CDP CLIMATE CHANGE IN SOUTH AFRICA 2019 TARGETS AND ACTION





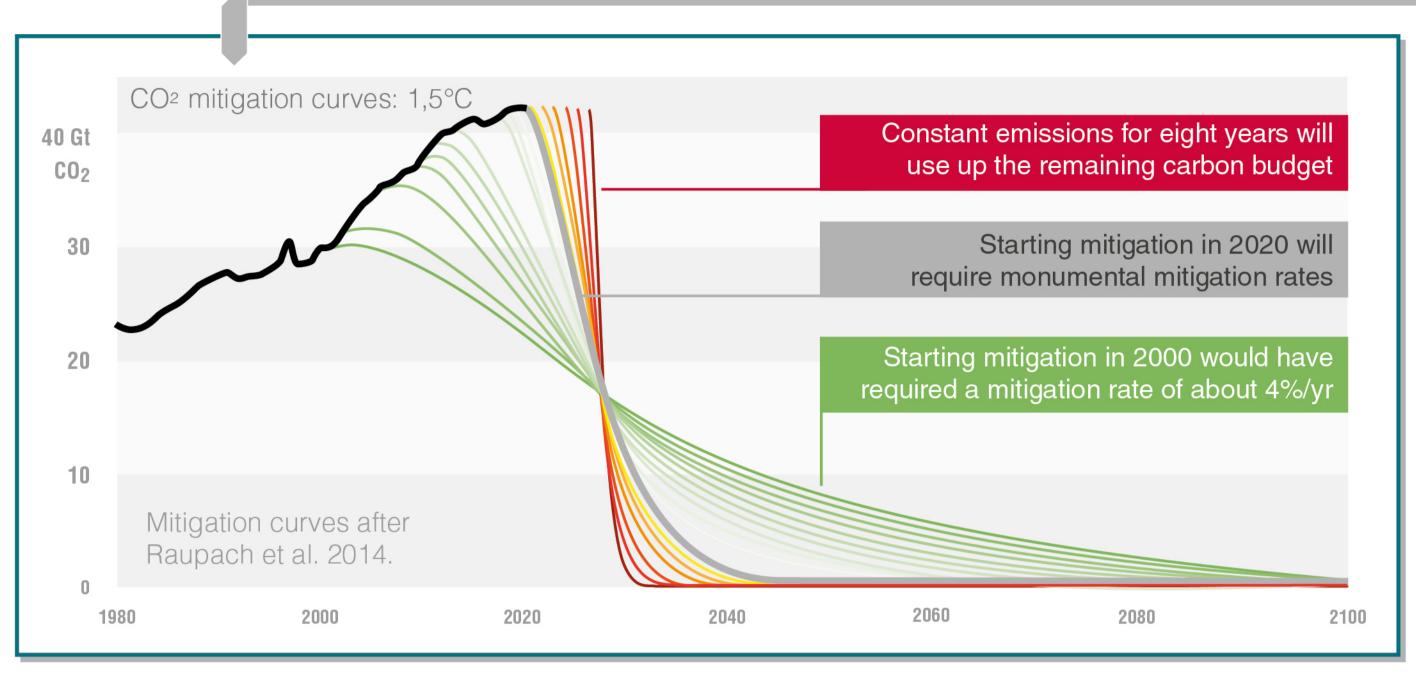
THE CONTEXT FOR OPPORTUNITY

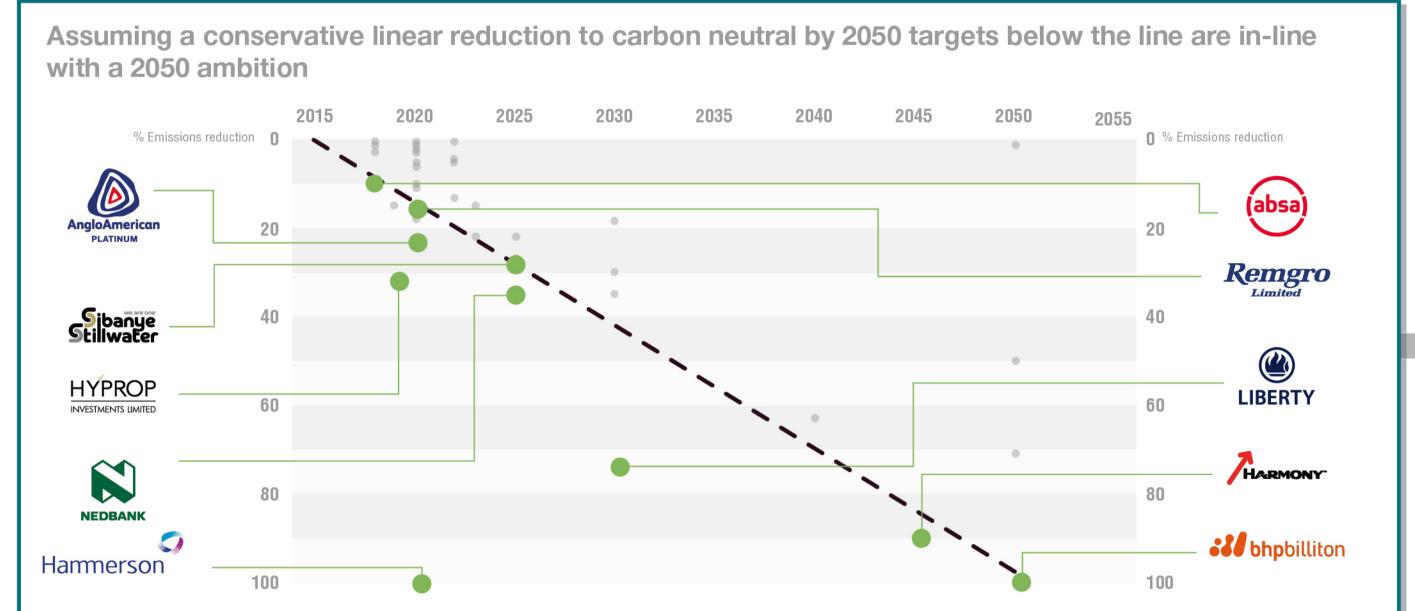
The 2018 IPCC Assessment report confirms that 1.5°C is both a threshold to avoid and defines a target for being net CO₂ neutral by 2050; it must be adopted and committed to. The COVID-19 pandemic, the global/ local economic fall-out and the need to "Build Back Better" elevate this commitment to an opportunity to unlock investment for economic recovery.

THE REALITY

Extrapolating current global policy commitments indicates a 4–6 degrees average global temperature increase by 2050. The kinds of commitments needed to reach net zero GHG emissions are not being made.

SA target-setting misses the mark. It needs to focus on absolute reductions, but little progress has been made; time horizons that have been set for absolute targets are too short; and the longer we delay, the more stringent the targets need to be.





Companies with 44% Absolute Targets % OF COMPANIES Companies with 41% Intensity Targets WITH TARGETS Companies with No Targets 2017 2018

25% of companies set absolute targets spanning longer than 5 14% years in 2019 (14% in 2018). While an improvement from 2018, it is in 2018 still only ¼ of the sample. **25%** Of these, 86% have proposed emissions reduction rates greater than 1.5% per year (20% in 2018).

