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ITALIAN BUSINESS COMMITMENT TOWARDS NET-ZERO

Research Report
December 2023 - COP28 Dubai

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PREFACE

Gilberto Pichetto Fratin
Minister of Environment and Energy Security of Italy

To address climate change and its worst impacts, the productive sector of our society plays a strategic role. The historic Paris Agreement reached in 2015 indicates a very specific trajectory: to contain the increase in average global temperature within 1.5°C. Governments have a preminent role in achieving this goal. Italy is at the forefront, thanks to the resources provided by the National Recovery and Resilience Plan (NRRP) and the strong national planning aimed at achieving the EU targets on decarbonization, the use of renewable energy, proper waste management, and the development of enabling infrastructure.

These interventions involve the Italian private sector, which, due to its structure and size, demonstrates peculiar characteristics, as highlighted by the research “Italian business commitment towards Net-Zero”, promoted by the UN Global Compact Network Italy.

Following the existing commitment of large companies, the objective is to integrate small and medium-sized enterprises into a national industrial transition path. This must take into account support measures regarding access to finance and incentives, the issue of technical skills, and long-term competitiveness.

Particular attention should also be given to some significantly representative sectors of Made in Italy, such as fashion and luxury, agriculture, automotive, and furniture – examples of national excellence that are already demonstrating attention and interest in sustainability practices.

Ensuring that the key players which drive production and investments in Italy become increasingly sustainable is a priority. They need to be supported in their paths towards net-zero, by investing in innovation and digitalization, valuable allies for entrepreneurial competitiveness.

A more sustainable private sector will therefore be able to make the best contribution to achieve the goals set at the European level, both in terms of reducing emissions and boosting a fully circular transition of the economy.

The required effort is very ambitious, but the transition represents a unique opportunity to innovate the way we do business and create new jobs.

The research we are about to read is important to outline a realistic picture of the Italian entrepreneurial sector and to develop truly useful tools for our companies to accompany them on the path toward net-zero. It is the government’s task to create the conditions for the transition to become concrete, realistic, and fair, allowing Italian entrepreneurship to express itself to the highest level with the genius and creativity that the world recognizes in it.

INTRODUCTION

Marco Frey
Chairman
UN Global Compact Network Italy

Daniela Bernacchi
Executive Director
UN Global Compact Network Italy

The latest Synthesis Report: Climate Change published by the IPCC in March 2023 emphasised that, at the current level of commitment and action, the global average temperature increase will certainly exceed 1.5 degrees Celsius compared to the pre-industrial era with forecasts of reaching 2.5 degrees by 2100. This will imply that we will fail to meet the objective of the Paris Agreement. The recommendations of the scientific community to reverse this trend are very clear: increasing ambition and achieve net zero emissions by 2050. The European Union has decided to play a leading role in the fight against climate change, guiding Member States on ambitious targets: to be climate-neutral by 2050, with an intermediate target of reducing greenhouse gas emissions by 55% by 2030.

The private sector is a key player in achieving these goals and is therefore called upon to implement robust and structured decarbonisation actions, reducing emissions, both direct and indirect, by acting on supply and value chains. In this regard, more than 6500 business entities have decided to commit to the Science-based Targets (SBTi) initiative in order to achieve third-party validated, science-based and ambitious targets. Of these, the companies that have also set net-zero targets are less than half (around 3000). The same occurs at national level, where 140 companies are committed to SBTi, but only 39 also net-zero[1].

The time has therefore come for a change of pace for the Italian private sector.

It is precisely with the aim of analysing how Italian companies are facing this challenge that the UN Global Compact Network Italy has decided to collaborate with the IPSOS institute on the launch of this research. The survey outlines the state of the art with respect to the commitment and action of companies on climate change issues in general and net-zero in particular, highlighting characteristic drivers and barriers related to the Italian context.

The sample of interviewees included both Italian companies participating in the UN Global Compact - the most important initiative on corporate social responsibility at a global level - and non-participating business entities belonging to different sectors, including large companies as well as small and medium-sized ones.

The survey clearly shows the greater sensitivity to sustainability and environmental protection issues of the UNGC companies, combined with a more marked knowledge of the most relevant international milestones, such as the Paris Agreement. The awareness of the key importance of integrating environmental sustainability into corporate strategies is reflected in the definition of more concrete and ambitious commitments on emissions reduction - also on the net-zero target - and more structured training initiatives for the employees in this field.

As a second key message, the research offers a clear indication of the need to involve small and medium-sized enterprises in the transition to a net-zero economy, by taking action to close the existing knowledge gap and providing favourable incentives and financial conditions.

Only the action of all companies on a systemic level will make possible to come closer to achieving not only SDG 13 of the 2030 Agenda - which specifically concerns climate action - but also the Goals closely related to it, thus contributing to leaving a fairer and more equal world for the future generations.

1. Data Science based Target Inititive, November 2023

RESEARCH DESIGN

GOALS AND METHODOLOGY

The main purpose of the survey was to showcase the state of the art in Italy of private sector commitment and achievement of net-zero targets, highlighting drivers, challenges, and opportunities. The analysis focused on comparing the companies participating in the **UN Global Compact initiative*** and those that were not and emphasizing differences in terms of company size and industry sectors.
For brevity, in the document, 'UNGC' refers to the UN Global Compact.

TARGET

- Italian companies with 10 employees or more that are not UNGC participants
- Italian UNGC companies, from a list provided by the UN Global Compact Network Italy

RESPONDENTS

- 900 interviews to companies, not UNGC participants
- 219 interviews to UNGC business entities

METHODOLOGY

- CATI
- CAWI

TIMING

- Field start date: July 25th
- Field and date: October 4th

* To ensure the representation of results, the overall sample was weighted to restore the proportions of the reference population (Italian companies with over 10 employees) for sector and size variables. The footnote, marked with *, indicates limited reading bases that do not allow for conclusions to be drawn for the sub-sample in question

SAMPLE

TARGET n°1: COMPANIES NOT PARTICIPATING IN UNGC - FOCUS ON SECTORS

450 companies selected based on the number of employees and business sector according to the scheme below, aimed at representing and being able to separately analyze the results for the **6 sectors of interest indicated by UN Global Compact Network Italy** (representing 33% of the universe of Italian companies with 10 or more employees).

TARGET n°2: COMPANIES NOT PARTICIPATING IN UNGC - OTHER SECTORS

450 companies belonging to all **other sectors** not considered in target n°1, representing the remaining 67% of the universe, for a total of 900 companies.

	10-49 EMPLOYEES	50-249 EMPLOYEES	250+	TOTAL 10+
FOOD	35	20	20	**75**
FASHION	35	22	18	**75**
AUTOMOTIVE	35	30	25	**90**
RETAIL	45	25	20	**90**
UTILITIES	10	8	2	**20**
CONSTRUCTION	70	25	5	**100**
TOTAL	**230**	**130**	**90**	**450**

	10-49 EMPLOYEES	50-249 EMPLOYEES	250+	TOTAL 10+
OTHER	**230**	**130**	**90**	**450**

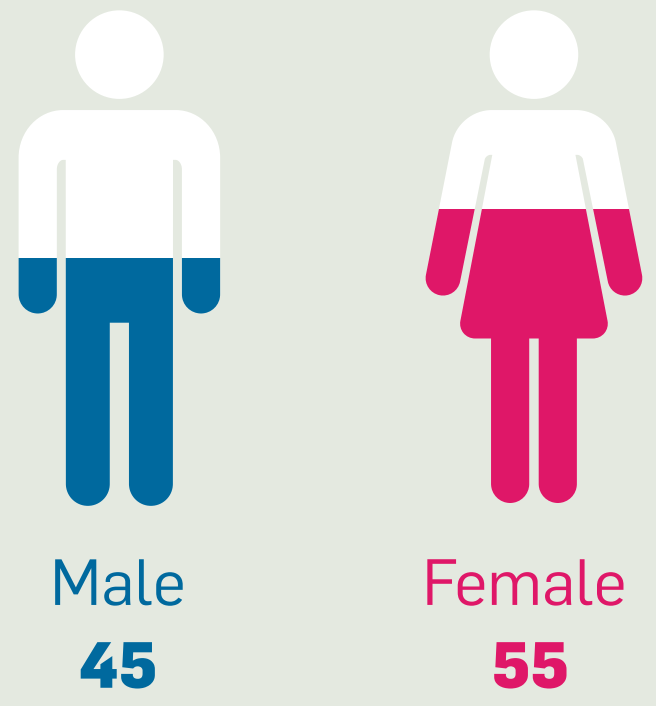
TARGET n°3: COMPANIES PARTICIPATING IN UNGC

219 companies from a list provided by UN Global Compact Network Italy.

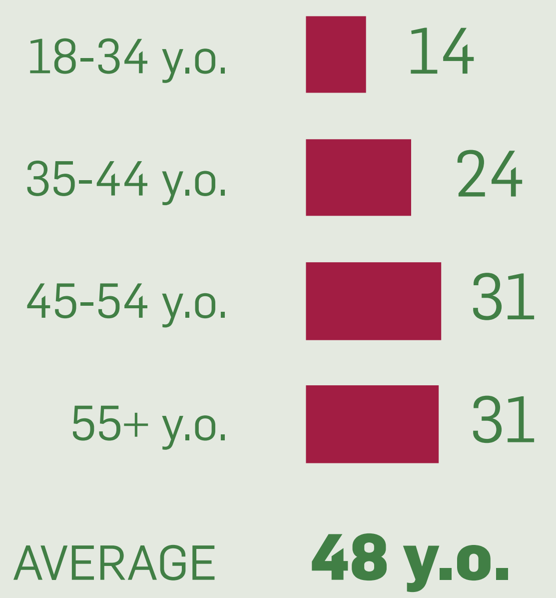
Some sampling cells, typically with a low incidence rate, have been oversampled to ensure a sufficient statistical base for reading the data. The returning sample is subjected to a weighting matrix to restore the proportions to those of the universe of reference.

SAMPLE

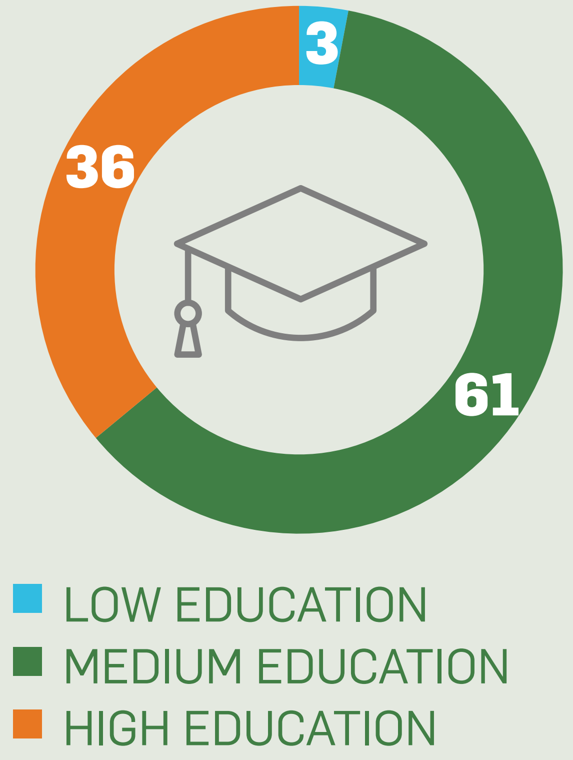
GENDER



AGE



EDUCATION QUALIFICATION



POSITION WITHIN THE COMPANY

ENVIRONMENTAL SUSTAINABILITY

SAMPLE

SECTOR

OTHER SECTORS, EG. MECHANICS, WOOD, ...	24
FOOD	4
FASHION	5
AUTOMOTIVE	7
CONSTRUCTION	10
NON RETAIL TRADE	11
RETAIL	7
SERVICES	32

COMPANY SIZE

10-49 employees	87
50-99 employees	7
100-249 employees	4
250-1000 employees	1
1000+ employees	1

COMPANY SIZE

North West	**30**
North East	**33**
Centre	**21**
South and Islands	**16**

TYPE OF COMPANY

An independent company, mainly operating in Italy	72
An Italian company operating in various countries around the world	14
A company that is part of an Italian group	9
A company that is part of an international group, not Italian	5

KEY FINDINGS

- **The Italian private sector is not on track on climate commitment and action.** Only one out of five Italian companies has a coherent and structured plan of initiatives to address climate change - among UNGC participants, the level rises to two-thirds.
- Italian **companies participating in the United Nations Global Compact are proving to be more aware of the need to integrate sustainability** (with a focus on the environmental dimension) within their business strategies, understood as an element of competitiveness that is also recognised outside the company perimeter. The approach is a **winning factor for 99% of the participants**.
- In addition to understanding the business case for sustainability and environmental protection, Italian UNGC companies also have a **deeper understanding of concepts related to sustainable development**, as well as some particularly **relevant international milestones** such as the Paris Agreement. This demonstrates that belonging to the UNGC global initiative brings companies into a community of actors sensitive to their role in change, who share a culture of sustainability and recognise themselves in key values.
- **Italian UNGC companies are also the most active on environmental protection: 64%** of the participants have defined a **structured plan of initiatives** to address climate change, with the promotion of **regular employee awareness raising initiatives and investment in specialised training** of internal staff. More sporadic activities are however implemented by almost all UNGC companies.
- The **issue of skills** is particularly crucial in the development of climate actions and objectives and marks a significant demarcation between large and small and medium-sized companies. The latter still suffers greatly from a skills gap, on which it will be necessary to work, also thanks to the boosting of large companies at the supply chain level.

- In addition to being more aware, Italian UN Global Compact companies are **more committed in calculating and reducing their emissions**: on scope 1 and 2, eight out of ten companies do so, compared to one out of ten among non-participating companies. This advantage is also reflected on scope 3: two thirds of UNGC companies calculate it, compared to less than one third among non-participants.
- Moreover, one out of three UNGC companies decided to commit to the **Science-based Targets** initiative in order to obtain validated and credible targets, especially between 2022 and 2023: the number of Italian businesses with SBT commitment and targets has doubled in this timeframe, demonstrating the growing relevance of joining an authoritative international initiative (also founded by UNGC) that assesses targets in a standardized and super partes way.
- Even in the definition of net-zero targets, the sample of **UNGC companies is more committed, active and ambitious:** among those who have defined greenhouse gas reduction targets (58%), **almost eight out of ten Italian companies have defined net-zero targets or plan to do so** in the next two years, half of them with SBT validation. By contrast, the figure drops considerably among non-UNGC participants (20% with greenhouse gas reduction targets): five out of ten companies have no plans for this in the short term and four out of ten do not know what it is. **Among non-UNGC participants, therefore, only one in ten companies is committed to net-zero.**
- A great deal of work is needed to **raise awareness among companies non-participating in UNGC** in general about sustainability and climate change issues, and in particular about net-zero: for four out of ten of those who have defined greenhouse gas reduction targets, the concept is not even known.
- Among the UNGG companies that have set reduction targets, **nine out of ten implement mechanisms to periodically monitor the results** of their climate targets while this commitment is present in only half of the non-UNGC companies. **Four out of ten companies not participating in UNGC have never even measured their results.**

- Italian companies, both participating and non-participating in the UN Global Compact, **have a clear understanding of their role as active players that can contribute to tackling climate change** and addressing the current environmental crisis. This responsibility is clearly perceived as a **central lever to embark on a path of emissions reduction and initiatives to promote more responsible behaviours**. The other two main drivers are the **positive reputational effects** that this commitment can generate and **supply chain requirements**. The UNGC sample of companies also perceives the possibility of **attracting more investment** as a driver.
- Both participating and non-participating companies agree on the **perceived barriers**: the **economic investments needed** to define and implement climate actions lead the ranking, followed by **bureaucracy and the lack of climate-specific skills**. However, it is interesting to note the distance in the perception of bureaucracy as a barrier, which is much smaller among UNGC members who have experienced it first-hand.

