Restrictions on Eligibility for Certification

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For questions about this list, please contact standards-input@changeclimate.org

The Change Climate Project is building a movement of consumer brands and business services companies that are measurably investing to eliminate their negative climate impacts. Each entity certified affects the reputation of the other certified entities. Therefore, every company that applies to certify with The Climate Label is reviewed for potential conflicts of interest or the potential that its certification could threaten the integrity and reputation of The Climate Label and associated claims and marks.

Exclusions are based on the potential certification of a company failing one or more of the following simple tests:

- **Clarity:** If the entity were certified, is the certification open to misinterpretation?
- **Trust:** Do the optics of certification help or hurt consumers' trust in the movement?
- **Science:** Would the entity's certification fit with the scientific assumptions underpinning Change Climate's Theory of Change?
- **Policy:** Does the entity's public policy advocacy support the goals of the Paris Climate Agreement, and not represent a barrier to ambitious climate regulation?
- **Measurement Boundary:** Are a significant (i.e. material) percentage of emissions generated during products' use phase or end of life phase?

This is a living document, which is reviewed and updated regularly based on new technology and industry momentum to adopt climate and sustainability goals. This list is meant to serve as a guide for how we review certain organizations within industries. While the list aims to describe why certain industries fail to meet our clarity, trust and science tests, each specific organization will be reviewed on a case-by-case basis in order to give TCCP the ability to reward sustainability leaders in each industry that embody ideal models for decarbonization.

Sector	Reasoning
Fossil fuel producers	*Fails: Clarity, Trust, Science, Policy, Measurement Boundary* The fossil fuel industry has long sought to use green marketing to protect its social license to operate and continue extracting fossil fuels. Efforts by the industry to delay ambitious climate regulation have been well documented. TCCP and our community would not benefit by supporting these producers' efforts. Trust and reputational risk are too significant. Moreover, the use of fossil fuel producers' products contributes a massive share of the

	sector's emissions.
Equipment and service suppliers to the fossil fuel industry	*Fails: Clarity, Trust* When a product associated with the fossil fuel industry is certified, it is hard to distinguish the limits of the certification.
Utility providers	*Fails: Clarity, Science, Measurement Boundary* More and more electric and gas utilities are claiming carbon neutrality within their operations. This is misleading, because energy is the utility's core product and a consumer may assume that all of that energy is carbon neutral.
Cement, steel, & other raw material commodities	*Fails: Clarity and Science* The cement industry is responsible for 8% of global GHG emissions - more than any country other than the U.S. and China. Steel is responsible for 7%. Decarbonization of these large primary fossil energy consumers is a critical precursor to net-zero progress for all the companies that depend on them.
Extractive Industries	*Fails: Trust and Science* Extractive industries like mining and timber harvesting are often associated with a range of ecosystem damages such as reducing soil quality and damaging habitat. Certifying these types of organizations could contradict TCCP's mission, and would create reputational risk for the label.
AI and blockchain specific businesses	*POLICY UNDER REVIEW* With the rapid increase in energy consumption to serve the computing capacity needed by AI and blockchain businesses, TCCP is evaluating whether to add them to the restricted sectors list. Many businesses depend on AI, and it is often difficult to isolate AI-related emissions, so a policy statement to address these sectors is under consideration.