

CDP GOVERNMENT PARTNERSHIPS IN EUROPE

Strengthening climate and environmental disclosure, and driving action in EU & EFTA countries



This document adds a European perspective and insights to the [CDP Government Partnerships overview](#).



CDP's work and impact across Europe

US\$5.5 trillion

globally in combined purchasing power represented by CDP's 200+ supply chain members

4,393 European companies

from 18,500 globally used CDP to respond to their investors or customers in 2022

200 Signatory investors

from 680 globally with over US\$130 trillion support CDP Europe's disclosure request

135+ Cities, states & regions

from over 1100 globally disclose environmental information through CDP

74% of European market capitalization

is covered by corporates disclosing environmental information through CDP

Europe's leadership is vital towards limiting the global temperature increase to 1.5°C and driving a nature-positive future. In order to make the transition to a sustainable economy that takes planetary boundaries into consideration, measuring, understanding and acting on the climate and environmental impact of companies and subnational actors is indispensable. The information thus obtained is vital because it underlies effective and efficient decision-making on policies and measures that advance the transition. CDP's data and insights – based on primary company and subnational government disclosures – and its resulting unique expertise can be utilized by governments to achieve the targets set forth in the Paris Agreement, the European Green Deal and the Sustainable Development Goals.

Companies reporting to CDP in 2022 represented about 74% of European market capitalization with over US\$8 billion in annual revenue. The investor authority behind the CDP disclosure system – on a global level 680 investor signatories with US\$130 trillion in assets under management and, in Europe alone, 200 investors with over US\$100 trillion in assets – drive about 50% of the response rate by European companies. In addition, companies that also disclose environmental information throughout their supply chain – thereby taking responsibility for their value chain and purchasing decisions – number over 200 and represent US\$5.5 trillion in value at a global level. From 2020 to 2022 alone, companies disclosing their environmental performance to CDP increased by 38% globally.

Not all companies disclose all the relevant data points and, at present, not all companies have the requisite internal climate and environmental management and infrastructure in place to deliver on the EU's and member states' goals. There are also stark differences between countries – as the description, graphics and data on the following pages illustrate. Against this backdrop and in spite of the progress that has been made to date, much work remains to be done. It is also the reason why CDP continues to sharpen its advocacy for more science-based climate and environmental action, to ensure that decisions taken result in actual measurable and lasting progress.

CDP's market-based mechanism, the capital market and supply chain levers, already spurs over 4,393 companies in Europe (of 18,700 globally) to driving the climate and environmental transition. For the remaining companies to join, and in order to get us over the finish line, raise overall ambition to 1.5°C and achieve nature recovery, government support is needed. Subnational jurisdictions, of which over 135 in Europe (of 1,100 globally) are already taking action, play an equally important role in the transition and require their governments' backing as well.

This is where governments can have the biggest impact in supporting CDP.



