

STORIES OF CHANGE

Accelerating action towards a sustainable future



INTRODUCTION

In a year of great social and economic uncertainty, more companies than ever have disclosed their environmental impacts to CDP, continuing to place sustainability at the forefront of their agenda. The importance of a green and inclusive recovery in a post-COVID, climate-resilient world could not be greater, and companies have a huge role to play. It is encouraging to see so many more companies embracing this challenge, innovating to seize opportunities and mitigate risks.

By providing a global platform for disclosure, CDP helps drive awareness of environmental impacts. But our work also highlights the actions companies are taking to address climate change, water scarcity and the effects of deforestation. By highlighting examples of leading practice, our goal is to inspire other companies and help them to understand that the tools exist to mainstream environmental action, and to take steps to reduce their environmental impacts.

For example, Italian multi-utility company **A2A** collaborated with CDP silver-accredited climate change consultancy solutions provider **Carbonsink** to set a science-based target. This target informs the Group's whole strategy and has helped them to implement the TCFD recommendations. Carbonsink not only helped A2A to understand the SBTi criteria, but also to achieve buy-in from top management.

As well as setting a science-based target, US multinational consumer electronics retailer **Best Buy** has joined the Climate Pledge, committing to be carbon neutral across its operations by 2040. Renewable energy is key to the organization's implementation plan for these targets, as is connecting consumers with energy efficient technology and sustainable products. Rail freight company **Canadian Pacific Railway** has dramatically improved its locomotive fleet's fuel efficiency and also committed to set a science-based target. The company undertook comprehensive scenario analysis this year and, looking to the future, will focus on identifying and mitigating climate risks and increasing its organisational resilience.

A founding member of the 'Business Ambition for 1.5°C', Swiss Fragrance company **Firmenich** has a 1.5°C science-based target and is committed to being net-zero by 2050. Key to achieving this goal is procuring 100% renewable energy and engaging with the company's suppliers to build a transparent, environmentally responsible supply chain. Meanwhile, cosmetics giant **L'Oréal** is decoupling growth from environmental impact by reducing emissions and improving the environmental and social footprint of their products. With *L'Oréal for the Future*, they now want to take on greater responsibility and ensure their activities are respectful of all planetary boundaries.

Impressively, Danish renewable energy company **Ørsted** is on track to be carbon neutral in its operations by 2025. In addition, the company has a goal to cut its supply chain emissions in half by 2032 and to reach net-zero by 2040. Becoming a member of CDP's supply chain program has been a crucial step in implementing this goal. Healthcare and pharmaceuticals company **Pfizer** are guided by science as they look to establish their next generation goals and ambitions, including goals focused on their supply chain. The company completed a sustainability bond earlier this year (a first for the pharmaceutical industry), proceeds from which will drive long-standing strategies to become more energy efficient, conserve more water, reduce waste, and increase recycling. Meanwhile **Sofidel Group**, one of the world's largest tissue paper manufacturers, has aligned its sustainable growth strategy with the UN's 17 Sustainable Development Goals. 100% of the pulp used in their production process is sustainably sourced and production processes are constantly monitored to optimise water use.

French information technology company **Sopra Steria** have a goal of achieving net-zero emissions by 2028. To achieve this they will accelerate their environmental programme, rethinking workspaces' environmental footprint and reducing business travel further by developing collaborative tools and mobilising their value chain. Showing real ambition, US manufacturing company **Trane Technologies** have set a gigaton challenge, committing to reduce their customers' carbon footprint by one billion metric tons. They also have goals to become carbon neutral in their own operations and also net positive in water use – putting more water back into the system than they take out. Finally, **Wastebox**, a CDP silver accredited climate change consultancy solutions provider in Japan, is helping companies to measure their carbon emissions and set and implement ambitious targets. They offer a range of services, including Life Cycle Assessment, carbon-offsetting and scope 3 services.

We hope these profiles, and other examples from the organizations that disclose to CDP, will inspire and encourage other companies to embrace the urgent action needed now more than ever, as we collectively work to build a water-secure, deforestation-free and climate-secure world.

CONTENTS

4	A2A & Carbonsink Electric Utility and Climate Change Consultant, Italy
6	Best Buy Consumer Electronics, US
8	Canadian Pacific Railway Rail Transportation, Canada and US
10	Firmenich Fragrance and Taste, Switzerland
12	L'Oréal Cosmetics, France
14	Ørsted Renewable Energy Company, Denmark
16	Pfizer Pharmaceutical company, US
18	Sofidel Pulp & Paper, Italy
20	Sopra Steria Group Information Technology, France
22	Trane Technologies Manufacturing, US
24	Wastebox, Inc. Climate Change Consultant, Japan

Important Notice
The contents of this report may be used by anyone providing acknowledgement is given to CDP Worldwide (CDP). This does not represent a licence to repackage or resell any of the data reported to CDP or the contributing authors and presented in this report. If you intend to repackage or resell any of the contents of this report, you need to obtain express permission from CDP before doing so.

No representation or warranty (express or implied) is given by CDP as to the accuracy or completeness of the information and opinions contained in this report. You should not act upon the information contained in this publication without obtaining specific professional advice. To the extent permitted by law, CDP does not accept or assume any liability, responsibility or duty of care for any consequences of you or anyone else acting, or refraining to act, in reliance on the information contained in this report or for any decision based on it. All information and views expressed herein by CDP is based on its judgment at the time of this report and are subject to change without notice due to economic, political, industry and firm-specific factors. Content for guest profiles in this report were provided by the respective companies, and they reflect the views of their respective authors and not necessarily the views of CDP.

CDP, their affiliated member firms or companies, or their respective shareholders, members, partners, principals, directors, officers and/or employees, may have a position in the securities of the companies discussed herein. The securities of the companies mentioned in this document may not be eligible for sale in some states or countries, nor suitable for all types of investors; their value and the income they produce may fluctuate and/or be adversely affected by exchange rates.

