

CDP SOUTH AFRICA 2016 WE MEAN BUSINESS AND SOUTH AFRICAN ACTIVITY



The Paris Agreement ratification is an extremely strong global decarbonisation signal and international businesses are taking action through a mega-coalition called We Mean Business



In the context of a requirement for continued, increasingly effective performance from global businesses

WE MEAN BUSINESS

advocate for action through a set of evolving solution clusters

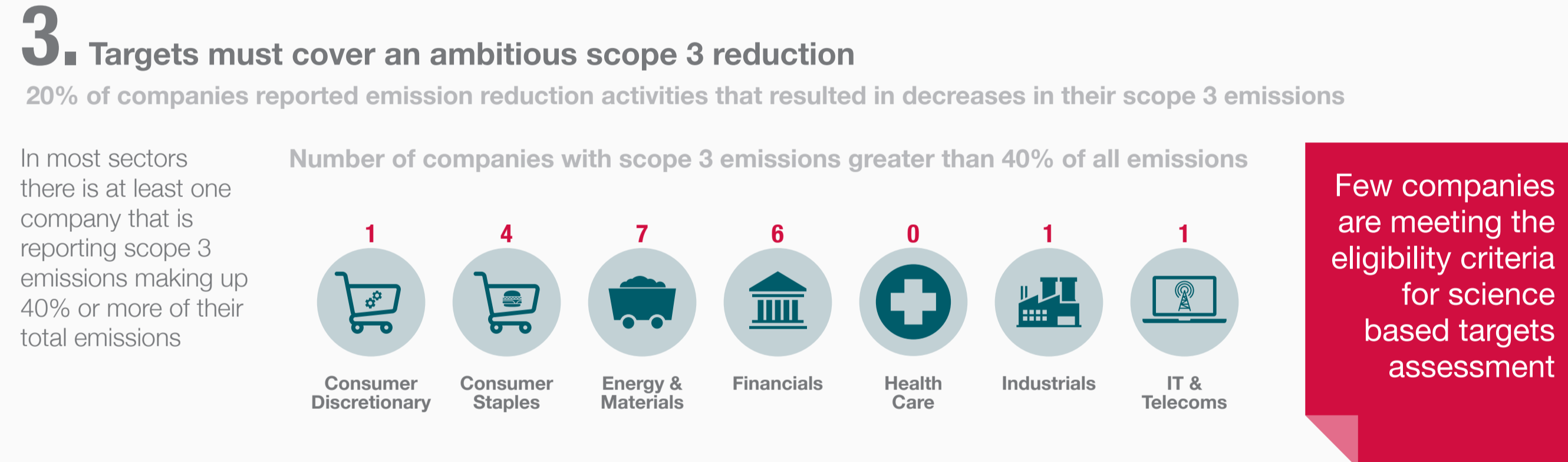
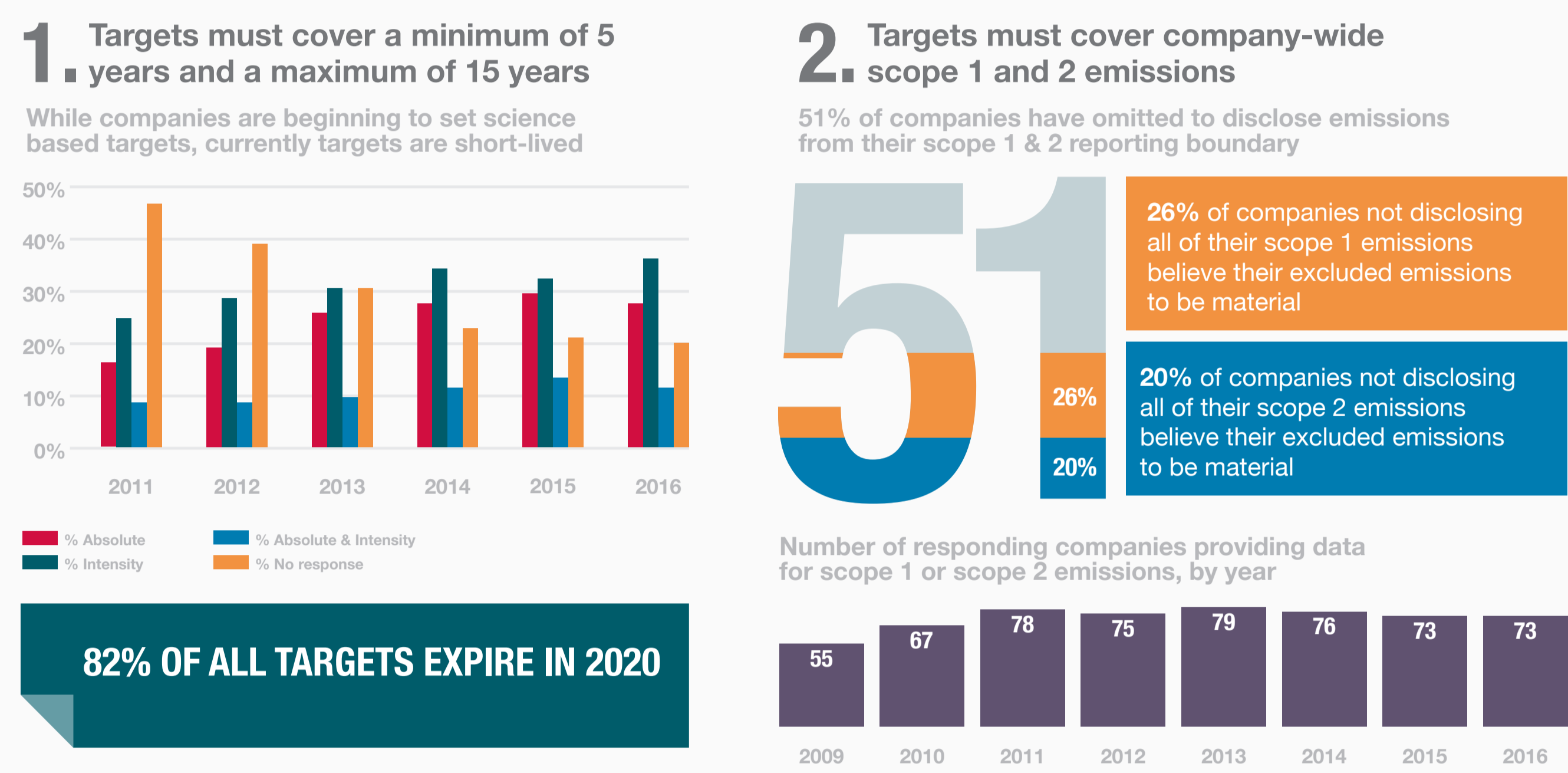
- Net Zero Goals – Science Based Targets**
- Energy Systems – Renewable Energy, Energy Efficiency and Energy Productivity**
- Built Environment and Transport Systems – Buildings Energy Efficiency, Electric Vehicles, Low Carbon Fuels, Aviation, Road Freight and Shipping**
- Finance Systems – Investor Platform for Climate Actions**
- Land Systems – Deforestation, Food and Agriculture**
- Industrial Solutions – Industrial Sectors (chemicals, cement), Non-CO₂ Gases (short-lived climate pollutants)**
- Resilience – Water, Resilience and Adaptation**
- Enablers – Carbon Pricing, Responsible Policy Engagement and Fiduciary Duty**

