

right°

Ensuring Appropriate Sector Benchmarking

Specialist: Dr. Jacopo Pellegrino (CTO)

Competence Jour Fixe | XDC Direct Access



Relevant Case Resources in the XDC Academy

[Your Resources](#) | Client Pain Point | The XDC Solution | Impact

Solving this case
can be supported by
the following resource
in our digital
XDC** Academy:**

Videokurse



Dr. Sebastian Müller, LL.M.
Klimawirkung als
Entscheidungskriterium für den
Einkauf



Hannah Helmke
Einführung in den XDC Climate
Impact Report



Hannah Helmke
XDC vs. SBT - Gemeinsamkeiten und
Unterschiede bei der Berechnung der
Klimawirkung

XDC Grundlagen

Klimawirkung und Pariskonformität - Eine Einführung in das XDC Modell

Hannah Helmke, Gründerin & CEO

In diesem Video erklärt Hannah Helmke das XDC Modell, das Unternehmen dabei unterstützt, ihre Klimawirkung zu verstehen und Pariskonformität zu erreichen. Die Mitgründerin und Geschäftsführerin von right° zeigt Beispiele von Unternehmen und erklärt, wie das Modell die ökonomische Emissionsintensität berechnet und die Klimawirkung in Grad Celsius darstellt. Außerdem erläutert sie, wie das Modell verschiedene Szenarien berücksichtigt und wie Unternehmen ihre Klimastrategie entwickeln können.

The Company

right on target 1.5°C

Right° provides transparency on the climate impact of economic activities - plain & simple in °C. Our software and metrics enable stakeholders from the real economy, finance, and real estate to plot pathways to 1.5°C alignment.

Our pioneering X-Degree Compatibility (XDC) Model creates science-based 'temperature alignment' metrics that correspond directly to the goal of the Paris Agreement. That means, we guide your climate-related decisions with the best, most relevant science and data.

Selected Clients: Real Economy



Selected Clients: Finance



Selected Clients: Real Estate



right° Presence in the Media

Extraordinary Attention for our Systematic Approach

Business Insider



Calculate the Climate Impact of a Business Model

"It's not about making companies look bad, but (...) calculating how strongly the respective business model influences the climate."

ZDF



Consider Emissions in Relation to Solutions

"The new analysis model looks at CO₂ emissions in relation to possible solutions for the 1.5 degree target."

brand eins



Measure Climate Impact According to the Paris Agreement

"The Frankfurt-based start-up right° enables companies to measure their climate impact according to the logic of the Paris Agreement: in degrees Celsius."

FAZ



Transform Climate Issues into a Competitive Advantage

"If approached correctly, Europe's credibility on climate issues could become a competitive advantage for companies."

Handelsblatt



CO₂ Emissions Shouldn't be the Only Indicator

"The carbon footprint alone (cannot) be a yardstick for assessing sustainability efforts."

Die Zeit



The Sector Must Be Considered in the Climate Impact

"When evaluating the respective climate efforts, it is taken into account that not all sectors are able to reduce emissions to the same extent."

Nominierungen & Preise

Extraordinary Attention for our Systematic Approach

Digital Female Leader 2023

Menschen des Jahres 2023

Female Founders Award 2023

Female Finance Award 2023



Next Economy Award | Change 2020

Portfolio Institutionell | Vordenker Award 2022

Stage Presence

Market Access through Large Stages

SEPT 2023	Handelsblatt Tagung ESG-Reporting und -Steuerung
	Maschinenraum Momentum
	ZEIT WISSEN Kongress
JUL. 2023	Forum Bellevue zur Transformation der Gesellschaft
JUN. 2023	Deutscher Immobilientag (IVD)
	Konferenz ESG & Holzbau
MÄR. 2023	Süddeutsche Zeitung Nachhaltigkeitskongress
	Fachtagung Digitalisierung (VDW)



XDC Solutions

Our Model and Software

Software Solutions by right°

Your Resources | Client Pain Point | The XDC Solution | Impact

1

XDC Climate Impact Report: Status Quo.



Understand where your customer stands today.
Help them grasp the 1.5°C ambition and
develop a vision.

2

XDC Scenario Explorer: Scenario Analysis.



Apply your know-how of the XDC scenario analysis to develop a Paris-compliant strategy for your client.

3

XDC Public API: Integration.



Develop a verifiable controlling model for your client's transition pathway by making complexity manageable.

The XDC Member Platform enables a completely new collaboration model between right° as an innovative climate tech company and established consulting experts to offer strong solutions.

Transitionspioniere in den besten Händen.

Nutzen Sie unsere einfachen Such- und Filterfunktionen, um den richtigen Berater für Ihre Transition zu finden.



The screenshot shows a dark-themed user interface for a member portal. On the left, a sidebar titled 'Filter' contains a search bar ('Q. Suche nach Branche, Leistung, ...') and a list of service categories ('Leistungen'). The 'Leistungen' list includes: Projektmanagement, Materialitätsanalyse, Emissionsdatenerhebung, Datenbankstrukturen, Digitale Dashboards, Klimazielsetzung, Dekarbonisierungmaßnahmen, Steuerungssysteme, Strategieentwicklung, Change Management, Reporting, and Kommunikation. Below this is a 'Filter zurücksetzen' button. To the right, a large dark box with a circular placeholder image is labeled 'Consultancy'. At the bottom of the sidebar, there is a horizontal list of service categories: Projektmanagement, Datenbankstrukturen, Digitale Dashboards, Steuerungssysteme, Strategieentwicklung, Change Management, and Reporting.

