Climate Action 100+
Global Investors Driving Business Transition

Climate Action 100+ Net Zero Company Benchmark 2.1

2024 Results

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Climate Action 100+ | At a Glance

Climate Action 100+ is an investor-led initiative to ensure the world's largest corporate greenhouse gas emitters take appropriate action on climate change in order to mitigate financial risk and to maximize the long-term value of assets.

Climate Action 100+ is focused on companies that are key to driving the global net zero emissions transition. 170 focus companies have been selected for engagement.

Climate Action 100+ Net Zero Company Benchmark annually assesses focus companies' decarbonization strategies and alignment with a 1.5°C emissions pathway as a tool for investors to understand their exposure to climate-related financial risks and opportunities.

Climate Action 100+
Global Investors Driving Business Transition

600+
INVESTORS

170
COMPANIES

Who's Involved?

CA100+ Net Zero Benchmark

Climate Action 100+ (CA100+) supports investors to engage with companies on the three key aims of the initiative, drawing on and providing feedback to research provided within the CA100+ Benchmark.

CA100+ is an investor-led initiative comprised of five contributing Networks each focussing on different global regions:

AIGCC ASIA INVESTOR GROUP ON CLIMATE CHANGE

Ceres

Investor Group on Climate Change

IIGCC

PRI Principles for Responsible Investment

Research partners manage each methodology as well as the assessment of companies.

Transition Pathway Initiative

Is responsible for the maintenance of methodologies and provision of assessments of companies against the **Disclosure Framework**. They draw from assessments provided by their partner organisation FTSE Russel.

Carbon Tracker Initiative

Is responsible for the maintenance of methodologies and provision of assessments of companies against the **Climate Accounting and Audit and CTI Capital Allocation/ Transition Plan assessments** for Electric Utilities and Oil and Gas companies.

Rocky Mountain Institute

Is responsible for the maintenance of methodologies and provision of assessments of companies against the **RMI Capital Allocation and Transition Plan assessments** for Electric Utilities, Autos, Steel, Cement and Aviation companies.

InfluenceMap

Is responsible for the maintenance of methodologies and provision of assessments of companies against the **Climate Policy Engagement Alignment Assessments** that relate to Indicator 7 of the Disclosure Framework.

Net Zero Company Benchmark Overview

The Climate Action 100+ Net Zero Company Benchmark (henceforth the 'Benchmark') evaluates the performance of some of the world's largest corporate greenhouse gas emitters with respect to their net zero transition, and the initiative's three high-level goals: emissions reduction, climate governance, and climate-related disclosure.

The Benchmark is not a disclosure mechanism or database itself, but rather an assessment tool, drawing on distinct analytical methodologies and datasets from public and self-disclosed data from companies.

The Benchmark is categorised into two types of assessments:

Disclosure Framework Indicators, assessed by the Transition Pathway Initiative Centre and FTSE Russell, an LSEG business, which evaluate the adequacy of corporate disclosure.

Alignment Assessments, *assessed* by the Carbon Tracker Initiative, InfluenceMap and RMI, which evaluate the alignment of company actions with the Paris Agreement goals.

You can find more information about these different assessments on our website and in the Annex of this presentation.

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Executive Summary

Most companies have set net zero 2050 emissions targets for their own operations and assigned board responsibility for climate risk oversight, demonstrating widespread recognition that climate risk is financial risk.

90%

of all companies assessed continue to **disclose evidence of Board-level oversight of the management of climate change risks** (Metric 8.1.a).

88%

of companies are publicly committed to implement the recommendations of the Task Force on Climate related Financial Disclosures (TCFD) OR International Sustainability Standards Board (ISSB) Standards (Metric 10.1.a).

80%

of companies have set an **ambition to reach Net-Zero by 2050 or sooner** on at least Scope 1 and 2 emissions (Metric 1.1.a).

This is up from 51% in the
first Benchmark assess ments (March 2021).

Decarbonisation is underway in key sectors

For the first time, this year's Benchmark publishes analysis on historical emissions reductions and shows that most of assessed focus companies have reduced their emissions intensity over the past three years, but fewer are reducing emissions at the rate necessary to be aligned with a 1.5 degree scenario (Indicator 11).

All 5 **airlines** reduced their emissions intensity over the past 3 years, all of of these were aligned with 1.5°C.

