Synchronized Metrics are at the Heart of Climate Change Accountability

By Eleanor Igwe & Jordy Lee

Some of the previous year's most striking images came from its series of particularly severe natural disasters. While many have grown inured to images of California wildfires, the footage of evacuations from Greek islands, record-breaking floods, and historic tornadoes were unusual enough to renew awareness of climate change's devastating consequences. The past year also saw mounting public energy and feelings of cynicism as people experienced these disasters with a newly acute awareness of corporate greenwashing and inconsistent government policy.

As governments and corporations ramp up their financial and regulatory commitments, the creation of more standardized metrics that can increase transparency and accountability is already a priority for the United Nations. Through initiatives such as COMET, it has undertaken the business of harmonizing the more than 200 carbon accounting standards that are currently available to countries and corporations. Through these efforts it has become clear that there are two main sets of obstacles to accountability: One is the relative inconsistency of current assessment methods. The other is the relative absence of agreed-upon responses to gathered information.

A relatively easy-to-address example of this problem is the use of intensity-based measurements. In the energy sector, for example, companies are known to present their energy reduction efforts with intensity-based measurements that reflect efficiency improvements—as opposed to overall increases or decreases in energy expenditure. Other companies often use estimates and global averages instead of investigating their own supply chains for more accurate carbon data.

Situations like these underline the value of ensuring that data in environmental disclosures are represented reasonably, but there are currently no laws or standards that govern how ESG information is shared—whether in marketing or in the sustainability reports and carbon disclosures that are disseminated to investors and policymakers.

Not all problems are quite as straightforward as the misleading presentation of corporate data. There's the problem of embodied emissions: How should a luxury fashion brand represent the miles of employee travel that go into designing, manufacturing, and marketing a watch? There's also the issue of data sourcing: Should a company use industry averages for calculations, or is it worth the extra material and labor to collect data for each specific machine, process, and product? This is before even facing the influence exerted by companies on the organizations that create these standards and issue certifications.

With these assessment gaps, it's unsurprising that feelings of despair have begun to so heavily cloud climate issues. It's a positive development, however, that consumer demand and investor pressure have successfully pushed 96% of the world's 250 largest companies to commit to reporting sustainability data. There's hardly a lack of private businesses willing to pledge support to environmentally responsible practices, even though assessment of actual progress still lags.

Fortunately, the United Nations began to tackle this issue in earnest in 2020, when it established a partnership with RMI, the Columbia Center on Sustainable Investment and the Payne Institute for Public Policy to create the Coalition on Materials Emissions Transparency (COMET). The COMET Framework seeks to harmonize already existing tools so that companies' reporting and disclosure can become more transparent and reliable.

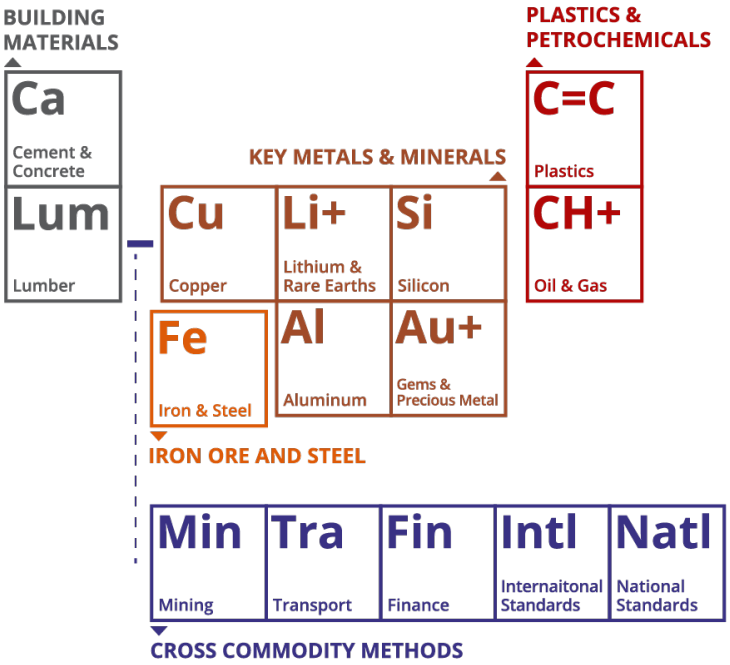

Figure 1: Outline of the COMET Framework.

The COMET Framework seeks to address existing gaps via three channels.

Standardizing Reporting:
Using academic research and industry reports on supply chains and industrial processes, the framework increases the consistency of reporting by outlining specifics for what data must be included in reports. This resolves the ambiguity presented by embodied emissions and allows reporting from year to year and from company to company to be more reliably comparable.

Standardizing Measurement:

Performing sensitivity analyses to understand the extent of variations in measurement provides clearer understanding of where global averages should be used and of where it would be more appropriate for companies to gather their own data. This improved transparency enables outside stakeholders to more easily verify data.

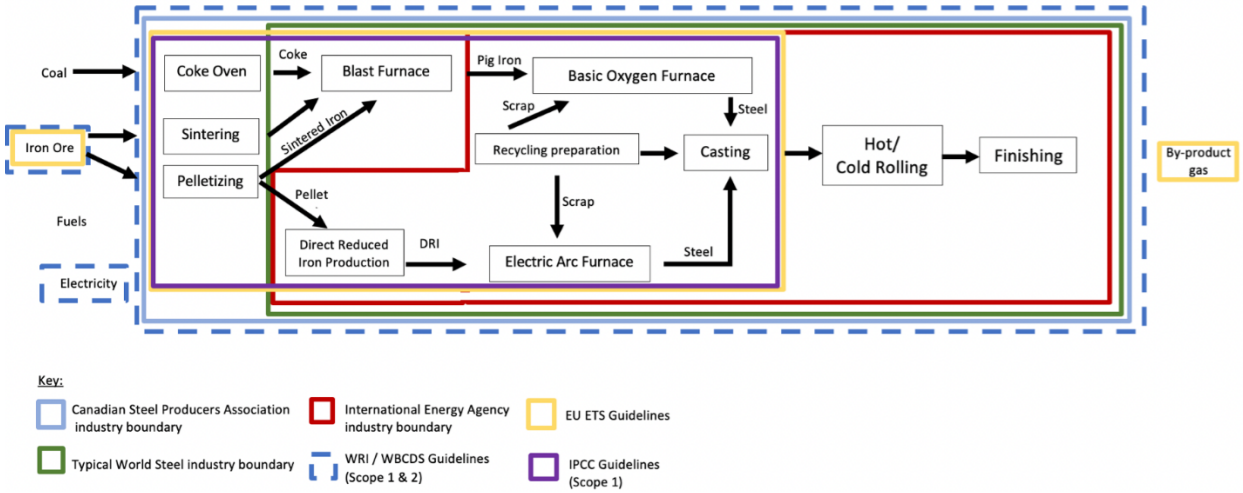

Figure 2: An illustration of how COMET integrates existing systems.

Integrating Existing Systems:

Clarifying how existing disclosure tools can be used together to fully represent processes and products lessens confusion. The framework is able to build on the value from other systems' years of development and avoid creating redundant work for businesses.

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For more information about the COMET Framework, please visit:
https://www.cometframework.org