'CDP Worldwide' and 'CDP' refer to CDP Worldwide, a registered charity number 1122330 and a company limited by guarantee, registered in England number 05013650.

© 2020 CDP Worldwide. All rights reserved.

A2A & Carbonsink

Electric Utility and Climate Change Consultant, Italy



A2A is the first Italian multi-utility to set a science-based target approved by the Science Based Targets initiative (SBTi). Adopting internationally recognized frameworks is fundamental to show the commitment and the awareness of the company with respect to a high level of ambition on climate change.

Renato Mazzoncini (CEO A2A) & Andrea Maggiani (CEO Carbonsink)



Tips for success

- ▼ Adopt internationally recognized frameworks to set the level of ambition in line with the Paris Agreement
- ▼ Engage the different company departments to set and achieve ambitious climate targets
- ▼ Stimulate the innovation of technologies, processes, and business models, directly influencing the industrial plan
- ▼ Verify over time the alignment of your corporate strategic plan with your climate targets
- ▼ Turn to external experts in climate strategies to manage an ambitious and achievable path tailored to the company business.

The A2A Group is Italy's largest multi-utility company, providing the production, sale and distribution of gas and electricity, district heating, environmental services and integrated water services. The Group focuses on research and invests in new technologies for the smart cities of tomorrow.

In 2019, A2A revised its carbon reduction targets to 2030, as part of its Sustainability Policy, making them more ambitious to align with the trajectory of the Paris Agreement over the next decade. This is supported by the Group's new strategy which envisages significant development in the field of renewables, the optimization of gas-fired combined cycle plants and the reconversion of conventional coal-fired and fuel oil-fired plants.

The preparation for this target was coordinated by the CSR team, with the active participation of many functions across the business, including Finance, Planning and Control, Strategy, M&A, Bidding and Dispatching, Portfolio Management & Trading and the Business Units. The most challenging focal point of this work was scenario planning. It is necessary to take into account various aspects, such as the security of the Italian electricity system, national and international long-term energy strategies, the starting generation mix, and finally the verification of the alignment of the emission trend with the Paris Agreement.

Multiple scenarios were developed, to assess which pathway would be possible to align with the decarbonization objectives of the sector and requirements of the Science Based Targets initiative (SBTi).

A2A's key takeaways from that challenging process was the need for more integration and coordination across all business functions on climate change strategy. Finally, the new target was submitted to the SBTi to verify its alignment with the goals of the Paris Agreement.

According to the new science-based target, approved by its Board of Directors and the SBTi, A2A commits to reduce scope 1 GHG emissions 46% per kWh by 2030 from a 2017 base year; reduce absolute scope 2 GHG emissions 100% by 2024 from a 2017 base year and reduce absolute scope 3 GHG emissions from purchased goods and services and use of sold products 20% by 2030 from a 2017 base year.

A2A has benefited greatly from this experience. Firstly, the science-based target (SBT) boosted the internal implementation of the TCFD recommendations on climate reporting. In fact, the Group integrated a more solid and coherent long-term scenario in its business strategy, embedding a new more sustainable way of thinking in the investment evaluation, that takes into greater consideration the effects of climate change. The whole Group's strategy is now influenced by the SBT. This shift is backed by new instruments of the expanding sustainable financial market such as green bonds.

Carbonsink is a CDP-accredited silver climate change solutions provider for Italy. As a highly specialized consulting company on climate change, Carbonsink supported A2A in defining its emission reduction objectives, accompanying it on an ambitious path that has considered and assessed the associated risks and opportunities.

Carbonsink's role was primarily to help A2A understand and become familiar with the criteria established by SBTi by applying them to its sector and business context, and to support it in securing buy-in from top management. Carbonsink thus guided the Group to a "conscious commitment"; starting from a feasibility study which made it possible to identify opportunities and gaps for the achievement of a decarbonization target aligned with the Paris Agreement, based on the creation of decarbonization scenarios for the short and long-term.

To date, the Group is one of the 10 Italian companies to have set a science-based target and the only multi-utility in Italy to have done so, showing genuine commitment to the fight against climate change.

Best Buy

Consumer Electronics, US



In 2019, our U.S. customers purchased ENERGY STAR® products over 18 million times, collectively avoiding the equivalent CO₂ emissions of driving 1 million cars for a year.

Tips for success

- Develop a robust, replicable and auditable data collection process
- Review CDP peer companies' submissions to cross-check performance and inform analysis of climate change risks and opportunities
- Set, monitor and report environmental reduction goals internally and externally to raise awareness, demonstrate alignment and display accountability
- Consider the entire value chain to reduce impact, including for customers and their communities
- Develop consistent internal communication mechanisms to embed stories of success that inspire employees to creatively address risks and realize opportunities.

Best Buy is a purposeful, values-driven company, with a long history of environmental commitments. We continuously strive to reduce our carbon footprint and help our customers do the same.

Our decade-long CDP collaboration has led to a deeper understanding of the risks and opportunities associated with water, forests and climate change. The partnership has informed Best Buy's environmental goals and reinforced our commitment to safeguard our communities' wellbeing.

The challenges of 2020 have made it even clearer that climate change needs to be urgently addressed. As a result, Best Buy joined The Climate Pledge, a commitment to be carbon neutral across our operations by 2040 – a decade faster than our previous goal. Achieving this will require many operational changes, including on-site and off-site solar power, electrifying our fleet and relentlessly pursuing energy efficiency.

This new goal runs parallel with our science-based target to reduce carbon emissions in our operations by 75% by 2030 (over a 2009 baseline). So far, projects across multiple stores – including investment in hybrid vehicles and LED lighting – have already contributed to a 55% reduction. The grid is also getting cleaner, which Best Buy actively advocates for alongside investor-owned utilities and policymakers.

