Road to Net-Zero: **Corporate Climate Action in Asia Pacific**

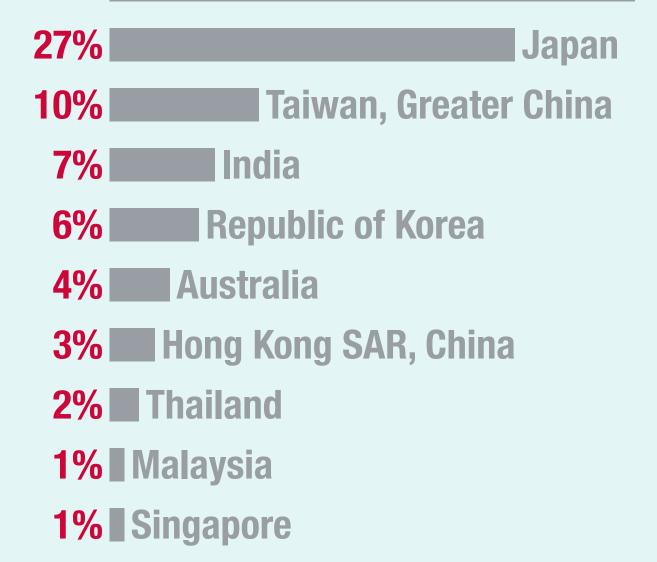
Insights from 2020 TCFD-aligned Disclosure



Mainland China







~20% increase from 2019

Number of companies in Asia Pacific with:

Governance



Yes

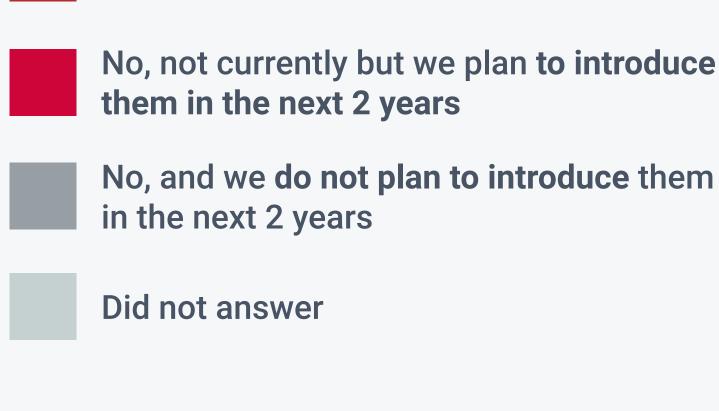
Board-level oversight 79% Climate-related issues integrated into business strategy **78%** Have a process for identifying, assessing, and responding to climate-related issues 74% n = 3,010

Did not answer

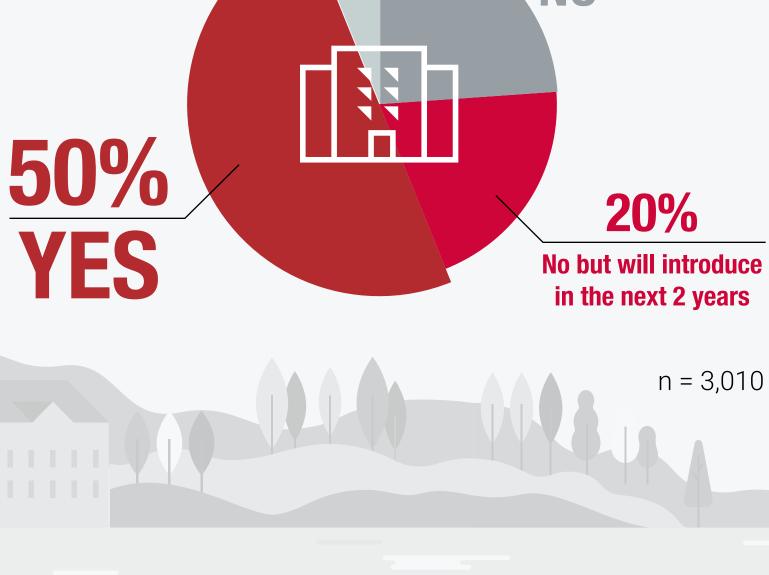
Companies providing incentives for the management on

NO No, not currently but we plan to introduce them in the next 2 years

climate-related issues, including the attainment of targets:







24%

69%

7%

n = 2,212

into multi-disciplinary company-wide risk management processes

Integrated into multi-disciplinary

Physical Risks

- Acute

- Chronic

24% A specific climate-related risk Did not answer management process

74% of companies have a process for identifying, assessing and responding

to climate-related issues. Of these, more than 2/3rds have integrated them

company-wide risk management process **Climate-related Risks and Opportunities Transition Risks**

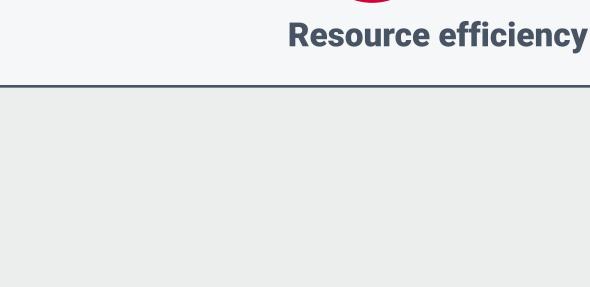
- Reputation **RISK** - Technology n = 1,918

Opportunities identified

Markets



Energy source



analysis to inform their business strategies



n = 1,704

2020

n = 3,010

Did not answer

Waste generated

in operations

n = 3,010

n = 3,010

Products and services

- Current regulation

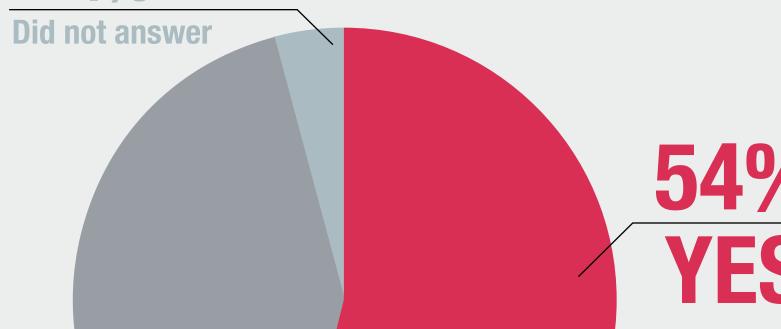
- Emerging regulation

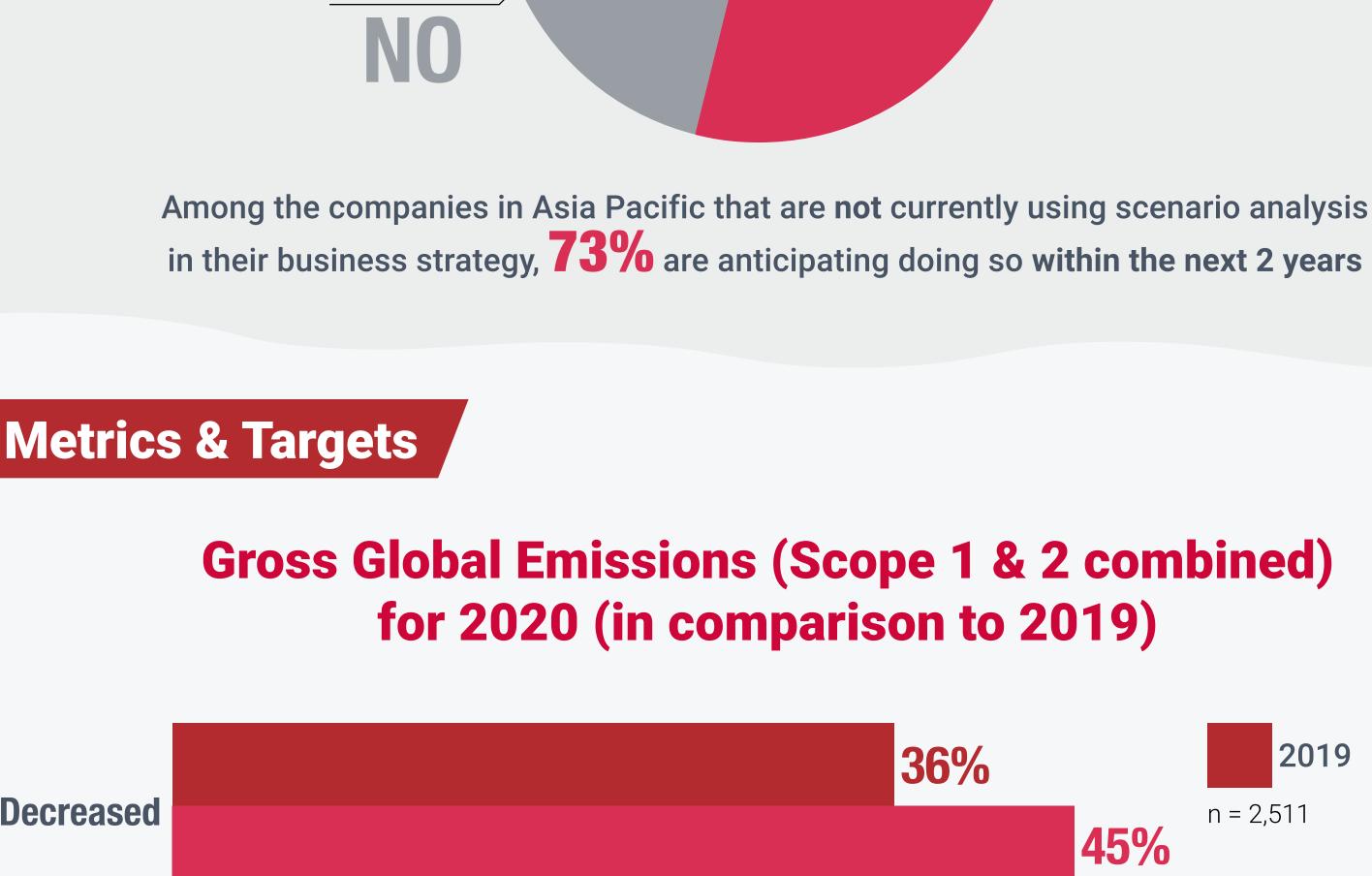
- Legal

- Market



Resilience





don't have any emissions data or did not answer **Increased** 18%

23%



*absolute or intensity targets

Scope 3 Emissions

Purchased goods

and services

Decreased

Top Scope 3 Categories* considered most relevant

Business travel

*Out of the 15 categories of Scope 3 emissions as indicated in the GHG Protocol

Companies reported engaging with value chain

on climate-related issues:

Engage with both upstream (suppliers) and downstream (customers) stakeholders

68% Yes we do engage with value chain



within the next two years

India

Thailand

* The Science-based Targets Initiative

