

Climate neutral claims: Often overlooked... purchased emissions

Forecasted climate performance of the DAX 40 based on reported data, targets, and estimates for unreported data

Positive Impacts (PI) GmbH | Cologne | November 26th, 2024

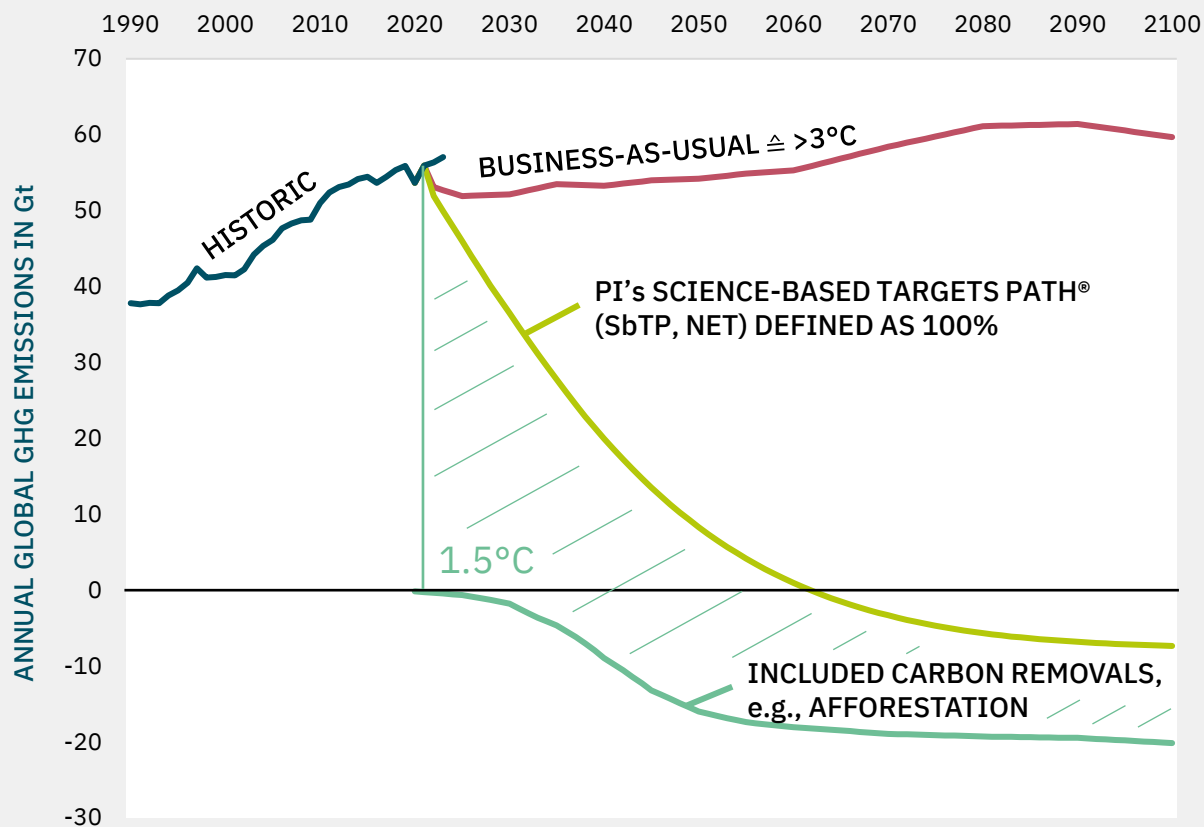
“Carbon Neutral” targets lack...



Source: Positive Impacts (PI) GmbH (2024)

PI's Science-based Targets Path[®]