[XDC Direct Access Member Portal \(right-basedonscience.de\)](http://right-basedonscience.de)

The **XDC Academy** is a **Toolbox for XDC** users to acquire knowledge and skills about the right° XDC model and learn to tackle climate-related challenges directly.

The screenshot shows the XDC Academy website interface. At the top, there are two main sections: 'Ressourcen' (Resources) and 'right° Brand Hub'. Below these are three video course thumbnails. The first video, 'XDC - right° im Einkauf' by Dr. Sebastian Müller, LL.M., discusses the XDC model as a decision-making criterion for procurement. The second video, 'XDC Climate Impact Report' by Hannah Helmke, provides an introduction to the Climate Impact Report. The third video, 'XDC vs. SBT - Gemeinsamkeiten und Unterschiede bei der Berechnung der Klimawirkung' by Hannah Helmke, compares XDC with Science-Based Targets (SBT) for climate impact calculations.

Ressourcen

Glossar
Finden Sie Definitionen zu wiederkehrenden Begrifflichkeiten, rund um right°, die XDC und unsere Produkte.

right° Brand Hub
Finden Sie Ressourcen bezüglich unserer Corporate Identity, wie Logos und markenspezifische Farbwerte sowie ein Tool zur Erstellung der XDC-Abbildungen

Videokurse

XDC - right° im Einkauf
Dr. Sebastian Müller, LL.M.
Klimawirkung als Entscheidungskriterium für den Einkauf
 Durch die Quantifizierung der Klimaziele und die Berechnung des Szenario-XDC lässt sich die Klimawirkung von Herstellern vergleichen und so ein echtes Entscheidungskriterium für den Einkauf schaffen.

XDC Climate Impact Report
Hannah Helmke
Einführung in den XDC Climate Impact Report
Der XDC Climate Impact Report ist das Einstiegsprodukt von right° und zeigt die Klimawirkung des Unternehmens im Status Quo sowie unter unternehmensspezifischen Szenarien.

XDC vs. SBT - Gemeinsamkeiten und Unterschiede bei der Berechnung der Klimawirkung
In diesem Video geht es um die Gemeinsamkeiten und Unterschiede bei der Berechnung der Klimawirkung mit dem XDC Modell und den Methoden der Science Based Targets Initiative.

[XDC Academy \(right-basedonscience.de\)](https://right-basedonscience.de)

right°

Understanding the Client Pain Point

Ensuring Appropriate
Sector Benchmarking



Relevance of Competency: Ensuring Fair Benchmarks

Your Resources | **Client Pain Point** | The XDC Solution | Impact

Client Pain Point

Struggling to operationalize XDC results due to the **lack of fair climate performance benchmarks**.

Relevance

Setting climate targets that take company structure and activity into consideration.

Communicating results based on fair benchmarks for evidence of Paris-alignment.

The XDC Solution

Enabling comparability against more representative entities in the NACE sector.

Facilitating fairer XDC analyses that reflect multiple sectors.

Relevance of Competency: Ensuring Fair Benchmarks

Your Resources | **Client Pain Point** | The XDC Solution | Impact

Client Pain Point

Struggling to operationalize XDC results due to the lack of fair climate performance benchmarks .

Relevance

Setting **climate targets** that **take company structure and activity** into consideration.

Communicating **results based on fair benchmarks** for evidence of Paris-alignment.

The XDC Solution

Enabling comparability against more representative entities in the NACE sector.

Facilitating fairer XDC analyses that reflect multiple sectors.

Relevance of Competency: Ensuring Fair Benchmarks

Your Resources | **Client Pain Point** | The XDC Solution | Impact

Client Pain Point

Struggling to operationalize XDC results due to the lack of fair climate performance benchmarks .

Relevance

Setting climate targets that take company structure and activity into consideration.

Communicating results based on fair benchmarks for evidence of Paris-alignment.

The XDC Solution

Enabling comparability
against more representative entities in the NACE sector.

Facilitating fairer XDC analyses that reflect multiple sectors.

Case 1: Issue Faced by Niche Companies

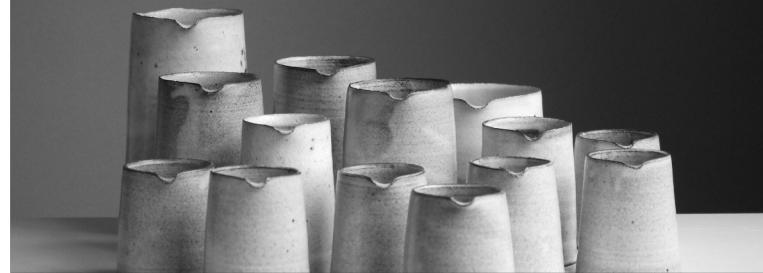
Your Resources | **Client Pain Point** | The XDC Solution | Impact

