

# CDP EUROPE ANNUAL REPORT

2018-19



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# FOREWORD BY CDP EUROPE MANAGING DIRECTOR STEVEN TEBBE



Transparency is essential to the transition. The world stands at a critical crossroad: all actors in Europe's economy must make the right choices now.

**The science is clear, and the evidence increasingly stark, that we urgently need to see transformative environmental action. To secure a thriving, sustainable economy and avoid the worst impacts of climate breakdown, more needs to be done - and faster. With the European economy looking to CDP Europe as the gold standard for environmental reporting, we're working with companies, investors, cities, states, regions and policymakers to mainstream disclosure and provide the data needed for the action to happen.**

Last year's IPCC special report gave us the strongest warning yet of the need to hold the global temperature rise to a maximum of 1.5°C above pre-industrial levels, the more ambitious goal of the Paris agreement. But we are not on track. Our current trajectory puts our world on course for 3-4°C of global heating. Emissions are at their highest level, but they must be halved by 2030. By 2030, the world will face a 40% shortfall in water supply, but our withdrawals still increase. Staying within the 1.5°C heating limit means urgently halting forests loss, but global deforestation continues unabated.

Nothing less than a transformation of the economy is needed, and Europe's companies, investors, cities, regions and policymakers can make or break this historic transition as levers for global change.

### Environmental action is going mainstream.

We are starting to see bolder action to address these huge economic and societal risks. Much of this is in Europe, where heightened environmental awareness among investors and consumers is moving markets, and companies are setting ambitious, science-based targets and addressing their risks and impacts throughout supply chains. Half of CDP's global A List of leading companies last year were based in Europe, and we've seen some of the most impactful corporates here set industry-leading targets to transition rapidly in line with the science. This year also saw major progress from European investors to innovate and drive sustainable finance, supported by promising moves at EU level to create a financial system fit for the future. There is a historic groundswell of public support for more ambitious government action to secure a sustainable future, but it is of the utmost importance that the institutions with leverage take the lead and readjust our system.

### Current progress is too slow; success will take nothing short of a new industrial revolution.

But so far progress hasn't kept pace with the severity and urgency of the crisis, albeit if Europe leads the world in many areas. Incremental improvements are not enough, we need deep systemic change aligned with what the latest science demands, and this means transformation of whole business models, supply chains and local economies. And we do not have time to wait. Shifting the world onto a 1.5°C pathway is the greatest challenge humanity has faced, and it will define the 21st century.

### Transparency is essential to the transition.

The world stands at a critical crossroad in time, and all actors in Europe's economy must make the right choices now. Environmental disclosure enables effective decision-making based on robust, comparable and relevant data, highlighting impacts, risks and opportunities. At the same time, transparency ensures accountability by allowing progress to be tracked externally by all stakeholders. Only by shining a light on what's happening can we make the right decisions and ensure everyone plays their part in the transition.



To change the world we need concrete solutions. We need guides, methods and models. That is precisely the reason why CDP is so valuable. For predictability to identify the real long-term, and not just immediate, cost of our activities. For its capacity to replace ecosystem services at the core of economic platforms. For its experience in realistically assessing what each of us owes to the nature upon which we depend. And for its expertise in terms of improving our practices. We need, and the world needs, to identify the virtuous solutions that will enable us to break free from the destructive spiral in which we are trapped as quickly as possible. That is what CDP provides on a daily basis.

**Prince Albert II of Monaco**



## OUR VISION AND MISSION

### About CDP Europe

CDP Europe is a subsidiary and part of CDP Worldwide, an international non-profit that drives companies and governments to reduce their greenhouse gas emissions, safeguard water resources and protect forests. Voted number one climate research provider by investors and working with institutional investors with assets of €87 trillion, we leverage investor and buyer power to motivate companies to disclose and manage their environmental impacts. Globally, over 7000 companies with some 50% of global market capitalization disclosed environmental data through CDP in 2018, with over 1800 in Europe. This is in addition to the over 750 cities, states and regions globally who disclosed – including more than 200 in Europe – making CDP's platform one of the richest sources of information globally on how companies and governments are driving environmental change. CDP, formerly Carbon Disclosure Project, is a founding member of the We Mean Business Coalition.

### Our vision and mission

We want to see a thriving economy that works for people and planet in the long term. The process of disclosing information to CDP, and the insights the data brings, focuses investors, companies and cities on taking urgent action to build a truly sustainable economy by measuring and understanding their environmental impact.

Since pioneering the global environmental disclosure system, CDP has driven corporates and cities around the world to understand and act on the business case for reducing their impact. Central to CDP's mission is communicating the progress made in addressing environmental issues and highlighting where risks may be unmanaged. To this end, we score disclosers on the information they provide, assessing not only tangible impacts such as emission reduction activities, but also how climate change, water risk and deforestation issues are integrated into governance, strategy and risk assessment processes. We produce our annual climate change, water security and forests A Lists to show the market how leading companies are performing.

To increase transparency and drive sustainable investments, CDP provides a critical source of global data that delivers evidence and insights to a wide audience, including investors, companies, policymakers and their advisors, public sector organizations, government bodies, academics and the general public. CDP data enables our network to link environmental integrity, fiduciary duty and public interest to make better-informed decisions on climate action.

