# TransitionArc About

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### **About TransitionArc**

TransitionArc is a one-stop tool to assess corporate transitions, and unlock finance at speed and at scale needed to meet climate goals.

For the first time in the public domain, the best available analysis of corporate climate transitions has been brought together in one place – radically improving access to company-level analysis and helping to put key frameworks for climate disclosure and transition into practice.

Built in collaboration with key partners, TransitionArc gives investors, companies, governments and civil society the analysis they need to understand what 'good' looks like, identify the gaps between disclosure and action, and take tangible action.

For guidance on how to navigate and use TransitionArc – <u>please see our explainer video</u>. We recommend that all users take the time to watch this video to familiarize themselves with the tools and features contained within the platform.

## Why do we need TransitionArc?

Business is transitioning – from dirty to clean, linear to circular, extractive to regenerative. The process may be slower than needed, but it is happening. But understanding where a company is on the path to transition is complex – due to varying assessment frameworks, multiple rating agencies and narrow metrics.

Investors, companies, regulators and campaigners are calling for clearer, more accessible, reliable and science-aligned corporate climate data to guide their work. TransitionArc answers this call by aggregating the best transition analysis data available, giving decision makers all the information they need in one place. It illustrates what 'good' looks like, and the gaps that need to be closed. Decisions can be made more efficiently, finance can flow to where it's needed, and together we can accelerate the transition to a safer and more sustainable future.

# Who has developed Transition Arc?

TransitionArc was developed by Climate Arc, a nonprofit, global organization shaping and driving forward the climate movement through unlocking private capital. TransitionArc was built in close partnership with key players in the climate finance ecosystem, and will feature world-class data and analysis from:

- <u>Carbon Tracker Initiative (CTI)</u>: Carbon Tracker is an independent financial think tank that carries out in-depth analysis on the impact of the energy transition on capital markets and the potential investment in high-cost, carbon-intensive fossil fuels.
- <u>CDP</u>: CDP is a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts.
- Corporate Knights: Founded in 2002, Corporate Knights Inc. is a sustainable-economy media and research B Corp. Corporate Knights' research division maintains the world's leading warehouse of curated corporate green capex data, as well as powering the Global 100 Most Sustainable Corporations in the World Index (CKG100).
- The <u>International Council on Clean Transportation</u> (ICCT) is a non-profit public policy think tank and research institute. Its Global Automaker Rating provides an annual assessment of automaker's progress transitioning to zero-emission vehicles.
- <u>InfluenceMap</u>: InfluenceMap's global LobbyMap platform and metrics tracks the policy engagement performance, against science aligned policy benchmarks, of thousands of companies, financial institutions and

industry associations globally.

- <u>Science Based Targets Initiative (STBi)</u>: The Science Based Targets initiative (SBTi) is a corporate climate action organization that enables companies and financial institutions worldwide to play their part in combating the climate crisis
- <u>Transition Pathway Initiative (TPI)</u>: The Transition Pathway Initiative, through its dedicated Centre at the London School of Economics, provides research and data to track the progress that corporate and sovereign entities are making in the transition to a low-carbon economy.
- World Benchmarking Alliance (WBA): The World Benchmarking Alliance carries out assessments on corporations' in the high-emitting sectors, analysing their decarbonization and energy transition using the ACT (Accelerate Climate Transition) methodology.

Together the data fed into TransitionArc by these organizations allows companies to be assessed on five key metrics: emissions, targets, capital allocation, governance and policy engagement. TransitionArc currently features approximately 100,000 data points – across 500 companies in key energy and industrial sectors. More details on the methodology are available <a href="here">here</a>.

# Who is TransitionArc for?

TransitionArc was built with philanthropic money, to benefit the whole climate finance community, and accelerate collective climate action. TransitionArc can be used to accelerate climate action across a range of levers, including financing, corporate action, policy and regulation, campaigning and media:

- Companies can prioritize green solutions and close the gaps from commitment and disclosure to action
- Financial institutions can direct flows of capital to support corporate transitions
- Civil society can advocate for greater corporate accountability
- Governments and regulators can develop policy and accountability mechanisms

#### How to access TransitionArc?

The public tool is openly accessible for free with registration at <a href="mailto:transitionarc.climatearc.org">transitionarc.climatearc.org</a>. Please note that the tool is currently in beta.

The tool can also be accessed via a data marketplace or API, and is designed to be interoperable with other data systems and aligned with other climate data initiatives.

We aim to give non-profit making institutions working to further climate goals free access to the standard data feed.

We are developing a paid-for model for financial institutions (Fls) who use the analysis to support their investment process, where underlying data in our data warehouse can be accessed dynamically. Please contact us at <a href="mailtonarc-support@climatearc.org">transitionarc-support@climatearc.org</a> if you would like to discuss gaining access to the data feed. Please note that TransitionArc data can be used in a variety of ways – for example in your investment research, for financial decision-making including cases of lending and underwriting; for engagement and client reporting; for use in proprietary models as part of climate transition analysis; and active investment management for non-commercial purposes.

Commercial exploitation through redistribution, derived data creation, analytics, and index or fund creation (inclusive of where the index is used as the basis for the creation of a financial product, or where Arc's data is a key constituent of a fund's construction) will be subject to separate arrangements. Please contact <a href="mailto:transitionarc-support@climatearc.org">transitionarc-support@climatearc.org</a> to discuss with Arc and it's partners.

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