NACE C23

Different Companies

Circula Ceramics

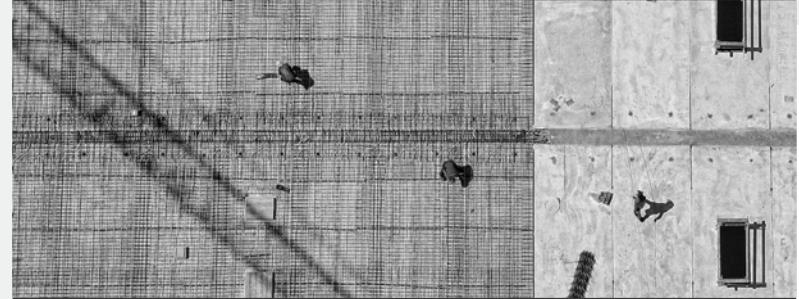
Specialized in household & ornamental products



Sector 23.41 has a lower EEI* profile

Cement Construct

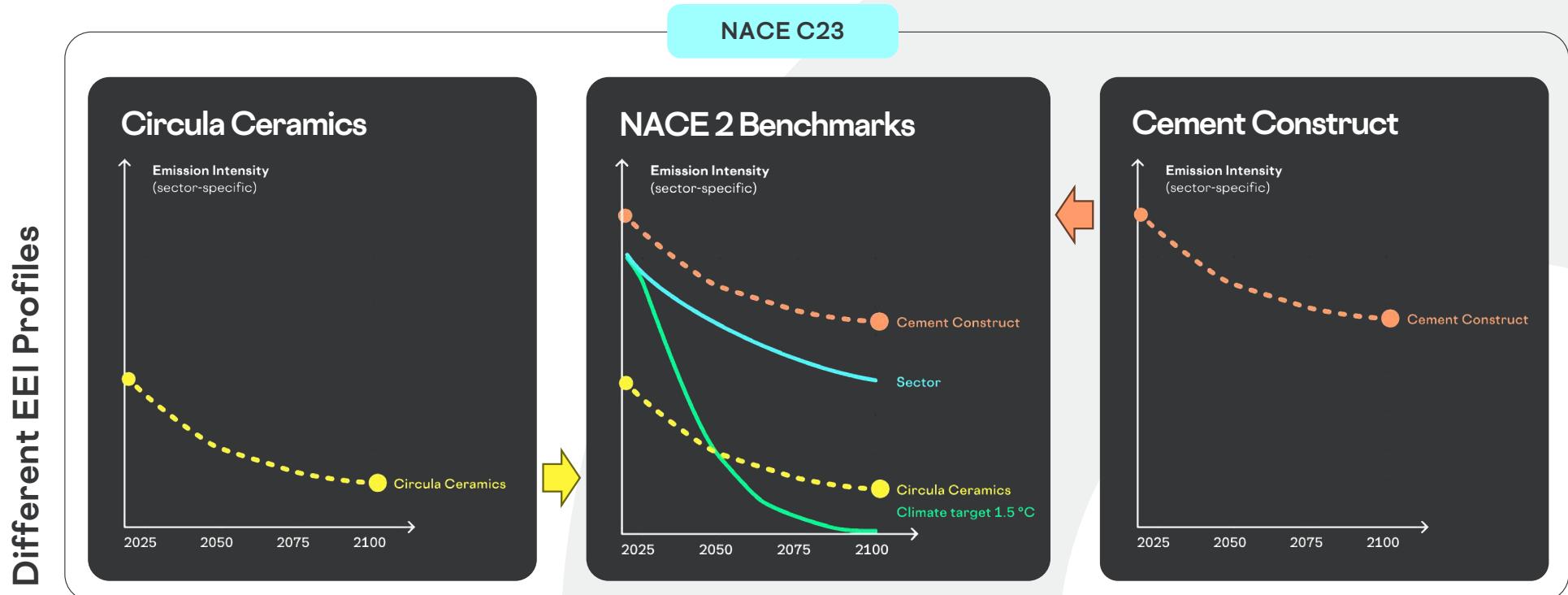
Specialized in concrete building products



Sector 23.61 has a higher EEI* profile

Case 1: Issue Faced by Niche Companies

Your Resources | **Client Pain Point** | The XDC Solution | Impact



Case 2: Issue Faced by Multi-Sector Companies

Your Resources | **Client Pain Point** | The XDC Solution | Impact

Different Companies

NACE 07

Cepha (Mining)

Specialized in mining of metal ores



Sector 07 has a higher EEI* profile

NACE 64

Cepha (Finance)