**CDP Europe is expanding its reach and driving environmental disclosure, insight and action at a significant scale.**

**50+**  
employees

**4**  
locations  
(Berlin, Brussels,  
Stockholm and Geneva)

**300**  
signatory  
investors in  
Europe with €41 trillion  
in assets

**1800+**  
disclosing  
companies in  
Europe worth 75%  
of market capitalization

**200+**  
disclosing  
cities, states  
and regions in  
Europe

**45**  
supply chain  
members with over  
4500 global suppliers

**3**  
government  
partnerships with  
Italy, Spain and Portugal

**6**  
memberships  
of EU expert  
advisory working  
groups



# COMPANIES BASED IN EUROPE

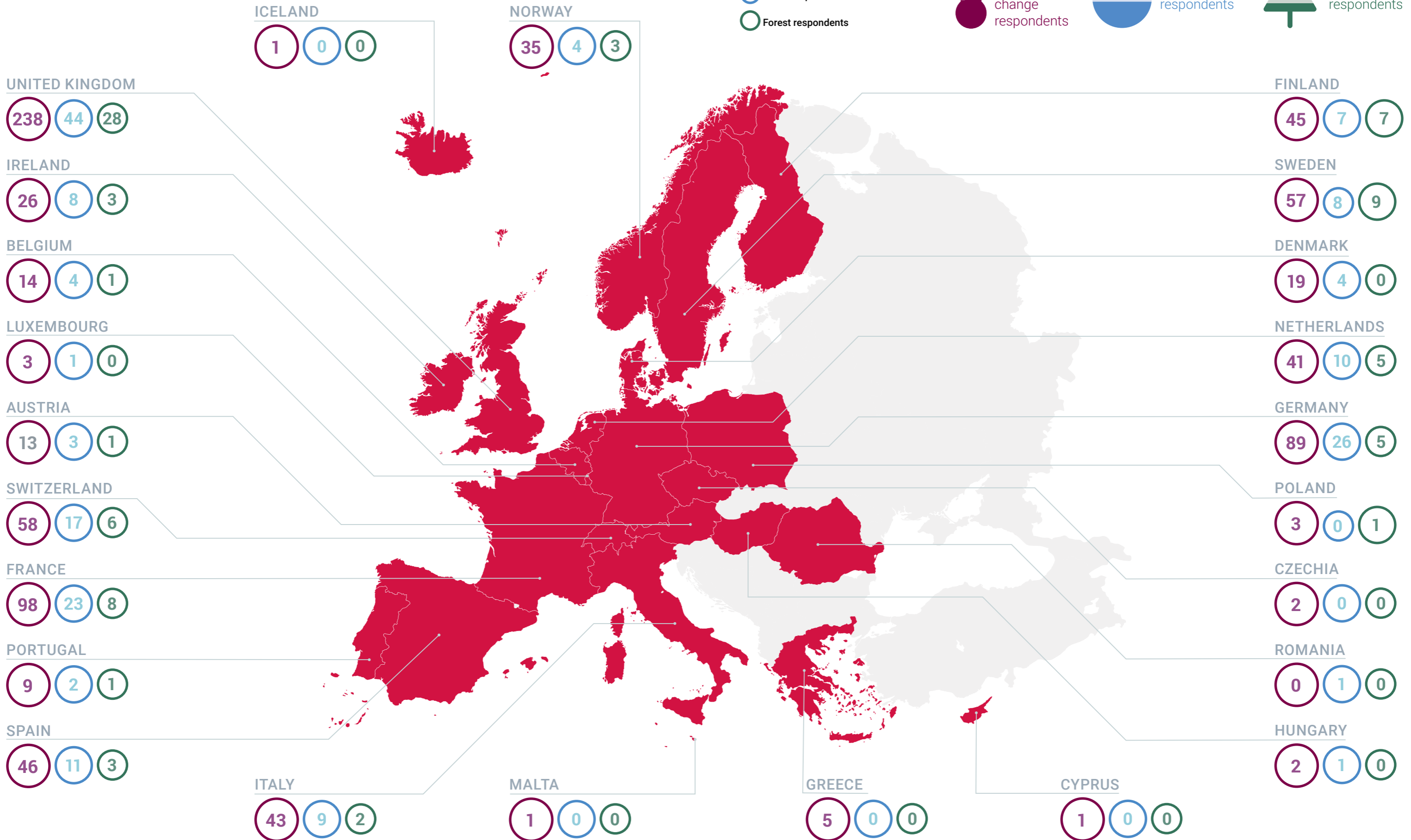
## DISCLOSING TO INVESTORS IN 2018

- Climate change respondents
- Water respondents
- Forest respondents

**849**  
total climate  
change  
respondents

**183**  
total water  
respondents

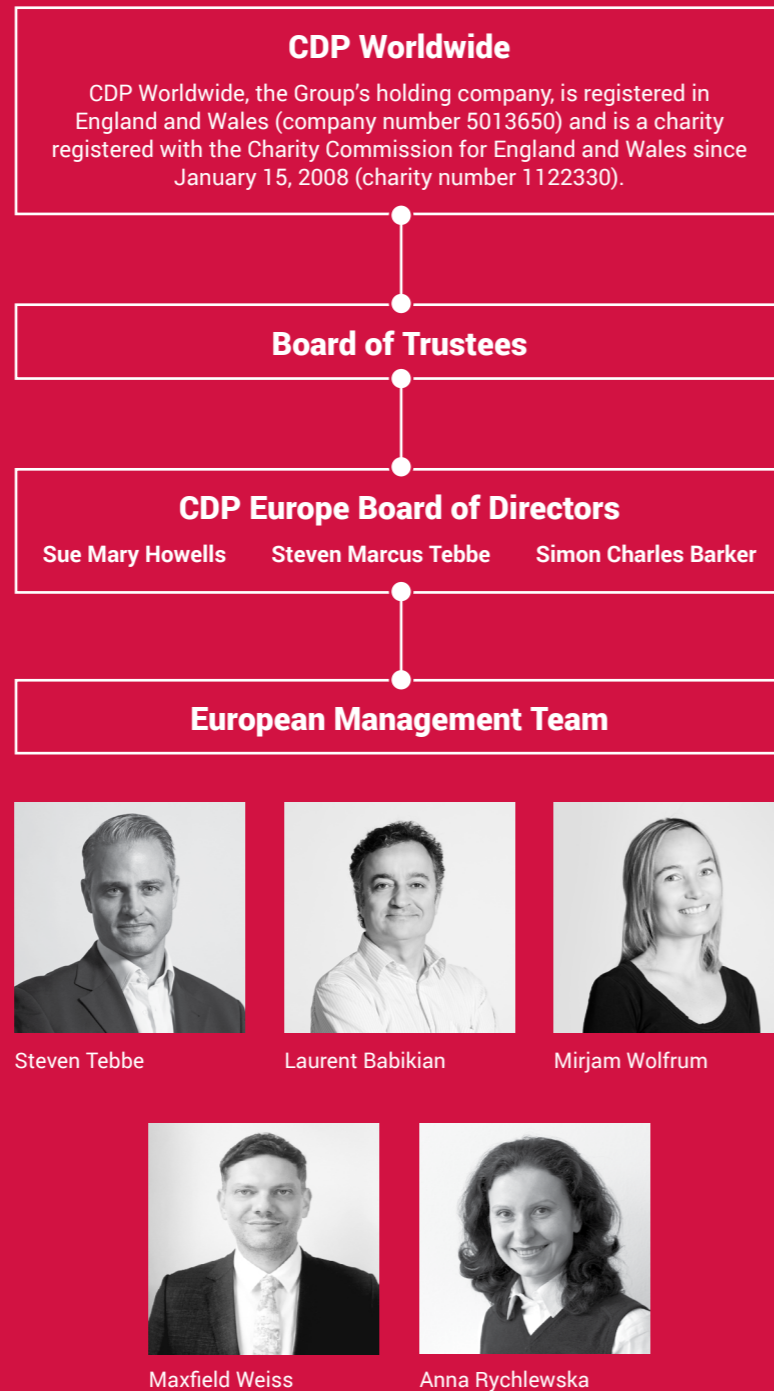
**83**  
total forests  
respondents



# HOW CDP EUROPE IS GOVERNED

CDP Worldwide (Europe) gGmbH ("CDP Europe") is a wholly owned subsidiary of CDP Worldwide, a charity registered with the Charity Commission for England and Wales. CDP Europe is a charity under German law registered at local court of Charlottenburg with number HRB119156 B since April 2009. It has been registered on the EU Transparency Register since 2012. CDP Europe has an operating subsidiary, CDP Worldwide – Services GmbH, whose purpose is to generate funds from service-based activities to support the charity's activities.

