CDP Climate Change Report 2016, Italian Edition

The road from Paris: How is the COP21 shaping the Italian business landscape?

Written on behalf of 827 institutional investors with US$100 trillion in assets

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Paul Simpson
CEO CDP

> Measurement and transparency are where meaningful climate action starts, and as governments work to implement the Paris Agreement, CDP will be shining a spotlight on progress and driving a race to net-zero emissions.

The Paris Agreement – unprecedented in speed of ratification – and the adoption of the Sustainable Development Goals (SDGs) marked the start of a new strategy for the world, with a clear message for businesses: the low-carbon revolution is upon us. By agreeing to limit global temperature rises to well below 2°C, governments have signaled an end to the fossil fuel era and committed to transforming the global economy.

The choice facing companies and investors has never been clearer: seize the opportunities of a carbon-constrained world and lead the way in shaping our transition to a sustainable economy; or continue business as usual and face serious risks – from regulation, shifts in technology, changing consumer expectations and climate change itself. CDP's data shows that hundreds of companies are already preparing for the momentous changes ahead, but many are yet to grapple with this new reality.

Investors are poised to capitalize on the opportunities that await. Some of the biggest index providers in the world, including S&P and STOXX, have created low-carbon indices to help investors direct their money towards the sustainable companies of the future. Meanwhile, New York State's pension fund – the third largest in the United States – has built a US$2 billion low-carbon index in partnership with Goldman Sachs, using CDP data.

With trillions of dollars' worth of assets set to be at risk from climate change, investors are more focused than ever on winners and losers in the low-carbon transition. Information is fundamental to their decisions. Through CDP, more than 800 institutional investors with assets of over US$100 trillion are asking companies to disclose how they are managing the risks posed by climate change. Their demands don't stop there: international coalitions of investors with billions of dollars under management are requesting greater transparency on climate risk at the AGMs of the world's biggest polluters.

The glass is already more than half full on environmental disclosure. Over fifteen years ago, when we started CDP, climate disclosure was nonexistent in capital markets. Since then our annual request has helped bring disclosure into the mainstream. Today some 5,800 companies, representing close to 60% of global market capitalization, disclose through CDP.

Now, we are poised to fill the glass. We welcome the FSB's new Task Force on Climate-related Financial Disclosures, building on CDP's work and preparing the way for mandatory climate-related disclosure across all G20 nations. We look forward to integrating the Task Force recommendations into our tried and tested disclosure system and working together to take disclosure to the next level.

We know that business is key to enabling the global economy to achieve – and exceed – its climate goals. This report sets the baseline for corporate climate action post-Paris. In future reports, we'll be tracking progress against this baseline to see how business is delivering on the low-carbon transition and enabling investors to keep score. Already, some leading companies in our sample – including some of the highest emitters – are showing it's possible to reduce emissions while growing revenue, and we expect to see this number multiply in future years.

Measurement and transparency are where meaningful climate action starts, and as governments work to implement the Paris Agreement, CDP will be shining a spotlight on progress and driving a race to net-zero emissions.

The Paris Agreement and the SDGs are the new compass for business. Companies across all sectors now have the chance to create this new economy and secure their future in doing so. High-quality information will signpost the way to this future for companies, investors and governments – never has there been a greater need for it.

Global Executive Summary

The challenge of climate change and how to address it is now firmly on the global agenda. The Paris Agreement has been ratified at unprecedented speed by the international community, including some of the world's biggest carbon emitters, such as the US, China, India, the EU and Brazil, and will enter into force in November.

This historic agreement, with defined goals to limit climate change and clear pathways for achieving its goals, marks a step-change in the transition to a low-carbon world.

In the Paris Agreement, emissions reductions are talked about at the country level, and national governments will lead with policy changes and regulation. But companies can move much faster than governments, and they have an opportunity to demonstrate their leadership, agility and creativity in curbing their own substantial emissions. Many companies had already realised the need for action before Paris, and they played an important role in making that summit a success. Others, however, are yet to come on board.

The first in an annual series, the report establishes the baseline for corporate action on climate change. In future reports, CDP will track companies' progress on reducing greenhouse gas emissions in line with the goals of the Paris Agreement against this benchmark.

The report presents analysis on corporate climate action including emissions reductions, the adoption of targets based on the most up-to-date climate science ("science based targets"), use of internal carbon prices, and the uptake of renewable energy.

The benchmark established in this first report includes a number of companies failing to engage even with the critical first step of disclosure. Of close to 2,000 companies in this global tracking sample, only just over a thousand responded with data within the deadline. We hope the remaining 700 odd companies will start to engage during the course of the next five years.

The 1,089 companies that provided the data for the global report will be tracked over the next five years to see how they are performing. Between them these companies account for 12 per cent of global greenhouse gas emissions, and 85 per cent of them have already set targets to reduce their emissions.

Figure 1: Global company tracking sample by sector. The total number of companies in each sector is presented in parentheses.

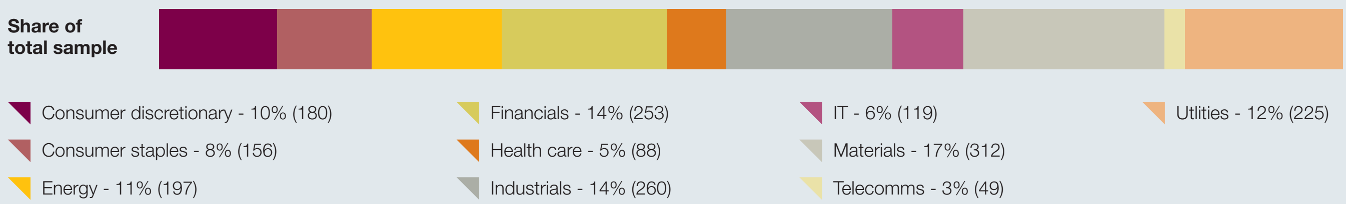


Figure 2: Global company tracking sample by region. The total number of companies is presented in parentheses.

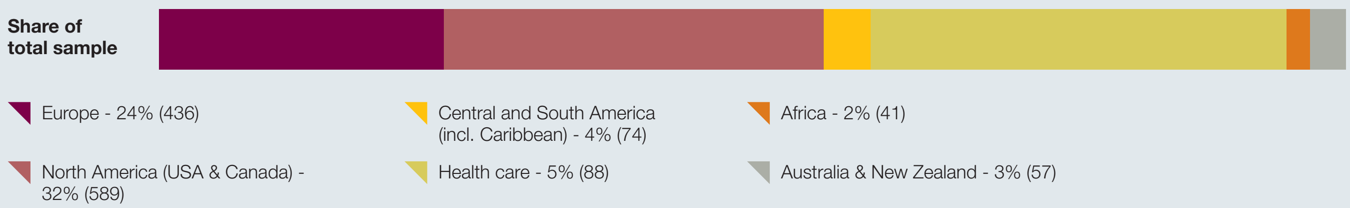


Figure 3: Companies responded and not-responded by sector. The total number of companies in each sector is presented in parentheses.

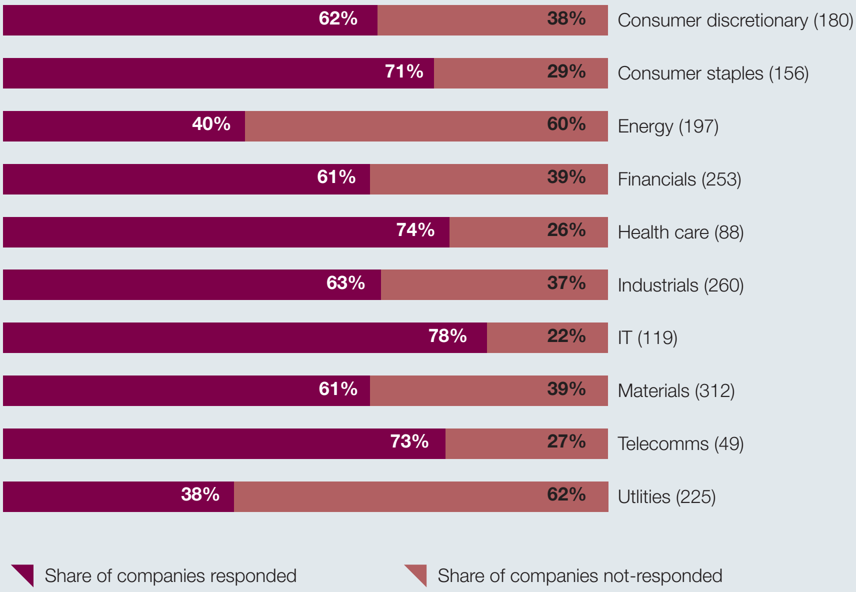
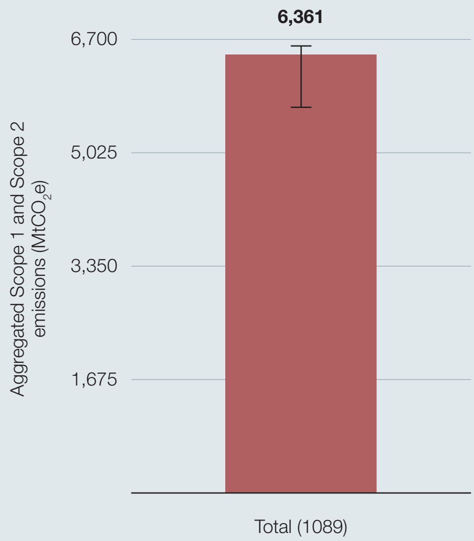


Figure 4: Aggregated Scope 1 and Scope 2 emissions for total sample. The total number of companies responded is presented in parentheses.



Visibility on the road

Although companies and governments are starting to realise the benefits of the low-carbon transition, the need for a complete economic shift can make it hard for individual companies to start the process of change. A shift in thinking is also needed, to see the transition as an opportunity, rather than a restriction.

In order to achieve this success, however, companies need to measure their emissions, then work out how to reduce them.

Given that only 62 per cent of companies contacted by CDP for the report were able to provide data on their own emissions, many businesses have yet to grasp the importance of this challenge. However, the number disclosing is increasing, and the Paris Agreement should provide a greater incentiveto engage.

Business gearing up to go low-carbon, but targets lack long-term vision

Eighty-five per cent of companies that provided data have already set targets (comprising absolute and/or intensity targets) to reduce their greenhouse gas emissions. Setting targets is not enough, however, without realistic plans for meeting them. Even meeting those targets might not be enough if the targets themselves are inadequate.

There has been significant improvement in recent years in the numbers of companies setting targets for emissions reductions, but these targets are in many cases unambitious in their time horizon. While 55 per cent of companies have targets for 2020 and beyond, just 14 per cent set goals for 2030 or beyond, a situation that must change to achieve a transition to well-below 2°C.

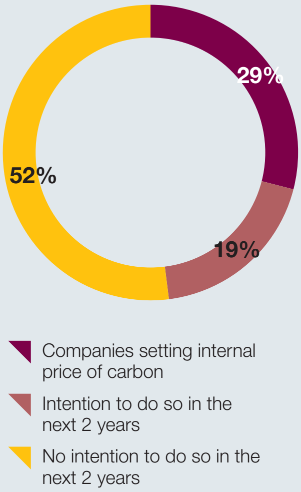
The headline figures from this report mask wide variance in performance both at company level and at sector level. Perhaps inevitably, the energy sector has a lower share of companies with emissions reduction targets, in particular for 2020 and beyond. This should not surprise us, because fossil fuel companies must undergo a major transition to mitigate climate change and are in general not ready to face up to this.

Given that this data is mostly based on calendar year 2015, and so predates the Paris Agreement, we may reasonably hope to see a jump in longer term targets in the next report, which will be based on data generated after the Paris Agreement.

Companies wishing to ensure they are taking meaningful action should set science-based targets; this report and its successors will monitor how many companies are setting targets in line with the latest climate science.

From the sample, 94 have publicly committed to science-based greenhouse gas reduction targets via the Science Based Targets Initiative. Eighty-five of those companies submitted a target to the initiative for official check, and 15 companies have passed the initiative's official check.

Figure 5: Share of companies setting an internal price of carbon



Company targets achieving just one quarter of the emissions reductions required by science; Paris Agreement expected to help close that gap

As well as recording them, we analyse the potential impact of the existing targets to see if they are compatible with the objective of limiting global warming to well-below 2°C.

We found that if the companies in the sample were to achieve their current targets, they could realise 1Gt CO_2e (1,000 $MtCO_2e$) of reductions by 2030. This is about one quarter of the 4$GtCO_2e$ (4,145 $MtCO_2e$) of reductions that this group of companies would need to achieve in order to be in line with a 2°C-compatible pathway, leaving a gap of at least 3$GtCO_2e$ (3,145 $MtCO_2e$) between where companies' current targets take them, and where they should be. This gap is equal to nearly 50 per cent of these companies' current total emissions.

The amount of emissions reductions pledged by companies has been increasing steadily from 2011 to 2015 and we hope to see it close at a faster rate in future years, as company targets become more ambitious in response to the regulatory certainty offered by the Paris Agreement.

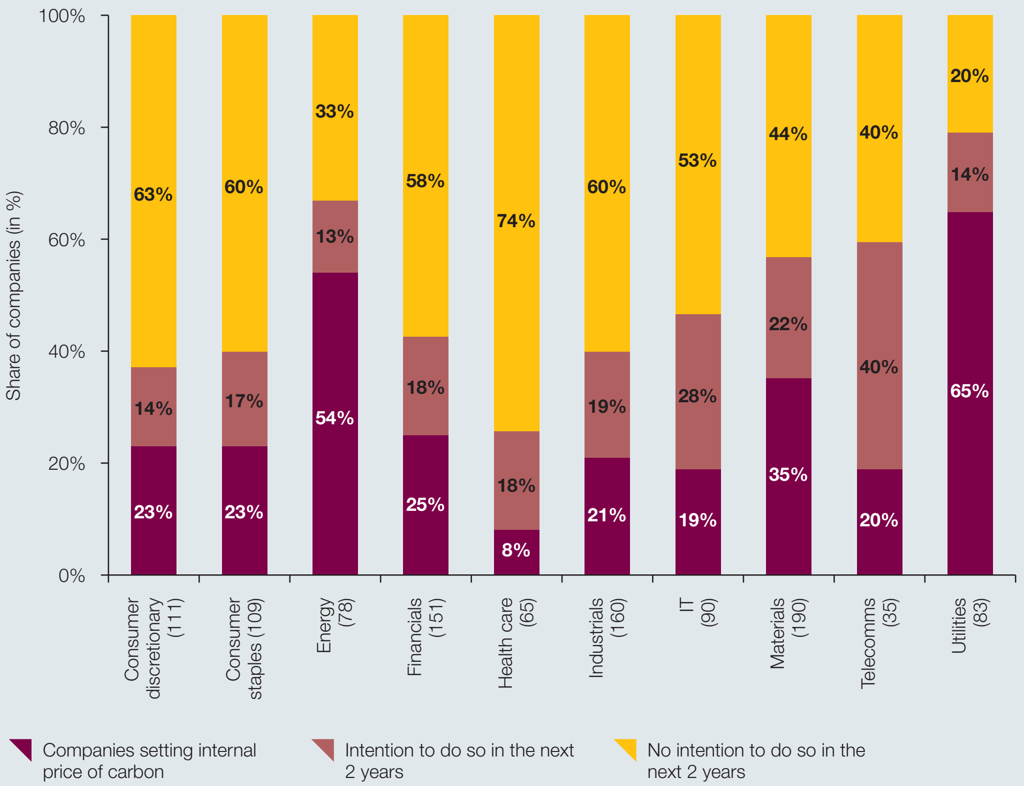
Transition planning: carbon pricing on the rise, yet companies lag in renewable energy production and consumption

Even those companies that have not set themselves targets have almost all established emissions reduction initiatives (97 per cent of all companies), although the success and scope of these initiatives has been varied.

Increasingly, companies are utilising internal carbon pricing as an approach to help them manage climate risks and opportunities. Companies are using this tool in a range of different ways including risk assessment in their scenario planning, as a real hurdle rate for capital investment decisions and to reveal hidden risks and opportunities in their operations. Some companies embed a carbon price deep into their corporate strategy, using it to help to deliver on climate targets, whether it be an emissions or energy related target or to help foster a new line of low-carbon products and services.

Currently 29 per cent of responding companies use internal carbon pricing, while a further 19 per cent plan to do so in the near future. By 2017, about half of this sample should have introduced carbon pricing.

Figure 6: Companies setting an internal price of carbon by sector. The total number of companies responded is presented in parentheses for each sector.



Renewable energy will need to play a major role in any global shift to a low carbon economy. So far, relatively few companies (just 5%) have targets for increasing their renewable energy generation, while 11% have targets for renewable energy consumption.

Of the companies in the utilities sector, 90% of which are electric power companies, fewer than a third have renewable energy generation targets.

Companies decoupling emissions from revenue, showing the low carbon transition does not mean low profit

A small group of companies are showing that reducing environmental impact is compatible with economic growth.

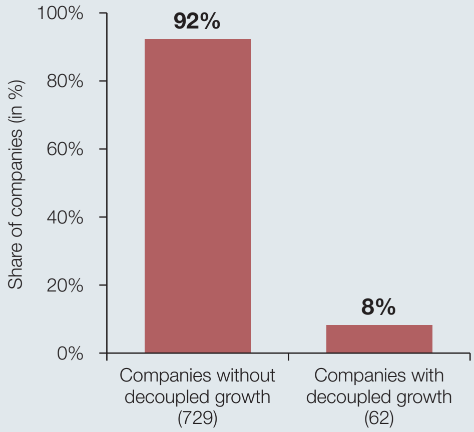
We report on the 62 companies in the sample that can be shown to have made impressive and consistent year on year achievements both in reducing emissions and decoupling growth of revenue from growth of emissions.