Renewable energy has become a priority in our environmental strategy. In collaboration with solar developer, X-ELIQ, and U.S. Bank, we have introduced the Best Buy Solar Field, located in Martin, South Carolina. The Field will produce 174,000 megawatt hours per year of clean energy for the local electric grid – enough electricity to power the equivalent of 260 Best Buy stores each year. We also continue to purchase Renewable Energy Credits (RECs), which encourage renewable energy production.

Best Buy has a responsibility beyond its four walls to connect customers with energy-efficient tech and sustainable products. As part of the 'Scope 3' component of our science-based goal, we want to reduce carbon emissions from ENERGY STAR® products 20% by 2030 (over a 2017 baseline), which also saves our customers US\$5 billion in energy costs. In 2019, our U.S. customers purchased ENERGY STAR® products over 18 million times, collectively avoiding the equivalent CO₂ emissions of driving 1 million cars for a year.

In early 2020, we launched our Sustainable Living online category, featuring new, eco-friendly products. We added hundreds of products promoting sustainability in a range of areas, including solar panels, green transportation, gardening and outdoor recreation. With water scarcity issues prevalent in many regions served by Best Buy, we also offer products to help customers reduce water consumption, including dual-flow nozzles, water leak sensors, smart water assistants and smart irrigation systems.

We are proud of our achievements so far, but recognize there is much left to do. We will continue to work with all our stakeholders, including CDP, to accelerate efforts to address climate change and help our customers do the same.

Tim Dunn, Head of Environmental Sustainability, Best Buy

Canadian Pacific Railway

Rail Transportation, Canada and U.S.



We recognize that long-term sustainable growth requires an ambitious vision supported by bold action. As we look towards the next stages of our growth, we are building on our climate commitments to adapt our business and continue to work together with all stakeholders to position CP for a resilient, sustainably driven future.



Tips for success

- ▼ Involve key personnel across the business in climate change discussions to develop internal alignment.
- ▼ Conduct a scenario analysis to identify the most material climate-related risks and opportunities, increase organizational awareness of climate impacts and inform a strong climate strategy.
- ▼ Educate leaders and employees on climate-related impacts and involve them in developing a climate strategy for the future.
- ▼ Collaborate with customers and suppliers to unlock more significant actions on climate impact.

As one of North America's top-performing freight rail and intermodal transportation services companies, Canadian Pacific Railway Company (CP) has a long heritage of building for the future. We take pride in our ability to provide customers with the opportunity to use a cleaner, safer mode of transportation to move their goods to market. A changing climate is the challenge of this generation that, if left unabated, will increasingly disrupt the environment and society, impacting our ability to ensure the reliable movement of goods. As we experience increased disruptions across our 13,000-mile rail network, CP is already confronting this challenge, and we are committed to further action by adapting our business going forward.

Our first climate statement was issued in July 2020 to demonstrate CP's commitment to take action and meet the challenge of climate change. We believe transportation of freight by rail will continue to play an integral role in the low-carbon future for North America, and CP is transitioning to be a leader in this transformation. For nearly 140 years, CP has embodied strategic, long-term thinking and as we look ahead to our 150th anniversary in 2031, we are committed to continuing to provide efficient and sustainable rail transportation.

Like many organizations, CP's early efforts to address climate change focused on reducing operational energy use and emissions, and regularly disclosing these practices in our corporate sustainability and CDP reporting. Focusing on driving efficiency across the organization, CP is successfully implementing programs to modernize our locomotive fleet, employ emerging technologies and update operating practices to reduce fuel and energy consumption.

Since 1990, we have improved our locomotive fleet's fuel efficiency by 43 percent, avoiding 31 million metric tonnes of greenhouse gas emissions (GHG). At CP, we recognize that we must continue to curtail emissions and acknowledge that fuel efficiency improvements alone are not enough. We are developing our climate strategy and have committed to setting a science-based target to reduce our emissions. To inform our actions and align with the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD), CP conducted a comprehensive scenario analysis in 2020 to understand the full range of possible climate change impacts on our business. Through this process, we considered how changing markets and technology, evolving regulations and physical and reputational impacts could influence CP's future financial and operational performance.

Moving forward, CP is working to formalize the integration of climate-related risks into our enterprise risk-management process and to develop our strategy for mitigating risk, pursuing opportunities and increasing our operational resilience under various climate change scenarios. Recognizing the global nature of the fight against climate change, CP aims to align with recognized initiatives that bring governments, sectors and supply chains together to support the goals laid out in the Paris Agreement.

Our commitment to address climate change is a journey. We are proud to be recognized by CDP as a leader in taking action to confront climate change and encourage other companies to also take action to address the challenge that we all face. From our locomotive modernization program, to our solar farm installation at our Calgary headquarters and our collaboration with our value chain to help our customers drive down their GHG emissions, CP is committed to the role of our business in a low-carbon economy.

Keith Creel, President and CEO

Firmenich

Fragrance and Taste, Switzerland



One of only two companies to achieve a CDP Triple A three years in a row, we continued to decouple our growth from our CO2 emissions in a year marked by the global COVID-19 pandemic.

While we have put people's health as our key priority, the health of the planet also was on top of our agenda. Our commitment to tackle climate change is unwavering and we will continue driving towards carbon neutrality by 2030.

Gilbert Ghostine, CEO

Tips for success

- Set ambitious emissions reductions to limit warming well-below 1.5°C, and collaborate with the Science Based Targets initiative to externally validate these goals
- Focus on your entire supply chain – not just operations – to drive 'unprecedented changes'
- Engage suppliers to address and reduce their own emissions through webinars and sharing best practice in environmental management and responsible sourcing
- Join forces and learn from organizations like CDP, RE100, UN Global Compact and help build a coalition to drive climate change action

As the world's largest privately-owned fragrance and taste company, Firmenich has been engaged on a sustainable development journey since 1991, building on its long legacy of responsible business. Ambitious and verifiable targets have taken us a long way since we signed the first International Chamber of Commerce Business Charter for Sustainable Development.

