# SRP Teaser Notes

* Companies that have been consistently at the top (the sustainable business leaders) are continually committed… *is this going to match up with the reorganisation this year due to new ‘action led’ methodology?*
* Extreme climate events – can we use other data to show increased number of extreme weather events?
* Label the dates of the various COPs and Paris Agreement and IPPC reports (other legislation?)
* Less than a decade – can we map the speed of the climate action so far against the time we have left?
* Pandemic date on timeline

## Structure

* International top performers Top 10/20?
* International industry sectors focus
  + top 5 industries?
  + Top 5 performers
* Best practices uptake over the years

### Net Zero

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | FTSE | DOW | CAC | IBEX |
| 2020 | 45 | 9 | 17 | 21 |
| 2019 |  |  |  |  |
| 2018 |  |  |  |  |
| 2017 |  |  |  |  |

### SBT

* + - Companies who’ve set/committed to setting

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | FTSE | DOW | CAC | IBEX |
| 2020 | 35/22 | 14/1 | 20/5 | 9/6 |
| 2019 | 81% FTSE Companies setting carbon reduction targets of any kind |  |  |  |
| 2018 | 20/12  32% set or committed to SBTs |  |  |  |
| 2017 | 8/10  Set or committed 18% |  | 38% Set or committed  2.5% SBT, 80% carbon target, 17.5% no target | 20% Set or committed  3% set SBT, 60% carbon target, 37% no target |
| 2016 | 6/4 |  | 1/4 |  |
| 2015 | 1 |  |  |  |

* + - 51% well below 2/1.5C

### TCFD

* + - Aligned/ mention

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | FTSE | DOW | CAC | IBEX | All |
| 2020 | 56% | 37% |  |  | 50% |
| 2019 | 37% | 23% |  |  | 37% |
| 2018 | **15% /** 26% mention | ~3% /~10% | **~13%,** 25% mention | **~11 % / ~**26% | 15% |
| 2017 |  |  |  |  |  |

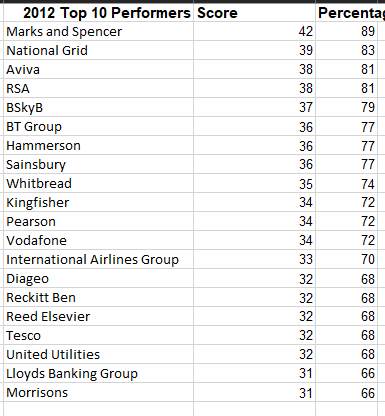
* + Scope 3
  + CDP
  + Communication of progress
* Geographical focus?
  + Top 10, top sector, top trend, comparison with other two
* Conclusion
* Methodology
  + How it has changed over the years
  + Kept it up to date to remain competitive and relevant to changing best practice

## Leaderboards

### 2011

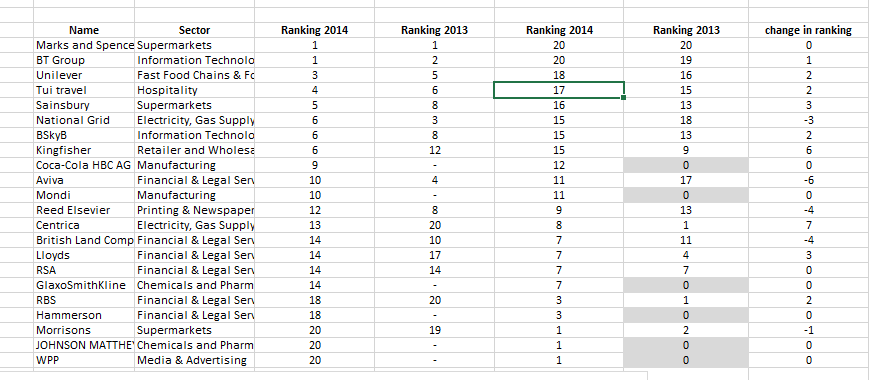
### [Z:\Marketing and Comms\1 - Content\5 - Sustainability reporting research\2013\FTSE 100 Carbon Reporting Final Version June 2011v2.xlsx](file:///Z:\Marketing%20and%20Comms\1%20-%20Content\5%20-%20Sustainability%20reporting%20research\2013\FTSE%20100%20Carbon%20Reporting%20Final%20Version%20June%202011v2.xlsx)

