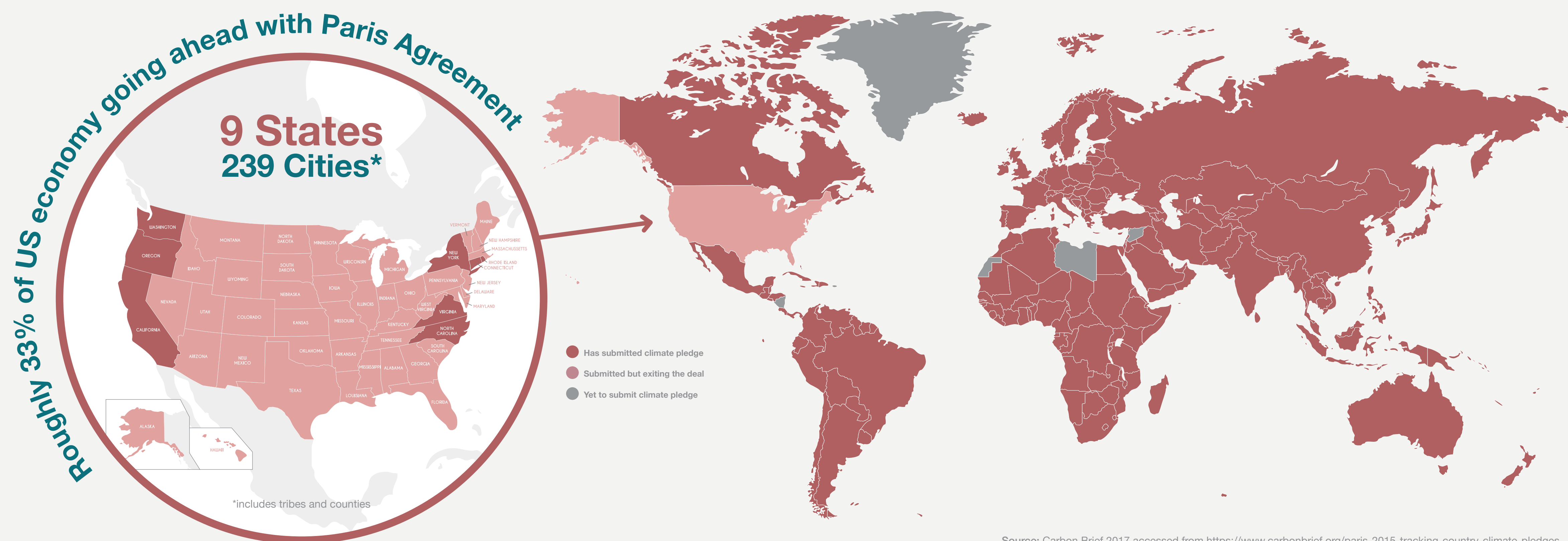


High level findings and key messages

Global context

Most countries, backed by cities and regions, have begun implementing a transition to the low-carbon economy embedded in the Paris Agreement.



WE MEAN BUSINESS

Leading companies are committing to bold climate action through the coalition partners' initiatives

1,057
commitments
to bold action

615
companies
lead the way

\$8.1
trillion
in revenue

South African companies have been leaders in the transition, and therefore competitive for a decade. Last year (2016) the data hinted that SA companies may be beginning to falter. In 2017 warning signs that progress is slowing persist and are exacerbated by indicators that planning is insufficient for the long term.

South African companies continue to lead in areas of governance and engagement, which is reflected in scoring**

Response rate

74% response rate (down from 78% in 2016, 79% in 2015, 80% in 2014 and 83% in 2013); still second in CDP global datasets after EU300. We still have a significant community of self-selected responders (n=15)

Disclosure & Engagement

100% of all companies disclose scope 1 and scope 2 emissions data

97% of all companies engage with policy makers (up from 92% in 2016)

91% of all companies disclose two or more scope 3 categories - among the highest in CDP global datasets (2nd)

80% of all companies engage with their value chain (down from 84% in 2016)

99% of all companies disclose climate change information in mainstream filings or other external communications

85% of all companies undertake third party verification - among the highest in CDP global datasets (4th)