The implementation of the Paris Agreement and economic transition will happen at a national level and each country will implement differently considering their context and historical contribution to climate change. In South Africa the NBI is (in the short term) therefore focusing on: **Science Based Targets, Resilience Systems, Enablers**. CDP is a clear contribution to finance systems.

SCIENCE BASED TARGETS

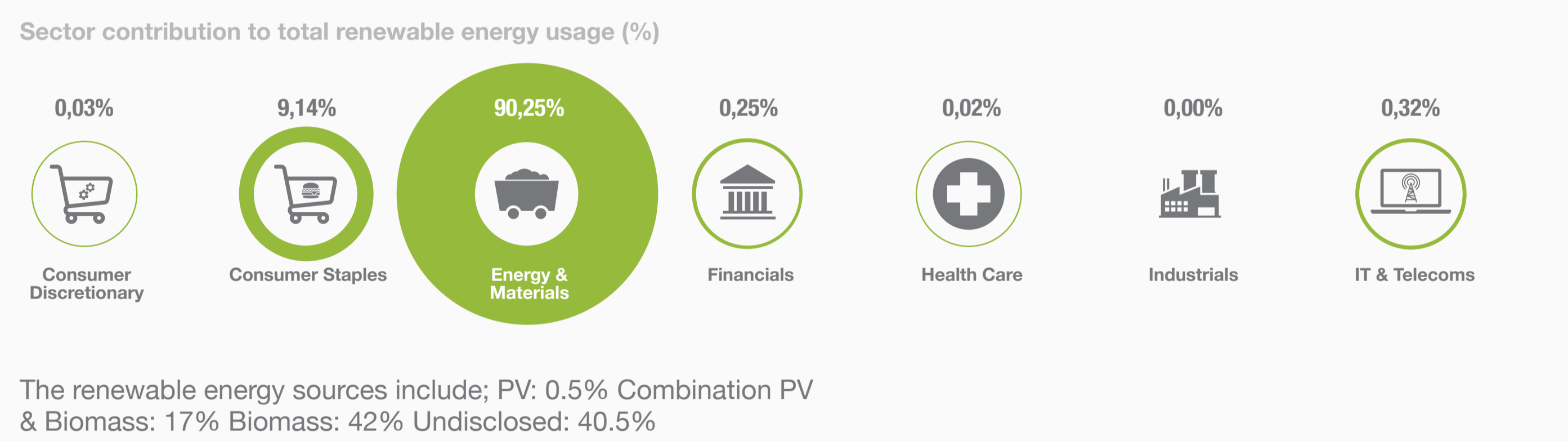
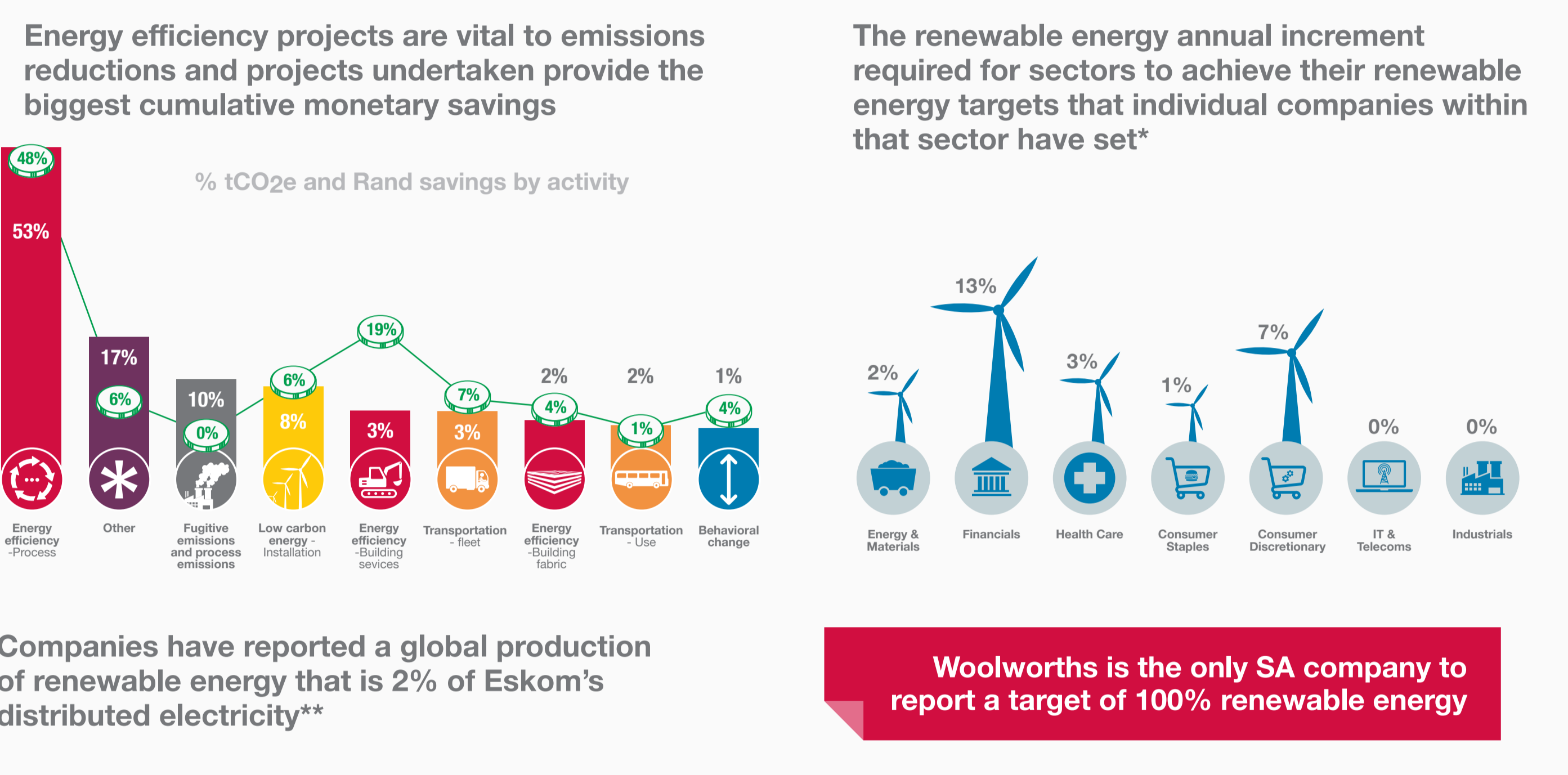
25 companies have set or intend setting a target aligned with science in the next two years