### 2012



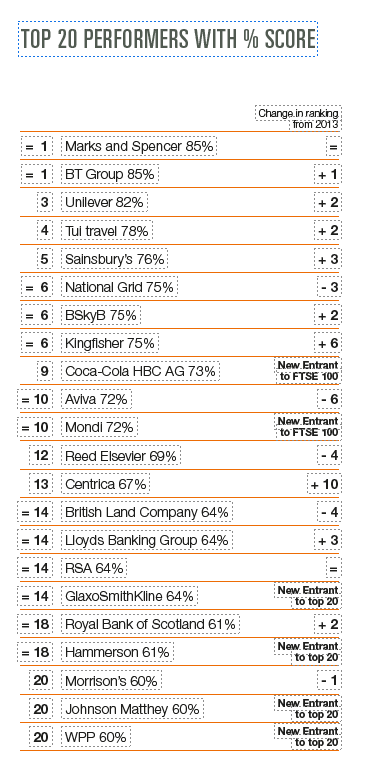
### 2013

#### FTSE



### 2014

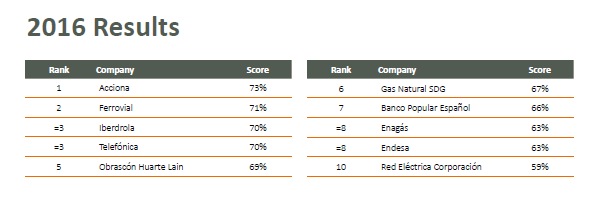
#### FTSE



### 2016

#### FTSE

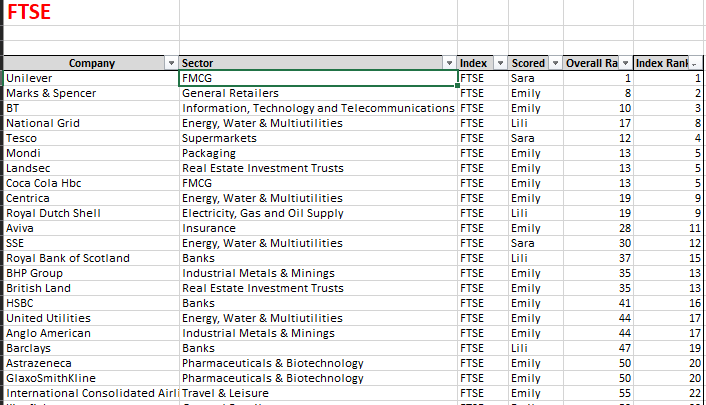
#### IBEX



### 2017

2019

#### FTSE

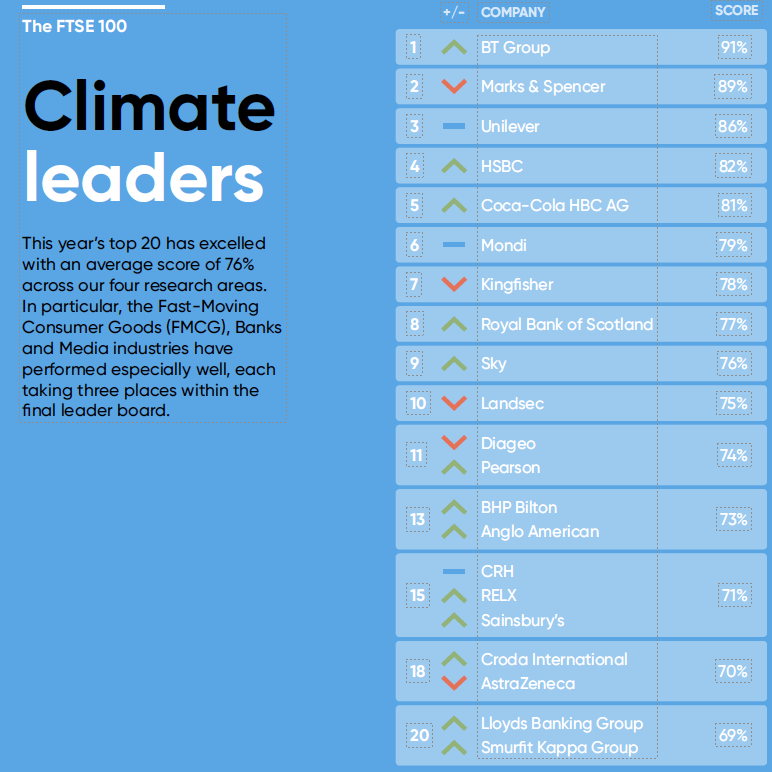


### 2018

#### International



#### FTSE



### 2019

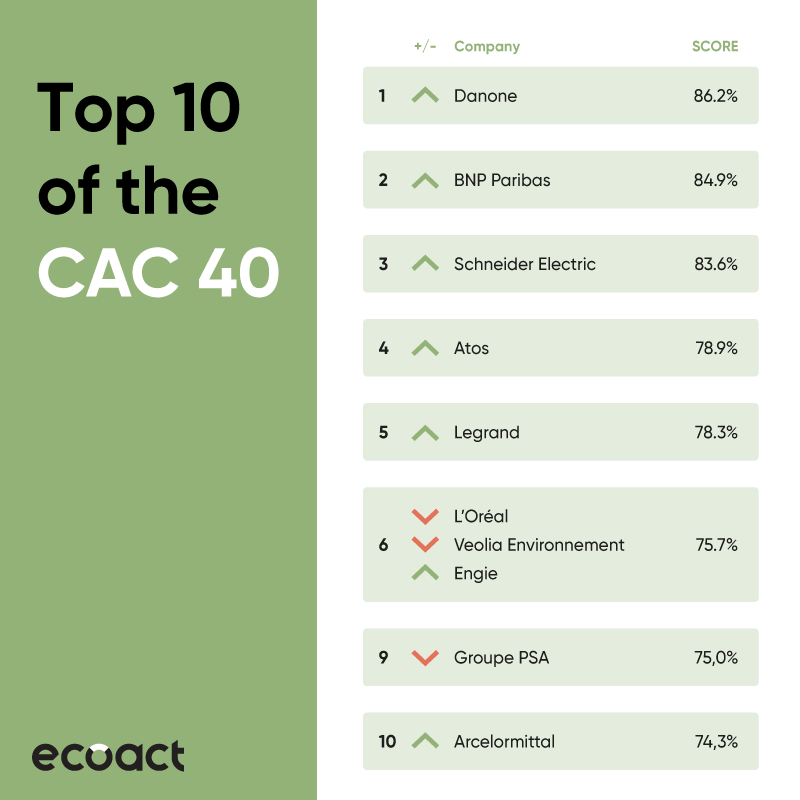
#### International



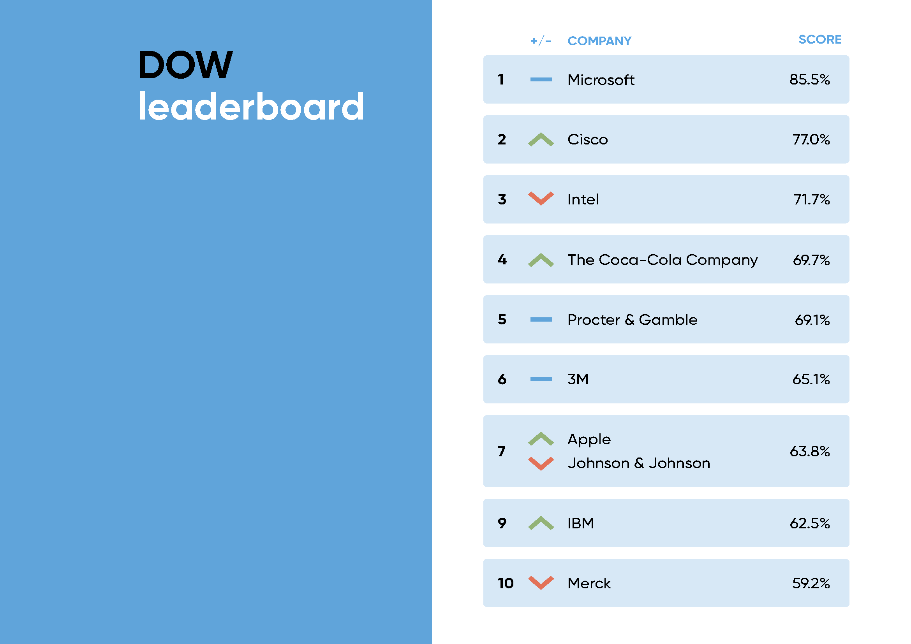
#### FTSE



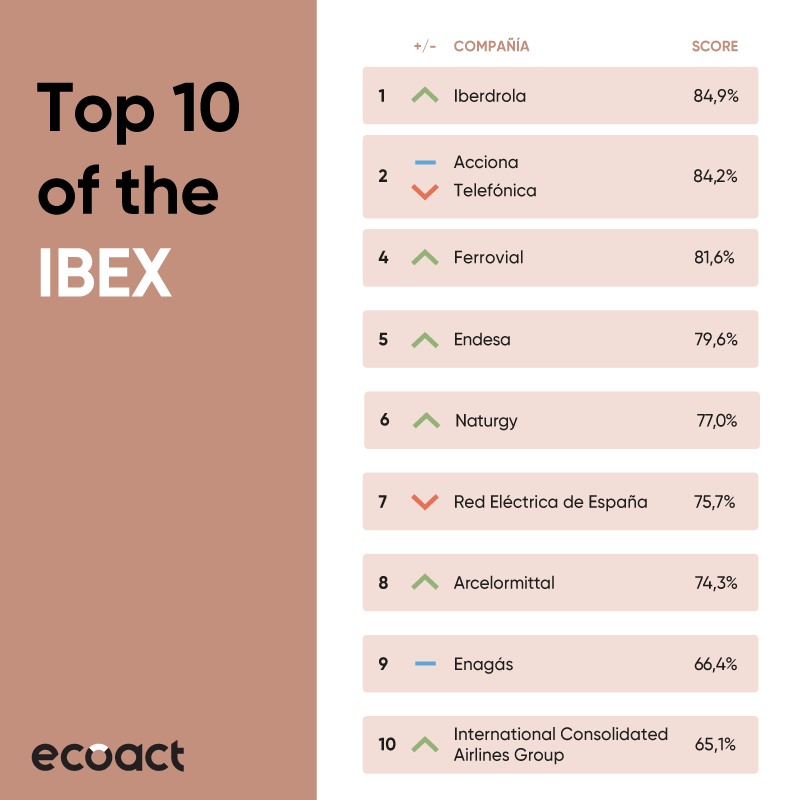
#### CAC



#### DOW

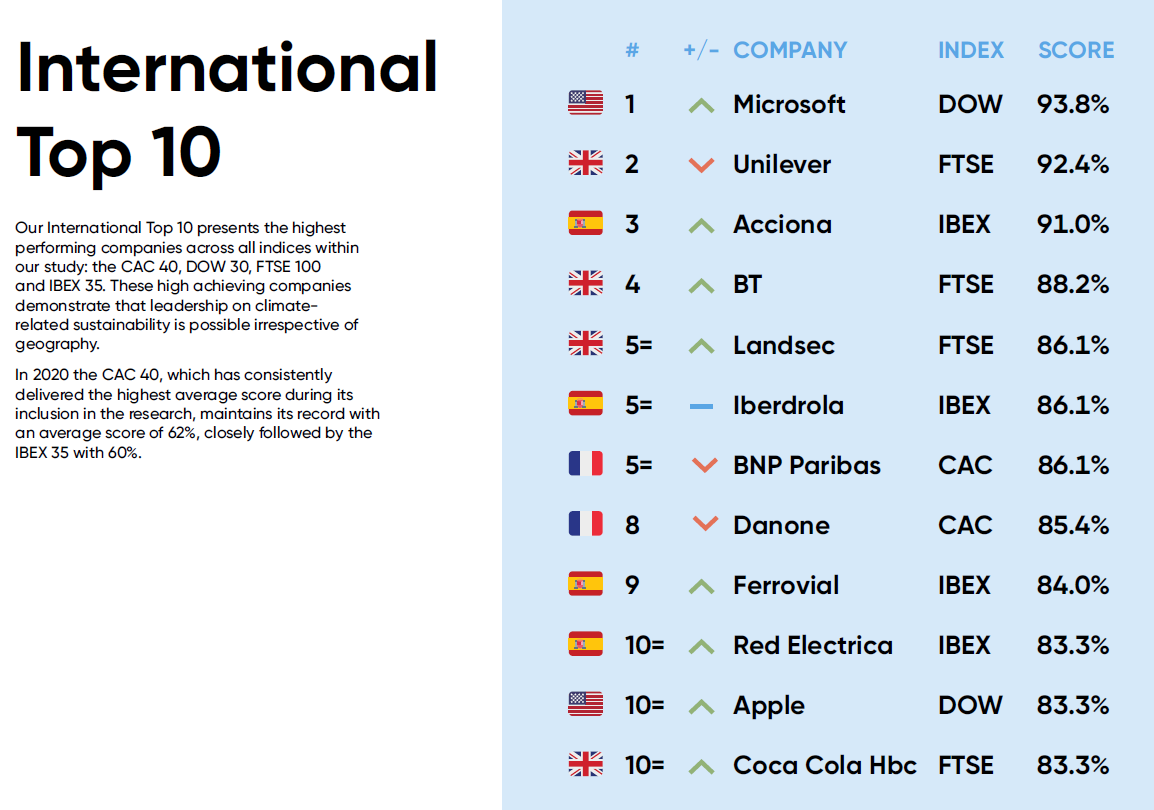


#### IBEX

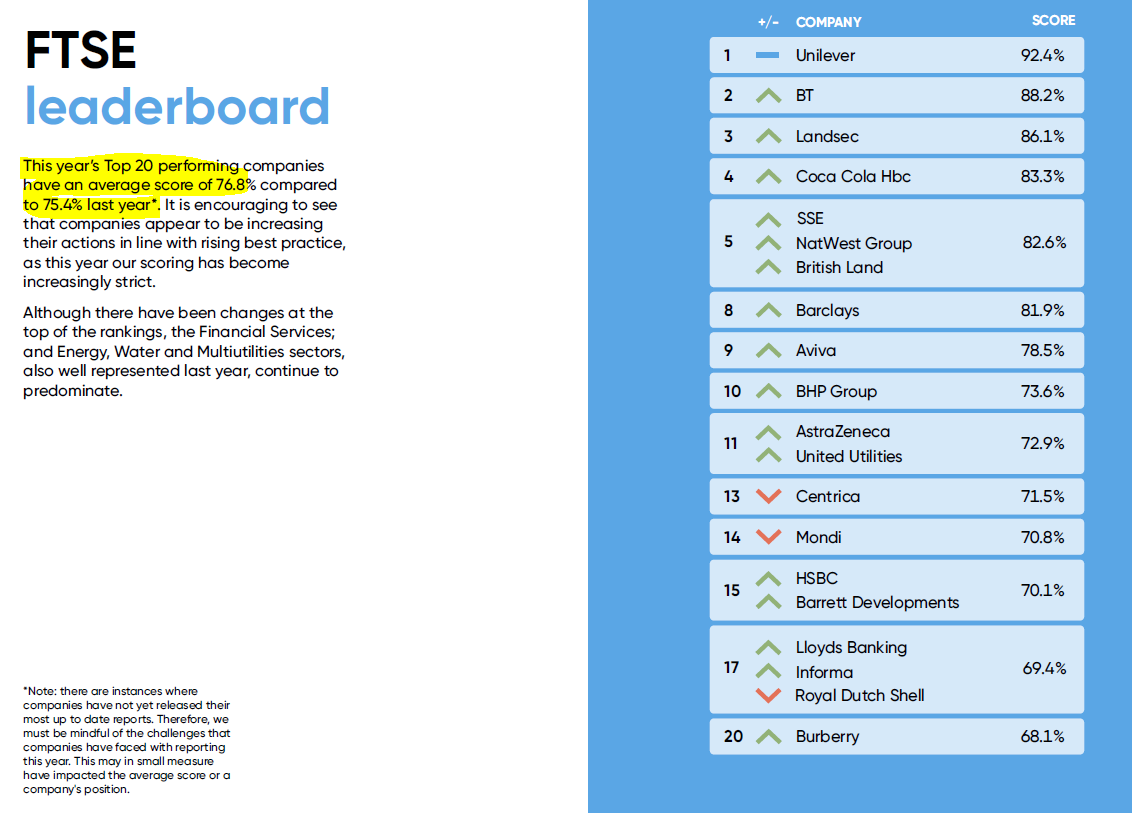


### 2020

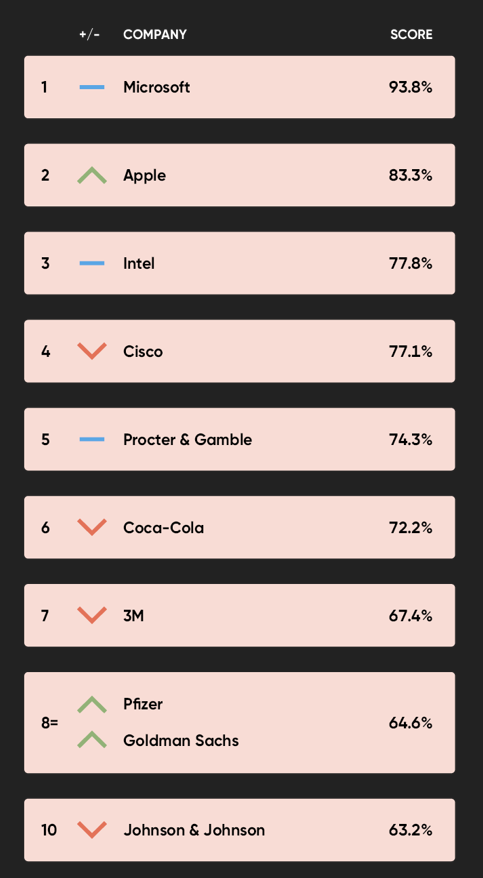
