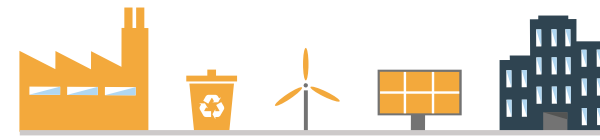


How to prepare your business for the low-carbon economy



The transition to a low-carbon economy is underway and accelerating globally. Every sector in every market will be transformed.

Leading businesses recognise the opportunity - and the imperative - to be part of the solution. Their future growth and competitiveness depend on it. Thousands of companies are already responding to investor and customer demands by setting targets to cut greenhouse gas emissions, providing data about their environmental performance and switching to renewable energy.

What businesses need is a clear baseline for ensuring they set targets that are ambitious enough to ensure continued profitability in a low-carbon world.

Why set targets through the Science-Based Targets initiative?

The Science Based Targets initiative is an NGO partnership that provides a clear framework for science-based target setting and supports companies every step of the way. The initiative provides tools, best practice guidance and sector-specific resources. Our technical experts independently review and approve targets, enhancing the credibility of your efforts. Our communications team ensures that your company gets the recognition it deserves for demonstrating proactive planning and leadership.

The Science Based Targets initiative is a collaboration between CDP, World Resources Institute (WRI), World Wide Fund for Nature (WWF), and the United Nations Global Compact (UNGC). It is one of the commitments that companies can make as part of the We Mean Business Coalition's Take Action platform.

What is a science-based target?

Science-based targets specify how much and how quickly a company needs to reduce its greenhouse gas emissions, in line with the Paris Agreement goals to limit global warming to well below 2°C.

Setting ambitious, science-based targets to cut emissions will kickstart positive reactions throughout businesses and their value chains by:

1 Increasing innovation



"Overall, I think people are now more willing to try new things to help drive towards the target: it has created a 'start-up mentality'."



Amy Braun,
Sustainability Director, Kellogg Company

2 Reducing waste and unlocking efficiencies



"The energy efficiency actions we have already taken over the last 4 years, which will help reduce our emissions, have saved \$500 million and there are more savings to come."



Jack McAneny,
Director of Global Sustainability, P&G

3 Strengthening investor confidence



The Global Investors Coalition on Climate Change, (US \$24 trillion in assets) expects companies to have climate change strategies in place. More than 800 investors now request disclosure through CDP.

"Investors are taking note of how serious companies are about mitigating business risks relating to climate change. A case in point: a major Fortune 100 financial services organization and retirement provider doubled its stock portfolio investment with HP, thanks in part to our commitment to set science-based targets."



Nate Hurst,
Chief Sustainability and Social Impact Officer, HP Inc

4 Reducing regulatory risk and uncertainty



\$27.5 trillion, or 93 percent of U.S. equities by market capitalization are significantly affected in some way by climate risk¹. 64 international jurisdictions already have carbon taxes or emissions trading systems – covering 13% of global GHG emissions².

"Our target puts us in a good position vis-à-vis government regulation. We are fully compliant with the UK government's existing targets, and would be well placed were they to introduce more stringent regulation for companies."



Tom Byrne,
Energy Manager, LandSec

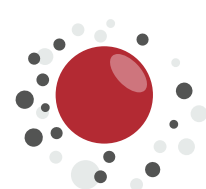
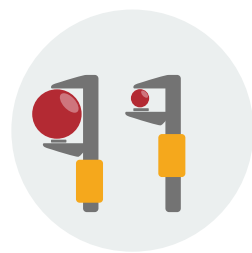
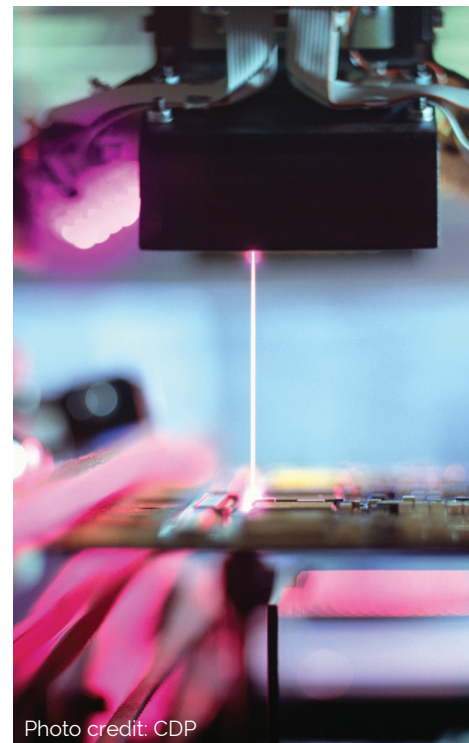
5 Reducing exposure to fluctuating, uncertain energy costs



"The electricity sector is changing rapidly and faces a huge challenge in terms of decarbonization. We believe that electrification and the acceleration of renewable deployment will play a crucial role in the shift to a low-carbon economy. Our emission reduction targets help EDP capitalize on this shift ... There's a clear business case for us to come forward and show we are on this path and part of the solution."



Sara Goulartt,
Deputy Director of Climate and Environment, EDP



¹: SASB, 2016. Climate Risk Technical Bulletin
²: CDP, WMB & CEBDS, 2016. Carbon Pricing: What the business Sector needs to know to position itself

Already have emissions reduction targets in place?

