

Business Development Lizenz / Training Material

Modul 2 / Video 8 Topic: Climate Explorer Functionality & Insights

Questions

1) What is the Baseline XDC for this German company with a 2022 base year?

NACE	Revenue	EBITDA	Personnel Costs
21.10	7,000,000,000	3,000,000,000	1,000,000,000

Scope 1	Scope 2
40,000	30,000

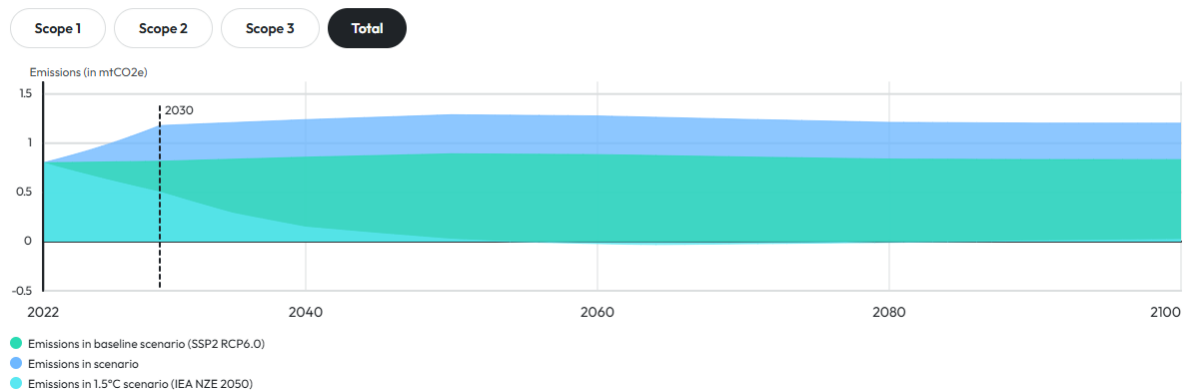
Scope 3.1	Scope 3.2	Scope 3.3	Scope 3.4	Scope 3.5	Scope 3.6	Scope 3.7	Scope 3.8
125,000	30,000	75,000	10,000	75,000	99,000	45,000	12,000

Scope 3.9	Scope 3.10	Scope 3.11	Scope 3.12	Scope 3.13	Scope 3.14	Scope 3.15
14,000	1,000	140,000	35,000	50,000	10,000	10,000

2) What is the 2030 GVA if we apply a 7% growth rate annually from 2022 using the data from the previous question?

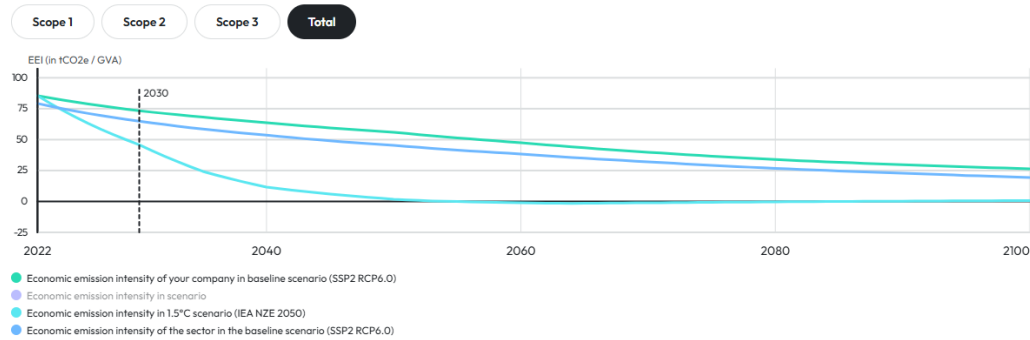
3) Does the 7% GVA growth rate lead to a higher assumed emissions that with Baseline assumptions? Why?

Development of Emissions



4) Is this company doing better than the median sector company?