#### International



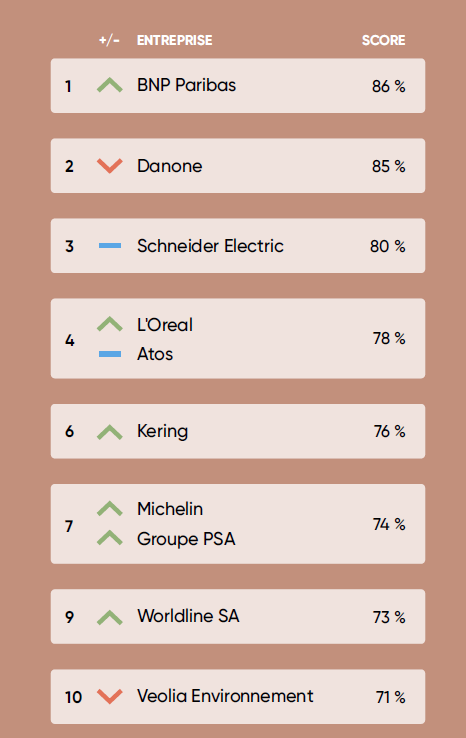
#### FTSE



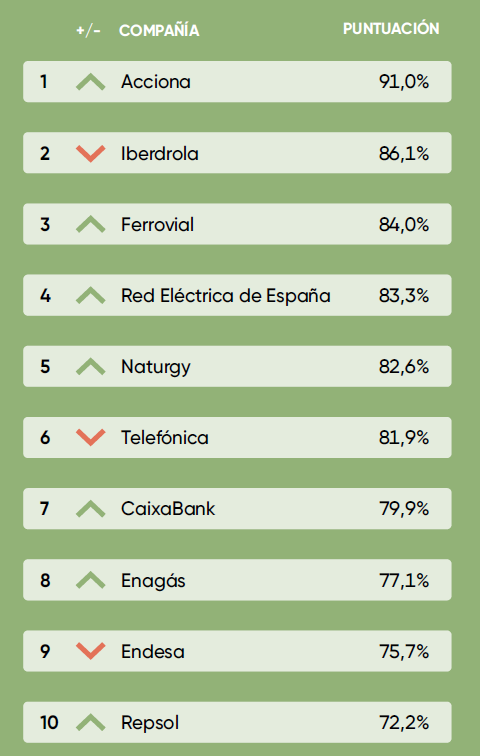
#### DOW



#### CAC



#### IBEX



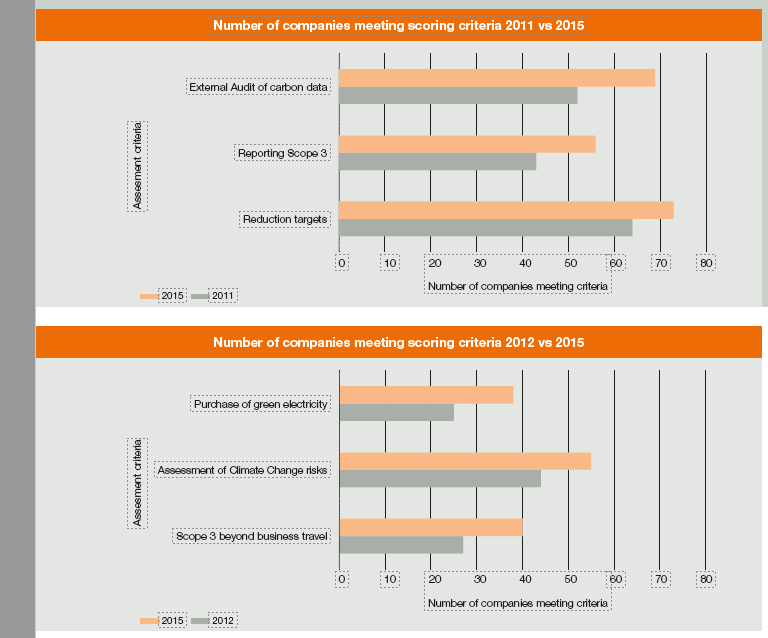
## Average performance

* The Top 10 leaderboard as it stands each year, movers up and down etc.
* …followed by a FTSE Top 10 over the past 10 years

## 5 year comparison

Page 16 2015

Cumulative scores top 5 –

1. M&S
2. BT
3. Sky
4. Aviva
5. Kingfisher
6. 

2012 - 47%

## Net Zero

### 2019

**20%** of the global companies committed to Net Zero (or carbon neutrality

**15% of FTSE 100**

**10% of the DOW**

* Due to the lack of internationally conﬁrmed deﬁnition, the term is often used interchangeably with carbon neutrality. Therefore, provided commitment to an equally ambitious goal has been made, either terminology has been accepted.)

### 2020

**45%** of the global companies committed to Net Zero (or carbon neutrality ^) (data dashboard)

**45% of FTSE100** – *maybe this is the difference between the above and below?*

59% Companies deﬁning Net Zero/ carbon neutrality commitments (page 35). *Is this more because it is the number that are defining? “of those companies across all indices that have committed to Net Zero, only 59% provide a deﬁnition of the term), or is used interchangeably with “carbon neutrality”, as we have found is often the case.”*

**30% of the DOW**

Commitment by index

* IBEX 21 (big uplift from 2019 – partly due to Gov’s commitments to Net Zero Dec 2019, partly …..*The Spanish Green Growth Group is a collective of large Spanish corporates committed to low-carbon green growth and membership covers around 50% of the IBEX 35 partly*
* FTSE 45 (30% increase on last year), largest percentage uplift = again gov commitment related (June 2019)
* CAC 17
* DOW 9
* Total = 92/ 205? = 45%

At time of writing 120 countries

## SBTs

### 2015

1 company set an SBT (BT). SBTi founded at COP 21 in 2015.

