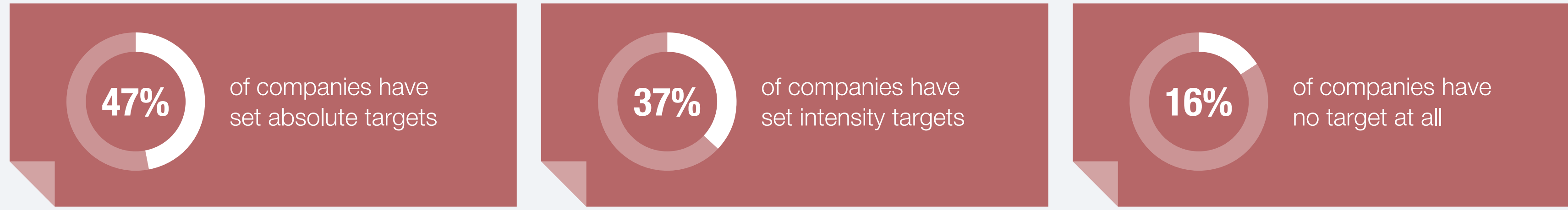


# TARGETS AND ACTION



The latest IPCC Assessment Report suggests that 1.5°C is a threshold to avoid, and a target of being net CO<sub>2</sub> neutral by 2050 needs to be adopted. South African respondent targets fall way short of this ambition.

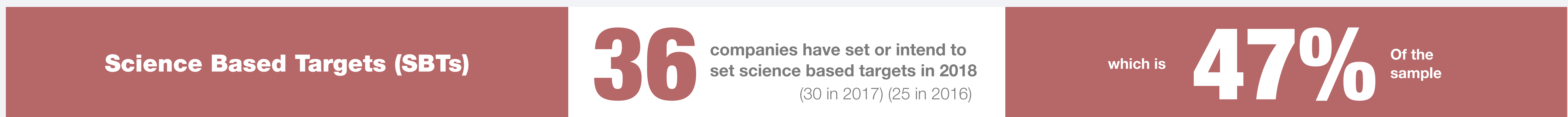
In this context, targets need to focus on absolute reductions, but:



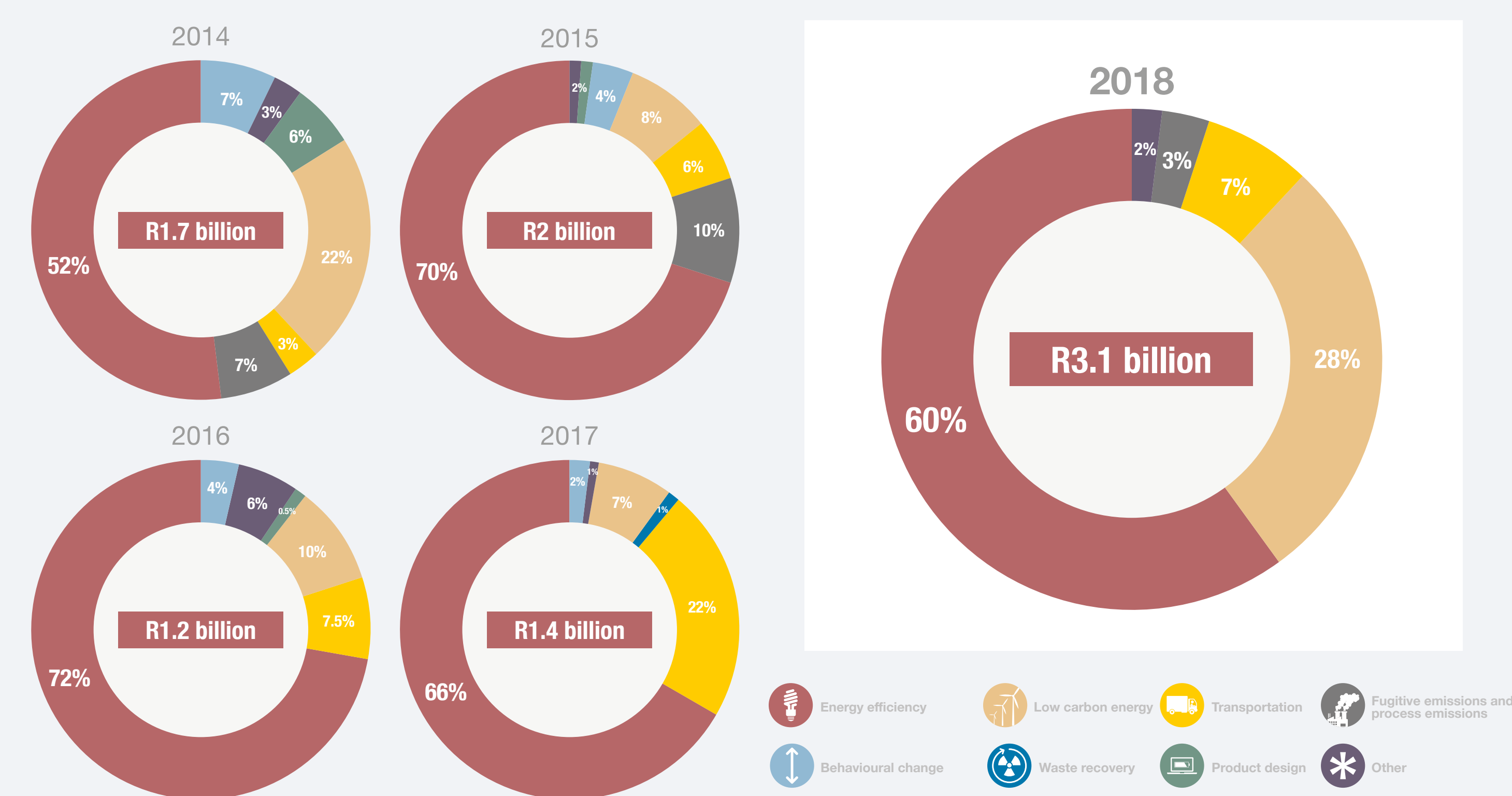
The time horizons that have been set on absolute targets are too short