They include consumer staples companies such as J. Sainsbury and Walmart de Mexico, as well as utilities companies like Eversource Energy and Idacorp. The materials sector, also a heavy emissions source, is represented by the likes of Givaudan in Switzerland and Lixil in Japan.

'Decoupling' is defined for this purpose as having reduced emissions by 10 per cent or more over five years, while simultaneously growing revenue by 10 per cent.

The success of these leaders points the way for others to realise the opportunity for innovative companies to turn the challenge of emissions reduction from risk management to business success.

Figure 7: Share of companies with decoupled growth over period of five years (time-series sample)



Although correlation must not be taken to be causation, it is worth noting that the group of companies that met the "decoupled growth" criteria increased revenue by 29 per cent over the five-year period of measurement, while reducing GHG emissions by 26 per cent. For the rest of the companies in the tracking sample, revenue decreased by 6 per cent while GHG emissions increased by 6 per cent.

Switching to renewable energy or producing its own renewable energy, using internal carbon pricing to make production more efficient, using innovation to create less energy intensive systems or even selling products to help customers reduce emissions are all strategies that add to the bottom line, rather thanto costs.

Figure 8: Comparison of the changes in revenues (left) and GHG emissions (right) over the 5-year period between companies that achieved deocupied growth and other companies.

Company group (no. companies)	Total revenue: (trillion current USD)		Total emissions covered for evaluation $GtCO_2e$	
	Year 1 of the 5-year period	Final year of the 5-year period	Year 1 of the 5-year period	Final year of the 5-year period
No decoupled growth (730)	17.7	16.6 (-6%)	4.82	5.08 (+6%)
Achieved decoupied growth (62)	1.31	1.70 (+29%)	0.468	0.345 (-26%)

Expert Interview: Christiana Figueres

Christiana Figueres
Former Executive Secretary of the UN Framework Convention on Climate Change (UNFCCC)

Note: the content of this interview is based on a phone interview held between Ms. Christiana Figueres and the CDP Southern Europe Team.

What do you think will be the new business norms in a less than a 2ºC increase world?
In this world which we already decided that we want to create the first thing that we have to remember it is that is not going to be the result of business-as-usual. We are going to have to create it intentionally, we are going to take intentional decisions and take intentional actions, in particular in the first 3-5 years.

How is that going to look like? It will of course depend on the sectors, each sector will undergo a transformation, but in general, we can say:

1. We are going to see a huge increase in energy efficiency, which of course also means carbon efficiency. We are going to see growth in the global GDP, but the carbon imprint of each percentage point of the GDP is actually going to decrease. We are going to see a delinking of growth from GHG emissions and that has to be measurable. That means that businesses will become more energy efficient and will stop wasting as much as energy as they are right now.

2. While we will be wasting less energy and using it more efficiently, that energy will quickly become cleaner and cleaner. We will have much more renewable energy on the grid, we will have much more competitive prices, as also electricity prices will decrease.

3. We will have more access to energy, and this is particularly important for developing countries. This is because decentralized renewable energies will increase the network of those people that will have access to electricity, which on the grid and centralized fossil fuels cannot allow.

Those three will be at the basis of businesses. There hardly is a business that does not operate without energy. For this we will experience a huge transformation in the energy sector.

In light of having the decarbonization of the economy as an ultimate goal. What are the most central and urgent actions that you think non-state actors need to take to translate the Paris agreement into real action and how is CDP best placed to help them in this endeavour?
Non-state actors are actually already working on this because they have not waited for the adoption or the entry of the Paris Agreement. Many non-state actors could see that it was in their own interest to begin a decarbonizing process and so cities, corporations that both report to CDP have already started their own path towards decarbonization.

CDP provides a very interesting channel, as it enables to measure your progress year-by-year. By reporting yearly you can compare your progress against your own baseline and also against your peers and see how you are doing in respect to others, whether you are a city or a corporation.

The very old management wisdom that you cannot manage what you cannot measure is also true that you cannot measure what you cannot manage. So, measuring your carbon emissions is absolutely key, and CDP is a very good way to be able to self-measure and track your progress.

What do you think should be the value of our work as CDP in a world after the Paris' Agreement?
CDP was of course very valuable before we got the Paris Agreement because it had already raised the awareness on the importance of measuring and disclosing and reporting. But now, after the adoption of the Paris agreement, and on the heels of the Paris agreement coming to force very soon, CDP's contribution is even more critical. There is no way that any city or corporation can actually manage its carbon intensity without it getting measured. Those are the tools that CDP provides: very helpful standardized tools that have international recognition for cities and corporations to be able to measure, report and track progress in regards to carbon efficiency. In particular for cities and corporations that have adopted Science Based Targets.

We have read about your project mission 2020, and we understand that is a 5-year initiative with a short commitment that brings together public and private sector to deliver the net-zero emission pathway. Can you further explain how this initiative works and why there is a strong need to enable Public-Private-Partnerships over the next five years?
Mission 2020 is actually a commitment that brings together every stakeholder: whether it is a government, sub-national government, corporation, NGO or citizen who is willing to commit to understanding the importance of urgently peaking our emissions and quickly decreasing them. Because if we do not do that we are actually incurring in increased risks for the economy that will become unmanageable.

It is about the commitment on understanding this urgency and be willing to incorporate it in everything that we are doing. Public Private Partnerships are obviously at the basis of this as governments need to set the direction but corporation and investors are the ones that are going to determine the pace of the transformation.

In order to enable Public Private Partnerships, the Public needs to understand what the Private is doing. Could our data be an enabler to create the synergies mission 2020 is trying to achieve?
Yes, absolutely. CDP's data has been already very helpful for years, since it is used by many people as a reference point because of both the standardization and the universality of its reporting. It has been a very helpful reference point and will continue to be as we move into the decarbonization and transformation of the economy.

Expert Contribution: Climate Policy Initiative

The Paris Agreement is a multi-trillion-dollar investment opportunity

Chiara Trabacchi is an international climate finance and policy expert at *Climate Policy Initiative* where she is leading the climate resilience finance work stream.
Chiara holds a PhD in Science and Management of Climate Change and a Master's degree in Business Administration.

Barbara Buchner is Executive Director of the Climate Finance program at Climate Policy Initiative.
Barbara holds a PhD in Economics from the University of Graz and was a Visiting Scholar at the Massachusetts Institute of Technology.

CLIMATE POLICY INITIATIVE
CLIMATE FINANCE

The Paris Agreement provides a strong signal to investors about the political will to transition to more resource-efficient energy and land use systems for a more sustainable growth. To those who have already started transitioning their business models, it provides the confidence to continue shifting assets and 'greening' business processes. To laggards, it indicates the urgency of moving in this direction.

The Paris Agreement is expected to enter into force before the end of the year. Its adoption last year was a historic moment as, for the first time, all major nations expressed their willingness to act together on climate. While the deal itself represented a big step forward, the larger leap has been governments' recognition that action on climate change and economic growth can and should go hand-in-hand. The Paris Agreement would not have been possible if many actors weren't already moving in this direction and recognizing the opportunities a green growth path can bring.

The political momentum built around the agreement has coincided with growing momentum in the corporate world. Businesses, banks, insurers and asset managers are increasingly recognizing both the risks associated with high-carbon assets and the opportunities that climate-relevant investments offer.

The composition of investment flows provides evidence of the low-carbon transition underway. The *International Energy Agency* (IEA), for instance, noted that in 2015 the share of oil and gas in global energy investment declined as the industry cut capital expenditure in reaction to the sharp fall in prices since late 2014. Capital spending in upstream oil and gas plunged by 25% in real dollar terms and is set to fall by a further 24% in 2016.

Renewables were the largest source of power investment in 2015 maintaining a longer-term trend of capital moving towards clean energy. According to the *IEA*, the attractiveness of investing in renewable energy has been boosted by more supportive government policies, clearer long-term price signals and a steep decline in technology costs – 20% and more than 60% since 2010 for onshore wind and utility-scale solar PV respectively. Increased availability of cheap debt and new financial instruments and business models have also played a role.

Nevertheless, investment challenges persist and more needs to be done to transition towards a global energy system that is consistent with the below 2 °C goal enshrined in the Paris Agreement and agreed by nearly 200 countries.

Businesses hold the potential and resources to accelerate the transformation of energy as well as productive systems. Those that seize the investment opportunities climate change is bringing and may bring will gain a long-lasting competitive edge.

There are more immediate opportunities to be sought in companies' assets, processes and strategies. For instance, investing in improving the resource-efficiency of existing business processes is an example of an approach that can help reduce exposure to resource-related risks, bring bottom line and reputational (brand) benefits while helping protect and preserve the natural environment on which businesses rely. Assessing whether businesses own assets are vulnerable to climate risks over their productive life-span can help a company to understand if, how, how much, and when to invest in 'climate proofing' them to ensure business continuity.

There are also longer-term opportunities for businesses in identifying new markets, anticipating policy signals and invest with foresight. For instance, governments' commitment to the implementation of the Paris Agreement and related national climate pledges indicates that significant market demand is expected in low-carbon, resource-efficient technologies, products and services that can reduce emissions and help build climate resilience (e.g. climate risk screening tools for infrastructure investment). It also signals the urgency of devising strategies for shifting capital allocations away from assets that are most at risk from stranding due to climate change regulations, energy innovation, and economics.

Closing the gap in Non-Financial Reporting

Steve Tebbe
Managing Director Europe, CDP

> **Non-financial reporting has come a long way over the last decade, from a dog-and-pony-show to a mainstream requirement for financial markets to fully assess corporations.**

Investors despise being kept in the dark. They worry about the issues they don't see or understand. Disclosure of Environmental, Social and Governance (ESG) information is an essential tool for investors to holistically evaluate risks and opportunities, while allowing companies to benchmark their performance against peers. Ultimately if companies want to woo investors and reduce their cost of capital, they need to be good at reporting.

In an attempt to correct the world's largest market failure, European policymakers created the first, legally-binding directive requiring companies across Europe to report ESG data as of this year. The so-called Non-Financial Reporting Directive (NFRD) recognizes the value of non-financial reporting for catalysing our transition to a low-carbon economy.

This Directive - while far from perfect - is an important step in the right direction. The NFRD would have been the opportunity to create a fully harmonized, integrated and light-touch corporate reporting system across Europe, thus enabling investors (and any other stakeholder) to compare companies across Europe on a level-playing field. In the short term however, the Directive runs the risk of leading to 28 different and possibly weak national regulations. Imagine playing the UEFA Euro Championship with every team largely making up their own rules.

Why would the Directive enable "weak" ESG reporting? The Directive offers ambiguous descriptions that give EU member states and companies much freedom to shape reported data compliance. In addition, information disclosure across the supply chain - key to addressing environmental and social issues - is not specified clearly and target-setting requirements are missing. Last but not least, the scope of the companies addressed by the legislation is too small in most countries. In Germany for example, it is likely that only 300 companies will be disclosing, while there should be scope for about 11.000 companies, considering their size and impact on our environment and society.

Fortunately, the NFR Directive will be revised in 2018. Now is therefore the opportunity for the European Commission to design a strong, consistent, EU-wide policy that builds on the expertise of successful practitioners and market-based models. Under the stewardship of the Financial Stability Board (FSB), a Task-Force on Climate-related Financial Disclosure (TCFD) is currently drafting a blue print for the G20 countries on consistent, climate-related financial risk disclosures. Those recommendations will be made public before the end of this year and build on CDP's work and expertise. We salute the leadership of the Task-Force and the political impulse this will give to the low-carbon transition in the world's major economies.

Less visible but just as important is another milestone currently underway in France. Since the United Nations COP21 Paris Agreement of 2015 requires "the alignment of financial flows with climate goals", existing, voluntary, investor climate disclosure should become mandatory. Requiring investors to align environmental criteria, climate change-related risks and scientific decarbonisation targets with their investment strategies will massively redirect capital towards the low-carbon economy that is essential for remaining safely below a 2-degree Celsius warming.

Many CDP signatories are ahead of the curve. Some of our avant-garde investors support voluntary initiatives such as the Portfolio Decarbonization Coalition, co-founded by CDP, and the Montreal Pledge. BlackRock, the world's largest asset manager, called on policy makers to make non-financial reporting a requirement for investment analysis and stop conflicting fiduciary duties. While over 800 institutional investors with US$ 100 trillion assets under management keep calling for more thorough and comparable environmental corporate data through CDP, nearly 130 already walk-the-talk by applying climate disclosure to their own portfolios.

In anticipation of this development, policy makers in France have passed Article 173 into law, making climate reporting mandatory for institutional investors such as asset managers, insurance companies, pension and social security funds.

With about a third of the world's assets under management residing in Europe, the EU as a whole must follow France's leadership in closing the reporting gap. Triggering massive capital reallocation towards the low-carbon economy will enable the safe and liveable future we all want.

> **Disclosure by investors on environmental matters, such as carbon foot-printing, will help in the global 2 degrees goal and the transition to a low-carbon economy.**
>
> **Peter de Proft, Director General, EFAMA (European Fund and Asset Management Association)**

Introduction to the CDP Italian Report 2016

The publication of this year's CDP Italian report comes at a pivotal time for environmental disclosure. It is the first report published after the great success of the United Nations Climate Change Conference held in Paris (COP 21), which resulted in the global agreement of 195 nations to limit anthropogenic temperature increase to 2ºC, and even committing to a 1.5ºC limit.

This remarkable result was far from being easily predicted, and for this reason it is an appropriate time to reflect on this crucial moment in history, which displays a clear commitment from nations all around the world to improve the environmental well-being of the planet.

Following this discourse, CDP directed last year's report and engagement efforts towards understanding whether the business world was ready for this possible change of setting. Therefore, our reports covered a five-year analysis using year 2010 as a baseline, with the hope that the corporate sector would have become more sophisticated and ready for a more sustainable economy. The results of the global and local analyses provided a hopeful picture and the Italian sample that responded this year was not an exception.

For these reasons, this climate change report will focus on several themes related to emissions mitigation, in addition to new and complementary topics related to initiatives that businesses are enacting in order to positively contribute in the overarching objectives of the Paris Agreement such as: science based targets, carbon pricing, emergence of low carbon products, and responsible policy engagement.

Response rate, and sector participation, a comparison of 2015 and 2016

In 2016, 48 Italian companies submitted their environmental information to CDP's climate change program. Out of which, **42 companies** provided unique responses and will therefore be considered as the base for the analysis carried out in this report. **The Italian respondents represent 69% of the total market capitalization of the largest 100 Italian companies requested to respond to the Climate Change questionnaire in 2016**. In comparison to the analysis conducted in 2015 the sample experienced a slight decrease in number of respondents.

With regards to sector participation, for this year's reporting cycle it is possible to conclude from Figure 1 that in comparison to 2015 the sector composition of the sample did not experience a fundamental shift, with the exception of the Consumer Discretionary (four less respondents), Energy (one less respondent) and Materials (one less respondent) sectors.

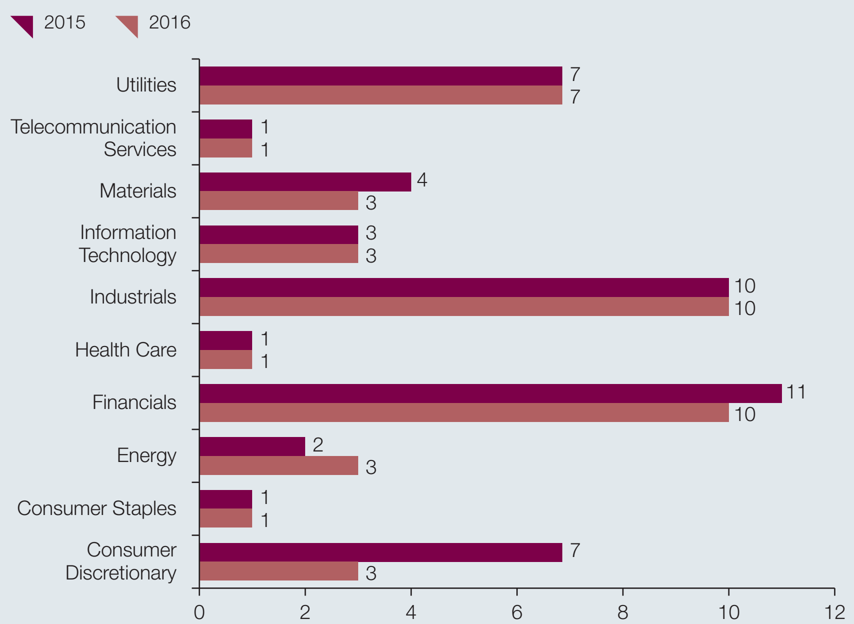
This year's reporting cycle is also marked by the introduction of a new scoring model for the climate change program, consistent with the other two CDP's programs: water and forest. As it is possible to assess from Figure 2 the Italian respondents are placed in different scoring bands, according to the new climate change scoring methodology. In the 2016 edition the vast majority of the participants are located between the B and C band, represented by 11 and 12 companies respectively. However, **eight companies achieved an A band (four more in comparison to 2015) and five companies an A- score**.

Update on key trends – change in the Italian sample after COP21

Figure 3 illustrates several key findings identified in the past five years of analysis that continue to be confirmed by the Italian sample:

- 90% of the respondents integrate climate change into their business strategy;

Figure 1: Sector Participation comparison 2015 to 2016



- The responsibility for climate change is addressed at the board level for 86% of the respondents;
- 83% of the respondents implement incentives connected to climate change issues;
- 71% of the respondents declared absolute emissions targets, an increase of 5% in comparison to last year's reporting;
- 98% of the respondents declared the presence of emissions reduction activities for their businesses;
- 84% of the respondents hold independent verification of their Scope 1 emissions, 2% increase compared to last year; and
- 76% of the respondents hold independent verification of their Scope 2 emissions, a slight decrease of 6% in comparison to last year.