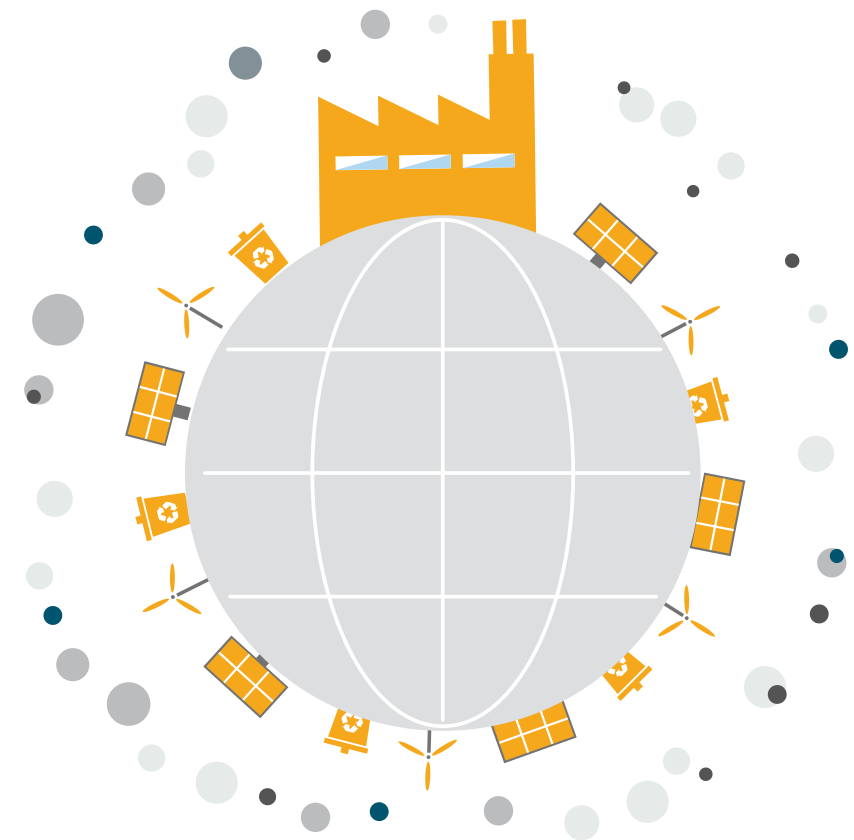
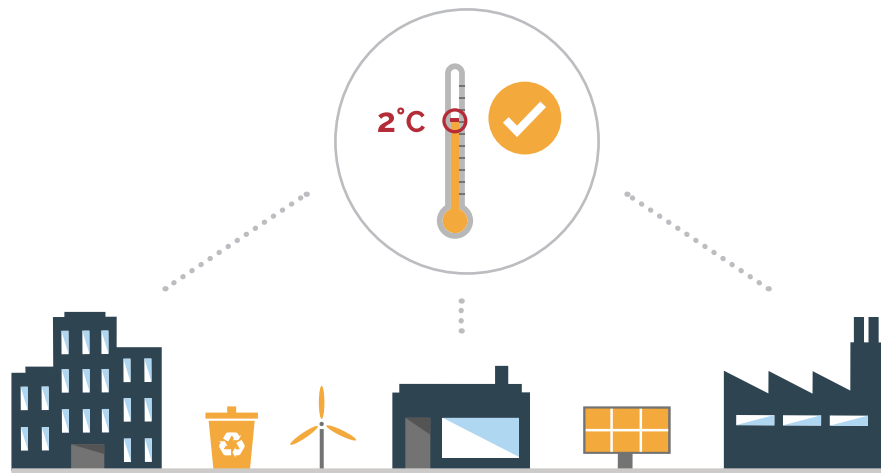
Target setting is common practice among the world's largest companies - over 80% of the 500 largest companies globally have emissions reduction targets in place³. This is a great start, but these targets often don't go fast or far enough to ensure companies are adequately prepared for the coming transformational change.

Setting science-based targets helps companies understand exactly where they need to go and how to prepare for a low-carbon future.

Businesses have the opportunity to lead the way on solving climate change

As part of the Paris Agreement, 195 countries have committed to keep global temperature rise to well below 2°C while pursuing efforts to limit warming to 1.5°C. We must cut global emissions radically in the next decade to achieve this goal. National regulation will become increasingly stringent as governments review the efficacy of their plans under the Paris Agreement every five years.

Most of the global GHG emissions are either directly or indirectly influenced by the corporate sector. Companies have a clear role to play in protecting our climate and ensuring that the transition to a low-carbon economy is smooth and prosperous.



Climate action drives jobs growth

Solar power employed **43%** of the US electric power generation sector's workforce in 2016, while fossil fuels combined accounted for just **22%**.

U.S. Department of Energy⁴



Global momentum by the numbers



290+ companies

committed to set science-based targets

60+ companies

with approved targets



\$5.7 trillion +

of estimated market value covered by committed companies

683+ megatonnes

of annual greenhouse gas emissions covered by committed companies



Join the Global Call to Action

More than 290 companies from across the planet have committed to setting science based targets and more than 50 have already set targets. These companies include some of the most recognizable brands globally.

Get set for the low-carbon future
 Commit to set a science-based target
www.sciencebasedtargets.org

³: CDP 2016 climate change disclosure data
⁴: https://www.energy.gov/sites/prod/files/2017/01/f34/2017%20US%20Energy%20and%20Jobs%20Report_0.pdf