

THE ROAD FROM COP IS PAVED WITH GOOD AMBITION EUROPEAN CORPORATE STRATEGIES ON CLIMATE ARE IMPROVING BUT MORE FOCUSED TARGETS WOULD BE NECESSARY

Brussels, 21/04/2016: According to the [EU policy report on “corporate strategies on climate change mitigation and adaptation”](#) published today by CDP, companies are considering climate change a risk as well as an opportunity in an equal way.

In the eve of the official signature of the “Paris agreement”, concluded at the COP21 UN climate conference last December, a new report reveals that European corporate ambition to meet climate targets is growing fast although corporate efforts are not always channeled in the most effective way. More action and [science based emission reduction target setting](#) is needed to be more impactful as in many countries emissions are not decreasing or are even increasing. The report’s results are based on the latest environmental data disclosed by European companies representing 63% of EU market capitalization.

In line with the COP21 joint efforts of linking climate related sectors, the report also reveals the main findings of European companies’ responses to CDP on Forests, Water and Supply Chain as well as Cities:

- ▼ Companies have made visionary commitments to zero-deforestation business models, however many do not yet have robust plans in place for engaging their supply chain to realize this transformative change (**75%** of companies committed to reduce or remove deforestation and **96%** see sustainable production or sourcing of forest risk commodities as an opportunity exceeding the global average by almost **10%**).
- ▼ The economic value of water is highly underestimated by companies and therefore the strategic importance placed upon its management is inadequate (**72%** of companies report opportunities related to water but only **18%** publicly committed to improvements in water treatments).
- ▼ Suppliers recognize their climate risks, at least to a degree, however, the awareness and action so far may be insufficient to meet the scale of these risks and ensure resilient supply chains (**54%** of European suppliers have emission reduction targets and **81%** report emissions data suggesting that European companies are in a good position to become the suppliers of the low carbon future).
- ▼ The large majority of cities reporting to CDP are at significant risk from climate change and more than half have already had to deal with negative impacts from climate change (**59%** of the **71** European cities disclosing to CDP, get their power from clean sources).

European companies are also showing great climate leadership as 99% is assigning adaptation to climate change to board level responsibility as it’s considered to be a crucial issue for business stability.

Caterina Salb, co-author of the report and consultant for Energy Policies at Ecofys says

“Evidence from the companies themselves demonstrates that climate resilience and adaptation have reached the board room. Adaptation is not only about risk management – it is about business leaders anticipating future opportunities to gain a competitive edge worldwide”.

Further evidence shows that companies see temperature extremes as a serious challenge to their business, but at the same time they see great potential for new products and markets arising from a changing climate. The report also shows that policy uncertainty is considered a risk, while international agreements are seen as an opportunity that offer a level playing field for companies to operate in. The findings suggest that strong international agreements and clear regulation, like the Paris agreement, have the potential to contribute to driving business in the transformation towards a low-carbon economy.

Steven Tebbe, CDP Europe Managing Director says *“Climate change is affecting European businesses in critical ways, making adaptation efforts instrumental for their prosperity. It is important for companies, cities and investors to connect the environmental, economic and climate contexts they operate in and integrate this insight into their accounting. Non Financial Reporting can help business leaders to make better adaptation decisions and increase European companies’ long term competitiveness”.*

The report includes detailed recommendations for companies, policy makers and cities and is free to download [here](#) or on the CDP website at www.cdp.net/europe

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About CDP Europe

CDP Europe is part of the CDP worldwide network, an international, not-for-profit organization providing the only global system for companies and cities to measure, disclose, manage and share vital environmental information. CDP works with market forces, including 827 institutional investors with assets of over €88 trillion, to motivate companies to disclose their impacts on the environment and natural resources and take action to reduce them. More than 5,500 companies worldwide, of which nearly 1,800 in Europe, disclosed environmental information through CDP in 2015. CDP now holds the largest collection globally of primary climate change, water and forest risk commodities information and puts these insights at the heart of strategic business, investment and policy decisions. Please visit www.cdp.net/europe or follow us [@CDP](#) to find out more.

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