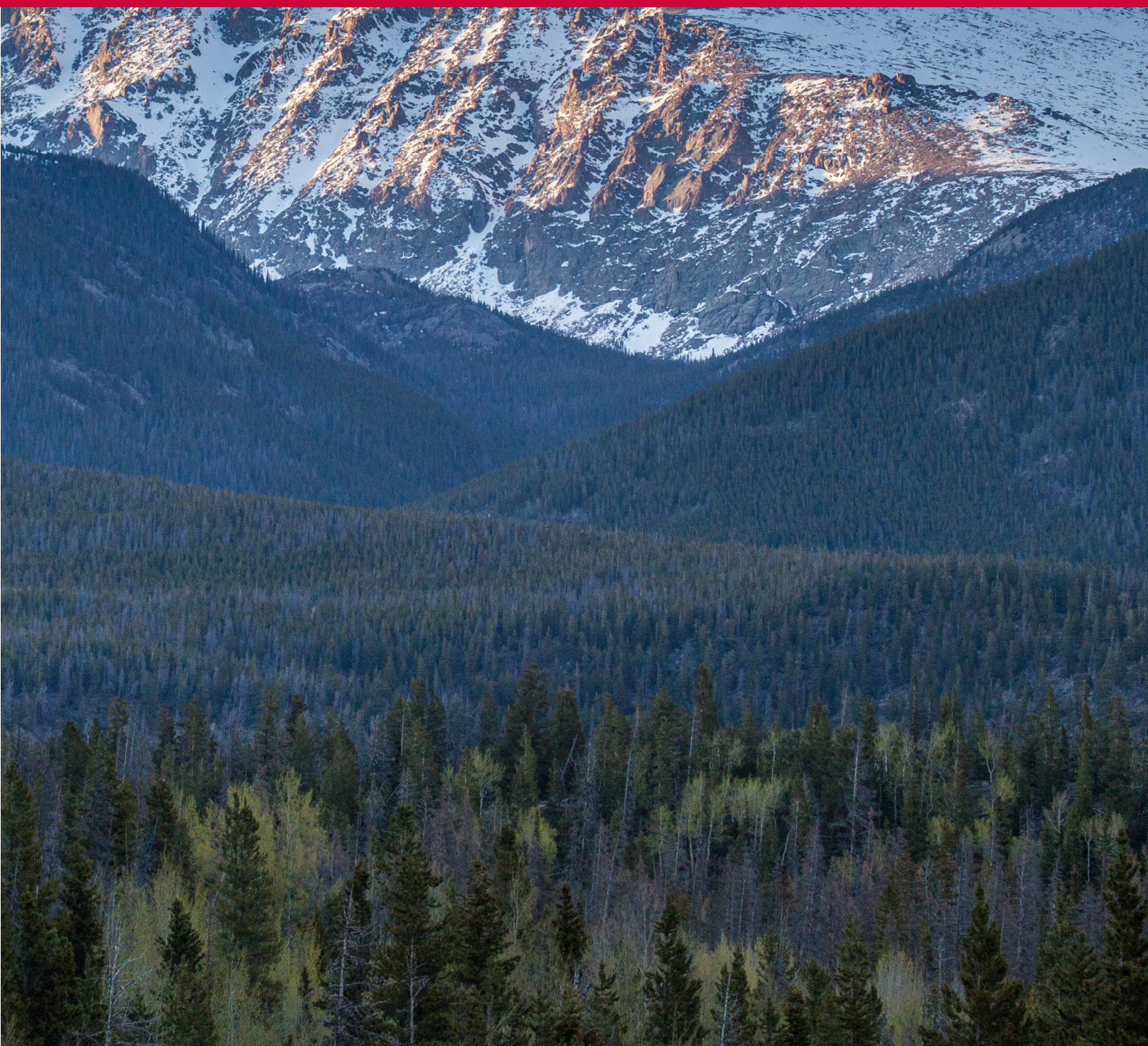


CDP SCIENCE BASED TARGETS CAMPAIGN

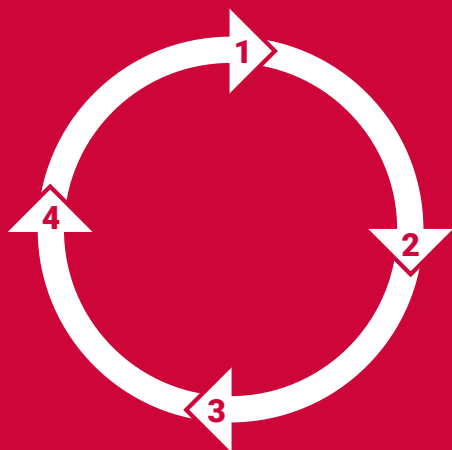
MID-TERM UPDATE

June 2020 – January 2021



THE CAMPAIGN: GOAL

To create a positive ambition loop between investors and companies that incentivizes high-impact companies to set science-based targets (SBTs) and accelerates the decarbonization of investment and lending portfolios.



1.

Investors engage companies to drive the adoption of science-based targets.

2.

Number of listed companies setting science-based targets increases.

3.

With more companies setting targets, investors can build investable universes aligned with the Paris Agreement more easily, and take public action on climate.

4.

Financial institution commits to public science-based targets for their investment and lending portfolio.

THE SCIENCE BASED TARGETS INITIATIVE

The Science Based Targets initiative provides investors with an independent, robust and transparent way to assess companies emission reduction targets. The targets must be scientifically aligned with the Paris Agreement. Companies can be accountable for their climate commitment while investors are enabled to raise climate ambition that can be measured in a uniform, comparable way.

HOW IT WORKS



Investor sign-up: All CDP investor signatories are asked to sign up if they wish to participate, by signing a letter backing the request to the selected group of companies.



Company outreach: CDP contacts the selected group of companies through the letters signed by the coalition of investors joining this campaign.



Company commitment: companies that positively respond to the campaign join the SBTi through the **Business Ambition for 1.5°C** Commitment Letter, which is the mechanism for formalizing the commitment to reach net-zero emissions by no later than 2050.



