

Climate Target & Commitments Dataset

A powerful tool for assessing corporate decarbonization targets

A growing number of companies are committing to cut their carbon footprints to net-zero in the coming decades. But targets that can appear similar on the surface may turn out to differ in their details. Untangling those commitments can be critical for institutional investors seeking to measure or manage climate risk in their portfolios.

The Target and Commitments dataset from MSCI ESG Research equips investors to evaluate companies' pledges to decarbonize and to compare decarbonization commitments among companies. The dataset details and standardizes the publicly stated commitments of most publicly listed companies to provide a complete picture of their targets in a single view. The dataset is designed to help investors seeking to assess companies' plans to reach net-zero emissions and inform climate risk engagement.

A picture of portfolio company progress

The Climate Target dataset is designed to address the disparity in corporate decarbonization targets. While some companies aim to achieve net-zero emissions across their entire carbon footprint, others map their targets to something less than the whole.

The scorecard evaluates a company's climate commitments based on their:

Comprehensiveness, which addresses whether a target is focused on all scopes and geographic sources of the company's total emissions.

Ambition, which refers to the amount of the emissions reduction embedded in the target and the target timeline.

Feasibility, which refers to how much confidence an organization can have that a net-zero target will be achieved.

The table below summarizes the key components of each dimension.

Analytical Framework	Descriptions	Key Components
Comprehensiveness	Does the target focus on a majority of a company's emissions?	<ul style="list-style-type: none"> > Type > Unit > Target scopes > Target coverages > Percentage of company footprint covered by targets
Ambition	How much and how quickly does a target aim to reduce emissions?	<ul style="list-style-type: none"> > Remaining emission reduction > Normalized reduction per year > Target year > Projected target emissions against net-zero trajectory in 2030 > Projected target emissions against net-zero in 2050
Feasibility	How feasible is a given target, and how much confidence can investors have in its achievement?	<ul style="list-style-type: none"> > Track record of meeting previous targets > Progress on active targets > Intention to use carbon offsets > Revenue from climate-change solutions > Decarbonization strategy by scope and category

Drivers of Carbon Emissions

Type	Emissions (Mega tCO2e)
Scope 1 (Reported, 2020)	0.04
Scope 2 (Estimated, 2020)	0.18
Scope 3 (Estimated, 2020)	12.47
Scope 3 (Reported, 2020)	11.17
Estimated Ratio of reported vs total estimated emissions*	88%

* Reported Emissions/Total estimated emission

Total estimated emission: This is the sum of Scope 1 and 2 reported emissions if available (if not, estimated) and estimated Scope 3 emissions.

If the figure is above 100%, this means that the reported Scope 3 Footprint is larger than the estimated footprint.

Target Scorecard

COMPREHENSIVENESS 100% % of company footprint covered by target	AMBITION 3.77% p.a. Projected reduction per year to meet stated target
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Comprehensiveness	
Type	Absolute + Intensity
Unit	tCO2
Target scopes	1 2 3
Scope 3 upstream categories	1 2 3 4 5 6 7 8
Scope 3 downstream categories	9 10 11 12 13 14 15
% of company footprint covered by target	100%
Ambition	
Target year	2030
Projected reduction per year to meet stated target	3.77% p.a.
Intention to use carbon offsets	No

** Projected reduction per year: This figure indicates the reduction per year of absolute emissions if the target is fully met. A positive number corresponds to a decrease in absolute emissions (for example 5% is an annual reduction of 5% per year). A negative figure corresponds to an increase in absolute emission. This can be caused by targets which do not cover all emissions or are intensity based and therefore do not lead to a reduction of absolute emissions.

Designed for constructing climate-aligned portfolios

The Climate Target and Commitments dataset allows institutional investors to compare corporate climate commitments and identify companies that have set targets in line with the investor's strategy.

The dataset maps targets based on their comprehensiveness (the share of total greenhouse gas emissions across Scopes 1, 2 and 3) and ambition (whether the target would decarbonize the company enough to reach net-zero emissions by the date targeted). The analysis also plots a company's emissions trajectory in the coming years and decades, assuming the company meets the commitments it has mapped out.

The Climate Target and Commitments dataset provides a snapshot of a company's decarbonization target and main drivers of carbon emissions. It illustrates the aggregate projected reduction in carbon emissions the company has pledged to achieve each year.

Powering better investment decisions

The Climate Target and Commitments dataset provided by MSCI ESG Research is part of a platform of data and analytical tools developed by MSCI's Climate Risk Center, an industry leader in climate change risk analytics, modeling and methodology.

It includes:

- Indicators for a range of climate risk and opportunities, based on forward-looking analysis of both transition and physical risks.
- Industry-leading datasets that cover more than 10,000 issuers and greater than 95% of global equity, fixed income and real-estate markets.
- Scenario-analysis tools designed to equip investors to assess the impact of climate-related costs and opportunities for each issuer on the valuation of its equity and debt.

We're on a mission to power better investment decisions for a better world. To request a demo of the Climate Target and Commitments dataset or to learn more about MSCI's Net-Zero Solutions, please visit [msci.com](https://www.msci.com).

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