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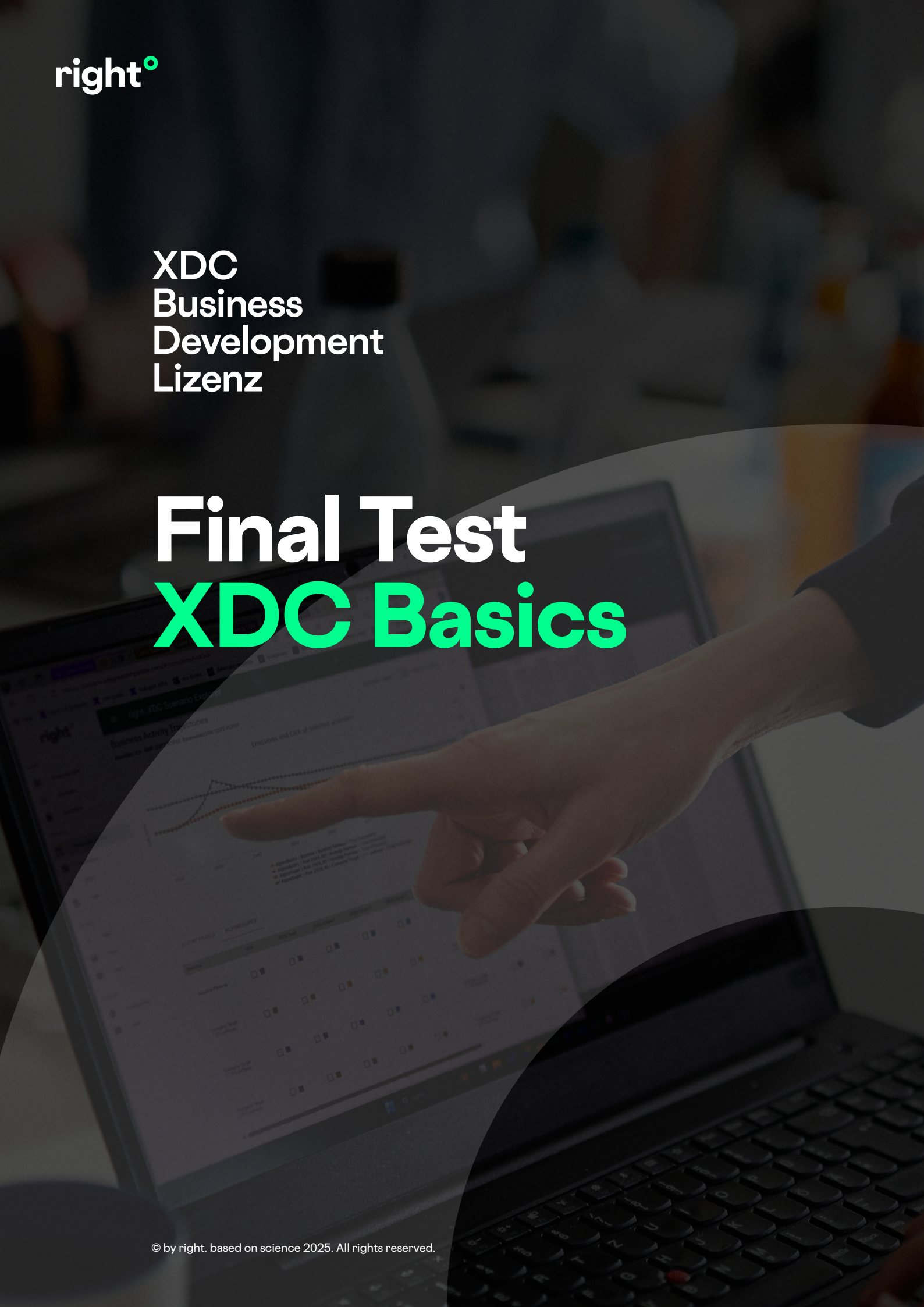
XDC
Business
Development
Lizenz

Final Test
XDC Basics



XDC Business Development Lizenz

XDC Knowledge Test

Introduction

The XDC Knowledge Test is part of the *Business Development License* and designed to consolidate the knowledge acquired during the program. It covers both conceptual understanding of the XDC methodology and the practical application of the Climate Explorer.

- Purpose: To verify comprehension of key principles and to strengthen the ability to use results in a Business Development context.
- Process: Some questions can be answered directly from the course content, while others require active use of the Climate Explorer to generate and analyze results.
- Format: The test includes both multiple-choice questions (usually with one correct answer) and open questions that require short written responses or calculations. Some of the open questions need to be answered using the Climate Explorer.
- Next steps: After completing the test, please send your answers to right°. We will review and evaluate the results.
- Badge: Upon passing, the consulting company will receive the official XDC Badge, which can be used in external communication.
- Timing: The test can be taken at any time during the license period – it is not necessary to wait until the initial six-month contract period has ended.

Questions

Part A - Methodological Foundations (Questions 1-10)
Covers the basics of the XDC methodology, including Baseline and Scenario logic, growth assumptions, and sector comparisons.