The report will now provide a brief overview on these key topics, and identify whether there are changes or margins for improvement in the indicators constituting the main areas of assessment.

Figure 2: Italian Respondents score distribution 2016

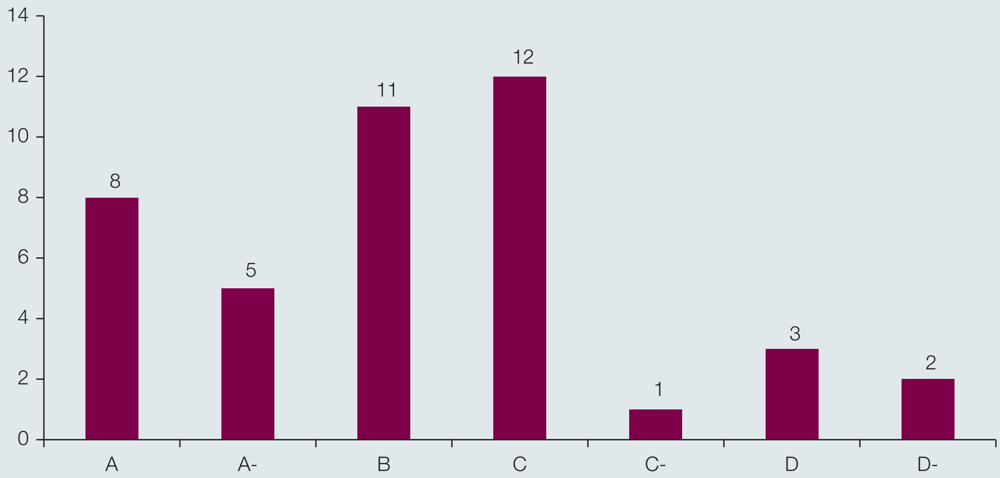
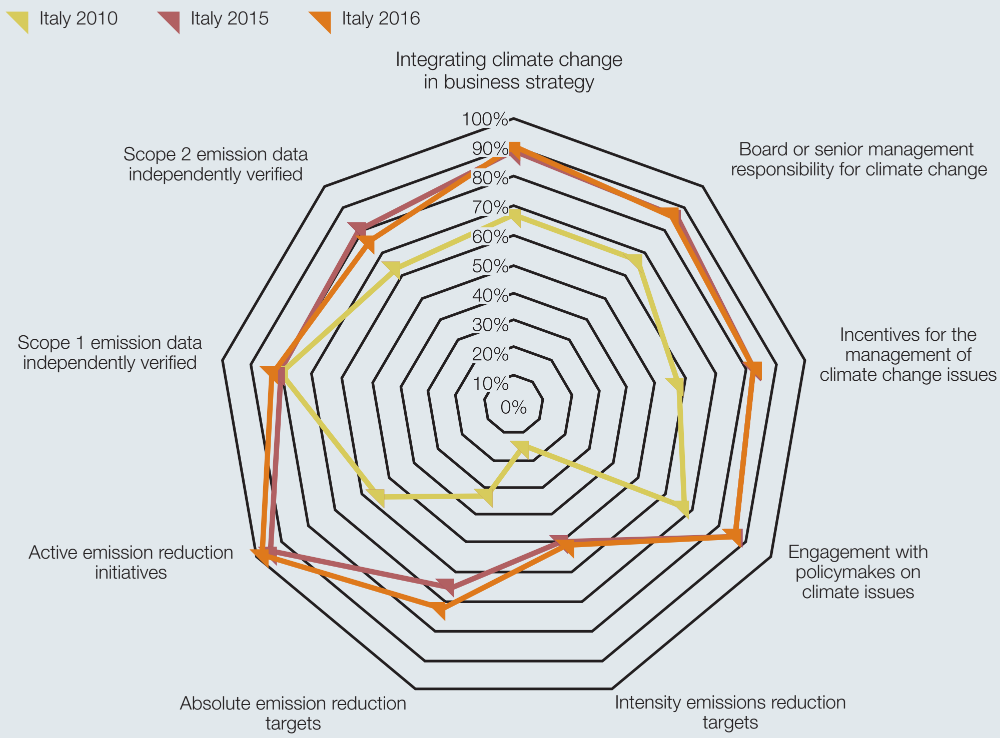


Figure 3: Evolution of Italian Corporate Landscape on Key Themes



Response overview

The Italian corporate strategy

Out of the responding companies, 90% (38) have stated to integrate climate change into their overall business strategy. Moreover, 98% (41) report to have a figure directly accountable for climate change within the organisation, namely the Management Board with 86% of the responses or another senior Officer/Manager with 12% of the responses. And out of these, 85% (35) provide incentives for the attainment of climate change related targets. There is a clear preference for monetary incentives (79%), however, non-monetary incentives such as employee recognition (11%) and other practices (10%) (i.e. facilitating sustainable mobility for employees) are also taken into account.

This year's information reveals a **new positive observation**: the **number of incentives directed at the CEO more than doubled in comparison to last year from 5% to 12%** and regarding the **whole corporate executive team, incentives increased from 26% in 2015 to 34% in 2016**. The alignment of incentives at all levels of the organisation sends a positive signal of a potential acceleration in corporate culture change mainly driven by the involvement of a firm's leadership team. For managerial roles (42%) and other employee levels (24%) the proportion of incentives remains relatively stable when compared to the previous reporting cycle.

Risks and Opportunities

For the 2016 reporting cycle, 40 out of 42 respondents identified climate related risks for their businesses, at the **physical**, **regulatory** or any **other** significant level. Similarly, 39 out of 42 respondents also identified climate related opportunities.

Within the scope of this year's report, **the main analysing effort will be exerted on the analysis of the identified risks and opportunities for regulatory** themes.

Figure 4 displays a selection of regulatory issues that are perceived to be the most relevant for the Italian corporates considering new possible developments in the regulatory framework following the success of the Paris Agreement. It is worth noting that 31 out of the 42 respondents identified risks connected to these themes, whereas 21 respondents also identified several opportunities in Figure 4.

Overall, from the selected categories of regulatory risks and opportunities, it appears that **fuel/energy taxes and regulations**, together with **cap and trade schemes** remain the major source of concern for respondents, in line with last year's analysis.

It is worth noting that for both categories the **number of identified risks are considerably higher than the number of identified opportunities.** The main reported consequences were linked to an increased expenditure in business operations in order to comply with shifting regulations or stricter participation in the emissions trading schemes.

However, the regulatory risks and opportunities analysis **also provides promising insights**, as it can be assessed from the Figure, there are also **areas, such as renewable energy regulations, emissions reporting obligations and carbon taxes** in which the responses evidence a great number of **opportunities in proportion to the number of identified risks**.

As a result, the responses depict that companies are beginning to **take shifts in regulation into consideration**, and portray an increased **readiness to diversify their business operations** across all sectors: from offering business consultancy services to providing energy through natural gas and hydroelectric power plants and **favouring low carbon technologies.**

Emissions Analysis

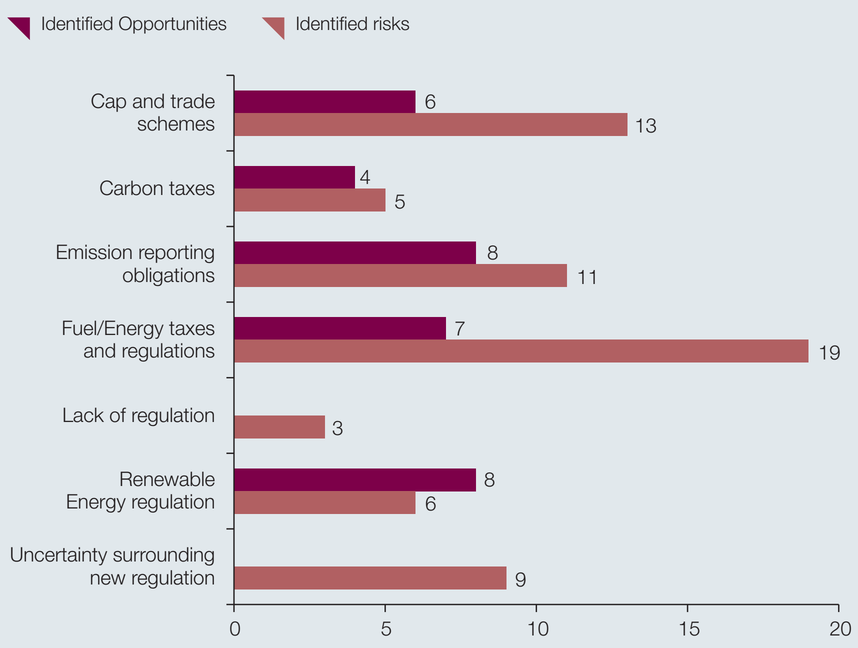
In 2016, 39 respondents (93%) provided their Scope 1 emissions data, while 41 respondents (99%) disclosed to CDP their Scope 2 emissions as well.

As depicted in Figure 5 the emissions reported from the Italian corporations in the past six years have experienced an overall decrease in volume, consistently with previous years' analyses[1].

According to the respondents, the direction of change of the companies' emissions is almost equally divided in 'decrease' (34%), 'increase' (30%)

1. It shall be noted that for the year 2016 the calculation of Scope 2 emissions took into account the reporting models of Location and Market based methodologies. Therefore, the provided measure is based on Market based emissions, where applicable.

Figure 4: Identified Risks and Opportunities for regulatory themes



or ‘no change’ (36%). **Acquisitions, divestments, mergers and changes in methodology** were identified as the four main reasons underlying the proportion of unchanged emissions’ volumes.

However, when looking at the reasons underlying a decrease in emissions, the main identified driver is the **implementation of emissions reduction activities**, **in line with the findings of last year’s analysis** (20% in 2015). The second main reason is related to a change in business output, representing 13% of the responses. It shall be **noted that changes in output do not necessarily imply a reduction**, on the contrary, **33% of the total Italian sample reported an increase of emissions volume due to an increase in their business output.** The findings are reinforced when looking at the main drivers of decreasing emissions as shown in Figure 6, as it can be assessed from the figure, when looking only at the sheer decrease of emissions, the Emissions Reduction Initiatives response represents 54% of the overall responses to the question.

Despite the economic context of the country, under a prolonged economic downturn that has resulted in a stagnant economy, overall, the **analysis of emissions** of the Italian sample for the past five years reflects a **promising picture**. With a good proportion of the sample managing to deliver an increase in their production output, while the implementation of emissions reduction activities remains a key trend.

Finally, the Italian sample continues in the good practice of externally verifying its emissions, **84% of the respondents hold external assurance on their Scope 1 emissions,** an increase of 2% in comparison to last year’s analysis. External verification for Scope 2 emissions decreased by 6% in comparison to last year’s analysis, with 76% of the respondents externally verifying their emissions. Finally, Scope 3 external assurance is characterized by similar responses, with 70% of the sample possessing third party assurance on their emissions.

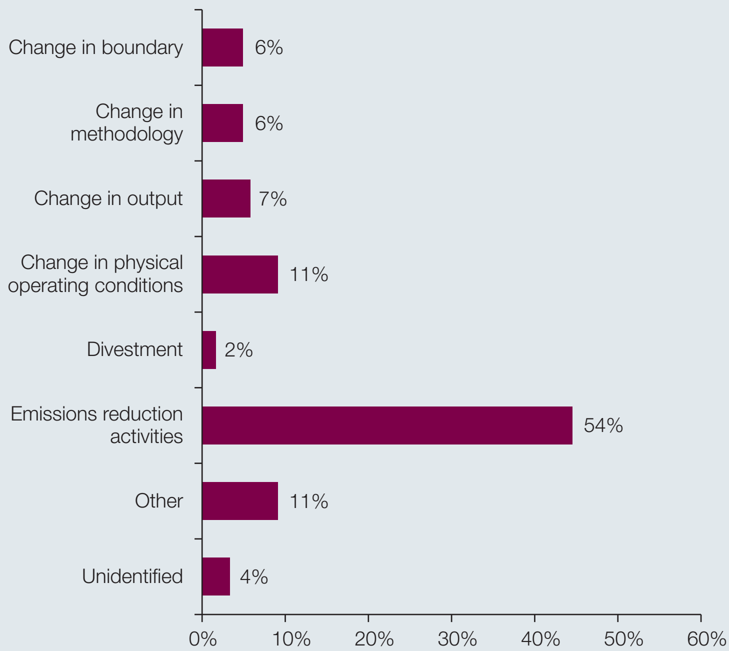
Emissions Reduction Targets

In 2016, 36 companies (86%) declared to have established emissions reduction targets, a decrease in comparison to last year’s analysis where 95% of the sample reported on this section of the assessment. The main underlying reasons for this decrease is connected to a relatively smaller sample of responding companies. The finding is reinforced when looking at the companies disclosing targets: **all the disclosers that participated in the previous reporting cycle (34) keep disclosing their emissions reduction targets through the climate change program, demonstrating higher sophistication and self-reflection on target setting in comparison to companies that are just starting their climate stewardship journey.**

Furthermore, as shown in Figure 7: the sample experienced a 5% increase in the establishment of absolute emissions reduction targets (30 respondents). Intensity targets remain largely unchanged, with almost the same amount of declared target establishment as per last year. Finally, 40% of the sample (17 companies) reported to have both absolute and intensity targets.

Figure 5: Emission evolution of Italian Sample

Figure 6: Main drivers for emission reduction

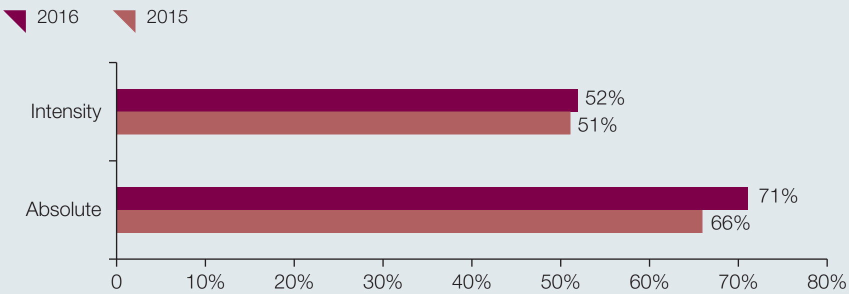


One of the main points of analysis for this year's report is to enquire whether there are fundamental changes in the emissions reduction targets' life span. Historically, the Italian sample has always had a clear preference for short term targets.

Out of the 54 absolute targets reported, almost 37% (27 targets) hold their deadline for the years 2020-2025. **It is the first time that the Italian sample displays a strong preference for medium- and long-term emissions reduction targets**. As a comparison, in 2015, 39% of the reported targets had held their targets deadline in 2014.

With regards to the intensity reduction targets, 40 different targets were reported, and as shown in Figure 9, 16 of those (representing 40% of the total intensity targets) hold their expiration year in the range of 2020-2025. It is also unprecedented for the intensity targets category that the Italian sample has a strong preference for medium- and long-term goals. Last year's analysis has shown that the preferred intensity reduction target deadline (36% of the reported targets) had a short term character.

Figure 7: Italian Respondents target setting



Two main drivers are assumed for this change: (I) in last year's analysis it was observed that a fair amount of declared targets had ended and delivered their expected emissions reduction volumes; (II) CDP's methodology and analyses for climate change management highly values long-term target setting. Therefore, the assumption that could be made for this reporting cycle is that these two drivers influenced the sample's strategies in setting targets **towards longer term goals**, following the recommendations provided in the past years' analyses. However, it is still too early to safely state that a new target trend setting was identified for the Italian sample. Future years' analyses will revert on this finding to explore the sophistication of the responses on this theme.

Overall, the analysis on target setting sends a very positive signal indicating companies may have started looking into the right direction. However, the level of ambition observed from this year's result is not adequate to fill the gap between the reality and the level required by the science. It is expected that **Science Based Targets** which will be discussed in depth in the later chapter of this report **will continue to gain momentum** facing the post-COP21 context in which businesses will be operating in.

Figure 8: Absolute Target Lifespan

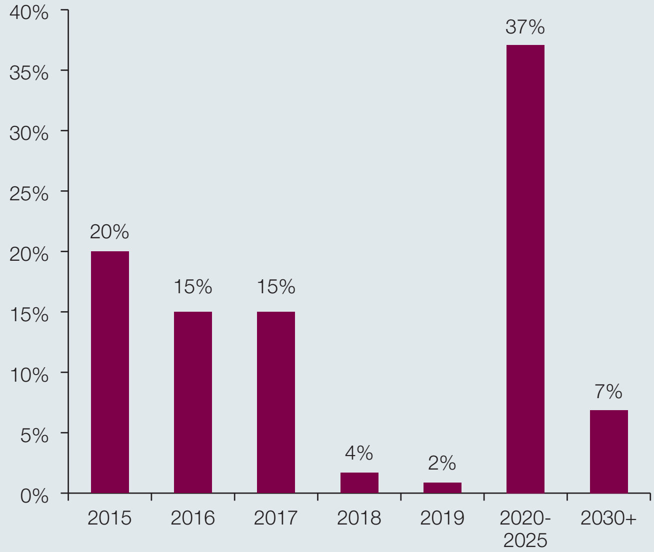
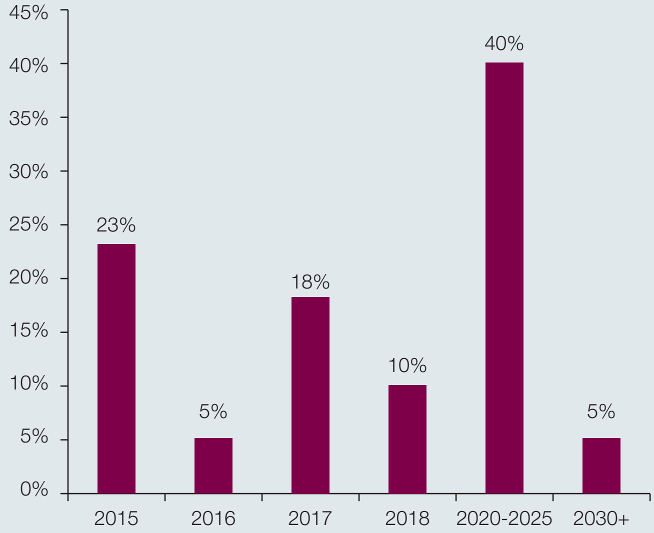


Figure 9: Intensity Reduction Target Lifespan



Emissions Reduction Initiatives

In 2016 almost all companies in the sample (40 companies which account for 97% of the total respondents) reported the implementation of Emissions Reduction Initiatives (ERIs). **The reported investment volume for ERIs decreased by almost 41%, from 4,5 billion in 2015 to 2,6 billion in 2016**. This is the first time that the Italian sample experienced such a sharp decrease in ERIs investments after years of continuous increases. Consequently, the estimated emissions volume reduction also decreased, from 7 million metric tons estimated CO_2e savings in 2015 to 5,5 million metric tons in 2016, accounting to a 21% decrease.