Governance

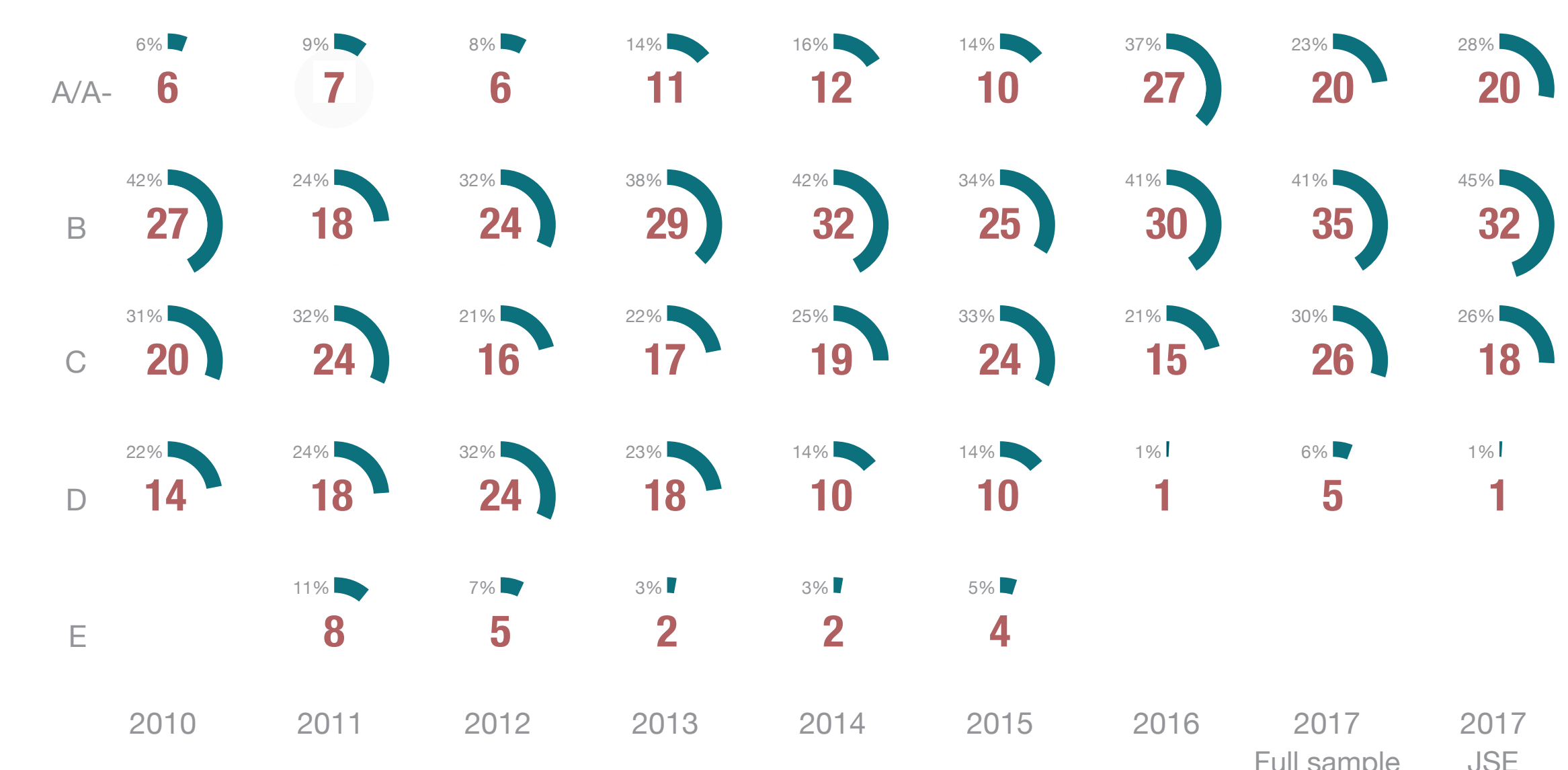
99% of all companies have board-level oversight for climate change (same as last year) ranking 9th out of 27 CDP global datasets

97% of companies integrate climate change into broader risk management (2016: 96%)

100% of companies embed climate change into business strategy (2016: 96%)

87% of companies provide incentives for climate change management - ranking 6th out of 27 CDP global datasets

SA company scores are concentrating in the B band and to a lesser extent the C band. The A/A+ band representation and companies featured on the A list have decreased.***



A LIST

HARMONY

NEDBANK

capco

Is South African company planning sufficient?