BASED ON UNEP DATA, IPCC MODELS & OWN CALCULATIONS



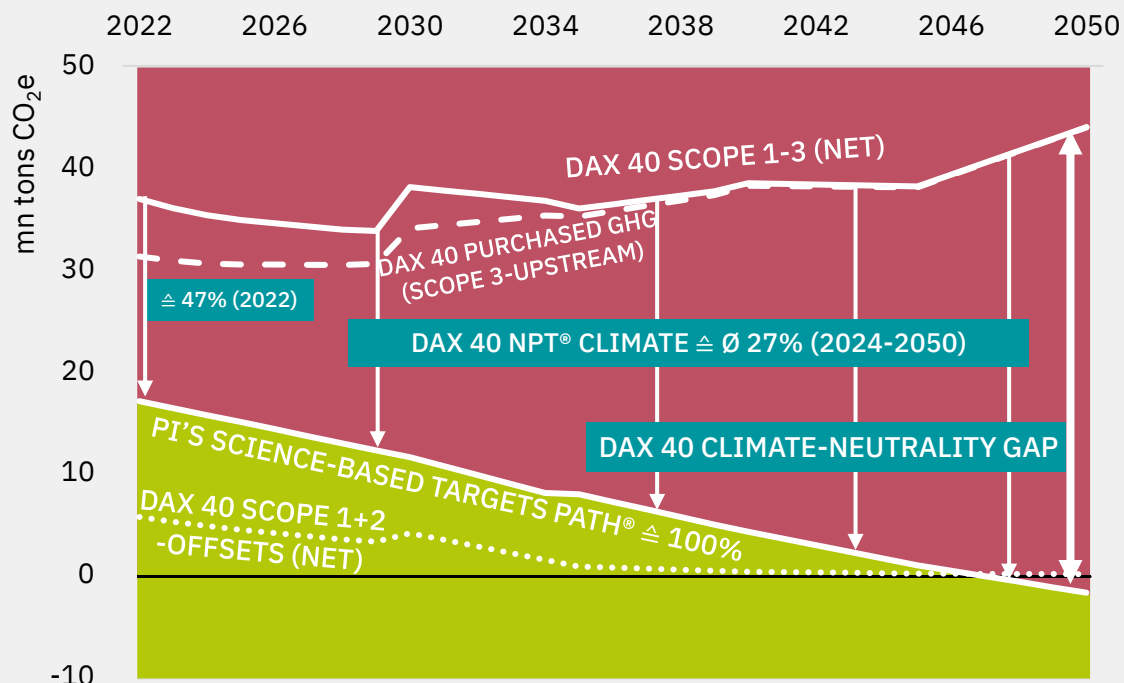
PI's SCIENCE-BASED TARGETS PATH[®] CLIMATE (NET)

- > PI's SbTP shows what needs to happen to stay below 1.5° C while including carbon removals in the global carbon budget to achieve other planetary boundary targets, such as the **forest cover target** and using of other CCS/sequestration
- > **Net Present Target[®]** represents the discounted target achievement of an entity against this path in %

Source: Positive Impacts (PI) GmbH (2024), own calculations based on UNEP 2024 and IPCC (2022), using the AR6 Scenarios Database (V 1.1) hosted by IIASA; CCS = Carbon Capture & Storage

DAX40 Case Study “GHG neutral”

BASED ON 2022 DATA, SET TARGETS AND 2010-2022 TRENDS



■ Emissions above PI Science-based Targets Path® (i.e., worse than the path to science-based targets)
 ■ Emissions below PI Science-based Targets Path® (i.e., better than the path to science-based targets)

NET PRESENT TARGET® (NPT®) CLIMATE

- > Climate targets must always include Scope 3 (upstream)¹
- > 2022 climate target level achievement of DAX40 is 47%
- > The projected present value² of their target achievement is 27%, i.e., their Net Present Target® (climate)
- > PI’s Science-based Targets Path® showcases what we need to stay <1.5° - defined as 100%

Source: Positive Impacts (PI) GmbH (2024); 1) As CO₂-intensive processes can be outsourced; 2) Discounted target achievements, using a 3% discount rate.