In 2020, Firmenich achieved a CDP Triple 'A' for Climate Change, Water and Forests, the only company in our industry to receive this score for three years in a row. As one of only ten companies worldwide with a Triple 'A' listing in 2020 –out of 9,600 assessed– this distinction epitomizes our commitment to responsible business, supported by ambitious science-based targets.

Firmenich is a founding member of 'Business Ambition for 1.5°C', a coalition of over 320 companies committed to net zero by 2050. Firmenich has set emissions reductions to keep warming well-below 1.5°C, in line with the Paris Agreement's goals. We are clearly decoupling our growth from our CO2 emissions. Since 2015, manufacturing output has increased by 21.7%, while our Scope 1 and 2 CO2e emissions declined by 44.9%. We will keep on broadening this gap on our path towards carbon neutrality by 2030.

In 2015, we set an ambitious goal to reach 100% renewable electricity across our operations worldwide. Following RE100 guidelines, in 2020 we expanded the scope of this target to include smaller locations, going beyond Level 1 sites. We have already met this tougher goal, and Firmenich's operations worldwide are now powered by 100% renewable electricity. An industry first, this significant milestone is supported by RE100, a global initiative that brings together companies committed to 100% renewable electricity. Furthermore, we purchase renewable grid electricity and collaborate with suppliers and governments to develop locally-available green power, including on-site solutions such as wind power and solar energy.

Beyond our own operations, we also ask key suppliers to report environmental data annually through the CDP platform. Primary data obtained through our membership of CDP's supply chain program brings us increased transparency and engagement in our supply chain for greenhouse gas emissions and reduction targets. We are driving supplier engagement to build a transparent, environmentally-responsible supply chain.

For Firmenich suppliers disclosing through CDP in 2020:

- Over 80% reported emission reduction activities
- 83% reported water targets
- 75% reported greenhouse gas reduction targets

In 2020, we achieved a place on CDP's Supplier Engagement Leaderboard, highlighting our commitment to working with suppliers to reduce environmental impact and risks across our value chain. With new, ever more ambitious environmental goals, we will continue to drive our vision of a zero impact future and will reach carbon neutrality in our operations by 2030. The United Nations says the decade from 2011 to 2020 will be the warmest on record. Now is clearly the time for bold and swift environmental action.



At L'Oréal, we want to build on our accomplishments and work towards even more ambitious goals, to reflect the scale of the challenges that our world is facing. Today, we must not only do better, we must do what is needed.

Tips for success

- ▼ Create a clear corporate sustainability vision, driven by the CEO and management, completely integrated within your company's strategy
- ▼ Make a list of ambitious, science-based sustainability targets, focused on both your direct and indirect impact
- ▼ Engage teams worldwide and promote strong collaboration and best practice sharing, especially between marketing, research and innovation and operations.
- ▼ Develop tailored sustainability solutions and action plans, adapted to your business context
- ▼ Declare a strong transparency commitment, enabling an open dialogue to engage suppliers, external stakeholders, NGOs and local communities to build relevant and efficient projects

L'Oréal began addressing the global environmental crisis very early on. As an industrial company, we started our transformation by tackling the environmental impact of our factories and distribution centers. By the end of 2019, we had reduced CO₂ emissions in these sites by 78% in absolute terms, compared to 2005 - exceeding our initial target of 60% - while our production volume increased by 37% in the same period.

Through our first sustainability program, launched in 2013, we formalized a list of quantifiable goals for 2020. While continuing to reduce our production footprint, we addressed our core activity: beauty product development. We completely reinvented our way of doing business: now, every time we create a new product, sustainability is considered alongside performance and profitability. In 2019, we improved the environmental or social profile of 85% of our new or renovated products, by promoting the use of renewable raw materials that are sustainably sourced, optimizing the volume or weight of packaging and by improving the biodegradability of products, among other actions.

Sharing our growth with all our stakeholders has also been central to our vision. Through our social inclusion programs, including our Solidarity Sourcing program, we have helped 90,635 people from disadvantaged communities gain access to employment.

Today, we are at a turning point – as our first sustainability program draws to an end, we want to build on our accomplishments and work towards even more ambitious goals, to reflect the scale of the challenges that our world is facing. Therefore, in June 2020, we decided to launch a new sustainability program.

With *L'Oréal for the Future*, we are stepping up our internal transformation process and ensuring our activities are respectful of the 'planetary boundaries'; meaning what the planet can withstand, as defined by environmental science. We have used a science-based approach to define a new list of impact reduction targets that will not only focus on our direct impact, but also tackle our indirect, extended impact, related to the activity of our suppliers and the use of our products by consumers.

On climate, our overarching 2030 objective is to reduce our greenhouse gas emissions of all scopes by 50% per finished product. As members of the '*Business Ambition for 1.5°C*' initiative, we have also committed to net zero emissions by 2050. We will pursue extensive work carried out on our sites, which will have achieved carbon neutrality by 2025.

On water, biodiversity and natural resources, our commitments notably include:

- ▼ In 2030, 100% of water used in our industrial processes will be recycled and reused in a loop
- ▼ By 2030, 100% of biobased ingredients for formulas and materials for packaging will be traceable and come from sustainable sources, none will be linked to deforestation
- ▼ In 2030, 100% of plastic used in our packaging will come either from recycled or biobased sources (we will reach 50% by 2025)

With *L'Oréal for the Future*, we also want to take on greater responsibility and demonstrate that companies can be part of the solution to some of today's most pressing environmental and social challenges. We are allocating €100 million to impact investing dedicated to ecosystem regeneration and the circular economy development. A further €50 million will go to a charitable endowment fund supporting highly vulnerable women.