The science based targets coalition have several eligibility criteria, 3 of which are:



ENERGY SYSTEMS

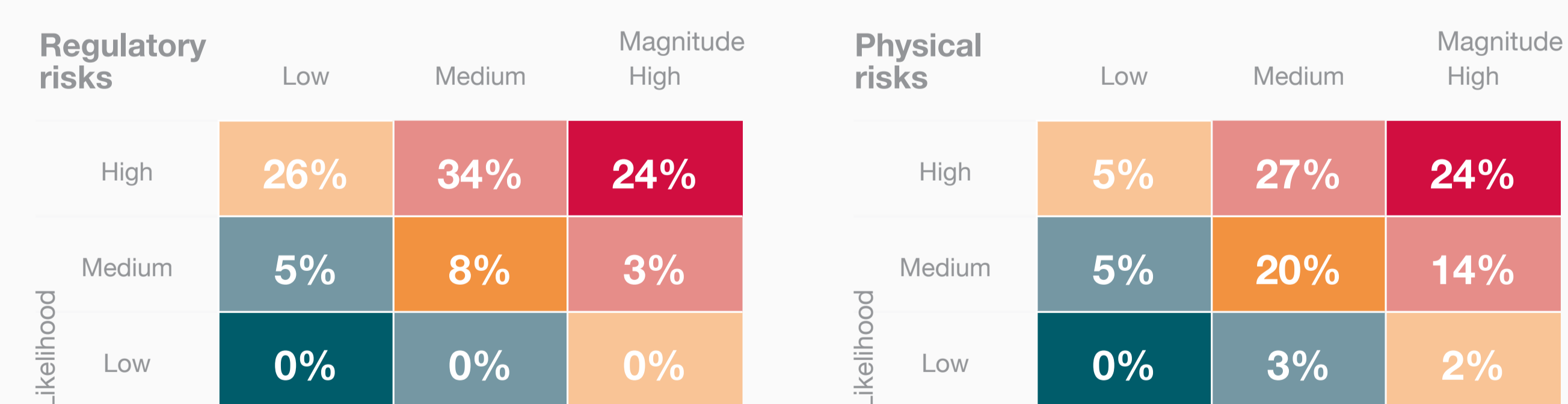
In South Africa, a significant portion of our emissions come from coal-fired power stations and therefore energy system transition needs to be a big business focus