CDP Europe staff are based in Berlin (HQ), Brussels, Stockholm and Geneva. Its work covers the 26 EU states, in addition to EFTA countries Norway, Switzerland, Iceland and Liechtenstein. CDP Worldwide's London headquarters manages CDP operations in the United Kingdom and Ireland.



## Trustees:

Alan Brown Chair, Annise Parker, Christine Loh SBS, JP, OBE, Chevalier de l'Ordre National du Mérite, Jane Ambachtsheer, Jeremy Burke, Jeremy Smith, Justin Johnson, Katherine Garrett-Cox, Martin Wise, Rachel Kyte, Ramakrishnan Mukundan, Stephen T. Chow, Takejiro Sueyoshi

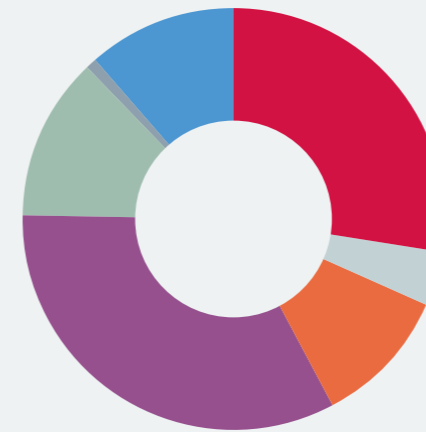
To read more about our Trustees, please visit [www.cdp.net/en/info/trustees](http://www.cdp.net/en/info/trustees)

# INCOME AND EXPENDITURE

As a not-for-profit charity, CDP Europe receives funding support from a range of organizations. CDP Worldwide (Europe) gGmbH's income in the year ending 31 March 2019 (2018/19) was €2,45m and came from the following sources:

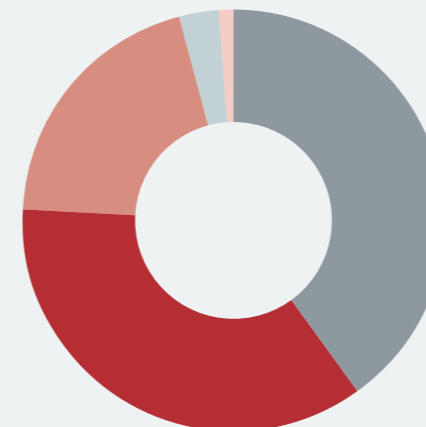
## Income

- 28% EU public grants
- 4% Public grants from governments
- 11% Private grants from philanthropic foundations
- 33% Corporate fees
- 12% Investor fees
- 1% Charity sponsorships and partnerships
- 11% Other income



## Expense type

- 40% Management & administration, policy engagement, and cities engagement - Europe
- 36% Corporate engagement - Europe
- 20% Investor engagement - Europe
- 3% Global engagement
- 1% Other



