

Rate the Raters Phase Five

Questionnaire for Raters

Climate Counts

February 2013

Overview of Questionnaire

The questionnaire covers five areas: Rating Overview, Governance and Transparency, Inputs, Research Process and Outputs. SustainAbility developed a methodology to evaluate raters' responses in the latter four areas, and we used this to identify the good practices and areas for improvement described in [Rate the Raters Phase III: Uncovering Best Practices](#). We have made our methodology available on our website for readers to use while reviewing the raters' responses.

Directions for Raters

Please use space below each question to input your answers. While we have not set a minimum or maximum number of words for your responses, please answer the questions in sufficient detail for us to understand your practices. We have included guidance notes in italics. We recognize that certain questions may not be pertinent to every rating. If you find this to be the case, please indicate this and provide a brief explanation.

0 Rating Overview

0.1.1 Rating Name

Climate Counts

0.1.2 Please describe the primary objectives and motivations for your rating

The primary objectives of our rating system are 1) to help consumers understand the link between their purchasing (or consumption) habits and climate change and 2) to showcase which companies are taking a proactive approach to reducing their climate impact directly (operationally) and indirectly (supply chain and customer products).

0.1.3 How do you evaluate the impact or success of your rating? If so, how?

We have recently undertaken an effort to capture ratings evaluation data using focus groups and consumer surveys, however the success of our rating is largely measured through anecdotal evidence from corporations, downloaded statistics of our iPhone application and web-traffic of our scores.

0.1.4 Please identify your audience or customer base, and, if possible how they use your rating in their decision making.

Our target audience is young adults ages 18 to 34 and moms between the ages of 25 and 50. We also consider the corporations that we score annually (nearly 150 of them) as part of our primary audience. In terms of the general public, we urge all consumers to be more conscious of their consumption habits and to monitor which companies they buy from by using our pocket shopping guide, iPhone app and website. For corporations, we aim for them to use our scores as a means of benchmarking themselves against industry competitors.

1 Governance and Transparency

1.1 Disclosure of methodology

1.1.1 Describe how you make available the details of your methodology to the public, rated companies and other stakeholders.

Climate Counts makes available the scorecards for each of the 150 companies on its [website](#). These scorecards include the [22 questions](#) (or criteria) that Climate Counts poses and the scoring scheme for each (i.e. what a company must do to achieve particular scores).

1.2 Conflict Management

1.2.1 Do you have a policy (or guidelines, standards, etc.) that addresses conflicts of interest? If so, is it disclosed publicly?

Yes, Climate Counts has a formal conflict of interest policy which is disclosed upon request. A non-profit organization launched with support from Stonyfield Farm, Inc., Climate Counts scores [Stonyfield](#) exactly as it does other companies, openly and transparently.

1.2.2 Do you disclose the relationships and independence of board members, advisory panel members, partners and/or other involved third-parties? If so, how? How do you manage conflicts of interest with these entities?

Climate Counts asks members of its Board of Directors and Advisory Board to disclose any conflicts that may arise with rated companies and recuse themselves from discussions of any such issues

1.2.3 Do you offer for-fee services to the companies that you rate (including benchmark reports)? If yes, please describe these services. How do you avoid conflicts of interest in these situations?

Climate Counts is not compensated by scored companies for its annually produced scorecards. However, it does work with other companies through its Industry Innovators partner program (see program [webpage](#) for more information).

1.2.4 Do you have any other financial relationships (e.g. sponsorships, advertising) with companies you rate?

No other relationships with companies we rate.

1.3 Regular Review

1.3.1 Do you have a regular approach to updating your methodology over time? If yes, describe this approach.

Climate Counts considers its scorecard a “living tool” which it evaluates annually for its effectiveness at motivating corporate action. In practice, the criteria have remained virtually the same since inception in 2007.

1.3.2 Describe how you communicate any changes in your methodologies to affected companies and other stakeholders, and how you work with them to adapt to and understand the implications of the changes.

Climate Counts notifies companies about any changes in the scorecard six to eight weeks prior to scoring.