It shall be brought to attention that **out of all reported investment the vast majority (94%) is accountable to the two sectors that also hold the highest emissions volumes: Utilities and Energy**. However, the **Materials sector, the third highest emitter of the sample, only contributes with 1.3% of reported investments.**

Before providing insights on the data points related to ERIs, a brief introduction on the key points that are taken into account shall be given, in order to further understand the overall preferences of the sample. The factors are as follows: (I) monetary investments, (II) payback periods and (III) savings in CO_2e.

In past years a main trend was identified: short term ERIs are favoured, especially if the monetary return is higher than the CO_2e savings. The trend is confirmed for this year's analysis as well, considering that 27% of the reported ERIs account for 67% of the expected monetary payback in less than one year. Furthermore, 81% of the declared ERIs consider to pay back the monetary investment in less than 10 years' time. It is not surprising that whenever

Table 1

Sector	% contribution to emissions volume	% of investment on emissions reduction initiatives
Utilities	59.2%	52.5%
Energy	19.6%	41.4%
Materials	16.5%	1.3%
Consumer Discretionary	2.2%	0.9%
Industrials	1.5%	0.9%
Information Technology	0.6%	0.1%
Financials	0.3%	1.3%
Telecommunication Services	0.1%	1.4%
Health Care	0.0%	0.0%
Consumer Staples	0.0%	0.2%

possible, and considering the substantive cost of certain types of activities such as low carbon, companies are still focusing on improving their energy efficiency (especially for processes) as it can still provide considerable CO_2e savings and substantive monetary savings. As in previous years, the main assumption for short-term and highly rewarding monetary saving ERIs is mainly mandated not by a lack of a sustainable business view from Italian firms, but rather from the state of economic uncertainty in which the businesses are navigating since 2008.

Nevertheless, as it can be seen in Figure 11, for the 2016 reporting cycle the **vast majority (50%) of estimated CO_2e savings are provided by low carbon initiatives**. The type of activity also constitutes the main area of investments, **representing 87% of the overall investments declared by the respondents.**

However, the large amount of investments in low carbon ERIs does not correspond to a diversified sector participation in the category. As previously addressed, the **vast majority of the investments are driven by the Utilities** (46%) **and Energy** (41%) sectors, **representing almost all the reported investments in low carbon ERIs**.

In line with this finding, it is worth highlighting the **cost-effectiveness of low-carbon initiatives** given that the average cost of reducing emissions by means of ERIs was observed to decrease for this reporting year: in order to reduce one ton of CO_2 in 2015 a company had to invest €635 on average; whereas in 2016, the amount decreased to €475. **This represents almost a 34% decrease in the required investment to reduce the same amount of CO_2 when compared to last year**.

From the data gathered, it has been confirmed that this result is highly influenced by the heavy investments made by the Utilities and Energy sectors in low-carbon initiatives, and unless the **other sectors of the sample begin to get more involved** in low-carbon ERIs in the next years, it is expected that the cost of reducing emissions by this means will start to increase again.

In sum, the analysis of the implementation of ERIs for this reporting cycle provides a mixed picture in comparison to previous years:

Favouring short-term ERIs based on considerations of monetary savings seems to remain a central criterion for Italian respondents;

A great divide among sectors was identified, with Utilities and Energy representing 94% of the total investment volume, with a clear preference for low-carbon ERIs;

The traditionally favoured (78% of the reported investments in 2015) “energy efficiency” group of initiatives now represents only 9% of the investments announced by Italian companies in 2016;

Figure 10: Comparison ERIs 2015 to 2016

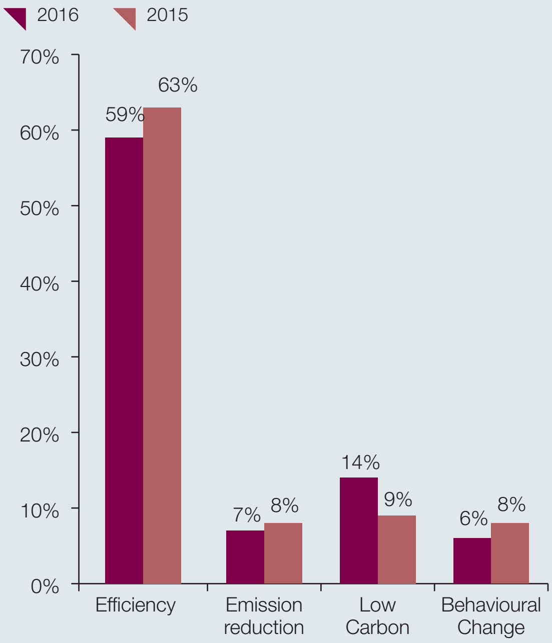
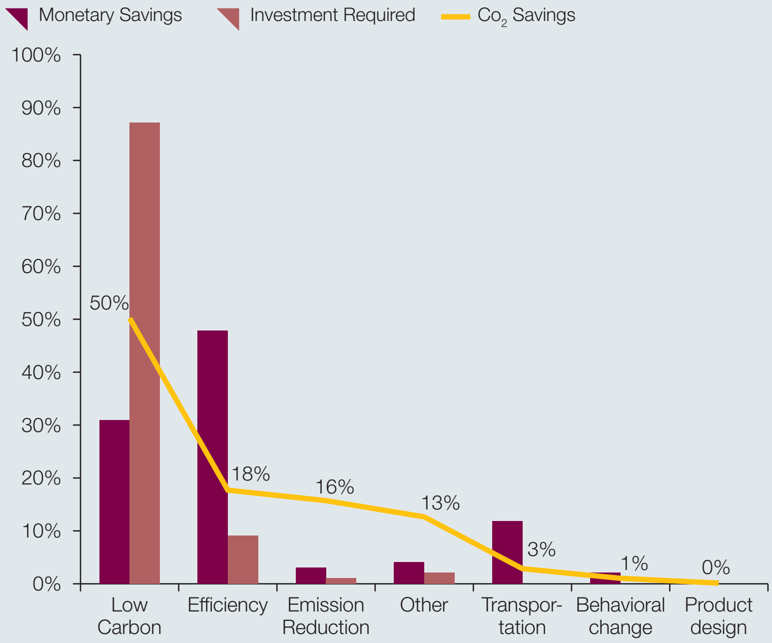


Figure 11: Analysis of Investments, Monetary Savings and CO_2 Savings for ERIs



It is more than meets the eye: The Italian corporate landscape shaping up to a world post-COP21

One of the focal points of this report includes the highly relevant collateral themes for the new setting outlined by the Paris Agreement. The results of the COP21 provide a *fundamental opportunity for the corporate sector to display its leadership in climate stewardship* not only by adopting policies and initiatives aimed at decreasing emissions in absolute and intensity levels, but also by driving the conversation further through the implementation of actions that exceed the overall expectations on businesses' role with regards to tackling climate change and preserving natural capital.

For these reasons, the reporting cycle 2016 incorporated new inquiries in all CDP's questionnaires pertaining critical topics covered by the Paris Agreement.

Within the scope of this report, we will analyse and measure the interest and readiness of the Italian businesses in regards of: **I. Science Based Targets, II. Carbon Pricing, III. Renewable Energies** and **IV. Responsible Policy Engagement.**

Science Based Targets (SBT)

One of the main areas of assessment of the climate change program is connected to the establishment of targets and initiatives to combat an increasing volume of emissions from businesses. **In 2016, CDP requested for the first time that companies disclose whether their target was set on a scientific base.**

The underlying idea of a science based target is to take into account the total volume of GHGs that can still be emitted whilst remaining in line with the level of emissions that will limit temperature rise to 2°C.

The Italian respondents' interest on this theme is quite mixed, as evidenced in Figure 12 and Figure 13.

Regarding **absolute targets**, out of the companies that responded to the question, four respondents declared to have targets based on scientific methodologies, two of which sent their targets to the Science Based Targets Initiative (SBTI). Unfortunately, none of those passed the SBTI assessment.

However, it is more relevant to note that 15 respondents do not yet see the value of establishing their own targets aligned with scientific

Figure 12: Are Absolute targets Science Based?

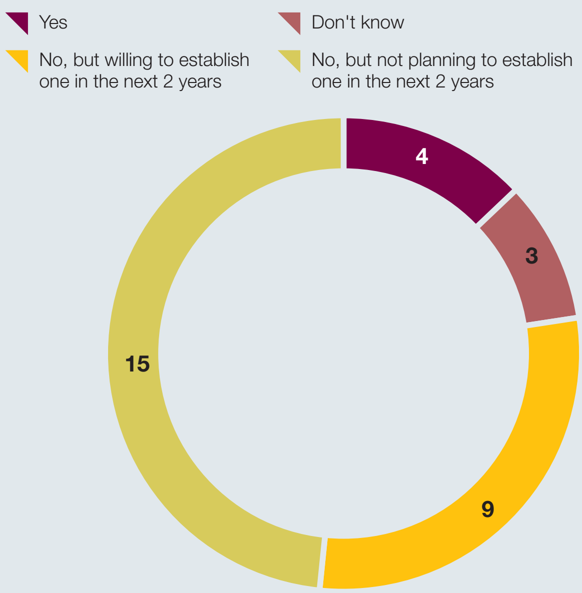
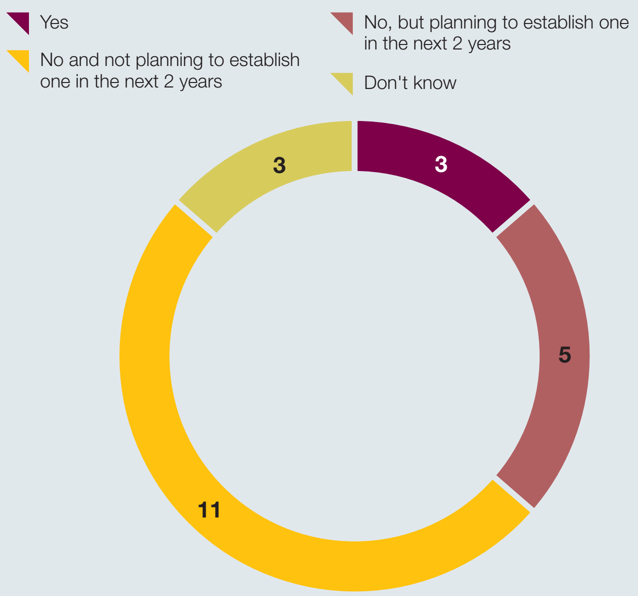


Figure 13: Are Intensity targets Science Based?



methodologies in the foreseeable future, whereas nine companies are planning to establish them in the next two years.

A similar overview has been provided by the same question for **intensity targets**, for which three companies submitted their targets stating that they were based on scientific methodologies. In this case, one company (Enel) passed the assessment of the SBTI. Once again, eleven respondents do not plan to establish a science based target in the foreseeable future and only five anticipate establishing those in the next two years.

The story told by the data collected in this reporting cycle has shown that Italian companies have begun to take into account the need for **longer term target-setting for absolute and intensity emissions reduction**. This interest needs to be encouraged, and complementary emphasis should be made to raise companies' awareness on the critical necessity to **base their targets on scientific methodologies** for them to be truly effective.

Integrating these two actions into their activities can provide businesses with a more **holistic view on the potential for reduction of emissions that can be achieved via target-setting practices.** And perhaps more importantly, it can **accelerate their leadership stance** to prevent global temperature increase to well below 2°C.

Carbon Pricing

Within the discourse of limiting anthropogenic impact on the atmosphere by means of emitting GHG emissions, carbon pricing can be viewed as a valid instrument to address the issue. **Carbon pricing entails monetary savings through energy efficiency maximization, and fosters innovation in renewable energies, manufacturing and transportation.**

The fifth assessment report of the Intergovernmental Panel on Climate Change (IPCC) confirms that **setting a robust price on carbon is the most effective strategy to avert dangerous climate change.**[2] Companies, cities, and countries are already implementing solutions in this regard, such as taxation on GHG emissions, Emissions Trading Systems (ETS), and regulations. We are living in a context where growing momentum for carbon pricing is driving businesses and governments to work more closely and lead the way together to generate action while maintaining growth in a world affected by climate change.

Within the Italian sample, only **17%** (7) of the companies have **declared to use an internal price of carbon mostly for strategic planning** (i.e. carrying out scenario and sensitivity analyses for decision-making processes). 12% (5) of the companies don't currently use carbon pricing but are planning to implement it in the next two years, and 71% (29) of the companies do not anticipate to do so in the next two years.

It shall be noted that the majority of the companies using this instrument are currently subject to the EU-ETS trading scheme. Within the discourse, the European Commission has confirmed that emissions from installations in the ETS scheme are being reduced in line to the expected rate of 5% compared to the beginning of phase 3 (2013). Furthermore, it has stated that if the policy continues to deliver successful emissions reductions as per the Commission's proposal, by 2030 they would be 43% lower than in 2005, when the ETS was initially set up.[3]

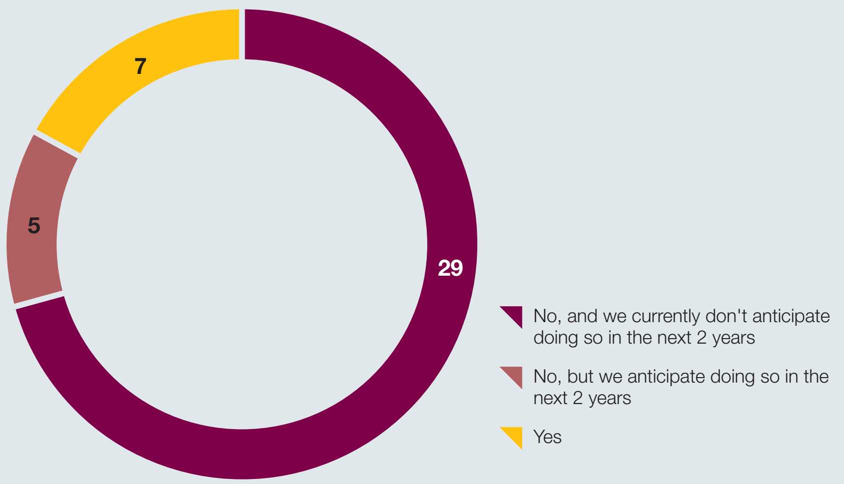
Besides the discourse connected to the EU-ETS system, by looking at the **global data** disclosed to CDP, a growing number of companies (147) stated that they are adopting an internal price of carbon to implement more climate conscious business strategies, while 37 companies are already reporting tangible impacts such as: budget reallocations, energy purchases and new business lines[4].

For this reason, the time is ripe for businesses, cities and governments to take action and tackle climate change hand in hand, through cooperation rather than resistance, with this flexible and cost-effective approach.

Renewable energies and low-carbon products: transitioning to a low-carbon economy

Aside from the remarkable commitments related to the COP21 setting, one of the overarching themes that has been part of the sustainability and climate change discourse is related to transitioning to a low-carbon economy. The theme is deemed highly relevant due to the fact that it is expected that at a certain point the overall cost in reducing marginal emissions deriving from outdated processes will become increasingly more expensive.

Figure 14: Are Italian companies using carbon pricing?

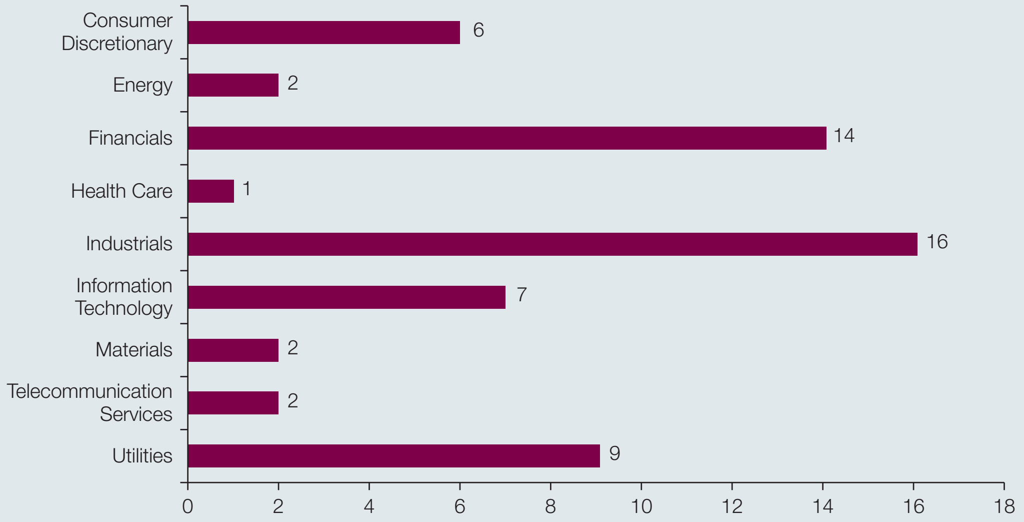


2. We Mean Business Coalition, 2016: The business end of Climate Change.

3. European Commission, 2016: http://ec.europa.eu/clima/policies/ets/index_en.htm

4. CDP, 2016: Embedding a Carbon Price into business strategy.

Figure 15: are Italian companies creating low carbon products?