Despite these indicators of strong governance and engagement, there are concerns that a lack of emissions reduction planning and target setting will make continued leadership difficult to sustain.

Emissions reduction target setting within responding SA companies**

82% set emissions reduction targets (up 3%) **10/27**

44% set absolute targets (up 3%) **15/27**

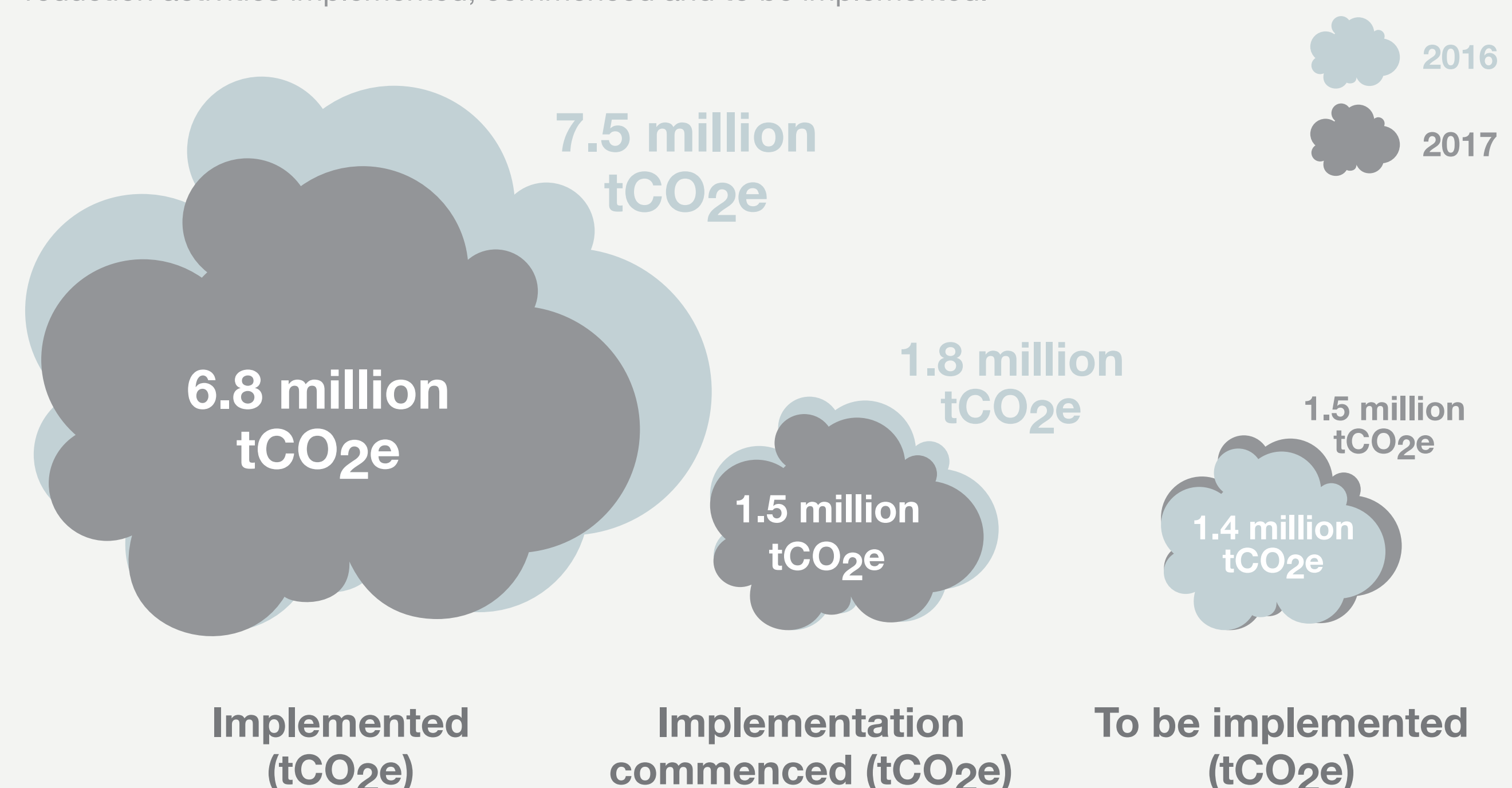
57% have products and services that enable third parties to avoid GHG emissions **25/27**