Development of economic emission intensity



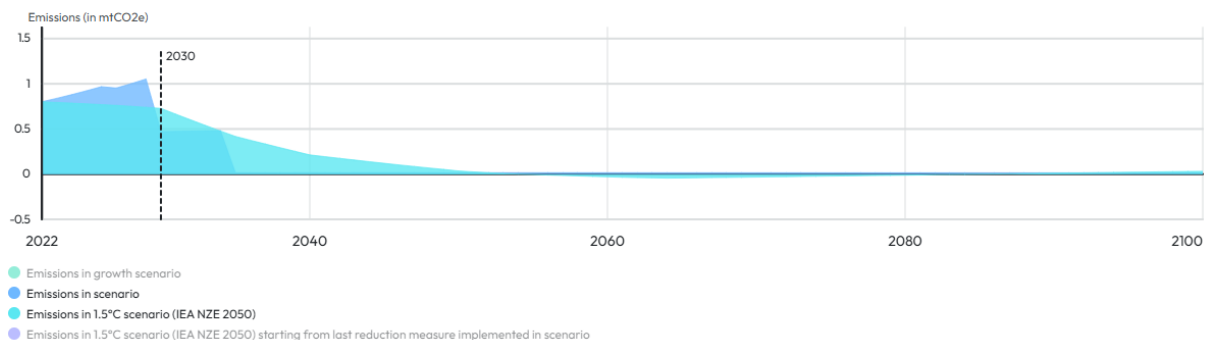
5) Using Baseline assumptions, how far over or under the 1.5°C budget is this company?

6) Without making any calculations, would you expect a continuous measure in 2023 that had the company using only renewable energy (making Scope 2 equal to 0) to cause the company to be 1.5°C aligned?

7) What would the Scenario XDC be if in 2027 a continuous measure was launched that reduced Scope 1 emissions by 20,000 tons and brought Scope 2 to zero?

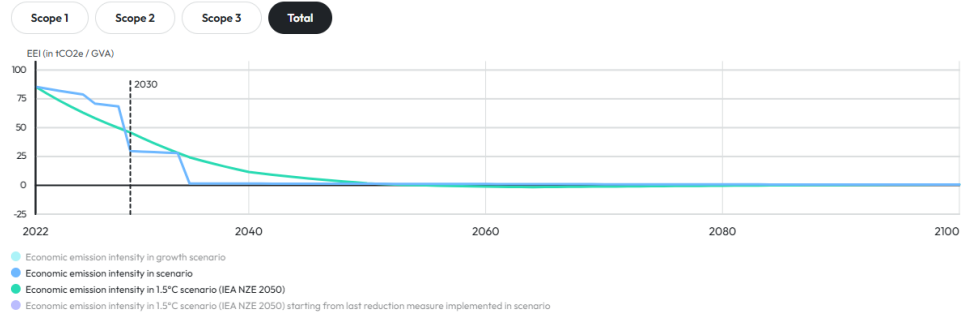
8) What would the Scenario XDC be if there was an additional continuous measure in 2030 that reduced Scope 3 emissions by 431,000 tons?

9) Did this company exceed its carbon budget from 2022-2030?



10) Is this company on a 1.5°C pathway in 2030?

Development of economic emission intensity (EEI) in scenario



Answers

1) What is the Baseline XDC for this German company with a 2022 base year?

The Baseline XDC is 3.7°C.

NACE	Revenue	EBITDA	Personnel Costs
21.10	7,000,000,000	3,000,000,000	1,000,000,000

Scope 1	Scope 2
40,000	30,000

Scope 3.1	Scope 3.2	Scope 3.3	Scope 3.4	Scope 3.5	Scope 3.6	Scope 3.7	Scope 3.8
125,000	30,000	75,000	10,000	75,000	99,000	45,000	12,000

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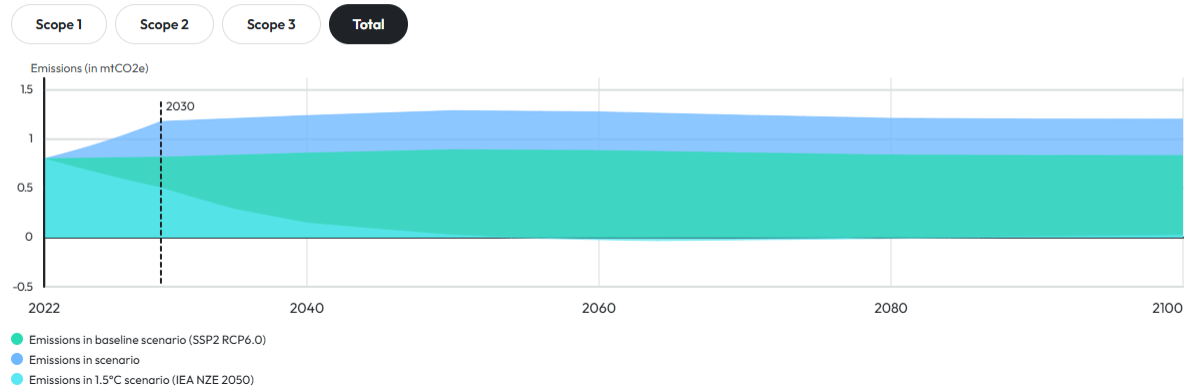
2) What is the 2030 GVA if we apply a 7% growth rate annually from 2022 using the data from the previous question?

