**Business Development Lizenz / Training Material**

**Modul 2 / Video 1**   Topic: Introduction to the XDC Climate Explorer

**Questions**

1) **Which of these inputs is not needed for the calculation of the Baseline XDC?**

   a) Country of headquarters.
   b) NACE Code.
   c) Revenue

2) **Can a Baseline XDC be calculated if we only know the total Scope 3 amount and not the breakdown for each subscope?**

   a) Yes.
   b) No.

3) **In the growth scenario tab, what growth rate can you manually adjust?**

   a) GVA.
   b) Emissions.
   c) Both GVA and emissions.
   d) Neither GVA nor emissions.

4) **Can the growth scenario be used, if we assume that the company will shrink over time (i.e. GVA will decrease each year)?**

   a) Yes.
   b) No.

5) **If the emissions in the Baseline Scenario are higher than the 1.5°C emissions budget in the Reduction need tab, what can be concluded about the Baseline XDC?**

   a) The Baseline XDC is higher than 1.5°C
   b) The Baseline XDC is 1.5°C.
   c) The Baseline XDC is lower than 1.5°C.
   d) There is not enough information to reach a definitive conclusion.

6) **Is the quality assurance found in the Reduction Need tab there to let you know that the emissions data entered is wrong?**

   a) Yes.
   b) No.

7) **What is the purpose of adding measures in the Transition Plan?**

   a) To input projects that will affect the GVA of the company in the future.
   b) To enter projects that will reduce emissions in the future.
   c) To decrease the Baseline XDC.

8) **If the cost estimate of a project was wrong and the capital expenditure (CapEx) is only 50% of the true costs, how will this affect the Scenario XDC?**

   a) The Scenario XDC will go up.
   b) The Scenario XDC will stay the same.
   c) The Scenario XDC will go down.

## Answers

1) **Which of these inputs is not needed for the calculation of the Baseline XDC?**

   a) Country of headquarters.
   b) NACE Code.
   c) **Revenue**

   The revenue has no effect on the calculation of a Baseline XDC. The country of headquarters will affect the Baseline XDC through the GVA and emissions growth rate. The NACE code affects the Baseline XDC because this determines the carbon budget and the other companies that the analyzed company will be compared with in the sector-specific analysis.

2) **Can a Baseline XDC be calculated if we only know the total Scope 3 amount and not the breakdown for each subscope?**

   a) **Yes.**
   b) No.

   If you're sure that the Scope 3 is complete, but there's no breakdown – one can enter all Scope 3 emissions in any particular subscope. If the data is incomplete, then the Baseline XDC would be incorrect.

3) **In the growth scenario tab, what growth rate can you manually adjust?**

   **a) GVA.**
   b) Emissions.
   c) Both GVA and emissions.
   d) Neither GVA nor emissions.

   In the growth scenario tab, only the GVA can be manually adjusted. One would do this if they felt that the SSP2 default growth rates did not apply to them. Note that this will affect the emissions growth rate, but this happens automatically and not manually.

4) **Can the growth scenario be used, if we assume that the company will shrink over time (i.e. GVA will decrease each year)?**

   **a) Yes.**
   b) No.

   Yes, although the tab is labelled as Growth rate – one can make the assumption that the growth rate is positive (GVA increases over time) or negative (GVA decreases over time).

5) **If the emissions in the Baseline Scenario are higher than the 1.5°C emissions budget in the Reduction need tab, what can be concluded about the Baseline XDC?**

   **a) The Baseline XDC is higher than 1.5°C.**
   b) The Baseline XDC is 1.5°C.
   c) The Baseline XDC is lower than 1.5°C.
   d) There is not enough information to reach a definitive conclusion.

   If the emissions budget is already being exceeded from the base year to 2030, between 2030-2100, the company will greatly exceed the 1.5°C budget during this time period. Thus, if one doesn't meet the 2030 budget, using Baseline assumptions, they will also exceed their 2100 budget.

6) **Is the quality assurance found in the Reduction Need tab there to let you know that the emissions data entered is wrong?**

   a) Yes.
   **b) No.**

The QA is to let the user know when the emissions / revenue for a particular scope or subscope is significantly higher or lower than the average in our database. Being significantly high or low doesn't mean that the data entered was wrong, as this cannot be determined by an analysis of this sort.

**7) What is the purpose of adding measures in the Transition Plan?**

a) To input projects that will affect the GVA of the company in the future.
b) **To enter projects that will reduce emissions in the future.**
c) To decrease the Baseline XDC.

The goal of the measures is to enter projects that seek to reduce emissions at some point in the future. The project can be at any time between the base year and 2100 and for any scope. The measures are only for emissions, so GVA is unaffected. The Baseline XDC stays the same, regardless of whether the inclusion of measures have been added or not. Measures only affect the Scenario XDC.

**8) If the cost estimate of a project was wrong and the capital expenditure (CapEx) is only 50% of the true costs, how will this affect the Scenario XDC?**

a) The Scenario XDC will go up.
b) **The Scenario XDC will stay the same.**
c) The Scenario XDC will go down.

The CapEx is used as a feasibility measure for the implantation of a measure. If a company with a revenue of €50 million said they were to implement measures to half Scope 1 at a cost of €5 billion, this would be an unrealistic measure for this company.

The Scenario XDC considers the drop in emissions only – the cost of the project is not a determinant of the Scenario XDC.