Business leadership on climate action

Paul Simpson
CEO
CDP
IEA, Paris 22nd June 2015
Investor interest in climate water and forests, 2003-15


Number of Signatories

Assets (US$ Trillion)

- Climate Change Signatories
- Water Signatories
- Carbon Action Signatories
- Forests Signatories

Climate Change Signatory Assets
Water Signatory Assets
Carbon Action Signatory Assets
Forests Signatory Assets
Responding Companies, 2003-2014

CDP disclosure numbers by theme

<table>
<thead>
<tr>
<th>Year</th>
<th>Theme Climate Change</th>
<th>Investor Forests</th>
<th>Theme Water</th>
</tr>
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<tbody>
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<td>2003</td>
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</table>
Business initiatives on climate change
Investor Initiatives on climate change
Motivation and characteristics of leaders

**Motivation:**
- Strategic advantage
- Reputation
- Cost saving
- Resilience
- Future regulation
- Right thing to do

**Characteristics:**
- Large
- Global
- Brand
- Developed market
- Strong CEO
- Investor or NGO pressure
Climate Leaders demonstrate increased financial returns

The CPLI has outperformed the Bloomberg World Index by 9.6% in the last four years.
We have created a central platform to send strong signal
The climate initiatives

- Commit to adopt a science based emissions reduction target
- Commit to having a strategy in place to procure 100% of electricity from renewable sources
- Commit to removing commodity-driven deforestation from all supply chains
- Commit to report climate change information in mainstream reports as a fiduciary duty
- Commit to responsible corporate engagement in climate policy
- Commit to put a price on carbon
Commit to adopt a science-based emissions reduction target

What does it mean:

- Companies are aligning GHG targets with climate science, accounting for their fair share of global emissions.
- Companies recognize ambitious targets mitigate risk and drive the ambition and innovations needed to transition to a low-carbon economy.

Demonstrate climate leadership by committing to adopt a science-based emissions reduction target.

43 companies committed to date, including:

- Xerox Corporation
- Honda Motor Company
- AstraZeneca
Set science-based emissions reduction target

Business as usual scenario

- emissions increased by 2.2% on average every year
- reach 3.7 to 4.8°C of global warming by the end of the century

2°C scenario

- In 2050, 41 to 72% lower emissions than in 2010
- 2°C carbon budget for the period 2011-2050 is in the range of 530 – 1300 GtCO₂ (144 – 354 GtC)
Commit to procure 100% of electricity from renewable sources

What does it mean:

- Companies are making public commitments to work toward procuring all electricity from renewable sources in the shortest practical timescale.
- These companies are helping create a thriving global market for renewable power.

22 companies committed to date, including:

- Ikea
- Mars
- Infosys

Demonstrate climate leadership by committing to procure 100% of electricity from renewable sources.
Commit to put a price on carbon

What does it mean:

- Companies are committing to follow the UN Global Compact's Business Leadership Criteria on Carbon Pricing:
  - Set an internal price on carbon
  - Publicly advocate
  - Report on progress

46 companies committed to date, including:

- Veolia
- Enel
- Schneider Electric

Demonstrate climate leadership by putting a price on carbon.
Set internal price on carbon and advocate governments do so

**INTERNAL PRICE**

Number of companies that disclose
internalizing a price on carbon

<table>
<thead>
<tr>
<th>Region</th>
<th>Count</th>
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<tr>
<td>Asia</td>
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<td>Europe</td>
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<td>U.S.</td>
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<td>Rest of N.A.</td>
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<td>Oceania</td>
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<td>Africa</td>
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<td>South America</td>
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<td>Other Regions</td>
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<tr>
<td>Total</td>
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</table>
Putting corporate commitments at the heart of the policy dialogue – UNFCCC Nazca Portal, COP21 action agenda & UNFCCC Work stream 4
Contact the CDP team
roadtoparis@cdp.net

www.cdp.net/roadtoparis