

# 2022 CDP EUROPE WORKSHOP LEADING THE DECADE OF DELIVERY

Wednesday 27 April 2022 – 10:00 – 12:00 CEST

# CLIMATE TRANSITION PLANS

# HOUSEKEEPING NOTES



- ▼ Submit your questions anytime in the Q&A section
- ▼ Slides will be shared with you after the event
- ▼ The event is being recorded

# SPEAKER



**Scott Twigg**

Campaign Project Officer

*CDP*

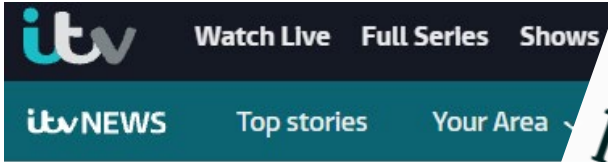
# Agenda

- ▼ Why transition plans?
- ▼ What does a credible climate transition plan look like?
- ▼ Are Companies being transparent in their transition?
- ▼ Further Resources
- ▼ Q & A



# Why Transition Plans?

# Climate action takes hold post Glasgow



ECB wants mandatory climate transition plans for banks

COP26: Glasgow protests  
Thunberg's 'no more blah blah' to world leaders

## COP26: EIB Group engages with clients to help them align to the goals of the Paris Agreement



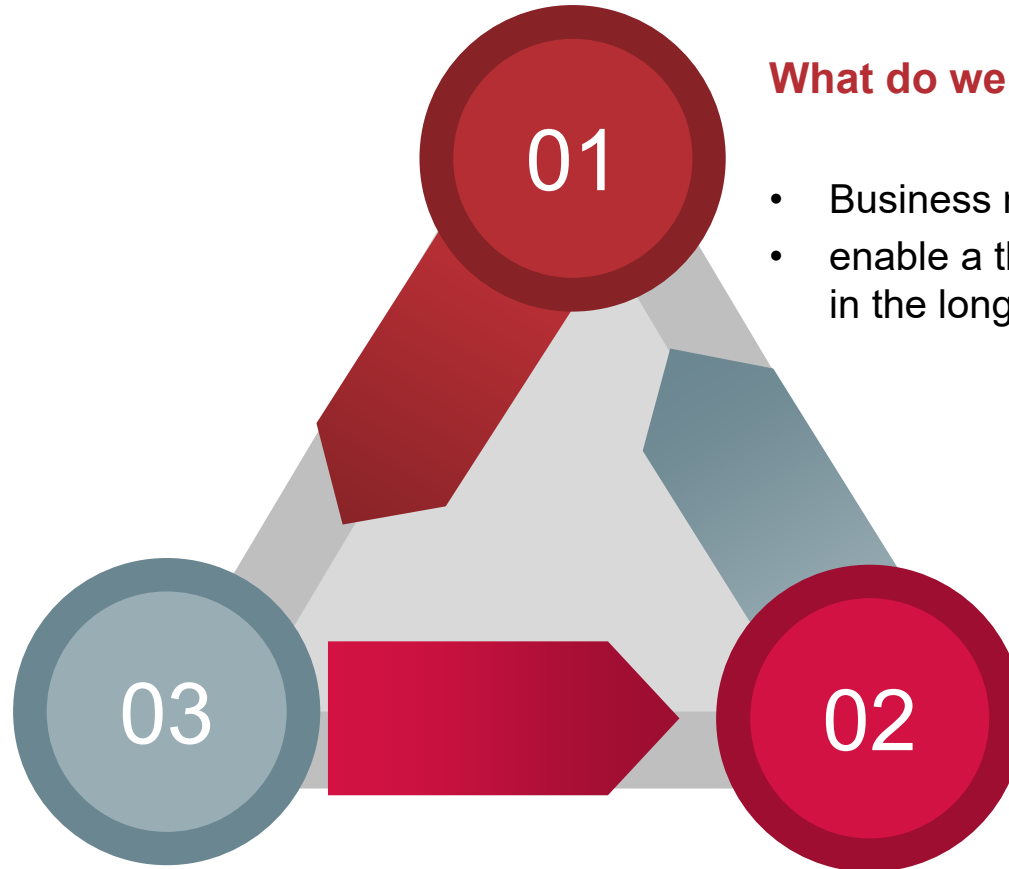
## COP26: UK firms forced to show how they will hit net zero

