

CARBON EMISSIONS DATA

THE FOUNDATION OF CLIMATE RESEARCH

While corporate disclosure on greenhouse gas (GHG) emissions is improving, reporting on Scope 1, 2 and 3 emissions remains limited.

Yet more investors worldwide are seeking trustworthy reported GHG emissions information to assess the carbon footprint of their portfolio companies and fulfill mandatory and voluntary regulatory requirements.

Morningstar Sustainalytics' Carbon Emissions Data is designed to provide investors with powerful insights to assess and analyze companies' GHG emissions.

Our Carbon Emissions Data is backed by best-in-class multi-factor regression models to estimate GHG emissions.¹ We provide Carbon Emissions Data on approximately 16,000 companies. The GHG estimation models are built on reported disclosures from over 7,500 companies, across 130+ sub-industries.

With our sophisticated estimation models and high-quality data, investors can respond to regulatory requirements and disclosure initiatives such as the European Union Action Plan, the Taskforce on Climate-related Financial Disclosures (TCFD), and the Principles for Responsible Investment (PRI).

CARBON EMISSIONS DATA BY THE NUMBERS

16,000

covered companies

130+

sub-industries

15

metrics

UP-TO-DATE CARBON EMISSIONS DATA

Our research captures companies' most up-to-date carbon emissions data from their most recent fiscal year reporting, as it becomes available. Receive frequent updates, plus 3 years of historical data, to better understand the carbon footprint of your portfolio companies.

¹ Proxied by Revenues, Employees, PP&E and Cost of Revenues

About Sustainalytics' GHG Emissions Estimation Models

Our GHG emissions estimation models use reported data as the foundation for extrapolating estimations. The models also consider multiple size-related factors, as well as business-model, industry and country-specific characteristics.

Our estimation models for Scope 1, 2 and 3 emissions follow a common model framework across all environmental metrics and consider sub-industry, geographical location, and a company's size. This common model framework facilitates consistency and comparability.

Our models also include specific factors, which offer the flexibility to adjust for structural differences in the underlying

data and can address the limitations of data availability. The company activity data in our Scope 1 and 2 models allows the estimation models to account for sub-industry variation in business models and GHG-generating activities.

As more companies disclose their carbon emissions, more comprehensive information will likely be available, enabling us to enhance the models' performance.

Key Benefits



Latest Reported Carbon Emissions Data

Sustainalytics captures the most up-to-date reported Scope 1, 2, and 3 data plus companies' historical emissions (including restatements) for 3 years, to facilitate analysis and reporting.



Best-in-Class Proprietary Estimation Models

Mitigate your climate risks with more accurate emissions estimations that leverage models based on a company's size, sub-industry, activities and geographical location.



High-Quality Portfolio Analytics and Reporting Capabilities

Understand a company's full GHG emissions value chain with analysis on a portfolio's Scope 1, 2 and 3 carbon intensity and footprint. Also, gain insights into how your company and sector allocation decisions are impacting the carbon intensity of your portfolio.



Dedicated In-House Expertise

Benefit from a dedicated analyst team that verifies our robust GHG emissions research in real time. This allows for more accurate reported data than other machine learning driven applications.

Use Cases



Portfolio Analytics and Reporting

- Easily identify high intensity companies within a portfolio
- Demonstrate and analyze decarbonization trends over time
- Assess the climate-related risks and opportunities of a portfolio



Regulatory Compliance

- Fulfill requirements for reporting and disclosure initiatives, such as the TCFD, the PRI and the EU Action Plan.²
- Input for stress-testing



Security Selection

- Screen industry/sub-industries and identify best-in-class companies
- Establish maximum emissions' thresholds



Engagement and Voting

- Identify and engage with high intensity companies
- Set baseline emissions reduction targets and track improvements over time

² Our EU Action Plan solutions provide an Exact fit to the SFDR regulation for GHG Emissions PAI 1 and calculate the emissions for which a portfolio is 'responsible' for, using the share of emissions calculation approach. Closely related to PAI 1 is PAI 2, which requires investors to disclose the carbon footprint of a portfolio. In addition, PAI 3 requires investors to disclose the calculation of the GHG intensity of a portfolio's components. These datapoints are measured in tons of CO2 equivalents per million euros of revenue.