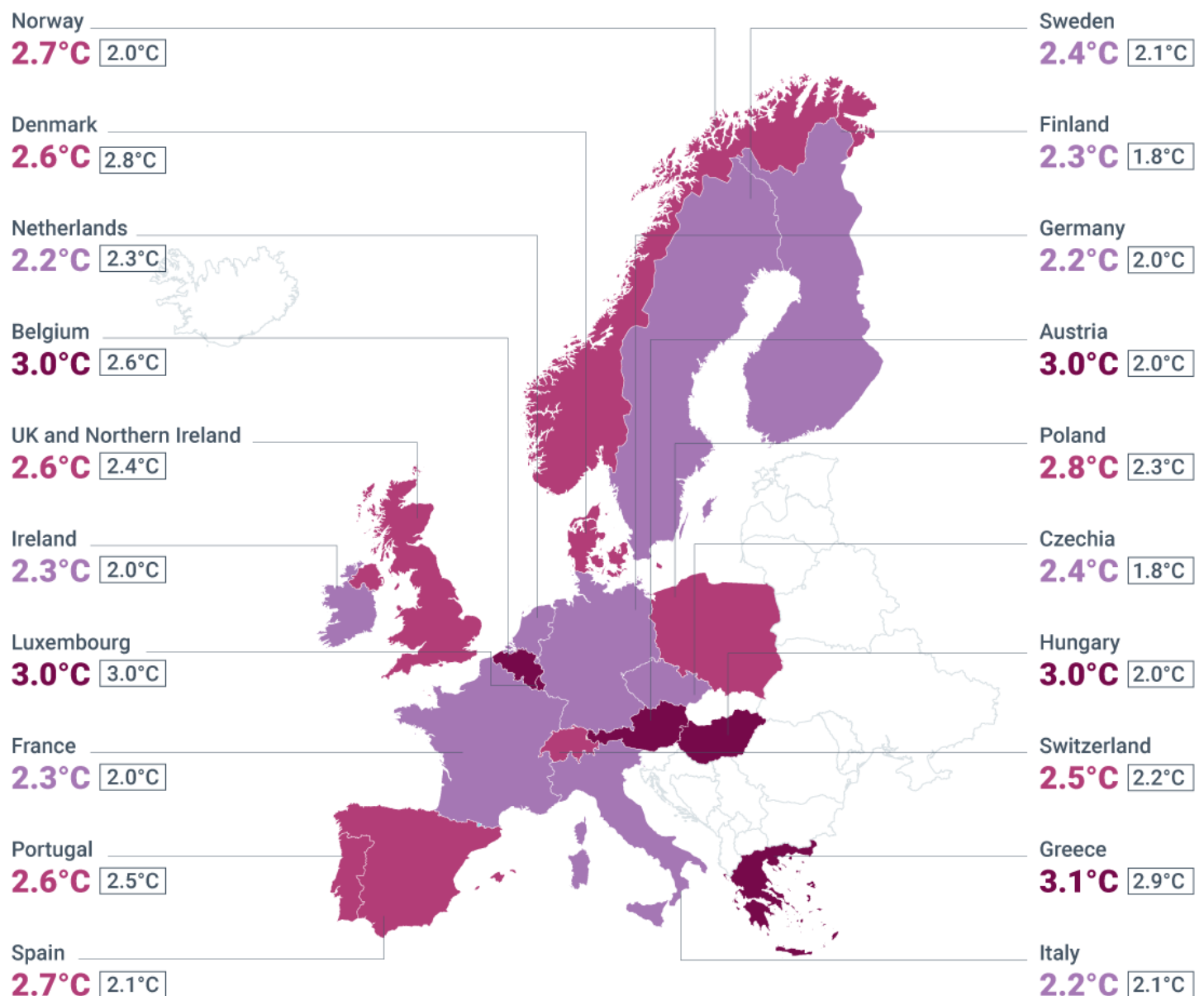
CDP's work and impact across Europe

Several companies are setting more ambitious targets and the financial sector is gearing up to direct capital more meaningfully towards companies that are taking earnest action to mitigate climate risks and support the transition. Yet there are also important warnings. Despite the increasing corporate ambitions for a transition to a low-carbon industry and economy, an accelerated pace is needed – urgently. Analysis of CDP's temperature ratings dataset, which uses CDP 2021 disclosure data, reveals that the current Scope 1-3 emissions reduction targets of European companies disclosing to CDP in

2021 are not ambitious enough to reach the targets set forth in the Paris agreement – thus implying that there is still a stark ambition gap. As of today, assuming European companies achieve their current targets, the European corporate sector disclosing to CDP is in line with a 2.7°C world by 2100. That falls critically short of the ambition to reach the 1.5°C target required for Paris alignment. It should be noted, too, that this outcome assumes all companies will achieve their reported targets.

Europe is out of alignment with Paris agreement goals

Based on current emissions reduction targets adopted by companies, Europe is looking at temperature increases considerably above the Paris Agreement target of 1.5°C





CDP's work and impact across Europe



**Ingrida
Simonyte**

Prime Minister of Lithuania



**Angela
Merkel**

Ex-German Chancellor



**Ursula
von der Leyen**

President of the
European Commission



**Frans
Timmermans**

Executive Vice-President of
the European Commission



**Patricia
Espinosa**

UNFCCC Executive Secretary



**Elizabeth
Maruma Mrema**

UNCBD Executive Secretary



We should be very careful and not let the daily problems undermine or hamper the idea of the green transition. You can see this happening even now as we see the soaring prices of energy. This should be a signal that we need to change, because our reliance on fossil fuels is such a big vulnerability for all of us. We must understand this green transition as part of our national security.



We have to take resolute action now and not some indeterminate point in the future. These companies, cities and municipalities which have made their data available to CDP have demonstrated this resolve. They have come to realize that actively protecting the climate and the environment also gives them a competitive advantage. After all, sustainability is increasingly expected from investors and clients.



We share a common vision. We want Europe to become the world's first climate neutral continent by 2050. And – importantly – we share a common strong resolve. A resolve to turn this vision into a new reality. To help drive the change we need, the Commission will put forward a plan for a future-ready economy, our new industrial strategy. It will make the circular economy a driving principle and Europe's global brand for sustainable production and consumption.



There is a lot of leadership not just in politics but also in the private sector and among citizens. This is one of the main concerns citizens have even amidst the pandemic. The climate crisis keeps them busy. So, we have a mandate to act and there is a lot of willingness to act.



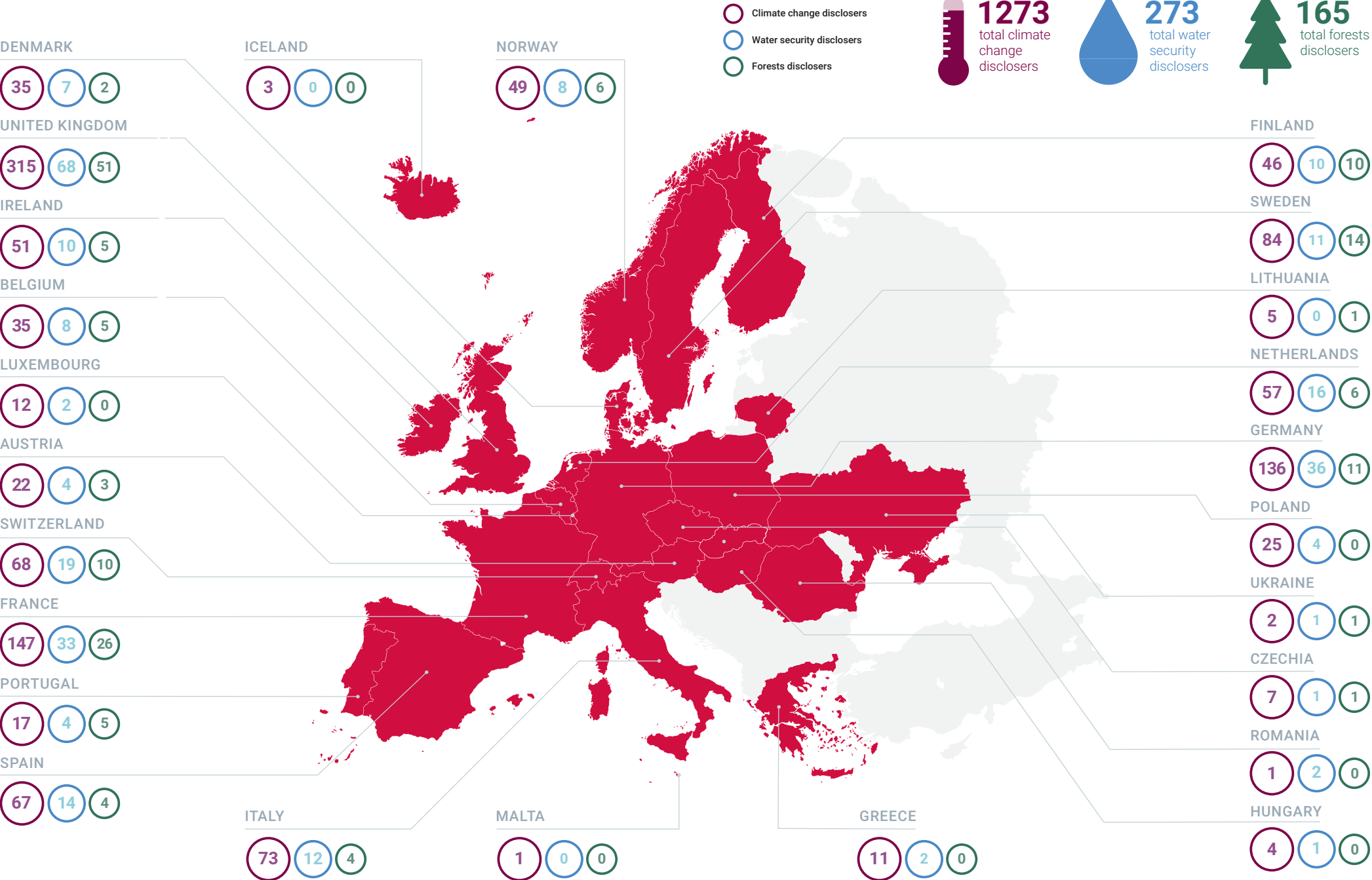
Listen to the science. Supporting the inter-governmental and national work on the most robust scientific evidence is a powerful tool to advance collective goals.