AWARENESS

THE CONCEPT OF ENVIRONMENTAL SUSTAINABILITY IS VERY CLEAR ONLY TO ONE OUT OF TEN COMPANIES - **AMONG UNGC PARTICIPANTS THE CONCEPT IS CLEAR FOR ALL**, VERY WELL KNOWN TO ONE OUT OF TWO, AND QUITE WELL KNOWN TO THE REMAINING HALF

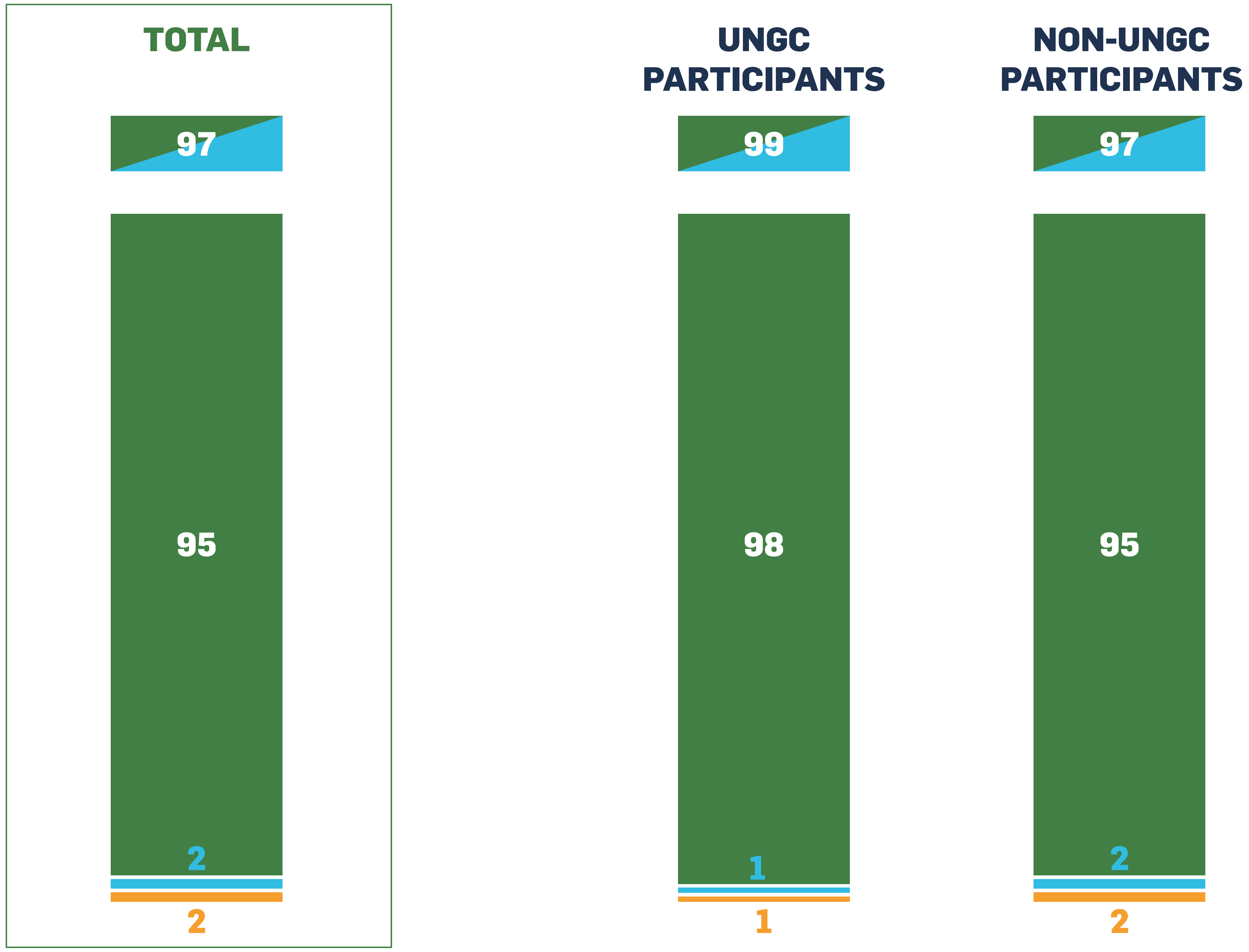
How well do you understand the concept of environmental sustainability?

Base; Total Respondents (n=1119)

THE CORRECT DEFINITION OF ENVIRONMENTAL SUSTAINABILITY IS KNOWN BY ALMOST ALL RESPONDENTS, AGAIN **WITH A SLIGHT ADVANTAGE FOR UNGC COMPANIES**

Environmental sustainability can be defined as a responsible and conscious relationship between humans and the surrounding environment, aimed at preventing and avoiding the depletion or degradation of Earth's natural resources and preserving long-term environmental quality.

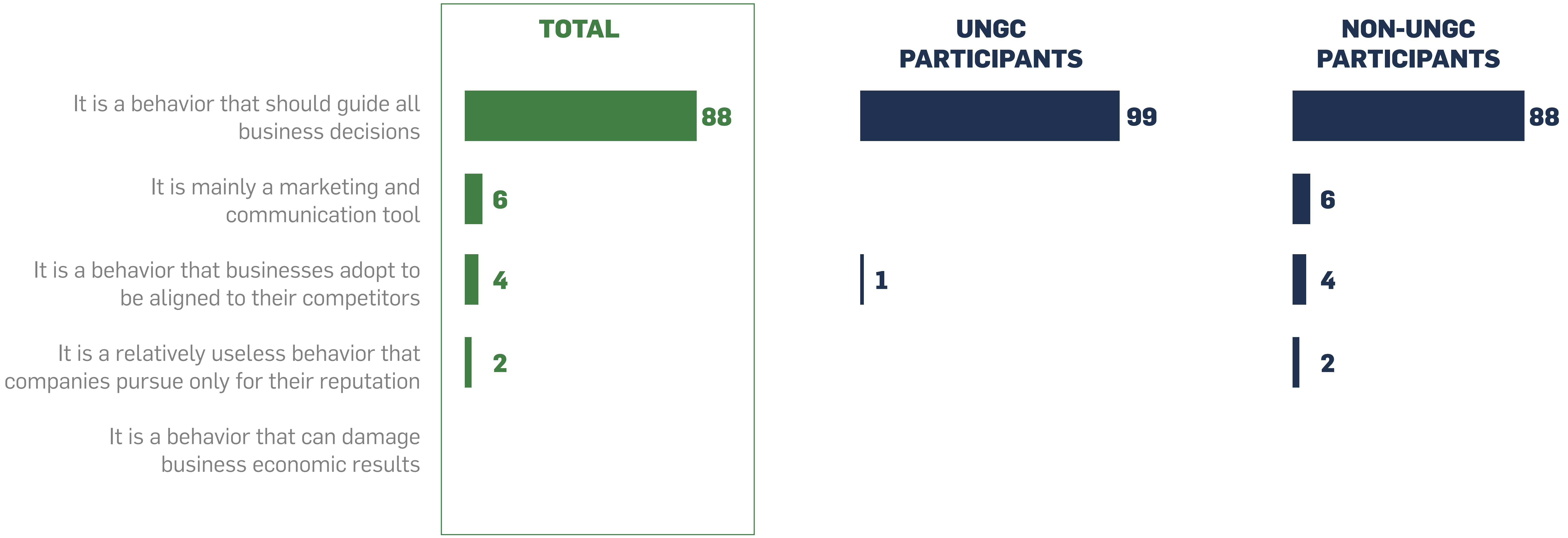
- Yes, this is the concept I had in mind
- Yes, but I didn't know it was called environmental sustainability
- I had heard of sustainability, but this is not the concept I had in mind
- No, I have never heard of it



Have you heard of environmental sustainability in these terms before?

Base; Total Respondents (n=1119)

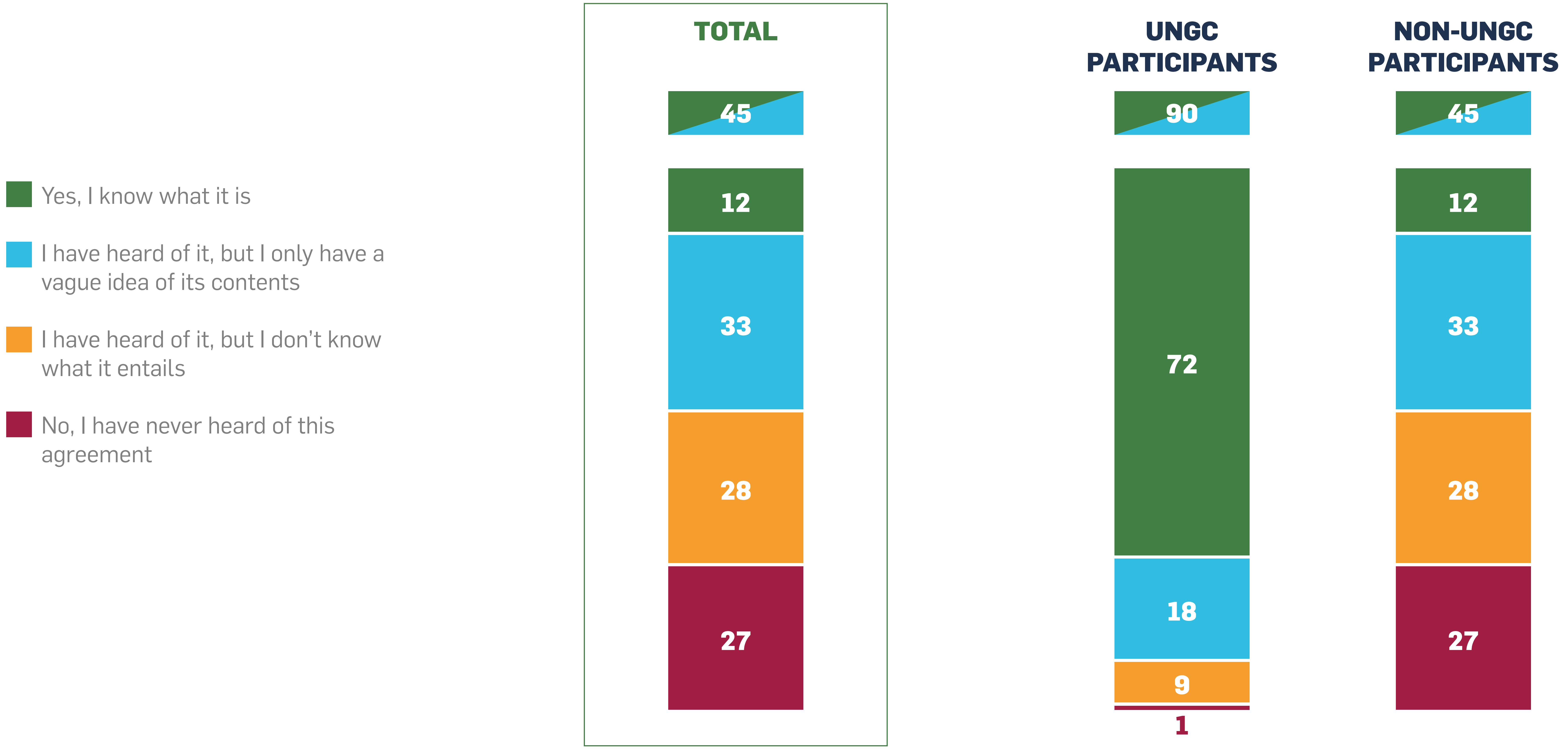
NINE OUT OF TEN COMPANIES ARE CONVINCED THAT INTEGRATING ENVIRONMENTAL SUSTAINABILITY INTO THEIR BUSINESS STRATEGY IS A KEY FACTOR, A BELIEF THAT IS **UNANIMOUS AMONG UNGC COMPANIES**



From your point of view, which of the following statements best fit the concept of environmental sustainability, as defined earlier?

Base; Total Respondents (n=1119)

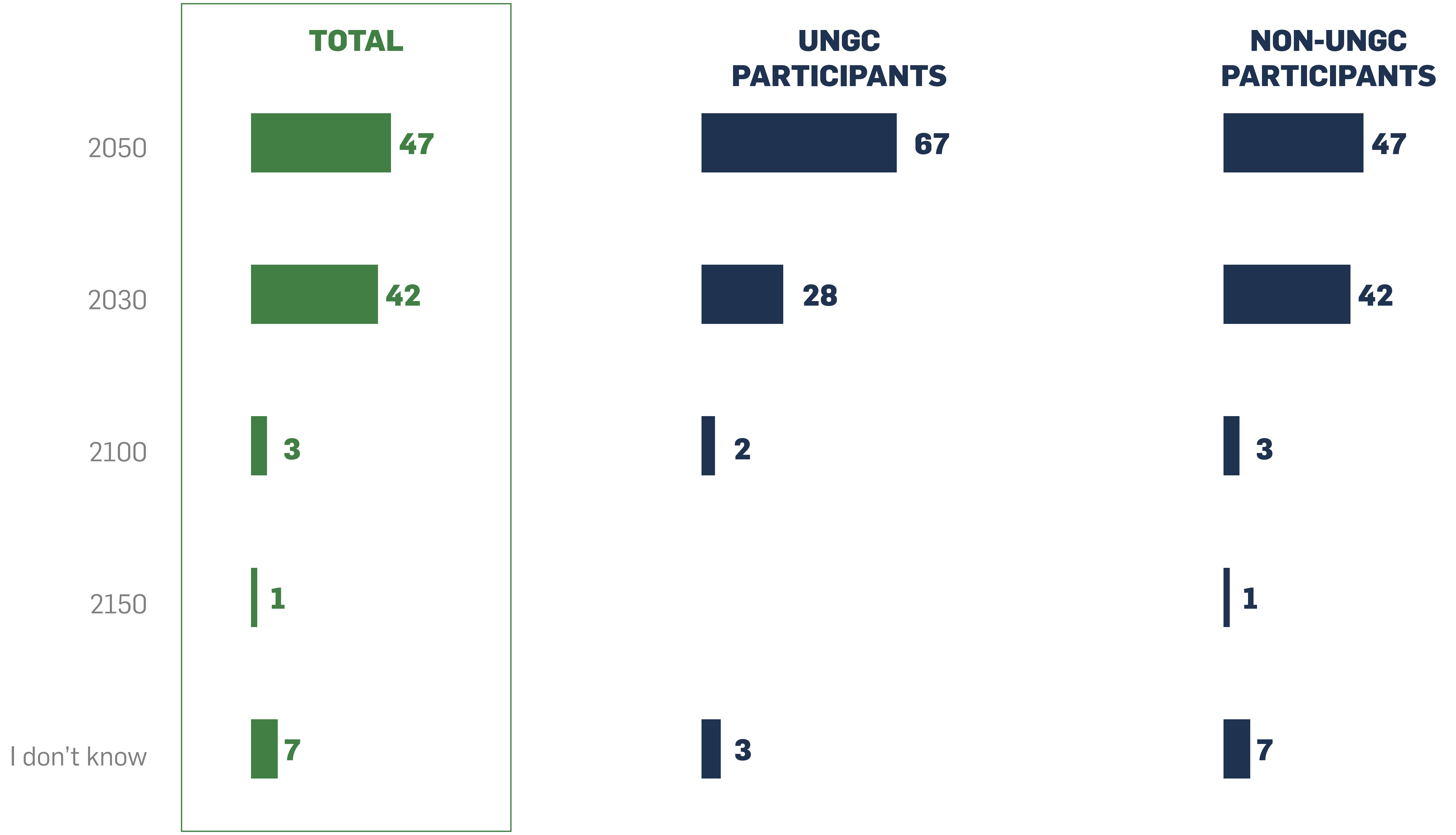
AWARENESS OF THE 'PARIS AGREEMENT' ON CLIMATE DOES NOT APPEAR TO BE A DECISIVE ELEMENT WITH REGARDS TO THE INTEGRATION OF ENVIRONMENTAL SUSTAINABILITY INTO CORPORATE STRATEGIES: **THE VAST MAJORITY OF UNGC PARTICIPANTS ARE AWARE OF IT**, COMPARED TO LESS THAN HALF OF NON-UNGC ITALIAN COMPANIES



Are you familiar with the climate agreement signed at COP 21 in Paris (2015)?

Base; Total Respondents (n=1119)

THERE IS NO UNANIMITY REGARDING THE KNOWLEDGE OF THE DEADLINE SET AT GLOBAL LEVEL TO ACHIEVING THE NET-ZERO GOAL: **TWO THIRDS OF UNGC PARTICIPANTS HAVE A CLEAR DATE IN MIND**, LESS THAN HALF AMONG OTHER COMPANIES



To achieve the goal of limiting the increase in average global temperature to 1.5°C, compared to pre-industrial levels, as defined in the Paris Agreement, global carbon emissions should be reduced to zero by the year....?

Base; Total Respondents (n=1119)

THE STATE OF THE ART IN THE ITALIAN PRIVATE SECTOR

ONLY ONE OUT OF FIVE ITALIAN COMPANIES HAS A COHERENT AND STRUCTURED PLAN OF INITIATIVES TO ADDRESS CLIMATE CHANGE - **AMONG UNGC PARTICIPANTS, THE LEVEL RISES TO TWO-THIRDS**

Is your company promoting initiatives to combat climate change?

