An aerial photograph of a lush green landscape. A winding river flows through a vibrant green field, surrounded by dense, dark green forest. The sky is filled with soft, white clouds. The overall scene is a beautiful representation of a natural ecosystem.

Sustainable corporate governance

Sebastien Godinot
Economist, Head of Sustainable
Finance Unit
WWF European policy Office



Setting a sustainability strategy is a no regret option for companies

- ... and for their investors
- **Multiple benefits:**
 - Reduce sustainability-related risks
 - Cut costs)
 - Maximize opportunities
 - Differentiate from competitors
 - Motivate staff
 - Improve reputation
 - etc



This should include a target that is measurable and science-based

- **Environmental targets should be based on environmental science**
- **Aim for absolute (not relative) targets**
- **On-going: climate targets**
- **Tomorrow: 'Earth targets' based on planetary boundaries'**
- **Overarching framework: SDGs**



Science Based Target initiative



**UN Global Compact,
CDP, WRI, WWF**

**+ We Mean
Business Coalition**

- **Sector-specific, tailored targets to reduce CO2 emissions by a given date (5-15 years)**
- **Based on forward-looking 2°C climate scenario analysis (IEA)**
- **515 companies, 43 sectors, 38 countries**



What companies say from the Science Based Target initiative



“At BT, we wanted to identify the path that achieved both sufficient carbon reduction to avert catastrophic climate change and allowed for economic prosperity. We think we did that with our climate stabilization target and are showing that climate stabilization and business growth can go hand in hand.”

Gabrielle Ginér, BT

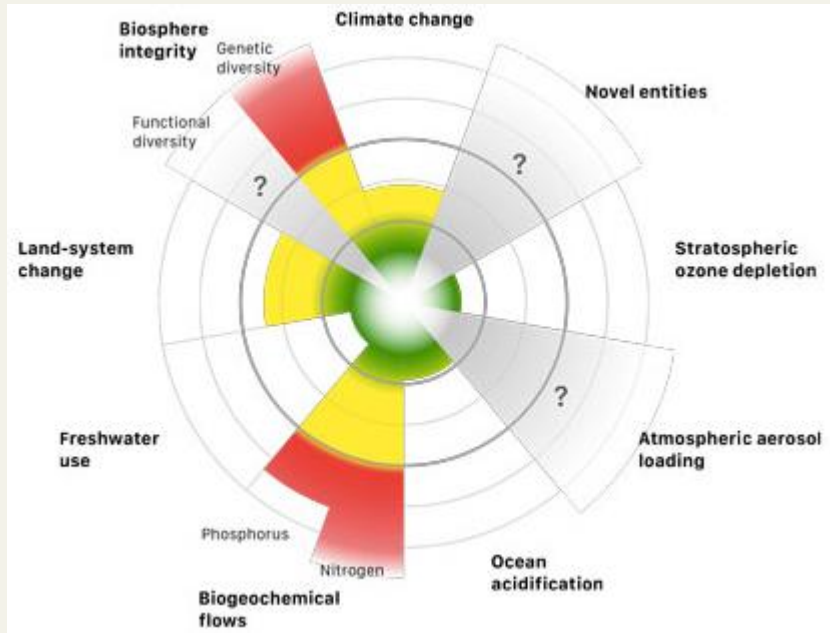


Carrefour





Climate targets today, planetary boundaries and SDGs tomorrow



SUSTAINABLE DEVELOPMENT GOALS





**Such sustainability strategy
and targets should be disclosed**

**EU Directive on
Disclosure of
Non-Financial &
Diversity Information**

TCFD | TASK FORCE ON
CLIMATE-RELATED
FINANCIAL
DISCLOSURES



The sustainability strategy and target should be mandatory

- **Urgency**
- **No regret option for companies**
- **Win-win-win for the company, the society, the planet**

- **Can be sector specific: e.g. climate-related for carbon-intensive companies**
- **Links to the need for sector-specific KPIs on sustainability for companies (NFRD)**