What is at stake is the loss of biodiversity reaching unprecedented rate in the history of humankind. Climate change and biodiversity are two global inseparable environmental crises. We either take action now or perish.



Disclosure across Europe (2021)



Map displays the number of 2021 responses from all companies responding to investors in the respective country, including companies reporting through their parent companies and some private companies.



CDP's work and impact across Europe

Key relationships in Europe



To catalyze collective action toward our goals, CDP works with intergovernmental agencies, governments, business and regional associations, NGOs and financial organizations around the world to drive further action.

[See our formal collaborations.](#)

CDP's partnerships and collaborations, both in Europe and globally, are multifarious and can be found [here](#). [Climate change](#), [water scarcity](#) and [deforestation](#) are unparalleled global challenges that require a systemic change in market behavior. To catalyze collective action towards our goals, CDP supports many different initiatives across different stakeholder groups and has forged strong alliances around the world. One example is CDP's active participation in the "We Mean Business Coalition", a group that works with the world's most influential businesses to take action on climate change. The Coalition comprises seven non-profit organizations: BSR, CDP, Ceres, Climate Group, CLG Europe, The B Team and WBCSD. Together, we catalyze business and policy action to halve emissions by 2030 and accelerate an inclusive transition to a net-zero economy.

Opportunities for governments to partner with CDP

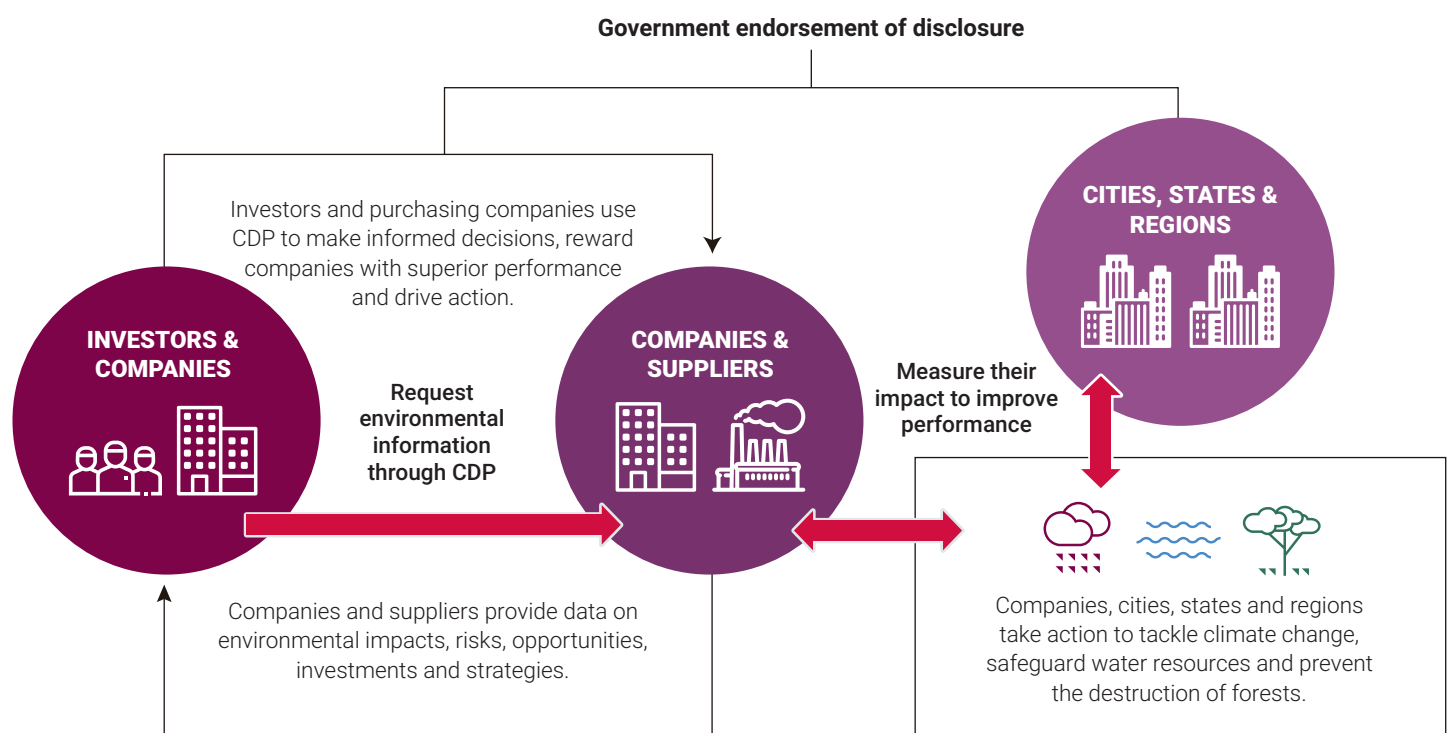
Importantly, CDP also engages and collaborates with policymakers, helping governments and other public institutions analyze the impact that non-state climate and environmental action has on the achievement of the ambitious goals of the Paris Agreement, the 2030 Agenda for Sustainable Development, the European Green Deal and "Fit for 55" package, and the Convention on Biological Diversity.



