Corporate Efforts to 440 and Beyond

Codebook v3.0

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Methodology

This document presents an overview of the methodology followed to develop the Corporate Climate Commitments Database. Our process involved four steps:

1. **Scanning existing corporate climate trackers from organizations in Canada and abroad to understand the landscape and identify gaps.**

   We conducted a scan of existing corporate climate commitment trackers to identify the current landscape of corporate climate reporting efforts, including emerging priorities, scope and detail, common indicators, methodologies, as well as gaps across current trackers. A total of 10 trackers were reviewed. Six indicator categories were identified following the initial scan.

2. **Conducting a literature review to identify existing standard bodies and best practices for corporate climate commitments.**

   We conducted a literature review of standard bodies, reporting frameworks, and recommendations for credible corporate climate commitments. The literature review included documents from the Task Force on Climate-Related Financial Disclosures, CDP, Glasgow Financial Alliance for Net Zero, Sustainability Accounting Standards Board, the Global Reporting Initiative, and most recently, Environment and Climate Change Canada's Net-Zero Challenge. These documents helped shape the initial set of indicators that will be tracked within each of the six categories. The review also served to ensure alignment between the tracker and existing work and best practices on corporate commitments.

3. **Consulting experts to identify emerging priorities and challenges.**

   After we established the initial frame, we shared the tracker framework with key stakeholders for early engagement and input. We received helpful input about emerging priorities, areas of interest, and current challenges, as well as how to make this tracker a useful tool for diverse audiences. This feedback informed the initial design of the tracker.

4. **Conducting primary research to populate the database with publicly available data.**

   The data collected on the TSX 60 companies were sourced exclusively from publicly accessible corporate webpages. Documents referenced included, but were not limited to: annual reports, CDP survey answers, ESG/sustainability/CSR reports and datasheets, TCFD reports, management information circulars, annual information forms, and company press releases and webpages.

Summary

This document contains descriptions of the indicators tracked under the Corporate Climate Commitment Tracker. There are currently six indicator categories, and 29 indicators.

Indicator tables

Indicator category	**Category summary**			
1.0 Company data	General descriptors of a company, which will be used to calculate emissions intensity.			
	Indicator	**Description**	**Data structure**	**Data source(s)**
	1.1 Company name	Name of the company; tracker will be tracking at the company level of the TSX60 index.	Company name	Annual report
	1.2 Industry (NAICS)	Industry by NAICS code. If multiple, select the most appropriate.	6-digit NAICS code	https://sec.report/
	1.3 Headquarters	Headquartered city of the company.	City	Annual reports, consolidated financial statements

