

Picking up the pace: Tracking progress on corporate climate action

CDP 2017 Japan Launch

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Paul Dickinson, Executive Chair, CDP

CDP's global climate change analysis 2017

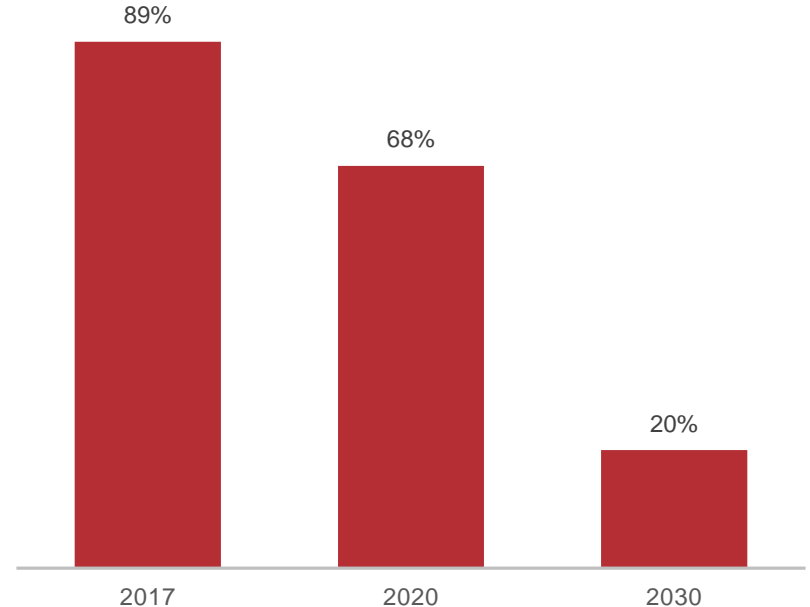
- ▼ *Picking up the pace*: Second global analysis in CDP's series
'Tracking progress on corporate climate action'
- ▼ Tracks progress from baseline set in 2016
- ▼ 1,073 high impact companies disclosing data to CDP
- ▼ 12% of global direct greenhouse gas emissions


A large array of solar panels is shown from a low angle, receding into the distance. The sky is a mix of blue and orange, with a bright sun on the left side creating a lens flare effect. The text is overlaid in the upper center of the image.

**Companies are stepping up their
response to climate change. More are
setting long-term and science-based
targets.**

Global business taking action

- ▼ 89% of companies report emissions reductions targets in 2017
- ▼ 68% of companies have targets for 2020
- ▼ 20% map out sustainability actions to 2030 and beyond





Companies are closing the
emissions gap:

31% of the way to meeting the aims
of the Paris Agreement

Up from 25% last year

2 degree median scenario. Source: Carbon Tracker

Aligning targets with climate science

The number of companies in the sample committing to science-based targets has grown:

- ▼ **61%** increase since 2016
- ▼ **14%** of the sample
- ▼ Major new companies committing include **BT Group**, **Tesco**, **Honda** and **MetLife**
- ▼ **300+** companies have ambitions to set science-based targets within two years



BT target approved by SBTi:

87% reduction Scope 1 and 2 emissions

25% reduction in value chain emissions

By 2030 compared to 2015 baseline.

**EDP commits to reducing scope 1 and 2 emissions
by 55% per TWh by 2030 from 2015 levels**

**Reduction of scope 3 emissions by 25% over same
period**

Companies taking action

- ▼ **20%** increase in companies offering low carbon products
- ▼ Companies with a renewable energy consumption target up **23%**
- ▼ Companies with a renewable energy production target up **36%**

- ▼ **Three quarters** of companies say their products and services enable others to reduce emissions
- ▼ Nearly **a third** (32%) of companies now using internal carbon pricing
- ▼ A further **18%** plan to use pricing within two years



Nissan aims to be the leader in zero-emission vehicles

**It has sold more than 240,000 electric vehicles (EVs)
around the world**

An aerial photograph of San Diego, California, showing the city skyline and the harbor. The sky is a mix of orange, yellow, and blue, indicating sunset or sunrise. The city is densely packed with skyscrapers and buildings. In the foreground, the harbor is visible with several piers, docks, and a large ship. The water is a deep blue color.


San Diego is working with GE Current, AT&T, Intel and others on its US\$30 million Smart City initiative

It aims to combine climate action with economic growth

Climate change in the boardroom

- ▼ 98% of companies now have Board-level management
- ▼ 90% have financial incentives in place to reach corporate climate targets

- ▼ 96% of companies now reporting engagement with policymakers on climate issues



For those that recognize climate exposures, the new norm is that companies should be considering climate risk at the board level. The recommendations from the Task Force on Climate-Related Financial Disclosures created a new concept of climate risk governance. And disclosure of high-quality, comparable environmental data is at the heart of this concept.