### 2016

6 companies set SBTs

**IBEX: 1 company** has set a SBT and a further 4 companies have committed to setting one in the next 2 years

### 2017

**FTSE: 8 set targets, 10 more committed to set an SBT in the future. 62% set carbon target**

**CAC: 2.5% SBT, 80% carbon target, 17.5% no target**

**IBEX: 3% set SBT, 60% carbon target, 37% no target**

Set or committed to setting an SBT:

FTSE: 18%

CAC: 38%

IBEX: 20%

### 2018

FTSE: 32% set or committed to SBTs

FTSE: 20% have SBTs (which is more than double last year) and 8% of these are SBTi approved

### 2019

81% FTSE Companies setting carbon reduction targets of any kind

SBTi raised the level of ambition required for a target to be deemed science-based. Any target set from October 2019 onwards must be aligned to a 1.5 or well below 2oC warming trajectory

**28% aligned with the new, more ambitious target of 1.5c**

### 2020

Between 2015 and 2020, companies with SBT-validated targets have reduced their emissions by 25%, against a backdrop of a 3.4% increase in industrial and energy emissions

**57% of FTSE committed to setting SBTs -----51% are aligned with the new, more ambitious target compared to 28% in 2019**

**46% of FTSE verified by SBTi**

**50% of the DOW committed to setting SBTs**

67% FTSE Companies setting carbon reduction targets of any kind

SBTFI – finalised in autumn 2020?

## Carbon reporting and reductions

### 2012

61 have achieved some sort of reduction in either absolute footprint or carbon intensity. 64 companies are setting reduction targets(pg 17 2015).

### 2013

FTSE: 97 companies report on carbon

FTSE: 66 have achieved some sort of reduction in either absolute footprint or carbon intensity

FTSE: 70 companies set carbon targets as part of their carbon strategy

### 2014

FTSE: 99 companies reported on carbon

FTSE: 76 companies set carbon targets as part of their carbon strategy

### 2015

99 companies reported on carbon. 69 companies now have their carbon data externally audited, a 33% increase since 2011. Reduction targets are now being set by 73 companies,

### 2016

FTSE: 99 companies reported on carbon. (Page 11 2016)

IBEX: 22 companies set a carbon reduction target 14 have demonstrated reduction in relative/absolute emissions compared to previous year

90% of companies with SBTs have shown either an absolute or relative reduction in year-on-year emissions between 2016 and 2017.

### 2017

FTSE: 99 companies reported on carbon. 70 FTSE set carbon reduction targets

90% of companies with SBTs have shown either an absolute or relative reduction in year-on-year emissions between 2016 and 2017.

### 2018

FTSE: 75% set carbon reduction targets

FTSE: 32% set or committed to SBTs

### 2019

81% FTSE Companies setting carbon reduction targets of any kind

### 2020

67% FTSE Companies setting carbon reduction targets of any kind

**Setting a target causes ACTION - actual decline in emissions**

91% of companies which set an SBT display absolute reductions in their Scope 1 and 2 carbon emissions compared to only 59% of companies that do not set a carbon reduction target

## TCFD

### 2017

Launched

### 2018

**12% aligned globally**

**FTSE** : **15% companies already report in line with TCFD ~** 26% mention (41% mention or align to the recommendations of the TCFD)

DOW: ~3 /4 %? (page 46 DOW 2020) ~10% mention

**CAC: ~13% Aligned,** 25% mention

**IBEX: ~10/11 % aligned, ~** 26% mention

### 2019

**38% aligned globally**

**37% FTSE…… 23% DOW**

### 2020

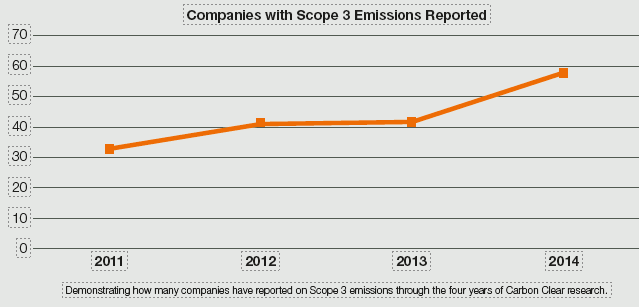
**50% all companies**

**56% FTSE……. 37% DOW**

## Scope 3

FTSE 100

### 2011



### 2012

42 companies reporting some scope 3 emissions (pg 7 2014 report)

### 2013

58 companies reporting some scope 3 emissions (pg 7 2014 report) [Different number on

42 companies reported their Scope 3 emissions data

### 2014

58 companies reported their Scope 3 emissions data

### 2015

56 reported some scope 3 (a 30% increase since 2011)

### 2016

66 reported some scope 3. (page 10 2016 – data on 2012, 2015, 2016)

FTSE: 24 companies assess supply chain risk

### 2017

FTSE: 66 report scope 3 data and 43 report scope 3 beyond business travel

FTSE: 10 companies providing evidence of value chain emission reductions

FTSE: 50 companies assess supply chain risk

### 2018

FTSE: 32 companies providing evidence of value chain emission reductions

### 2020

22% of the FTSE 100 have committed to setting and SBT and therefore, have to include Scope 3 in their targets to gain validation.

43% of all FTSE 100 companies have reported some reduction in their Scope 3 emissions in at least one Scope 3 category

only 20% show reductions across multiple categories

## CDP

Companies submitting to CDP

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | FTSE |  |  |  |
| 2020 |  |  |  |  |
| 2019 |  |  |  |  |
| 2018 |  |  |  |  |
| 2017 | 92 |  |  |  |
| 2016 | 90 |  |  |  |
| 2015 |  |  |  |  |
| 2014 | 88 |  |  |  |
| 2013 | 56 |  |  |  |

### 2013

In September 2013, legislation mandating UK registered and publicly listed companies to report carbon emissions data in their annual report came into effect.

