



OS-Climate Portfolio Alignment Tool (Implied Temperature Rise, or ITR)

Organization
OS-Climate

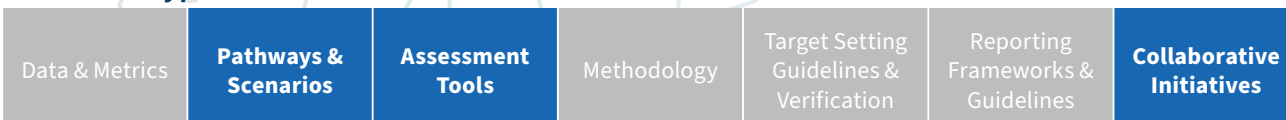
Partner organizations

Allianz, BNYM, Federated Hermes, Ortec Finance, IDS, MetaFinanz, BNPP, Red Hat, LSEG, Urgentem, S&P Global, Net-Zero Asset Owner Alliance, Microsoft, Amazon, Goldman Sachs, and JP Morgan.

Climate Focus



Resource Type



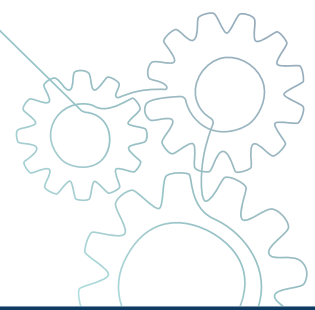
Intended Users



Summary

OS-Climate’s ITR tool helps investors align their portfolios with 1.5°C pathways. ITR is a forward-looking management tool that facilitates the evaluation of how investment decisions can contribute to long-term climate goals — and whether individual company and portfolio behavior exceeds net-zero budget expectations. OS-Climate’s open-source-based ITR tool enables investors to: (1) objectively assess emissions targets and projections using recommendations from the Task Force on Climate-Related Financial Disclosures (TCFD); (2) lay out all the steps in calculating a related temperature score; (3) compare scenarios and their results; (4) allow academic and research institutions to collaborate; and (5) enable partial independence from commercial data providers.

Forward-looking emissions trajectories are calculated using historical emissions intensity relative to sector-specific production metrics. Various parameters such as scenario, temperature scores, and weightings can be adjusted in the final output to see the impact on the portfolio. At present, the One Earth Climate Model (OECM) and Transition Pathway Initiative (TPI) benchmarks have been implemented. The ITR tool is compliant with the recommendations of the Portfolio Alignment Team in the TCFD-commissioned report Measuring Portfolio Alignment.



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WHO	Financial institutions
WHAT	<ul style="list-style-type: none"> • The ITR tool supports calculation of emissions projections and temperature scores and enables portfolio reporting • Data is onboarded and accessed via OS-Climate’s “Data Commons,” an open-source data infrastructure supported by Red Hat
WHEN	The Portfolio Alignment tool can support any sector-specific benchmarks to compare against financial institution portfolios
WHERE	The Portfolio Alignment tool focuses on four high-emitting sectors: electric utilities, steel, oil and gas, and automobiles
WHY	<ul style="list-style-type: none"> • The ITR tool is designed to help users evaluate the climate impact of investment decisions — and whether companies or portfolios are climate-aligned • The tool can help compare forward-looking emissions trajectories against benchmark climate scenarios and convert those cumulative emissions into a temperature outcome
HOW	More information can be found on OS Climate’s website , and the tool can be accessed via OS Climate’s GitHub page