**Steve Waygood, Chief Responsible Investment Officer,
Aviva Investors**





The CDP A List 2017

Climate, Water, Forests

#AList #TippingPoint

www.cdp.net/en/scores-2017

The CDP A List 2017

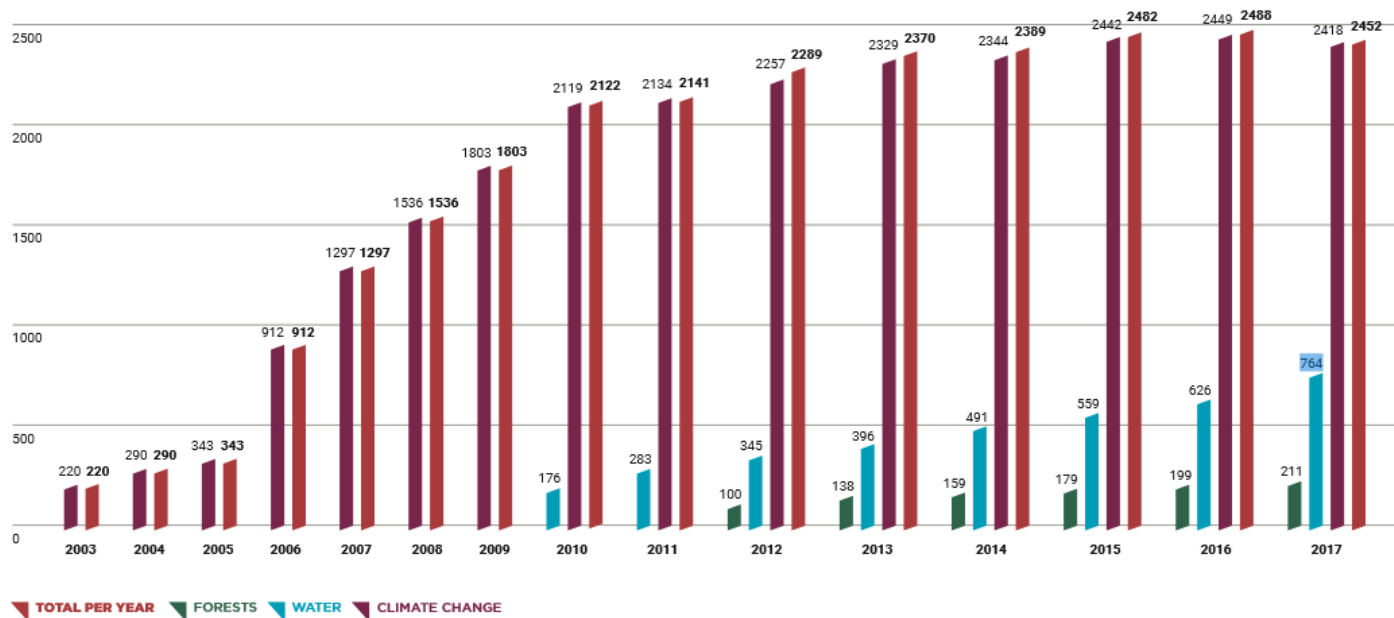
- ▼ CDP's A List names 160 corporates pioneering action on climate change, water and deforestation
- ▼ Companies include: Colgate Palmolive Company, Diageo Plc., J Sainsbury Plc., Sky Plc. and Sony Corporation
- ▼ L'Oréal and Unilever top performers – 'A's for climate change, water, deforestation