## EU public grants:



## Public grants from governments:



## Private grants from philanthropic organizations:



## Sponsor:



## Partners:



## CSR Performance:

**Emissions:** 151.784 CO2kg  
**Offset project:** Madre de Dios Amazon REDD Project Peruvian Amazon  
**Energy:** 5000 kWh  
**Certificate:** Norwegian Guarantees of Origin from hydropower  
**Offset partner:** EcoAct



More information on our funding here [www.cdp.net/en/info/finance/europe](http://www.cdp.net/en/info/finance/europe)

# OUR PLAN IS TO MAINSTREAM ENVIRONMENTAL ACTION

In 2017, CDP Worldwide released its Strategic Plan 2017-2020, **The Tipping Point: Mainstreaming Environmental Action**. This plan was built on two grounding principles. Firstly, that environmental concerns need to underpin every decision that companies, cities and investors make. Considerations around climate impact, water management and deforestation belong squarely in the boardroom of every major corporation in the world, and in every town hall and governor's office. Secondly, that companies and cities need the tools for change, such as science-based targets, to enable faster and more ambitious action, and to manage the risks and capitalize on the opportunities that await.

## How is CDP Europe implementing this strategy?

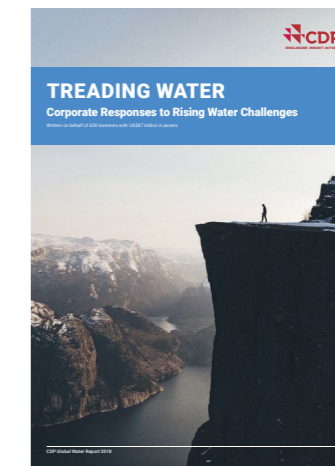
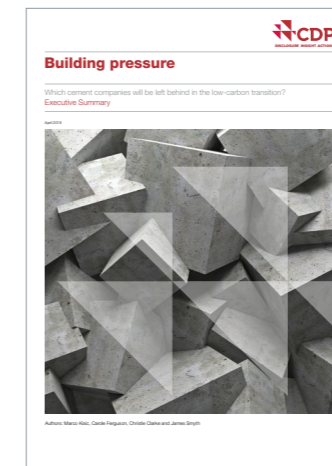
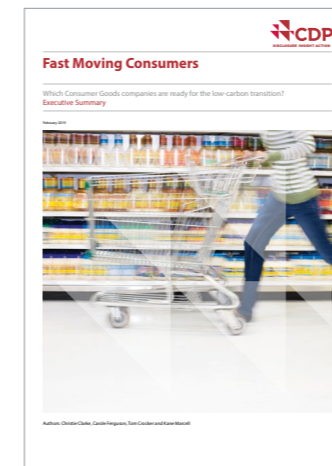
- 1 Driving transparency and action on climate change, water and forests of corporates, cities and regions to enable tracking against and alignment with the European Union's GHG emission reduction, water and forests targets.**
- 2 Increasing engagement of European investors with corporates** to act on climate change, water security and deforestation by implementing sustainable business models.
- 3 Supporting large-scale understanding and uptake of the EU Sustainable Finance Action Plan** by European investors to make finance consistent with climate and environmental goals.
- 4 Supporting EU and Member States' policymakers and regulators** to develop, implement and assess the impact of policies on climate change, water security and forests protection, corporate and financial actors' reporting, and sustainable finance measures to drive climate and environmental objectives.

# KEY CDP PUBLICATIONS 2018-2019

## Reports published by CDP Europe



## Global CDP reports distributed by CDP Europe



# OUTREACH AND IMPACT

**300+**  
HIGH TIER MEDIA ARTICLES  
MENTIONING CDP EUROPE IN  
2018-19

**The Guardian**

Majority of European firms have no CO2 reduction targets

**Les Echos**

Eau : les entreprises peinent à contenir la hausse de leur consommation

**Süddeutsche Zeitung**

Klimaschutz als Geschäftsmodell

**Público**

Maior parte das grandes empresas europeias ignora alterações climáticas nos seus relatórios

**Diário de Notícias**

Clima: Duas empresas portuguesas com metas reconhecidas internacionalmente

**De Telegraaf**

Beloning directie vaker afhankelijk van klimaatdoelen

**Expansión**

Una de cada tres empresas españolas fija sus propuestas de reducir emisiones en línea con el Acuerdo de París

**Handelsblatt**

Konzerne entdeckten den Klimaschutz als Erlösbringer

CDP Europe's communication partners:



**PORTER NOVELLI**

**FLEISHMANHILLARD**

**OmnicomPublicRelationsGroup**



**stampa**

**HOTWIRE**  
THE GLOBAL COMMUNICATIONS AGENCY

## EVENTS

### CDP Europe Awards 2019

On February 19 2019, CDP Europe hosted its second pan-European event to celebrate natural capital business leadership. The CDP Europe Awards connects some of the continent's most impactful companies, investors, cities' representatives and policymakers in an influential meeting of European environmental leaders and decision-makers. CDP hosted fireside chats and interactive panels to debate how Europe can lead the global transition to a net-zero emissions, resource-secure economy, and how to restructure our financial system to shift the trillions required. We awarded over 70 European A List companies for their performance on climate change, water security and forests. And, for the first time ever, we awarded the asset managers of 10 investment funds with a Climetrics Fund Award - a recognition of the ten best investment funds in Europe. The event was hosted by the Mayor of Brussels in Brussels Town Hall.