ranked out of the total 27 samples responding to CDP in 2017

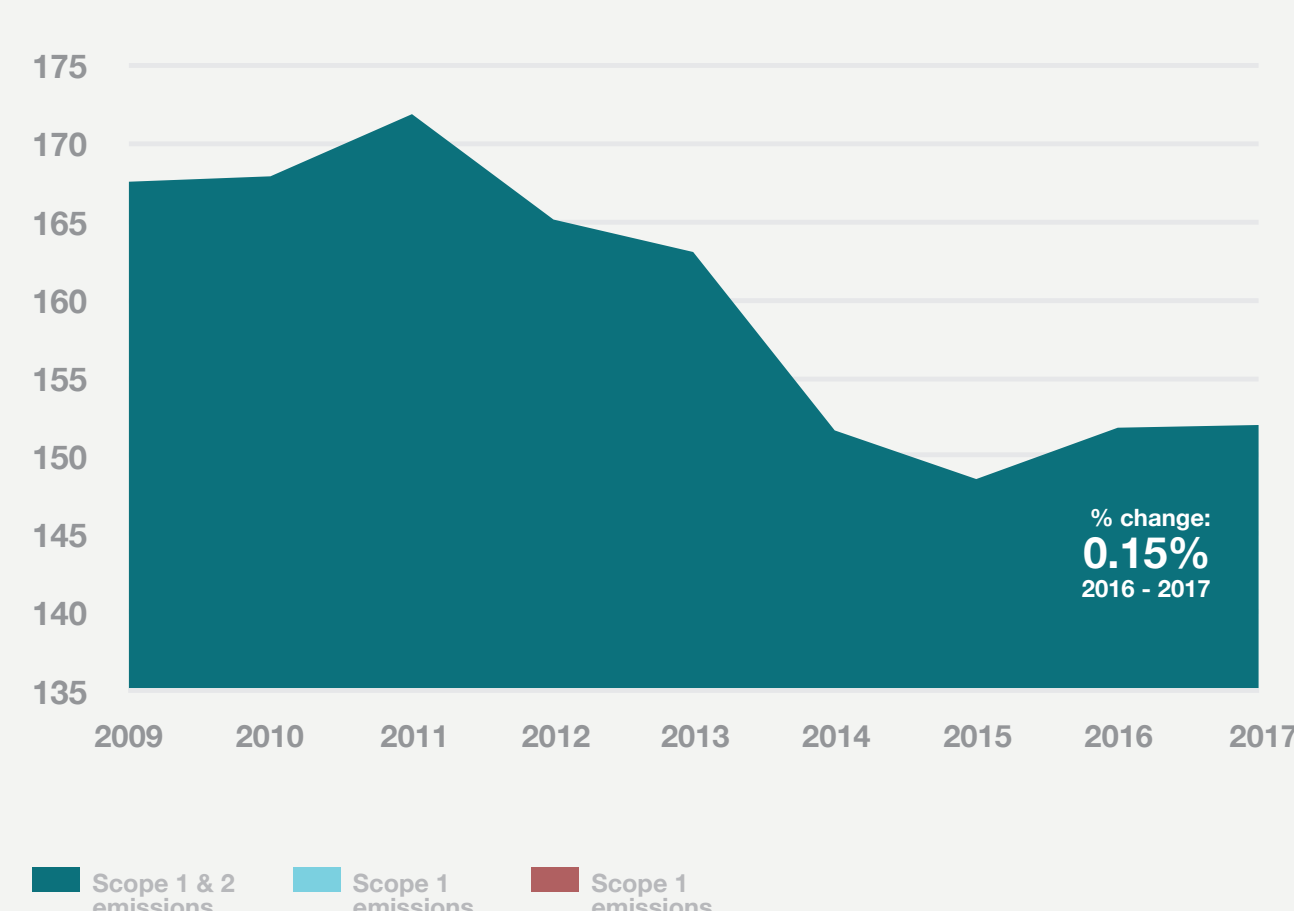
If we think about carbon intensity as a measure of competitiveness, companies in South Africa risk falling behind their global peers, unless they strengthen their target setting and long-term planning

Planning is vital to long-term emissions reductions.