Joint action

Government endorsements in Europe

European governments can support transparency, climate and environmental action through an endorsement. A government endorsement is a formal agreement of support by governmental bodies and other agencies for CDP's disclosure invitation. The government endorsement aims at including governments in CDP's annual disclosure cycle and provides them with insights into publicly reported data of corporates, cities and regions. Endorsing CDP's disclosure invitation also helps improve the climate change, water security and deforestation data reported by companies and local governments in the respective jurisdiction.



By endorsing CDP governments thus effectively leverage their authority to promote voluntary corporate and subnational climate and environmental disclosure and action. This allows a government to use the endorsement to emphasize its own political and climate priorities to be taken forward through CDP's engagement and capacity-building activities (which include regular interaction with companies, cities and regions). This could mean, for instance, promoting 1.5°C (Paris-aligned) science-based emissions reduction targets for companies and cities, or promoting zero-deforestation targets throughout entire supply chains. Importantly, the government endorsement – which is communicated

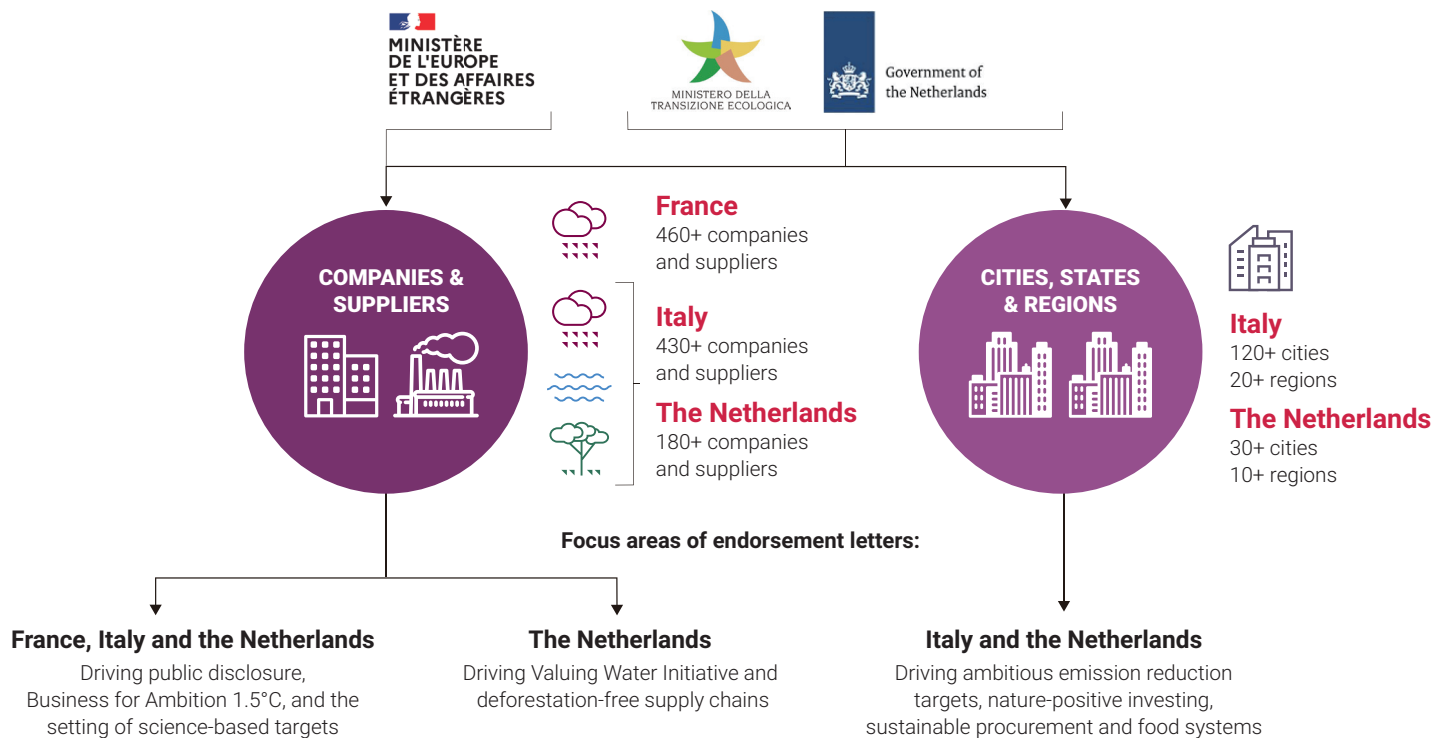
via an "endorsement letter" sent to companies, cities and regions in a particular country – does not mean that corporates or cities are obligated to disclose environmental information via the CDP disclosure system. It is an encouragement by these governmental bodies and agencies to provide climate and environmental information and to galvanize corporates, cities and regions to take action, as well as an affirmation that there is a need for greater availability of environmental data as well as ambitious, measurable action. CDP also provides endorsing governments with access to a suite of [benefits around disclosure, insight and action](#) regarding the data reported through CDP.