NPT® Climate¹ of the DAX 40

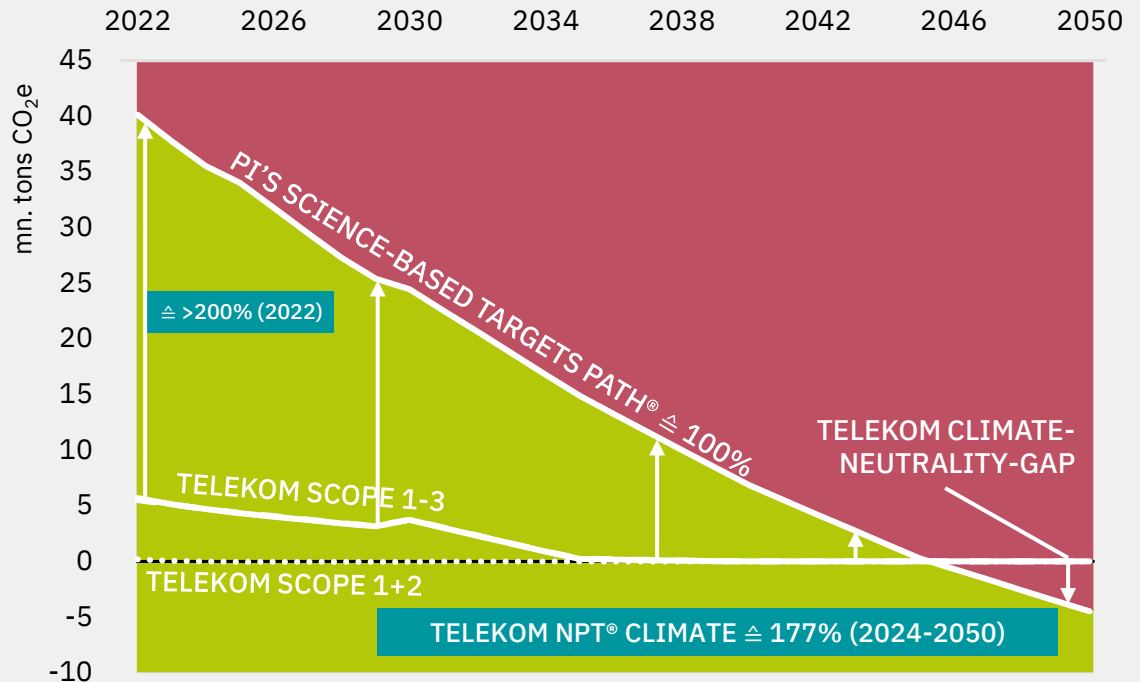
Company	Share of Estimates	GHG share of DAX40	2022 Level	Trend	NPT® Climate 2024-'50
Deutsche Telekom	0%	1%	200%	→	177%
Siemens Energy	1%	1%	200%	→	177%
Siemens	0%	2%	153%	→	174%
SAP	0%	0%	200%	→	168%
Merck	0%	1%	120%	→	166%
Mercedes-Benz Group	0%	4%	200%	→	164%
Beiersdorf	0,2%	0%	185%	→	159%
Continental	0%	3%	81%	↑	158%
Fresenius ²	64%	1%	200%	→	158%
Qiagen	0%	0%	200%	→	153%
Adidas	0%	1%	120%	→	146%
Symrise	0%	0%	87%	↑	138%
Zalando	0%	1%	75%	↑	138%
Siemens Healthineers	0%	0%	200%	→	135%
Sartorius	0%	0%	197%	→	122%
MTU Aero Engines	94%	0%	200%	→	113%
Vonovia	0%	0%	143%	→	108%
PI's Science-based Targets Path®			100%		100%
Bayer	0%	2%	162%	→	100%
Airbus	0%	1%	200%	↓	97%
Porsche	99%	1%	189%	↓	93%
RWE	0%	15%	13%	↑	92%
Infineon	0%	0%	172%	↓	84%
BMW	0%	3%	200%	↓	82%
Daimler Truck	94%	2%	151%	↓	75%
Deutsche Post DHL	0%	6%	84%	→	63%
Henkel	0%	2%	73%	→	62%
Volkswagen	0%	14%	111%	→	58%
E.ON	0%	8%	75%	→	57%
Brenntag	0,1%	3%	31%	→	33%
Rheinmetall ³	0%	0%	104%	↓	32%
Heidelberg Materials	2%	14%	8%	↑	20%
BASF	0%	12%	38%	↓	15%
Covestro	0%	3%	34%	↓	13%
DAX40	2%	100%	47%	→	27%

- > **Share of Estimates:** Scope 3 estimated by PI to be missing in the report
- > **2022 Level** of GHG emissions compared to PI's SbTP for Climate
- > **NPT® Climate:** Forecasted Level of GHG emissions compared to PI's SbTP¹

Source: Positive Impacts (PI) GmbH (2024); 1) Discounted target achievements against SbTP on climate for the years 2024-2050, using a 3% discount rate; 2) Data disclosed for 2023; 3) 2022 gap closed in 2023.

DAX40 Case Study Telekom

BASED ON 2022 DATA, SET TARGETS AND 2010-2022 TRENDS



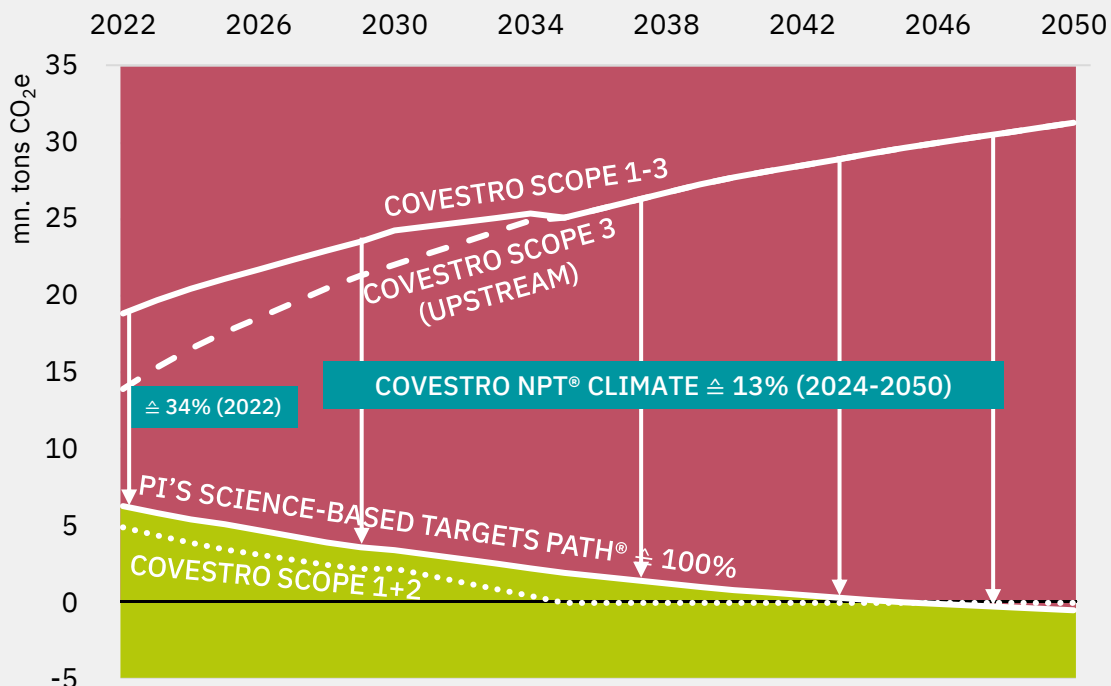
■ Emissions above PI Science-based Targets Path® (i.e., worse than the path to science-based targets)
 ■ Emissions below PI Science-based Targets Path® (i.e., better than the path to science-based targets)