All 11 CA100+ focus assessed in the **Auto** sector reduced their emissions intensity over the last 3 years, 5 of these were aligned with 1.5°C.

5 out of 10 **diversified mining** companies have reduced emissions intensity over the past 3 years, all of which are 1.5°C aligned.

22 out of the 29 assessed **electric utilities** companies reduced their emissions intensity in the past 3 years, 12 of these aligned with 1.5°C.

8 of 11 assessed **cement** companies reduced emissions in the past three years, 3 of these aligned with 1.5°C.

6 of 9 **steel** companies reduced emissions intensity in the past three years.

All companies will need to keep aligning their emissions intensity over the next 5 years to achieve the IEA NZE target for their sectors. RMI provides additional assessments for Steel, Cement and Aviation that help investors to understand this.

Companies have made the most progress in disclosure of key climate transition planning metrics that are important to investors

Decarbonisation Strategy

More companies are presenting a decarbonisation strategy that explains how they intend to meet their medium- and long-term GHG reduction targets and specifies the role of climate solutions (Indicator 5).*

Climate Solutions

More companies have disclosed revenue or production already generated from climate solutions (Metric 5.2.a). A large majority of these companies have set a target to increase revenue or production from climate solutions, signaling additional clear commitments to invest (Metric 6.2.b).

Just Transition

Whilst there is still only a minority of focus companies disclosing details related to Just Transition (Indicator 9), there has been an increase in companies defining Just Transition principles and committing to retain, retrain and compensate workers affected by their decarbonisation strategy, with the electric power sector leading the way.

*Note: Chemicals and Diversified Mining companies have not been assessed against Metrics 5.2.a, 5.2.b, 6.2.a, or 6.2.b for 2024

There is more work to do for companies to disclose comprehensive climate transition plans and to align their business activities with their targets and reporting.

Carbon Tracker Initiative's Climate Accounting and Audit Assessment shows that while we have seen some improvements in disclosures, there continues to be little progress in the integration of Paris-aligned assumptions into accounts, or the provision of relevant sensitivities:

A significant majority of companies and their auditors still fail to provide, and assess, respectively, Paris-aligned sensitivities. Overall, investors need more timely and accurate information to make informed investment decisions.

Despite improvements in company disclosure, capital allocation alignment assessments continue to exhibit limited progress.

CTI's Capital Allocation Alignment Assessments show just over a quarter of the electric power companies assessed are aligning their coal capacity with their interpretation of 1.5°C alignment. CTI also shows that the alignment of oil and gas companies' capital expenditure and broader transition strategies has regressed since the 2023 assessments, increasing their exposure to financial risks in a 1.5°C-aligned future. RMI's assessments show that in aggregate, all the assessed companies' capacity plans are misaligned with a 1.5°C pathway.

Companies are not effectively reviewing if their climate policy positions are aligned with the Paris Agreement.

2024 has seen a marginal increase in companies producing and improving the quality of their review process. However, companies are still not effectively reviewing if their climate policy positions are aligned with the Paris Agreement.

Additionally, despite a improved alignment since previous iterations, the large **majority remain partially aligned in their climate policy engagement actions**