1) With Baseline growth assumptions, how do the emissions change each year from a given base year to 2050?

   a) The emissions grow each year.
   b) The emissions remain constant each year.
   c) The emissions decrease each year.

2) With Baseline growth assumptions, how does the EEI change each year from a given base year to 2050?

   a) The EEI grows each year.
   b) The EEI remains constant each year.
   c) The EEI decreases each year.

3) If a company has a detailed and viable plan for reducing emissions, how is this reflected in the Baseline XDC?

   a) The Baseline XDC increases.
   b) The Baseline XDC remains constant.
   c) The Baseline XDC decreases.

4) What rates can change in the calculation of a Scenario XDC?

   a) The emissions growth rate.
   b) The GVA growth rate.
   c) Both the emissions and the GVA growth rate.
   d) Neither the emissions nor the GVA growth rate.

5) If a company has a 1.5°C Scenario XDC, is the company 1.5°C aligned?

   a) Yes.
   b) No.
   c) Not enough information to know.

6) What country would have a higher GVA growth rate?

   a) Germany.
   b) India.
   c) Both countries have equal growth rates.

7) With the default SSP2 growth assumptions, what has a higher growth rate?

   a) GVA.
   b) Emissions.
   c) Both have the same growth rate.

8) When using historical data in the XDC Climate Explorer, from what year will the 1.5°C aligned curve and the emissions in the Baseline scenario diverge?

   a) The base year of the historical data.
   b) The year after base year of historical data.
   c) The last reported year of historical data.
   d) The year after the last year of historical data.

9) When a company has not reported Scope 3.15 emissions for any year in their reported data, how does this get reflected in the template?

   a) All Scope 3.15 fields are left blank.
   b) All Scope 3.15 fields have N / A written in them.
   c) All Scope 3.15 fields have zero written in them.
   d) All Scope 3.15 fields have " - "written in them.

10) A pharmaceutical company has a Baseline XDC of 2.5°C. An electricity generation company has a Baseline XDC of 2.5°C. What company has a better climate performance?

   a) The pharmaceutical company, being in a low-emitting sector, has a better climate performance.
   b) The pharmaceutical company and the electricity generation company have the same climate performance.
   c) The electricity generation company, being in a high-emitting sector, has a better climate performance

Part B - Applying XDC in Business Development (Questions 11-19)
Focuses on the practical application of XDC results in a Business Development context, including client communication, the use of the Climate Explorer, and the value of the XDC metric. Some questions may have more than one plausible answer. The task is to identify the best practice response.

11) A client has a Baseline XDC of 4.5 °C. How can you most effectively frame this result in the conversation so that it demonstrates urgency while opening space for constructive dialogue?

a) Emphasize that 4.5 °C is far from the 1.5 °C pathway and underline the urgent need for action. This stresses the misalignment and highlights risks for financing, regulation, and reputation.

b) It is important not only to explain the Baseline XDC (e.g. 4.5°C), but also to immediately present a Scenario XDC. This shifts the focus from the status quo to the potential impact: clients understand both where they stand today and which concrete transition pathway could bring them closer to 1.5°C.

c) Focus on the EEI curve, since it shows emissions efficiency per unit of value added. This can highlight productivity improvements and decoupling potential, which is valuable, but it risks downplaying the absolute trajectory in °C and the company's Paris alignment.

12) Many companies have incomplete or uncertain Scope 3 data. How should you address such uncertainties with clients to create both transparency and credibility?

a) Focus first on the reliable Scope 1 and 2 data. This keeps the conversation simple and ensures that the discussion is based on robust numbers. However, it risks underrepresenting the company's total climate impact, since Scope 3 is often the largest share of emissions.

b) Be transparent about the uncertainties, explain their potential impact, and use sensitivity analyses to illustrate possible ranges of outcomes. This approach builds trust, demonstrates methodological integrity, and prepares the client for external scrutiny under standards such as CSRD.

c) Where Scope 3 data are missing, apply sector median values from the Climate Explorer as proxies. This creates a complete picture and allows benchmarking against peers, but it must be clearly communicated that these are estimates until company-specific data are available.

13) A company wants to test whether its planned measures are sufficient to move towards a 1.5 °C pathway. Which Climate Explorer output is most relevant – and why?

a) Baseline XDC – It establishes the company's status quo under default growth assumptions. This reference point is essential for understanding how far the company is from 1.5 °C.

b) Scenario XDC – It simulates the company's planned measures by adjusting emissions and GVA growth rates. This output shows how the climate trajectory changes when measures are applied, making it the key tool for evaluating alignment with the 1.5 °C pathway.

c) Emissions Budget Overview – It provides the total amount of emissions the company can still emit until 2050 or 2100 to remain Paris-aligned. This helps to quantify the challenge and communicate the scale of reductions needed.