Specialized in financial services activities

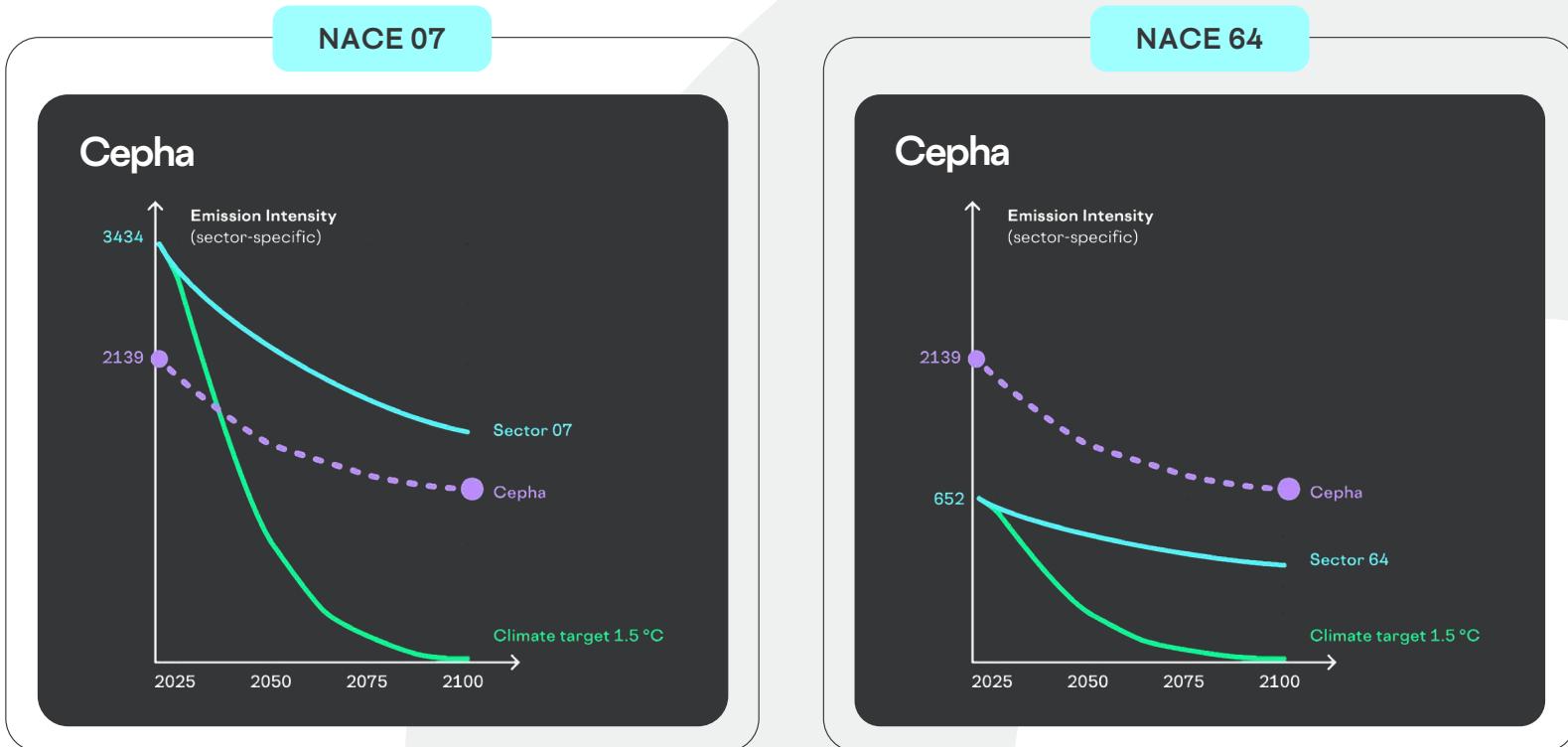


Sector 64 has a lower EEI* profile

Case 2: Issue Faced by Multi-Sector Companies

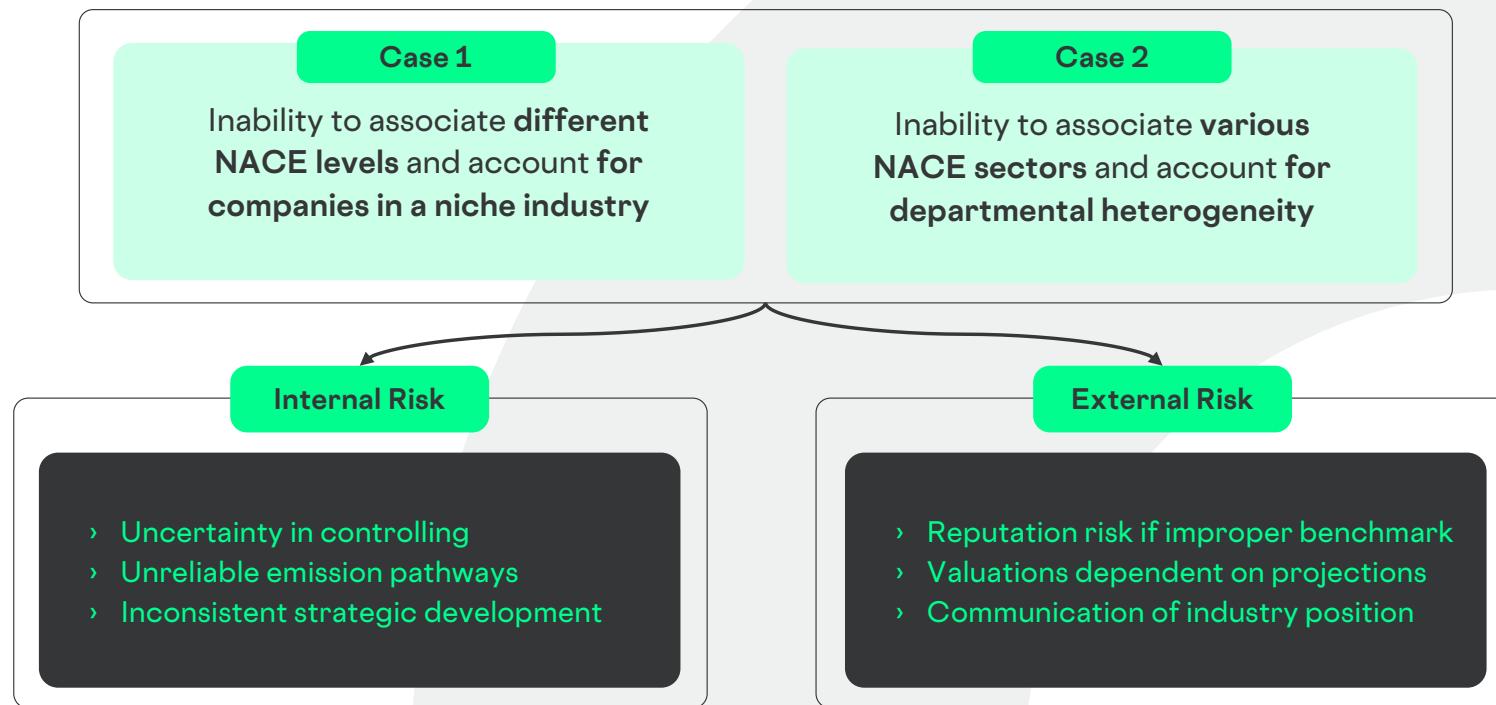
Your Resources | **Client Pain Point** | The XDC Solution | Impact