### 2014

This year is the first time that the companies assessed have been required by law to report their operational carbon emissions in their annual reports.

Although not a legislative requirement**, 88 FTSE 100** companies submit disclosures to CDP.

85 companies have reported carbon data in their annual reports in 2014 as opposed to 56 companies in 2013. We note that this uplift may be a result of the new legislation. Furthermore, because company data was collected in June and July, there may be a few instances of companies that have not yet had to comply because of their year-end date. (pg 10 impact of legislation)

## Purchasing Green Energy / renewables

### 2010

### [3% of the country’s electricity was generated from wind and solar](https://www.iea.org/countries/united-kingdom)

### 2012

25 companies purchasing some green energy

### 2013

39 companies purchasing some green energy

44 companies producing their own green energy

### 2015

38 purchased green electricity (34% increase from 2012 page 17 2015 – *not* *sure how this marries up with the 25 listed in 2012?*)

### 2016

Page 9 2016 has data on 2012, 2015 and 2016.

IBEX: 15 companies purchase good quality renewable electricity

### 2017

**Companies using renewable energy:**

**FTSE: 66% (“65%** Renewable energy use”)

**CAC: 65% (26) 3**8% of companies in the CAC 40 do purchase renewables, and half generate some onsite.

**IBEX: 68% (24)** More than half (54%) of the IBEX 35 buy renewable energy, an increase of 11% compared to 2016. 3 companies have committed to RE100 and are already 100% renewable

### 2018

FTSE: 75% Renewable energy use

### 2019

77% **FTSE 100 companies are now using or generating some renewable electricity**

Commitment to 100% renewable electricity 28%

### 2020

Britain passed a signiﬁcant milestone in June having surpassed two months without using coal as part of the electricity generation mix. **Renewables accounted for nearly half of Britain’s electricity generation (47%) in the ﬁrst quarter of 2020**

**68% of the FTSE 100 companies are now using or generating some renewable electricity** either through self-generation or purchasing (lower than 2019 because of methodology)

Commitment to 100% renewable electricity this year has increased slightly from 28% (in 2019) to 33%

## Carbon Offsetting

### 2012

13 doing some form of offsetting

### 2013

19 doing some form of offsetting

### 2014

15 doing some form of offsetting

### 2016

14 companies (5 carbon neutral)

### 2020

Task Force for Scaling-up the voluntary Carbon market launched September 2020.

## Energy efficiency

### 2013

CRC Energy Efficiency – new legislation?

### 2014

ESOS introduced (part of article 8)

### 2020

**91% of the FTSE 100 implementing energy efficient technology.**

EV’s in fleet? 33% companies in the FTSE 100 are incorporating EVs into their ﬂeets or using charging stations Reflecting Gov brought forward the ban on the sale of new petrol and diesel cars from 2050 to 2040

## Risks and Opportunities

### 2012

35 companies have assessed the risks of future climate change to their business (20% less than 55 in 2015?)

### 2013

41 companies identified at least some form climate change adaption and/or opportunities

### 2014

61 companies have performed a materiality assessment of the risks and opportunities of climate change

### 2015

40 mention business resilience/adaptations to risk from climate change. 55 companies have assessed the risks of future climate change to their business, a 20% increase since 2012

### 2016

66 companies show an assessment of materiality of climate change issues or an assessment of the risks climate change poses their business. (Page 12 2016)

**FTSE: 23% mentioned climate change in the risk section of their annual reports**

**IBEX: 37% mentioned climate change in the risk section of their annual reports** 25 companies make reference to the risks of climate change, only 8 extensive assessment

FTSE: 24% assess supply chain risk and value chain adaptation

### 2017

**FTSE: 39% mentioned climate change in the risk section of their annual reports**

**IBEX: 57% mentioned climate change in the risk section of their annual reports**

**CAC: 85% acknowledging climate change as a business risk** *(same as ^ ?)*

FTSE: 50% assess supply chain risk and value chain adaptation

CAC: 60% of companies examining and reporting assessments of adaptations in the value chain

IBEX: 14% of companies assess supply chain risks

### 2019

FTSE and DOW - both climate-related risk mitigation plans and risk assessments rose considerably from 2018 to 2019

2019 – CSA 74% FTSE are assessing and disclosing climate risks

### Overall, the number of companies using CSA has rapidly risen from 28% in 2019

### 2020

….To 42% in 2020

**CSA -80% FTSE are assessing and disclosing climate risks**

## IPCC report

### 2014

The global 2°C target requires net zero emissions by 2075

## Key dates – Net Zero targets and Legislation changes

### 2014

**IPCC 5th assessment report: The global 2°C target requires net zero emissions by 2075 (final part in Jan)**

The UN climate Summit held in New York in September 2014 was the first of a number of events leading up to…COP 21 in 2015

**RE100 launched – 2020 had** [**240 global members**](https://www.there100.org/companies) **2021 – 300+**

President Obama made action on climate change one of the major policy areas of his second term.

China has put in place a plan to cap emissions whilst India has set up a climate adaptation fund and made efforts to increase renewable energy.

In the UK, legislation came into force last year that has seen most publicly listed companies include their carbon footprint in their annual report

### 2015

Paris Conference of Parties (COP) to the UNFCCC negotiated the Paris Agreement – a landmark environmental accord that aimed to tackle climate change.

Net zero target included in the Paris Agreement, becoming an official global ambition

SBTi founded at COP 21.