The GVA is €6,872,744,720.

Year	GVA
2022	4,000,000,000
2023	4,280,000,000
2024	4,579,600,000
2025	4,900,172,000
2026	5,243,184,040
2027	5,610,206,923
2028	6,002,921,408
2029	6,423,125,907
2030	6,872,744,720

3) Does the 7% GVA growth rate lead to a higher assumed emissions that with Baseline assumptions? Why?

Development of Emissions



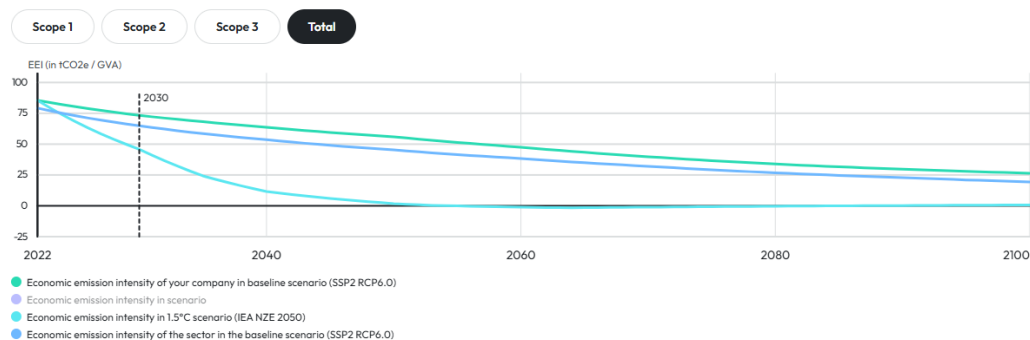
The emissions are higher because the CEX changes the emissions growth rate based on the new implied GVA growth rate.

If the implied GVA growth rate, as calculated by the GVA written in each year is higher than the Baseline growth assumptions, then the emissions will grow at a higher rate than Baseline growth assumptions.

If the implied GVA growth rate was lower than Baseline growth assumptions, the emissions growth rate would actually be lower than the Baseline growth assumptions.

4) Is this company doing better than the median sector company?

Development of economic emission intensity



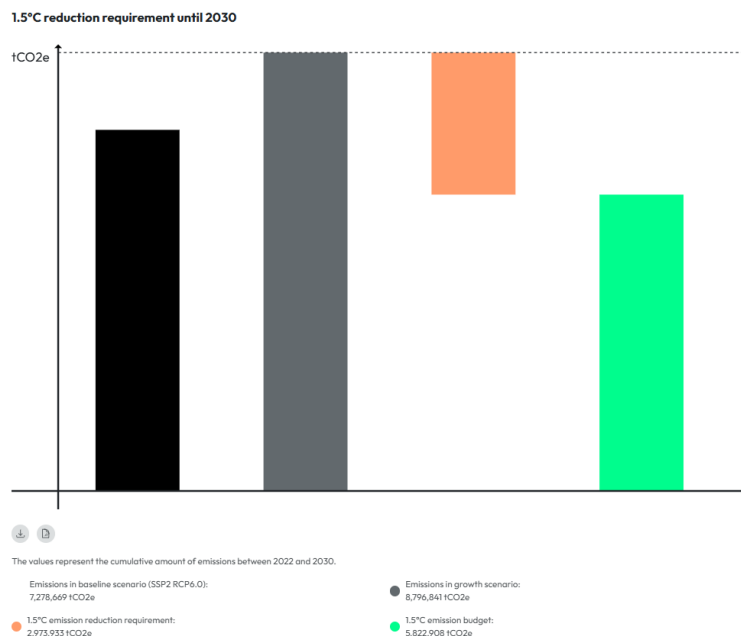
The company is doing worse than the median company in the sector.

We can see this because the EEI of the company is higher than that of the median sector. This means that for every Euro of GVA added, the analyzed company emits more emissions.

5) Using Baseline assumptions, how far over or under the 1.5°C budget is this company?

The company is 1,455,761 tons of the 1.5°C budget.

This can be calculated by taking the emissions in the baseline scenario and subtracting them from the 1.5° emissions budget.



