brought deep expertise and open collaboration to each thematic area. Your willingness to challenge assumptions, share lessons, and co-develop solutions exemplifies the spirit of collective progress that this transition demands.

To our session facilitators, note-takers, and behind-the-scenes organizers, thank you for creating a space that was both rigorous and inclusive. Your efforts ensured that every voice was heard, and every insight captured.

Finally, we acknowledge the broader transition finance community whose ongoing work laid the foundation for this convening. The momentum generated here is a direct result of your dedication to shaping a more coherent, credible, and connected data ecosystem.

Together, we are building the arcs that will carry us toward a more resilient and equitable future. Thank you.

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