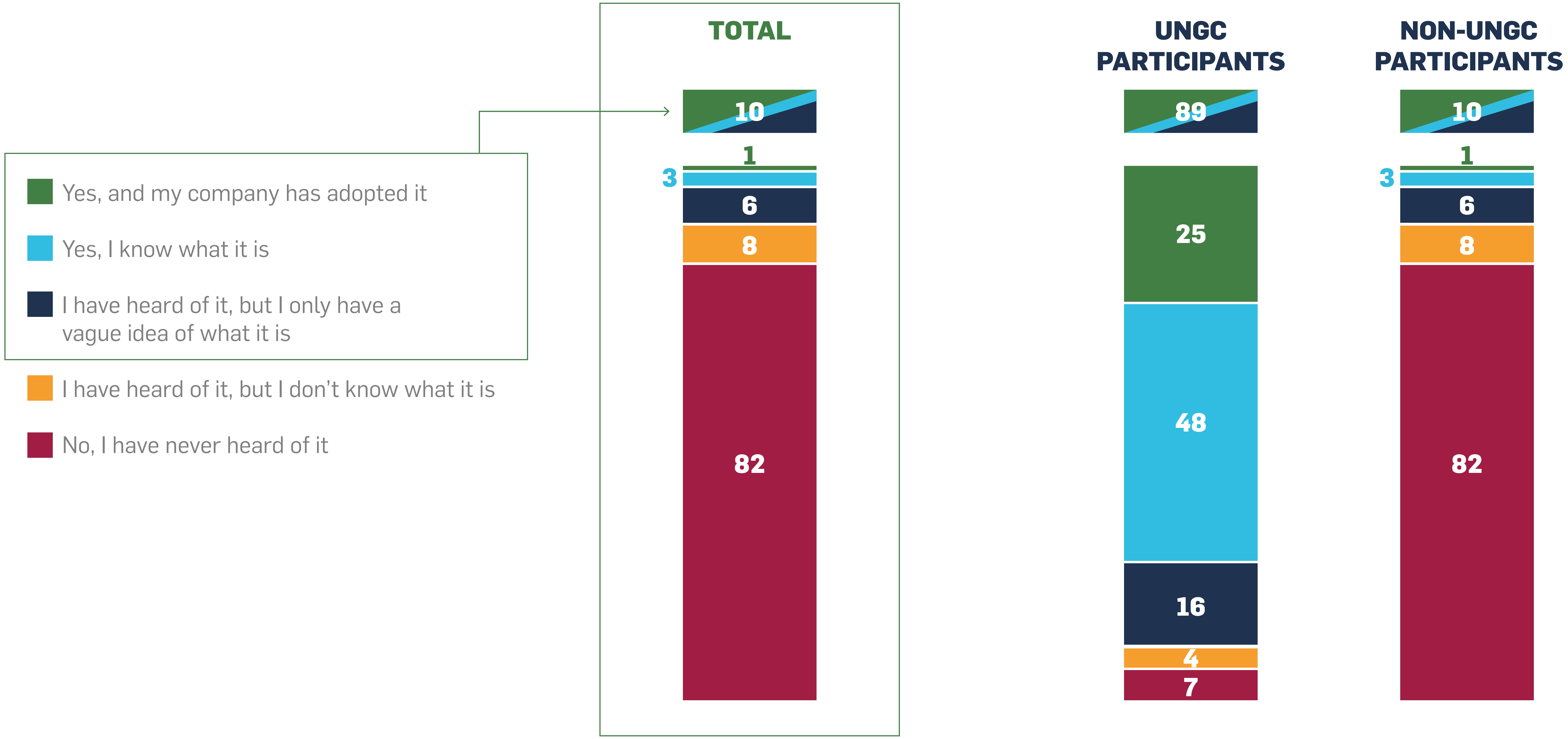
Base; Total Respondents (n=1119)

GENERALLY, THERE IS A HIGHER INCIDENCE OF REGULAR AWARENESS RAISING INITIATIVES TARGETING EMPLOYEES - **THE ADVANTAGE AMONG UNGC PARTICIPANTS COMPANIES IS ONCE AGAIN EVIDENT: HALF OF THEM DO IT REGULARLY, AND ANOTHER FOUR OUT OF TEN DO IT AT LEAST SPORADICALLY**

Does your company organize awareness activities/initiatives to promote environmental-friendly behaviors among employees (such as reducing paper usage, encouraging proper waste disposal in the office, etc.) or generally work on Goal 13 - Climate Action - of the 2030 Agenda?

Base; Total Respondents (n=1119)

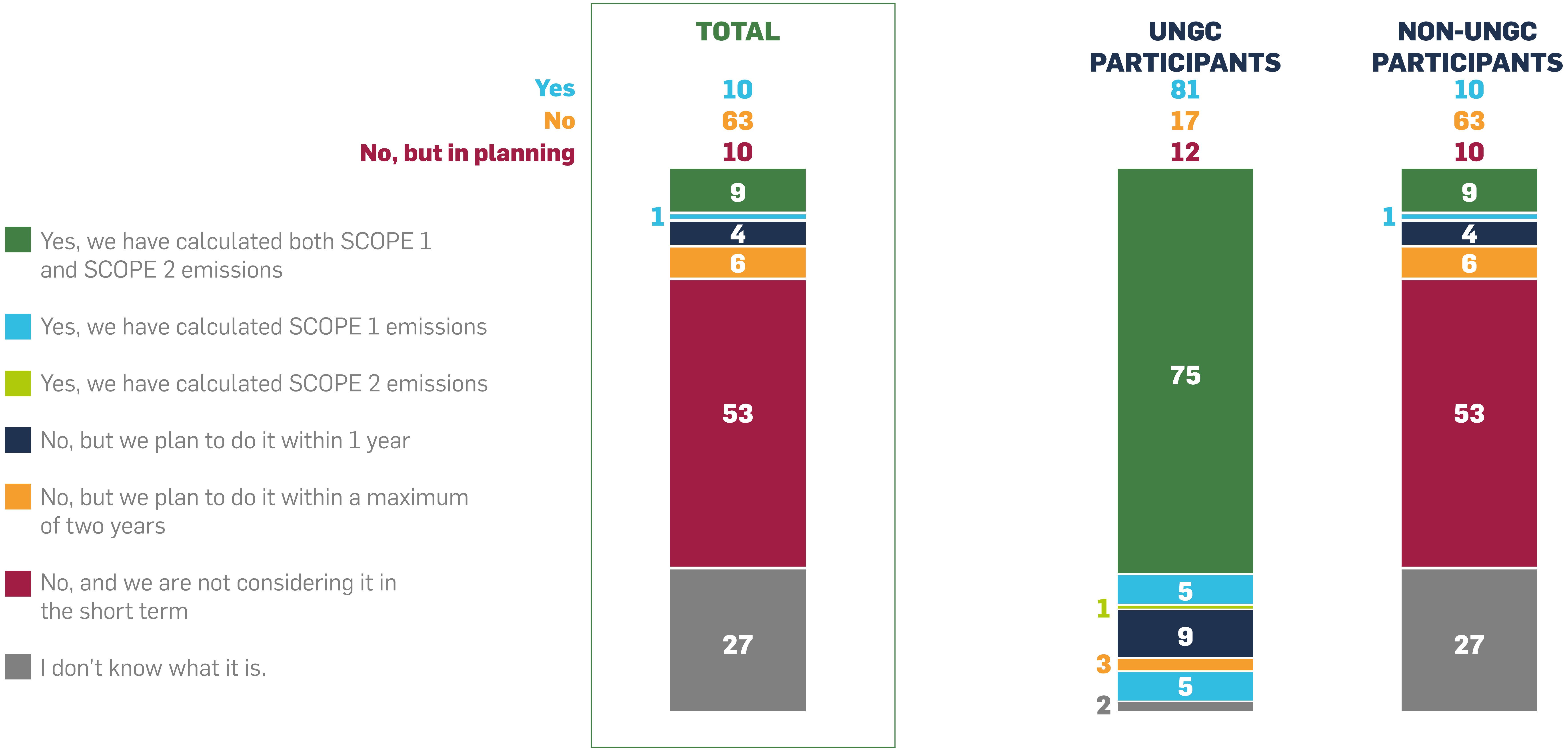
THE GHG PROTOCOL IS VIRTUALLY UNKNOWN AMONG NON-UNGC COMPANIES - **CONVERSELY, ALMOST ALL UNGC PARTICIPANTS ARE FAMILIAR WITH THE METHODOLOGY**



Have you ever heard about the Greenhouse Gas Protocol (GHG Protocol)?

Base; Total Respondents (n=1119)

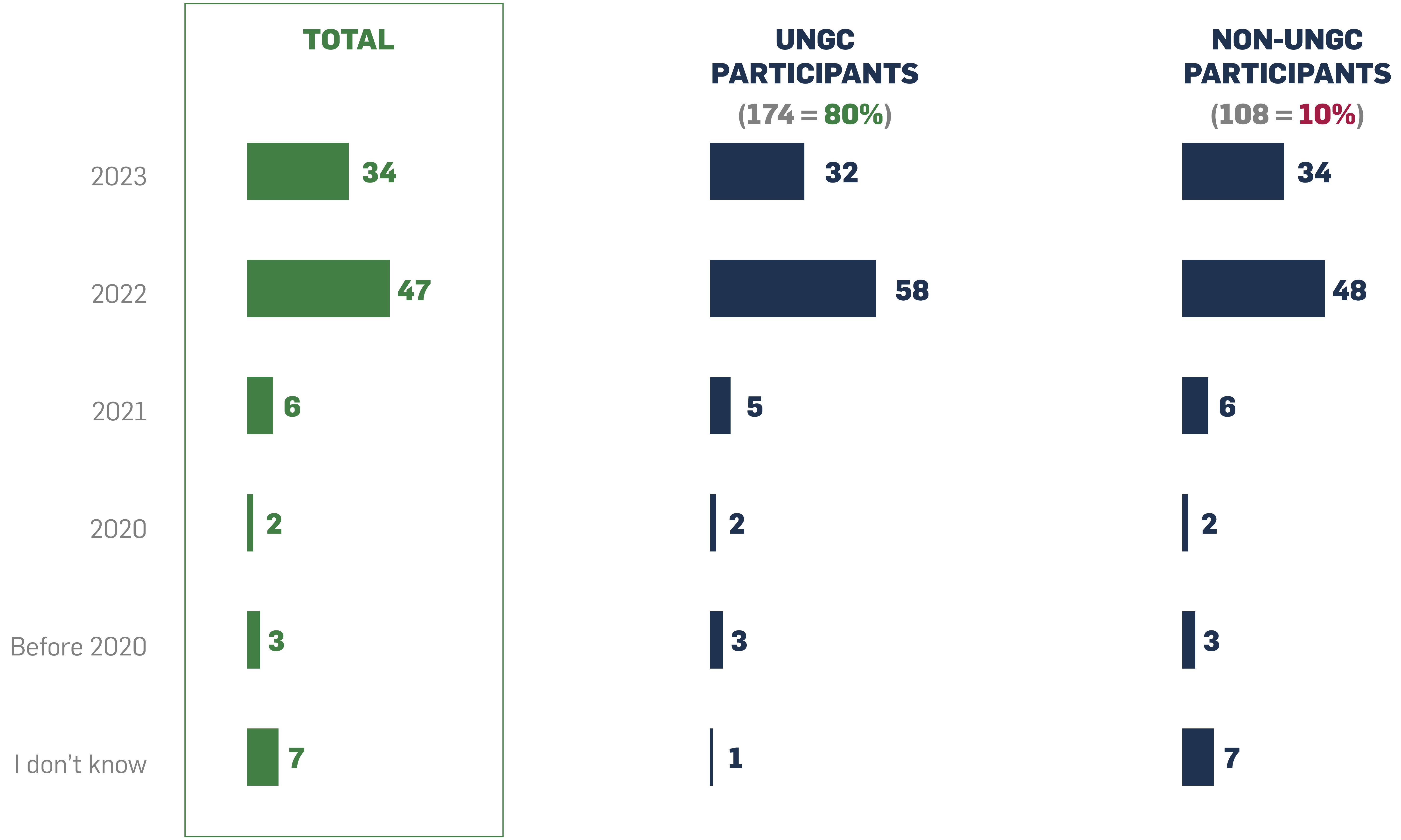
AS MANY AS EIGHT OUT OF TEN UNGC PARTICIPANTS CALCULATE THEIR OWN EMISSIONS - ON THE CONTRARY, ONLY ONE IN TEN COMPANIES NOT PARTICIPATING IN THE INITIATIVE MAKES THIS CALCULATION



Has your company calculated its carbon footprint, i.e., the calculation of direct SCOPE 1 emissions or indirect energy-related SCOPE 2 emissions?

Base; Total Respondents (n=1119)

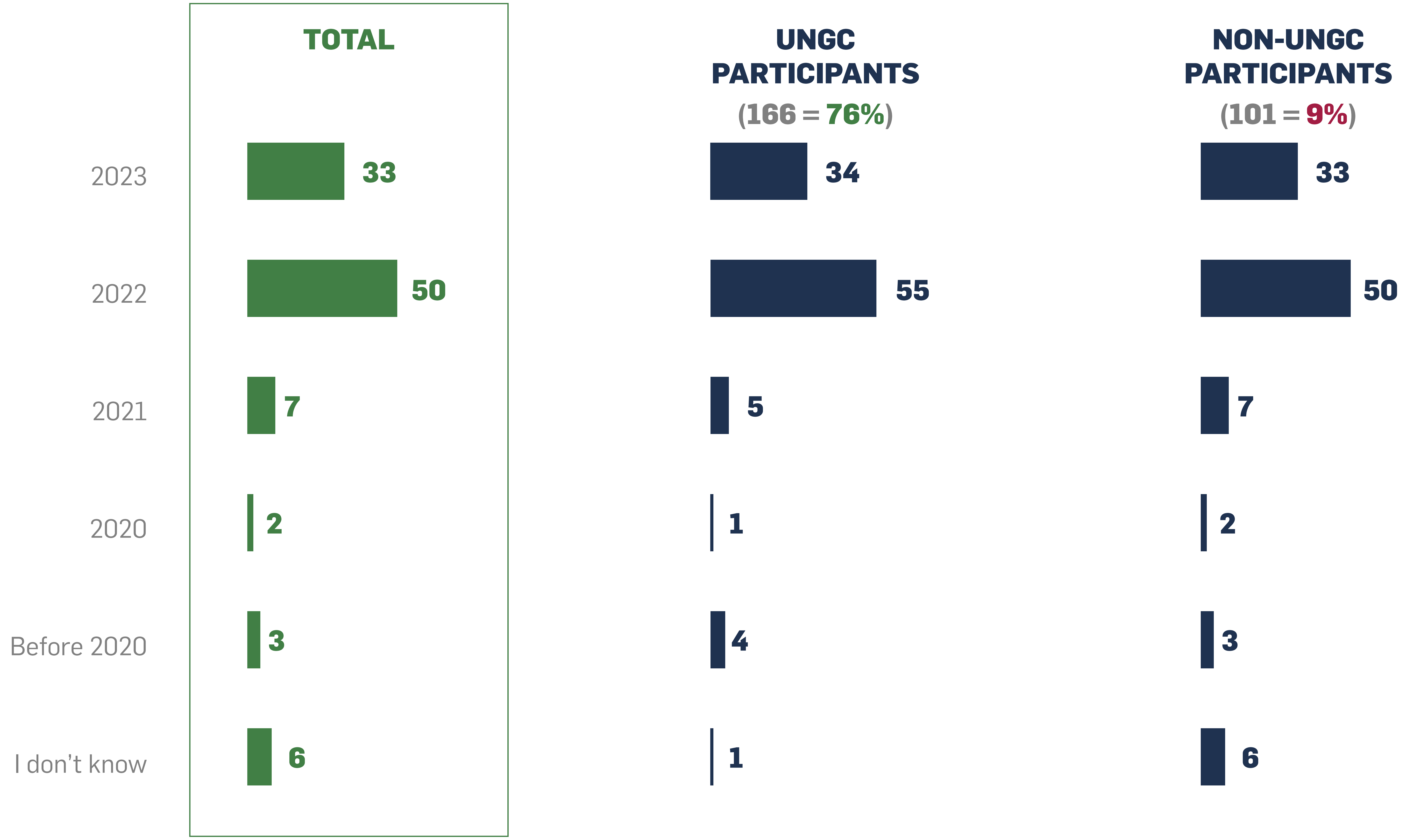
THE MAJORITY OF COMPANIES THAT HAVE SET SCOPE 1 EMISSIONS REDUCTION TARGETS, HAVE DONE SO IN THE LAST TWO YEARS, **WITH AN EQUIVALENT VALUE BETWEEN UNGC COMPANIES AND NON-UNGC PARTICIPANTS**



When were these measurements last taken?