#### Speakers in 2019 included

**H.S.H. Prince Albert of Monaco**

**Valdis Dombrovskis**  
Vice-President, European Commission

**Barbara Lavernos**  
Chief Technology and Operations Officer, Member of the Executive Committee, L'Oréal

**Valérie Baudson**  
CEO, CPR Asset Management, Member of Amundi Group Executive Committee

**Jean-Louis Chaussade**  
Chairman, Suez

**Gilbert Ghostine**  
CEO, Firmenich

[www.cdp.net/europeawards](http://www.cdp.net/europeawards)

### CDP Spring Workshops

CDP Spring Workshops hosted multi-stakeholders panels, showcasing the cascade effect of CDP's work and the interconnectivity of its stakeholders. In 8 European Capitals, 700 participants including sustainability directors and CSR managers opportunity to companies and all our stakeholders to get updates on environmental trends, CDP's works and activities.

[www.cdp.net/en/events](http://www.cdp.net/en/events)





# STEPPING UP OUR WORK WITH INVESTORS AND FINANCIAL MARKETS

This year, CDP data was used to create the world's first ever set of stock indices to select companies based on their performance on water security and forests in addition to climate change. The first CDP co-branded climate-focused investment fund was launched with CPR Asset Management, the thematic arm of Amundi. And we introduced a new Climetrics Fund Award for equity funds best managing climate risks. All while increasing the base of European investor signatories and members and delivering on the highest number of requests from investors for our data.

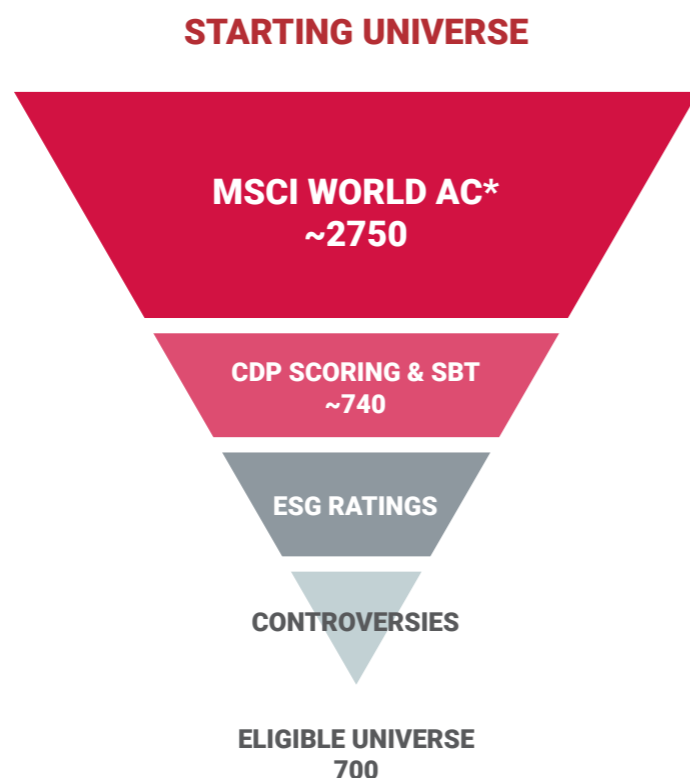
## Euronext Environment Indices

The Euronext® CDP Environment indices are a range of equity indices created, calculated and published by Euronext for the exclusive use of Goldman Sachs for environmental structured products. First launched in September 2018, they are the first equity indices to use the three CDP thematic corporate scores of climate change, water security and forests. An effect of these indices is to incentivise companies to disclose environmental information and to improve their overall performance across the three themes. Euronext uses CDP scores to calculate an environmental score based on a company's average across the three themes. If a company has not been asked to participate in one or more of the themes, the average will be calculated on the remaining themes. The Euronext® CDP Environment France EW is composed of the 40 best environment grades amongst the 100 largest companies in France, measured in market capitalization. The Euronext® CDP Environment World EW selects the highest-ranked 20 North American and 20 European stocks, from a universe of the largest 400 Euronext 500 stocks. The Euronext® CDP Environment Eurozone selects the top 50 European stocks from the Eurozone 300. The composition of the indices is reviewed annually with CDP scores, and the weighting of the constituents reviewed quarterly. The index is available for institutional and retail investors through structured products called Autocall created by Goldman Sachs.

## CPR INVEST: Climate Action Fund

In December 2018, CPR AM, subsidiary of the largest European asset manager Amundi, launched CPR Invest – Climate Action in collaboration with CDP. The fund invests in global equities with a core strategy based entirely on climate action. The investment philosophy sees that companies have a pivotal role in ensuring that global temperature goals are met. All companies in all sectors and in all countries are considered in the starting universe of

investable companies, the MSCI World Index (2750 stocks). Three cumulative levels of exclusion filters are applied: CDP scores and Science Based Targets initiative data, ESG ratings at different levels of granularity based on Amundi ratings and high ESG controversies through a RepRisk indicator. This methodology leads to a final eligible universe of investable companies and to an advanced solution to manage climate-related risks of investments and possibly support the transition towards a low carbon economy.



Source: CPR AM, as of December 2018. \*Constraint of market cap (>500m\$) & volume (>1m\$)

## New Derivatives on STOXX Low Carbon and Climate Indices

Eurex, the largest derivatives exchange for European Futures and Options, launched futures on a low carbon version of the EURO STOXX 50® and climate impact version of the STOXX Europe® 600, providing asset owners with a new liquid tool to manage climate risks in their investment portfolio. The EURO STOXX 50® Low Carbon has a similar risk-return profile as the EURO STOXX 50® while lowering the carbon footprint by approximately 50%. The STOXX® Europe Climate Impact is based on CDP climate scoring methodology, including forward-looking metrics such as carbon pricing and science-based targets. Companies from the STOXX® Europe 600 are selected according to CDP A scores ("Leadership score") and CDP B scores ("Management score"), and their progress towards transitioning to a low carbon economy is evaluated on a yearly basis.

