

Press contact:

Mollie Mellows
Tel.: +44 (0)7342 709384
E-mail: mollie.mellows@capgemini.com

Press contact:

Adam Szentes
Tel.: +49 30629033208
E-mail: adam.szentes@cdp.net

Only 37% of Scope 3 emissions from European businesses are addressed by corporate decarbonization measures

New report from Capgemini and CDP reveals the biggest emissions hotspots are currently being overlooked by corporate decarbonization strategies in Europe

Berlin, Paris, July 13, 2023: There is a rising trend amongst European businesses regarding decarbonization transparency and commitments – with a 56% increase in emissions disclosures to [CDP](#) over the past three years. However, they are also struggling to set impactful actions for important emissions hotspots, with just 37% of Scope 3¹ emissions currently being covered by decarbonization measures. This is according to a new joint research study from [Capgemini Invent](#), and non-profit [CDP](#) released today, '[From Stroll to Sprint: A race against time for corporate decarbonization](#)', which analyzes the corporate decarbonization strategies in Europe across 17 sectors, and how they have evolved between 2019 and 2022.

A persistent gap remains between transparency and action

The overwhelming majority (92%) of emissions disclosed by European companies in 2022 were Scope 3, with the use of sold products (57%) and purchased goods and services (17%) cited as companies' key hotspots. There was a 28% increase in Scope 3 categories disclosed to CDP in 2022, as compared to 2019.

Almost half of emission reduction targets approved by SBTi

The study finds that 47% of companies reported having absolute emissions reduction targets approved by the SBTi, compared to just 14% in 2019. However, SBTi-approved absolute targets cover only 13% of the total greenhouse gas emissions disclosed by companies to CDP in 2022. This reinforces the urgent need for the companies with the highest emissions impact to set robust reduction targets aligned with 1.5°C pathways².

Credible net-zero targets are still in their infancy despite rapid uptake, with only 8% of companies reported having set net-zero targets approved by the Science Based Targets initiative (SBTi), and a further 14% with their targets pending validation. Although the number of companies disclosing to CDP has grown significantly, 23% of companies still lacked any emissions reduction targets in 2022.

"Our analysis reveals that although some fast progress has been made by leading companies, particularly on science-based target setting, the majority need to take more decisive action to address their Scope 3

¹ Scope 1 emissions relate to direct emissions from buildings or assets owned or controlled by a company, such as the emissions associated with fuel consumption and refrigerant gases. Scope 2 emissions relate to emissions associated with the consumption of electricity, heat or steam. Scope 3 are all other emissions generated within an organization's value chain, including upstream and downstream emissions. They occur as a result of the activities of an entity, but from sources not owned or controlled by that entity's business.

² According to the IPCC latest report, a 45% decrease in emissions by 2030 compared to 2010 levels is needed to keep global warming below 1.5°C // IPCC (March 2023) AR6 Synthesis Report

emissions quite promptly,” comments Maxfield Weiss, CDP Europe Executive Director. “With the urgent need to align corporate decarbonization with the 1.5°C limit, companies need to set out clear climate transition plans now that will deliver the reduction we need to keep our economy and society safe.”

Roshan Gya, CEO of Capgemini Invent and Member of the Group Executive Committee said, *“As companies seek to achieve their net-zero goals, it’s imperative for them to set both short- and long-term targets to monitor their decarbonization journeys. New technologies such as low carbon hydrogen and process electrification will need to be implemented at a massive scale. This requires a shift in the regulatory policies and an innovative approach in order to enable the dual transition towards a sustainable and digital economy.”*

Renewable energy offers significant untapped potential

The report finds that overall companies are making progress in reducing the environmental impact of their operations, with up to 40% reduction in Scopes 1 & 2 emissions achieved mostly through energy efficiency measures. Today, sectors relying on electricity have more opportunities to decarbonize their energy mix and protect themselves from energy market price fluctuations than others.

In 2022 renewable energy covered less than a third of the energy used in the vast majority (70%) of sectors analyzed, suggesting that there are still major reductions in emissions to come through sourcing renewables.

Action on sustainability does not hamper competitiveness

As organizations increasingly adopt decarbonization actions as part of sustainability strategies, the data disclosed to the CDP reveals that these investments did not impede the ability to grow turnover. From 2019 to 2022, reported Scope 1 and 2 emissions dropped in most sectors by an average of 14% whilst revenues increased 8%.

The full report is available for download at <https://www.capgemini.com/insights/research-library/from-stroll-to-sprint>.

Methodology

The report leverages Capgemini Invent knowledge and proven expertise on decarbonization, insights from the Capgemini Low Carbon Navigator tool (a proprietary library of decarbonization benchmarks and industry-specific levers), quantitative analysis from CDP’s 2019 and 2022 public datasets, and qualitative outputs from interviews with 7 selected companies from varied sectors. The report includes companies that represent approximately 75-80% of the total market capitalization of European companies.

Capgemini Invent is a Gold accredited Service Provider by the CDP for its expertise on Climate Change Consultancy. The report is written in the context of this partnership, which grants exclusive data access to a limited number of companies.

About CDP

CDP is a global non-profit that runs the world’s environmental disclosure system for companies, cities, states and regions. Founded in 2000 and working with more than 740 financial institutions with over \$130 trillion in assets, CDP pioneered using capital markets and corporate procurement to motivate companies to disclose their environmental impacts, and to reduce greenhouse gas emissions, safeguard water resources and protect forests.

Nearly 20,000 organizations around the world disclosed data through CDP in 2022, including more than 18,700 companies worth half of global market capitalisation, and over 1,100 cities, states and regions. Fully TCFD aligned, CDP holds the largest environmental database in the world, and CDP scores are widely used to drive investment and procurement decisions towards a zero carbon, sustainable and resilient economy. CDP is a founding member of the Science Based Targets initiative, We Mean Business Coalition, The Investor Agenda and the Net Zero Asset Managers initiative. Find out more via www.cdp.net or follow us on Twitter @CDP.

About Capgemini Invent

As the digital innovation, design, and transformation brand of the Capgemini Group, Capgemini Invent enables CxOs to envision and shape the future of their businesses. Located in nearly 40 studios and more than 60 offices around the world, it comprises a 10,000+ strong team of strategists, data scientists, product and experience designers, brand experts and technologists who develop new digital services, products, experiences, and business models for sustainable growth.

Capgemini Invent is an integral part of Capgemini, a global leader in partnering with companies to transform and manage their business by harnessing the power of technology. The Group is guided everyday by its purpose of unleashing human energy through technology for an inclusive and sustainable future. It is a responsible and diverse organization of nearly 360,000 team members in more than 50 countries. With its strong 55-year heritage and deep industry expertise, Capgemini is trusted by its clients to address the entire breadth of their business needs, from strategy and design to operations, fueled by the fast evolving and innovative world of cloud, data, AI, connectivity, software, digital engineering and platforms. The Group reported in 2022 global revenues of €22 billion.

Get The Future You Want

Visit us at www.capgemini.com/invent