Joint action

Government endorsements in Europe

What follows is an overview of CDP's three existing government endorsements and their respective emphases on specific environmental priorities:



Note: The Valuing Water Initiative is a collaboration between the Dutch government, CDP, Mercer and the Water Footprint Network that promotes water-related transparency and action via a new disclosure framework for financial institutions; [Business for Ambition 1.5°C](#) constitutes a global coalition of UN agencies and civil society organisations that calls to action business and industry leaders to ask their companies to set science-based targets.

TESTIMONIAL ON THE IMPACT OF A GOVERNMENT ENDORSEMENT



Combatting Climate Change and restricting the global temperature rise to 1.5°C cannot be the responsibility just of governments. Businesses and individual citizens must also play their parts. Businesses must set and govern strategy for their value chains, managing risks and opportunities in them, setting targets for them and monitoring their performance, while reporting openly on that performance.

The right reporting platform is important, and businesses look to governments, the European Union and the United Nations to set the standard. The Ministry of Europe and Foreign Affairs in France supports CDP Climate Change by encouraging businesses in France to disclose publicly important information about their response to climate change on it. This endorsement assists us not only by giving credibility to the way in which we communicate our response to Climate Change with the best performing businesses featured in the prestigious CDP 'A List', but also by giving weight to the importance of climate action by our value chain, clients and suppliers in support of a sustainable world for all.





Additional benefits for European governments when endorsing the CDP disclosure system

By endorsing the CDP disclosure system national governments in Europe and globally can actively drive the increase in quantity and quality of climate and environmental data of corporates and local governments within their national jurisdiction, as well as trigger decisive action towards preventing dangerous climate change, water scarcity and deforestation. **For EU member states and EFTA countries, additional benefits exist by endorsing and partnering with CDP. These include automatically meeting several of the important climate-related obligations set forth by the EU and numerous international agreements because the commitments of governments partnering with CDP are closely aligned with EU and other international fora's policies, legislation and, consequently, member states' obligations. Some of the most important examples include:**

- ▶ Driving awareness and capacity on the **European Green Deal** across European non-state actors (focusing on climate mitigation and adaptation, zero deforestation, water quality and security, zero pollution, biodiversity and ecosystems recovery).
- ▶ Supporting the implementation by non-state actors of the **"Fit for 55"** package, disclosure obligations for companies and investors as set forth in **the EU Taxonomy**, the sustainable finance disclosure regulation (**SFDR**), the Corporate Sustainability Reporting Directive (**CSRD**) and European Sustainability Reporting Standards (**ESRS**), and the Corporate Sustainability Due Diligence Directive (**CSDDD**).
- ▶ Advocating for international policy processes regarding environmental and climate topics, such as **G7, G20, UNFCCC, the Convention on Biodiversity (CBD) and the Amsterdam Declaration and the New York Forest Declaration**.
- ▶ Advancing policy implementation that respects planetary boundaries and is in line with the **UN Sustainable Development Goals**.
- ▶ Bringing non-state actors up to speed with international policy processes that advance environmental and climate goals, such as the **G7, G20, UNFCCC, the Convention on Biological Diversity (CBD), the Amsterdam Declaration and the New York Forest Declaration**.

In addition to meeting their environmental, water- and forest-related obligations as EU and EFTA member states, governments endorsing CDP receive a suite of benefits and further opportunities to take action (see p. 6 in [CDP Government Partnerships overview](#)).



NB: Offering these benefits is made possible by the funding support from the European Commission's [LIFE Programme](#) and other donors.



Additional benefits for European governments when endorsing the CDP disclosure system

How does CDP disclosure support and drive policy implementation in Europe and globally?

CDP's data informs sustainable policy solutions

CDP provides the public monitoring, reporting and evaluation system for climate- and environment-related information of companies, cities, regions and financial institutions. This serves to drive transparency, hold stakeholders accountable, and bring them together for knowledge and best-practice exchanges. **CDP's disclosure system and higher ambition initiatives drive climate and environmental action into comparable performance that can be tracked and monitored over time.** Thus CDP ensures that commitments are linked to accountability and concrete action on implementation. A selection of key examples of how CDP drives policy implementation includes:

- Acting as a trusted partner to policy actors by serving as the go-to resource for data, research and insights regarding national and EU policies' anticipated impact on the environment, climate, water, forests, biodiversity and nature positivity.
- Providing information and services on the environment that policy actors recognize as a public good.
- Preparing non-state actors for upcoming and/or anticipated legislation.
- Raising awareness and support for legislation among non-state actors.
- Supporting policy implementation and tracking of non-state actors' climate and environmental performance.

CDP and the European Green Deal (EGD)

For the European Green Deal to succeed, non-state actor climate and environmental action is imperative. CDP already engages stakeholders on a multitude of actions put forward in the EGD, thus positioning those stakeholders well for upcoming legislative changes and business opportunities. Specifically yet not exclusively, CDP can support companies, investors, governments, cities and regions in the implementation of the following EGD action areas:

- Raise ambition on climate action.
- Promote clean energy, industry, mobility.
- Reduce water pollution and deforestation throughout the value chain.
- Strengthen the sustainable finance agenda and non-financial reporting and governance.