- > Telekom's climate targets include Scope 1+2+3
- > Their climate target achievement level in 2022 was >200%
- > The present value¹ of their forecasted target achievement levels for 2024-2050 is 177%. This implies a 77% better climate performance than the PI's Science-based Targets Path®

Source: Positive Impacts (PI) GmbH (2024); ¹ Discounted target achievements, using a 3% discount rate.

DAX40 Case Study Covestro

BASED ON 2022 DATA, SET TARGETS AND 2010-2022 TRENDS



Emissions above PI Science-based Targets Path® (i.e., worse than the path to science-based targets)
 Emissions below PI Science-based Targets Path® (i.e., better than the path to science-based targets)

- > Covestro’s climate targets focus on Scope 1+2, excluding upstream, resulting in an expected increase of Scope 3
- > Their climate target achievement level in 2022 was 34%
- > The present value¹ of their forecasted target achievement levels for 2024-2050 is 13%. This implies an 87% worse climate performance than PI’s Science-based Targets Path®

Source: Positive Impacts (PI) GmbH (2024); 1) Discounted target achievements, using a 3% discount rate.

DAX40 NPT® Climate Insights

ALL “CLIMATE-NEUTRAL” CLAIMS ARE INCOMPLETE

17 COMPANIES PROBABLY REACH >100%

- > These companies are expected to have an NPT® above 100%, i.e., being **mostly above 100% target level achievement** in the years 2024-2050
- > For two out of these 17 companies (MTU and Fresenius¹), PI had to **estimate a significant amount of their purchased GHG emissions** as their reporting was incomplete in 2022
- > However, these 17 companies only represent about 14% of the total GHG emissions of the DAX40!

16 COMPANIES PROBABLY STAY BELOW 100%

- > These companies are expected to have an NPT® below 100%, i.e., being **mostly below 100% target achievement** in the years 2024-2050
- > For two out of these 16 companies (Porsche and Daimler Truck), PI had to **estimate a significant amount of their purchased GHG**, with Porsche being the worst, requiring PI to estimate 99% of their total emissions in 2022
- > The 16 companies were responsible for **86% of the total GHG emissions of the DAX40!**

WHAT'S MORE? NONE OF THE DAX 40 ARE FORECASTED TO REACH “CARBON NEUTRALITY” IN 2050. HOW ARE YOURS?

Source: Positive Impacts (PI) GmbH (2024) ; 1) Fresenius reports the respective Scope 3 emissions for 2023.

DAX40 NPT[®] Climate Analysis

POSITIVE IMPACTS (PI) STUDY SCOPE AND APPROACH

SCOPE

- > The research is based on all real economy companies of the DAX 40 and the information they have provided in the reports for the fiscal year 2022
- > All revenue-related GHG emissions are included in the analysis, i.e., Scope 1 (direct emissions), 2 (purchased direct energy emissions), and 3 (purchased upstream emissions, e.g., from purchased products and services), downstream Scope 3 emissions were omitted, as these are decided by the customers and are attributable to them¹

APPROACH

- > All communicated targets were considered in the forecast
- > The forecasts for financial/production data, as well as for GHG emissions that are not covered by any target, are based on historical data from the past 12 years
- > All missing data was estimated using macro-economic input-output analysis together with the financial data published in the reports, including historical missing data

Source: Positive Impacts (PI) GmbH (2024); 1) “No one is responsible if everyone is accountable” M. Viehöver; however, these can also be evaluated using the PI approach.

Your Contact



MARTIN G. VIEHÖVER

T +49 174 303 94 96
martin@positive-impacts.com

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