Currently, only **14%** (12% in 2017) of companies have absolute targets spanning longer than 5 years; only **20%** of these have proposed emissions reduction rates greater than **1.5%** per year  
**In general, targets are too short term with 80% of all targets expiring before 2020**

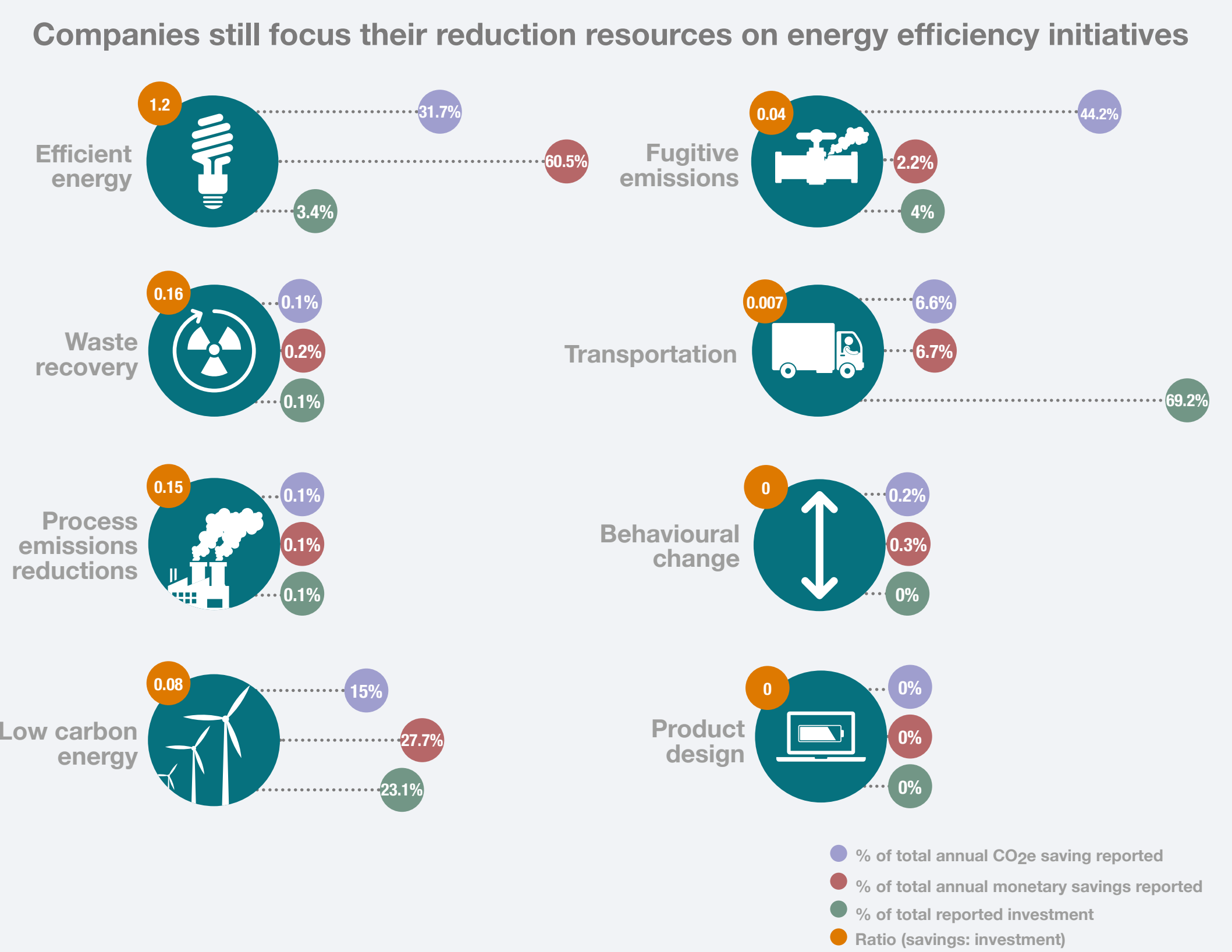
**To ensure that SA is carbon neutral by 2050, and that SA company competitiveness is maintained (for capital as well as for market share), we need to focus on better target setting and on increasing implementation of global best practice.**



## EVEN WITH LOW TARGET LEVELS, COMPANIES SAVE SIGNIFICANT AMOUNTS OF MONEY, SUGGESTING THAT GREATER SAVINGS ARE ACHIEVABLE