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

BUSINESS
AMBITION FOR **1.5°C**



OUR ONLY
FUTURE

2020 CAMPAIGN: KEY STATISTICS

1,800+

Companies

View the list here (only available to CDP investor signatories after sign in).



Representing

\$40 trillion

of market capitalization
(-60% of world's total).

Covering over

25% of global GHG emissions

through their
S1 + S2 emissions

Within CDP's universe of
disclosing or requested-to-
disclose companies.

137

Financial institutions

View the list here



Selected group of investors

Willing to use their investment
authority to drive science-
based action within the
corporate sector

Holding nearly

US \$20 trillion

in assets

Part of CDP's universe
of investor signatories.

[Click here to join the 2021 CDP
SBT campaign](#)



TIMELINE

June – September 2020

Campaign launch &
Investors sign up

October 2020

Media launch & first
mailout to CEOs

October 2020 - May 2021

Corporate engagement
of high impact targets

May 2021

First year campaign
review brief

June – September 2021

Launch of 2021 campaign

THE IMPACT OF THE CAMPAIGN SINCE OCTOBER 2020

CDP CORPORATE ENGAGEMENT

1830

Companies targeted



OCTOBER 2020

700

Follow ups from CDP corporate engagement team



150

CDP conversations with companies



CDP CORPORATE ENGAGEMENT

80%

Interest in setting an SBT

15

companies signed 1.5°C and net zero commitment

▼ In addition to 33 companies joining SBTi through standard commitment letter

▼ And 8 companies who joined with approved targets

JANUARY 2021

GET INVOLVED

Do you want to engage directly companies to set science-based targets?