Number of SBTs validated by the SBTi* Companies committed to setting a SBT

Mainland China

Bangladesh

Vietnam

Pakistan

Malaysia

Singapore

Industry Highlights

Sri Lanka

2018 68 2019

78

Japan

South Korea

Indonesia

Australia

of companies in the manufacturing sector have identified

financial or strategic impact on their business

of the risks identified are most likely to

occur in the short term, the highest rate

among the 11 primary industries analyzed

climate-related risks with the potential to have a substantive

Hong Kong SAR, China

Taiwan, Greater China

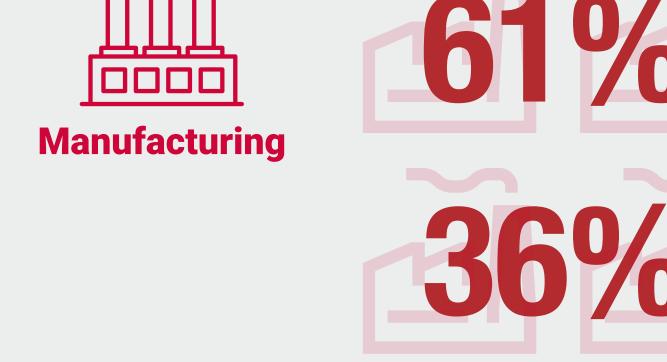
145 **120**

2020

28% No we do not engage

New

Zealand *as of 22 Jan 2021



Industry Highlights

Apparel

15%

Nearly 70% of companies have emissions targets in place however only 15% reported at least one **Scope 3 target**

apparel industry have identified climate-risks, while on average 2 out of 3 companies in all other industries have done so

of the risks identified were found in direct operations

industries The sector is also underestimating risks across its value chain: only 100 & 000 reported upstream and downstream risks respectively identified climate-related opportunities in increased resource efficiency

Just over half companies in the

But of those 42% went for who have, 42% absolute targets

Awareness is growing: 28% of apparel companies are reporting Scope 1 & 2 emissions for the first time

www.cdp.net

CDP Asia Pacific

other

34% of apparel companies reported having no targets in place