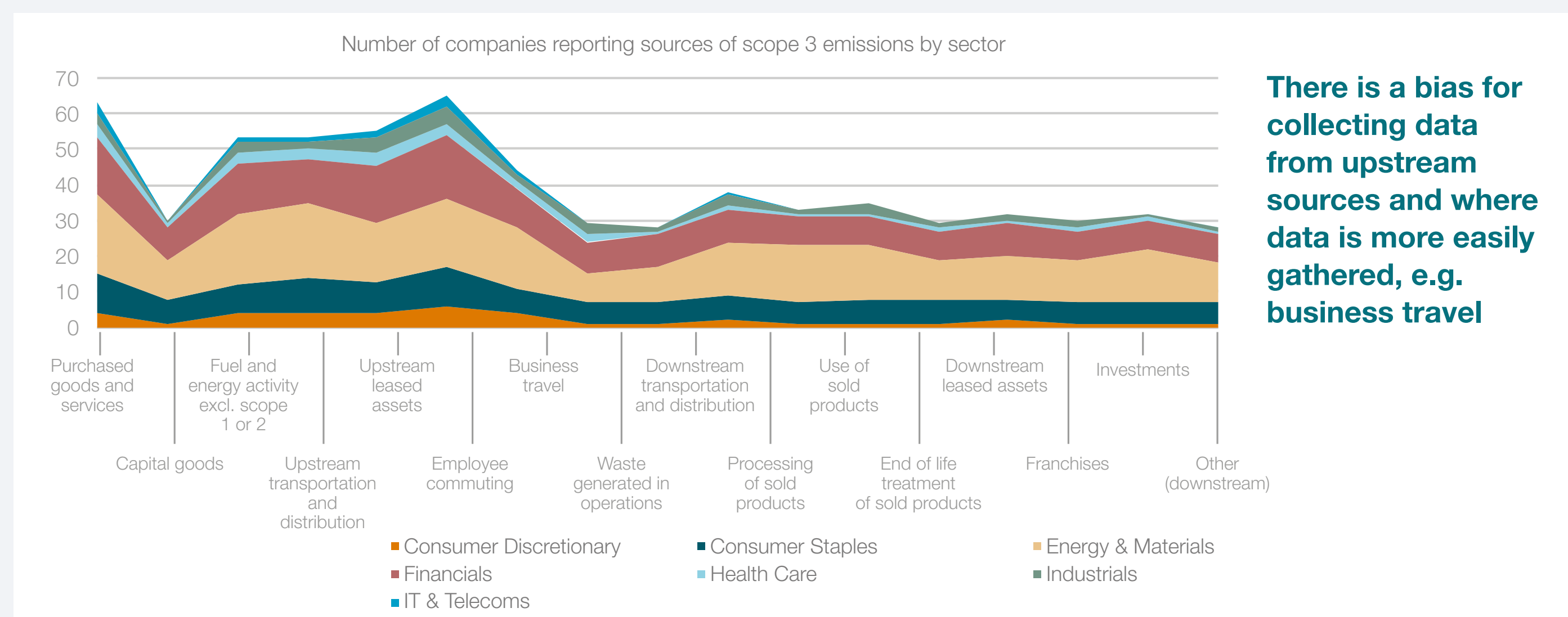


However, only a small number of companies are pursuing these opportunities as 78% of reductions are achieved by only 10 companies