CDP and "Fit for 55"

The EU's "Fit for 55" package is a suite of legislative revisions whereby the European Commission aims to bring existing EU legislation in line with the EU's 2030 and 2050 climate commitments. The EU will reduce its net GHG emissions by at least 55% by 2030, compared to 1990 levels, as agreed in the European Climate Law. The Commission is presenting the legislative tools to deliver on the targets agreed in the European Climate Law. In working with our partners, disclosing companies, cities, states and regions, CDP Europe focuses specifically on the following legislative proposals:

- Carbon Border Adjustment Mechanism (CBAM): expected to become operational in 2026 with a gradual phase-out of free allowances.
- Energy Efficiency Directive (EED): 36-39% target by 2030.
- Energy Taxation Directive: align taxation with new climate policies.
- EU Emissions Trading System (EU ETS): stronger emissions reductions with a target of 61% lower by 2030, extension to buildings and transport, including shipping, free allowances removed for aviation.
- Renewable Energy Directive (RED II): 40% target by 2030.
- Land Use, Land-Use Change and Forestry Regulation (LULUCF).



Additional benefits for European governments when endorsing the CDP disclosure system

CDP and Sustainable Finance

In November 2021, CDP released the policy brief [“Shaping a Sustainable Financial System: Future-proofing global finance for a net-zero, nature-positive world”](#). This publication presents CDP’s view of what policy, regulation and supervision of the financial system should look like, the reasons to review the current regulatory framework, and the main actions that must be undertaken to create a financial system that is truly sustainable. The brief is supported by a series of [regional/country profiles](#), covering many of the jurisdictions CDP engages with, including Europe, to create a snapshot of the global policy landscape. In a nutshell, in CDP’s view, policymakers should focus on three main workstreams in order to bring about a genuinely sustainable financial system, each of which is supported by a series of key policy recommendations:

1. Make environmental factors integral to investment criteria and corporate governance.
2. Make environmental criteria integral to financial stability considerations.
3. Align public finances and fiscal policies to support environmental sustainability.

Furthermore, through a [mapping of the ‘Actions’](#) stipulated in the EU’s Sustainable Finance Action Plan (SFAP), and with the support of CDP’s disclosure system and data analysis, as well as the many and manifold tools, metrics and initiatives offered by CDP to implement – and go beyond – the regulatory requirements, CDP shows what [sustainability leadership](#) looks like. The document provides information to CDP stakeholders on policies under the ‘Actions’ of the SFAP, describing the purpose, scope, disclosure requirements and place of reporting, among other information, in a consistent structure that allows disclosing entities to interconnect their disclosure requirements and develop synergies in reporting under several policies. It also supports policymakers in understanding the gaps, overlaps and how to improve interaction.

CDP and EU Taxonomy

The EU Taxonomy has been reflected in CDP’s climate change questionnaire since 2020. Around 2,100 companies in Europe and 8,400 firms worldwide are hence able to choose the EU Taxonomy as a classification system they refer to when reporting their low-carbon products and/or services that enable third parties to avoid GHG emissions. As a result, policymakers and supervisors accessing the CDP dataset will be able to better identify the companies engaged in EU Taxonomy-compliant activities when monitoring disclosures regarding the use of the criteria for environmentally sustainable economic activities. With the new CDP questionnaire for the financial sector, policymakers can already identify which financial institutions measure their portfolio impacts and those that have their portfolios aligned with a 1.5°C scenario.

CDP and the EU’s Corporate Sustainability Reporting Directive (CSRD)

The CDP disclosure request currently goes far beyond the mandatory reporting requirements set out in the CSRD, which replaced the Non-Financial Reporting Directive (NFRD). To drive laggards in environmental reporting and action, and to create a level playing field for the leaders, CDP strongly supports improved mandatory reporting regulation through the CSRD, including TCFD alignment, and, in particular, forward-looking indicators and targets. It thus becomes clear how CDP disclosure supports companies to fulfil their environmental regulatory requirements and other reporting initiatives, such as the recommendations of the Taskforce on Climate-Related Financial Disclosures (TCFD), yet also goes beyond them by encouraging leading companies to take even more ambitious action.



Additional benefits for European governments when endorsing the CDP disclosure system

CDP and Nature Disclosure

CDP advocates for nature-related disclosure – through a recently revised biodiversity section in its questionnaire – as an effective tool to help financial institutions and companies understand how nature impacts an organization's immediate financial performance. A company's business model and strategy should consider nature-related risks and opportunities, with the aim of mitigating the loss of nature in line with a full recovery by 2050 and limiting global warming to 1.5°C as set forth in the Paris Agreement, the IPCC and the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystems Services. In addition, CDP is at the forefront of driving collaboration for deforestation-free, restorative supply chains. We do this first and foremost through CDP's [nature-positive challenge](#) that connects companies with the aim of implementing collaborative forests and land use projects.

CDP and International Policy Processes

CDP advocates and provides evidence to support high national ambition on climate and environmental goals to drive international multilateral policy processes, such as in the G7 and G20, international conventions (e.g., UNFCCC, Convention on Biodiversity), Sustainable Development Goals and international alliances and initiatives (e.g., New York Declaration on Forests, Amsterdam Declaration) in pursuit of a 1.5°C, resilient, net-zero and nature-positive future.



United Nations Framework Convention on Climate Change

For years, CDP has been a provider of data and insights into the actions of non-Party stakeholders to the UNFCCC, as a data provider and partner to [the Global Climate Action Portal](#).



CDP also supports the UNFCCC's [Race to Resilience](#) – the sibling campaign to Race To Zero – which sets out to catalyze a step-change in global ambition for climate resilience, putting people and nature first in pursuit of a resilient world where we do not only survive climate shocks and stresses but thrive in spite of them.



[Business Ambition for 1.5°C](#) is an urgent call to action from a global coalition of UN agencies, business and industry leaders, in partnership with the [Race to Zero](#). The campaign is led by the Science Based Targets initiative (SBTi) in partnership with the UN Global Compact and the We Mean Business coalition. Through this campaign CDP is calling on companies across all sectors and geographies to set science-based, net-zero aligned emissions reductions targets. By [signing up to the Net-Zero Standard](#) and committing to set a target in line with a 1.5°C and net-zero future, companies can make their critical contribution to limiting the worst impacts of climate breakdown.