# What does a credible Climate Transition Plans look like?



## Why is climate transition plan disclosure important?

- Evolving regulatory landscape
- Increased stakeholder interest



## What do we mean by transition?

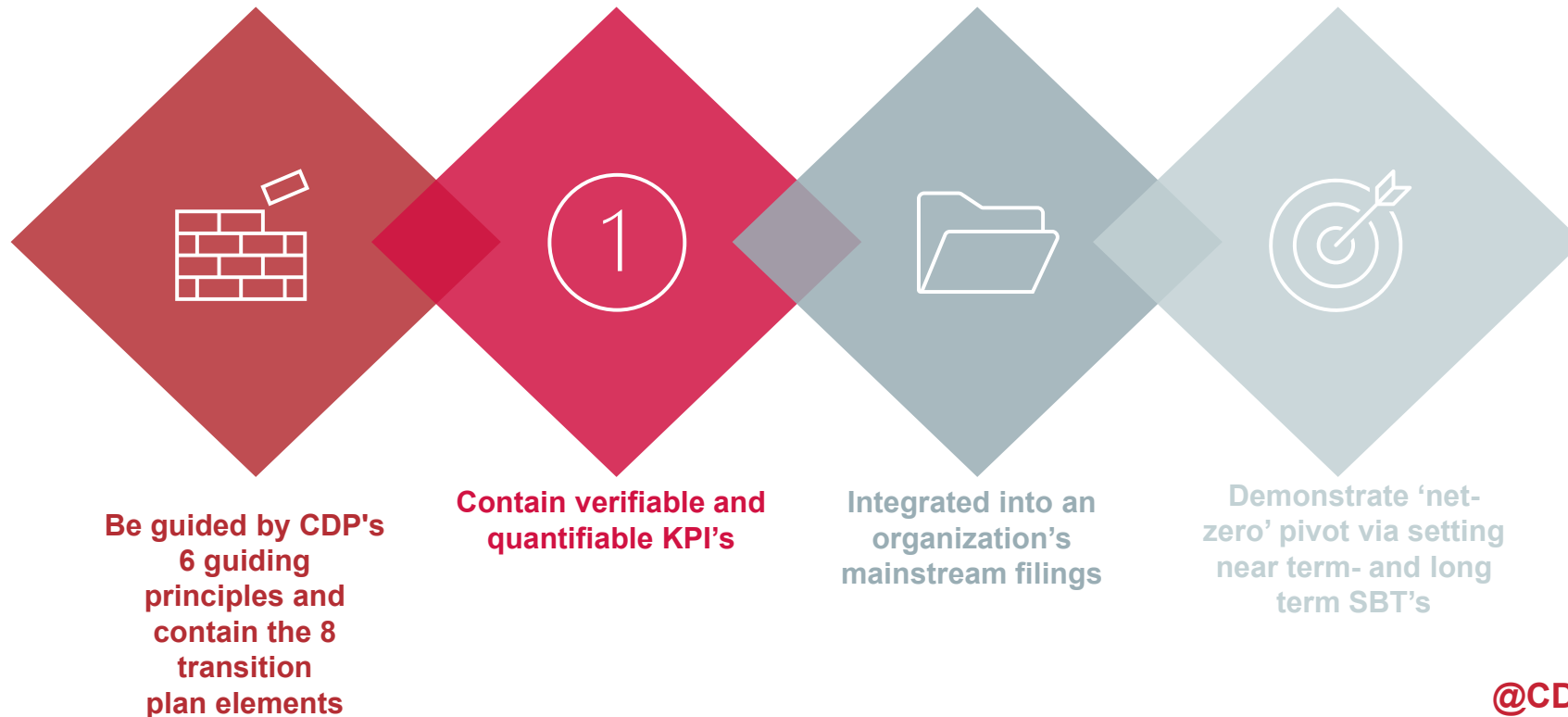
- Business model alignment
- enable a thriving economy that works for people and planet in the long term.