Disclosure Framework Assessments

Summary of 2024 results

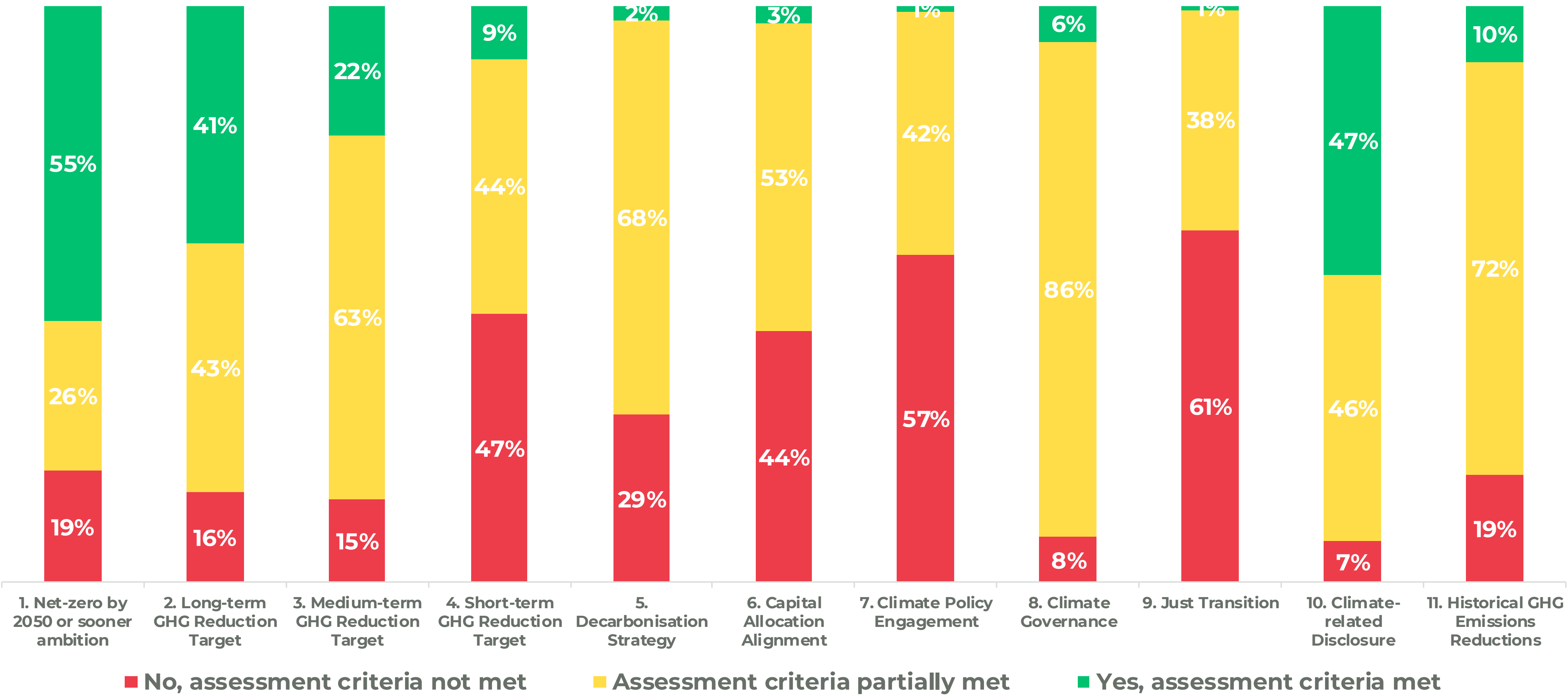
The TPI Centre **Disclosure Framework Assessments**

The Disclosure Framework assessed by the TPI Centre evaluates the adequacy of corporate disclosure in relation to key actions companies can take to to reduce risk/maximize opportunity by aligning their businesses with the Climate Action 100+ and Paris Agreement goals. The 2024 Disclosure Framework assessments have included minimal changes since the last assessments in 2023 allowing for greater tracking of companies' progress year-on-year.

This year, the Disclosure Framework presents the following highlights:

- **Over 40% of companies assessed on Carbon Performance have set long-term targets that are aligned with a credible 1.5°C pathway (Sub-indicator 2.3).** This figure drops by about 20 percentage points for companies' interim targets. Of the companies assessed, only 20% have set medium-term targets (3.3) and 21% have set short-term targets (4.3) that are 1.5°C-aligned.
- **Companies are disclosing more information about their decarbonisation strategies than previously.** 59% of companies now set medium- and long-term emission reduction targets and identify the set of actions they intend to take to meet these targets (5.1.a), while 26% of assessed companies quantify the contribution of individual decarbonisation levers to meeting their medium- and long-term targets (Metric 5.1.b).
- **While companies still rarely disclose a plan to phase out capital expenditure in new unabated carbon-intensive assets or products by a specified year** (Metric 6.1.a), **there has been improved year-on-year disclosure around CAPEX on both carbon intensive assets** (37% of companies score on Metric 6.1.b) **and climate solutions** (38% of companies score on Metric 6.2.a)
- **For the first time, 1 company (Enel) has met all criteria on Just Transition (Indicator 9).** This year has seen particular improvements in the number of companies committing to and defining the Just Transition.

Results by Indicator



Note: The percentages referenced within this graph have been taken from the full sample of assessed CA100+ focused companies which adds up to a total of 165 companies. Therefore, the percentages within this graph differ to those presenting comparisons from the last assessment in October 2023. Comparisons between 2023 and 2024 assessments exclude companies added to the Disclosure Framework in 2024, so considers a sample of 150 companies.