One of the main solutions to address this problem is to start switching to a more sustainable and less carbon intensive business model. For this reason, this section analyses the existence of **low-carbon actions implemented by the Italian respondents.**

First and foremost, the questionnaire enquired whether companies possess a **renewable energy production or consumption target.** Eleven respondents (26% of the total) answered positively to this question and provided figures for their targets. It is worth to note that in nine cases the companies are aiming to source 100% renewable electricity by the end of their targets' lifespan.

Furthermore, aside from analysing the percentage of desired renewable energy sourced from green energies, the questionnaire also sought to find out if the Italian respondents possessed **low-carbon products or products that could allow third parties to reduce or avoid emissions**.

The results on this question are interesting considering that 28 out of 42 respondents reported the existence of such products, representing 67% of the respondents.

Furthermore, 59 different products were reported and as it can be seen in Figure 15 the most represented sectors are: Industrials (16), Financials (14) and Utilities (9). However, what should be noted and taken as a positive signal is that all sectors of assessment reported at least one type of product, meaning that there is an **overall interest from the Italian corporate landscape to provide low-carbon products for their customers**.

The nature of the products is highly dependent on the sector, for instance the examples range from choosing less impactful materials in manufacturing to investment portfolios, energy-saving products and so on.

Due to a lack of information from this year's responses, the average percentage of R&D investment destined for low-carbon products could not be calculated. However, in 39 cases out of 56 the proportion of investments directed to R&D activities falls in the category of "less or equal than 10%". This probably implies that at the moment the Italian sample seems to be more focused on products that already exist within their business operations, rather than investing to create new ones.

Responsible Policy Engagement

The last but not least important point of discussion within this report is related to how **businesses engage with policy makers in terms of climate change and sustainability** related issues.

Businesses are subject to local and international laws, and working closely with governments is most likely the best way to address their potential concerns about **changes in policy frameworks**; or even more promising: to **anticipate** those changes in the face of the **challenges posed by the decarbonisation of the world economy.**

Figure 16 displays the type of stakeholders engaged by the Italian respondents. Only 5 (4% of the total) do not engage with any relevant policy-influencing stakeholder. However, **24%** of the respondents **engage directly with policy makers, and 35% with trade associations**.

Consequently, the following question arises: what are the main themes being addressed by the Italian

corporate landscape, and what is the sample's position on them?

Figure 17 shows that the most common topic is **energy efficiency**, which represents **28%** of the overall responses, in line with last year's response. Next are **clean energy generation** and **adaptation resiliency** as the second and third preferred categories, **each with 13%** of the responses. Finally, another important topic that is currently being addressed is **climate finance**.

It shall be noted that the 25% constituting the "other" portion of the responses is an aggregate of several subjects that alone would account for less than 2% of responses each.

The standpoint of the respondents with regard to these macro-areas of interest, is mainly supportive of relevant stakeholders working together to develop new policy landscapes. For instance, in the case of *adaptation resiliency*, 89% of the respondents are in favour without reserve, and the same results are applicable for *clean energy generation.* Finally, similar results are obtained for *energy efficiency* and *climate finance*, both standing at 74% and 71% of support without reserve.

These results are not entirely surprising given that it has been revealed in past editions that the **Italian corporate landscape maintains a high degree of engagement with policy makers and other relevant actors for climate change related issues.** This finding outlines a positive scenario for the coming years, considering that a high level of engagement seems to be coupled with an increasing interest on the companies' side to exploit new opportunities in the field of business model diversification and renewable energy implementation.

Figure 16: Italian Landscape Policy engagement

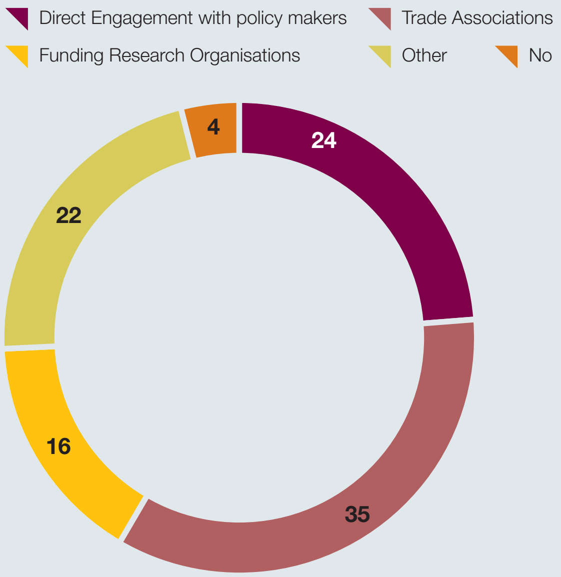
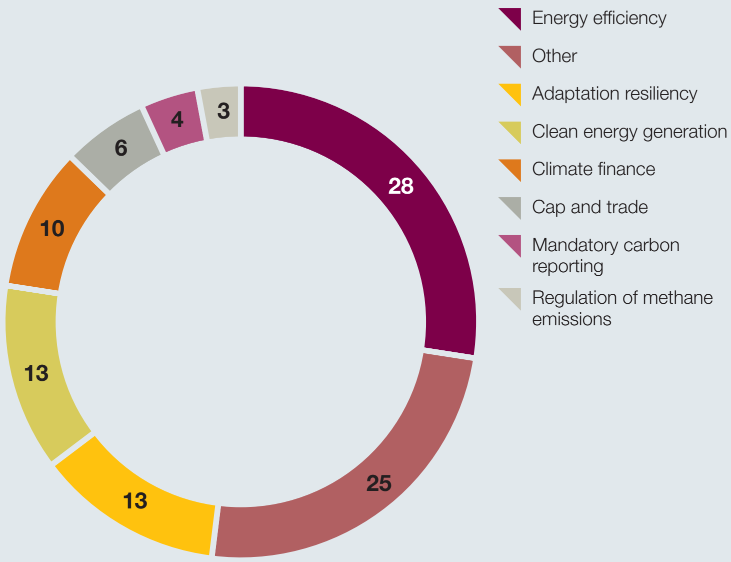


Figure 17: Main topics subject to Corporate Engagement with relevant stakeholders



Key takeaways

Risks and Opportunities

- Cap and trade schemes, Fuel/Energy taxes and regulation remain the major source of concern for the Italian respondents;
- However, more companies are discovering new opportunities in diversifying business models and increasing their readiness for a low-carbon context.

Emissions Analysis

- For the first time since the first sample analysis, the sample has shown a clear preference for medium-long term emissions reduction targets, both at an absolute and an intensity level;
- With regards to emissions reduction initiatives, 2016 marks the return of substantive investments in low carbon ERIs, this year's CO_2e savings are accounted for 50% to low carbon on ERIs, which represent only 14% of the overall implemented activities of 2016;
- Two main sectors are still driving the considerable amount of investment of the sample: Utilities and Energy, which also account for the vast majority of the sample's emissions volume;
- However, the materials sector, which is the third biggest emitter, only contributes to 1.3% of the overall investments in emissions reduction initiatives.

Science Based Targets

- At present time, Italian respondents do not seem to perceive yet the establishment of targets based on scientific methodologies, as a matter of critical importance;
- Only nine (for absolute level) and 11 (for intensity level) companies are interested in implementing SBT in the next two years.

Carbon Pricing

- In 2016, seven Italian respondents are already using an internal price on carbon;
- Albeit the importance and flexibility of the instrument, the vast majority (29) of the respondents are not planning to utilise carbon pricing in the foreseeable future;
- Therefore, the sample is highly advised to start thinking and even piloting the instrument, since the European Union identified it in the ETS system as a successful tool to lower emissions, meaning that future legislation on the topic might become more stringent or include a larger number of sectors within this scope.

Low-carbon Products

- This reporting year more than half of the sample (67%) reported several carbon or emissions-avoidance products with an overall positive participation across sectors;
- However, it has been identified that when reported, the percentage of R&D investment in these products accounts for less than 10% of the overall R&D expenditure, meaning that, at least in 2016, companies are mainly reporting existing products rather than developing new ones.

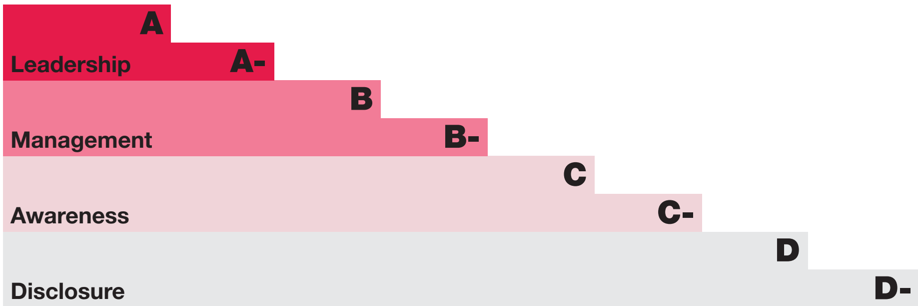
Responsible Policy Engagement

- The sample clearly favours actions related to energy efficiency, clean energy generation, adaptation and climate finance;
- Out of these four main areas of engagement, it is commendable that the corporate sector is for the vast majority supportive of new legislation developments, which appears to be in line with the identified opportunities and preparedness for a transition towards low-carbon economies.

Scoring overview
Communicating progress

Central to CDP's mission is communicating the progress companies have made in addressing environmental issues, and highlighting where risks may be unmanaged. In order to do so in a more intuitive way, CDP has adopted a streamlined approach to presenting scores in 2016. This new way to present scores measures a company's progress towards leadership using a 4 step approach: **Disclosure** which measures the completeness of the company's response;

Awareness considers the extent to which the company has assessed environmental issues, risks and impacts in relation to its business; **Management** which is a measure of the extent to which the company has implemented actions, policies and strategies to address environmental issues; and **Leadership** which looks for particular steps a company has taken which represent best practice in the field of environmental management.



Leadership	75-100% 0-74%	A A-
Management	40-74% 0-39%	B B-
Awareness	40-74% 0-39%	C C-
Disclosure	40-74% 0-39%	D D-

F: Failure to provide sufficient information to CDP to be evaluated for this purpose[5]

5. Not all companies requested to respond to CDP do so. Companies who are requested to disclose their data and fail to do so, or fail to provide sufficient information will receive an F, which signifies their failure to provide sufficient information to CDP to be evaluated for Climate Change. An F does not indicate a failure in environmental stewardship.

The scoring methodology clearly outlines how many points are allocated for each question and at the end of scoring, the number of points a company has been awarded per level is divided by the maximum number that could have been awarded. The fraction is then converted to a percentage by multiplying by 100 and rounded to the nearest whole number. A minimum score of 75%, and/or the presence of a minimum number of indicators on one level will be required in order to be assessed on the next level. If the minimum score threshold is not achieved, the company will not be scored on the next level.

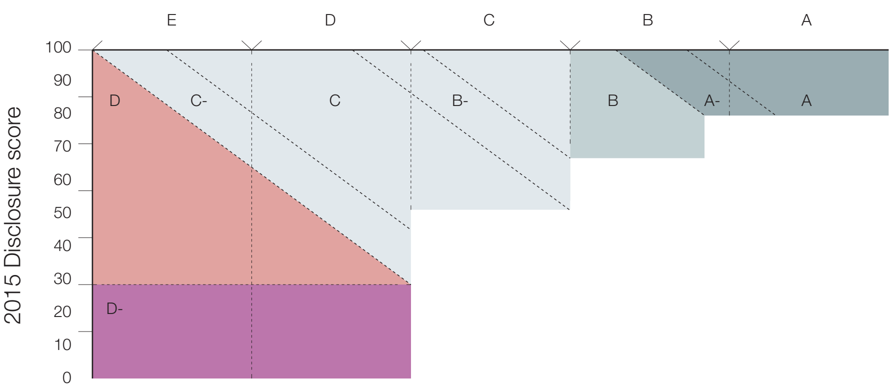
The final letter grade is awarded based on the score obtained in the highest achieved level. For example, Company XYZ achieved 88% in Disclosure level, 76% in Awareness and 65% in Management will receive a B. If a company obtains less than 40% in its highest achieved level, its letter score will have a minus. For example, Company 123 achieved 76% in Disclosure level and 38% in Awareness level resulting in a C-. However, a company must achieve over 75% in Leadership to be eligible for an A and thus be part of the A List, which represents the highest scoring companies. In order to be part of the A-list a company must score 75% in Leadership, not report any significant exclusions in emissions and have at least 70% of its scope 1 and scope 2 emissions verified by a third party verifier using one of the accepted verification standards as outlined in the scoring methodology.

Public scores are available in CDP reports, through Bloomberg terminals, Google Finance and Deutsche Boerse's website. CDP operates a strict conflict of interest policy with regards to scoring and this can be viewed at https://www.cdp.net/Documents/Guidance/2016/CDP-2016-Conflict-of-Interest-Policy.pdf

Comparing scores from previous years.

It is important to note that the 2016 scoring approach is fundamentally different from the 2015 one, and different information is requested. A perfect relation between different year's scores is impossible. The 2016 final score will be based on the 2016 response, and on the 2016 scoring methodology. However, we have developed a visual representation which provides some indication on how 2015's scores can be translated into 2016. To use this table a company can place its score in the table and see in which range it falls into in the current scoring levels. For more detailed instructions please refer to our webinar: https://vimeo.com/162087170.

2015 Performance Score



A list

In 2016 eight companies received the highest performance band listing themselves in the A List of 2016: CNH Industrial NV, ENEL SpA, Eni SpA, Fiat Chrysler Automobiles NV, Intesa Sanpaolo S.p.A, bIren SpA, Salini Impregilo S.p.A. and Snam S.P.A.

Due to the shift of the scoring methodology in this year's reporting, a comparison of 1 to 1 score is not applicable. However, it shall be noted out of the eight companies that achieved an A Band in this reporting cycle, five are new to the A list.

Table 2: Italian A listers of 2016

Company name	Band movement
CNH Industrial NV	Retained A
ENEL SpA	New A
Eni SpA	New A
Fiat Chrysler Automobiles NV	Retained A
Intesa Sanpaolo S.p.A.	Retained A
Iren SpA	New A
Salini Impregilo S.p.A.	New A
Snam S.p.A.	New A

Voluntary Respondents

Albeit the scope of this report focuses on the companies that were formally requested to disclose on behalf or CDP's investors signatories, it shall still be highlighted that the Italian corporate landscape also discloses on a voluntary basis.

For this cycle of reporting, two companies disclosed on a voluntary basis, SAVE – Aereoporto di Venezia Marco Polo; Sofidel S.p.A. and Pirelli.

Table 3: Italian responders out of sample

Company name	Score
SAVE – Aereoporto di Venezia Marco Polo	C
Sofidel S.p.A.	B
Pirelli	A-

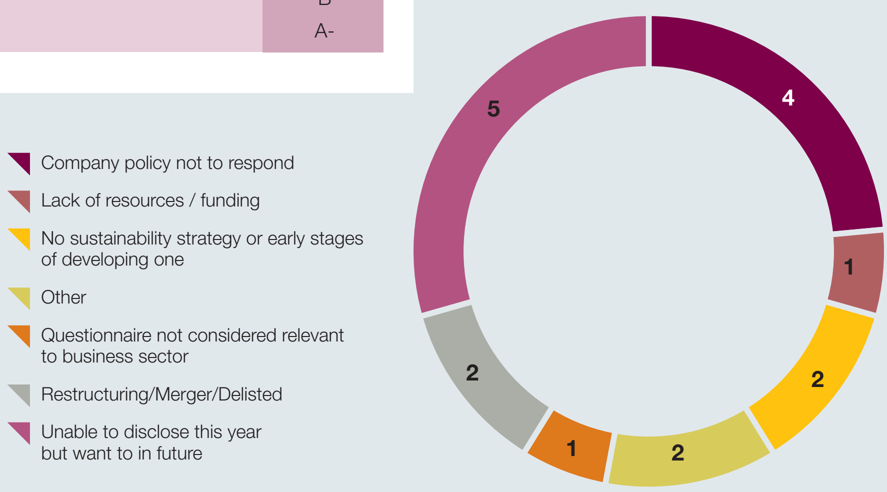
Reasons for not participating to the CDP Climate change questionnaire

In 2016, 51 companies did not respond to the climate change reporting cycle. Most of these (**75%**) belong to the **Financials, Consumer Discretionary, and Industrials** sectors. **34** (67%) companies did not show any sign of engagement, resulting in a **no response (NR)**, whereas **17** (33%) companies **declined to participate (DP)** and provided a reason as to why they were not participating in CDP's climate change program this year.

The reasons provided by companies declining to participate are summarized in Figure 18. On a positive note, five companies have replied that they were **unable to disclose** their environmental information this year **but that they want to do it in the future.** As for companies that declined to participate due to a **lack of a sustainability strategy**/being in process of developing one, or given that they are undergoing a **restructuring/merger process**, we expect to receive a signal of their willingness to engage in future CDP reporting cycles.