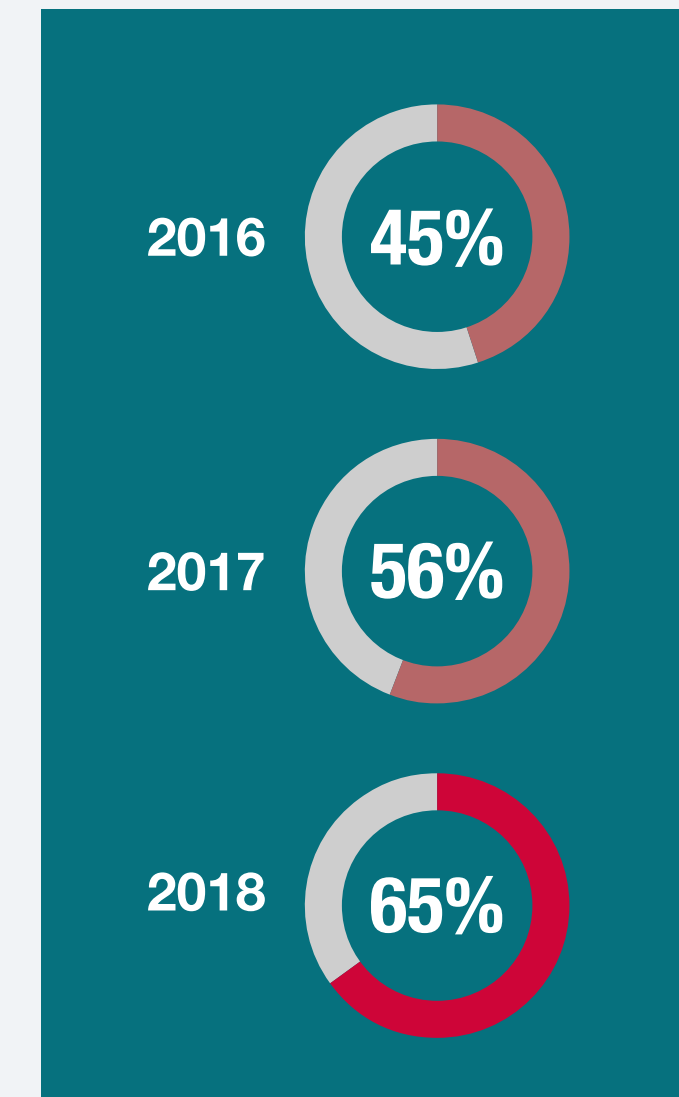


## GLOBAL LEADERS ARE THINKING OF RISK MORE BROADLY AND OUTSIDE COMPANY BOUNDARIES, SOUTH AFRICAN COMPANIES LAG