Different Departments



The Corporate Challenge of Appropriate Benchmarking

Your Resources | **Client Pain Point** | The XDC Solution | Impact



right°

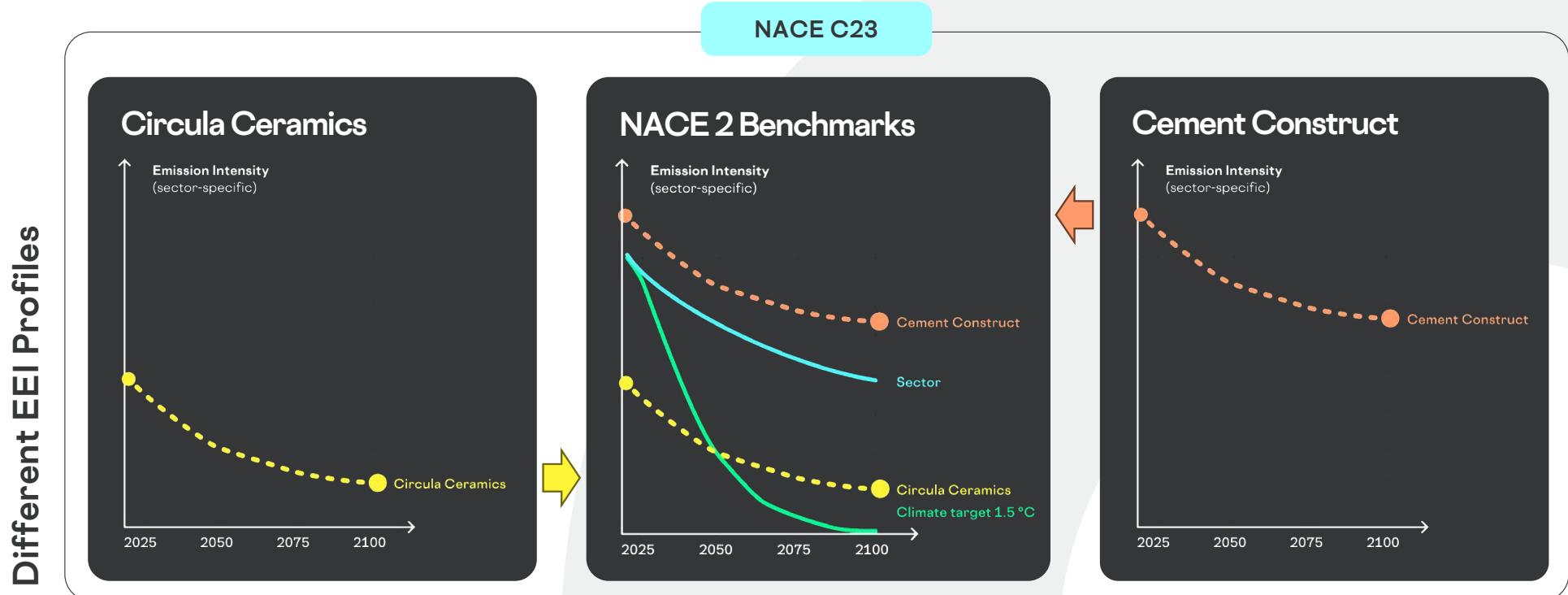
The XDC Solution

Ensuring Appropriate
Sector Benchmarking



Case 1: Issue Faced by Niche Companies

Your Resources | Client Pain Point | **The XDC Solution** | Impact



Case 1: Proper Benchmarking for Circula Ceramics

Your Resources | Client Pain Point | [The XDC Solution](#) | Impact



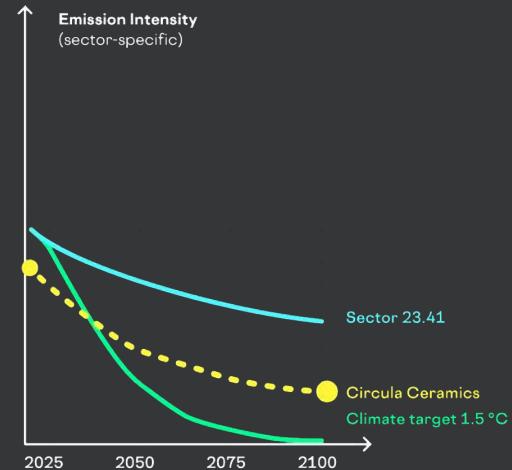
The Solution

Apply **niche NACE level (3 / 4) benchmarks** for Circula Ceramic's XDC analysis.