Download the engagement tracker and target the companies of your choice



THE CAMPAIGN IN KEY GLOBAL MEDIA



REUTERS

Investors urge heavy carbon emitters to set science-based reduction targets



Alecta, Strathclyde and others back science-based targets ask



The voice of the Asian century

Companies slashing carbon emissions see 15% rise in market cap

elEconomista.es

A group of investors with 20 trillion dollars in assets is allied to pressure the most polluting companies

FINANS

Investors are pushing companies to set climate goals

Dagens industri

Swedish stock market giants are singled out in global appeal: "Must change"

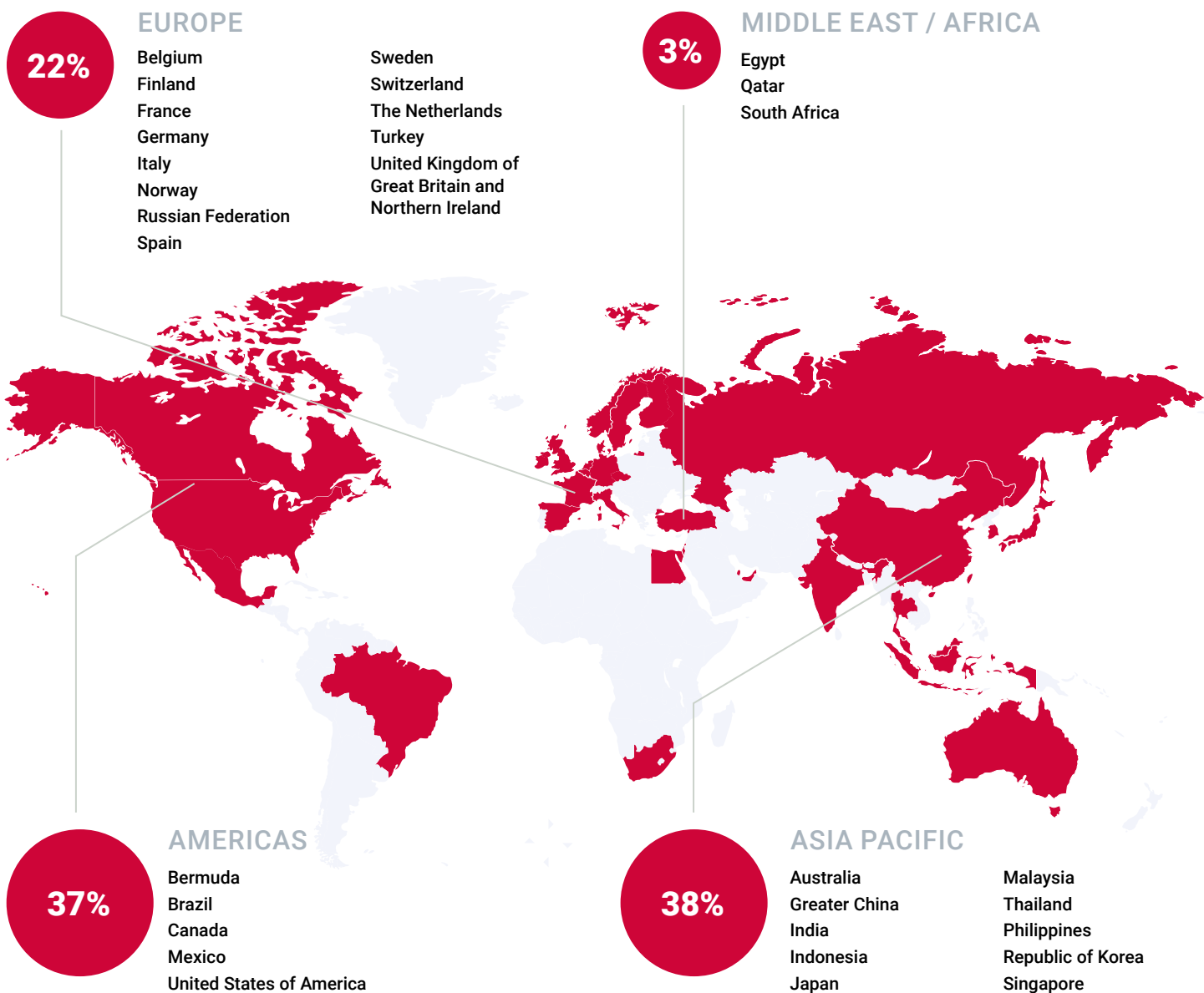
L'AGEFI

Investors challenge companies responsible for 25% of global emissions

Handelsblatt

Large investors challenge 1,800 companies

TARGETING 1850 COMPANIES ACROSS THE WORLD



The campaign and its purpose are well aligned with our own work with climate-related risks and opportunities. To remain an attractive investment, it is essential that a company develops a climate strategy that aligns with the objectives of the Paris agreement.