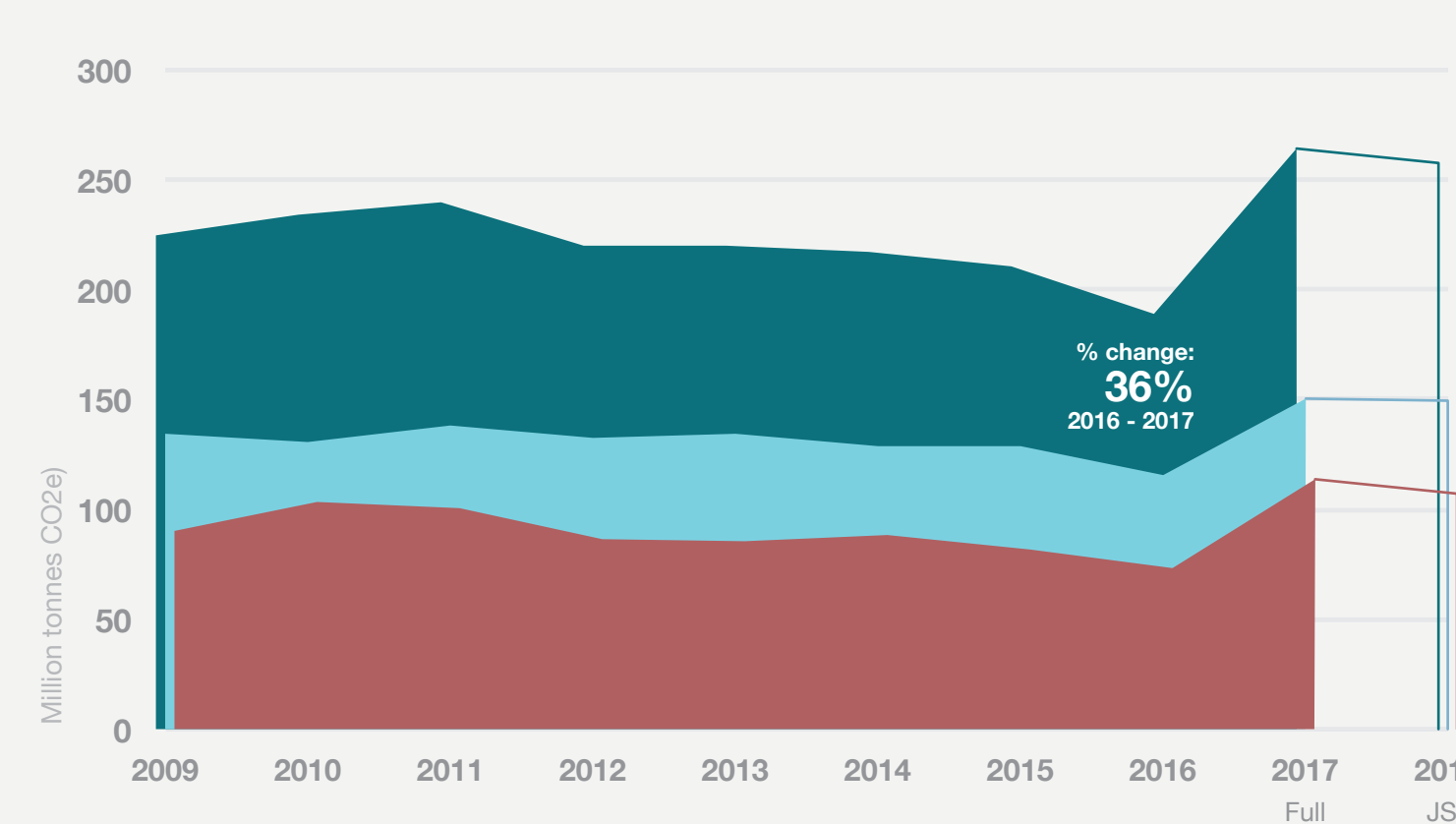
We need consistent annual reductions but this is not reflected in the emissions reduction activities implemented, commenced and to be implemented.



