

America's Climate Leaders 2023

Content

Methodology of "America's Climate Leaders 2023"	2
Step 1: Application and research phase	3
Admission criteria	3
Application and Research	3
Step 2: Data analysis and scoring phase	4
Calculation of compound annual reduction rate	4
Note	4
FAQ	5

Methodology of “America’s Climate Leaders 2023”

For the first time, USA Today and Statista have compiled a list of “America’s Climate Leaders”. It comprises companies across the United States that achieved the greatest reduction in their core emissions intensity between 2019 and 2021 – that is, their Scope 1 and 2 greenhouse gas emissions in relation to revenue.

The ranking was created in a two-step process:

- 1) Application and research phase
- 2) Data analysis phase

On the following pages, the two phases are described in more detail.

Step 1: Application and research phase

Admission criteria

To be considered for America's Climate Leaders 2023, a company had to meet the following criteria:

- The company is headquartered in the USA
- The company had revenues of at least \$50 million in 2021¹
- The company reports emissions data independently
- The company published the following emissions data:
emissions for Scope 1 and Scope 2 for the years 2019 and 2021²
- In case a CDP rating was available, the score had to be at least C-³

¹ For banks and insurance companies that do not report revenues, net banking income or total income was used instead of revenue.

² In case the reporting period did not correspond to the calendar year, the reporting period which has most months in the stated year was considered.

³ For companies with emissions of over 3 million tonnes CO₂-equivalent in 2021, a CDP rating of at least B- was mandatory.

Application and Research

Companies could be included in the list by applying online or by having the necessary data publicly available.

Statista compiled a list of several thousand American companies and invited them via email to submit their emissions and revenue data via a website created by Statista and USA Today. The application phase ran from November 28th, 2022, to January 15th 2023.

In addition, Statista scrutinized publicly available data on approximately 2,000 American companies. The main sources of data are financial and non-financial reports as well as CDP's database. Following the research phase, a second survey was sent to all relevant companies to give them the opportunity to validate their data.

To ensure that the data is comparable, only emissions reported following the emissions categories of the Greenhouse Gas Protocol (Scopes 1, 2 and 3) were considered. As there is a high degree of freedom for reporting Scope 3 emissions, these were not considered when calculating the reduction in emissions intensity. If location-based and market-based values have been reported for Scope 2 emissions in both years, then the market-based calculation was used in the analysis (as it reflects the choices a company has made regarding its electricity suppliers). Otherwise, the location-based values were used for both years.

Step 2: Data analysis and scoring phase

Calculation of compound annual reduction rate

For all companies meeting the inclusion criteria, the year-over-year reduction in emissions intensity (compound annual reduction rate) was calculated. The emissions intensity is defined as core emissions (Scope 1 and Scope 2 emissions in tonnes of CO₂-equivalent) per million dollars revenue.

The compound annual reduction of emissions intensity was calculated with the following formula:

$$1 - \left(\frac{\text{Emissions intensity 2021}}{\text{Emissions intensity 2019}} \right)^{\left(\frac{1}{2021-2019} \right)}$$

The companies with the highest CARR are included in the list "America's Climate Leaders 2023". Companies whose broader GHG-related record or broader environmental record - e.g. oil exploration, non-GHG pollution or deforestation - is sufficiently disputed to undermine any claim to be a "climate leader" were excluded from the list.

Note

The selection of the companies and the definition of the evaluation criteria were carried out according to independent journalistic criteria of USA Today and Statista. The evaluation was carried out by the statistics and market research company Statista. USA Today and Statista make no claim to the completeness of the companies examined.

The ranking is comprised exclusively of companies that are eligible regarding the criteria described in this document. A position in the ranking is a positive recognition based on the information provided in the validation survey and research of publicly available data at the time. The research and the analysis phase ran from September 2022 to March 2023. The ranking is the result of an elaborate process and due to the interval of data collection, data which was published during that time might not have been considered. Furthermore, data which was published after that time and events following March 31, 2023, were not included in the metrics. As such, the results of this ranking should not be used as the sole source of information for future deliberations. The information provided in this ranking should be considered in conjunction with other available information.

The quality of companies that are not included in the ranking is not disputed.

FAQ

What are the distinctions between scope 1, scope 2 and scope 3 emissions?

In greenhouse gas emissions reporting, emissions are divided in scope 1, scope 2 and scope 3 emissions. Scope 1 emissions, also known as “direct emissions”, refers to emissions that are directly produced in different offices and facilities of a company, for example in the process of producing goods, but also using heating and cooling devices. Scope 2 emissions are emissions that are generated as a consequence of the production of electricity and district heating. By using renewable energy, companies can cut these emissions to zero. Scope 3 emissions, also known as value chain emissions, include all sources of emissions that are linked to a company but not within the company’s operational boundary. Scope 3 emissions are frequently representing the greatest portion of a company’s total emissions. The Global Reporting Initiative (GRI), which is an initiative that campaigns for the distribution of clear standards regarding sustainability reporting, differentiates between 15 categories of scope 3 emissions. The calculation of scope 3 emissions is complex and laborious.

Why does the ranking only consider scope 1 and scope 2 emissions?

Not all companies that publish their emissions publish their scope 3 emissions. Furthermore, there are major differences in the number of considered categories (the GRI has set 15 categories within this scope 3 level), which results in huge differences in scope 3 reporting. Consequently, the current data does not allow for the comparison of the absolute value of scope 3 emissions. However, also included in the table are indications to show which companies have started to analyze their scope 3 emissions.

Is it justified to compare companies from different sectors?

Every sector and every company has different challenges regarding their greenhouse gas emissions and climate protection. In this top list, companies are compared using the year-over-year reduction of their emission intensity. As this reduction rate is always calculated in comparison to the base line of the same company, the different starting points of the companies are considered. Thus, this reduction rate shows what companies have accomplished in terms of emission reduction, independent of their absolute number of emissions. The top list can also be filtered by sectors, emission intensity or core emissions (scope 1 + 2).