 $\sqrt{27}$ companies

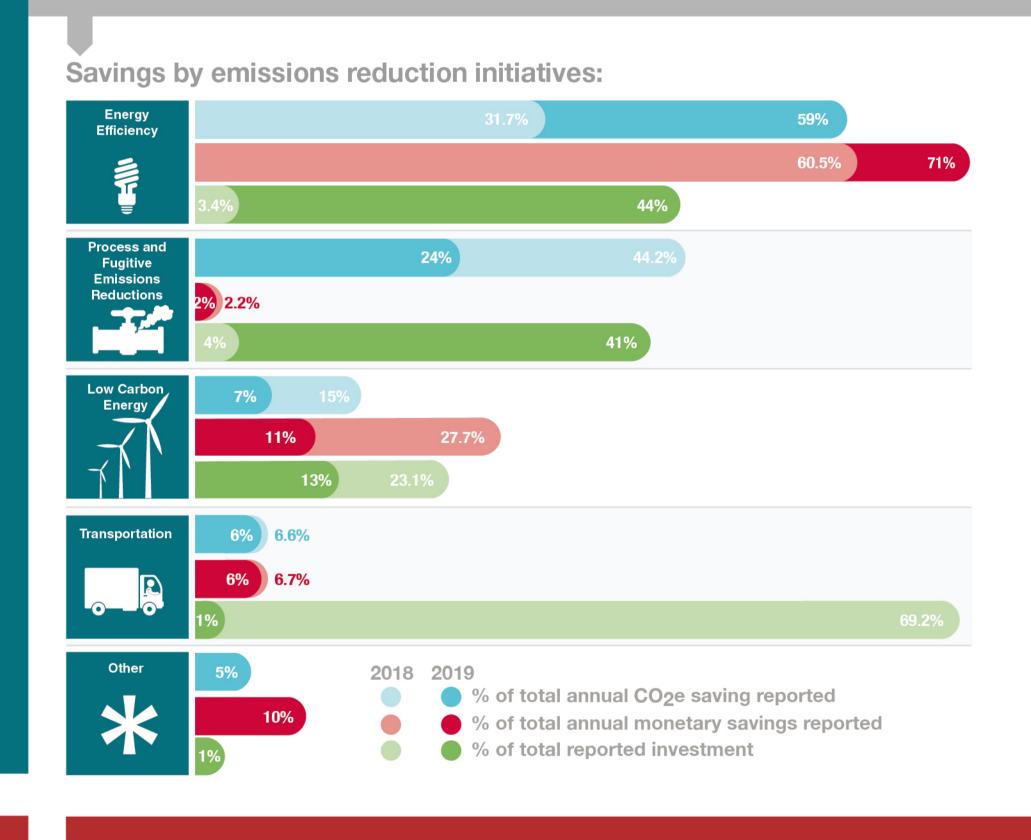
have or intend to set science-based

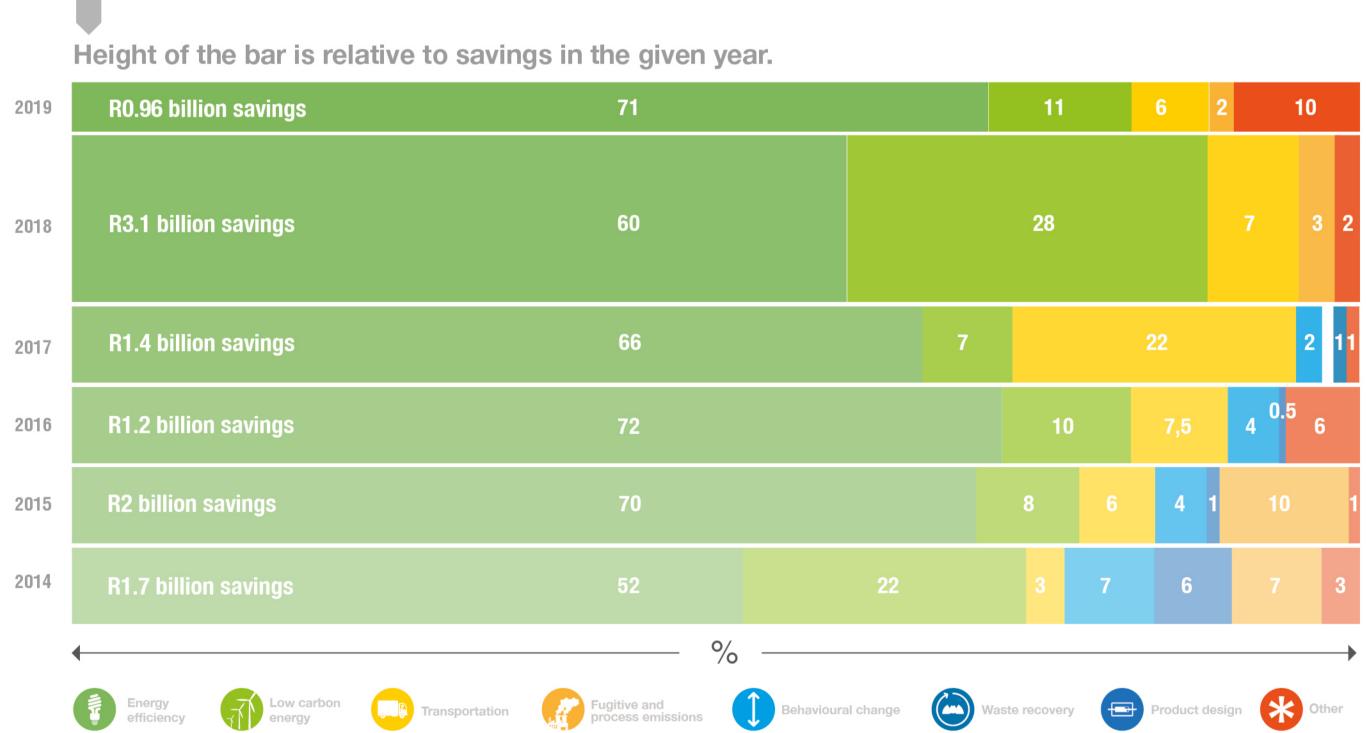
targets; 9 less than last year

EMISSIONS REDUCTION **SAVINGS**

Overall savings from emissions reduction initiatives have decreased significantly from last year but the trend remains the same:

- Most are made through implementation of energy efficiency.
- There has been little progress in investigating the full potential of savings for emissions reductions through product design, transportation and others.