At L'Oréal, we want to build on our accomplishments and work towards even more ambitious goals, to reflect the scale of the challenges that our world is facing. Today, we must not only do better, we must do what is needed. We see sustainability as a responsibility and a 'license to operate'. Through our in-depth transformation, we hope to be a catalyst of change in the beauty sector and beyond, inspiring our customers and all people to take action with us.

Jean-Paul Agon, Chairman and Chief Executive Officer, L'Oréal

Our target for a carbon neutral supply chain aims to spur ambition and foster low-carbon innovation in the industries that supply to us. Our experience is that suppliers see an opportunity to boost innovation and meet the growing market demand for low-carbon products.

Tips for success

- ▼ **Identify** the most carbon-intensive parts or “hotspots” of your value chain to prioritize suppliers for engagement.
- ▼ **Engage suppliers** on the need for carbon reduction strategies that support their long-term competitiveness. Set targets that reflect a shared understanding of the industry’s challenges.
- ▼ **Promote uniform emissions reporting** with a common standard for greenhouse gas reporting. CDP’s supply chain program is a useful tool for suppliers to map and disclose emissions.

In just over a decade, Ørsted has transformed from a fossil-fuel intensive energy utility, to one of the world’s largest renewable energy companies. With a portfolio of offshore and onshore wind farms, solar PV and bioenergy plants, we work every day to tackle the climate emergency.

We have reduced our emissions from energy generation and operations by 86% since 2006, and are on track to be carbon neutral in 2025. That is more than two decades ahead of what is required by science to limit global warming to 1.5°C. Recently, our carbon reductions targets were approved as 1.5°C-aligned by the Science Based Targets initiative. We are also taking the decarbonization journey well beyond our own walls, with targets to cut energy trading and supply chain emissions in half by 2032 and down to net zero by 2040.

According to BloombergNEF, wind and solar will supply almost 50% of world electricity by 2050. Although renewable energy technologies generate power with zero emissions, there are emissions linked to the production and installation of renewables. These emissions are typically hard to reduce. But we need to find solutions to cut emissions in the renewable energy value chain as global demand for clean energy rises.

At Ørsted, we have identified the manufacture of wind turbines, foundation, substations, cables and components as the most carbon-intensive activities in our supply chain. These are produced using steel, aluminium and copper, among other materials, which are energy intensive to extract and manufacture. The second largest source of our supply chain emissions is the fossil fuels used by maritime vessels that transport and install offshore wind components.

To decarbonize our supply chain, we established a program in 2020 that asks our strategic suppliers to:

- ▼ Disclose their own emissions and set science-based carbon reduction targets
- ▼ Use 100% renewable electricity in the manufacture of wind turbines, foundations, cables, substations and components
- ▼ Optimize their current vessel fleet and develop a roadmap to power vessels with renewable energy

Strategic suppliers comprise about half of Ørsted’s procurement spend, and we closely engage them through our program. We discuss why the decarbonization of their business makes them more competitive, supports the growth of their industry, and protects our planet.

We ask them to identify their emissions hotspots, which are the most carbon intensive or hard-to-abate parts of their business. Reducing value chain emissions is a joint journey, and our program signals to suppliers that Ørsted is helping create and sustain a demand for low-carbon products.

Suppliers need tools for the complex task of mapping, disclosing and reducing their emissions. A shared standard for greenhouse gas reporting is a must for companies to compare data and set a baseline for measuring progress. Ørsted has chosen to become a CDP supply chain member as it is a valuable emissions-mapping and supplier engagement tool that aligns with CDP climate reporting and is well known to many companies. It has helped our suppliers mature their thinking about measuring and disclosing carbon emissions.

The mapping exercise provides suppliers a picture of their current performance on reducing emissions. Over time, it could help them set a science-based carbon reduction target, which is a strong driver of climate action by companies. With carbon reduction strategies in place, suppliers have a sound basis for sourcing green electricity and achieving quantifiable emissions reductions.

One year since the launch of the program, we find our suppliers have greater awareness of their carbon emissions. There is stronger buy-in from their top leadership about the need to decarbonize. Our experience is that suppliers see an opportunity to boost innovation and meet the growing market demand for low-carbon products.

Filip Engel, Vice President of Sustainability, Public Affairs, Marketing and Branding at Ørsted

Pfizer

Pharmaceutical company, US



Pfizer recognizes the profound societal and public health risks of climate change. We're proud to have been the first company in the pharmaceutical sector to have our climate target validated by the Science Based Target initiative in 2015.

Tips for success

- Set science based GHG reduction target
- Integrate climate impacts into enterprise risk management processes
- Engage with industry groups to catalyze climate action within the sector's supply chain
- Integrate sustainability within product and process innovation strategies
- Recognize staff achievements through sustainability awards

Pfizer is a global innovative biopharmaceutical company committed to the application of science to bring therapies to people that extend and significantly improve their lives. Every day, Pfizer works across developed and emerging markets to advance wellness, prevention, treatments and cures that challenge some of the most feared diseases of our time. Our colleagues also collaborate with health care providers, governments and local communities to support and expand access to reliable, affordable healthcare around the world.

Our company purpose – 'Breakthroughs that Change Patients' Lives' – guides our environmental sustainability priorities, with focus on climate impact mitigation, conservation of resources and the reduction of waste arising from our operations. Pfizer recognizes the profound societal and public health impacts that are expected to result from environmental issues including climate change. Our commitment to environmental sustainability has driven significant progress in environmental footprint reduction, including advancement of successive greenhouse gas (GHG) reduction goals over the past two decades. We are proud to have been the first company in the pharmaceutical sector to have our current GHG reduction goal validated by the Science Based Target initiative in 2015. We continue to be guided by science as we look to establish our next generation goals and ambitions.