Base; Respondents who have calculated carbon footprint SCOPE 1 (n=109)

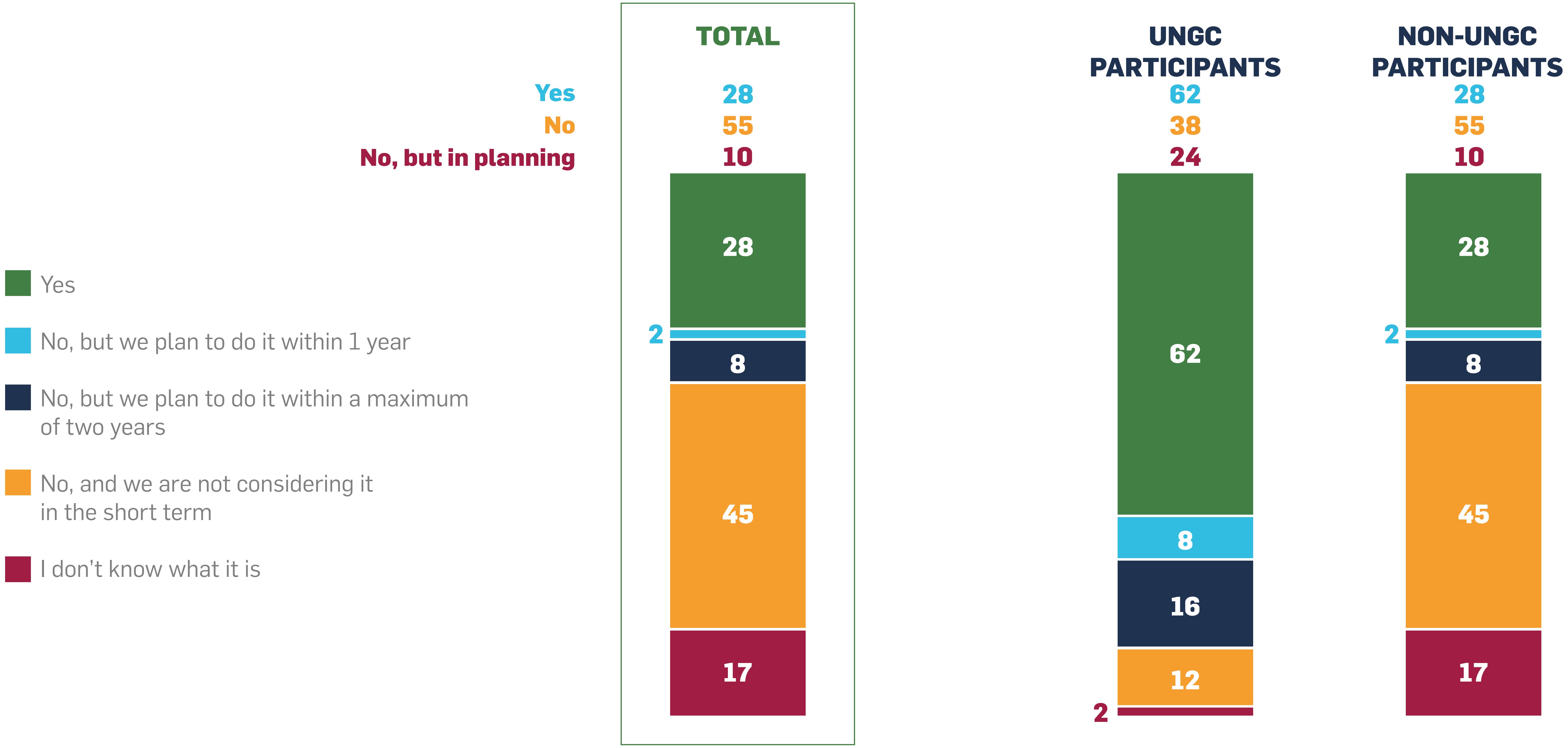
THE SAME OCCURS REGARDING SCOPE 2 EMISSIONS, **WITHOUT SIGNIFICANT DIFFERENCE BETWEEN UNGC COMPANIES AND NON-UNGC PARTICIPANTS**. AS REGISTERED FOR SCOPE 1, ALSO FOR SCOPE 2 THE LATEST MEASUREMENT DATES MAINLY TO 2022 AND 2023



When were these measurements last taken?

Base; Respondents who have calculated carbon footprint SCOPE 2 (n=102)

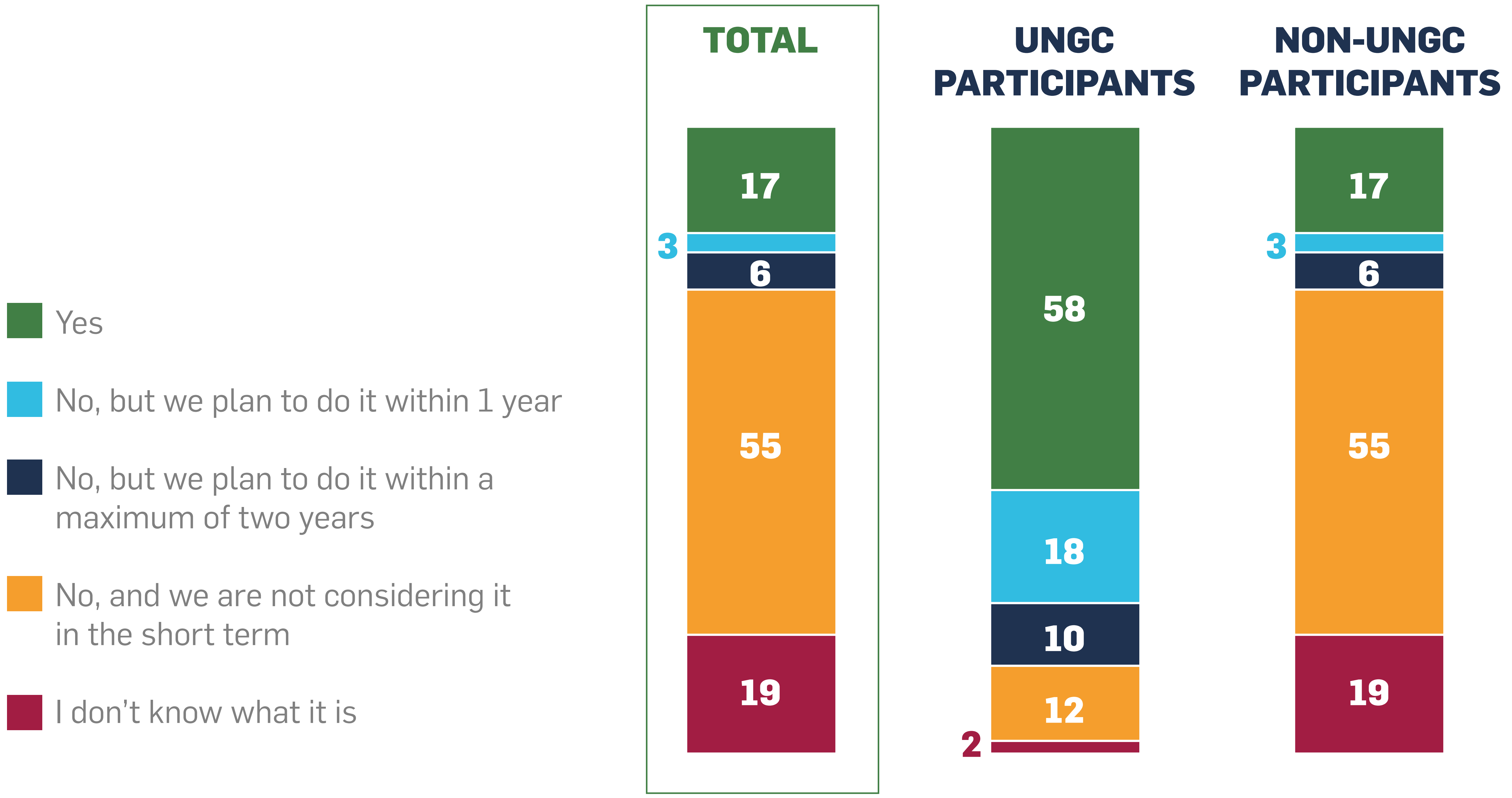
ALSO REGARDING THE CALCULATION OF **SCOPE 3 EMISSIONS**, THERE IS A CLEAR **ADVANTAGE FOR UNGC PARTICIPANTS COMPARED TO NON-PARTICIPANTS**, WITH TWO-THIRDS VERSUS LESS THAN ONE-THIRD

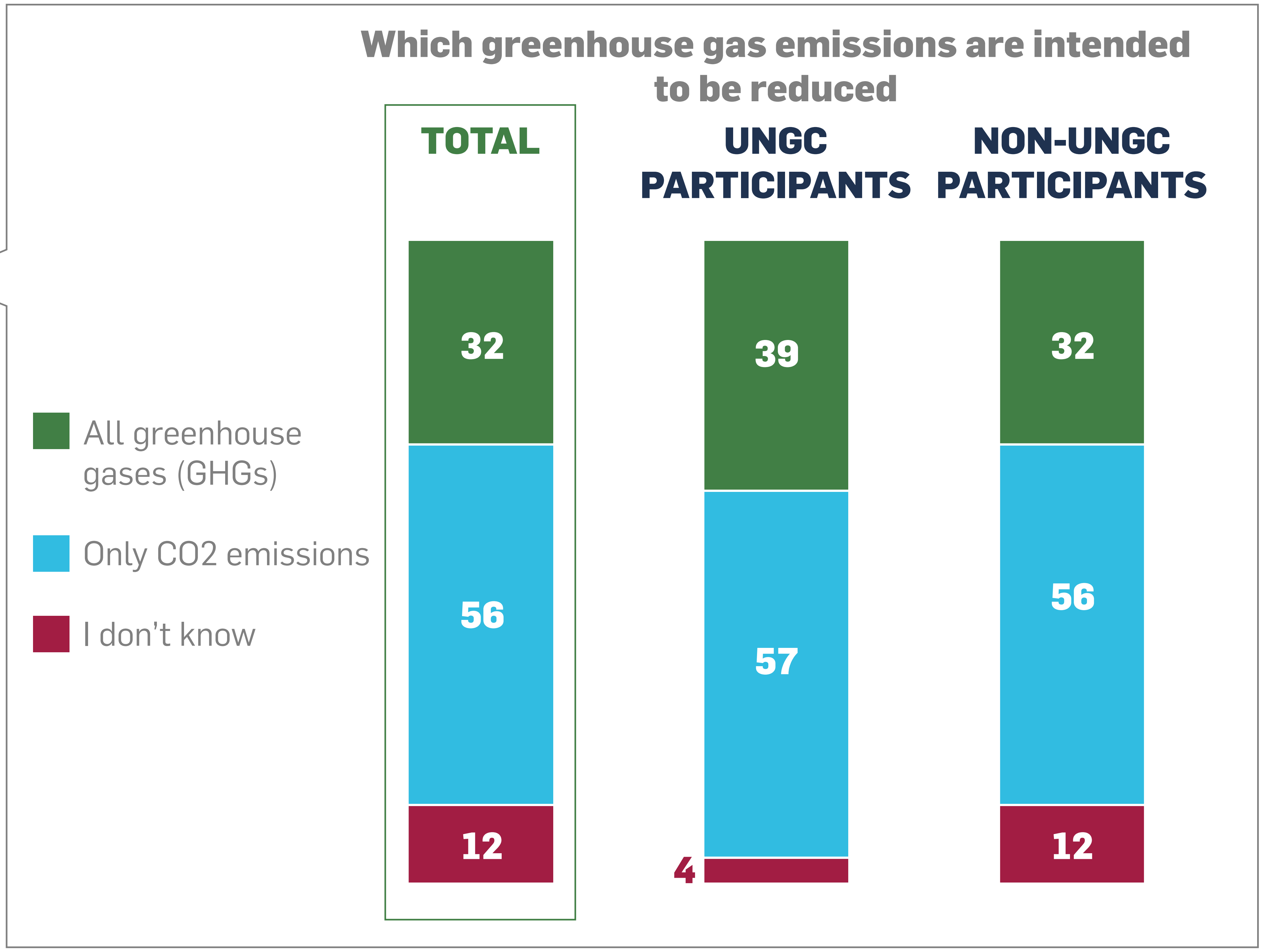


Has your company also calculated other indirect SCOPE 3 emissions, i.e., those attributable to the company's activities but not directly controlled by the company as they are produced in the upstream and downstream phases?

Base: Respondents who have calculated carbon footprint (n=112)

MORE THAN HALF OF THE UNGC COMPANIES HAVE DEFINED GREENHOUSE GAS EMISSIONS REDUCTION TARGETS, AND AN ADDITIONAL 28% HAVE PLANNED TO DO SO WITHIN THE NEXT TWO YEARS - MOSTLY LIMITING IT TO CO2. ONLY ABOUT A QUARTER OF THE NON-UNGC COMPANIES HAVE DEFINED THESE SAME OBJECTIVES

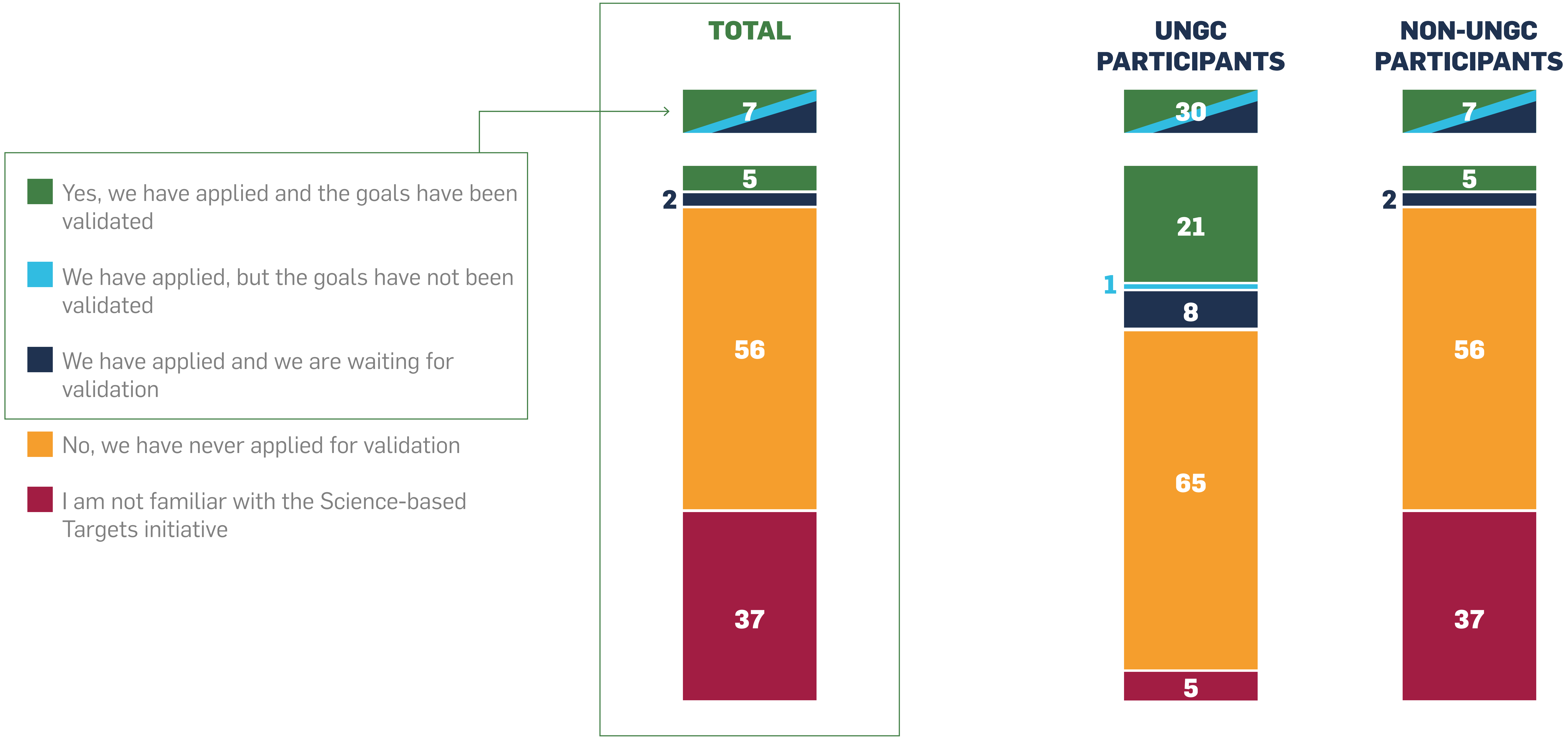




Has your company set goals to reduce greenhouse gas emissions?
And more specifically, is it about...?

Base; Total Respondents (n=1119)
Base: Respondents who have defined goals for reducing climate-altering gases (n=189)

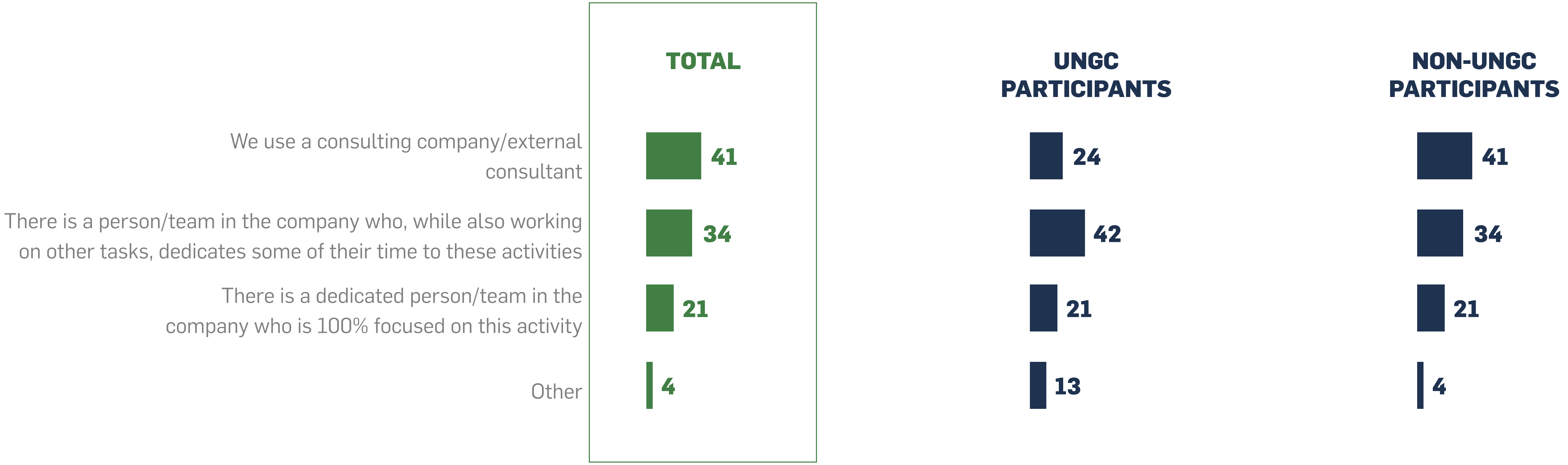
AMONG THE UNGC COMPANIES THAT HAVE SET GREENHOUSE GAS EMISSIONS REDUCTION TARGETS, ONE OUT OF THREE (30%) HAS COMMITTED (AND LARGELY VALIDATED) TO THE SCIENCE-BASED TARGETS INITIATIVE - THIS VALUE IS COMPARED TO 7% AMONG NON-UNGC COMPANIES, WHERE, FURTHERMORE, FOUR OUT OF TEN RESPONDENTS ARE NOT FAMILIAR WITH THE INITIATIVE.