## What is a corporate climate transition plan?

- Action plan demonstrating pivot to 1.5°C trajectory
- Developed on guiding principles and contains key elements

# What is a Climate Transition Plan

*A climate transition plan is a time-bound, action plan that clearly outlines how an organization will pivot its existing assets, operations, and entire business model towards a trajectory that aligns with the latest and most ambitious climate science recommendations. i.e., halving emissions by 2030 and reaching net-zero by 2050 at the latest, thereby limiting global warming to 1.5°C*

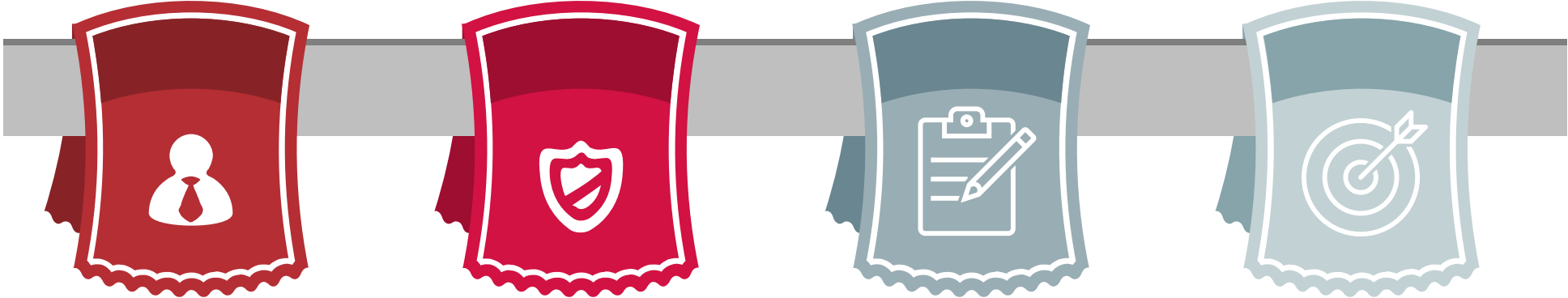


# Climate Transition Plan Elements



CDP has identified the following key elements which constitute a credible transition plan

TCFD pillar



**Governance**

**Strategy**

**Risk Management**

**Metrics & Targets**

**CDP credible  
climate  
transition  
elements**

Governance

Scenario Analysis

Risks & Opportunities

Targets  
Scope 1,2 & 3 accounting  
with verification

Financial Planning

Value chain engagement and low-carbon initiatives

Policy engagement

# Are Companies Being Transparent in their Transition?

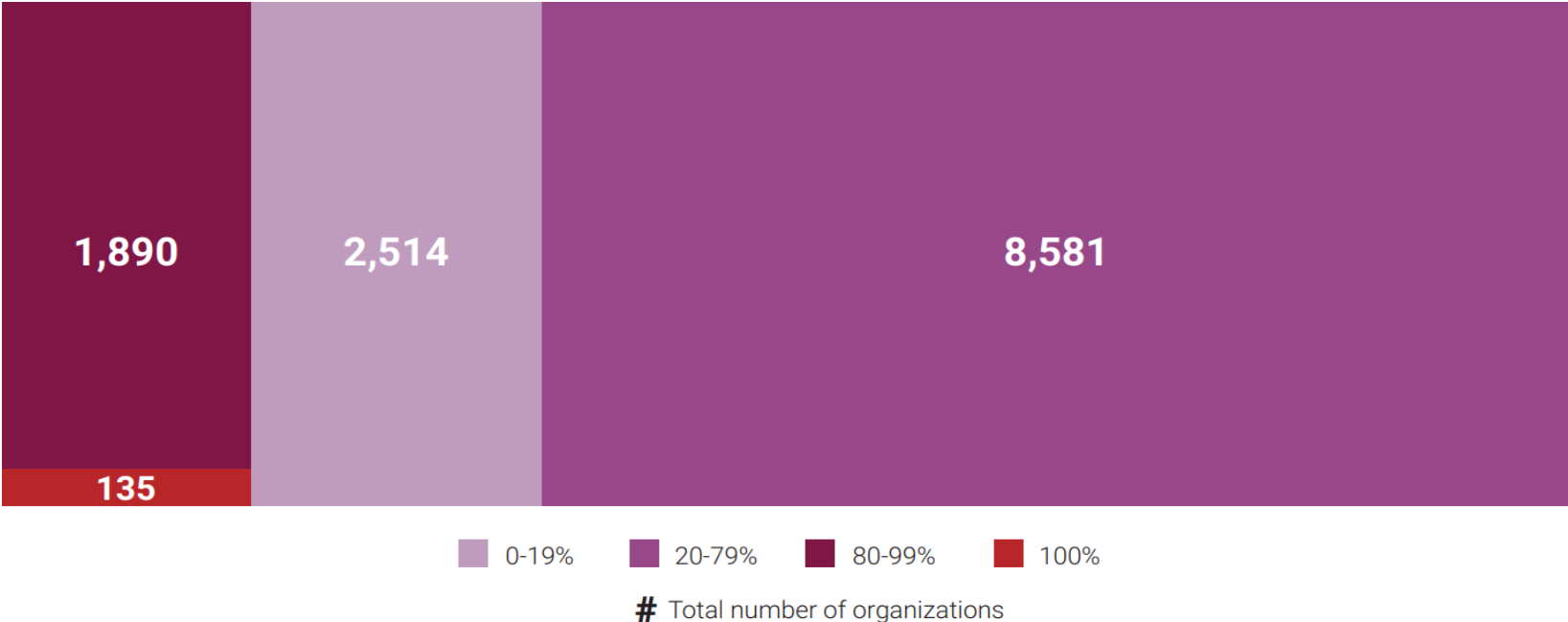
2021 Disclosure Rates to Key Transition-Focused Metrics