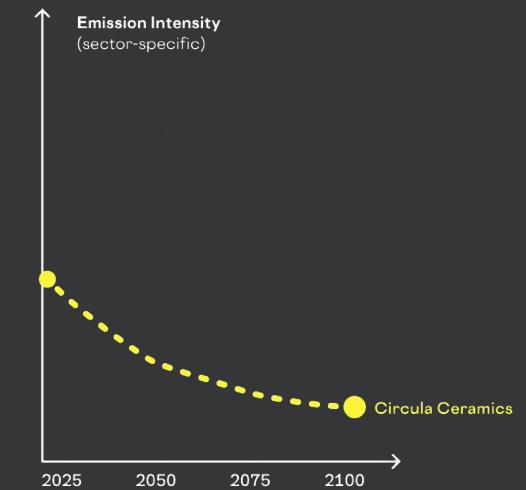
Different EEI Profile

NACE C23.41

NACE 3/4 Benchmarks



Circula Ceramics



Case 1: Proper Benchmarking for Cement Construct

Your Resources | Client Pain Point | **The XDC Solution** | Impact

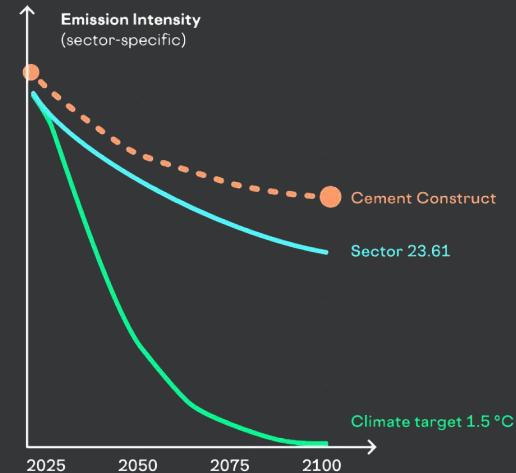
NACE C23.61

The Solution

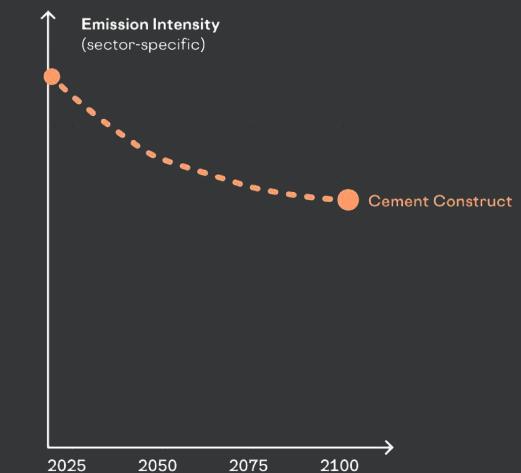
Apply **niche NACE level (3 / 4) benchmarks** for Cement Construct's XDC analysis.

Different EEI Profile

NACE 3/4 Benchmarks



Cement Construct



Case 2: Issue Faced by Multi-Sector Companies

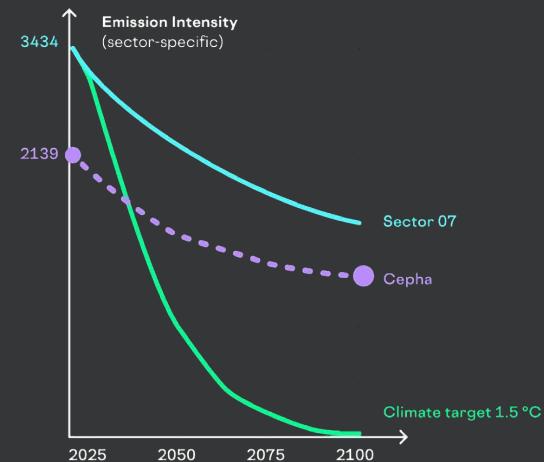
Your Resources | Client Pain Point | **The XDC Solution** | Impact