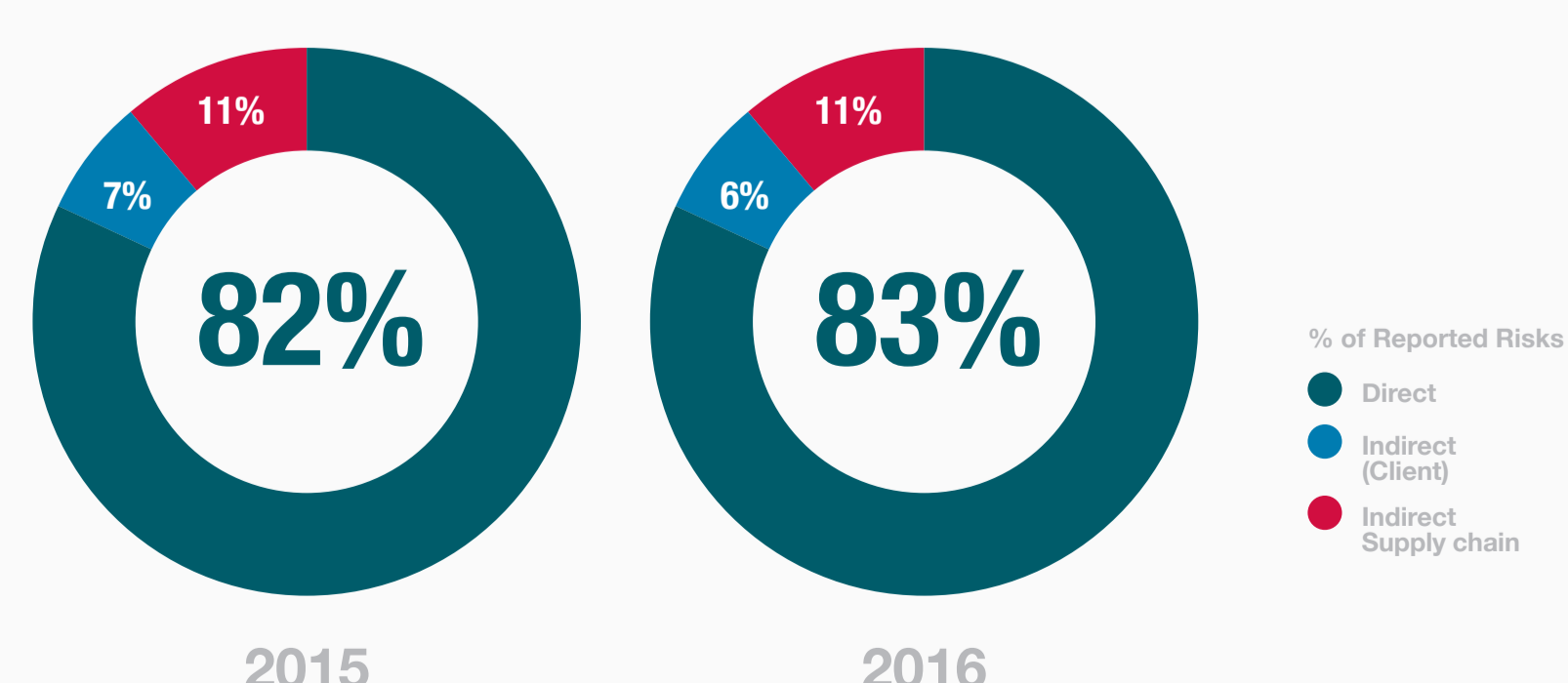
RESILIENCE

The Paris Agreement balances the emphasis on mitigation and adaptation

The likelihood and severity of physical risks (an indicator of adaptation risk) have steadily been increasing: 3 of the top 5 risks are physical risks