# Disclosure of Climate Transition Plans and Strategy



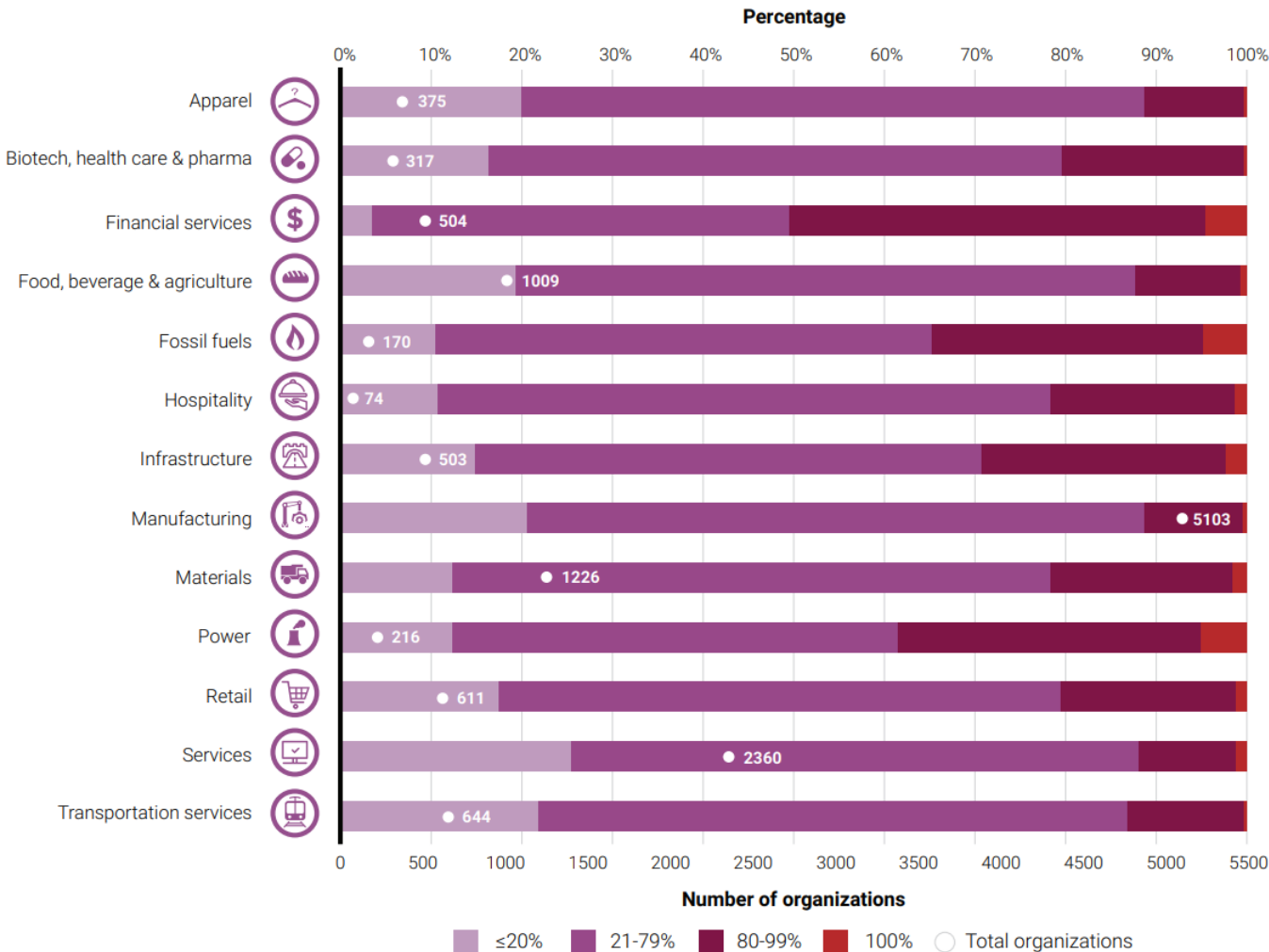
- ▼ Only 1/3 (4,002) of organizations reported developing a low-carbon transition plan
- ▼ Less than 1% (135) organizations disclosed to all identified (24) transition-related indicators
- ▼ Below shows a breakdown of the level of disclosure, demonstrating most organizations need to improve