Disclosing to CDP

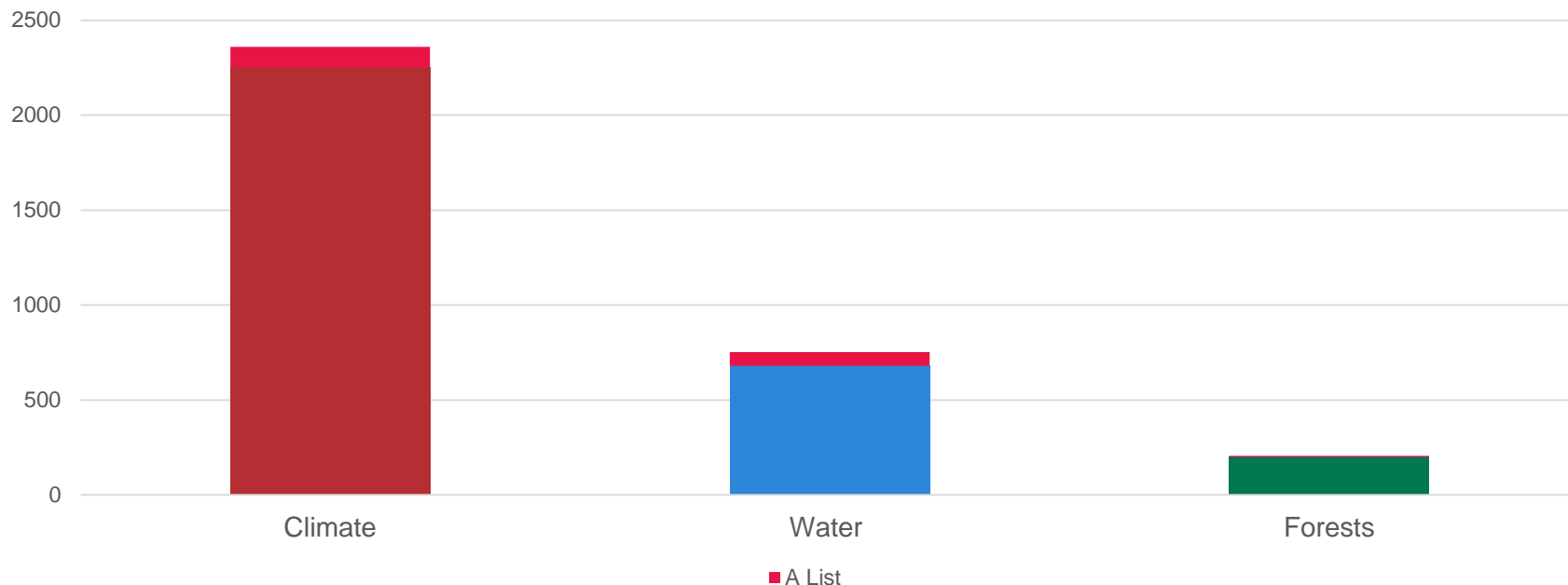
- ▼ 33% increase in disclosures since 2013
- ▼ Over 3,000 disclosing companies across Climate, Water, Forests
- ▼ 40% of world's biggest companies disclosing
- ▼ Harder than ever to score an A
- ▼ Disclosing companies progressing year on year