	1.4 Revenue	Revenue is in $CAD Million per fiscal year.	$Millions CAD per FY	Annual reports, consolidated financial statements
	1.5 Market cap	Market cap in $CAD billion as reported under the TSX60 Index. The purpose is to provide a ranking of the companies.	$Billions CAD per FY	Annual reports, consolidated financial statements
2.0 Net zero commitments	**Category summary**			
	Detail of the net zero/climate commitment of the company. This includes net zero and interim targets set by the company.			
	Indicator	**Description**	**Data structure**	**Data source(s)**
	2.1 Does the company have a net zero commitment?	Indicate whether a company has a net zero target. A company can also have an indirect target if it has either (1) a commitment as part of their affiliation with an association, or (2) company commitments are from subsidiary commitments.	Yes; No; Indirectly	Annual report, ESG report, net zero plan, company website
	2.2 Net zero target metric	Record the net zero reduction target metric set by the company.	If absolute target, indicate which Scopes If emissions intensity target, indicate the intensity metric If other, indicate the metric used	Annual report, ESG report, net zero plan, company website
	2.3 Net zero target year	Record the net zero target year set by the company. Flag if the target year is above 2050.	Year; N/A if no commitment	Annual report, ESG report, net zero plan, company website
	2.4 Reference year	Record the baseline year for calculating emissions reductions.	Year or N/A if no commitment	Annual report, ESG report, net zero plan, company website
3.0 Interim target progress	**Category summary**			
	Details of the emissions and greenhouse gas inventory disclosed by the company related to their corporate climate commitments.			
	Indicator	**Description**	**Data structure**	**Data source(s)**
	3.1 Interim emissions reduction target	Record the interim reduction target metrics set by the company.	If absolute target, indicate which Scopes If emissions intensity target, indicate the intensity metric If other, indicate the metric used	Annual report, ESG report, net zero plan, company website
	3.2a Interim target baseline	Record the target baselines set by the company.	If in absolute, report as tCO2eq, if in other metric, report figure as baseline of the metric used	ESG report, net zero plan, company website
	3.2bInterim in most recently reported data	Record the most recently updated data on the metric of the interim targets set by the company.	The data must be the same unit as 3.2a	ESG report, net zero plan, company website
	3.2c Interim target goal	Record the target reductions goal set by the company.	Internal calculation involving taking the baseline, and subtracting the emissions reduction equivalent, or record if company has indicated the target	ESG report, net zero plan, company website
	3.3a Latest reporting period	Record the date of the latest reporting period referenced for the emissions data in sections 3.3b-3.3d.	Date	ESG report/datasheet, TCFD report, CSR report
	3.3b Scope 1 emissions (tCO2e)	Record Scope 1 emissions reported by the company, where available. Scope 1 emissions are defined as “direct greenhouse gas emissions [which] occur from sources that are owned or controlled by the company for example, emissions from combustion in owned or controlled boilers, furnaces, vehicles, etc.; emissions from chemical production in owned or controlled process equipment.”[1]	tCO2 eq; N/A if no data found	ESG report/datasheet, TCFD report, CSR report
	3.3c Scope 2 emissions (tCO2e)	Record Scope 2 emissions reported by the company, where available. Scope 2 emissions account for greenhouse gas emissions from the	tCO2 eq; N/A if no data found	ESG report/datasheet, TCFD report, CSR report

[1] Ibid. pg. 25

		generation of purchased electricity consumed by the company.		
	3.3d Scope 3 emissions (tCO2e)	Record Scope 3 emissions reported by the company, where available. Scope 3 emissions involve activities of the company that do not occur from sources owned or controlled by the company.	tCO2 eq; N/A if no data found	ESG report/datasheet, TCFD report, CSR report
	3.4 Which categories of Scope 3 emissions are included in this disclosure?	Record the Scope 3 categories reported by the company, per reporting period. There are currently 15 different categories[2] of Scope 3 emissions: 1) Purchased goods and services 2) Capital goods 3) Fuel- and energy-related activities 4) Upstream transportation and distribution 5) Waste generated in operations 6) Business travel 7) Employee commuting 8) Upstream leased assets 9) Downstream transportation and distribution 10) Processing of sold products 11) Use of sold products 12) End-of-life treatment of sold products 13) Downstream leased assets 14) Franchises 15) Investments	13, 15; Scope 3 emissions are categorized in 15 different categories.	ESG report/datasheet, TCFD report, CSR report
	3.5 Does the company rely on the use of offsets to meet climate targets?	Record if the company will use offsets to contribute to efforts to reach climate goals. According to the SBTI, economy-wide deep emissions reductions require at least 90 per cent of emissions reductions by 2050, leaving the role of reducing residual carbon emissions to no more than 5-10 per cent[3].	Yes; No	ESG report, net zero plan
4.0 Scenario analysis	**Category summary**			
	This section aims at assessing a company's disclosure of strategies to achieve their climate commitment. The focus will be to provide further detail on company scenario analysis planning and climate stress testing.			
	Indicator	**Description**	**Data structure**	**Data source(s)**
	4.1 Does the company use a scenario aligned with a 1.5C pathway?	Record if a company uses a scenario aligned with a 1.5C pathway. Under the IPCC Special Report on Global Warming of 1.5C (SR15), limiting global temperature rise to 1.5C is key to avoiding increasingly catastrophic climate change impacts. Standard bodies such as the SBTI, and the UN Race to Zero require commitments to be aligned with a 1.5C pathway.	Yes; No	ESG report, net zero plan, TCFD report
	4.2 Which scenarios does the company use in its scenarios analysis?	Record, if applicable, when a company provides a range of scenarios within their climate planning. Companies should identify and define a range of scenarios which provide a picture of potential future climate states, and evaluate the resiliency of climate plans against the range of identified scenarios and provide options to build resilience against scenarios analyzed[4].	List all scenarios noted by the company	Net zero plan, TCFD report, ESG report
5.0 Climate-related risks	**Category summary**			
	This category examines a company's efforts to disclose and address aspects of their business exposed to climate impacts, transition, and climate risks.			
	Indicator	**Description**	**Data structure**	**Data source(s)**
	5.1 Physical risks	Record the physical risks identified. As noted by the TCFD, physical risks include acute risks, or risks that are event-driven, and chronic risks, or risks associated with longer-term shifts in climate patterns.	Identify any physical risks reported by the company; if none reported leave blank; if the company has not provided any risks, input N/A.	Annual report, ESG report, net zero plan, company website
	5.2 Policy and legal risks	Record transition policy and legal risks identified.	Identify any transition policy and legal risks reported by the company; record none	Annual report, ESG report, net zero plan, company website