Have these goals been validated by the Science-Based Targets initiative?

Base; Respondents who have defined goals for reducing climate-altering gases (n=189)

AMONG UNGC COMPANIES, THERE IS A HIGHER PRESENCE OF DEDICATED STAFF FOR DEFINING CLIMATE OBJECTIVES, WHILE NON-PARTICIPANTS MORE FREQUENTLY RELY ON EXTERNAL RESOURCES



How are these goals set?

Base; Respondents who have not received validation (n=176)

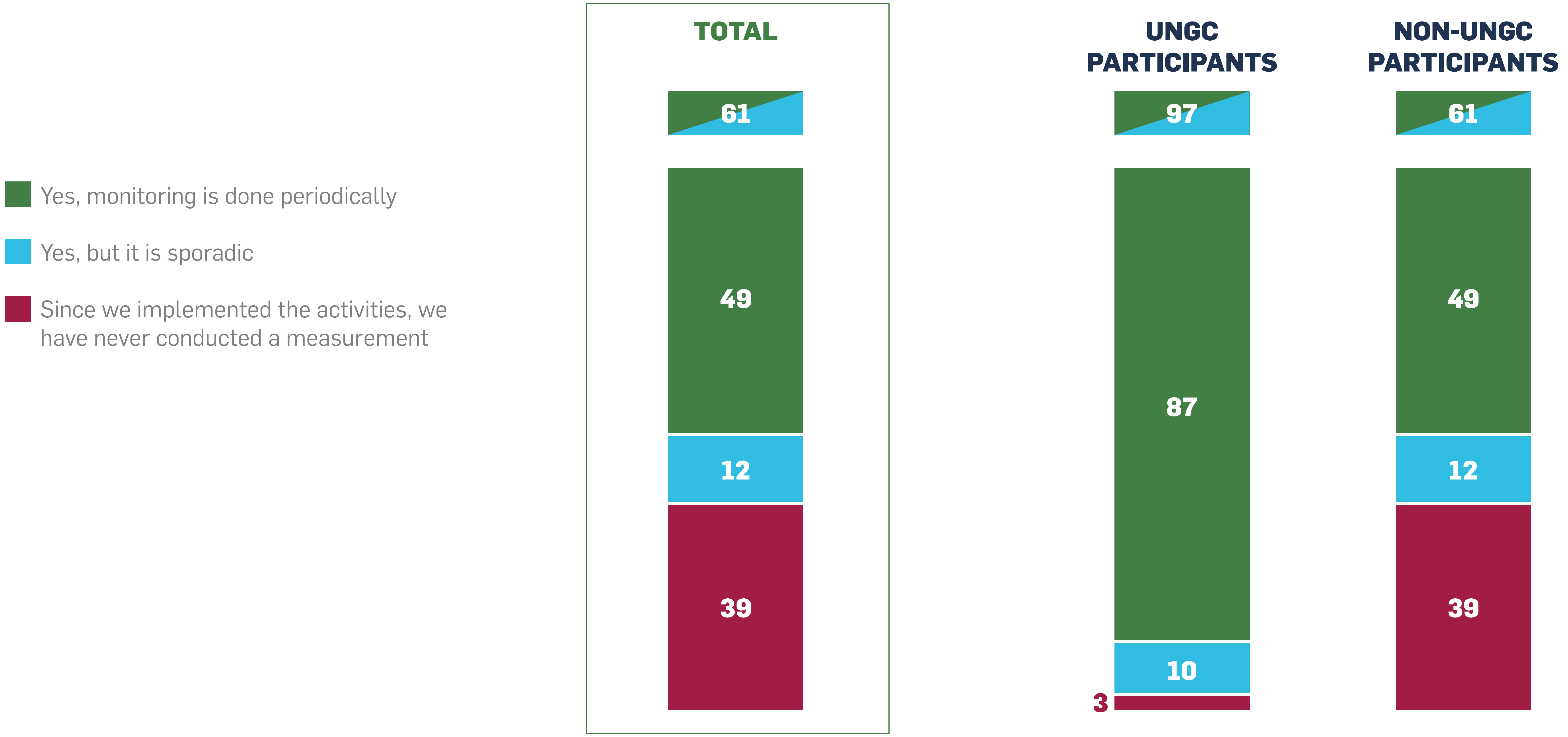
FOCUSING ON THE TIME LIMIT DEFINED FOR REDUCING EMISSIONS, **UNGC PARTICIPANTS ARE SIGNIFICANTLY MORE ORGANIZED AND INDICATE MORE AMBITIOUS QUANTITATIVE OBJECTIVES, THOUGH ON A MORE LONG-TERM BASIS**

	TOTAL	UNGC PARTICIPANTS	NON-UNGC PARTICIPANTS
The company set a target date for reducing emissions	25%	77%	24%
DATE TO REDUCE EMISSIONS (average)	2027	2031	2027
We have already achieved the goal	6%	2%	6%
PERCENTAGE OF EMISSIONS TO BE REDUCED (average)	35%	53%	35%

Has your company set a target date for reducing its emissions?
By what year?
And by how much?

Base; Respondents who defined goals for the reduction of greenhouse gas emissions (n=189)

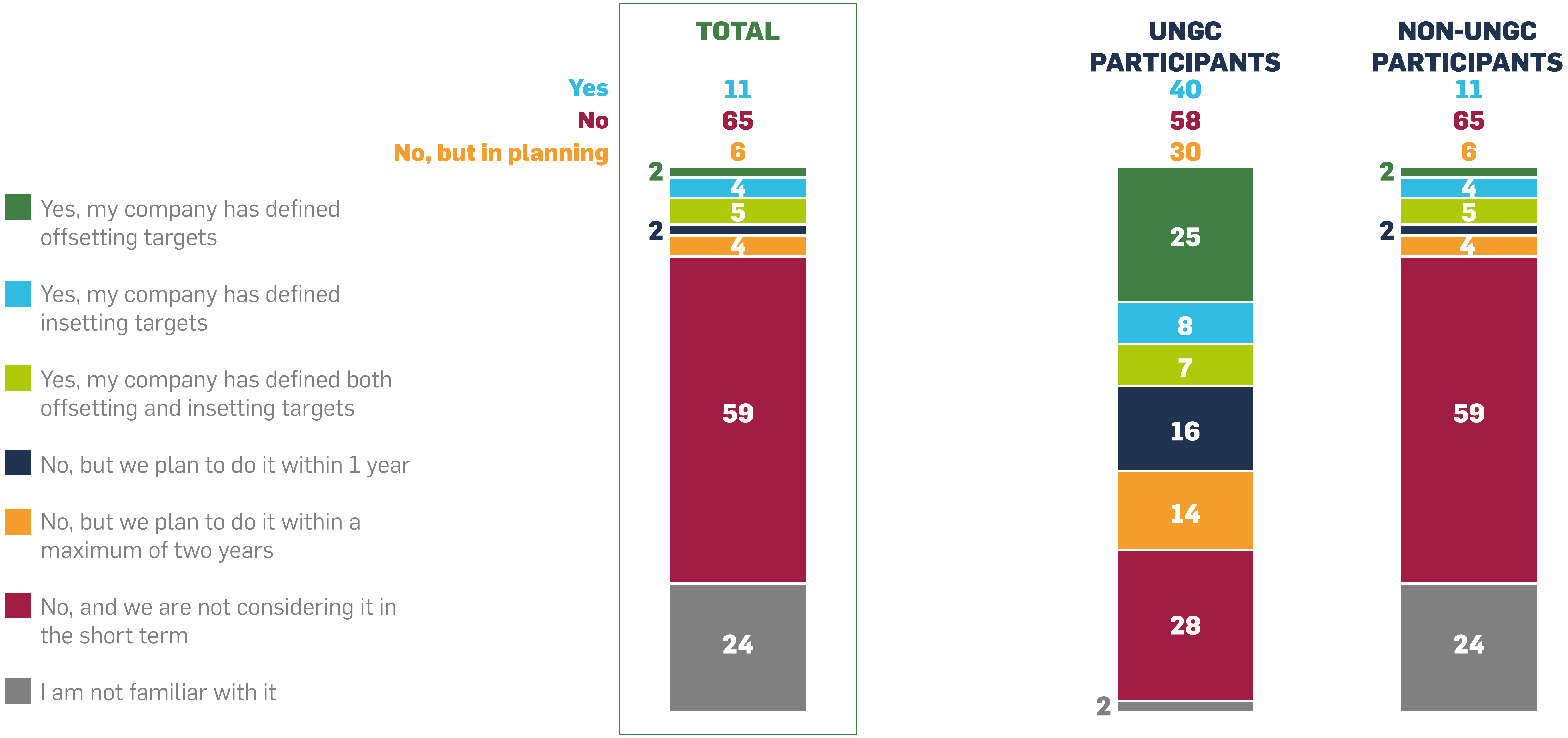
AMONG UNGC COMPANIES WITH GREENHOUSE GAS EMISSIONS REDUCTION TARGETS, NINE OUT OF TEN PERIODICALLY MONITOR THEIR RESULTS, WHEREAS THIS NUMBER DROPS TO FIVE OUT OF TEN AMONG NON-UNGC COMPANIES - OF THESE, FOUR OUT OF TEN HAVE NEVER MEASURED THE EFFECTS OF INITIATIVES AIMED AT REDUCING THEIR EMISSIONS



Does your company monitor the results of its activities aimed at reducing its emissions by conducting appropriate measurements?

Base; Respondents who defined goals for the reduction of climate-changing gas emissions (n=189)

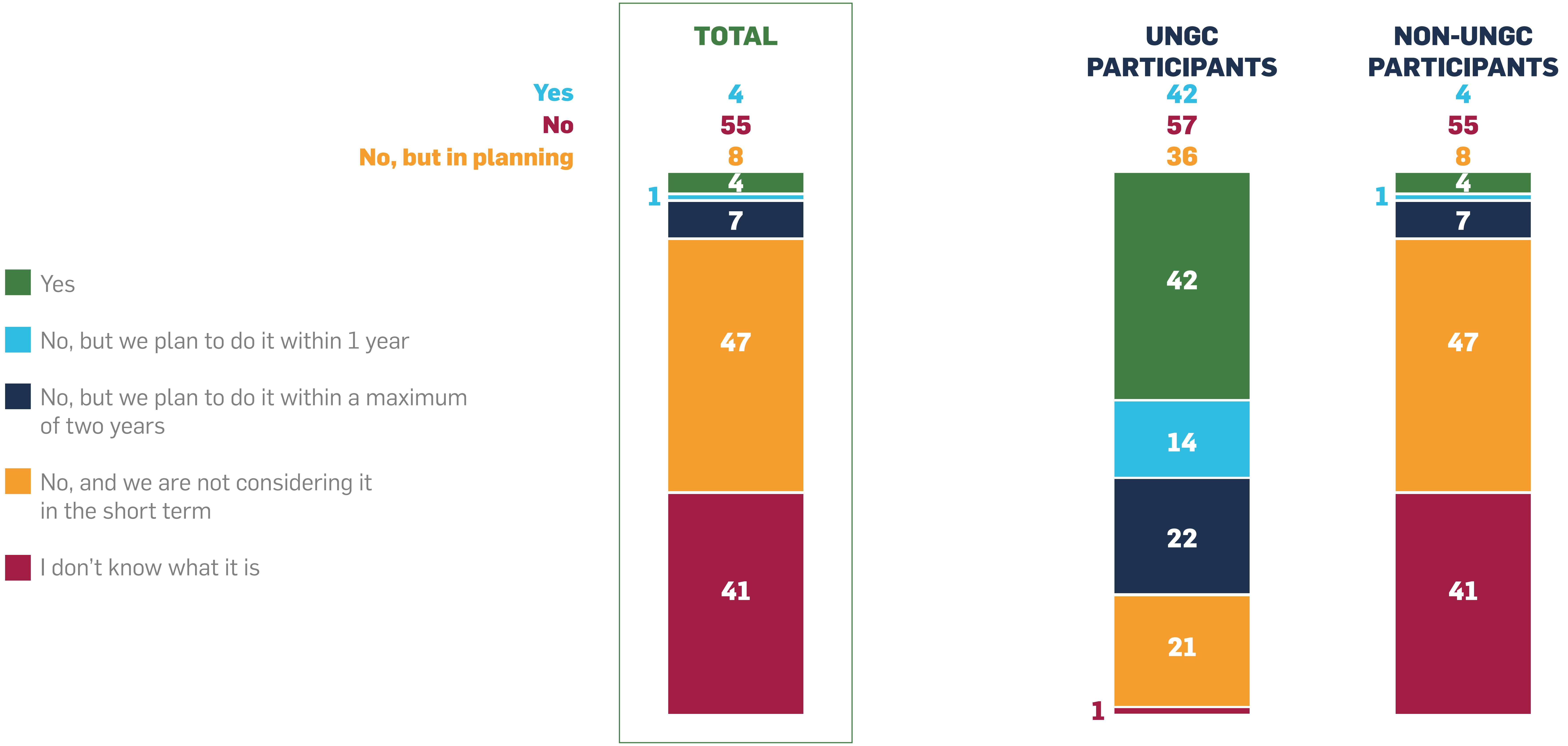
25% OF UNGC PARTICIPANTS HAVE DEFINED OFF-SETTING COMPENSATION OBJECTIVES, COMPARED TO ONLY 2% OF THE NON-UNGC PARTICIPATING COMPANIES. AS FOR IN-SETTING OBJECTIVES, THE COMMITMENT IS MORE LIMITED FOR BOTH SAMPLES OF COMPANIES. HOWEVER, UNGC PARTICIPANTS HAVE DOUBLE THE VALUES OF OBJECTIVE DEFINITION AND STILL PLAN TO DO SO WITHIN A COUPLE OF YEARS



Has your company defined offsetting (investments in climate mitigation projects outside the company and its boundaries, e.g., support for environmental conservation projects developed by third parties) or insetting (investments in sustainable practices within the company's supply chain) targets?