However, four companies stated that their **corporate policy is not to respond**, and one more replied that the questionnaire is **not considered relevant to its business sector**. Growing relevance of non-financial information disclosure at both national and global levels entails a strong need for the corporate world to **rethink business strategies**. Many firms still need to catch up with the hundreds of companies across all sectors that are already committing with transparent disclosure practices, improving their environmental performance and preparing to manage the risks and opportunities related to climate change. Additionally, **investors are increasingly demanding non-financial** – including environmental – **information** to assess their portfolios, showing preference for companies who are embedding environmental aspects into their corporate strategy.

Figure 18: Italy. Reasons for DP



We Mean Business: Commit to Action

Companies are taking direct and ambitious action on climate change. More than 465 companies have made commitments to climate action via the We Mean Business commitments platform “Commit to Action,” representing a **tenfold increase** in two years.

Progress in 2016 has remained strong, suggesting a positive response to the Paris Agreement and its universal commitment to a low-carbon economy.

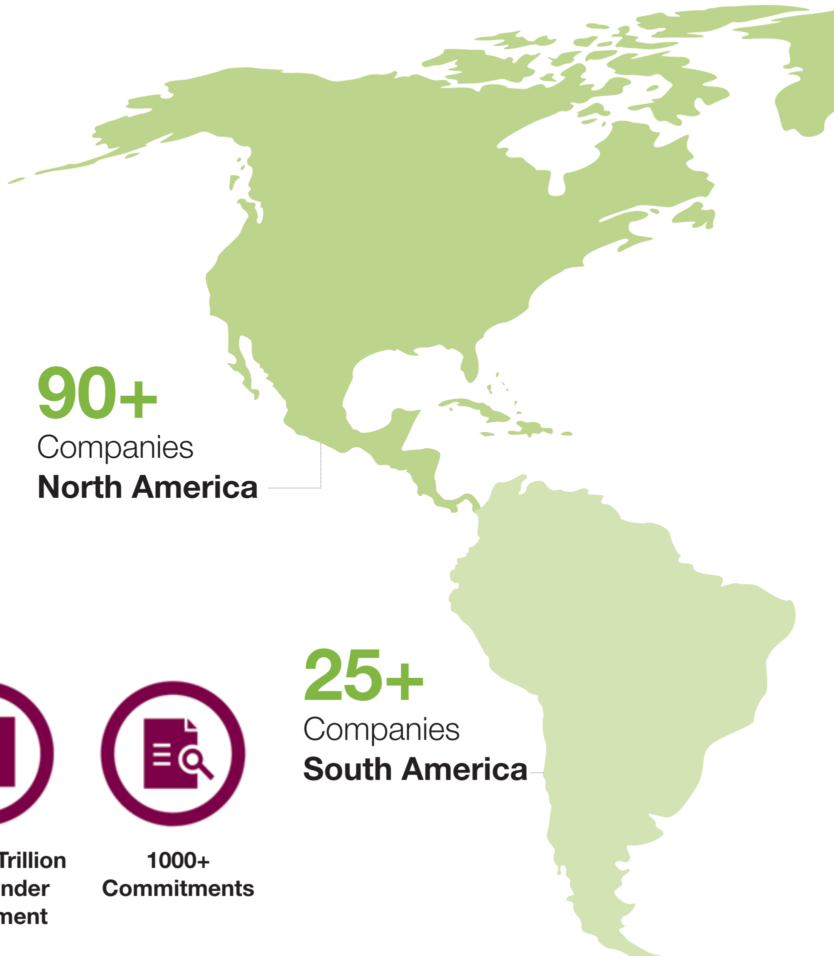
Companies have **been adopting more aggressive targets**—around emissions reductions, renewable energy, deforestation, water, and energy **productivity—and improving operational or governance measures for climate risk** through use a price on carbon, more responsible policy engagement mechanisms, and greater transparency on climate governance in mainstream reports.

Corporate action has grown across all of these issues. The strongest growth has been in companies committing to **science-based emissions reduction targets**, from 50 companies in late 2015 to nearly190 today.

Companies in 42 countries have taken action. At the beginning of 2015 just 3 **US companies** had made commitments via this platform. By Paris, this number had grown to more than 50 companies. The fastest growing issue with US companies has been science-based targets, with 33 companies making that commitment. Climate action remains popular with **European companies**, with 237 taking action, predominantly

Setting science based targets is the right thing to do, but also makes perfect business sense. Setting a science-based target directly answered the needs of our customers, all of whom are thinking about their own carbon footprints. It is also critical for investors who need to know that we are thinking of potential risks, in the short-, medium- and long-term.

Laurel Peacock
Senior Sustainability Manager
NRG Energy



465+ Companies

+$10 Trillion USD

183 Investors

>US$20.7 Trillion Assets Under Management

1000+ Commitments

WE MEAN BUSINESS

economic opportunity through bold climate action

Translating Paris into business strategy

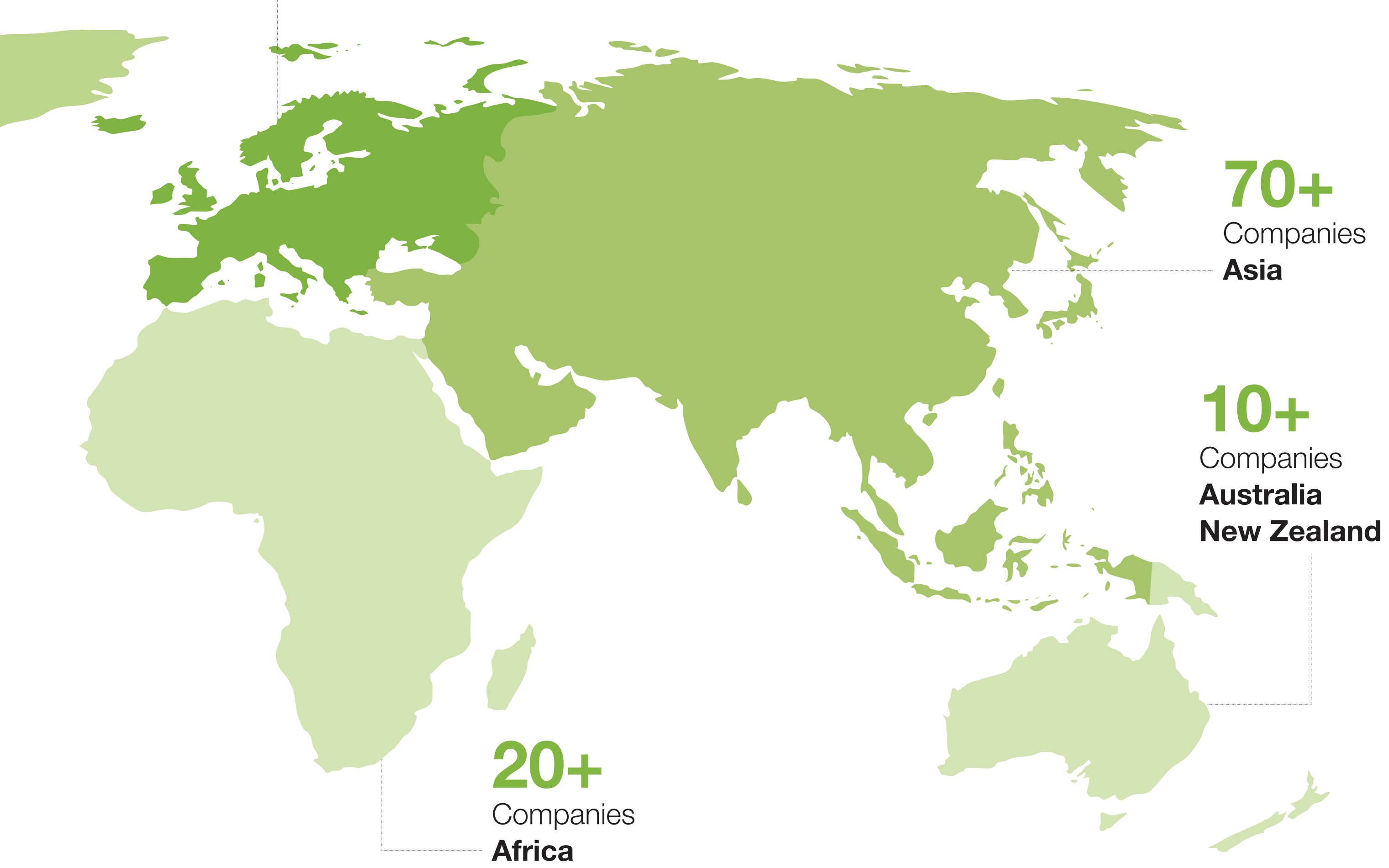
in mainstream reporting on climate and science-based target setting.

Thirteen companies headquartered in **Brazil** have taken action, including materials company Braskem (price on carbon) and the consumer brand Natura (science-based targets, deforestation, policy engagement, and mainstream reporting on climate). In **India**, 17 companies, including Tata & Sons and Mahindra, have made bold commitments to renewable energy and energy productivity. Important first movers in **China**, like industrials company Broad Group, have made a range of commitments, importantly including setting science-based targets.

Sector trends show that companies in every industry are acting. Strongest growth in 2016 has been in the **industrials sector**. Together, this sector accounts for over 20% of corporate action via the We Mean Business platform, as well as more than 100 million metric tonnes CO_2e. **Consumer discretionary and consumer staples companies** also represent 20% of committed companies, led by major brands like Walmart, The Coca-Cola Company and Honda Motor Company. **IT sector** participation has accelerated post-Paris, with companies including Apple and Facebook making 100% renewable power commitments.

By acting early and decisively, these companies are better able to manage their climate risk, gain competitive edge over their peers, and reap the reputational benefits that early leadership provides.

To find out more please visit www.cdp.net/commit.



BSR CDP Ceres THE B TEAM THE CLIMATE GROUP THE PRINCE OF WALES'S CORPORATE LEADERS GROUP wbcsd

Water

The Paris Agreement and associated NDCs have set the world on a course of rapid decarbonisation and adaptation to changes in the world's climate. Water plays a critical role to achieve them.

Worsening water security can severely undermine businesses ability to transition to a low carbon future and leading companies recognize that business-as-usual approaches to water management are no longer sufficient. A shift towards corporate water stewardship is necessary for both business resilience and decarbonisation efforts.

Encouragingly, companies are already reporting that sound water management can lead to emission reductions, such as **L'Oreal**, **Mitsubishi**, and **Mars**. Water security can be transformed from a limiting to an enhancing factor for low carbon economic growth.

Statistics:

- Analysis of CDP's 2015 data found that more than a quarter of companies identified opportunities to reduce GHG emissions through improved water governance. Read the 2016 global water report (released 15th Nov) to see how companies are improving water management to realize greater emissions reductions.
- Sound and effective water governance is essential for driving dynamic, low carbon economic growth. Companies are taking action, 68% report board level oversight of water issues and 82% integrate water into their business strategy.

CDP Southern Europe Water Respondents 2016

ACCIONA S.A., Banco Santander, Brembo SpA, EDP - Energias de Portugal S.A., ENAGAS, Endesa, ENEL SpA, FERROVIAL, Fiat Chrysler Automobiles NV, Gas Natural SDG SA, Gestamp, Iberdrola SA, Inditex, Miquel Y Costas, MYTILINEOS Holdings S.A., Obrascon Huarte Lain (OHL), Pirelli, Snam S.P.A

Forests

Deforestation and forest degradation account for approximately 10-15% of the world's greenhouse gas emissions. Addressing deforestation is therefore critical for meeting international ambitions to prevent dangerous climate change.

In fact, the most immediate and effective mechanism for mitigating climate impacts could come through curbing deforestation, according to the Stern Review.[6]

Global demand for agricultural commodities is the primary driver of deforestation, as land is cleared to produce soy, palm oil and cattle products. Alongside timber and pulp, these commodities are the building blocks of millions of products traded globally. These in turn are wealth generators which feature in the supply chains of countless companies across sectors.

Statistics:

- 81% of European companies reporting to CDP's forest program in 2016 have commitments to address deforestation yet only 42% stipulate zero or zero net deforestation and forests degradation within a 2020 timeframe. Read the 2016 Global Forests Report (released in early December) to see how companies are translating these into meaningful actions.
- Up to 33% of the carbon mitigation needed annually to keep temperature rises in check could be achieved by addressing deforestation. Source: *http://www.pcfisu.org/wp-content/uploads/2015/04/Princes-Charities-International-Sustainability-Unit-Tropical-Forests-A-Review.pdf*

CDP Southern Europe Forest Respondents 2016

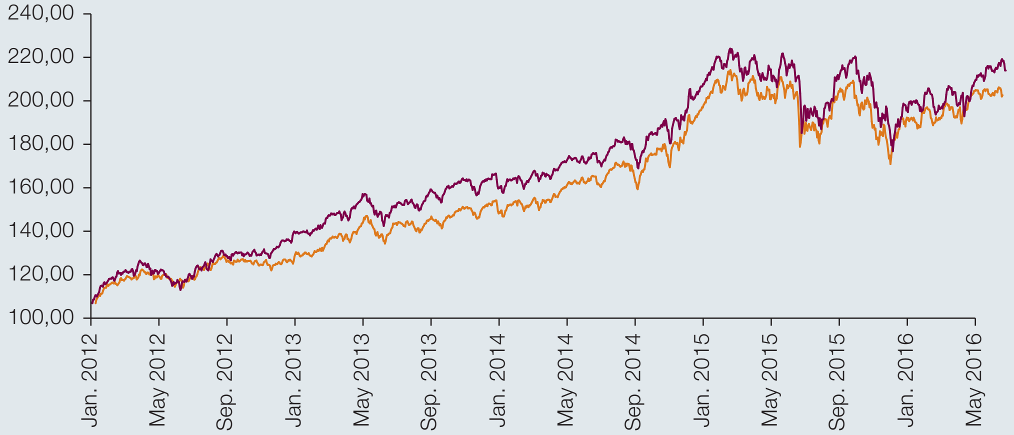
Barilla Holding SpA, EDP - Energias de Portugal S.A., Fiat Chrysler Automobiles NV, Iberdrola SA, Inditex, Jerónimo Martins SGPS SA, Obrascon Huarte Lain (OHL), Sofidel S.p.A.

6. Stern review: The Economics of Climate Change, Chapter 25 Reversing Emissions from Land Use Change
http://webarchive.nationalarchives.gov.uk/+/http:/www.hm-treasury.gov.uk/media/C7F/7E/ch_25_reversing_emissions.pdf

6%

higher returns
over past 4 years

STOXX® Low Carbon Indices provide easy new way to climate-friendly and attractive returns



This year CDP collaborated with STOXX® and South Pole Group on the development of a new series of low-carbon indices, one of which now makes investing in CDP's A List companies very easy: The STOXX® Global Climate Change Leaders Index.

STOXX® Climate Change Leaders Index is the first ever that tracks the CDP "A List" available to market participants offering a fully transparent and tailored solution to address long-term climate risks, while participating in the sustainable growth of a low-carbon economy.

The index has performed strongly against a global benchmark, outperforming by 6% over 4 years.

Being based on the CDP "A List" database, this unique index concept includes carbon leaders who are publicly committed to reducing their carbon footprint.[7]

Key benefits for investors:

- Constituents are forward-looking leaders with superior climate change mitigation strategies and commitments to reducing carbon emissions
- In addition to Scope 1 & Scope 2, also incorporates Scope 3 data
- Significantly (80%) lower carbon footprint while still containing high emitters
- Similar risk-return profiles compared to the benchmark
- Use reported carbon intensity data only

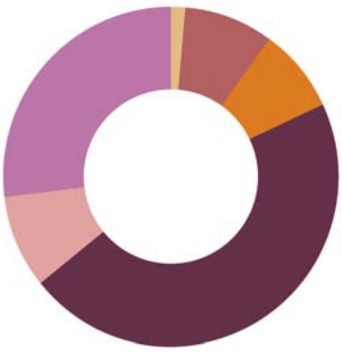
CDP is looking forward to contributing to innovative solutions that can add real value for investors in the future.

Our Climate A List comprises a strong set of companies who lead on climate change mitigation today and in the future. It is exciting to see the rising investor interest in the STOXX® Global Climate Change Leaders Index.

7. The index is price weighted with a weight factor based on the free-float market cap multiplied by the corresponding Z-score carbon intensity factor of each constituent. Components with lower carbon intensities are overweighted, while those with higher carbon emission are underweighted.

Appendix I
Investor Signatories and members

1. Investor signatories by location



Europe - 382 = 46%

North America - 223 = 27%

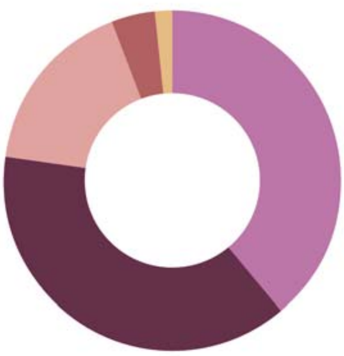
Latin America & Caribbean - 73 = 9%

Asia - 71 = 9%

Australia and NZ - 67 = 8%

Africa - 13 = 1%

2. Investor signatories by type



Asset Managers - 363 = 40%

Asset Owners - 256 = 30%

Banks - 158 = 19%

Insurance - 39 = 5%

Others - 13 = 2%

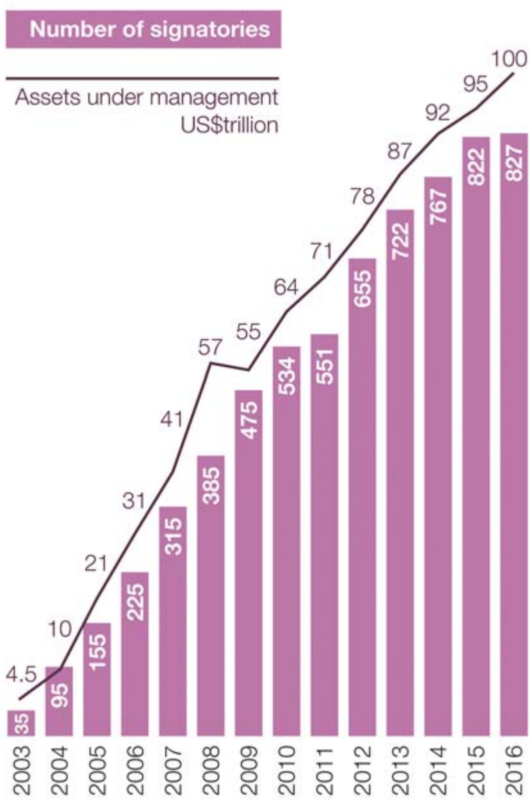
CDP's investor program – backed in 2016 by 827 institutional investor signatories representing in excess of US$100 trillion in assets – works with investors to understand their data and analysis requirements and offers tools and solutions to help them.