Growth in disclosing companies since 2003

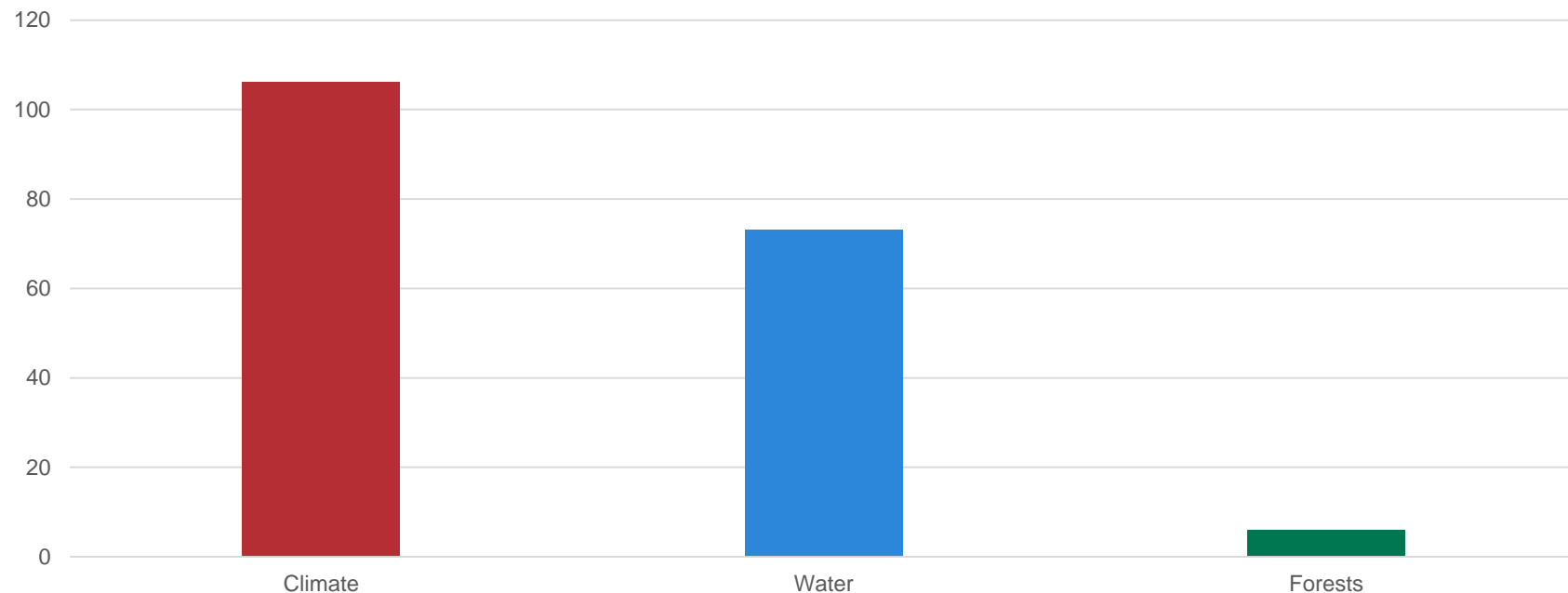
3000 COMPANIES



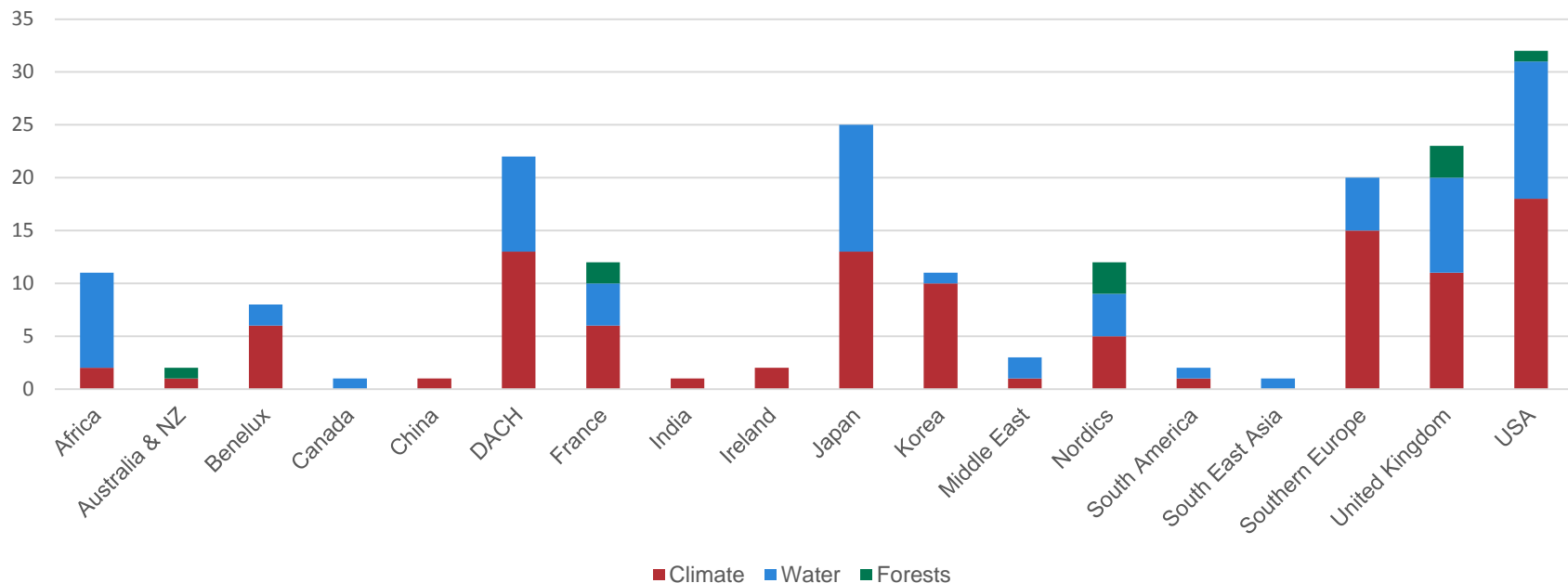
A List as proportion of disclosing companies