## Number of investor signatories and members for CDP Europe

For the 2018 disclosure cycle the number of investor signatories to CDP's request increased to 301 investors with assets of €41 trillion. 27 investors are CDP investor members.



The corporate environmental data CDP collects forms the backbone of the responsible investing market – without this data, investors wouldn't have the information they require to offer ESG products and services. At CPR Asset Management, we believe that the integration of ESG data into investment processes generates value in the long term. We need to know how exposed a company is to environmental risks and their long-term strategy for the low carbon transition, in order to identify future market leaders.

Arnaud Faller  
Deputy CEO and CIO at  
CPR Asset Management



## First ever Climetrics Fund Award

Ten equity funds were recognized in February 2019 as the top performing European equity funds on climate change. The ranking is based on data from the climate rating for funds, **Climetrics**. The tool, developed by CDP and ISS-climate, measures the climate performance of a fund's stocks, its asset manager's governance of climate issues, and its investment policy. It helps investors to find funds which are well-positioned in the transition to a low carbon economy. Asset managers BNP Paribas AM, Candriam and Mirova each had two funds among the ten receiving a Climetrics Fund Award, while French asset managers received 7 of the 10 awards. This underlines the leading role of French investors and asset managers in the transition to a sustainable economy. Climetrics rates over 13,000 funds representing about €5 trillion in fund investments. It is freely available at [cdp.net/en/investor/climetrics](http://cdp.net/en/investor/climetrics)

## Fund Award 2018 Top 10 European equity funds

Fund Name	Asset Manager Name
BNP Paribas Développement Hu-	BNP Paribas Asset Management
Parworld Quant Equity Europe Guru	BNP Paribas Asset Management
Echiquier Major	La Financiere de l'Echiquier
LBPAM ISR Actions Europe	La Banque Postale Asset Man-
Mirova Europe Sustainable Equity	Mirova
OFI RS European Growth Climate	OFI Asset Management
Mirova Europe Environmental Equity	Mirova
Candriam SRI Equity Europe	Candriam Investors Group
Candriam Sustainable Europe	Candriam Investors Group
NN (L) European Sustainable Equity	NN Investment Partners

To view all ratings for free online please visit:  
[www.cdp.net/en/investor/climetrics](http://www.cdp.net/en/investor/climetrics)



# MAINSTREAMING DISCLOSURE AND DRIVING FASTER ACTION THROUGHOUT CORPORATE SUPPLY CHAINS

CDP Europe works with over 1800 companies, representing 75% of European market capitalization and a combined revenue of €6.7 trillion, to help them measure their environmental impact and risks and see how to manage them. CDP guides companies as they advance along their sustainability journey, starting from disclosure and progressing to insight and action.

## Insights from corporate disclosure and action

### Climate change

Among the 849 listed European companies responding to investors on climate change in 2018, 58% reported a decrease in absolute Scope 1 and 2 emissions last year. Progress indicators include that;

- ▼ 62 European companies are committed to sourcing 100% of electricity from renewables;
- ▼ 163 companies are setting science-based targets;
- ▼ 25% of companies are using an internal carbon price;
- ▼ 39% are currently using climate scenarios to inform their business strategy;
- ▼ 84% have value chain engagement on emissions, working with suppliers and customers
- ▼ 69% are developing low carbon products.

### Water security

183 listed companies responded to investors on water security in 2018, with 35% CDP A List companies on water based in Europe. Other key results were that;

- ▼ Water-related risks for European companies have been estimated at €16.4 billion
- ▼ Financial impact for European companies from droughts/flooding in 2018 is around €4 billion
- ▼ The value of positive water-related business opportunities is measured at €58 billion
- ▼ 92% of European companies have set water-related targets.

### Forests

83 listed companies responded to investors on forests last year, looking at risks of key forest commodities (timber, cattle, palm oil, soy, rubber). 85% CDP A List companies for forests were based in Europe. Progress indicators include that;

- ▼ 80% of European companies have an internal policy on forest-related sustainability;
- ▼ 70% of European companies have made public commitments on deforestation;
- ▼ 88% of European companies have a procedure to assess deforestation risks;
- ▼ 80% of respondents have quantitative targets for increasing the sustainable production or consumption of specific forest commodities.

More analyzed data and a country breakdown of responders can be found in the CDP Europe Report.



### European companies leading CDP's global A List

European corporates accounted for half of CDP's global climate change A List in 2018, with 68 companies included on the list of 136 top performers around the world. However, these businesses were not evenly distributed between all countries in the region.

Amongst those recognized on the A List for climate change, 22 came from France – over a third of the total across Europe – from just 98 responding companies in the country. This was followed by the United Kingdom with 10, Germany with 7, and Norway with 5. Conversely, Southern European companies

made up just 12% of the total, with 4 from Spain, 3 from Italy, and 1 from Portugal. And no companies were recognized on the A List from Eastern Europe.