Our global data from companies and cities in response to climate change, water insecurity and deforestation and our award-winning investor research series is driving investor decision-making. Our analysis helps investors understand the risks they run in their portfolios. Our insights shape engagement and add value not only in financial returns but by building a more sustainable future.

For more information about the CDP investor program, including the benefits of becoming a signatory or member please visit: https://www.cdp.net/Documents/Brochures/investor-initiatives-brochure-2016.pdf

To view the full list of investor signatories please visit: https://www.cdp.net/en-US/Programmes/Pages/Sig-Investor-List.aspx

3. Investor signatories over time



Investor members

ACTIAM
AEGON N.V.
Allianz Global Investors
ATP Group
Aviva Investors
AXA Group
Bank of America Merrill Lynch
Bendigo and Adelaide Bank
BlackRock
Boston Common Asset Management, LLC
BP Investment Management Limited
British Columbia Investment Management Corporation
California Public Employees' Retirement System
California State Teachers' Retirement System
Calvert Investment Management, Inc
Capricorn Investment Group
Catholic Super
CCLA Investment Management Ltd
DEXUS Property Group
Etica SGR
Fachesf
FAPES
Fundação Itaú Unibanco
Generation Investment Management
Goldman Sachs Asset Management
Henderson Global Investors
Hermes Fund Managers
HSBC Holdings plc
Infraprev
KeyCorp
KLP
Legg Mason, Inc.
London Pensions Fund Authority
Maine Public Employees Retirement System
Morgan Stanley
National Australia Bank
NEI Investments
Neuberger Berman
New York State Common Retirement Fund
Nordea Investment Management
Norges Bank Investment Management
Overlook Investments Limited
PFA Pension
POSTALIS - Instituto de Seguridade Social dos Correios e Telégrafos
PREVI
Rathbone Greenbank Investments
Real Grandeza
Robeco
RobecoSAM AG
Rockefeller & Co.
Royal Bank of Canada
Sampension KP Livsforsikring A/S
Schroders
SEB AB
Sompo Japan Nipponkoa Holdings, Inc
Sustainable Insight Capital Management
TIAA
Terra Alpha Investments LLC
The Sustainability Group
The Wellcome Trust
UBS
University of California
University of Toronto
Whitley Asset Management

Appendix II
List of italian responding companies

Name	Score	Response	Scope 1+2 Emissions ($MtCO_2e$)
Consumer Discretionary			
Brembo SpA	A-	Public	448578,9
Fiat Chrysler Automobiles NV	A	Public	4083574
Piaggio & C SpA	B	Public	71463
Consumer Staples			
MARR SpA	D-	Not Public	-
Energy			
Eni SpA	A	Public	42171693
ERG S.p.A	B	Public	1241292
Saipem	C	Not Public	-
Financials			
Assicurazioni Generali Spa	B	Public	78279
Banca Popolare dell'Emilia Romagna	D	Public	
Banco Popolare Societa Cooperativa	C	Not public	-
Beni Stabili Spa SIIQ	C	Public	14201
Credito Valtellinese	C	Public	3694
Immobiliare Grande Distribuzione SpA	C	Public	22557
Intesa Sanpaolo S.p.A	A	Public	84151,43
Mediobanca	B	Public	977
UBI Banca	C	Public	10444,1
UniCredit	A-	Public	155205
Health Care			
Diasorin SpA	C	Public	9819,08
Outside of Italy 100 Sample			
Pirelli	A-	Not public	
Sofidel S.p.A.	B	Public	
SAVE - Aeroporto di Venezia Marco Polo S.p.A.	C	Public	
Industrials			
Ansaldo STS	C	Public	9515
Atlantia	C	Public	220350
CNH Industrial NV	A	Public	397299
Danieli & C Officine Meccaniche S.p.A.	B	Public	676573
Fincantieri	C-	Not Public	-
IMA SpA	C	Public	12860,9
Leonardo – Finmeccanica	B	Public	380229
Maire Tecnimont SpA	D-	Not Public	
Prysmian SpA	B	Public	718667
Salini Impregilo S.p.A.	A	Public	560541
Information Technology			
Esprinet SpA	D	Public	
REPLY S.p.A	C	Not public	-
STMicroelectronics Nv	B	Public	1323640
Materials			
Cementir Holding SpA	D	Public	6409319
Italcementi	A-	Public	31220766
Zignago Vetro SpA	C	Public	225262
Telecommunication Services			
Telecom Italia	B	Public	
Utilities			
A2A	A-	Public	7785108
ACEA SpA	A-	Public	685100
ENEL SpA	A	Public	120162640
Hera	B	Public	1676754
Iren SpA	A	Public	3077751
Snam S.P.A	A	Public	1938406
Terna	B	Public	137125

Appendix III
List of Italian non-disclosers

Name	Response Status
Amplifon SpA	Declined to Participate (F)
Anima Holding	No Response (F)
Ascopiave SpA	No Response (F)
Astaldi SpA	No Response (F)
Autogrill SpA	No Response (F)
Autostrada Torino-Milano SpA	No Response (F)
Azimut Holding	Declined to Participate (F)
Banca Carige	Declined to Participate (F)
Banca IFIS SpA	No Response (F)
Banca Monte dei Paschi di Siena Group	Declined to Participate (F)
Banca Popolare di Milano	No Response (F)
Banca Popolare di Sondrio	No Response (F)
Biesse	No Response (F)
Brunello Cucinelli SpA	No Response (F)
Buzzi Unicem	Declined to Participate (F)
Cattolica Assicurazioni	No Response (F)
Cerved Information Solutions	Declined to Participate (F)
CIR SpA	No Response (F)
Credito Emiliano	No Response (F)
Datalogic SpA	Declined to Participate (F)
Davide Campari-Milano SpA	No Response (F)
Dea Capital SpA	No Response (F)
DeLClima	No Response (F)
De'Longhi SpA	Declined to Participate (F)
El Towers SpA	No Response (F)
Engineering Ingegneria Informatica SpA	Declined to Participate (F)
Exor S.p.A.	Declined to Participate (F)

Name	Response Status
Ferrari	No Response (F)
Geox	No Response (F)
Gruppo Editoriale L'Espresso	Declined to Participate (F)
Interpump Group SpA	No Response (F)
Inwit (Infrastrutture Wireless Italiane SpA)	No Response (F)
Italmobiliare	No Response (F)
La Doria	No Response (F)
Luxottica Group	Declined to Participate (F)
Mediolanum S.p.A.	Declined to Participate (F)
Moncler	Declined to Participate (F)
OVS	No Response (F)
Parmalat SpA	No Response (F)
Poste Italiane	Declined to Participate (F)
Rai Way	No Response (F)
Recordati SpA	No Response (F)
Safilo Group S.p.A.	No Response (F)
Salvatore Ferragamo SpA	No Response (F)
Saras SpA	No Response (F)
SIAS	No Response (F)
Sol Spa	No Response (F)
Tamburi Investment Partners SpA	No Response (F)
Tenaris S.A.	No Response (F)
TOD'S	No Response (F)
Unipol Gruppo	Declined to Participate (F)
UnipolSai	No Response (F)
Vittoria Assicurazioni SpA	No Response (F)
YOOX Net-A-Porter Group	Declined to Participate (F)

F = Failure to provide sufficient information to CDP to be evaluated for Climate Change. Not all companies requested to respond to CDP do so. Companies who are requested to disclose their data and faild to do so, or fail to provide sufficient information to CDP to be evaluated will receive an F. An F does not indicate a failure in environmental stewardship.

Appendix IV
Investor signatories 2016

3Sisters Sustainable Management LLC
AB
Aberdeen Asset Managers
Aberdeen Immobilien KAG mbH
ABRAPP - Associação Brasileira das Entidades Fechadas de Previdência Complementar
Achmea NV
ACTIAM
Active Earth Investment Management
Acuity Investment Management
Addenda Capital Inc.
AEGON N.V.
AEGON-INDUSTRIAL Fund Management Co., Ltd
AGF Investment Inc.
AIG Asset Management
AK Asset Management Inc.
Akbank T.A.Ş.
Alberta Investment Management Corporation (AIMCo)
Alberta Teachers Retirement Fund Board
Alecta
Align Impact, LLC
Alliance Trust PLC
Allianz Global Investors
Allianz SE
Alquity Investment Management
Altira Group
Amalgamated Bank
AMF Pension
Amlin plc
AMP Capital Investors
AmpegaGerling Investment GmbH
Amundi AM
ANBIMA – Associação Brasileira das Entidades dos Mercados Financeiro e de Capitais
Antera Gestão de Recursos S.A.
APG
Appleseed Fund
Aquila Capital
Arabesque Asset Management
Arisaig Partners Asia Pte Ltd
Arjuna Capital
Arma Portföy Yönetimi A.Ş.
Armstrong Asset Management
ASM Administradora de Recursos S.A.
ASN Bank
Assicurazioni Generali S.p.A
ATI Asset Management
Atlantic Asset Management Pty Ltd
ATP Group
Auriel Capital
Australia and New Zealand Banking Group
Australian Ethical Investment
AustralianSuper
Avaron Asset Management
Aviva Investors
Aviva plc
AXA Group
AXA Investment Managers
BAE Systems Pension Funds Investment Management Ltd
Baillie Gifford & Co.
BaltCap
BPER Banca
Banco Bradesco S/A
Banco BTG Pactual SA
Banco Comercial Português S.A.
Banco da Amazônia S.A.
Banco de Credito del Peru BCP
Banco de credito social cooperativo
Banco de Galicia y Buenos Aires S.A.
Banco do Brasil Previdência
Banco do Brasil S/A
Banco Popular Español S.A.
Banco Sabadell, S.A.
Banco Santander
Banesprev – Fundo Banespa de Seguridade Social
bankmecu
Bank Handlowy w Warszawie S.A.
Bank J. Safra Sarasin Ltd
Bank Leumi Le Israel
Bank of America Merrill Lynch
Bank of Montreal
Scotiabank
Bankhaus Schelhammer & Schattera Kapitalanlagegesellschaft m.b.H.
Bankinter
Banque Libano-Française
Barclays
Basellandschaftliche Kantonalbank
BASF Sociedade de Previdência Complementar
Basler Kantonalbank
Baumann and Partners S.A.
Bayern LB
BayernInvest Kapitalanlagegesellschaft mbH
BBC Pension Trust Ltd.
BBVA
Bedfordshire Pension Fund
Beetle Capital
Bendigo & Adelaide Bank Limited
Bentall Kennedy
Berenberg Bank
Berti Investments
BlackRock
Blom Bank SAL
Blumenthal Foundation
BM&FBOVESPA
BMO Global Asset Management EMEA
BNP Paribas Investment Partners
BNY Mellon
BNY Mellon Service Kapitalanlage Gesellschaft
Boardwalk Capital Management
Boston Common Asset Management, LLC
BP Investment Management Limited
Brasilprev Seguros e Previdência S/A.
Breckenridge Capital Advisors
British Airways Pension Investment Management Limited
British Columbia Investment Management Corporation
Brown Advisory
BSW Wealth Partners
BT Financial Group
BT Investment Management
Busan Bank
CAAT Pension Plan
Cadiz Holdings Limited
CAI Corporate Assets International AG
Caisse de dépôt et placement du Québec
Caisse des Dépôts
Caixa de Previdência dos Funcionários do Banco do Nordeste do Brasil (CAPEF)
Caixa Econômica Federal
Caixa Geral de Depósitos
CaixaBank, S.A
Caja Ingenieros Gestión
California Public Employees' Retirement System
California State Teachers' Retirement System
California State Treasurer
California State University, Northridge Foundation
Calvert Investment Management, Inc.
Canada Pension Plan Investment Board
Canadian Imperial Bank of Commerce (CIBC)
Canadian Labour Congress Staff Pension Fund
Dexia Asset Management
CAPESESP
Capital Innovations, LLC
Capricorn Investment Group, LLC
CareSuper
Carmignac Gestion
CASER PENSIONES
Cathay Financial Holding Co. Ltd
Catherine Donnelly Foundation
Catholic Super
CBF Church of England Funds
CBRE
Cbus
CCLA Investment Management Ltd
Cedrus Asset Management
Celeste Funds Management Limited
Central Finance Board of the Methodist Church
CERES-Fundação de Seguridade Social
Challenger
Change Investment Management
China Development Financial Holdings
Christian Brothers Investment Services
Christian Super
Christopher Reynolds Foundation
Church Commissioners for England
Church of England Pensions Board
CI Mutual Funds' Signature Global Advisors
Mountain Cleantech AG
ClearBridge Investments
CM-CIC Asset Management
CNP Assurances
The Colorado College
Columbia Threadneedle Investments
Comerica Incorporated
COMGEST
Bâtirente
Commerzbank AG
CommInsure
Commonwealth Bank of Australia
Commonwealth Superannuation Corporation
Compton Foundation
Confluence Capital Management LLC
Connecticut Retirement Plans and Trust Funds
Conser Invest
CPR AM
Crayna Capital, LLC.
Credit Agricole
Credit Suisse
Gruppo Bancario Credito Valtellinese
CTBC Financial Holding Co., Ltd.
Cultura Bank
DGB Financial Group
Daesung Capital Management
Daiwa Securities Group Inc.
Dalton Nicol Reid
Dana Investment Advisors
Danske Bank Group
de Pury Pictet Turrettini & Cie S.A.
Degroof Petercam
DekaBank Deutsche Girozentrale
Delta Lloyd Asset Management
Demeter Partners
Desjardins Group
Deutsche Asset Management Investmentgesellschaft mbH
Deutsche Bank AG
Deutsche Postbank AG
Development Bank of Japan Inc.
Development Bank of the Philippines (DBP)
DEXUS Property Group
DIP
DLM INVISTA ASSET MANAGEMENT S/A
DNB ASA