BEHIND

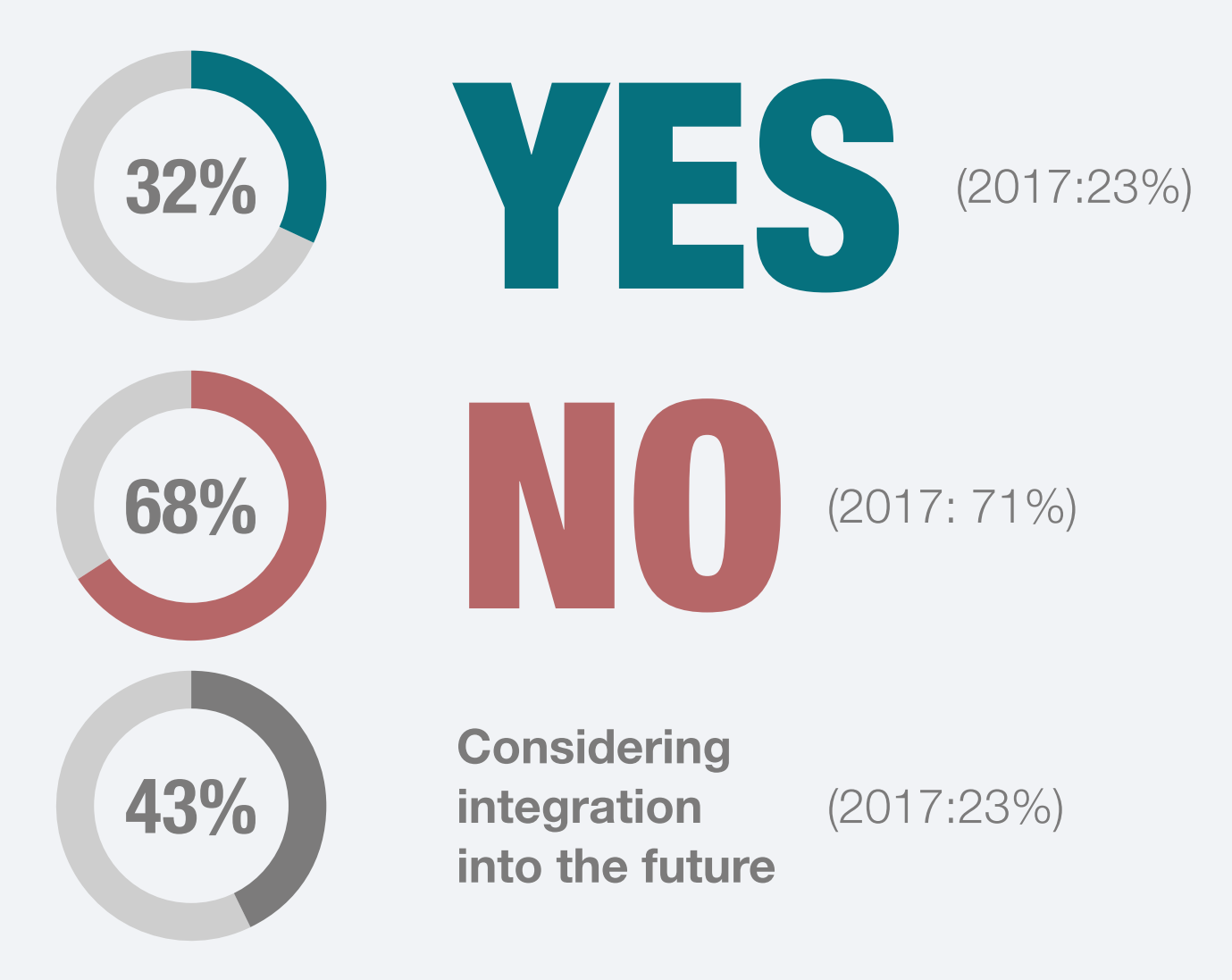
South Africa's scope 3 emissions reporting is poor; 83% of reported emissions are from just 5 companies