### 2016

COP 26 : Launch of the "2050 Pathways Platform": 22 countries, 15 major cities and 196 companies, target carbon neutrality by 2050

### 2017

**TCFD launched**

**One Planet Summit: Creation of the Coalition for Carbon Neutrality:   
19 member states including UK & France**

### 2018

**IPCC Report on 1.5 degrees**: States that limiting warming to 1.5°C is now imperative and requires net zero emissions by 2050

### 2019

**Climate emergency is declared in several countries**

**Net zero legislation**

**Climate groups take to streets**

#### June

UK and France set Net Zero target of 2050 – as well as Norway and Sweden and progress in more than 10 countries

#### Dec

Spanish government declared their intent to set a Net Zero target in December 2019

### 2020

#### Jan

Larry Fink, Chairman and CEO of BlackRock, the world’s largest asset manager with nearly $7 trillion

in investments, wrote his open letter to CEOs predicting a “fundamental reshaping of ﬁnance

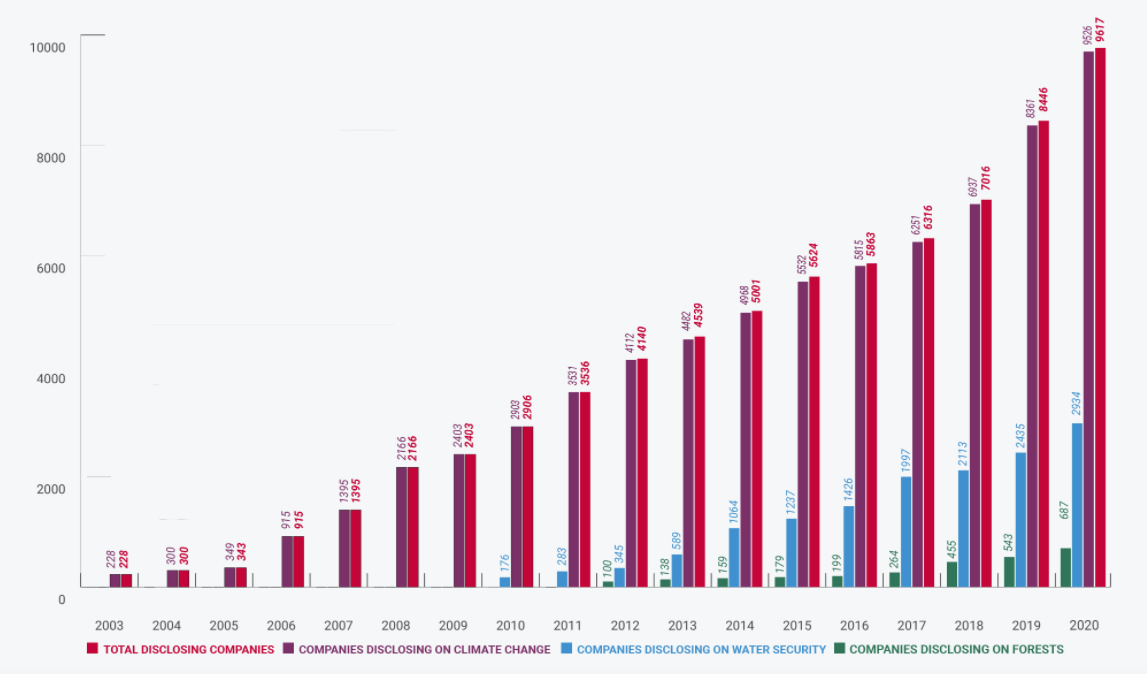
**Commitments to net zero grow rapidly**

**Over 1000/2000? companies are committed to science-based targets**

#### November

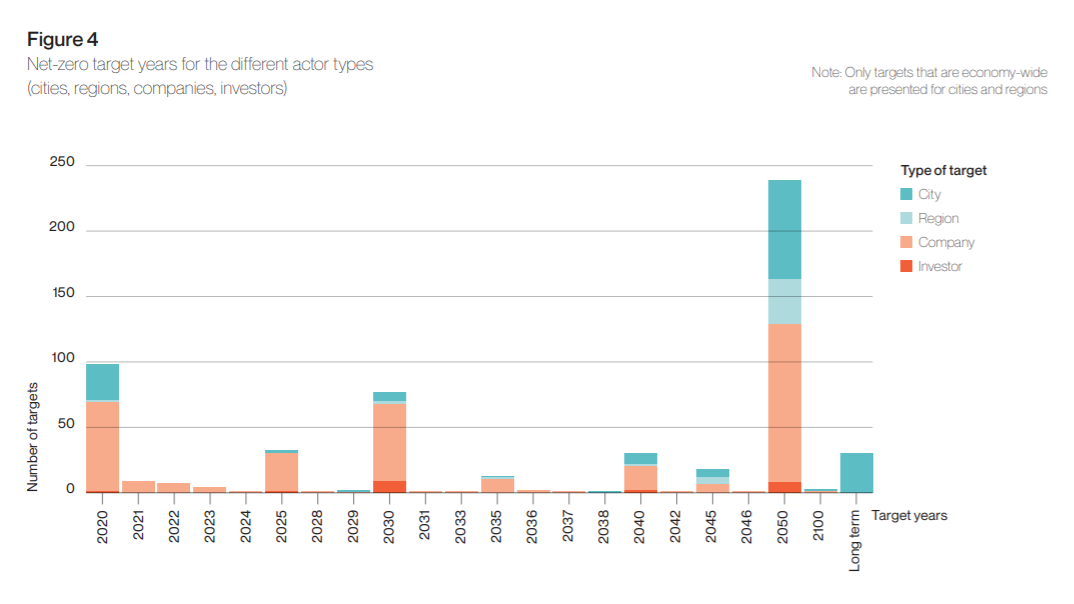
USA – commits to net zero 2050 (Biden’s first week in office)

UK?? *Thought this was in 2019?* and USA set net zero targets for 2050. China for 2060

**CDP**

**SBT Signatories**

**TCFD**

**Race to Zero**