Our accomplishments are the result of our network of engaged colleagues involved in activities such as site energy assessments, energy efficiency projects, and renewable energy investments. For example, our green chemistry community has developed tools and resources enabling selection of materials with preferable environmental profiles within our product development and manufacturing processes. Together these actions – which amount to thousands of projects, both big and small – have delivered >55% reduction in our GHG emissions since 2000.

In addition to the actions taken across our company, recognizing that a significant portion of our carbon footprint relates to indirect emissions, we established our first environmental sustainability goals focused on our key goods and services suppliers in 2015. These ambitious goals focus on influencing change by partnering with our key suppliers to establish robust environmental sustainability programs and gain commitment for GHG emissions reduction. Through our collective efforts, >85% (add comma) of our key suppliers are managing their environmental impacts and >75% are progressing GHG reduction goals. These actions were recognized through Pfizer's placement on CDP's Supplier Engagement Leaderboard in 2018 and 2019. Our engagement efforts have established a firm foundation on which we will continue to build through an ambitious second-generation supplier engagement goal for 2025.

Furthermore, recognizing the role technology advancements can contribute to our future plans, Pfizer completed a sustainability bond in March 2020, a first for the pharmaceutical industry. Proceeds from the bond will be used to drive long-standing strategies to construct "green" buildings, become more energy efficient, conserve more water, reduce waste, and increase recycling. Investment in innovative manufacturing equipment, such as Portable Continuous Modular Manufacturing (PCMM, pictured), further supports the environmental footprint improvements of our products.

Pfizer remains committed to climate and environmental sustainability action and plans to soon launch our 4th Generation GHG goals, demonstrating our continuing commitment to decarbonizing our operations aligned with contemporary science, when our current goals come to end of term at the end of 2020.

Caroline Roan, Chief Sustainability Officer, Pfizer

Supporting Photograph:
PCMM Freiberg

Sofidel is at the forefront of the transition towards a low-carbon economy, a goal that is consistent with our growth strategy aiming to build ‘an inclusive, sustainable and resilient future for people and the planet’. At Sofidel, we believe businesses taking science-based climate action will benefit from greater opportunities for innovation, stakeholder confidence and improved competitiveness in order to create shared value.

Tips for success

- ▼ Commit to ecological, technological and digital transformation focussing sustainability on people, the environment and smart technologies
- ▼ “Less is More”: to produce more valuable and efficient products and services and reduce consumption, waste and negative environmental impacts
- ▼ Publicly commit to limit global warming well-below 2°C by setting science-based targets to reduce climate-altering emissions
- ▼ Adopt sustainable pulp procurement policies to enable proper forest management and responsible water resource management in our production process
- ▼ Invest in culture and youth education to build a brighter future for young people and upcoming generations

Headquartered in Italy, the Sofidel Group is one of the world’s largest **tissue paper** manufacturers, whose products have a range of **hygienic and domestic applications** such as toilet paper, kitchen towels, napkins, paper handkerchiefs and facial tissues. Founded in 1966 and with over 6,400 employees, we operate in 11 countries across Europe as well as in the United States. With more than 1.3 million tonnes in annual production capacity, the Group is the second biggest in its sector in Europe, and seventh worldwide.

Sofidel has aligned its sustainable growth strategy with the UN’s 17 Sustainable Development Goals (SDGs), to “**build an inclusive, sustainable and resilient future for people and the planet**”. We are committed to reducing our environmental impact and maximising social benefits, and have set objectives to help transition to a low-carbon economy, thereby creating **shared added value for all stakeholders**.

The sustainable philosophy of Sofidel is supported by concrete and measurable actions which have allowed for a **considerable reduction in the environmental impact** of production by the companies within the Group.

In 2020, Sofidel’s **greenhouse gas (GHG) emissions reduction targets for 2030** were approved by the Science Based Targets initiative (SBTi) – a collaboration between CDP, the United Nations Global Compact (UNGC), World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). These are consistent with reductions required to **keep warming well-below 2°C** and in line with the Paris Agreement’s goals.

Specifically, Sofidel has committed to **reduce its scope 1 and scope 2 emissions by 40% per ton of paper by 2030**, its scope 3 emissions from its pulping suppliers by 40% per ton of paper by 2030, and its remaining scope 3 GHG emissions by 24% per ton of paper by 2030 (with 2018 as the base year).

“Sofidel is at the forefront of the transition towards a low-carbon economy, a goal that is consistent with our growth strategy aiming to build ‘an inclusive, sustainable and resilient future for people and the planet’. At Sofidel, we believe businesses taking science-based climate action will benefit from greater opportunities for innovation, stakeholder confidence and improved competitiveness in order to create shared value.”

Sofidel has also been publicly committed to reducing greenhouse gas emissions since 2008, annually certifying our emissions inventory through third-party and independent bodies. As a result, Sofidel has **reduced direct CO₂ emissions by 17.9%** (reduction in carbon intensity, 2009-2019). To reach this achievement, the company invested around €100 million over ten years (2009-2018) in **cogeneration plants and energy production from renewable sources** (photovoltaic and hydroelectric), **biomass power plants and energy efficiency**.

Pulp sourcing is another fundamental area for Sofidel. We apply strict procurement policies for raw materials of forestry origin and favour suppliers who comply with the main forest certification schemes. **100% of pulp used in our production process is certified by independent third parties with forest certification schemes** (FSC®, FSC Controlled Wood and PEFC™).