Disclosure Indicator 1:

Net Zero GHG Emissions by 2050 (or sooner) Ambition

81% of the world's largest corporate GHG emitters (133 out of 165 companies) have now **set a net zero target that covers at least their Scope 1 and 2 emissions** (Metric 1.1.a).

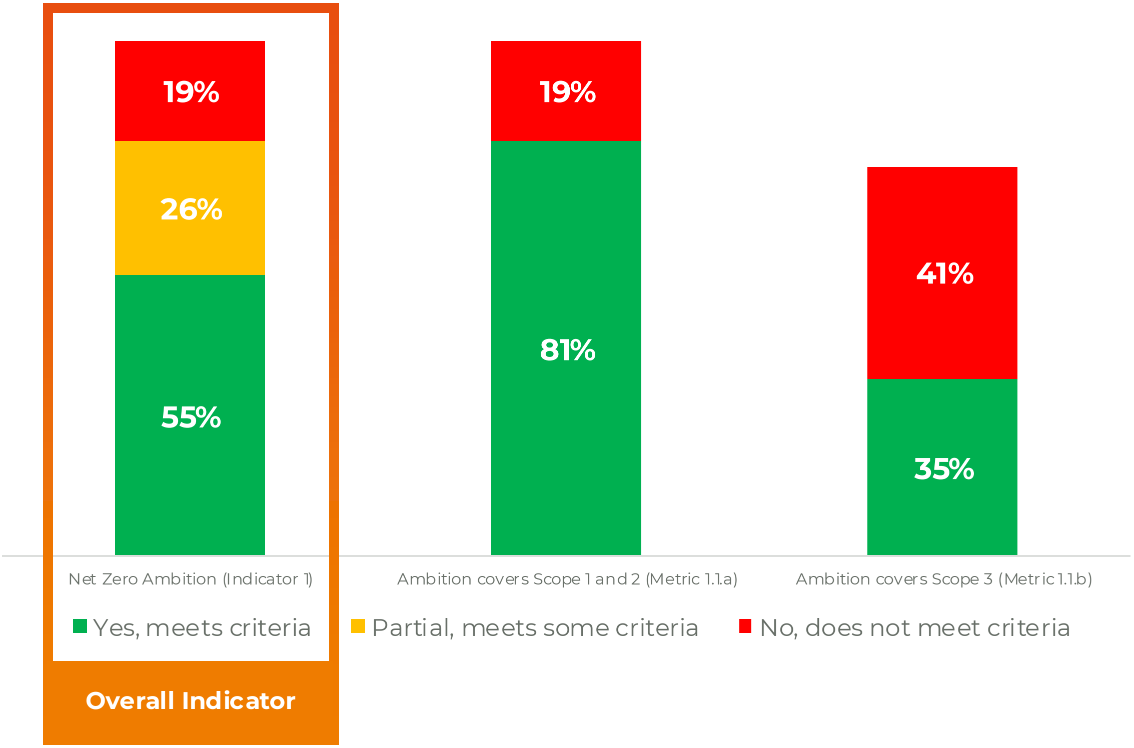
This has increased by 3 percentage points since last year,* and progress is driven by 4 companies in the in the Oil and Gas and Electric Utilities sectors who have set new targets.

Just under half of focus companies (46%) have **set net zero Scope 3 targets that cover the most relevant categories for their sectors, where assessed**** (Metric 1.1.b) however, this has also increased since last year by 2 percentage points.*

No companies were found to have rescinded their net zero targets across Scopes 1, 2 or 3.

Indicator 1 Breakdown:

Net Zero by 2050 (or sooner) Ambition



*Comparisons between 2023 and 2024 assessments exclude companies added to the Disclosure Framework in 2024, so consider a sample of 150 companies.
**Of the 165 companies assessed this iteration, 125 are assessed on Scope 3 (Metric 1.1.b).