1.4 Stakeholder Involvement (excluding rated companies)

1.4.1 Does the rating have an external and/or independent advisory body in place? If so, describe how this body is involved in the rating’s construction and maintenance and the scoring, rating, or selection of companies.

Climate Counts has both a Board of Directors and an Advisory Board which helped develop the scorecard and continue to support the organization. Neither body is involved in the annual selection and scoring of companies.

1.4.2 Describe how you involve / solicit feedback from external stakeholders in the development and ongoing maintenance of the rating. Please provide an example of how you revised your methodology based on stakeholder input.

Climate Counts solicits feedback via its website and gathers perspectives from other non-profits, government and private sector stakeholders.

1.4.3 How do you communicate the output / summary from this engagement? For example, do you make public the stakeholder comments?

Climate Counts has not publicly disclosed any details on this feedback (i.e. themes, actions taken as a result).

2 Inputs

2.1 Information Sources

2.1.1 Please list and describe the information sources that you utilize to develop your rating.

Climate Counts uses publicly available information from companies and credible third parties such as CDP and the Climate Registry to build its company scorecards.

2.1.2 Please describe how this information is obtained (i.e. from publicly available documents, partner organizations, directly from companies). If your rating is based on other ratings or third-party research firms, please describe how they obtain their information.

At the outset of each annual scoring round, Climate Counts contacts companies to request any information that may be forthcoming or not easily found. Climate Counts does not send questionnaires to companies, but rather completes the questions in the scorecard based on public information.

2.1.3 How often do you refresh information / inputs on companies?

Annually

2.1.4 How do you deal with non-disclosure by companies in your rating?

Given Climate Counts' reliance on public information, non-disclosure by companies is interpreted as a failure to meet Climate Counts benchmarks.

2.2 Company Engagement

2.2.1 Describe the process by which you engage / interact with the companies that you rate (i.e. frequency, nature, format).

As cited above, Climate Counts bases its scorecards on public information, and thus company engagement is relatively limited (indeed, engagement is not necessary for Climate Counts to complete the scorecards). Climate Counts notifies scored companies six to eight weeks before the scoring process begins and makes itself available to any company that wants to engage about the process.

2.2.2 On average, how much time do your analysts spend engaging with each rated company on an annual basis?

Climate Counts spends approximately 150 hours per year engaging with companies directly. The actual scoring of companies takes between 8 and 20 hours per company.

2.2.3 Please describe if and how feedback from rated companies is incorporated into your research and ratings process.

All feedback and recommendations are completed informally through dialogue with scored companies

2.3 Input Verification

2.3.1 Describe your approach to verifying the information used to assess companies. Is this approach captured in any sort of policy or guidance document?

In several criteria of the scorecard, Climate Counts evaluates whether companies have data verified by a third party. For example, companies earn points for having their emissions data, reductions and reports verified by an independent, qualified third party.

2.3.2 Is external or third-party verification a consideration in assessing the quality of information sources? If so, please explain.

See above

3 Research Process

3.1 Experience and Capacity of Research Team

3.1.1 On average, how many years of experience do your analysts (internal or contract) have working in or analyzing the industries they cover?

Climate Counts has a full-time team of two and relies on a network of freelance experts for its research. On average, Climate Counts researchers have between two and ten years of experience, with the lead analyst having 10 years and the Project Director 12 years of experience.

3.1.2 Describe your approach to ongoing training and industry education for your analysts.

Climate Counts recruits its freelance researchers based on their demonstrated knowledge of and experience in the fields of sustainability, business and / or communications. Climate Counts does not have a formal training program for its researchers.

3.1.3 On average, how many companies do your analysts cover each year?

The average Climate Counts researcher covers eight companies per year.

3.2 Quality Management

3.2.1 Describe your approach to ensuring quality control throughout the ratings process. Is this process documented or codified?

Climate Counts analysts follow a protocol for ensuring their reviews are consistent and are encouraged to engage with the lead analyst and Project Director concerning questions that arise from the data review. The lead analyst and Project Director work together to ensure that scoring is applied consistently across companies.

3.2.2 Have your research systems or processes been certified, assured or verified by an external organization?

Climate Counts does not have a documented quality control process, nor have its research processes been verified.