[2] GHG Protocol. 2011. Technical Guidance for Calculating Scope 3 Emissions. World Resources Institute. https://ghgprotocol.org/sites/default/files/standards/Scope3_Calculation_Guidance_0.pdf
[3] Dowdall, Tom. 2021. Science-Based Net-Zero Targets: 'Less Net, more Zero'. Science-Based Targets Initiative. https://sciencebasedtargets.org/blog/science-based-net-zero-targets-less-net-more-zero
[4] TCFD. 2022. The Use of Scenario Analysis in Disclosure of Climate-related Risks and Opportunities. Task Force on Climate-Related Financial Disclosures. Accessed on https://www.tcfdhub.org/scenario-analysis/

			found if company has not reported on that specific risk; if company has not provided any risks, input N/A.	
	5.3 Technology risks	Record transition technology risks identified.	Identify any transition technology risks reported by the company; record none found if company has not reported on that specific risk; if company has not provided any risks, input N/A.	Annual report, ESG report, net zero plan, company website
	5.4 Market risks	Record transition market risks identified. .	Identify any transition market risks reported by the company; record none found if company has not reported on that specific risk; if company has not provided any risks, input N/A.	Annual report, ESG report, net zero plan, company website
	5.5 Reputation risks	Record transition reputational risks identified.	Identify any transition reputational risks reported by the company; record none found if company has not reported on that specific risk; if company has not provided any risks, input N/A.	Annual report, ESG report, net zero plan, company website
6.0 Governance	**Category summary**			
	This section focuses on a company's indirect commitments to climate action, outside of explicit investments in mitigation and adaptation efforts. This includes commitments to engagement, or governance mechanisms put in place internally and externally to increase accountability on climate goals.			
	Indicator	**Description**	**Data structure**	**Data source(s)**
	6.1 Is executive compensation linked to performance on climate-related metrics?	Record if the company has indicated that climate related performance is tied to remuneration. According to updated guidance from the TCFD, how climate change issues are included in consideration of executive remuneration is a component of the governance pillar of climate-related disclosures[5].	Yes; No	Management proxy circulars
	6.2 Are climate metrics used to assess compensation?	Record the metrics used to evaluate climate-related executive compensation.	Identify and record metrics used	Management proxy circulars
	6.3 Are there any third-party auditing mechanisms in place to review climate targets and disclosure data?	Record if the company has indicated that climate-related performance has been verified by a third-party organization. Verification of a company's data from an independent assessor increases the credibility and reliability of emissions reduction data.	If yes, provide the company used in the latest reporting period; No	Annual report, ESG report, net zero plan, company website, third party assurance statements

[5] TCFD. 2021. Guidance on Metrics, Targets, and Transition Plans. Task Force on Climate Related Financial Disclosures. https://assets.bbhub.io/company/sites/60/2021/07/2021-Metrics_Targets_Guidance-1.pdf