Base; Total Respondents (n=1119)

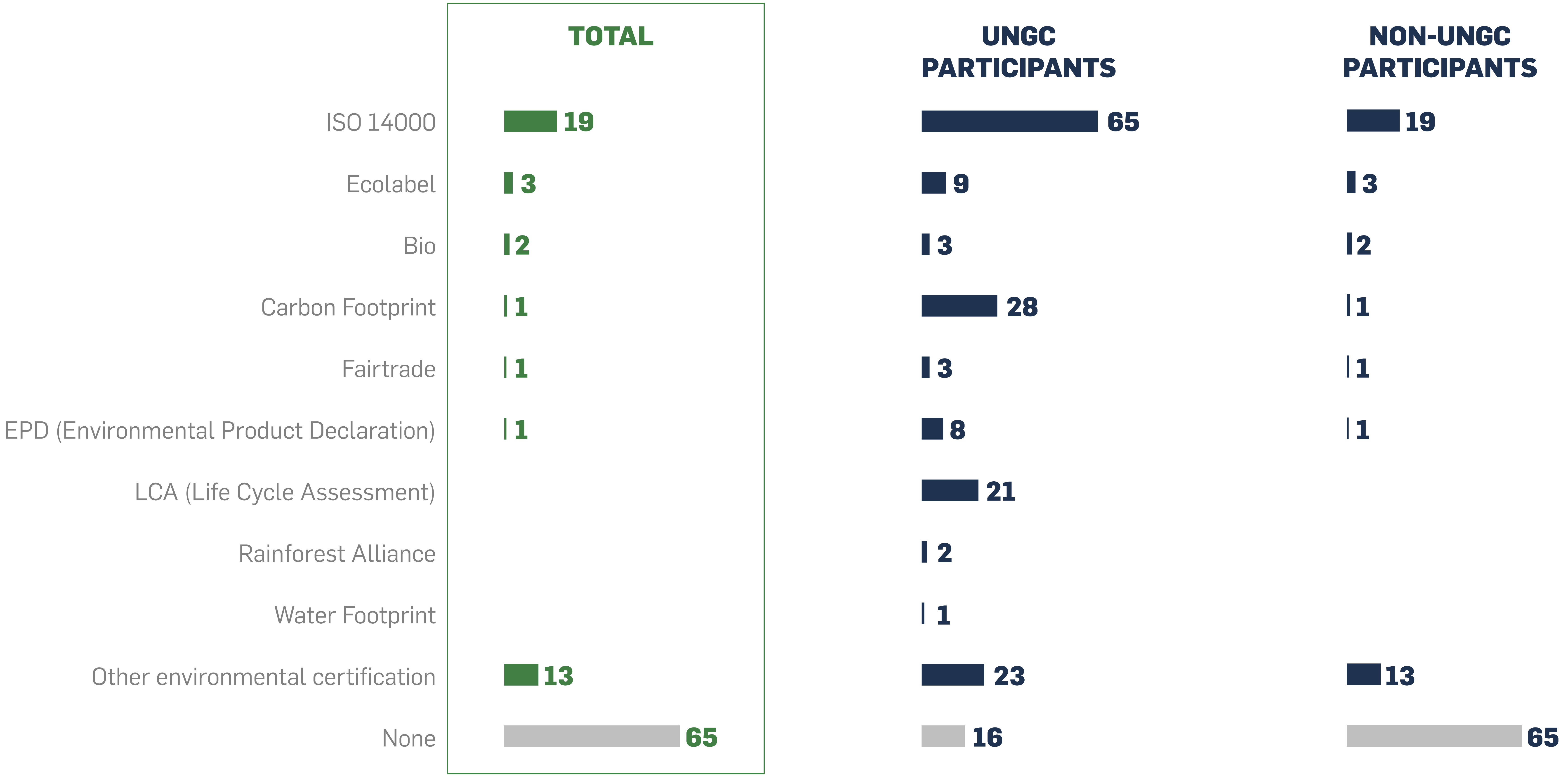
AMONG UNGC COMPANIES WITH GREENHOUSE GAS EMISSIONS REDUCTION TARGETS, FOUR OUT OF TEN HAVE SET NET-ZERO GOALS, AND MORE THAN ONE-THIRD ARE PLANNING THEM IN THE SHORT TERM (ONE TO TWO YEARS). ONLY ONE OUT OF FIVE UNGC COMPANIES IS NOT CONSIDERING IT - AMONG NON-PARTICIPANTS, ABOUT HALF DO NOT HAVE IT PLANNED IN THE SHORT TERM, AND FOUR OUT OF TEN COMPANIES ARE NOT AWARE OF THIS OBJECTIVE



Has your company set net-zero targets?

Base; Respondents who defined goals for the reduction of climate-changing gas emissions (n=189)

MORE THAN 8 OUT OF 10 UNGC COMPANIES HAVE OBTAINED AT LEAST ONE ENVIRONMENTAL CERTIFICATION, WHILE THIS PERCENTAGE DROPS TO ONE-THIRD AMONG NON UNGC PARTICIPANTS

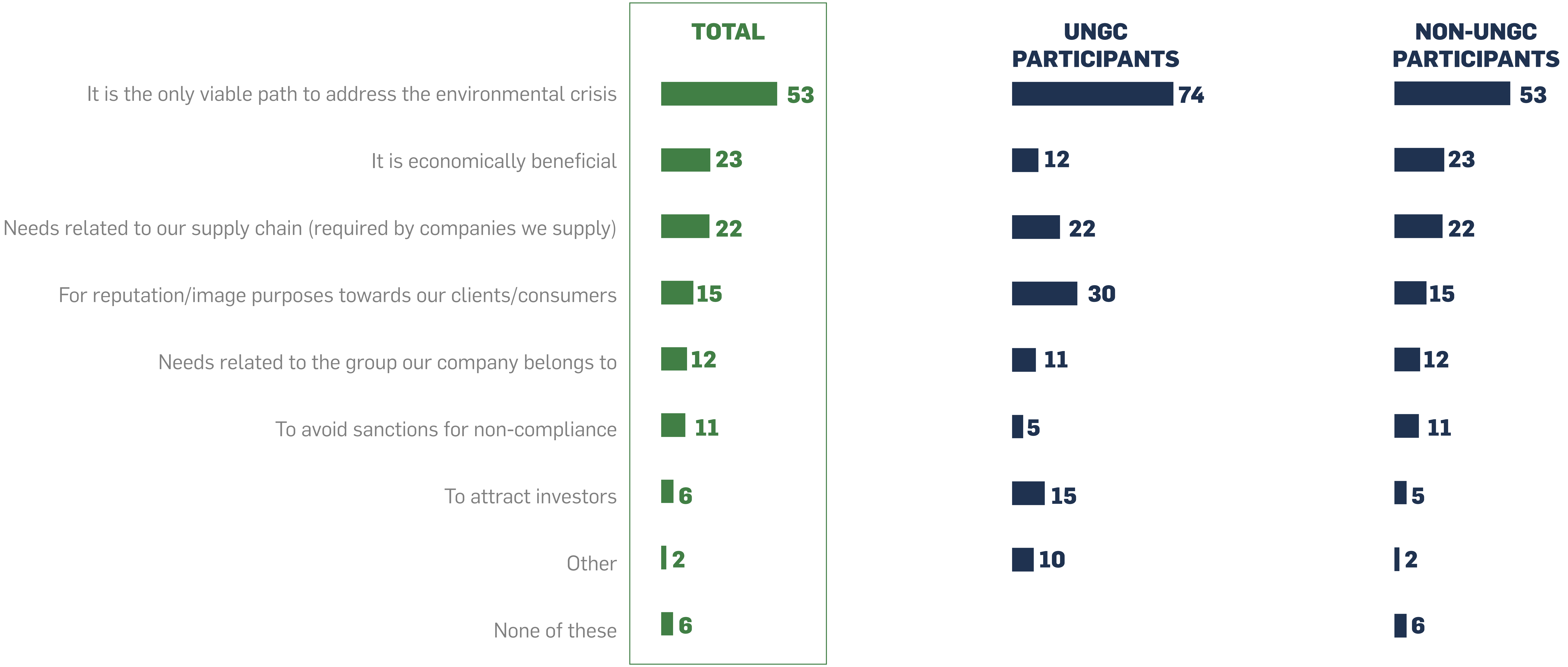


Which of these environmental certifications does your company use?

Base; Total Respondents (n=1119)

DRIVERS AND BARRIERS

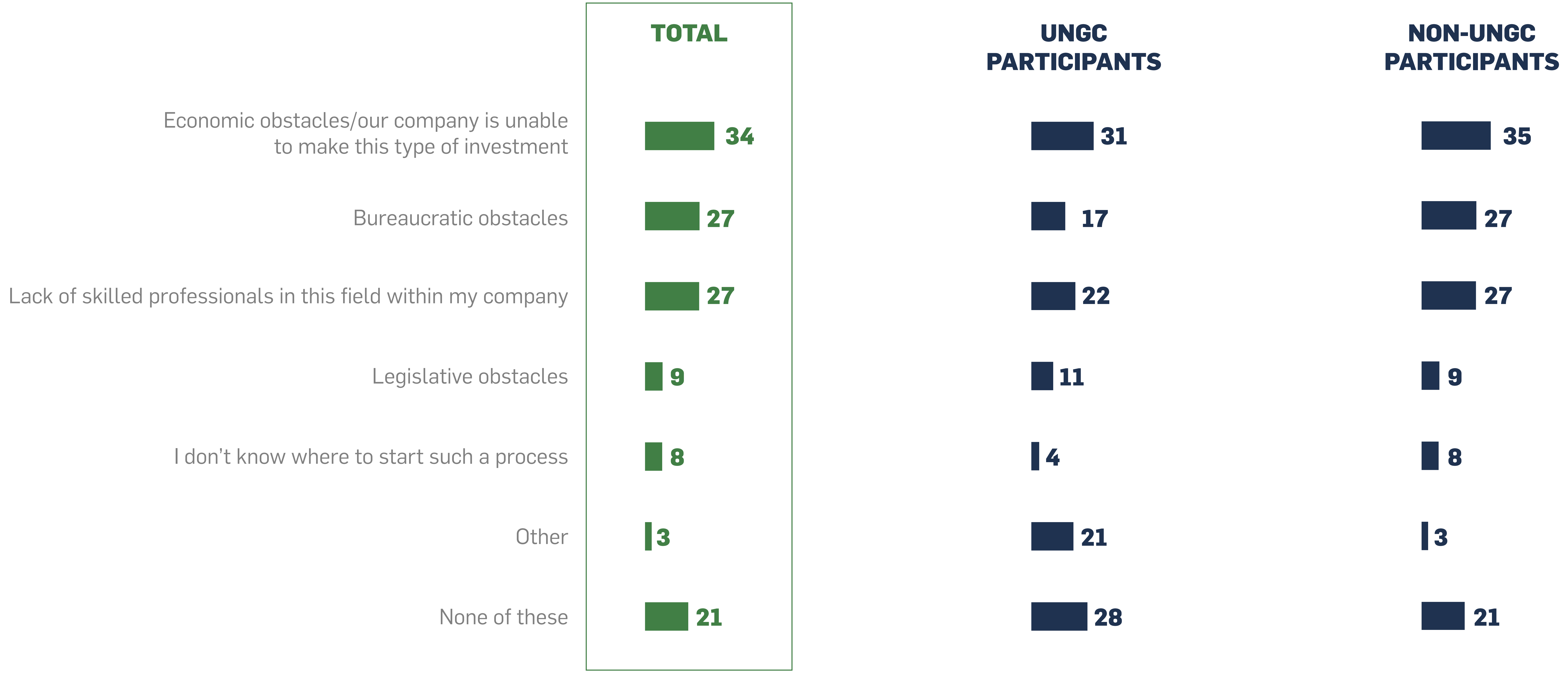
TACKLING CLIMATE CHANGE IS A KEY DRIVER FOR THE RESPONDENT COMPANIES (ESPECIALLY FOR THOSE ADHERING TO UNGC) TO UNDERTAKE EMISSION REDUCTION PATHS, FOLLOWED BY THE AWARENESS OF POSITIVE REPUTATIONAL EFFECTS AND THE CONNECTION WITH THEIR SUPPLY CHAIN - AMONG UNGC PARTICIPANTS, THE AWARENESS OF THE POSSIBILITY OF ATTRACTING INVESTORS EMERGES MORE STRONGLY



What are the main reasons that prompted your company to initiate processes to reduce greenhouse gas emissions? Please indicate the top 2.

Base; Respondents who defined goals for the reduction of greenhouse gas emissions (n=189)

MINOR DIFFERENCES BETWEEN UNGC PARTICIPANTS AND NON-PARTICIPANTS IN TERMS OF OBSTACLES, WITH ECONOMIC INVESTMENTS LEADING THE LIST OF PERCEIVED BARRIERS. HOWEVER, IT IS **INTERESTING TO NOTE THE DIFFERENCE IN PERCEPTION OF BUREAUCRACY AS A BARRIER, WHICH IS SIGNIFICANTLY LOWER AMONG UNGC PARTICIPANTS**



What are the main obstacles in initiating processes to reduce greenhouse gas emissions? Please indicate the top 2

Base; Total Respondents (n=1119)

RESULTS BY SECTOR

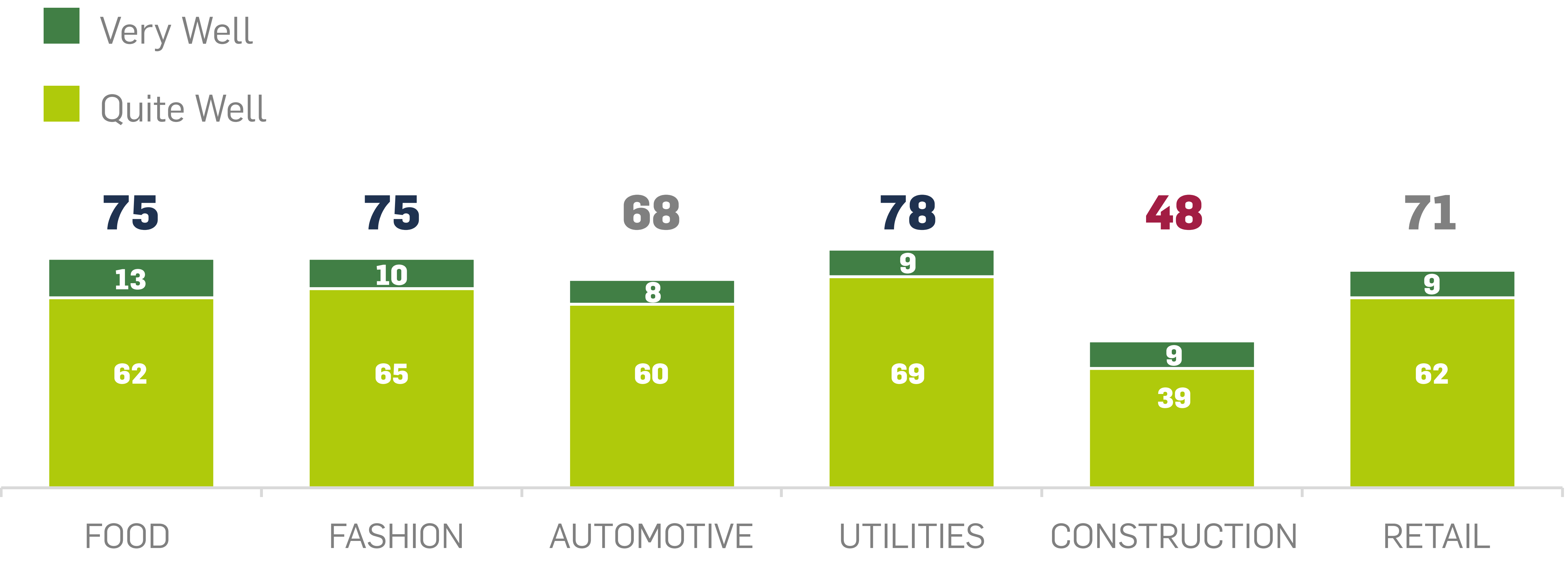
MAIN EVIDENCE BY SECTOR: AWARENESS

Fashion, Food and Utilities are the sectors with the highest levels of knowledge.

In some sectors, such as construction (a high impact sector in terms of emissions), knowledge is, on the other hand, rather sketchy and not widespread.

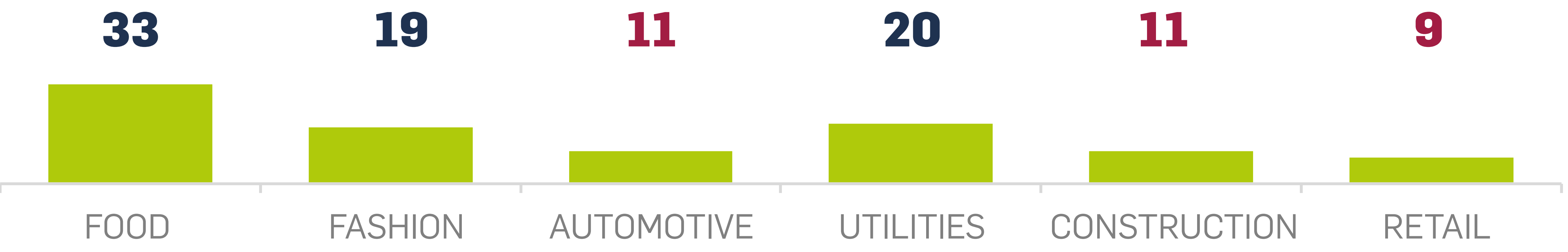
Generally, the specific levels of knowledge regarding the contents and objectives of the Paris Agreement are rather disappointing, with the food sector standing out - relatively - as the most aware.