Different Departments

NACE 07

Cepha

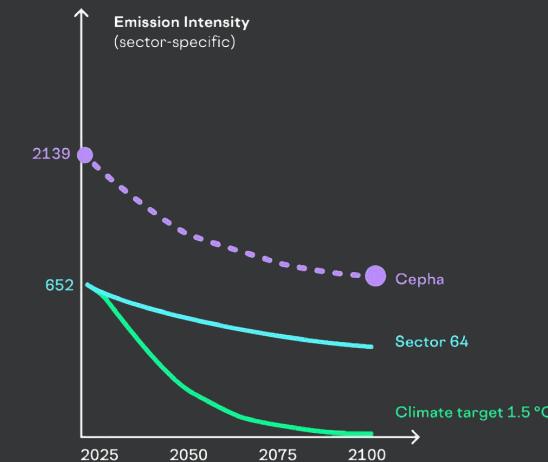
specialized in mining of metal ores



NACE 64

Cepha

specialized in financial services activities



Case 2: Proper Benchmarking for Cepha

Your Resources | Client Pain Point | **The XDC Solution** | Impact

V

The Solution

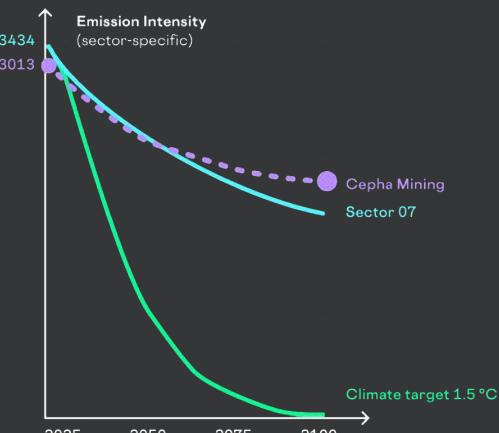
Apply specific
NACE sector
benchmarks
for each
department.

NACE 07

NACE 64

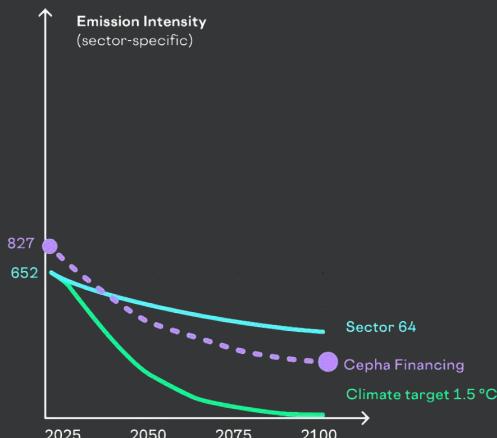
Cepha (Mining)

specialized in mining of metal ores

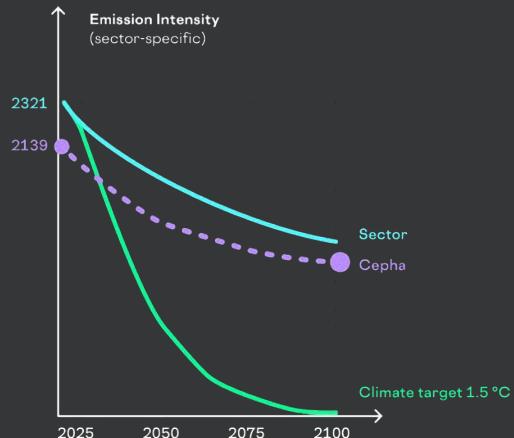


Cepha (Finance)

specialized in financial services activities



Cepha



Our Recommended Approach: Finding the Ideal Benchmark

Your Resources | Client Pain Point | [The XDC Solution](#) | Impact

Context: You have generated a **Climate Impact Report** for your client. The XDC result has made them **sceptical**: „the target pathways do not seem attainable, **we need to better understand** them“.

- 1 Ensure that your client has access to the API.
- 2 Introduce the potential dilemma to them. Could an incorrect benchmark have been used?
- 3a Determine whether there is a more specific NACE code that the company can be classified in.
 - ↳ If this proves to be true, support the client in making use of the new API endpoints, which offer connections to NACE-Level 3 and 4 codes.
- 3b Determine whether the company has multiple sectors due to heterogenous departments.
In this case, check the client's data availability (emissions, GVA) for each department in question.
 - ↳ If this proves to be true, support the client in retrieving the corrected XDCs based on the department-specific input data.
- 4 Check API results to determine whether the XDC has changed. If it has remained the same, the problem is not associated with the selected benchmark and diagnostics should be continued.

Solving the Pain Point with XDC

Your Resources | Client Pain Point | **The XDC Solution** | Impact

Context: You have generated a **Climate Impact Report** for your client. The XDC result has made them **sceptical**: „the target pathways do not seem attainable, **we need to better understand** them“.

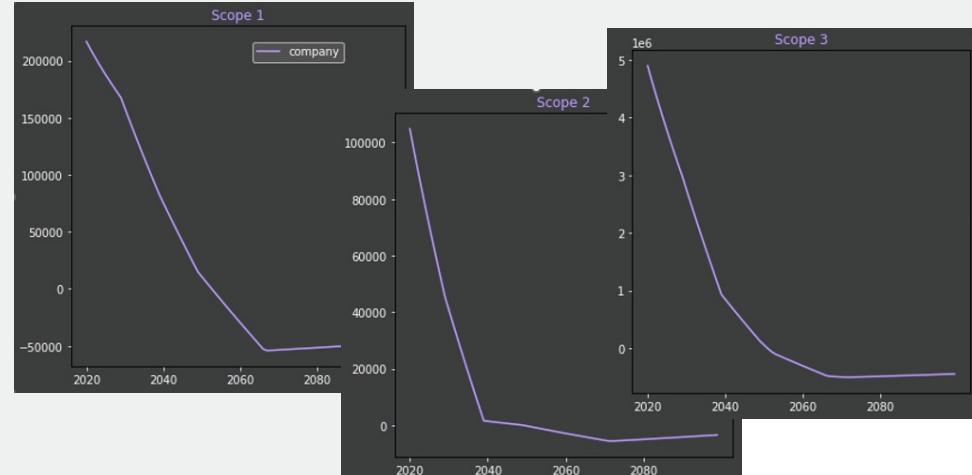
Data (collect for CIR)