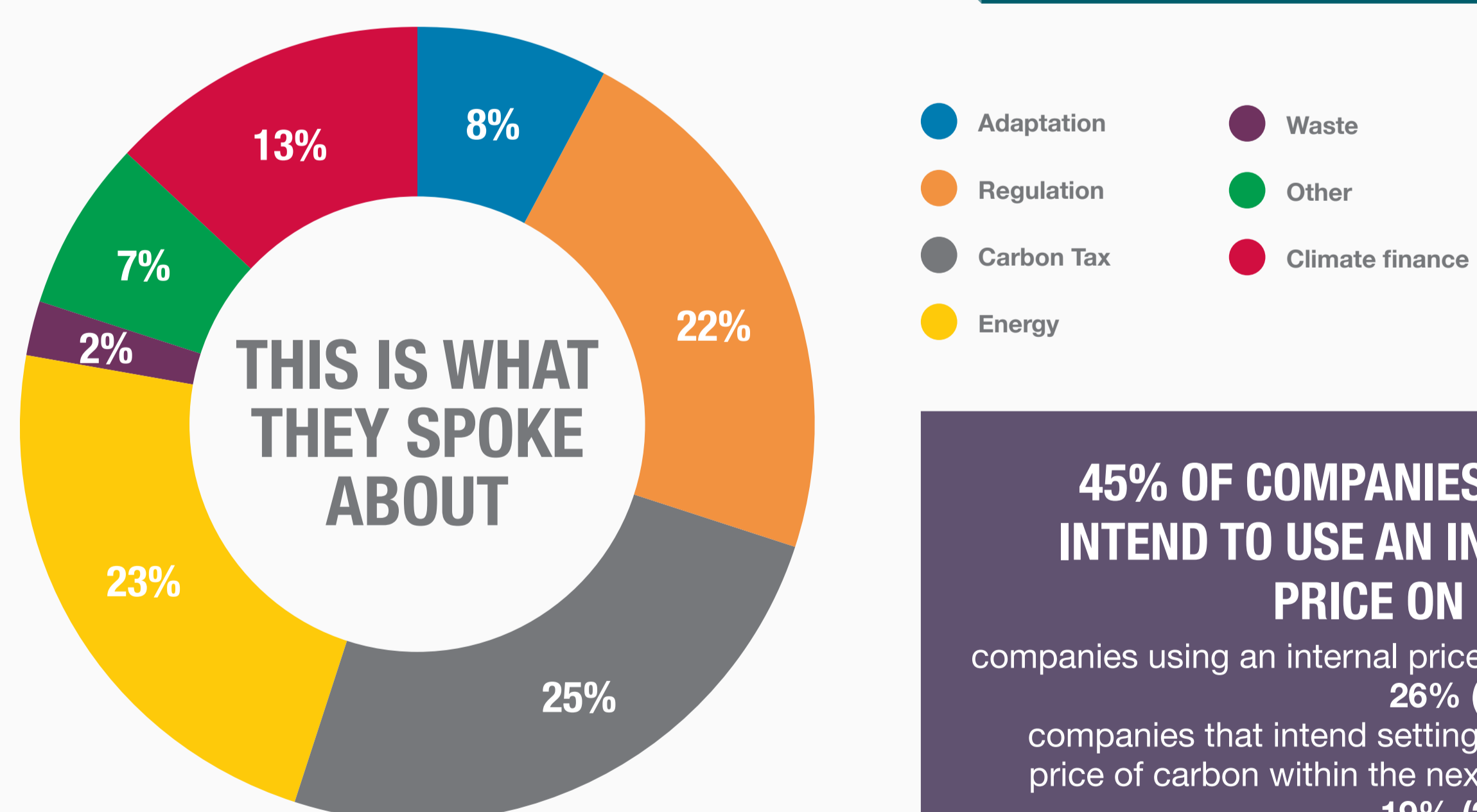
Despite the identified magnitude of physical risk being higher there are challenges with how companies assess specific risk:



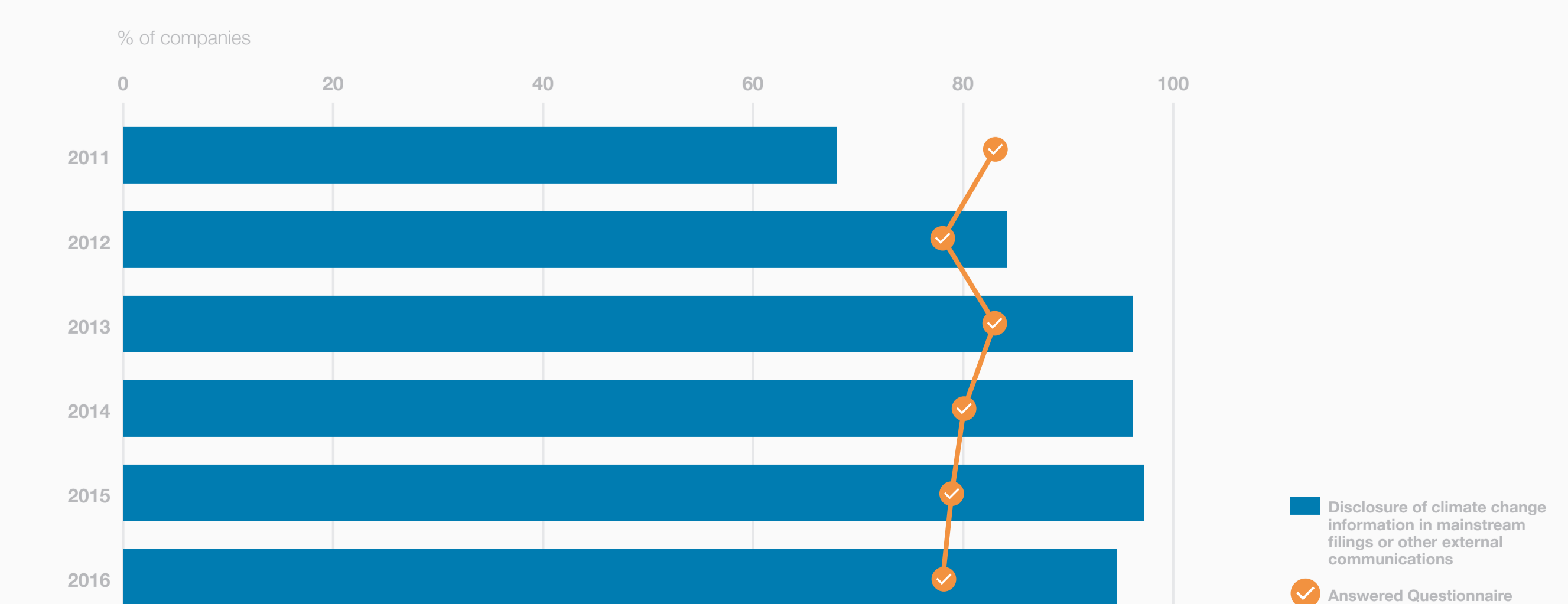
ENABLERS SUPPORT PERFORMANCE

Given the challenge of maintaining high levels of performance, South African companies need to work with government and other market participants on an optimal enabling environment

92% of responders engage with government on climate change issues, (2015:93%) of which 63% engage directly (2015:65%)



Disclosure of climate change information in mainstream reports remains static



* This analysis is based on a very small sample of companies having set renewable energy targets
** Source: Eskom list of Fact Sheet, 2015