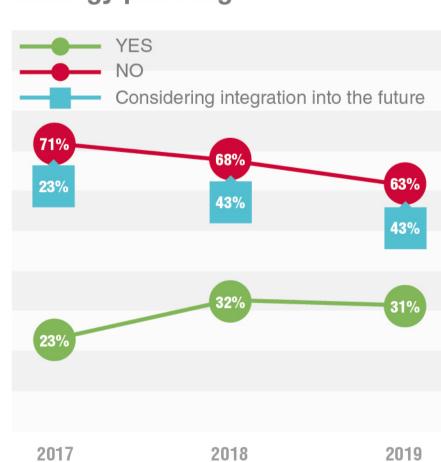


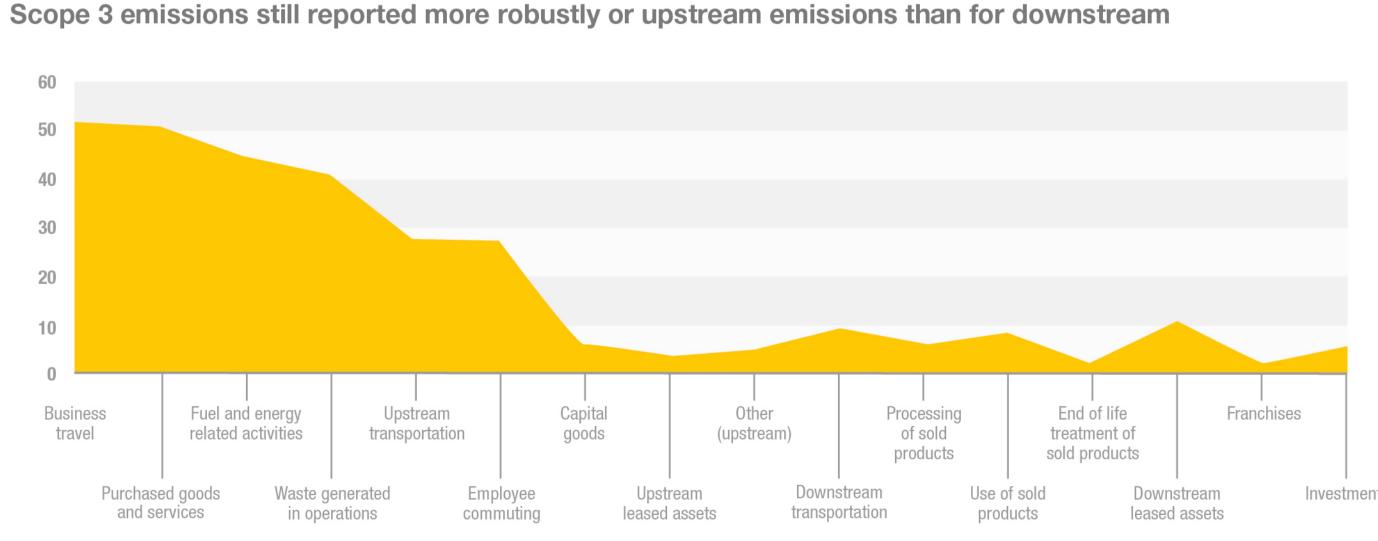


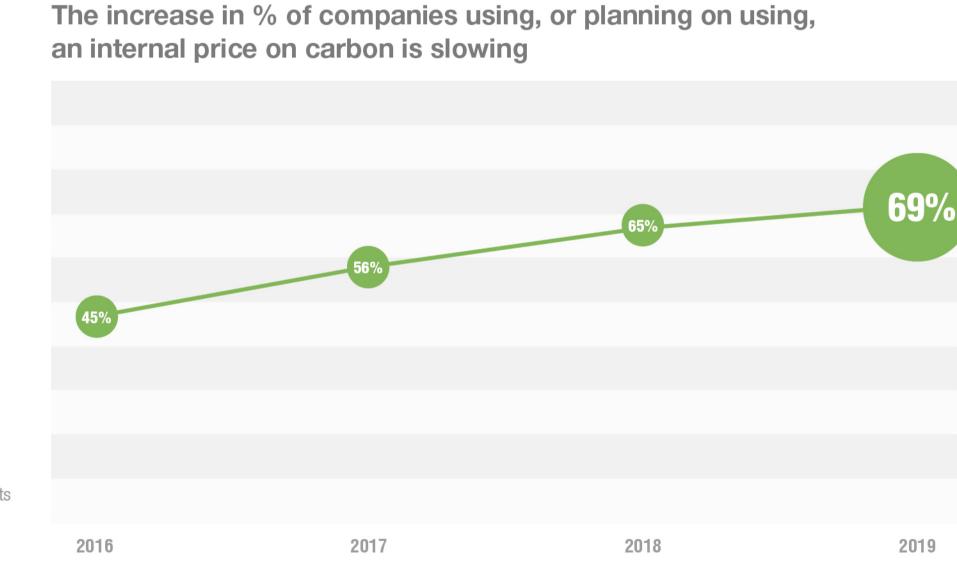
RISK **CONSIDERATIONS**

Although the focus on downstream risk is increasing, companies continue to gather only upstream data.

% of companies considering forward-looking scenarios in strategy planning:







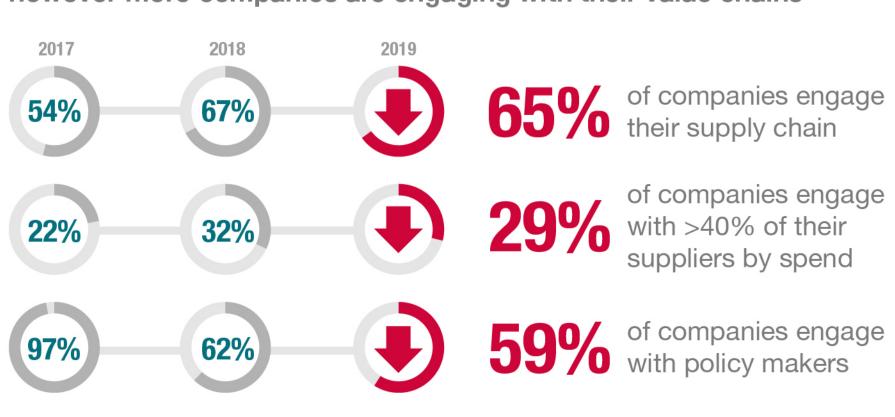
DOWNWARD ENGAGEMENT TREND CONTINUES

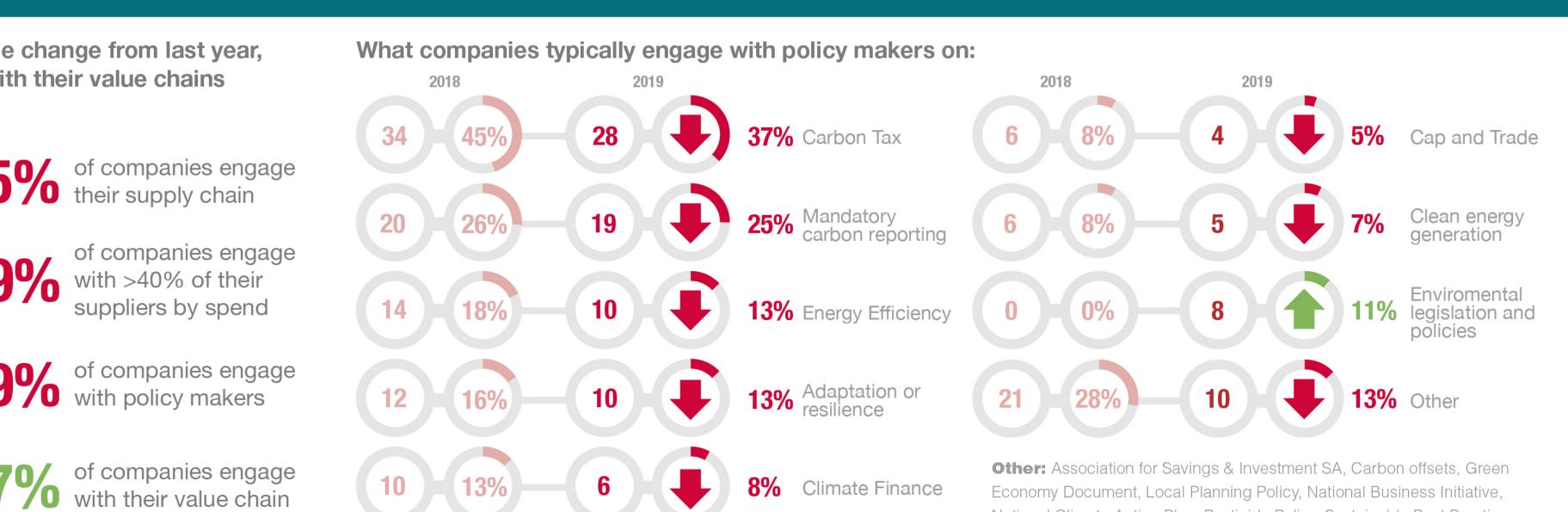
72%

85%

Last year's trend continues as fewer companies engage on critical issues in the 2019 sample. Only one company listed engaging on the National Climate Action plan in 2019.

Who companies typically engage with: little change from last year, however more companies are engaging with their value chains





National Climate Action Plan, Pesticide Policy, Sustainable Best Practice

There is significant

Conclusion:

room for South African companies to foster opportunity. However insufficient target setting, low stakeholder engagement levels and narrowly focused scope 3 data gathering are inhibiting effectiveness; resulting in low levels of investment and benefit.