Moreover, Sofidel works to **safeguard and responsibly manage water resources**. Our production processes are constantly monitored to optimise water use. We continue to achieve significant water results, using on average **7.3 l/kg of water per kilogram of paper produced**, close to the lower end of the range recommended by the EU’s Best Available Techniques (BAT) Reference Document for the pulp sector.

Sofidel has also committed to **reduce conventional plastic use in production by 50% by 2030** (compared to 2013). To achieve this target, we have focused on reducing plastic film thickness and introduced new kraft paper packaging, as well as moving to recycled plastics or bioplastics in some markets.

These actions are part of Sofidel’s broader commitment to “**transformative change**” and **helping build a bright future for young people and upcoming generations**.

Luigi Lazzareschi, Sofidel Group CEO

Sopra Steria Group

Information Technology, France



As a responsible company, and even more in the current COVID 19 pandemic situation, we must go further by mobilising all of our stakeholders in building a sustainable world. Our commitment to “net zero” emissions in 2028 is a strong sign of this ambition.



Tips for success

- ▼ Embed sustainability at board level and integrate it into your business strategy
- ▼ Engage your employees in a network of environmental ambassadors across your organisation, to support objectives and implement programmes delivering the strategy
- ▼ Gather data on sources of greenhouse gas emissions, as well as risks and opportunities - have figures independently audited and report them
- ▼ Define a route to set ambitious targets, in line with climate science, to limit the rise in global temperatures to 1.5°C
- ▼ Collaborate with your value chain, especially suppliers and clients, to help create a more sustainable world for all

A European leader in consulting, digital services and software publishing, Sopra Steria has committed to reach ‘net zero’ emissions in 2028 by embedding sustainability in our operations, supply chain and services to clients. This commitment follows tangible results of a decarbonisation programme we began almost ten years ago – and comes 22 years earlier than the United Nations’ and EU’s recommendation. We plan to reach this goal by mobilising employees and stakeholders, building resilience in our value chain while supporting clients in the transition to a net-zero economy.

Sopra Steria Group’s CEO, Vincent Paris, is clear that action to protect the climate and the environment has been at the heart of Sopra Steria’s strategy for many years. The Group’s ability to anticipate and implement innovative initiatives ahead of what we are required to do has made us a corporate leader in the fight against climate change. As a responsible company, and even more during the current COVID 19 pandemic, we must go further by mobilising all of our stakeholders in building a sustainable world. Our commitment to “net zero” emissions in 2028 is a strong sign of this ambition.

Sopra Steria’s environmental programme is based on three priorities: (1) Transition the carbon neutral programme for offices, data centres and business travel to ‘net zero’ with the inclusion of all other emissions from its value chain (2) Invest in digital infrastructure and technologies aligned to our sustainability objectives, applying eco-design principles and assessing the value of new services against environmental costs (Sustainability for IT) (3) Use digital solutions and new technologies to develop innovative solutions to address climate change (IT for Sustainability).

In 2017, Sopra Steria became the first technology services company to have its long-term emissions reduction objectives validated by the Science Based Targets initiative (SBTi), covering all global activities world-wide and consistent with reductions required to keep warming well-below 2°C in line with the Paris Agreement’s goals. In 2019, our new objectives to keep warming below 1.5°C were again approved by the SBTi.

Sopra Steria has already reduced emissions in our offices and on-site data centres by 64% since 2015. We have also lowered business travel emissions per employee by 32% in 5 years. By the end of 2019, 90% of our electricity consumption came from renewable sources.

Thanks to our achievements, Sopra Steria has been in CDP’s “A list”, the highest level, every year since 2017. In early 2020, Sopra Steria reached Platinum in Ecovadis’ Sustainability recognition levels, as one of the top 1% most outstanding companies in sustainability management.

To reach ‘net zero’ by 2028, Sopra Steria will accelerate its environmental programme, especially by rethinking workspaces’ environmental footprint and reducing business travel further by developing collaborative tools and mobilising our value chain. We will invest in carbon removal offsets such as afforestation and, where possible, carbon capture technology.

Our ‘net zero’ by 2028 commitment is central to our digital technology transformation, making sustainable IT an accelerator and opportunity for all.

Vincent Paris, Group CEO

Trane Technologies

Manufacturing, US



At Trane Technologies, sustainability isn't a buzzword – it's core to our strategy. Our commitment extends to the environmental impact of our operations, products, services and people. This all drives a sustainable world that is more resilient, and that's what we need to overcome the long-term impacts of the coronavirus pandemic.

Tips for success

- Stay focused on creating a more sustainable and resilient world through achieving your goals to overcome this pandemic and prepare for future challenges.
- Identify the specific impact your company and industry can have on global goals, and work together to meet collective milestones.
- Involve all stakeholders: partners, employees and NGOS. It will take all of us working together to create a more sustainable world.
- Set bold goals, challenge what's possible and work relentlessly to exceed both.

As a company that brings efficient and sustainable climate solutions to buildings, homes and transportation, we have a unique opportunity to **confront climate change** and ensure a **healthier built environment**. As the world tackles the coronavirus pandemic, the importance of safe and healthy indoor spaces has never been more important. At Trane Technologies, we are committed to innovation and achieving buildings that are both safer and more sustainable.

Fifteen percent of the world's greenhouse gas emissions comes from heating and cooling buildings. As the world warms, global energy demand for Heating, Ventilation and Air Conditioning (HVAC) is expected to rise, **potentially tripling by 2050** - consuming as much electricity as all of China and India today.

At the same time, the global pandemic has heightened demand for ventilation and sensitivity to indoor air quality. Without the right technology, this increased filtration and ventilation could mean rising energy use – and greenhouse gas emissions.

As we pride ourselves on being a climate solutions innovator, we have the opportunity to ensure the health and safety of indoor air without sacrificing the efficiency gains so important to reaching our collective global climate goals.

How? By providing a holistic approach to assessing, mitigating and managing the built environment while reducing greenhouse gas emissions.