Disclosure Indicator 2, 3 and 4:

Long-, Medium- and Short-term GHG Reduction Target(s)

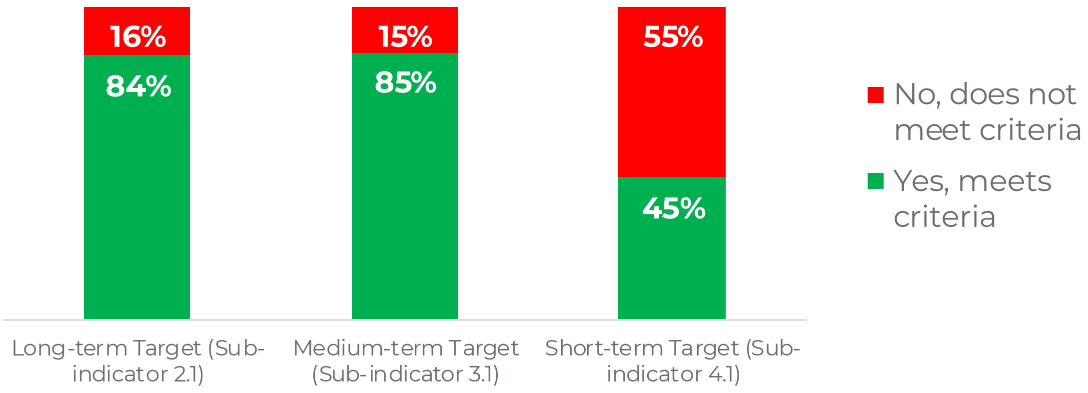
Most focus companies now set long-term (84%) and medium-term (85%) GHG reduction targets (Sub-indicator 2.1 and 3.1).

However, **credible short-term target setting** (Sub-indicator 4.1) **continues to present a challenge.** This year, we have seen 7 companies whose targets have expired and 4 companies who have removed their short-term targets.

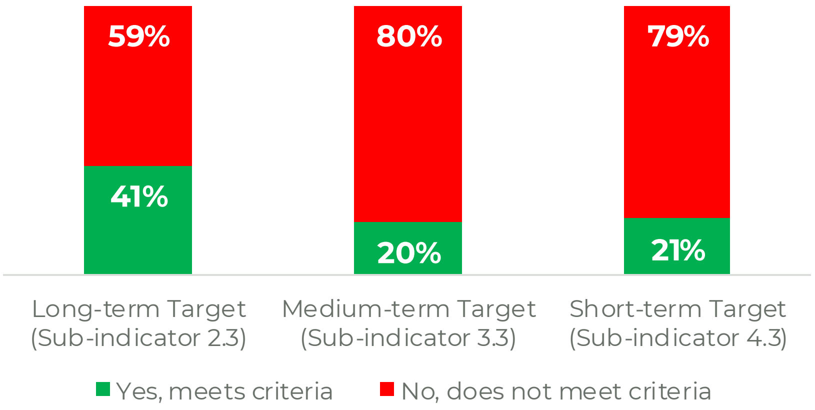
Companies are still failing to align their targets with the goal of limiting global warming to 1.5°C.* This year no companies have improved their performance on aligning their long-term targets with a 1.5°C pathway (Sub-indicator 2.3) and the proportion of companies with 1.5°C-aligned targets in the short-term has decreased by 3 percentage points (sub-indicator 4.3). However, companies have progressed in aligning their medium-term targets to 1.5°C with the proportion of companies meeting all criteria on Sub-indicator 3.3 improving by 4 percentage points.*

*Comparisons between 2023 and 2024 assessments exclude companies added to the Disclosure Framework in 2024, so considers a sample of 150 companies.
**The comparable subset of companies assessed on Carbon Performance is 112 companies.
Note: the number of companies assessed on Carbon Performance this iteration is 120, as this is what is shown in the chart of the 2.3, 3.3, and 4.3.

Sub-indicators 2.1, 3.1 and 4.1 Breakdown: **Long-, Medium- and Short-term GHG Reduction Target(s)**



Sub-indicators 2.3, 3.3 and 4.3 Breakdown: **Alignment of targets to 1.5°C**



Disclosure Indicator 5:

Decarbonisation Strategy

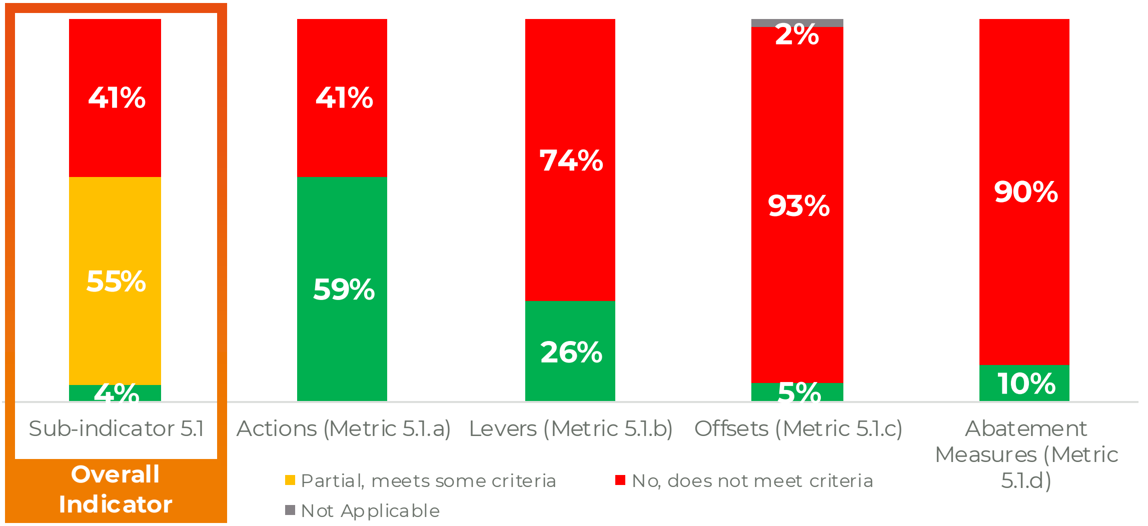
Companies are disclosing more information about their decarbonisation delivery strategies and the number of companies meeting all criteria for Indicator 5 Metrics is higher in 2024 than 2023.

2024 results have shown the following improvements:

- This year there has been an increase in the number of companies which have **fully quantified decarbonisation strategies that explain how they intend to meet their medium- and long-term GHG reduction targets** (Sub-indicator 5.1). 7 of these 150 companies score 'Yes' for 5.1 as opposed to just 4 last year).**
- More companies are **reporting either existing sales and production, or targeted sales and production, from clearly defined climate solutions** (Sub-indicator 5.2). 2024 results have shown that there has been an overall improvement across all metrics on Sub-indicator 5.2 (by 2-4 percentage points) since 2023.*

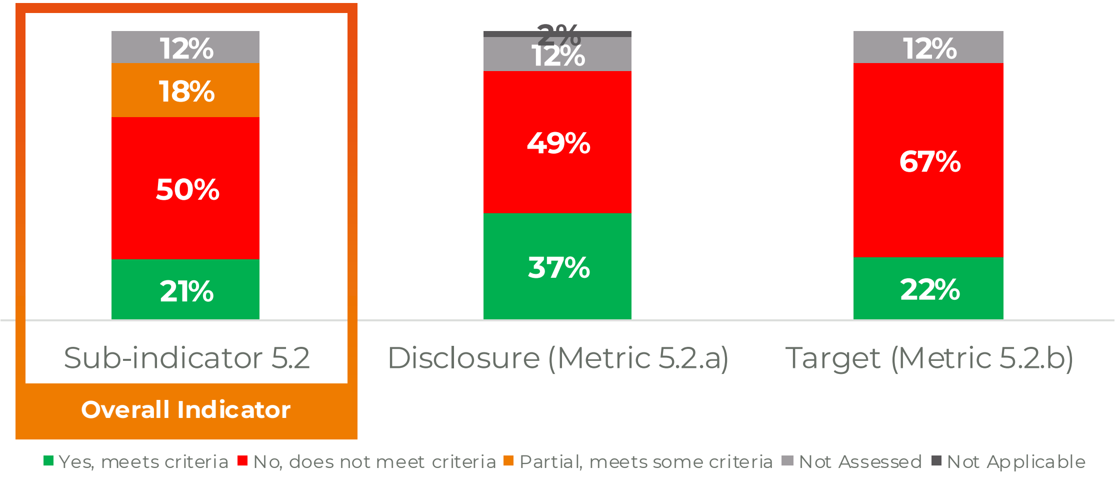
Sub-indicator 5.1 Breakdown:

Detail on actions, levers, offsets and abatement measures



Sub-indicator 5.2 Breakdown:

Specifying the Role of Climate Solutions



*Comparisons between 2023 and 2024 consider a sample of 133 companies.
**The increase in 'Yes' scores on this Sub-indicator is despite the inclusion this year of a demanding new metric (5.1.d) which was Beta in V2.0 and therefore not previously incorporated in company scores for the Sub-indicator.
Note: Metric 5.1.c assessment is contingent on meeting criteria for Metric 5.1.b.
Diversified Mining and Chemicals companies have not been assessed against Metrics 5.2.a and 5.2.b for 2024.