API (call endpoints)

Visualizations (build emission pathway curves)

Company Data	
Base Year	2021
Country	CAN
GVA (EUR)	268316491
NACE Sector	07
Scope 1 Emissions (tCO ₂ e)	216855
Scope 2 Emissions (tCO ₂ e)	104833
Scope 3 Emissions (tCO ₂ e)	4895158
Target XDC	1.5

```
input_dict = {
    "baseYear": 2021,
    "countryCode": "CAN",
    "provider": "IEA",
    "gva": 268316491,
    "naceCode": "07",
    "scope1": 216855,
    "scope2": 104833,
    "scope3": 4895158,
    "sspCode": "SSP2_RCP60",
    "targetXDC": {
        "scope1": 1.5,
        "scope2": 1.5,
        "totalScope": 1.5
    },
    "targetYear": 2100
}
```



Solving the Pain Point with XDC

Your Resources | Client Pain Point | **The XDC Solution** | Impact

Context: You have generated a **Climate Impact Report** for your client. The XDC result has made them **sceptical**: „the target pathways do not seem attainable, **we need to better understand** them“.

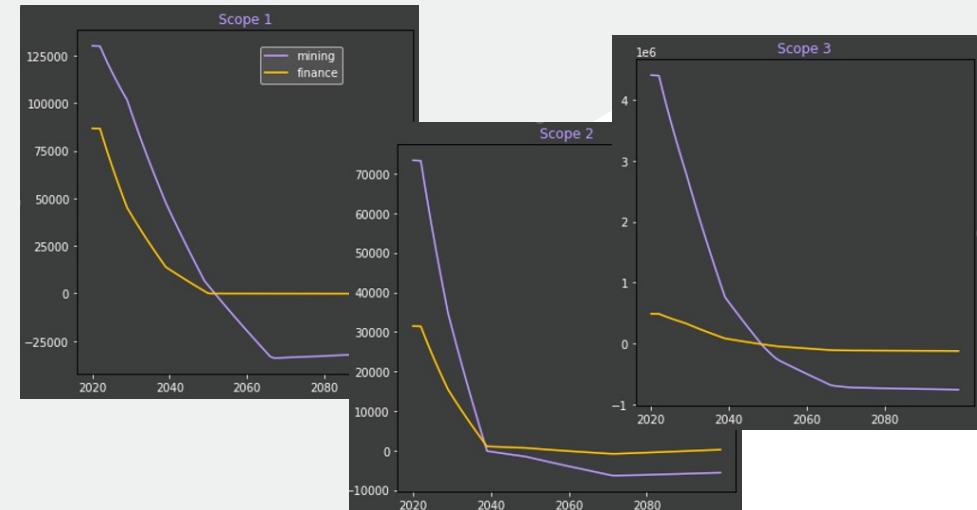
Data (collect for CIR)

API (call endpoints)

Visualizations (build emission pathway curves)

Department Data		
	Mining	Finance
Base Year	2021	
Country	CAN	
GVA (EUR)	160989895	107326596
NACE Sector	07.21	64
Scope 1 Emissions (tCO ₂ e)	130113	86742
Scope 2 Emissions (tCO ₂ e)	73383	31450
Scope 3 Emissions (tCO ₂ e)	4405642	489516
Target XDC	1.5	

```
input_dict = {
    "baseYear": 2021,
    "departments": [
        {
            "countryCode": "CAN",
            "departmentId": "mining",
            "gva": 160989895,
            "naceCode": "07.21",
            "scope1": 130113,
            "scope2": 73383,
            "scope3": 4405642,
        },
        {
            "countryCode": "CAN",
            "departmentId": "finance",
            "gva": 107326596,
            "naceCode": "64",
            "scope1": 86742,
            "scope2": 31450,
            "scope3": 489516
        }
    ],
    "provider": "IEA",
    "reductionStartYear": 2023,
    "sspCode": "SSP2_RCP60",
    "targetXDC": {
        "scope1": 1.5,
        "scope2": 1.5,
        "totalScope": 1.5
    }
}
```



right°

Takeaways

Ensuring Appropriate
Sector Benchmarking



Using the Ideal Benchmark with XDC

Your Resources | Client Pain Point | The XDC Solution | **Impact**

Pain Point

- › Lacking fair climate performance benchmarks.
- › Internal difficulties for reliable controlling and strategic planning.
- › Risk of external backlash due to misrepresentative impact communication.

Takeaways

- › Variations in the sector definition used for benchmarking can lead to different XDC results.
- › It is possible for multiple NACE sectors to have the same growth/reduction curves.
- › Emission pathways data can provide evidence of appropriate benchmarking.

Best Practice

- › Sense-check the NACE sector and level selection to confirm precision of the XDC.
- › NACE4 sectors are not yet exhaustively covered by the API, this should be communicated.
- › Focus on appropriate benchmarking as a means to set representative climate targets.

Q&A

to support your understanding



Contact

Hannah Helmke

h.helmke@right-basedonscience.de
+49 69 979 83452

<https://right-basedonscience.de>
<https://right-basedonscience.de/en/rightontarget>

right. based on science GmbH
c/o Spaces

Große Gallusstraße 16-18, 1. OG
60312 Frankfurt am Main
Deutschland

