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Climate Action 100+ progress report records accelerated company commitments to net-zero emissions but gaps remain

Almost half the focus companies of Climate Action 100+ - the world's largest ever investor engagement initiative on climate change - have now established commitments to reach net-zero emissions by 2050 or sooner, its latest progress report reveals.

The *Climate Action 100+ 2020 Progress Report* also outlines the significant growth and evolution of Climate Action 100+. There are now 545 investor signatories, responsible for over USD52 trillion in assets under management and engaging with 167 companies through the initiative.¹

But despite the significant growth in signatories and net-zero commitments, the report details ongoing gaps in target coverage, with only a small proportion of net-zero goals including the companies' most material indirect (known as Scope 3) emissions.

The report details sector-level progress for the focus companies that are engaged by investors through Climate Action 100+, which comprise the world's 100 largest corporate greenhouse gas emitters and over 60 more who are critical to accelerating the transition to net-zero emissions. Company-level progress against the goals of the initiative will be reported in the first quarter of 2021 under the recently announced [Climate Action 100+ Net Zero Company Benchmark](#).

Overall, the *Climate Action 100+ 2020 Progress Report* finds:

¹ The [initiative recently grew beyond its initial 160 focus companies](#) by removing two and adding nine. However, only the initial 160 companies are covered in the analysis and commentary of the progress report.

- 43 per cent of the initiative’s focus companies now have goals or commitments for net-zero emissions by 2050 or sooner in some form.² While 51 per cent also have short-term emissions reduction targets (to 2025) and 38 per cent have medium-term targets (2026-2035).³
- Just 10 per cent of focus companies have net-zero targets that include coverage of their most material Scope 3 emissions.
- 26 per cent of electricity utility companies on the initiative’s focus list have coal phaseout plans that are consistent with the Paris Agreement goals (up from 13 per cent in 2019).⁴
- 194 new oil and gas projects sanctioned by focus companies this year are misaligned with the Paris Agreement goals.⁵ Further, 68 per cent of planned oil and gas capital expenditure was also inconsistent with these goals.⁶
- Automotive focus companies are still largely falling short of the investment required to switch technologies at an appropriate pace from internal combustion engines to hybrid and electric vehicles.⁷

Writing in the 2020 Progress Report, **former Governor of the Bank of England and current United Nations Special Envoy for Climate Action and Finance, Mark Carney, said:** “Investors are increasingly focused on assessing how well companies are positioned for both climate change and the net-zero transition, by identifying which companies will be on the right and wrong side of climate history. Climate Action 100+ has been leading this charge, providing the momentum, stewardship and analysis to support the world’s highest-emitting companies in the strategic resets they need to make. Companies are clearly taking note.”

Advisor to President Jean-Pierre Costes, Groupe Caisse des Dépôts, Ircantec and Climate Action 100+ global Steering Committee Chair, Laetitia Tankwe, said: “In the five years since the Paris Agreement was signed, we have seen an explosion of engagement on climate risk. Climate Action 100+ signatories have been in the vanguard of this effort and we are proud to see progress in even the most resistant sectors and countries. In the coming year, we will be evolving our benchmark and our efforts to better reflect the just transition element of our work, without which global progress will be impeded.”

CalPERS Managing Investment Director, Board Governance & Sustainability and Climate Action 100+ global Steering Committee member, Anne Simpson, said: “We are in the foothills of a long climb. Tackling the world’s systemically important carbon emitters is ambitious and necessary. It requires

² As of November 2020 and verified by independent analysis for Climate Action 100+ by the Transition Pathway Initiative (TPI) and FTSE Russell.

³ As of March 2020 and verified by independent analysis for Climate Action 100+ by TPI and FTSE Russell.

⁴ According to Carbon Tracker analysis for Climate Action 100+ using its interpretation of the International Energy Agency’s Beyond 2 Degrees Scenario. In this scenario the energy sector reaches carbon neutrality by 2060 to limit future temperature increases to under 1.75°C by 2100. See: <https://www.iea.org/reports/energy-technology-perspectives-2017>.