2021 disclosure to all 24 climate transition plan indicators – by disclosure threshold



# Sectoral Breakdown Across Disclosure Threshold

Percentage of disclosure by threshold to climate transition plan indicators by sector



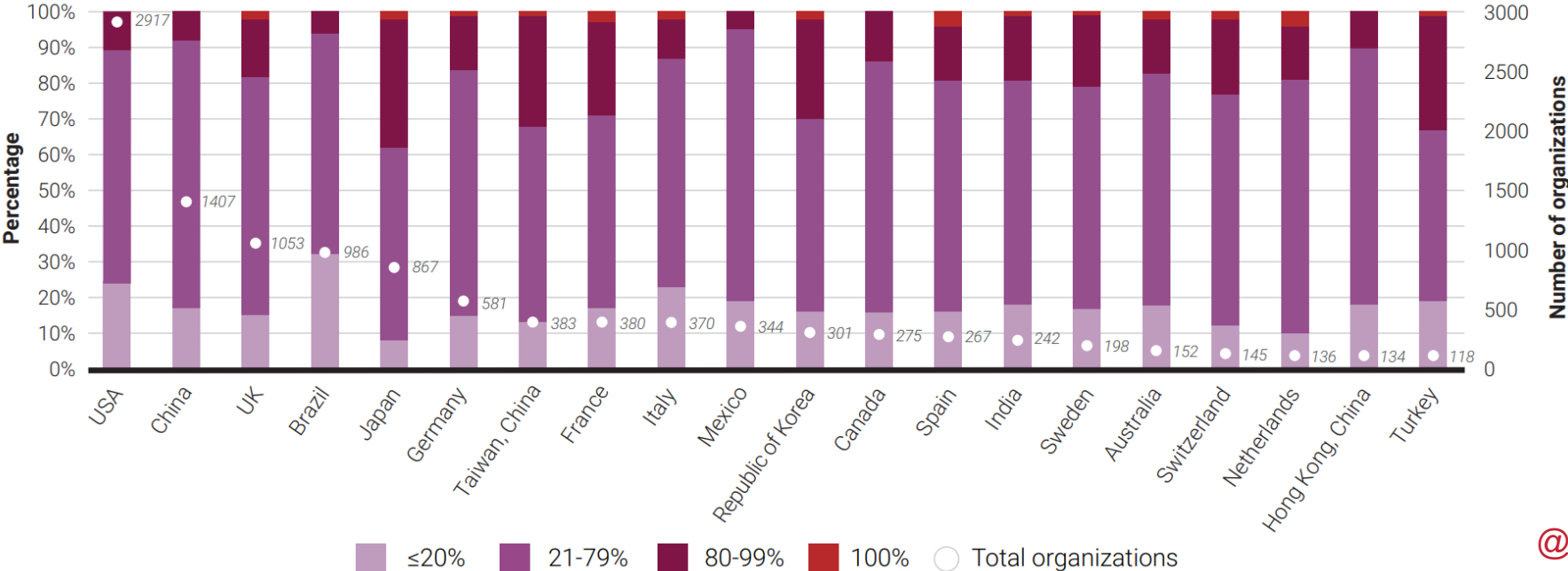
- ▶ Sectors such as Apparel, Biotech, Food, Beverage & Agriculture, Manufacturing and Services all performed particularly poorly.
- ▶ Financial Services and Power were some of the strongest performing sectors.
- ▶ With only 1% of organizations disclosing to all key transition plan indicators it's important to note that even in leading sectors there is still an urgent need for improvement.
- ▶ Through improving your disclosure, implementing CDP guidance and applying best practices to your planning there is ample opportunity to elevate your transition readiness.