More companies are using an internal carbon price



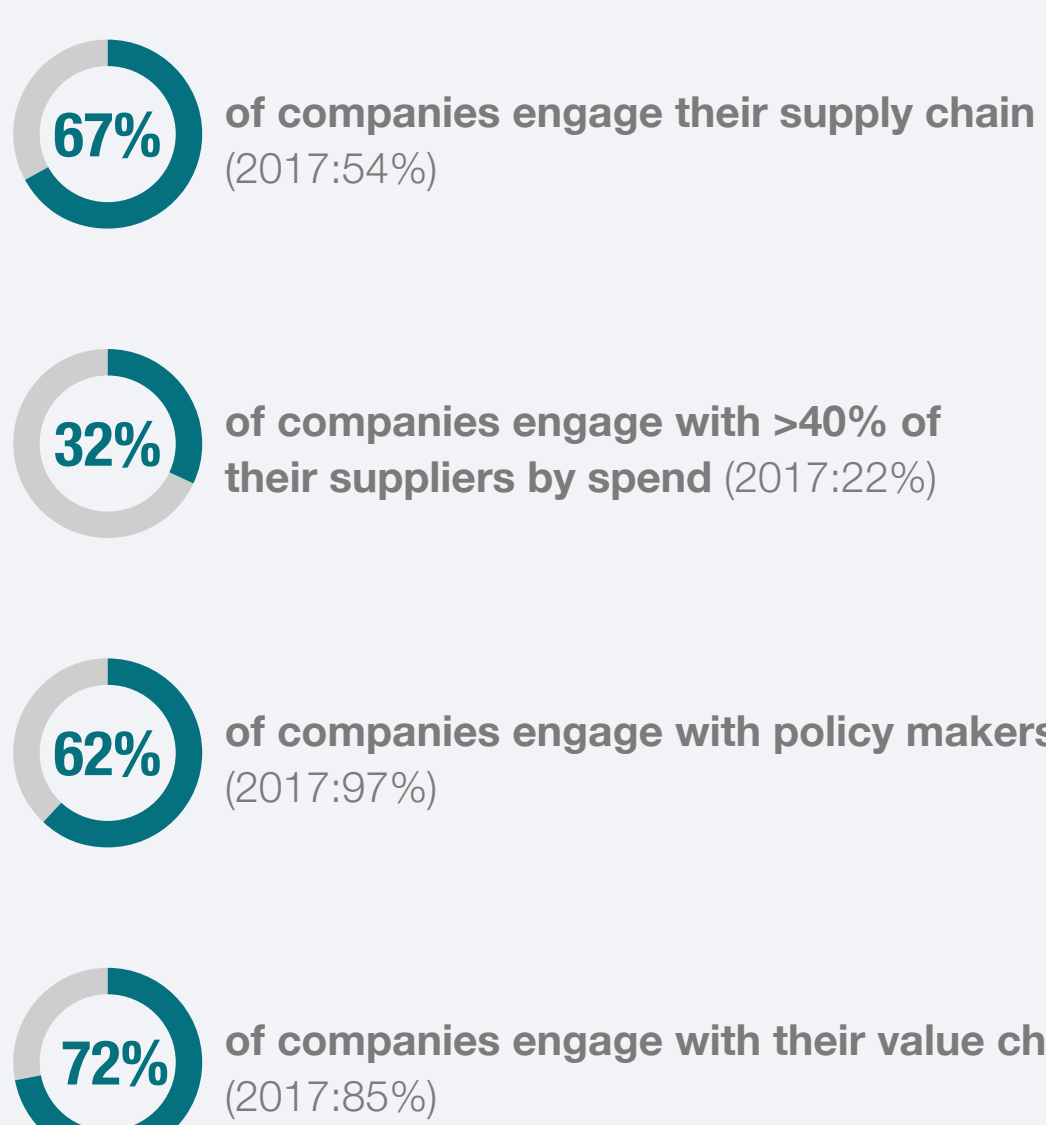
However, significantly more SA companies are considering forward looking scenarios in strategy planning:



## Fewer companies are engaging on critical issues; the vast majority engage on mitigation, despite adaptations equal risk