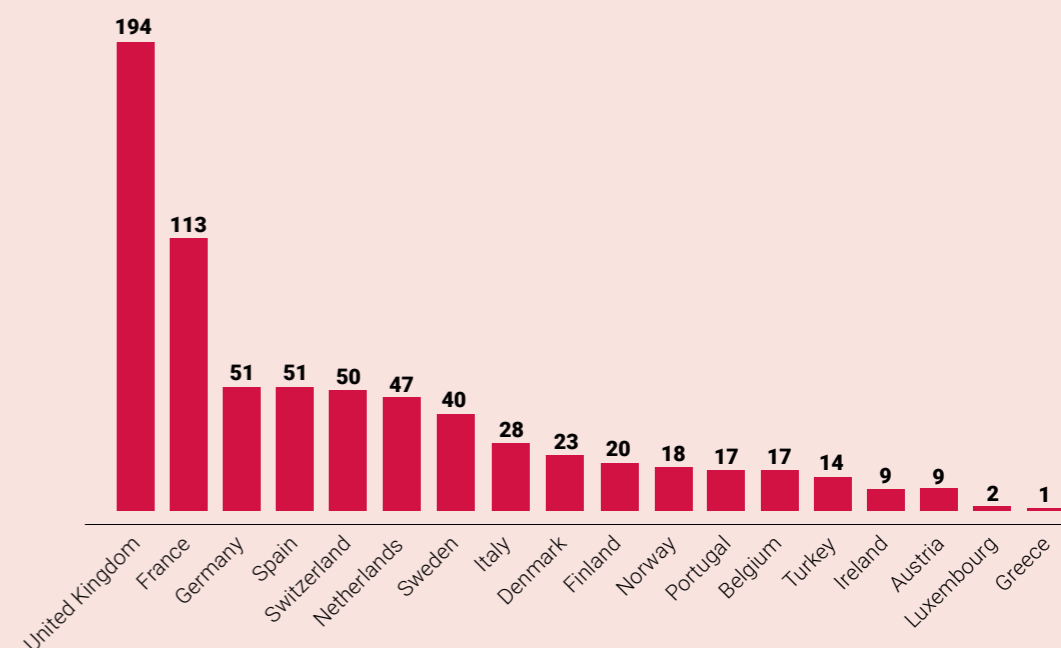
### Supporting companies to take industry-leading environmental commitments

As a core member of the We Mean Business Coalition, CDP Europe worked with more than 300 European high-impact companies in 2018-2019. Engaging and supporting them to join the leadership initiatives on the We Mean Business Coalition's Take Action platform, this forms a core part of our mission to accelerate the low carbon transition by driving the highest levels of corporate climate ambition.

In 2018-2019, 114 commitments were made by European businesses, including Maersk, Ferrovial, E.ON, Allianz, Vodafone Group, Ahold Delhaize, Royal DSM, EDP and Peugeot. Globally, a total of more than 900 companies with more than USD 19 trillion in market cap have now made over 1400 commitments to bold climate action, such as science-based targets setting (SBTs), working towards 100% renewable electricity (RE100), transitioning corporate fleets to electric vehicles (EV100) and using energy more effectively (EP100).

Over **700** commitments to ambitious sustainability initiatives from European corporates

Companies committing to We Mean Business Take Action initiatives (such as SBTs, RE100, EP100, EV100)



### Expanding our supply chain work with Europe's biggest corporate buyers

Through CDP's work on supply chains, 45 supply chain member companies in Europe are engaging their suppliers to address their environmental impact. New members include Daimler, Heineken and Metro.

Our results demonstrate the influence of European companies beyond their own national boundaries as purchasers of goods and services globally. In 2018, CDP's European supply chain members requested environmental data from 4,532 global suppliers, including 302 suppliers in China. Through their request for environmental information and purchasing power, our members are helping to track and influence emissions across global markets.

The same is true for forests-related risks. Forests impacts in the supply chain are a focus for several of our European members. In 2018, European companies engaged with 78 suppliers across beef, soy, cattle and timber commodities, including in Brazil and Indonesia.

Water security also poses a major supply chain risk to a number of our European members. European companies engaged with 993 suppliers across water. Of the suppliers engaged, we found that 14% were in turn engaging their own suppliers to tackle water scarcity issues.

European companies themselves form a critical supplier base for multinationals operating outside Europe.

In 2018, 36% of European based suppliers responding to CDP decreased their emissions. By reporting on their emissions and taking actions to reduce them, European suppliers are helping multinationals to track and reduce their Scope 3 emissions, or emissions beyond their own direct operations.

CDP's work with supply chains has enabled our engagement with companies that would not normally take action through our investor request. SMEs, for example, often represent key strategic suppliers to our members and in 2018 we received environmental data from 570 European SMEs or companies responding for the first time.

# SUPPORTING EUROPEAN POLICY PROGRESS ON SUSTAINABLE FINANCE AND CORPORATE AND CITIES' DISCLOSURE

CDP Europe's policy team supports EU and European Member States' policymakers to develop, implement and track the impact of policies on corporate reporting and governance, sustainable finance, deforestation-free sourcing, climate and energy, and water security.

## OUR MEANS OF ENGAGEMENT:

### EXPERTISE Advising EU and national legislators

**Publication: The TCFD Roadmap**  
Together with CDSB, CDP Europe published a comprehensive document outlining possible avenues for including the TCFD recommendations into national legislation in all G7 jurisdictions. This furthers CDP Europe's objective to build a fit-for-purpose corporate reporting framework in Europe and implement the European Commission's sustainable finance agenda through climate-related financial disclosure.



German government Sustainable Finance Advisory Committee



European Commission Technical Expert Group on Sustainable Finance (TEG) E03588

### ANALYSES Tracking the implementation and impact of regulation

**Publication: First Steps: Corporate climate & environmental disclosure under the EU Non-Financial Reporting Directive**  
This joint CDSB-CDP Europe research was the first comprehensive review of companies' climate and environmental disclosures under the EU's Non-Financial Reporting Directive. It assessed the annual reports and non-financial statements of some of the largest 80 companies from across the EU, finding that market leading companies (and groups) are capable of reporting on climate-related issues and environmental matters but that, at the same time, companies do not yet consistently report information.