Domini Social Investments LLC
Dongbu Insurance
DoubleDividend
Doughty Hanson & Co.
DWS Investment GmbH
DZ Bank
E.Sun Financial Holding Co
Earth Capital Partners LLP
East Capital AB
East Sussex Pension Fund
Ecofi Investissements - Groupe Credit Cooperatif
EdenTree Investment Management
Edward W. Hazen Foundation
EEA Group Ltd
EGAMO
Eika Kapitalforvaltning AS
Ekobanken medlemsbank
Elan Capital Partners
Element Investment Managers
ELETRA - Fundação Celg de Seguros e Previdência
Elo Mutual Pension Insurance Company
Environment Agency Pension fund
Environmental Investment Services Asia Limited
Trustees of Donations to the Protestant Episcopal Church
Epworth Investment Management
eQ Asset Management Ltd
Equilibrium Capital Group
equinet Bank AG
ERAFP
Erik Penser Fondkommission
Erste Asset Management
Erste Group Bank
Essex Investment Management Company, LLC
ESSSuper
Ethos Foundation
Etica Sgr
Eureka Funds Management
Eurizon Capital SGR
Evangelical Lutheran Church in Canada Pension Plan for Clergy and Lay Workers
Evangelical Lutheran Foundation of Eastern Canada
Evangelisch-Luth. Kirche in Bayern
Evli Bank Plc
FACEB – FUNDAÇÃO DE PREVIDÊNCIA DOS EMPREGADOS DA CEB
FAELCE – Fundacao Coelce de Seguridade Social
FAPERS- Fundação Assistencial e Previdenciária da Extensão Rural do Rio Grande do Sul
Federal Finance
Fédéris Gestion d'Actifs
FIDURA Capital Consult GmbH
FIM Asset Management Ltd
FIM Services
Finance S.A.
Financiere de l'Echiquier
FIPECq - Fundação de Previdência Complementar dos Empregados e Servidores da FINEP, do IPEA, do CNPq
FIRA. - Banco de Mexico
First Affirmative Financial Network
First Bank
First State Super
First Swedish National Pension Fund (AP1)
FirstRand Ltd
Florida State Board of Administration (SBA)
Folketrygdfondet
Folksam
Fondaction CSN
Fondation de Luxembourg
Fondazione Cariplo
Fondo Pegaso
Fondo Pensione Cometa
Fondo Pensione Gruppo Intesa Sanpaolo - FAPA
Fonds de Réserve pour les Retraites – FRR
Foundation North
Fourth Swedish National Pension Fund, (AP4)
FRANKFURT-TRUST Investment-Gesellschaft mbH
Friends Fiduciary Corporation
Friends Life
Fubon Financial Holdings
Fukoku Capital Management Inc
FUNCEF - Fundação dos Economiários Federais
Fundação AMPLA de Seguridade Social - Brasiletros
Fundação Atlântico de Seguridade Social
Fundação Attilio Francisco Xavier Fontana
Fundação Banrisul de Seguridade Social
Calouste Gulbenkian Foundation
Fundação Chesf de Assistência e Seguridade Social – Fachesf
Fundação Corsan - dos Funcionários da Companhia Riograndense de Saneamento
Fundação de Assistência e Previdência Social do BNDES - FAPES
FUNDAÇÃO ELETROBRÁS DE SEGURIDADE SOCIAL - ELETROS
Fundação Itaipu BR - de Previdência e Assistência Social
FUNDAÇÃO ITAUBANCO
Fundação Itaúsa Industrial
Fundação Rede Ferroviaria de Seguridade Social – Refer
FUNDAÇÃO SANEPAR DE PREVIDÊNCIA E ASSISTÊNCIA SOCIAL - FUSAN
Fundação Sistel de Seguridade Social (Sistel)
Fundação Vale do Rio Doce de Seguridade Social - VALIA
FUNDIÁGUA - FUNDAÇÃO DE PREVIDENCIA COMPLEMENTAR DA CAESB
Futuregrowth Asset Management
GameChange Capital LLC
Greentech Capital Advisors, LLC
GEAP Fundação de Seguridade Social
Gemway Assets
General Equity Group AG
Generation Investment Management
Genus Capital Management
German Equity Trust AG
Gjensidige Forsikring ASA
Global Forestry Capital SARL
Globalance Bank Ltd
GLS Gemeinschaftsbank eG
Goldman Sachs Asset Management
Goldman Sachs Group Inc.
GOOD GROWTH INSTITUT für globale Vermögensentwicklung mbH
Good Super
Government Employees Pension Fund ("GEPF"), Republic of South Africa
GPT Group
Greater Manchester Pension Fund
Green Alpha Advisors
Green Cay Asset Management
Green Century Capital Management
Green Science Partners
GROUPAMA EMEKLİLİK A.Ş.
GROUPAMA SİGORTA A.Ş.
Groupe Crédit Coopératif
GROUPE OFI AM
Grupo Financiero Banorte SAB de CV
Grupo Santander Brasil
Banca Monte dei Paschi di Siena Group
Guardians of New Zealand Superannuation
Hall Capital Partners LLC
Hang Seng Bank
Hannon Armstrong Sustainable Infrastructure Capital, Inc
Hanwha Asset Management Company
Harbour Asset Management
Harrington Investments, Inc
Harvard Management Company, Inc.
Hauck & Aufhäuser Asset Management GmbH
Hazel Capital LLP
HDFC Bank Ltd.
Healthcare of Ontario Pension Plan (HOOPP)
Heart of England Baptist Association
Helaba Invest Kapitalanlagegesellschaft mbH
Henderson Global Investors
Hermes Investment Management
HESTA Super
HIP Investor
Holden & Partners
HSBC Fundo de Pensão
HSBC Global Asset Management (Deutschland) GmbH
HSBC Holdings plc
HSBC INKA Internationale Kapitalanlagegesellschaft mbH
HUMANIS
Hyundai Marine & Fire Insurance Co., Ltd
Hyundai Securities Co., Ltd.
IBK Securities
IDBI Bank Ltd.
Infrastructure Development Finance Company
Industry Funds Management
Iguana Investimentos
Illinois State Board of Investment
Ilmarinen Mutual Pension Insurance Company
Imofundos, S.A
Impax Asset Management
Making Dreams a Reality Financial Planning
IndusInd Bank Ltd.
Industrial Alliance, Insurance and Financial Services Inc.
Industrial Bank of Korea
Industrial Development Corporation
Inflection Point Capital Management
ING Group N.V.
Insight Investment
Instituto Infraero de Seguridade Social - INFRAPREV
Instituto Sebrae De Seguridade Social - SEBRAEPREV
Insurance Australia Group
Integre Wealth Management of Raymond James
IntReal KAG
Investec Asset Management
Investing for Good CIC Ltd
Irish Life Investment Managers
Itau Asset Management
Itaú Unibanco Holding S A
Jantz Management LLC
Janus Capital Group Inc.
Jarislowsky Fraser Limited
Jessie Smith Noyes Foundation
Jesuits in Britain
JMEPS Trustees Limited
JOHNSON & JOHNSON SOCIEDADE PREVIDENCIARIA
Johnson Private Wealth Management, LLC
Joule Assets Inc.
JPMorgan Chase & Co.
Jubitz Family Foundation
Jupiter Asset Management
Kagiso Asset Management
Kaiser Ritter Partner Privatbank AG
KB Kookmin Bank
KBC Asset Management
KBC Group
KCPS Private Wealth Management
KDB Asset Management Co. Ltd
Kendall Sustainable Infrastructure, LLC
Kepler Cheuvreux
KEPLER-FONDS KAG
Keva
KeyCorp
KfW Bankengruppe

Killik & Co LLP
Kiwi Income Property Trust
Kleinwort Benson Investors
KLP
Korea Investment Management Co., Ltd.
Korea Technology Finance Corporation (KOTEC)
KPA Pension
La Banque Postale Asset Management
La Financière Responsable
La Française
Laird Norton Family Foundation
Lampe Asset Management GmbH
Landsorganisationen i Sverige
Länsförsäkringar
LaSalle Investment Management
LBBW - Landesbank Baden-Württemberg
LBBW Asset Management Investmentgesellschaft mbH
LD Lønmodtagernes Dyrtidsfond
Legal and General Investment Management
Legg Mason Global Asset Management
LGT Group
LGT Group Foundation
LIG Insurance
Light Green Advisors, LLC
NORTHERN STAR GROUP
Living Planet Fund Management Company S.A.
Lloyds Banking Group
Local Authority Pension Fund Forum
Local Government Super
LocalTapiola Asset Management Ltd
Logos portföy Yönetimi A.Ş.
Lombard Odier Asset Management
London Pensions Fund Authority
Lothian Pension Fund
LUCRF Super
Ludgate Investments Limited
Lutheran Council of Great Britain
Macquarie Group Limited
Magellan Financial Group
MagNet Magyar Közösségi Bank Zrt.
Maine Public Employees Retirement System
MainFirst Bank AG
Malakoff Médéric
MAMA Sustainable Incubation AG
Man
Mandarine Gestion
MAPFRE
Maple-Brown Abbott
Marc J. Lane Investment Management, Inc.
Martin Currie Investment Management
Maryknoll Sisters
Maryland State Treasurer
Matrix Asset Management
Mediobanca
Meeschaert Gestion Privée
Meiji Yasuda Life Insurance Company
Mellon Capital
Mendesprev Sociedade Previdenciária
Mercer Investments
Merck Family Fund
Mercy Investment Services, Inc.
Mergence Investment Managers
Merseyside Pension Fund
MetallRente GmbH
Metrus – Instituto de Seguridade Social
Metzler Asset Management Gmbh
MFS Investment Management
McLean Budden
Midas International Asset Management, Ltd.
Miller/Howard Investments, Inc.
KDB Daewoo Securities
Mirae Asset Global Investments
Mirae Asset Securities Co., Ltd.
Mirova
Mirvac Group Ltd
Missionary Oblates of Mary Immaculate
Mistra, The Swedish Foundation for Strategic Environmental Research
Mitsubishi UFJ Financial Group
Mitsui Sumitomo Insurance Co.,Ltd
Mizuho Financial Group, Inc.
MN
Mobimo Holding AG
Momentum Outcome-based Solutions
Monega Kapitalanlagegesellschaft mbH
Mongeral Aegon Seguros e Previdência S/A
Montanaro Asset Management Limited
Morgan Stanley
MTAA Superannuation Fund
Nanuk Asset Management
The Nathan Cummings Foundation
National Australia Bank Limited
National Bank of Canada
NATIONAL BANK OF GREECE S.A.
National Grid Electricity Group of the Electricity Supply Pension Scheme
National Grid UK Pension Scheme
National Pensions Reserve Fund of Ireland
National Union of Public and General Employees (NUPGE)
NATIXIS
Natural Investments LLC
Nedbank Limited
Needmor Fund
NEI Investments
Nelson Capital Management, LLC
NEST - National Employment Savings Trust
Nest Sammelstiftung
Neuberger Berman
New Alternatives Fund Inc.
New Amsterdam Partners LLC
New Forests
New Mexico State Treasurer
New Resource Bank
New York City Employees Retirement System
New York City Comptroller
New York City Teachers Retirement System
New York State Common Retirement Fund
Newground Social Investment
Newton
NGS Super
Woori Investment & Securities Co., Ltd.
NH-CA Asset Management Company
Nikko Asset Management Co., Ltd.
Nissay Asset Management Corporation
NN Group NV
Nomura Holdings, Inc.
NORD/LB Kapitalanlagegesellschaft AG
Nordea Investment Management
Norfolk Pension Fund
Norges Bank Investment Management
North Carolina Retirement System
North East Scotland Pension fund
Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC)
Northern Trust
NorthStar Asset Management, Inc
Northward Capital Pty Ltd
Notenstein Privatbank AG
Nykredit
Oceana Investimentos ACVM Ltda
OceanRock Investments
Oddo & Cie
Office of the Vermont State Treasurer
Öhman
ÖKOWORLD
Old Mutual plc
Oliver Rothschild Corporate Advisors
OMERS Administration Corporation
Ontario Pension Board
Ontario Teachers' Pension Plan
OP Wealth Management
Oppenheim & Co. Limited
Oppenheim Fonds Trust GmbH
OppenheimerFunds
Opplysningsvesenets fond (The Norwegian Church Endowment)
OPTrust
Oregon State Treasurer
Osmosis Investment Management
Overlook Investments Limited
PAI Partners
Park Foundation
Parnassus Investments
Paul Hamlyn Foundation
Pax World Funds
PCJ Investment Counsel Ltd.
Pensioenfonds Vervoer
Pension Fund for Danish Lawyers and Economists
Pension Protection Fund
Pension Denmark
Swedish Pensions Agency
People's Choice Credit Union
Perpetual
PETROS - The Fundação Petrobras de Seguridade Social
PFA Pension
PGGM Vermogensbeheer
Phillips, Hager & North Investment Management
PhiTrust Active Investors
Pictet Asset Management SA
Pioneer Investments
Piraeus Bank S.A.
PKA
Plato Investment Management
Pluris Sustainable Investments SA
PNC Financial Services Group, Inc.
Polden-Puckham Charitable Foundation
Porto Seguro S.A.
POSTALIS - Instituto de Seguridade Social dos Correios e Telégrafos
Power Finance Corporation Limited
PREVHAB PREVIDÊNCIA COMPLEMENTAR
PREVI Caixa de Previdência dos Funcionários do Banco do Brasil
PREVIG Sociedade de Previdência Complementar
Previnorte - Fundação de Previdência Complementar
Progressive Asset Management, Inc.
Prologis
Provinzial Rheinland Holding
Prudential Investment Management
Prudential Plc
Psagot Investment House Ltd
Public Sector Pension Investment Board
Q Capital Partners Co. Ltd
QBE Insurance Group
QIC
Quantex
Quilter Cheviot Asset Management
Quotient Investors
Rabobank
Raiffeisen Fund Management Hungary Ltd.
Raiffeisen Kapitalanlage-Gesellschaft m.b.H.
Raiffeisen Schweiz Genossenschaft
RPMI Railpen Investments

Rathbones / Rathbone Greenbank Investments
RBC Global Asset Management
Real Grandeza Fundação de Previdência e Assistência Social
REI Super
Reliance Capital Limited
Resona Bank, Limited
Reynders McVeigh Capital Management
River Twice Capital Advisors, LLC
Robeco
RobecoSAM AG
Robert & Patricia Switzer Foundation
Rockefeller Asset Management, Sustainability & Impact Investing Group
Rose Foundation for Communities and the Environment
Rothschild & Cie Gestion Group
Royal Bank of Canada
Royal Bank of Scotland Group
Royal London Asset Management
RREEF Investment GmbH
Ruffer LLP
Russell Investments
Sampension KP Livsforsikring A/S
Samsung Asset Management Co., Ltd.
Samsung Fire & Marine Insurance Co.,Ltd.,
Samsunglife Insurance
Samsung Securities
Sanlam Life Insurance Ltd
Santa Fé Portfolios Ltda
Santam
Santander Brasil Asset Management
Sarasin & Partners
SAS Trustee Corporation
Saskatchewan Healthcare Employees' Pension Plan
Sauren Finanzdienstleistungen GmbH & Co. KG
Schroders
SEB Asset Management AG
Second Swedish National Pension Fund (AP2)
Şekerbank T.A.Ş.
Seligson & Co Fund Management Plc
Sentinel Investments
SERPROS - Fundo Multipatrocinado
Service Employees International Union Pension Fund
Seventh Swedish National Pension Fund (AP7)
The Shiga Bank, Ltd.
Shinhan Bank
Shinhan BNP Paribas Investment Trust Management Co., Ltd
Shinkin Asset Management Co., Ltd
Siemens Kapitalanlagegesellschaft mbH
Signet Capital Management Ltd
Sisters of St Francis of Philadelphia
Sisters of St. Dominic
Sixth Swedish National Pension Fund (AP6)
Skandia
SEB AB
Smith Pierce, LLC
SNW Asset Management
Social(k)
Sociedade de Previdencia Complementar da Dataprev - Prevdata
Società reale mutua di assicurazioni
SOCIÉTÉ GÉNÉRALE
Socrates Fund Management
Solaris Investment Management Limited
Sompo Japan Nipponkoa Holdings, Inc
Sonen Capital
Sopher Investment Management
Soprise! Impact Fund
South Yorkshire Pension Fund
SouthPeak Investment Management
SPF Beheer bv
Spring Water Asset Management
Sprucegrove Investment Management Ltd
Standard Chartered
Standard Chartered Korea Limited
Standard Life Investments
Standish Mellon Asset Management
State Bank of India
State Street Corporation
StatewideSuper
Stewart Investors
Stockland
Storebrand ASA
Strathclyde Pension Fund
Stratus Group
Sumitomo Mitsui Financial Group
Sumitomo Mitsui Trust Holdings, Inc.
Sun Life Financial
Superfund Asset Management GmbH
SURA Peru (AFP Integra, Seguros SURA, Fondos SURA, Hipotecaria SURA)
SUSI Partners AG
Sustainable Capital
Sustainable Development Capital
Sustainable Insight Capital Management
Handelsbanken
Svenska kyrkan
Svenska kyrkans pensionskassa
Swedbank
Swift Foundation
Swiss Re
Sycomore Asset Management
Symphonia sgr
Syntrus Achmea Asset Management
T. Rowe Price
Garanti Bank
T. SINAİ KALKINMA BANKASI A.Ş.
Taishin Financial Holding Co.,Ltd
Tasplan
Tata Capital Limited
TD Asset Management (TD Asset Management Inc. and TDAM USA Inc.)
TD Securities (USA) LLC
TIAA
Telluride Association
Telstra Super
Tempis Asset Management Co. Ltd
Terra Alpha Investments LLC
Terra Global Capital, LLC
TerraVerde Capital Management LLC
Transport for London Pension Fund
The Brainerd Foundation
The Bullitt Foundation
The Church Pension Fund of Finland
The Children's Investment Fund Management (UK) LLP
Clean Yield Asset Management
The Collins Foundation
The Co-operators Group Ltd
The Council of Lutheran Churches
The Daly Foundation
The Hartford Financial Services Group
The Joseph Rowntree Charitable Trust
The Korea Teachers Pension (KTP)
The McKnight Foundation
The New School
The Pension Plan For Employees of the Public Service Alliance of Canada
The Pinch Group
The Presbyterian Church in Canada
The Russell Family Foundation
The Sandy River Charitable Foundation
The Sisters of St. Ann
The Sustainability Group at the Loring, Wolcott & Coolidge Office
The United Church of Canada - General Council
The University of Edinburgh Endowment Fund
The Wellcome Trust
Third Swedish National Pension Fund (AP3)
TOBAM
Tokio Marine Holdings, Inc
Toronto Atmospheric Fund
Trillium Asset Management, LLC
Triodos Investment Management
Tri-State Coalition for Responsible Investment
Trusteam Finance
Tryg
Turner Investments
Unione di Banche Italiane S.c.p.a.
UBS
UniCredit SpA
Union Asset Management Holding AG
Union Investment Privatfonds GmbH
Unionen
Unipension FAIF A/S
Unipol
UNISONS Staff Pension Scheme
UniSuper
Unitarian Universalist Association
United Church Funds
United Nations Foundation
Unity College
Universities Superannuation Scheme (USS)
University of California
University of Massachusetts Foundation
University of Sydney Endowment Fund
University of Toronto
University of Toronto Asset Management Corporation
University of Washington
Van Lanschot
Vancity Group of Companies
Varma Mutual Pension Insurance Company
Ventas, Inc.
Veris Wealth Partners
Veritas Pension Insurance
Vexiom Capital Group, Inc.
VicSuper
Victorian Funds Management Corporation
VietNam Holding Ltd.
Vinva Investment Management
Vision Super Pty Ltd
VOIGT & COLL. GMBH
VOLKSBANK INVESTMENTS
Bank Vontobel AG
Trust Waikato
Walden Asset Management
WARBURG - HENDERSON Kapitalanlagegesellschaft für Immobilien mbH
Water Asset Management, LLC
Wells Fargo & Company
Wespath Investment Management
West Midlands Pension Fund
West Yorkshire Pension Fund
Westfield Capital Management Company, LP
Westpac Banking Corporation
WHEB Asset Management
White Owl Capital AG
Whitley Asset Management
Woori Bank
Xoom Capital
YES BANK Limited
York University Pension Fund
Youville Provident Fund Inc.
Yuanta Financial Holding
Zevin Asset Management, LLC
Zürcher Kantonalbank

CDP
DRIVING SUSTAINABLE ECONOMIES

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Co-funded by the LIFE+ programme of the European Union

The sole responsibility lies with the author and the Commission is not responsible for any use that may be made of the information contained therein

We would like to express our gratitude to Intesa Sanpaolo for hosting the CDP annual event 2016.

We would like to express our gratitude to Borsa Italiana for jointly awarding with CDP the Italian Climate Leaders of 2016.