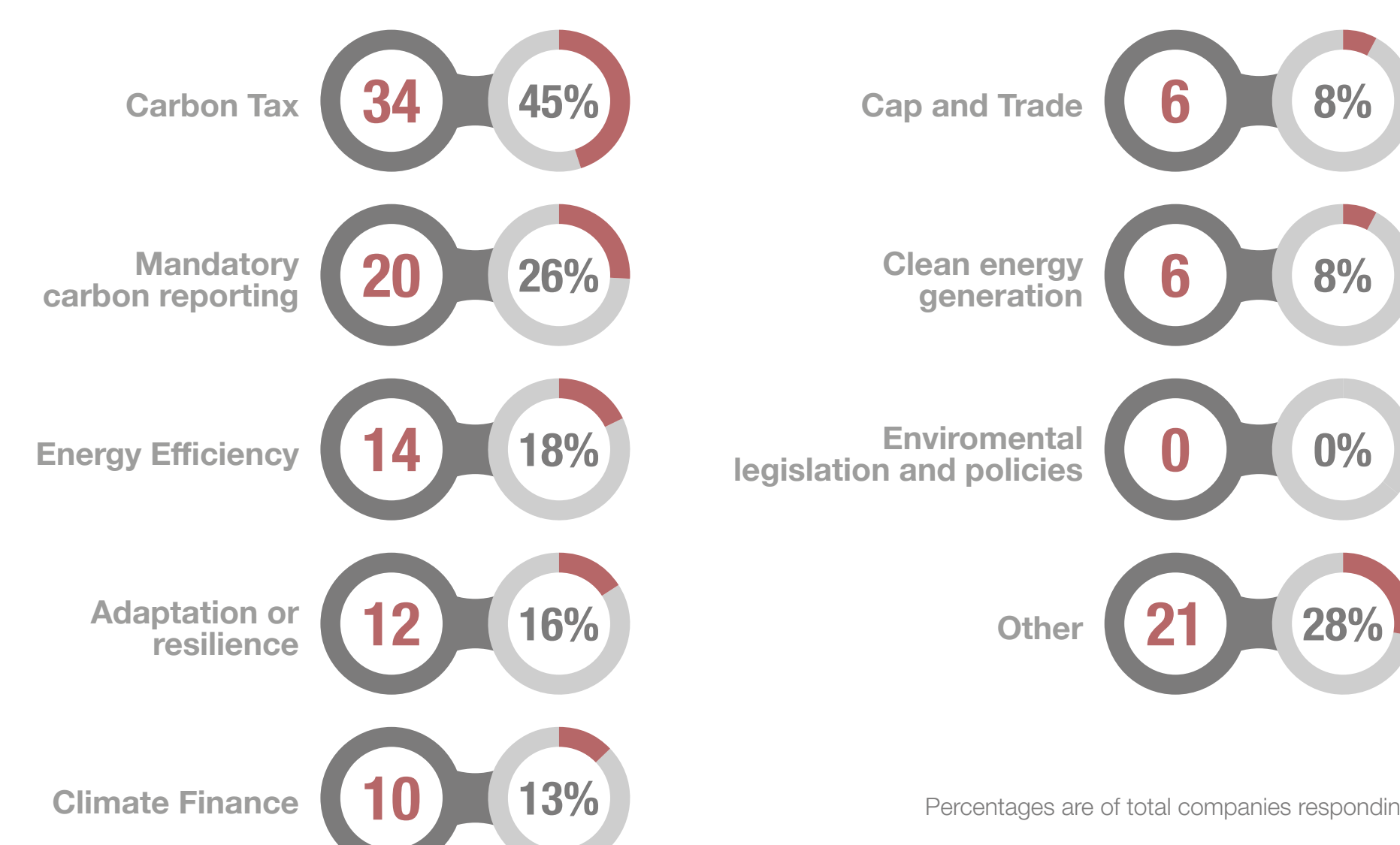
### Who companies typically engage with

% of companies that engage with each stakeholder group



### What companies typically engage with policy makers on

% of companies that engage on each topic



### Conclusion:

South African companies have not made significant progress in translating good climate governance and leadership into increased ambition and climate action. For companies to improve (and increase their CDP scores) greater effort should be made to build climate change into long term strategy planning by including:

- Scenario planning
- Target setting (with an emphasis on setting science based, longer term absolute targets)
- Engagement with policy on climate related matters beyond mitigation
- Greater engagement on scope 3 emissions upstream and downstream