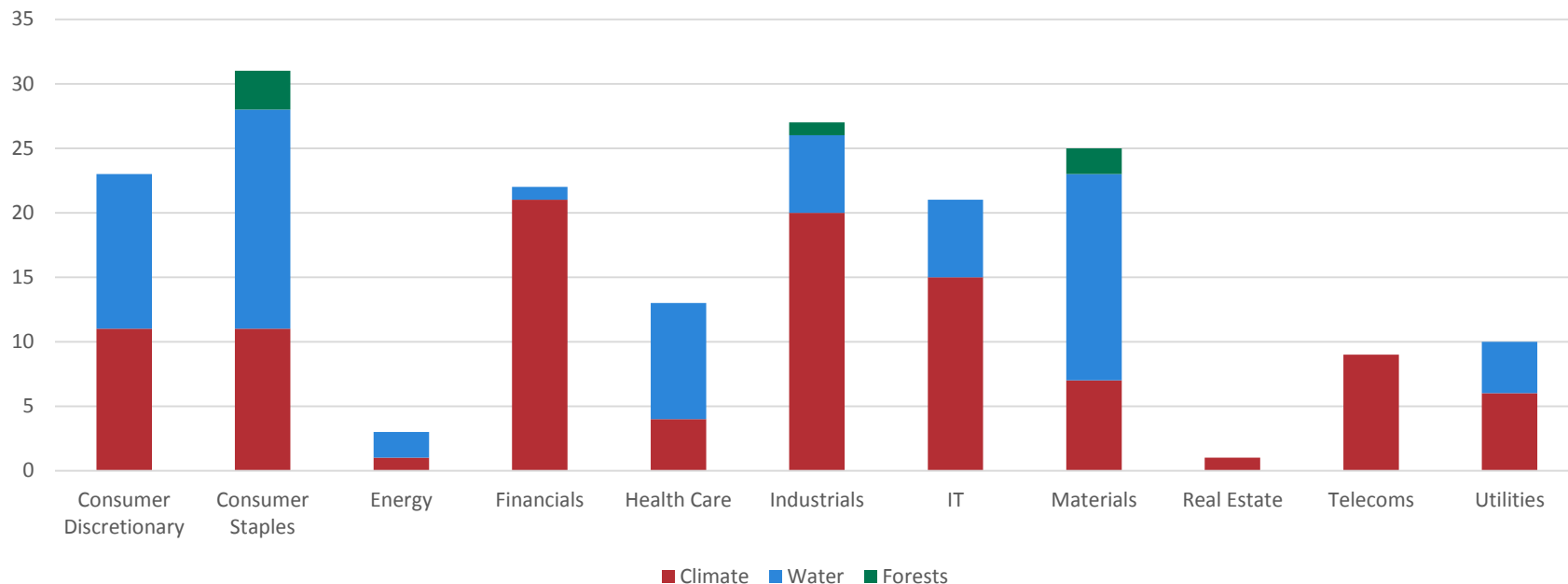
How many are on the A List?



A List – regional breakdown



A List – sector breakdown



Climate

- ▼ 112 global companies on A List
- ▼ 2,359 companies disclosing
- ▼ 10% increase since 2011
- ▼ Recognizing companies cutting emissions, mitigating climate risks and developing the low-carbon economy
- ▼ Toyota, LG and Sky among A Listers



Owens Corning

Exceeded 2020 greenhouse gas reduction targets in 2014

Now reducing emissions intensity by 50% by 2020

Developing guide to building net zero homes

Increasing renewable energy sources

Reducing energy use across fleet and buildings

Water

- ▼ 73 global companies on A List
- ▼ Assesses awareness of water impacts and good water management
- ▼ 753 companies disclosing
- ▼ 166% increase since 2011
- ▼ Fujitsu, Intel, Ford, Kellogg Company among A Listers

A background image showing laboratory glassware, including a test tube with a dropper and several beakers containing yellow liquid, all slightly out of focus.

AstraZeneca

Setting local environmental standards

Sponsoring research on the environmental impact of pharmaceuticals

Assesses and mitigates global and local water stress

Focus on knowledge sharing

Forests

- ▼ 6 companies in A List
- ▼ 206 companies disclosing across the four categories
- ▼ Timber, soy, palm oil, cattle
- ▼ Grades efforts to remove deforestation from supply chain
- ▼ 47% increase since 2013
- ▼ Tetra Pak, L'Oréal, Unilever among A Listers



L'Oréal

Improving supply chain traceability

Commitment to zero deforestation by 2020

Certified palm oil derivatives

Global Forest Watch Tool

Disclosure never been more important

- ▼ Over 800 investors with assets over US\$100 trillion
- ▼ International coalitions of investors requesting greater transparency on climate risk at AGMs
- ▼ 1800 companies and major investors have endorsed or are responding to the recommendations of the TCFD



The transition to a low-carbon economy will create winners and losers within and across sectors. As new businesses and technologies emerge and scale up, billions of dollars of value are waiting to be unlocked, even as many more are at risk.

Paul Simpson, CEO, CDP



Thank you