

CDP Climate Change Report 2016 - Summary

France and Benelux edition

On behalf of 827 investors with US\$100 trillion in assets



Key Messages

151 companies responded to CDP in Benelux and France, accounting for 81% of the market capitalization in the region.

21 companies achieved the top score entering the CDP A List.

Their emissions represent 28% of the total reported emissions, and a decrease of 6 Mt of CO₂e. Schneider Electric, Royal Philips, L'Oréal, Atos, Proximus ING Group and Royal BAM Group were also leaders in 2016. Bic scored A also in 2013, KPN was graded A in 2011, 2012 and 2013 and Renault was part of the leaders in 2014. AkzoNobel, Bouygues, DSM, EDF, ENGIE, Group PSA, ICADE, Klépierre, Michelin, SUEZ and VEOLIA, are joining the list for the first time this year.

Integrating climate change into business strategy is becoming main stream but targets lack ambition.

131 out of 141 companies have included climate change into their business strategy. 114 of them set specific targets and initiatives to reduce their climate impact. 2020 is the most common target year, while leaders distinguish themselves by setting long term targets, as far as 2050 and beyond.

53% of the companies managed to decrease their emissions in 2016.

For 115 companies that responded also last year the emissions decreased from 723 Mt CO₂e to 712 Mt CO₂e meaning a 2% decrease of total emissions. From these 115 companies, 61 decreased their emissions by average of 14%.

15% of the companies achieved A.

15% of the companies achieved an A score and 14% an A-, among them large emitters LafargeHolcim and Shell. 30% of respondents achieved a B score.

Leaders are in the process of adopting Science Based Targets.

Proximus is the only company whose target has been approved by the Science Based Target (SBT) Initiative's official quality check. 19 companies are officially committed to SBT and currently in the process. 27% of the respondents indicated they are planning to set SBT in the coming 2 years.

6 companies account for 78% of all the emissions.

ArcelorMittal, EDF, ENGIE, LafargeHolcim, Shell and Total together account for 78% of all the emissions, however they make great progress in reduction. Excluding the particular case of LafargeHolcim, their emissions decreased by 18% (10,6 Mt CO₂e).

Scope 3 emissions are 4 times higher than Scope 1 and 2 combined.

77% of the companies reported on Scope 3 accounting for a total of 2,285 billion tons of CO₂e.

21 companies achieved the top score entering the CDP A List

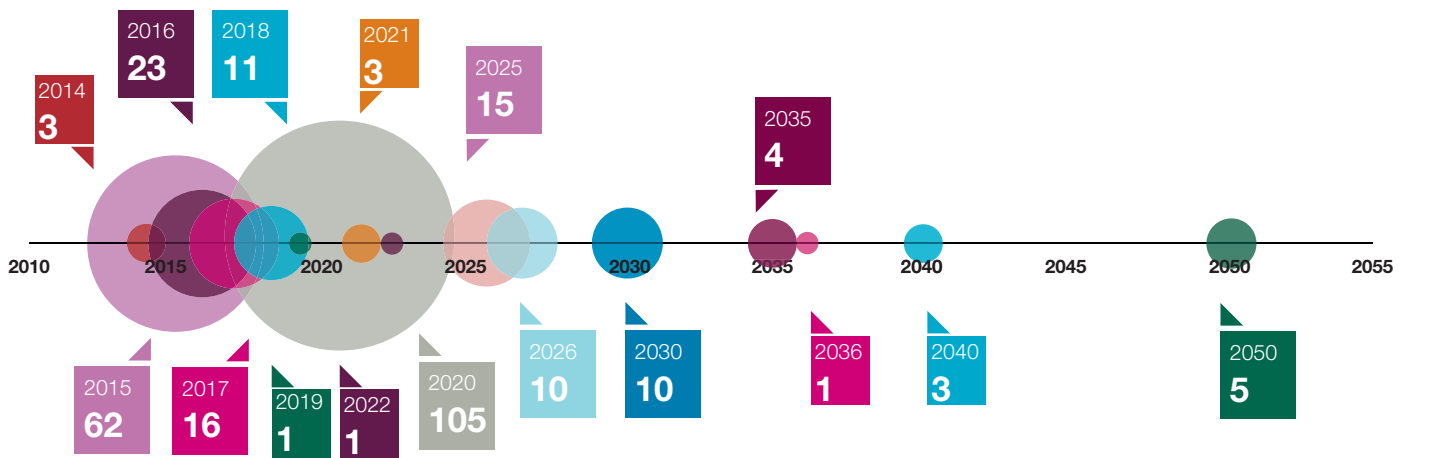
Out of 141 companies there are 21 Climate leaders scoring A in the Benelux and France sample. Globally 194 companies scored A. 11% of the world climate leaders are Benelux & France companies.

Consumer Discretionary	Industrials	Real Estate
Groupe PSA	Bic	ICADE
Michelin	Bouygues	Klépierre
Renault	Schneider Electric	Telecommunication Services
Consumer Staples	Royal BAM Group nv	Koninklijke KPN NV (Royal KPN)
L'Oréal	Royal Philips	Proximus
Financials	Information Technology	Utilities
ING Group	Atos SE	EDF
	Materials	ENGIE
	AkzoNobel	SUEZ
	Koninklijke DSM	VEOLIA

Companies should set ambitious carbon emissions reduction targets beyond 2020

More than half of the companies have emissions reduction targets that expire in the next 4 years. Twenty-six percent of the targets expire by 2016 and have not been updated yet. Companies have to set ambitious emissions reduction targets beyond 2020 to make a real impact in the transition to a low carbon economy.