Sustainable Development Goals: CDP has been actively involved in the SDG agenda since 2015. CDP's recent [mapping exercise](#) of the SDG indicators against its disclosure data aims to assess business contribution and progress towards the SDGs, understand gaps and inform policy action. As CDP's data collection currently focuses primarily on environmental sustainability, this exercise was restricted to the 66 indicators corresponding to the six environmental goals (SDG 6, 7, 11, 12, 13 and 15).



Additional benefits for European governments when endorsing the CDP disclosure system

How does CDP reduce the reporting burden, collaborate with and integrate other reporting frameworks?

CDP and TCFD

CDP recognizes the important role of the [TCFD](#) in mainstreaming climate-related information and advancing the availability of financially relevant information for global markets. The TCFD recommendations ensure climate information is integrated into mainstream financial reports, providing transparency and a roadmap to meet the commitments of the Paris Agreement. Therefore, in 2018 [CDP aligned its corporate questionnaires with the TCFD's recommendations](#), alongside introducing a sectoral focus and adopting a forward-looking approach to climate-risk disclosure. This harmonization helps drive the adoption of TCFD recommendations by reporting companies, optimizing the reporting burden, and speeding up the generation of useful information for data users, thereby enabling the latter to make impactful decisions. **In practice, this means that companies can use their CDP disclosure to produce TCFD reports.** Since 2022, CDP's cities questionnaire is also aligned with the TCFD.

CDP and other Corporate Reporting Frameworks

The CDP disclosure system supports reporting towards many standards, frameworks, protocols and regulatory requirements for environmental information (TCFD, EU CSRD, EU Climate and Paris-aligned Benchmarks, EU Sustainable Finance Disclosure Regulation, GRI, CEO Water Mandate, GHG Protocol, Accountability Framework, SDGs, etc.).

CDP and the European Climate Pact

Within the framework of the European Green Deal, the [European Climate Pact](#) is a European Commission initiative that brings citizens, companies, and local authorities

together to achieve a climate neutral Europe. By joining the Pact, European stakeholders make a pledge to concrete climate and environmental action in a way that can be measured and/or followed up on. Participating in the Pact also constitutes an opportunity for organizations to share their transition journey with their peers and collaborate with other actors towards common targets. CDP disclosure allows organizations to fully track progress against their sustainability strategy and streamline their European Climate Pact pledging and reporting.

CDP and ICLEI

[ICLEI](#) (Local Governments for Sustainability) is a global network of more than 1,750 local and regional authorities working for sustainable urban development. Active in more than 100 countries, ICLEI influences sustainable development policies and takes local action for low-emission, nature-friendly, fair, resilient and circular development. In 2018 the respective reporting platforms of CDP and ICLEI merged to create the CDP-ICLEI Unified Reporting Platform. As a result, all data submitted is shared between CDP and ICLEI.

CDP and the Covenant of Mayors

If a city is engaged or wants to engage with the [Global Covenant of Mayors \(GCoM\)](#) and its regional branch, the European Covenant of Mayors, they can report through the CDP-ICLEI Unified Reporting System. The CDP questionnaire already incorporates all the reporting requirements of GCoM's Common Reporting Framework and ensures that responses are verified by our GCoM unit – in order to award all the winning badges which are later presented on the GCoM website through each city's dedicated profile. CDP's questionnaire thus provides information for cities reporting to the Global Covenant of Mayors through the CDP-ICLEI Unified Reporting System



CDP as a disclosure innovator

Among CDP's key capacities are global consistency and comparability of data as well as mainstreaming of reporting requirements among companies. However, **CDP is also an innovator and driver of environmental disclosure and performance**, as evidenced by our questionnaires having extended beyond climate to include water security and deforestation, as well as **CDP's continuous development of its methodology in order to take into account numerous and new forward-looking indicators**. Further, CDP is part of and drives numerous higher ambition initiatives, such as science-based targets and ACT (Assessing low-carbon transitions), thus creating new standards in the market for ambitious climate action and to analyze companies' ambition towards 1.5°C temperature alignment.

Corporate initiatives

Science-Based Targets initiative

[The Science Based Targets initiative \(SBTi\)](#) champions science-based target setting as a powerful way to boost companies' competitive advantage in the transition to the low-carbon economy. It is a collaboration between CDP, the World Resources Institute (WRI), World Wide Fund for Nature (WWF), and United Nations Global Compact (UNGC), as well as one of the We Mean Business Coalition commitments. The initiative defines and promotes best practices in science-based target setting, offers resources and guidance to reduce barriers to adoption, and independently assesses and approves companies' targets. The targets adopted by companies to reduce GHG emissions are considered "science-based" if they are in line with what the latest climate science says is necessary to meet the goals of the Paris Agreement – i.e., to limit global warming to well-below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C. Cities are now also taking the next step by setting science-based targets to reduce emissions in line with the 1.5°C mitigation pathway. In November 2020, the toolbox for SBTs for cities was launched as a part of the Race to Zero Dialogues.