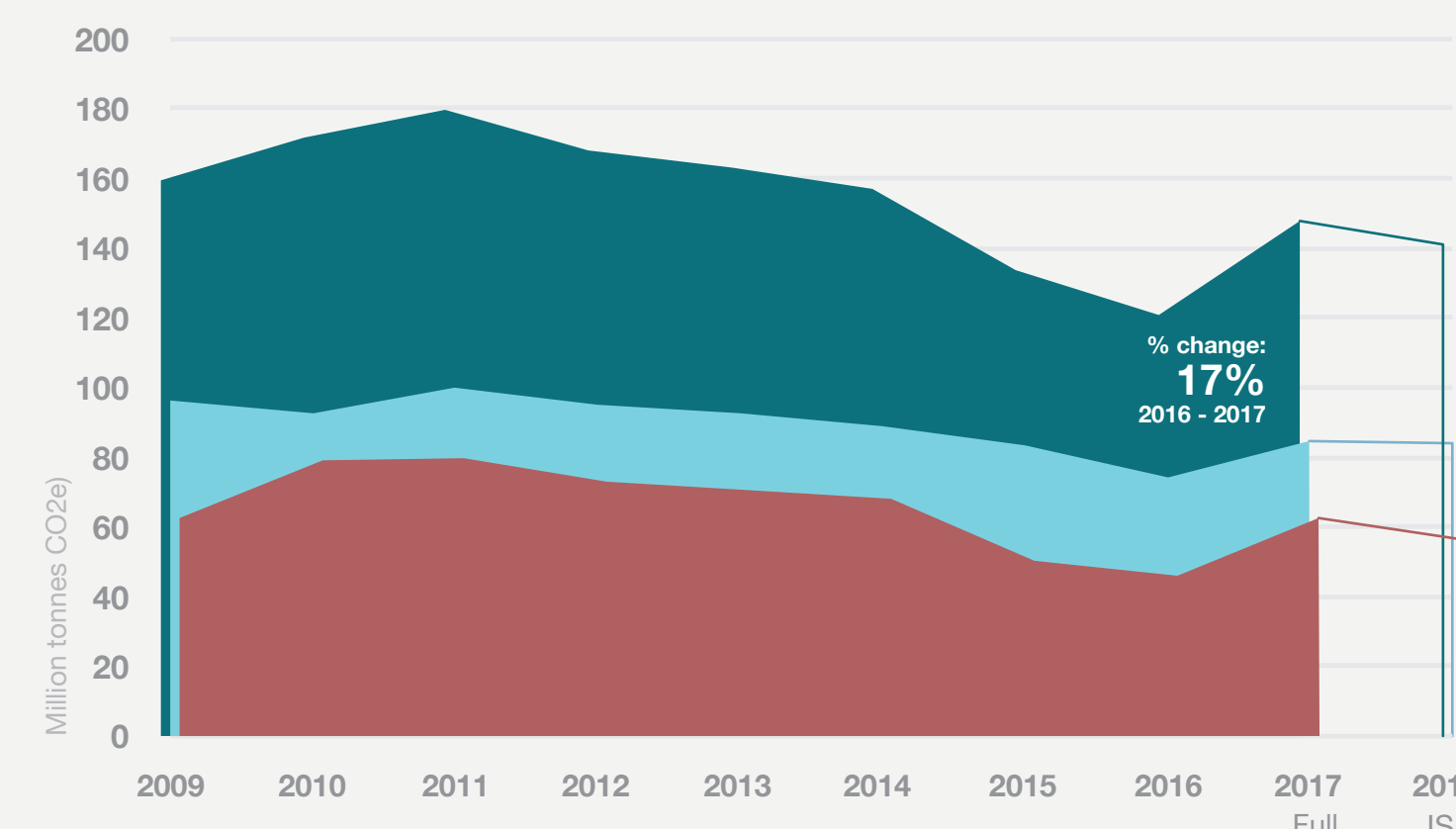
Global scope 1 and scope 2 emissions of companies that consistently reported (like-for-like)



Global scope 1 & 2 emissions from 2009 to 2017



South African scope 1 & 2 emissions from 2009 to 2017



The uptick in total sample emissions is explained by sample changes

South African companies continue to achieve well; this is largely driven by good governance. Companies need to review their target setting and emission reduction activities to maintain progress.

**These figures have been obtained from CDP GLOBAL datasets. Refer to the NBI's CDP 2017 Executive Summary for details on their methodology that differs slightly to that of the NBI's.
 ***It is important to note that CDP's scoring methodology changed in 2015. Performance scores have shifted to performance bands. Comparisons should be treated with caution. <https://vimeo.com/162087170>.