AWARENESS OF ENVIRONMENTAL SUSTAINABILITY



AWARENESS OF THE PARIS AGREEMENT

% Yes, I know what it is



MAIN EVIDENCE BY SECTOR: AWARENESS

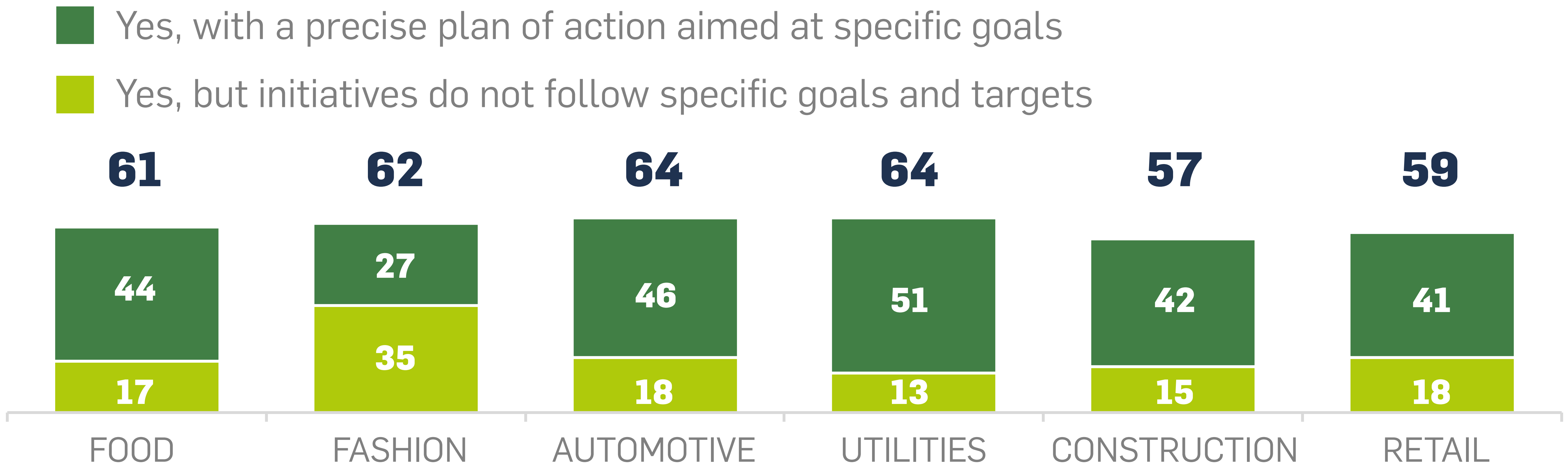
Automotive and utilities appear to be more aware of the value in terms of competitiveness and reputation of companies' adoption of sustainable behaviors.

	FOOD	FASHION	AUTOMOTIVE	UTILITIES	CONSTRUCTION	RETAIL
It is a behavior that should guide all business decisions	90	87	79	89	91	84
It is mainly a marketing and communication tool	5	10	9		2	6
It is a behavior that businesses adopt to be aligned to their competitors	3		9	2	6	6
It is a relatively useless behavior that companies pursue only for their reputation			3	9	1	4
It is a behavior that should guide all business decision	2	3				

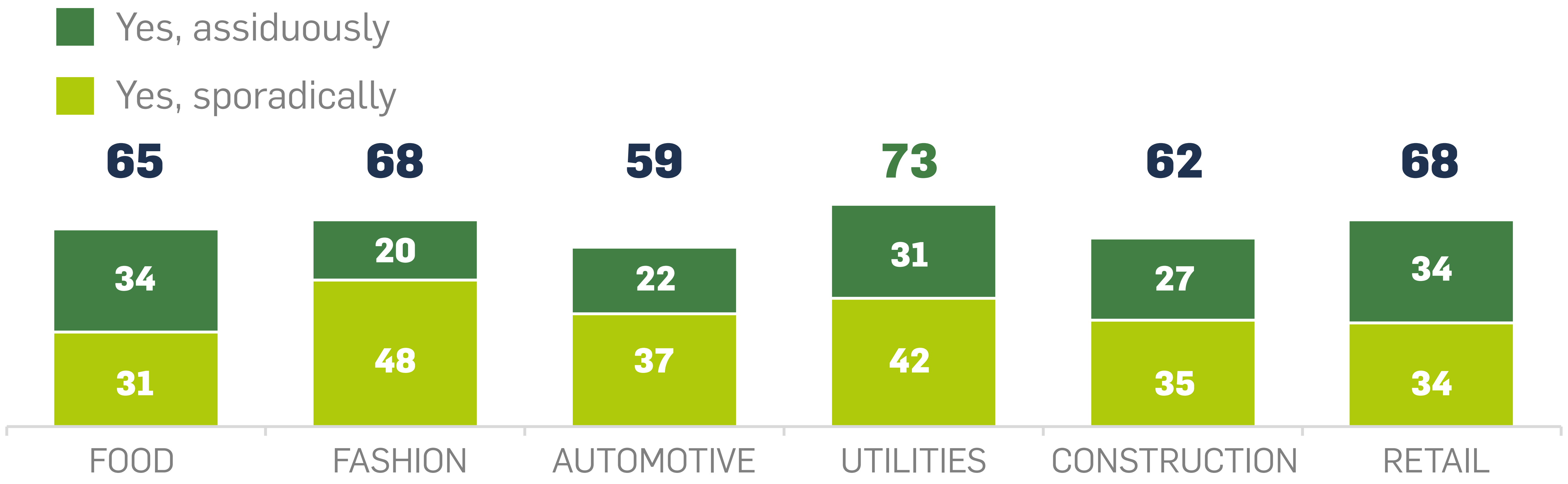
MAIN EVIDENCE BY SECTOR: THE STATE OF THE ART

In a landscape where about 6 out of 10 companies are engaged in initiatives to address climate change and raise awareness on this issue, utilities are the sector that is more diligently and systematically involved, both in general on climate emergency and specifically on internal activities targeting corporate population and employees.

INITIATIVES TO ADDRESS CLIMATE CHANGE



AWARENESS RAISING INITIATIVES TARGETING EMPLOYEES

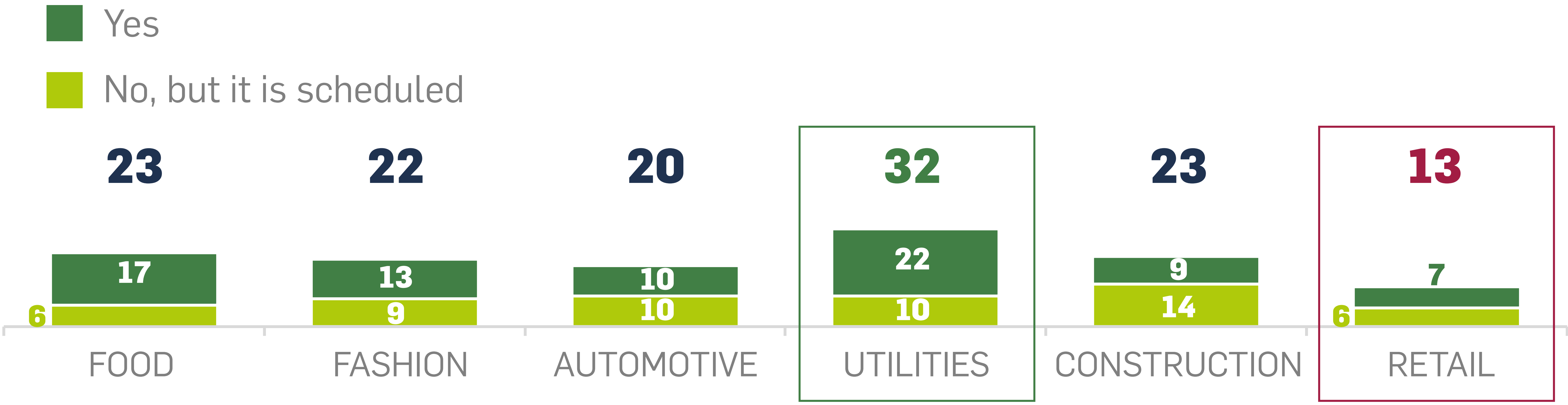


MAIN EVIDENCE BY SECTOR: THE STATE OF THE ART

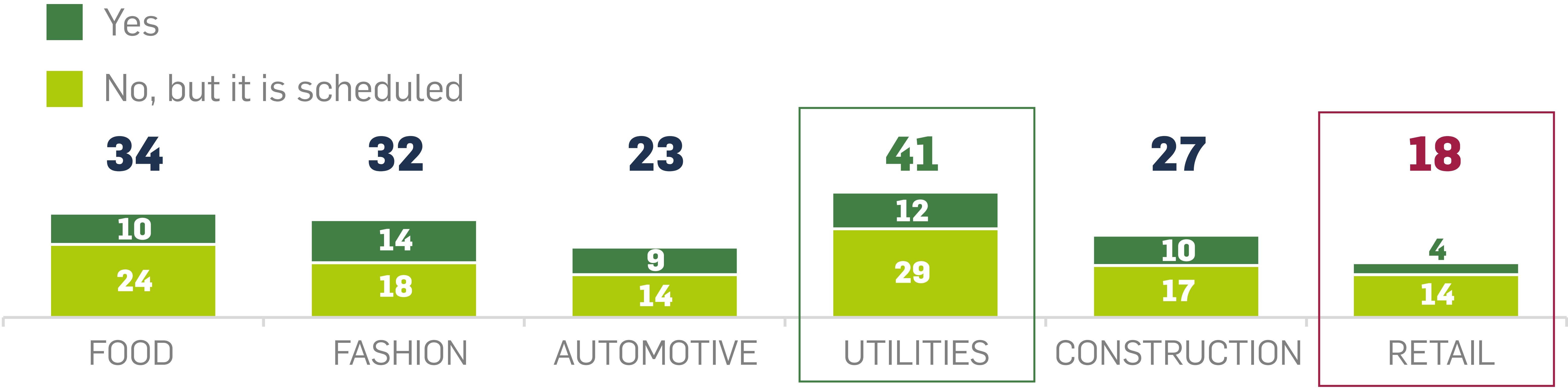
...which, for the Utilities sector, translates into tangible activities and commitments (carbon footprint calculation and setting specific emission reduction targets).

Retail, on the contrary, is the most backward sector for this type of initiative.

CALCULATION OF CARBON FOOTPRINT: SCOPE 1 AND 2



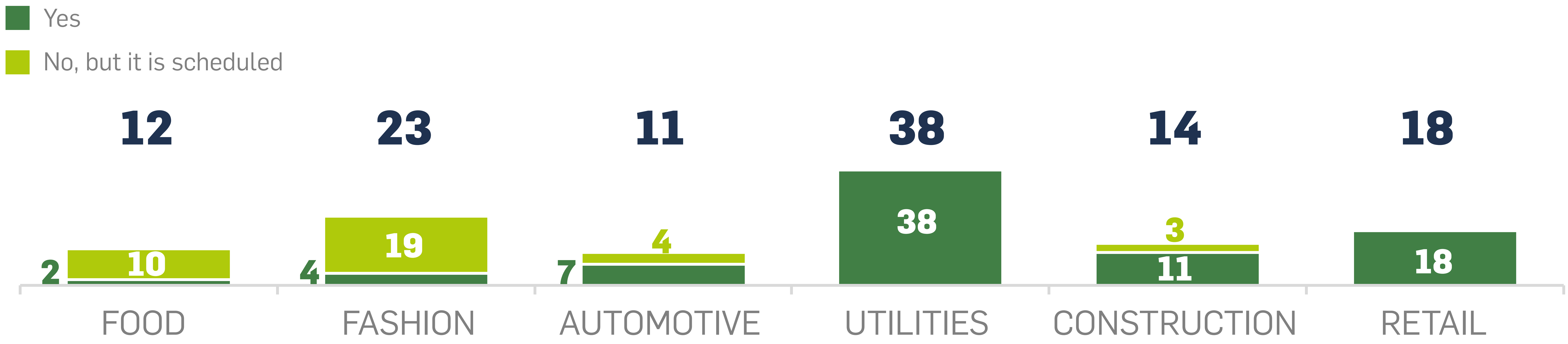
EMISSION REDUCTION TARGETS



MAIN EVIDENCE BY SECTOR: THE STATE OF THE ART

In the light of a small sample base, but in line with the previous charts, the Utilities sector is confirmed as the most committed with defined net-zero objectives.

NET-ZERO TARGET DEFINITION



RESULTS BY SIZE

MAIN EVIDENCE BY SIZE

Levels of knowledge and concrete commitment to activities aimed at addressing climate change increase as the size of companies grows.

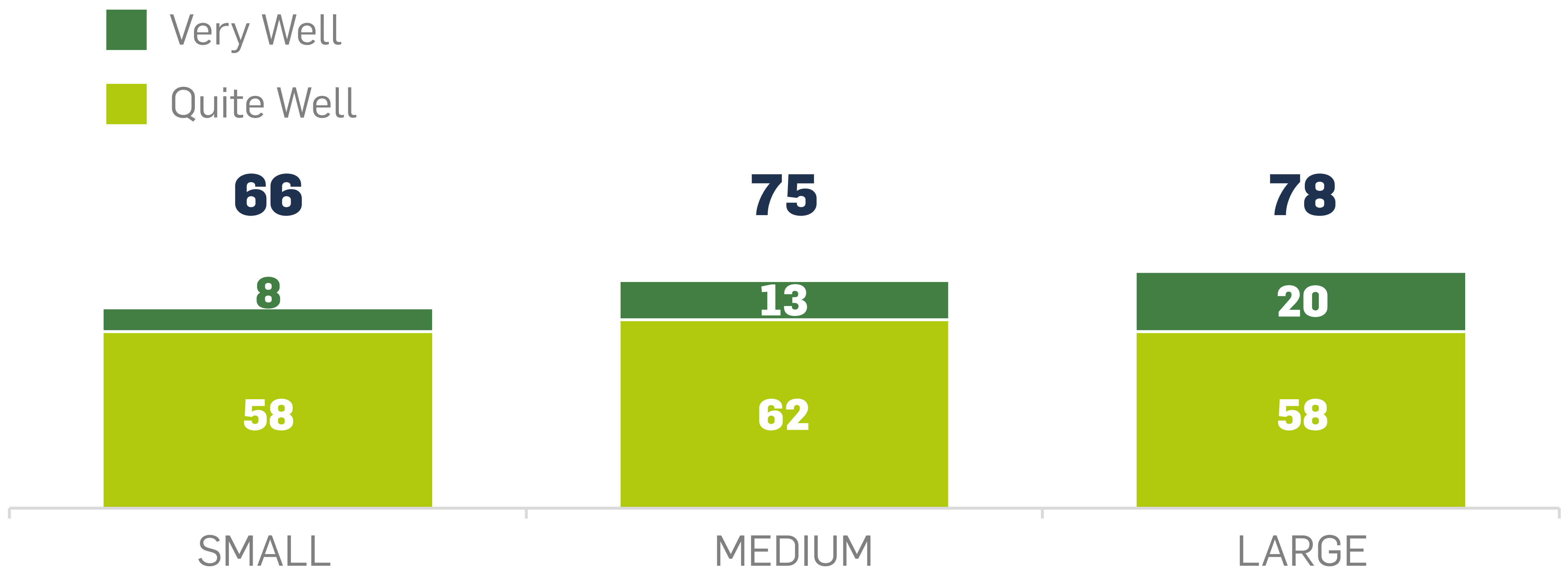
These disparities can be attributed to several factors.
Firstly, **large companies generally have greater financial resources** that can be invested in technologies and infrastructure. In addition, these companies often have broader and easier **access to specialized skills and up-to-date information**. They also face strong pressures to comply with environmental regulations and meet stakeholder expectations in terms of environmental responsibility.

On the other hand, small companies have **fewer resources to invest** in emission reduction efforts and may not have access to the same information or specialized skills.

It is important that all companies, regardless of size, are involved in paths to reduce their emissions, considering that small companies are often part of supply chains of companies that have defined ambitious climate goals.