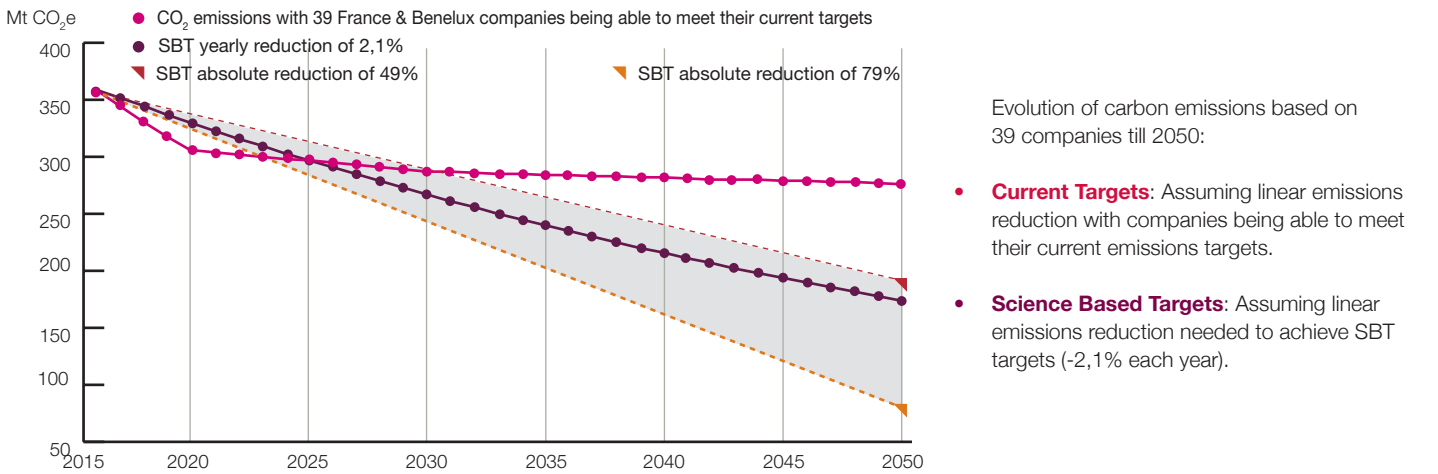
The overview of the number of emissions reduction targets set and their target dates



Current targets are not sufficient and are not aligned with Science Based Targets



An analysis based on 39 companies with absolute reduction targets shows that their emissions would fall by 23% by 2050. However, based on Science Based Targets the reduction till 2050 should be 59%. More ambitious and longer term targets are clearly needed to keep average global temperature rise under 2°C.

Comparison of the projected carbon emissions with current targets and the reduction needed (in Mt CO₂e)



Five global business initiatives could contribute to cutting billions of tons of GHG emissions every year

Leading companies take responsibility in reducing their carbon emissions. They unite, collaborate and accelerate in joined business initiatives. Your company could become a leader as well, learn from the best practices and speed up towards mission zero.






Initiative	
Science based targets Companies set emission reduction targets based on keeping temperature change below 2°C.	
EP100 Companies commit, over 25 years, to doubling their economic output from each unit of energy.	RE 100
RE100 Companies commit to using 100% renewable electricity.	EP 100
Zero deforestation Companies commit, by 2020, to using no commodities that cause deforestation.	
Low carbon technology partnership initiative Companies work to develop and use more low carbon technology in their industry.	LCTPI

Circular economy: the opportunity to close the 1,5°C gap

Across the globe about 50% of carbon emissions are related to materials. Therefore, the transition towards a circular economy business model not only has financial benefits, but also positively contributes to climate change.

For decades supply chains and products flowed in one direction: from manufacturing to consumption to landfill. But in a world with increasingly constrained resources and environmental challenges, supply chains need to work based on a circular approach where valuable resources are taken back to be reused.

Accenture research among 125 circular leaders revealed five circular business models. Five capability shifts are needed to transform towards circular business models and capture the circular advantage.

Business Model		Five capability shifts	
Circular supplies 	Provides fully renewable, recyclable or biodegradable resource inputs that underpin circular production and consumption systems.	1 Strategy From focus only on core business to manage complex and collaborative circular network.	
Resources recovery 	Enables a company to eliminate material leakage and maximize the economic value of product return flows.	2 Innovation & product development From designing for single use to designing for many life cycles and users.	
Product life extension 	Allows companies to extend the lifecycle of products and assets. Value that would otherwise be lost through wasted materials are instead maintained or even improved by repairing, upgrading, remanufacturing or remarketing products.	3 Sourcing and manufacturing From homogenous supply chain to heterogeneous resource flow innovation and cascading.	
Sharing platforms 	Promotes a platform for collaboration among product users, either individuals or organizations.	4 Sales & product use From never seeing your product again to customer and asset life cycle management.	
Product as a service 	Provides an alternative to the traditional model of "buy and own". Products are used by one or many customers through a lease or pay-for-use arrangement.	5 Return chains From compliance to opportunity driven take back.	

*can be applied to product flows in any part of the value chain.

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Download the full CDP Climate
Leader Benelux & France report
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