Connected, smart buildings are a great example. They can play a vital role in overall increased sustainability, especially as we look at accelerating decarbonization and shifting to carbon neutral buildings. In order to optimize the balance between comfort, health and energy consumption, connected buildings do what no standalone HVAC system can – they learn, adapt and improve air quality and efficiency.

The key to making this happen is data and feedback on what is happening inside the building. Smarter buildings that are connected can better manage comfort and air quality, how energy is used or stored, and when repairs or maintenance are needed. This all leads to better performing, more cost-effective and healthier buildings. Through Trane Commercial, we recently reached a milestone of 20,000 connected buildings in the U.S. and Europe, and that number grows weekly.

Connected building technologies are just one example of how we're leading the way to reduce GHG emissions. As part of our 2030 Sustainability Commitments, we issued **our Gigaton Challenge** – a commitment to reduce our customers' carbon footprint by one billion metric tons. That could equate to 2% of the world's annual emissions, or the annual emissions of Italy, France and the U.K. combined. That's an aggressive goal, but we believe this level of ambition is necessary if we're to meaningfully contribute to limiting climate change to 1.5 degrees Celsius.

In addition to our Gigaton Challenge, we have committed to achieving carbon neutral operations and a 10% reduction in absolute energy use by 2030. We're also pledging to be net positive in water use, putting more water back into the system than we take out. That means collaborating with others to improve the quality of watersheds that provide drinking water to millions of people in the water-stressed locations where we have manufacturing operations.

These are goals we can, and must, stick to even in these uncertain times. Some have questioned if the pandemic will jeopardize progress in addressing climate change or divert critical resources. At Trane Technologies, sustainability isn't a buzzword – it's core to our strategy. Our commitment extends to the environmental impact of our operations, products, services and people. This all drives a sustainable world that is more resilient, and that's what we need to overcome the long-term impacts of the coronavirus pandemic.

We believe one company can change an industry and one industry can change the world. Join us in rising to the challenge.

Paul Camuti, Executive Vice President and Chief Technology and Strategy Officer

Wastebox, Inc.

Climate Change Consultant, Japan



We strive to achieve our mission of delivering social change through helping companies to measure their carbon emissions and set and implement ambitious targets.



Tips for success

- ▼ **Measure:** measure your corporate carbon footprint across the supply chain.
- ▼ **Set a target:** set science-based emission reduction targets in line with SBTi criteria.
- ▼ **Reduce:** reduce emissions through renewable energy, energy efficiency, etc. and track the progress.
- ▼ **Offset:** offset unavoidable emissions by supporting external emission reduction/removal projects.
- ▼ **Communicate:** communicate a series of actions and the results.

Wastebox, Inc., an accredited CDP climate change consultancy solutions provider in Japan, provides consulting services related to the measurement and management of GHG emissions.

Our name "Wastebox" literally means rubbish bin. Wastebox, Inc., was established in 2006 with the hope of transforming a large amount of disposed rubbish or, to put it another way, 'resources', that were just below market standards but still usable, into environmentally friendly products that can be reused and add more value to society. This could be as simple as the use of vegetables which are still fresh but don't meet the cosmetic standards of supermarkets, or more innovative upcycling such as making bags using car leather offcuts disposed from automobile factories.

By using Life Cycle Assessment (LCA), Wastebox is committed to measuring and visualizing environmental impacts associated with all stages of a product life cycle, such as raw material acquisition, production, distribution, use and end-of-life. We then identify the product's environmental friendliness and communicate the results to consumers and society.

Building on this experience, we started offering services in measuring the environmental impacts of clients' products, services and business activities with a particular focus on GHG emissions. We now have more than ten years of experience in this field. With the urgency of climate action in the private sector becoming even more apparent, we broadened our services to consultancy in domestic carbon credit schemes, carbon offsetting and various government-contracted environmental programs. For example, we are a registered provider of the J-credit Scheme in Japan.

To tackle global environmental issues, it is essential that both consumption and financial activities become environmentally sustainable, so that the economy and the environment coexist in balance.

We believe that it is important for corporations to understand their own environmental impacts and communicate them to society. Data and transparency sit at the heart of this. We strive to achieve our mission of delivering social change through helping companies to measure their carbon emissions and set and implement ambitious targets.

A company's environmental impact does not end with its direct operations. For the past few years, Wastebox has particularly focused on helping corporations to measure and manage their GHG emissions across supply chains (Scope 1, 2, 3). We believe that a cycle of carbon management (see our tips for success) is very important for corporate climate change strategies and we adapt our services to support companies at different stages in their journeys.

Ambitious corporate action is essential to achieve the targets of the Paris Agreement. Wastebox, as an expert in measuring GHG emissions and other environmental impacts, contributes to the transformation of society into a decarbonized, sustainable society through supporting corporate carbon management.

Mr. Shuichiro Suzuki, CEO

CDP Contacts

Dexter Galvin

Global Head of Corporations and Supply Chains

Paul Robins

Global Head of Partnerships

Jenny Frings

Senior Partnerships Manager

CDP Worldwide

4th Floor Plantation Place South
60 Great Tower Street
London EC3R 5AD
United Kingdom

Tel: +44 (0)20 3818 3900

www.cdp.net

info@cdp.net

Our thanks go to the following organisations, whose support made this report possible

A2A, Best Buy, Canadian Pacific Railway, Carbonsink, Firmenich, L'Oréal, Ørsted, Pfizer, Sofidel, Sopra Steria, Trane Technologies and Wastebox.

If you're interested in sponsoring this report next year, please contact jenny.frings@cdp.net. And if you'd like to learn more about how CDP's supply chain program could help you engage your suppliers on environmental issues as it has done for some of the companies featured in this report, please contact supply.chain@cdp.net