MAIN EVIDENCE BY SIZE: AWARENESS

AWARENESS OF ENVIRONMENTAL SUSTAINABILITY



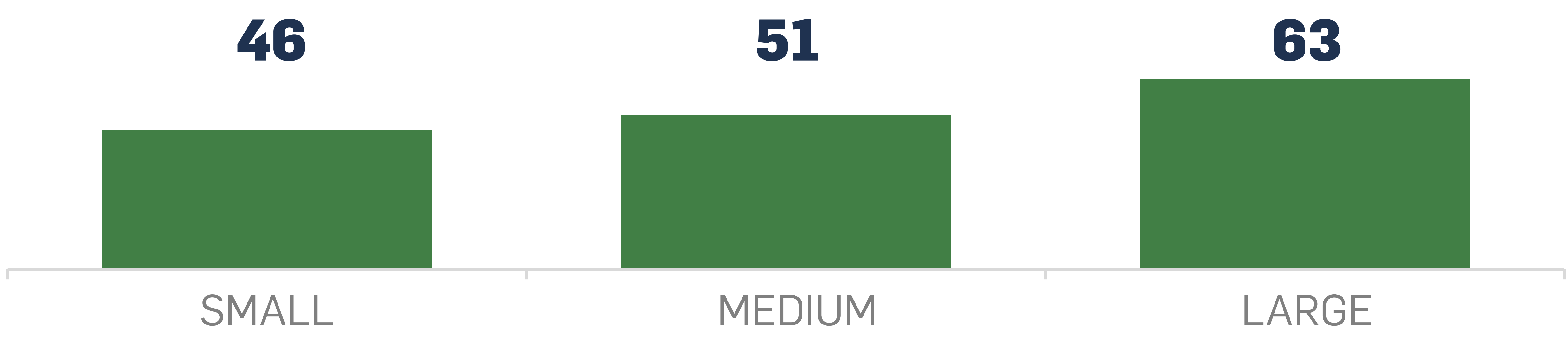
AWARENESS OF THE PARIS AGREEMENT

% Yes, I know what it is

MAIN EVIDENCE BY SIZE: AWARENESS

AWARENESS OF THE NET-ZERO DEADLINE

% Correct answers

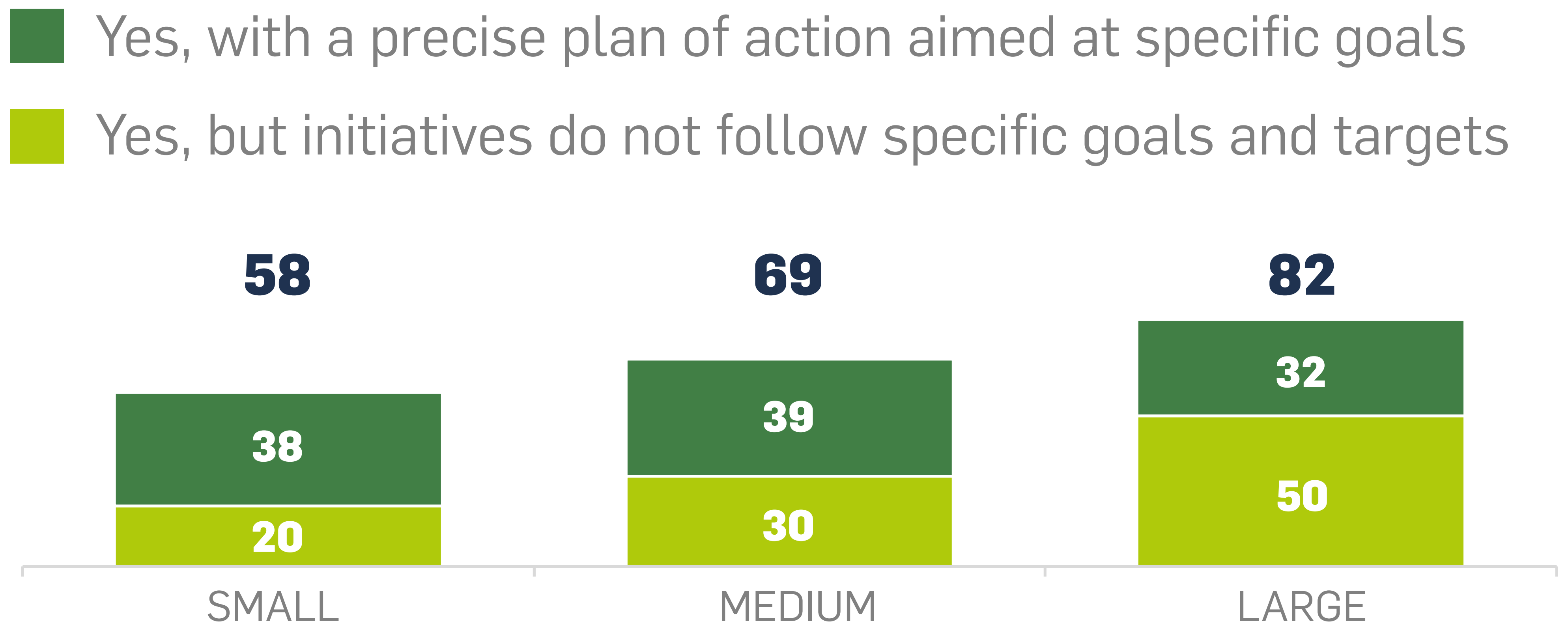


GHG PROTOCOL AWARENESS

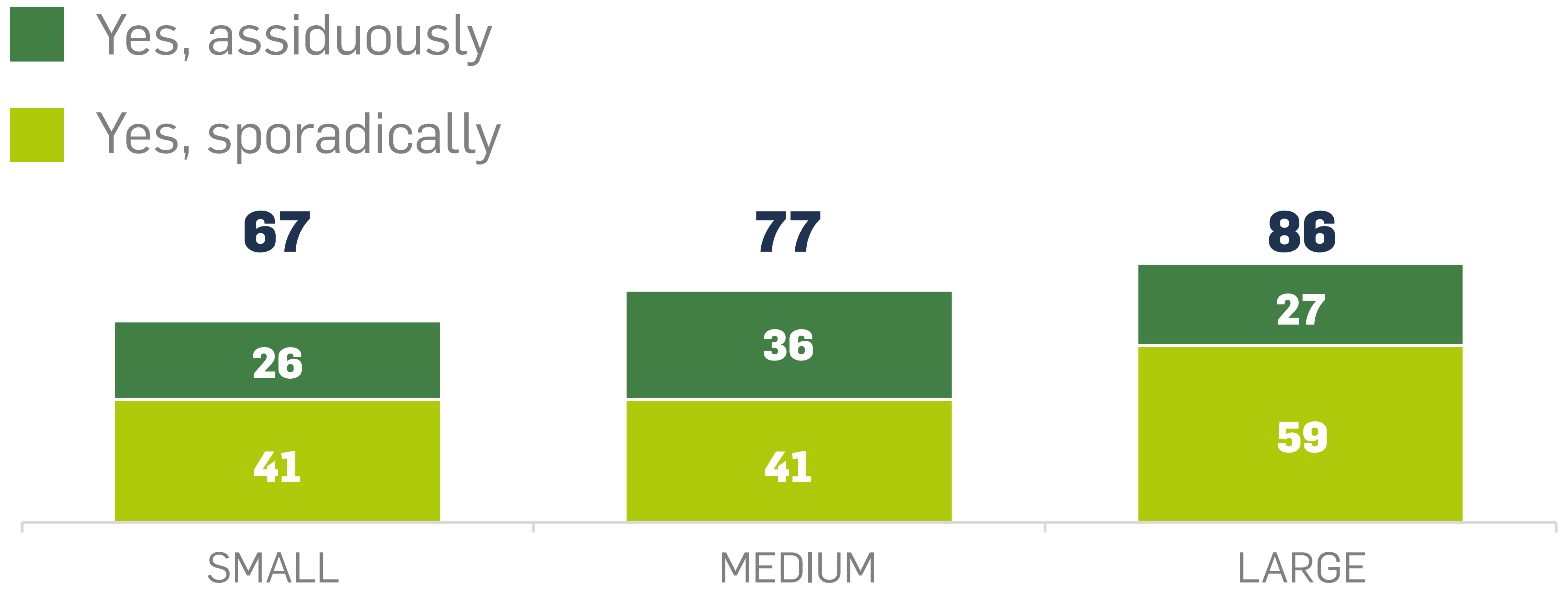
% Yes, I know what it is

MAIN EVIDENCE BY SIZE: THE STATE OF THE ART

INITIATIVES TO ADDRESS CLIMATE CHANGE

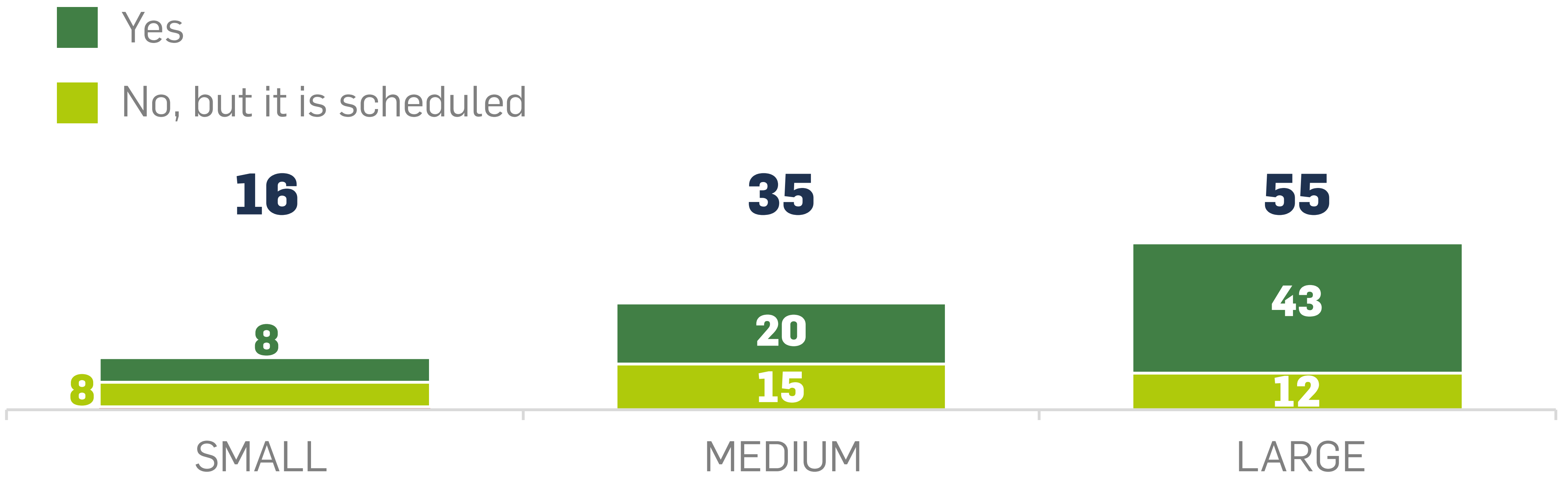


AWARENESS RAISING INITIATIVES TARGETING EMPLOYEES

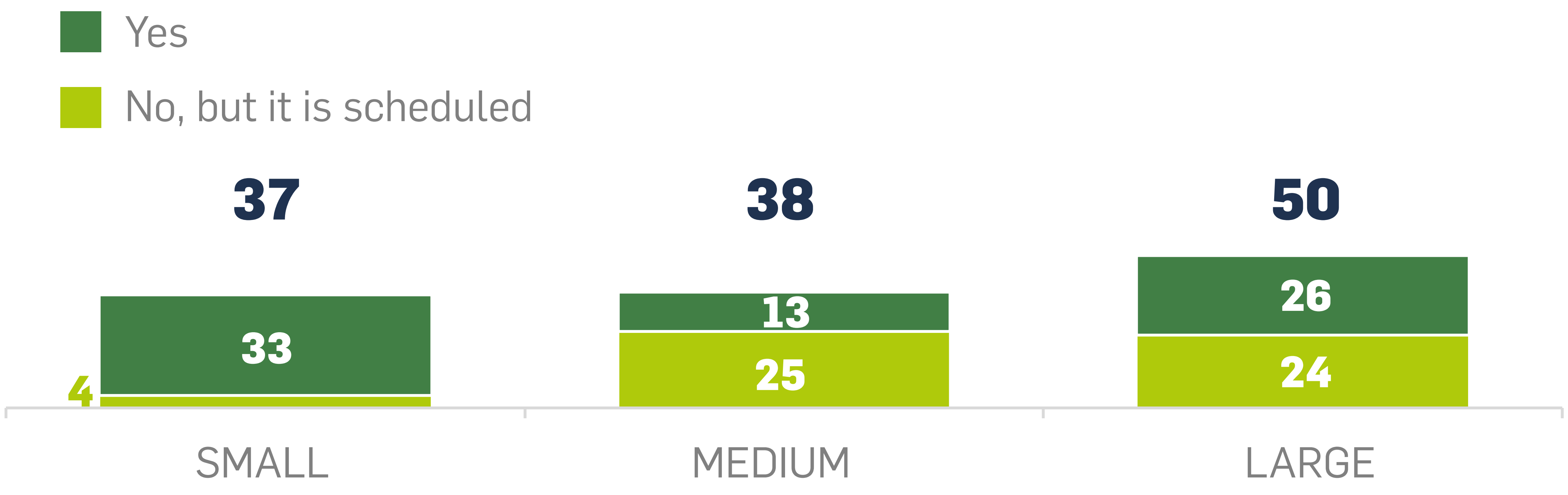


MAIN EVIDENCE BY SIZE: THE STATE OF THE ART

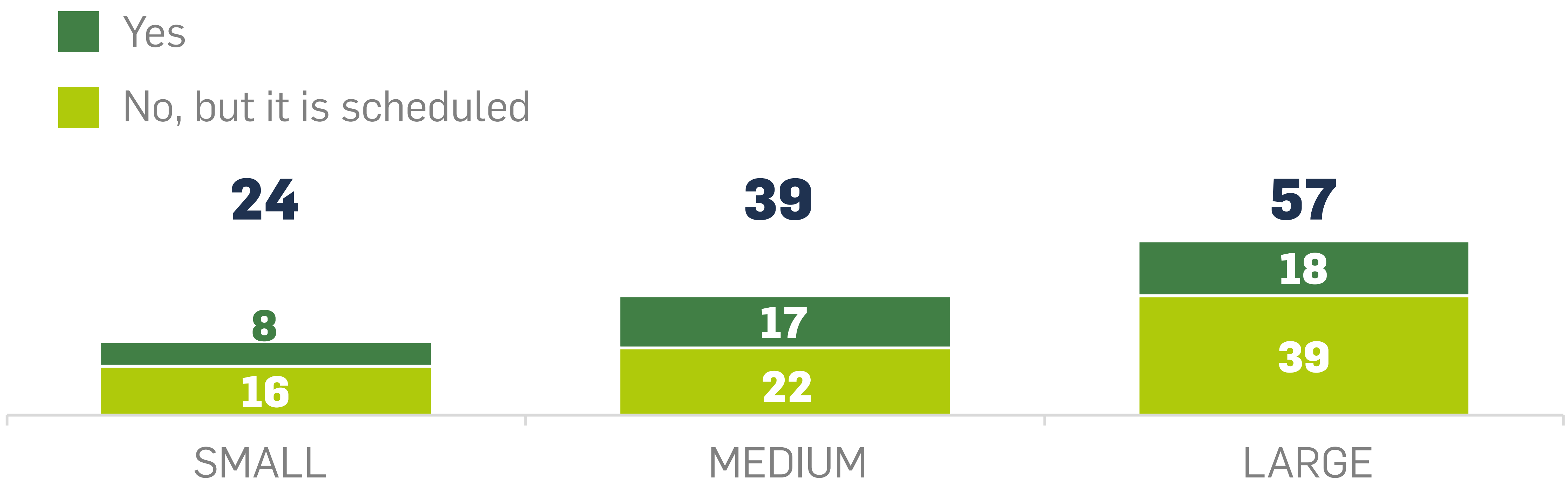
CALCULATION OF CARBON FOOTPRINT: SCOPE 1 AND 2



CALCULATION OF CARBON FOOTPRINT: SCOPE 3

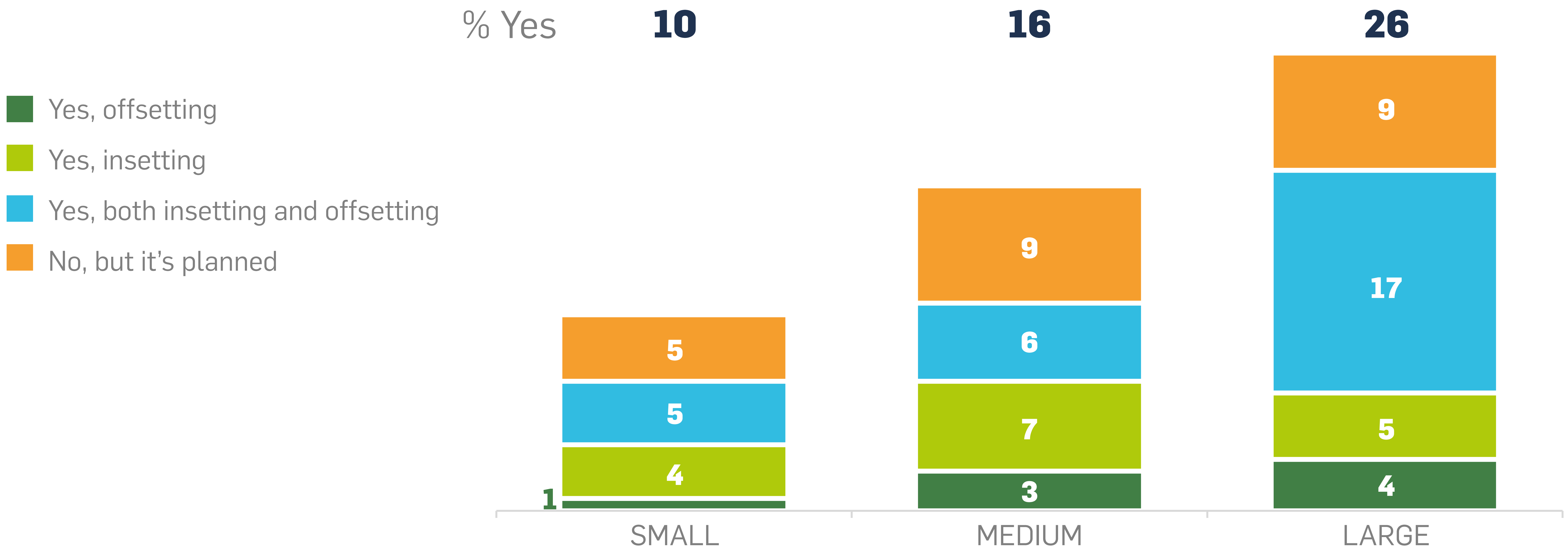


EMISSION REDUCTION TARGETS



MAIN EVIDENCE BY SIZE: THE STATE OF THE ART

OFFSETTING AND INSETTING COMPENSATION OBJECTIVES



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