6) Without making any calculations, would you expect a continuous measure in 2023 that had the company using only renewable energy (making Scope 2 equal to 0) to cause the company to be 1.5°C aligned?

We would not expect the company to be 1.5°C-aligned.

While it is good to see the company take a positive step and bring Scope 2 to zero. Given that Scope 2 makes up such a small portion of emissions for a company and that the company has a 3.7°C Baseline XDC, simply removing Scope 2 will not be near enough.

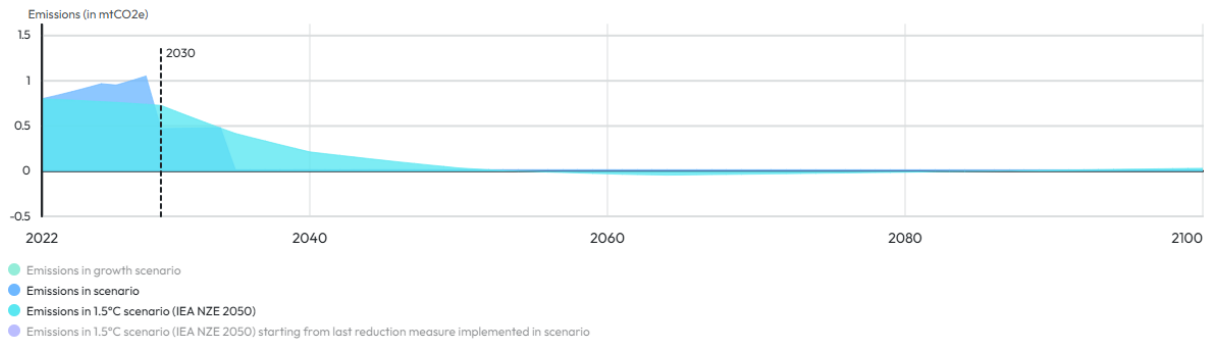
7) What would the Scenario XDC be if in 2027 a continuous measure was launched that reduced Scope 1 emissions by 20,000 tons and brought Scope 2 to zero?

The Scenario XDC would be 3.5°C.

8) What would the Scenario XDC be if there was an additional continuous measure in 2030 that reduced Scope 3 emissions by 431,000 tons?

The Scenario XDC would be 2.4°C.

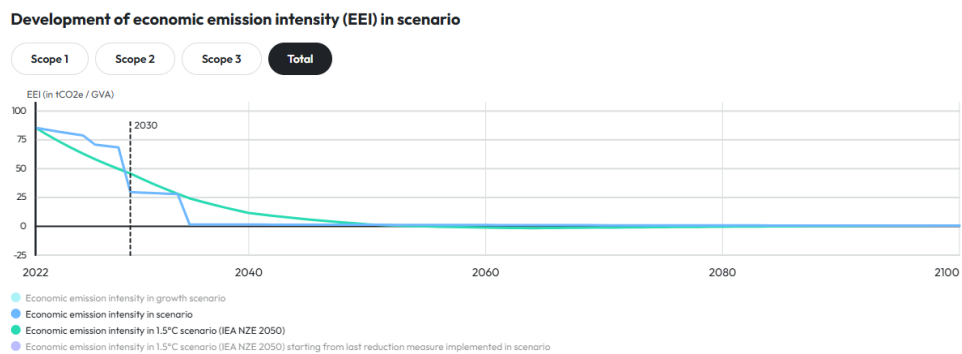
9) Did this company exceed its carbon budget from 2022-2030?



Yes, the company exceeded its carbon budget over this time.

Although the company is under the 2030 budget, taken as a whole, the company's overshoot from 2022-2029 is greater than the one year of undershoot in 2030.

10) Is this company on a 1.5°C pathway in 2030?



Yes, the company is on a 1.5°C pathway in 2030.

Since the company's EEI curve is underneath the 1.5°C EEI curve in 2030, we can conclude that the company is on a 1.5°C pathway in 2030.

Note that being on a pathway for a year does not mean that a company has a Scenario XDC of 1.5°C. Being on a pathway for a single year does not take into account for past or future performance.

Even if a company was exactly on a 1.5°C pathway from 2022-2030, if future reduction were not made, the company would not be 1.5°C aligned.

A company could be 1.5°C aligned in 2100 – however, if the emissions were significantly over the 1.5°C from the base year to 2099, then the Scenario XDC would also be higher than 1.5°C.