3.3 Sector Specificity

3.3.1 Does your rating use the same criteria and weightings for all sectors and companies? If so, explain why.

Climate Counts uses the same 22 criteria to evaluate every company across sectors (and these criteria are fully disclosed in the scorecards). Climate Counts designed these criteria to allow for applicability across the wide range of sectors currently scored by Climate Counts. Our methodology is more heavily weighted towards a company's direct footprint (i.e. operations, supply chain, product portfolio) than on indirect footprint (i.e. use phase impacts).

3.3.2 Describe how you take into account industry and company specific issues and context.

Our scorecard is designed to rate companies (regardless of industry) on their approach to climate impact mitigation. As such, we have no formal method for addressing industry-specific issues. Company-specific issues, however, are accounted for if they are in some manner material to any of the 22-assessment criteria on our scorecard.

3.4 Basis for Rating

3.4.1 Describe the basis for your rating of companies, including how you determine what constitutes the different degrees of performance. For example, if you grade companies on an A-F scale, how do you determine these levels?

Climate Counts scores companies on a 0 to 100 scale using 22 criteria across four categories: Review (22 possible points), Reduce (56 points), Policy Stance (10 points) and Report (12 points). Climate Counts assigns points to each question based on a defined scheme which it discloses in the scorecards. Climate Counts places companies into four categories by total score: Stuck (0 to 13 points), Starting (14 to 49 points), Striding (50 to 84 points), and Soaring (85 to 100 points).

3.4.2 Do you factor company-specific context into your rating?

Climate Counts scores companies on an absolute basis. For example, under the criterion “Magnitude of reduction goal,” companies with a 6 to 10% GHG reduction goal get 3 points, greater than 10% get 4 points, etc.

Climate Counts is also in the process of piloting a new metric that assesses GHG performance through the lens of climate science. The metric is referred to as a “context-based carbon metric” and is currently in development.

3.4.3 Do you incorporate external norms, standards or principles (e.g. UN MDGs, GRI, UNGC, etc.) into your rating or process? If so, describe how you use these to calibrate or assess company performance.

Throughout the scorecard there are questions to determine whether a company is using industry-accepted standards for measuring and reporting on data. For example, one question asks whether the company is using rough calculations or a standard protocol (e.g. WRI GHG protocol) to inventory emissions. The company would gain one additional point on a three-point question for using standard calculations.

In terms of reporting, companies can earn additional points for following the GRI methodology and for reporting to the Carbon Disclosure Project.

3.4.4 How do you deal with unforeseen, negative company events in your ratings process (e.g. environmental incidents, ethics breaches)?

The only section of our scorecard that penalizes companies with negative points for performance is the “Policy Stance” section. In 2011, for example, several airlines touted that they were in support of federal policy to cap greenhouse gas emissions. When it came to light, however, that some of these same companies were suing the European Union to block standards requiring airlines to reduce their GHG output, this was reflected negatively in their scores.

4 Outputs

4.1 Validation of Results

4.1.1 Describe the steps you take to verify your rating results (including scores and reports) prior to their finalization.

As cited in the Quality Management section above, Climate Counts employs an informal, internal process to cross check information.

4.1.2 Do you give rated companies an opportunity to review draft scores or reports? If yes, describe this process, including timeframe given for review.

Climate Counts does not share draft results with companies prior to the release of final scores.

4.1.3 Do you have a formal policy and/or process for addressing challenges or disputes presented by companies or other stakeholders?

Climate Counts does not have a formal policy for addressing challenges or disputes, but it does allow companies to offer revisions after the scores are announced.

4.2 Accessibility

4.2.1 Describe how you disclose and explain your results to rated companies. Do you share the full details of the assessment or results? If no, explain why not.

Climate Counts makes available the completed scorecards for every rated company, free of charge, on its website. These scorecards include the company's scores for each of the 22 criteria, though not the information behind these scores.

4.2.2 Describe how and to what extent stakeholders (other than rated companies) can access the details and results of your rating.

Our scorecards are available to the general public free of charge simply by accessing our website, our iPhone App or by requesting our pocket-shopping guide.