MINISTERO DELL'AMBIENTE E DELLA TUTELA DEL TERRITORIO E DEL MARE



## CAPACITY BUILDING Translating market best practice into policymaking

CDP provides expertise and data-based evidence from its corporate and investor engagement to policy advisory groups.



European Commission Technical Expert Group on Sustainable Finance (TEG) E03588



**Publications: Policy briefings and public comments**  
In the past year, CDP Europe released a number of public comments and distributed policy briefings to a targeted audience, to aid the development of different EU corporate reporting and sustainable finance initiatives:



An introduction to climate reporting in Germany: briefing by CDP and CDSB for policymakers on climate reporting in G20 countries (in German) - March 2018



A brief introduction to climate disclosure in France: briefing by CDP and CDSB for policymakers looking at climate disclosure regulations in G20 countries - March 2018



CDP Europe on the European Commission's Action Plan: 'Financing Sustainable Growth' - March 2018



Input to Working Document of the Commission for Economic Policy "Public procurement package" (ECON-VI/030) - April 2018



Comment on the European Commission's draft delegated regulation in relation to the Sustainable Finance Initiative's MiFID II suitability requirements and Distribution of insurance-based investment products - June 2018.



Comment on the European Commission's proposal for a regulation on disclosures relating to sustainable investments and sustainability risks and amendment to Directive (EU) 2016/2341 - August 2018



Comment on European Commission's initiative "Stepping up EU Action against Deforestation and Forest Degradation" - February 2019



CDP Europe response to fitness check on public reporting by companies - March 2019



Comment on European Commission's Fitness Check of the EU Water Framework Directive, its associated Directives (Groundwater Directive and Environmental Quality Standards Directive) and the Floods Directive - March 2019

### Renewal of our Memorandum of Understanding with the Ministry for the Environment, Land and Sea of Italy

In 2018 CDP Europe signed its second Programme of Work, which aims to engage Italian companies and local governments to disclose key environmental data, improve the quality and quantity of forward-looking disclosures, and catalyze action within the framework of the Marrakech Partnership of Global Climate Action and beyond. In the first year of the MoU, Italian regions reporting to CDP increased by 125%, more than 100 cities and regions disclosed data, and CDP's first Italy Report was published to showcase corporate and regional climate action in Italy.

### CDP Europe investor statement

In November 2018, European investors called on EU leaders and legislators to implement a fit-for-purpose framework of corporate reporting that delivers better climate change and environmental information to financial markets. Noting that while the European Commission's Action Plan 'Financing Sustainable Growth' represents progress in supporting sustainable investment, the statement said that the information available under current EU regulation does not deliver capital flows at the scale needed to deliver a low carbon, climate-resilient and resource-efficient economy. It was signed by 12 major European investors including Schroders, Candriam and AXA IM.

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# ENABLING CITIES, STATES AND REGIONS IN EUROPE TO INCREASE THEIR AMBITION

Cities are the source of 70% of the world's energy-related carbon emissions. That's why it's crucial that they play a central role in mitigating climate change. Last year, the number of European local governments disclosing data to CDP grew to 161 cities and 53 states and regions. To inspire faster progress and more ambitious action, CDP scored cities' disclosures for the first time, releasing its first global A List that featured 9 cities in Europe. And we launched a unified reporting system for local and regional government reporting with ICLEI, a leading network of local governments, to help standardize subnational climate data.

## CDP and ICLEI launch unified system for local and regional government reporting

Through this collaboration, subnational climate data will become more standardized, understandable and useful for local authorities and their partners. From 2019, data reported through the unified system is aligned with the Global Covenant of Mayors for Climate and Energy's (GCoM) new Common Reporting Framework. This single reporting framework for city and local government data makes it easier to commit to the GCoM and to participate in other activities and initiatives such as WWF's One Planet City Challenge which supports local governments in working to limit global warming to 1.5 °C in line with the Paris Agreement.

## 9 European cities included on CDP's first A List for cities

Paris, London, Athens, Reykjavik, The Hague and Barcelona were named among the 43 named as leading climate cities. An A score means a city demonstrates strong climate adaptation and mitigation strategies, and consistently tracks its emissions. Leading action looks different around the world, depending on the size of the city, the size of its emissions, and its susceptibility to extreme weather events. With just 7% of cities scored A, there is a clear need for greater action to reduce emissions and adapt to climate change. By showcasing these 43 leaders, CDP wants to raise ambition among cities worldwide to take greater action on emissions, to decarbonize their energy grids and to adapt to or mitigate climate risk. The full list of global A List cities is available [here](#).



## Showcasing sustainable cities: Stockholm's low carbon transport revolution

CDP released a three-part series of films through which three global cities demonstrated how they are building sustainable economies through innovative solutions to tackle climate change. In Stockholm, decarbonizing the transport system is seen as the last hurdle in their journey to be fossil fuel free by 2040. Achieving this ambitious goal means the city is turning to bikes, buses, trams and zero-emission ferries, solutions which aid the transition away from private car ownership.



## CITIES, STATES AND REGIONS: DISCLOSURE AND ACTION

In 2018, a record-breaking number of 161 European cities disclosed to CDP. Our analysis shows that:

- 91** European cities reported a climate action plan
- 42** European cities reported decreased emissions, and 111 have an emissions reduction target
- 4** European regions have already met or exceeded their 2020 mitigation targets
- 66** European cities have a renewable energy or electricity target
- 19%** have new adaptation planning and 18% work on biodiversity measures
- 3** The top 3 mitigation actions are in the energy, buildings and transport sectors



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