⁵ See footnote 4.

⁶ Per assessment by Carbon Tracker for Climate Action 100+.

⁷ Per assessment by the 2° Investing Initiative for Climate Action 100+.

partnership from all sides: investors, companies, policymakers, and civil society. The results from Climate Action 100+ show what can be achieved, and what still lies ahead, for us to drive the transition to net zero by 2050.”

Asia Investor Group in Climate Change (AIGCC) Executive Director and Climate Action 100+ global Steering Committee member, Rebecca Mikula-Wright, said: “This report details significant progress on climate change from a number of Asian focus companies as a result of cooperative engagement with investors, including the emergence of a raft of net-zero emissions commitments. As engagement between Asian investors and companies deepens, and regional governments announce new goals and measures to support the net-zero transition, we can only expect this trend to accelerate.”

Ceres Chief Executive Officer and President, and Climate Action 100+ global Steering Committee member, Mindy Lubber, said: “We've been pleased to welcome two of the largest U.S. asset managers to the Climate Action 100+ initiative this year and to see the increasing corporate momentum around net-zero ambition. If we are truly going to limit global temperature rise to no more than 1.5°C, we know the world's largest corporate emitters have to act and transition to net-zero businesses. We look forward to the ongoing investor engagement in the year ahead to drive higher corporate ambition.”

Investor Group on Climate Change (IGCC) Chief Executive Officer and Climate Action 100+ global Steering Committee member, Emma Herd, said: “Climate Action 100+ is engaging the most emissions-intensive companies in the world. Ensuring they act on climate change is critical to achieving the Paris Agreement goals and reducing financial risks. While we have seen a welcome boost in commitments to net-zero emissions in 2020, significant further engagement is needed to ensure these goals are robust and embedded in core business decisions.”

Institutional Investors Group on Climate Change (IIGCC) Chief Executive Officer and Climate Action 100+ global Steering Committee member, Stephanie Pfeifer, said: “Investor engagement has been key to delivering the wave of net-zero commitments from companies during 2020. Firms yet to come forward with net-zero plans will come under growing pressure as investor willingness to escalate their engagement will be the new norm. Work will also continue to support those companies that substantiate net-zero goals with robust business strategies. Long-term ambition needs to be made real with clear short- and medium-term targets, and capex alignment to support delivery of those goals.”

Principles for Responsible Investment (PRI) Chief Executive Officer and Climate Action 100+ global Steering Committee Vice-Chair, Fiona Reynolds, said: “Climate Action 100+ signatories have demonstrated the power of engagement to drive company action in the face of the climate emergency. In the coming year, we expect to amplify our efforts using the Climate Action 100+ Net-Zero Company Benchmark, which will score companies on their progress and make clear who are leaders and who are laggards.”

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A full copy of the *Climate Action 100+ 2020 Progress Report* can be found [here](#).

For further media enquiries please contact: news@climateaction100.org.

About Climate Action 100+

Climate Action 100+ is an investor initiative to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change. 545 investors with USD52 trillion in assets under management are engaging companies on improving governance, curbing emissions and strengthening climate-related financial disclosures. The companies include 'systemically important emitters', accounting for two-thirds of annual global industrial emissions, alongside others with significant opportunity to drive the clean energy transition.

Launched in December 2017, Climate Action 100+ is coordinated by five investor networks: Asia Investor Group on Climate Change (AIGCC); Ceres; Investor Group on Climate Change (IGCC); Institutional Investors Group on Climate Change (IIGCC) and Principles for Responsible Investment (PRI). These networks, along with five investor representatives from AustralianSuper, California Public Employees' Retirement System (CalPERS), HSBC Global Asset Management, Ircantec and Sumitomo Mitsui Trust Asset Management, form the global Steering Committee for the initiative.

For more information, visit: ClimateAction100.org; and follow: [@ActOnClimate100](https://twitter.com/ActOnClimate100).