# Geographic breakdown Across Disclosure Threshold



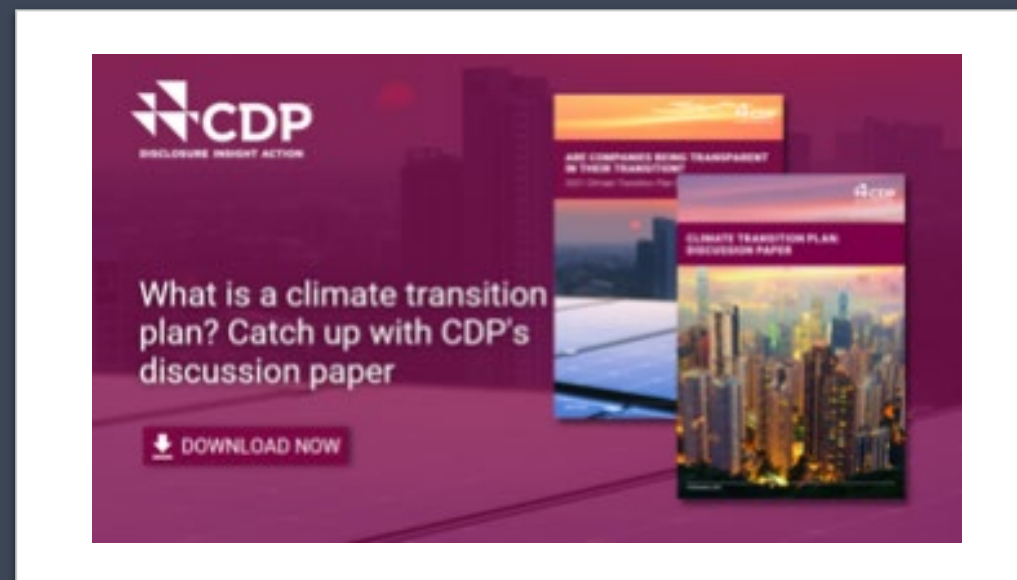
- CDP receives disclosures from organizations across 117 countries. When evaluated for disclosure to all key indicators of a climate transition plan, Japan and the UK were the geographic leaders: with 19 Japanese organizations and 16 UK organizations disclosing to all key indicators
- Globally, Singapore, the Netherlands & Spain had the highest proportional rates of disclosure to all key indicators – however with an average of only 4% of all organizations in these countries disclosing to all the key indicators, more work is needed.

Disclosure performance to all 24 climate transition plan indicators – by country (Top 20)



# Further resources

- ▼ [CDP Climate Transition Plan Webpage](#)
- ▼ [Discussion paper](#)
- ▼ [Technical note - Climate Transition Plans](#)
- ▼ [Recording of \*How to report on your climate transition plan\* webinar](#)
- ▼ [CDP report \*Are Companies Being Transparent in their Transition?\*](#)





# THANK YOU!



## CONTACT



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## LEARN MORE

- ▼ **CDP Guidance:**  
[cdp.net/en/guidance/guidance-for-companies/organizational-guide-for-environmental-action](http://cdp.net/en/guidance/guidance-for-companies/organizational-guide-for-environmental-action)
- ▼ **CDP Transition Planning:**  
[cdp.net/en/guidance/guidance-for-companies/climate-transition-plans](http://cdp.net/en/guidance/guidance-for-companies/climate-transition-plans)