Carbon Emissions Reporting

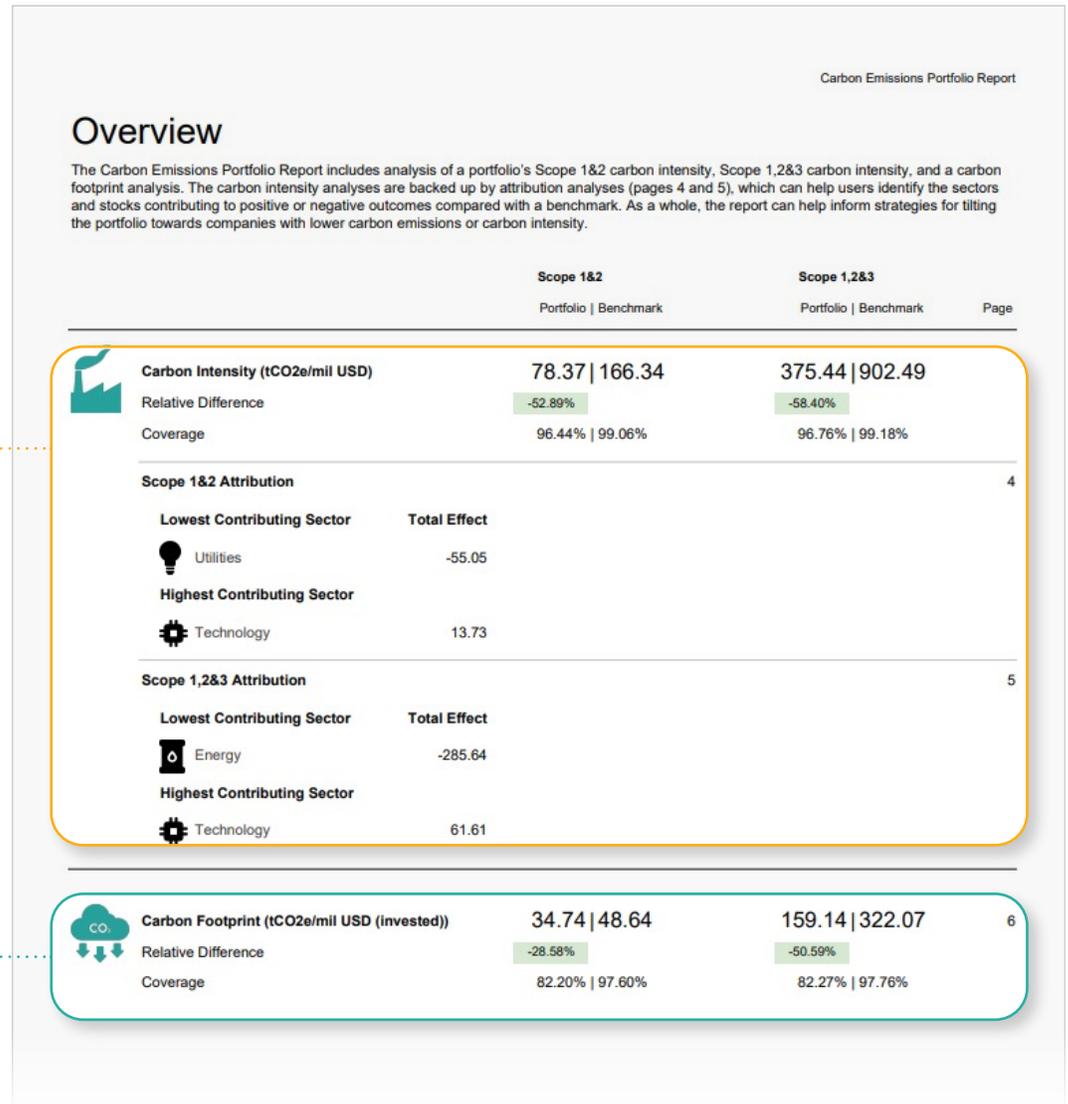
Carbon intensity and carbon footprint research is accessible through our self-serve portal, Global Access, where investors can easily pull a portfolio report and export the supplementary data for offline use. Users can analyze a portfolio's GHG emissions along two main metrics: carbon intensity and carbon footprint.

Carbon Intensity³

Carbon intensity is featured as an aggregated portfolio metric, which can be further broken down into averages per sector and top portfolio contributors. In addition, there are sections dedicated to a carbon intensity portfolio attribution analysis for Scope 1 and 2 and Scope 1, 2 and 3 intensity.

Carbon Footprint⁴

Assess the carbon footprint of your portfolio in terms of owned emissions, in line with the EU's Sustainable Finance Disclosure Regulation (SFDR).



³ The amount (in tons) of total emissions attributable to a portfolio, per million dollars (USD) invested. It is derived for both scope 1 and 2 emissions and scope 1, 2, and 3 emissions. The total emissions a portfolio is responsible for, also known as its absolute greenhouse gas emissions, is calculated by working out for each unique holding the percentage of that company that the portfolio owns, then summing the share of total emissions each holding is responsible for. The absolute emissions (in tons) the portfolio is responsible for is then divided by the total dollar amount (in USD millions) invested in those companies. The carbon footprint of a portfolio represents a portfolio's absolute emissions, normalized per million dollars invested, expressed in metric tons of CO2e/million USD invested. This calculation only includes the long portion of the holdings for which the data is available.

⁴ The asset-weighted average for the portfolio of the underlying holdings' carbon intensity. It is derived for both scope 1 and 2 emissions and scope 1, 2, and 3 emissions. The average only includes holdings for which the applicable company's carbon intensity (in USD terms) is available. Carbon intensity for a company represents the volume of carbon emissions per million dollars of revenue, computed as follows: Total Emissions (metric tons of CO₂)/Revenue (million USD). For a portfolio, carbon intensity represents the carbon efficiency of its investments, in metric tons of CO₂e. A lower score indicates lower intensity and greater carbon efficiency.

How To Access Carbon Emissions Data

We have various delivery options to fit your firm's workflow needs.



Global Access Clients

can access our Carbon Emissions Portfolio Reports through Morningstar Sustainalytics' user-friendly interface.



Data Services Access

to integrate the Carbon Emissions data through an internal system of your choice through our FTP or API services.



Morningstar Systems:

Morningstar Direct, MPS, Data feeds



Third Party Systems:

Bloomberg, Aladdin, FactSet, Rimes, Credit Suisse Holt, BNY Mellon, Style Analytics

Related Products:

Physical Climate Risk Metrics

Forward-looking scenario analysis on direct and indirect physical climate risks.

Low Carbon Transition Ratings

Forward-looking assessment of a company's alignment to a net zero pathway by 2050.

EU Sustainable Finance Action Plan

Solutions for Sustainable Finance Disclosure Regulation and EU Taxonomy

Stewardship Services

Engagement Services and ESG Voting Policy Overlay

Learn More About Sustainalytics

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