CDP as a disclosure innovator

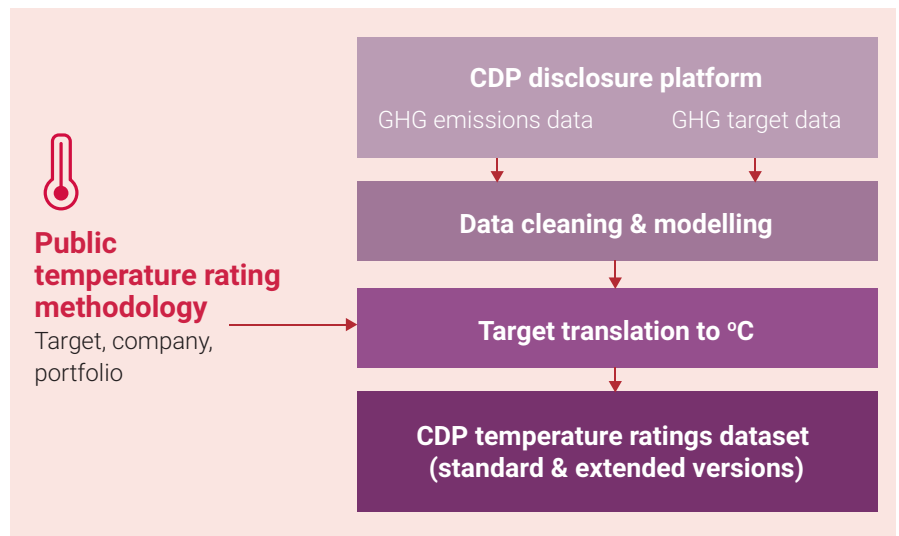
SBTi Net-Zero Standard

In November 2021 the aforementioned partnership forged between CDP, UNGC, WRI and WWF launched the world's first science-based standard for companies' net-zero targets. The new [Net-Zero Standard](#) provides a framework for companies' near- and long-term targets to align with net-zero, 1.5°C and the Paris Agreement. **In a contested and often confusing net-zero landscape, we are aiming to provide clarity and catalyze meaningful climate action.** Highlights of our initiative include the following:

- Our Standard clarifies that rapid and immediate action to halve emissions before 2030 and long-term deep emissions cuts of 90-95% before 2050 are crucial for net-zero targets to align with science.
- Seven companies – AstraZeneca (UK), CVS Health (US), Dentsu International (UK), Holcim (Switzerland), JLL (US), Ørsted (Denmark) and Wipro (India) – are the first worldwide to have science-based net-zero targets [verified by the SBTi](#).
- More companies are now invited to commit to setting net-zero targets by completing and returning this [commitment letter](#). The SBTi started validating net-zero targets in January 2022. To reserve a spot on the waitlist for Net-Zero Target validation, companies can use the [Net-Zero Target Validation booking system](#).

Temperature Rating

The [CDP Temperature Rating](#) dataset provides a temperature pathway for over 4000 global companies, based on emission reduction targets covering all relevant emissions in a company's value chain. The temperature ratings reflect the projected temperature trajectory of corporates in Europe by 2100, based on their respective value chain emissions reduction targets. Using this methodology, CDP recently conducted and published a comprehensive [temperature rating analysis of Italian companies](#) for the Italian Ministry for Ecological Transition.



ACT (Assessing low-carbon transitions)

In collaboration with ADEME and as part of the UNFCCC Secretariat's Global Climate Agenda (GCA), the [ACT](#) project takes a holistic view of a company's operational impacts and dependencies as well as of its supply chain. Its goal is to drive action by companies and set them on a 2°C compatible path. ACT is the only international initiative that creates an "accountability framework and sectorial methodologies" to assess how companies' strategies and actions are contributing to the Paris Agreement's mitigation goals. ACT responds to the need for methodologies and tools to support companies by contributing to the Paris Agreement beyond commitment and carbon footprint reporting.



CDP as a disclosure innovator

Cities initiatives

CDP Matchmaker Platform

[Matchmaker](#) is a global CDP initiative that helps cities connect with institutional investors and international public finance institutions. Cities can showcase their urban climate infrastructure projects to capital markets and build capacity to advance socially equitable climate change mitigation, adaptation and resilience projects. The platform is free for local governments to participate in.

CDP and the Science Based Targets Network

The [Science Based Targets Network \(SBTn\)](#), a group of over 50 organizations, was established to develop the tools and approaches needed for cities and businesses to set science-based targets for climate and nature, including water, biodiversity, land and oceans. A science-based climate target is a measurable and actionable target to reduce city-wide emissions that is in line with what the latest climate science says is necessary to meet the goals of the Paris Agreement. It represents a city's fair share of emissions that need to be reduced on a global scale, concretely halving them by 2030 and reaching global net zero by 2050. In order to have a science-based target, a city must set and strive to achieve both a long-term net zero target by 2050 at the latest and a 1.5°C aligned interim target over the next decade.

While CDP has not been involved in devising the three methodologies approved by the SBTn, cities can nevertheless disclose their target through the CDP-ICLEI Cities Questionnaire that, since 2021, is reviewed for its fair share of emissions reduction in line with 1.5°C. In addition, cities receive regular feedback and support for setting a science-based target as well as ongoing evaluation of the same.

Non-Party stakeholder contributions to the Paris Agreement

Italy's Ministry for Ecological Transition and CDP have a longstanding collaboration to drive voluntary climate and environmental action among Italian companies, cities and regions. A formal cooperation was formed through a Memorandum of Understanding in 2017. Since then, the Ministry and CDP have been driving transparency on a national level and on the international stage towards achieving the Marrakech Partnership for Global Climate Action, aligning the Italian government's contributions towards implementing the Paris Agreement, reaching its Nationally Determined Contributions (NDCs), and achieving the Sustainable Development Goals (SDGs).

Under the third Programme of Work, signed in December 2020, CDP is devising new and continuously developing existing CDP methodologies to assess the ambition level of corporate, city and regional climate and environmental commitments, as well as to measure Italy's contribution through the Global Stocktake. In November 2023, governments will have to demonstrate progress towards their climate targets as part of their commitments to the Paris Agreement. Non-Party stakeholders, while not officially part of the UNFCCC process, are recognized through the Marrakech Partnership and the Decision of the Paris Agreement. They play a crucial role in achieving the goals of the Paris Agreement. Thus, measuring contributions to the Global Stocktake may include the contributions of non-Party stakeholders. The development of a stocktake for Italy is based on CDP data, reported by companies, cities and regions in Italy.

The status and initial findings of the project can be reviewed in the comprehensive [temperature rating analysis for Italy](#) and CDP's Italy report "Ready, Set, Act".

For further information

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