14) Why is it important for Business Development to understand both Baseline XDC and Scenario XDC?

a) To demonstrate to clients how their planned measures change their climate pathway. The Baseline XDC shows the "do nothing" case and quantifies the risks of inaction, while the Scenario XDC illustrates the impact of planned measures and possible transition pathways.

b) To follow the technical details of the model. Understanding methodology is useful for credibility in discussions with technical experts.

c) To support compliance with reporting or regulatory requirements. Knowledge of Baseline and Scenario XDC is relevant for CSRD, investor expectations, or internal reporting.

15) What is the added value of the XDC metric compared to other climate models or target-setting frameworks such as the SBTi?

a) It replaces traditional financial metrics such as revenue, profit, or ROI.

b) Its main added value lies in making climate information easier to communicate to clients and stakeholders. By translating emissions into a simple °C figure, XDC creates strong narratives and supports engagement.

c) XDC serves as a strategic steering tool: it enables green growth by decoupling emissions from value creation and accounts for a company's historical performance, giving early movers more realistic pathways while requiring late movers steeper reductions.

16) When calculating the Baseline XDC for a company, it is noticed the reason for the low Baseline XDC of the company was a very high 1-year spike in EBITDA for that company in the base year. There are no errors in the data. What should be done with the Baseline XDC?

a) Nothing should be done; all numbers are correct.

b) The Baseline XDC is fine, you just must communicate to the client that the EBITDA was high that year.

c) The base year here is not representative of the company. Another base year should be chosen instead.

Short definition - XDC FastAPI (API)

The XDC FastAPI is a programmatic interface that enables automated and system-integrated XDC calculations. It allows, among other things, accurate multi-sector analyses by combining sector-specific GVA and emissions data of different NACE segments into one consistent company-level XDC result.

17) You discover that a company has 60% of their revenue in one NACE sector and 40% of their revenue in a completely different NACE sector. What can be done in terms of a calculation? There may be more than one correct answer.

a) Only do the calculations in the Climate Explorer for the NACE sector where they earn 60% of their revenue.

b) Use the API to calculate a Baseline XDC of the company using the respective GVA and emissions of each NACE sector.

c) Do two calculations in the Climate Explorer - one calculation taking the company's entire GVA and emissions and using the NACE code where they earn 60% of their revenue - use the same figures and use the NACE code where they earn 40% of their revenue - and do a weighted average.

d) Do two calculations in the Climate Explorer - one calculation taking the company's share of GVA and emissions and using the NACE code where they earn 60% of their revenue - then take the share of GVA and emissions using the NACE code where they earn 40% of their revenue. Each segment of the company would have their own Baseline XDC.

18) If the company would like a 4-digit NACE sector for their analysis but it is not available in the XDC Climate Explorer or XDC API, what can be done?

a) Get in touch with us to see if emissions data can be ordered for this sector.

b) Nothing can be done. If a 4-digit NACE sector was possible, the option would already be available.

c) Let the client know that a 2-digit or 3-digit NACE code is just as good as a 4-digit NACE code analysis, since they are still being compared to companies in their sector.

19) What is meant by homogeneity in a sector?

a) They all have the same 4-digit NACE code.

b) The companies are all based in Europe.

c) Within a given NACE sector, companies are functionally equivalent in their economic role, while differing significantly in their operational execution.

Part C - Practical Exercises with the Climate Explorer (Questions 20-29)
Contains open questions that require active use of the Climate Explorer to calculate Baseline and Scenario XDCs, assess emission reductions, and analyze different growth and transition pathways.

20) What's the Baseline XDC for the following company with base year 2022?

NACE	EBITDA	Personnel Costs
30.30	1,000,000,000	750,000,000

Headquarters	Scope 1	Scope 2
Germany	150,000	40,000

Scope 3.1	Scope 3.2	Scope 3.3	Scope 3.4	Scope 3.5	Scope 3.6	Scope 3.7	Scope 3.8
250,000	60,000	15,000	100,000	5,000	15,000	25,000	2,500

Scope 3.9	Scope 3.10	Scope 3.11	Scope 3.12	Scope 3,13	Scope 3.14	Scope 3.15
15,000	5,000	9,000,000	50,000	2,500	-	5,000

21) Is the company's climate performance better or worse than the median company?

22) How much higher/ lower are the emissions in the Baseline case compared to the 1.5°C-aligned curve between 2022-2050?

23) What is the GVA of this company if we assume 10% growth from 2022-2030?

24) After entering the GVAs from the previous question, how many more emissions are emitted in the growth scenario compared to the Baseline assumptions from 2022-2050?

25) How many emissions must be reduced, on average each year, between 2022-2030, with the Baseline growth assumptions to be 1.5°C aligned?

26) Would any of the scopes or subscopes be considered as an outlier compared to the sector if revenue is €5 billion in 2022?

27) What will have a lower Scenario XDC?

- 100% continuous reduction of Scope 1 and Scope 2 in 2030 and a 75% continuous reduction of Scope 3 in 2045?
- 75% continuous reduction of Scope 1, 2, and 3 in 2035.

28) In the scenario with the lower Scenario XDC in question 18, do additional measures need to be added to make this company 1.5°C aligned?

29) In the scenario with the lower Scenario XDC in question 18, was the company ever below the 1.5°C-alligned EEI curve?