Sandra Metoyer
Head of Responsible Investments
AP Pension



Integrating ESG into investment management processes is only possible with strong commitment and transparent disclosure from companies. We hope this campaign will signal that investors are serious about climate change issues and emphasize the importance and urgency of creating a forward-looking science-based target, integrated with long-term corporate strategies.

Hiroki Tsujimura
CIO
Nikko Asset Management



Companies that do not set science-based targets risk being surprised by increased costs of lost business that could result from the increasing focus on climate change by society and regulators. Science-based targets not only encourage a rigorous and critical self-evaluation, but also enable institutional investors to better serve their clients through improved analysis.

Tef Maloney
CIO
MFS Investment Management



CDP SBT CAMPAIGN TARGET SAMPLE

The campaign targets the highest-impact companies within the global investable market. CDP has carefully curated this sample with the MSCI ACWI Index as a starting point and applied a number of prioritization criteria to ensure maximum impact and relevance, both from the climate and investment perspectives.

See the [methodology](#) for more detail.

Total companies	CDP responders 2020	Reported intent to set an SBT	Market value	Total GHG emissions (scope 1,2,3)	% of MSCI ACWI coverage
1830	1033	383	\$38.7 Trn	47.5 GtCO ₂ e	45%

SBTi TARGET-SETTING RESOURCES

Companies from all sectors can publicly commit to set an SBT by signing the SBTi Business Ambition for 1.5°C or the Standard Commitment Letter. Companies in **all sectors – except the Oil & Gas sector*** - can set science-based targets, joining companies from nearly 50 sectors. The SBTi focuses on developing methods, frameworks, guidance, and tools to support businesses in specific sectors in setting robust science-based targets. All of the SBTi sectors development projects and related timelines can be found [here](#).

CDP-ACS industry	# companies in campaign	SBTi target-setting resources (besides the absolute contraction method available for all sectors, except O&G)
Transportation services	159	Available: SBTi Transport Guidance and Sectoral Decarbonization Approach (SDA) available for passenger and freight land transportation and Original Equipment Manufacturers (OEMs) sectors. In development: SBTi Transport methods, tools, & guidance for shipping and aviation (2021).
Apparel	6	Available: SBTi guidance for Apparel and Footwear.
Food & Beverage Processing	45	Scoping phase: SBTi methods and guidance for Forest, Land and Agriculture (FLAG).
Materials	303	Scoping phase: SBTi methodology for Aluminium Scoping phase: SBTi methodology for Forest, Land and Agriculture (FLAG).
Biotech, Health Care & Pharma	73	Sector-specific methodology/guidance not available for this sector.
Fossil Fuels	249	In development: SBTi methodology for O&G companies (2021) – O&G companies cannot currently set targets.
Hospitality	16	Sector-specific methodology/guidance not available for this sector.
Manufacturing	259	Scoping phase: SBTi methodology for Chemicals & Petrochemicals
Power Generation	223	Available: SBTi 1.5°C Pathway for Electric Utilities
Retail	73	Sector-specific methodology/guidance not available for this sector.
Services	302	Available: ITU & GSMA methodology for ITC sector - 1.5°C absolute contraction alignment. In development: SBTi methodology for Financial Institutions currently in pilot phase (to be finalized by 2021).
Mineral Extraction	22	Sector-specific methodology/guidance not available for this sector.
Infrastructure	100	Sector-specific methodology/guidance not available for this sector.

*The SBTi is currently unable to validate targets for companies in the Oil and Gas sector; given the complexity of the sector, the SBTi is currently discussing various cases for the oil and gas service companies and other sub-sectors that are excluded in the oil and gas methodology currently being developed.