Disclosure Indicator 6:

Capital Allocation

Companies are increasing transparency around capital allocation (Sub-indicator 6.1)**.**

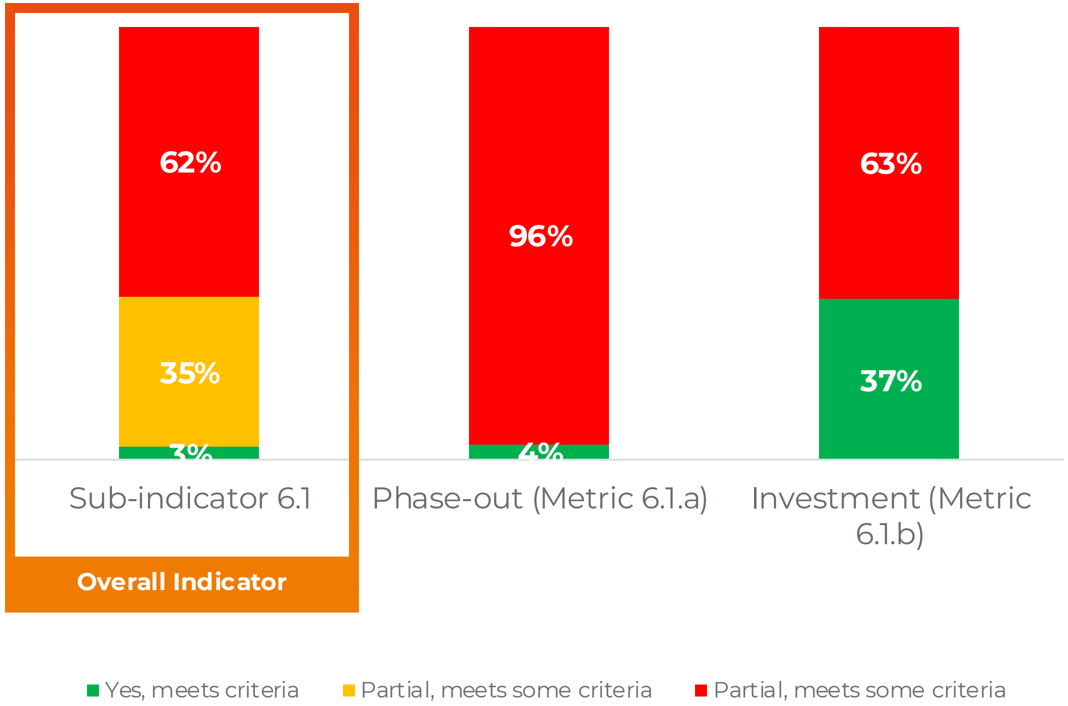
2024 results show the following improvements:

- Three companies have improved their performance by explicitly **stating that they will (or already have) phased out capital expenditure in new unabated carbon-intensive assets or products** (Metric 6.1.a)**.***
- The proportion of companies **disclosing the stated value of their capital expenditure that is going towards unabated carbon-intensive assets or products** has **increased by 19 percentage points** (Metric 6.1.b).* Around half of this increase is due to is due to increased disclosure from Energy sector companies.
- For Autos, Utilities and Oil and Gas companies, RMI and CTI's capital allocation assessments, displayed later in the presentation, provide useful information on the extent to which companies' expenditure is aligned with net zero.

*Comparisons between 2023 and 2024 assessments exclude companies added to the Disclosure Framework in 2024, so considers a sample of 150 companies.

Sub-indicator 6.1 Breakdown:

Carbon Intensive Assets: Phase-out and Investment



Due to rounding of percentages in the data analysis, the totals for metric 6.2.b do not equal 100%

Disclosure Indicator 6:

Capital Allocation

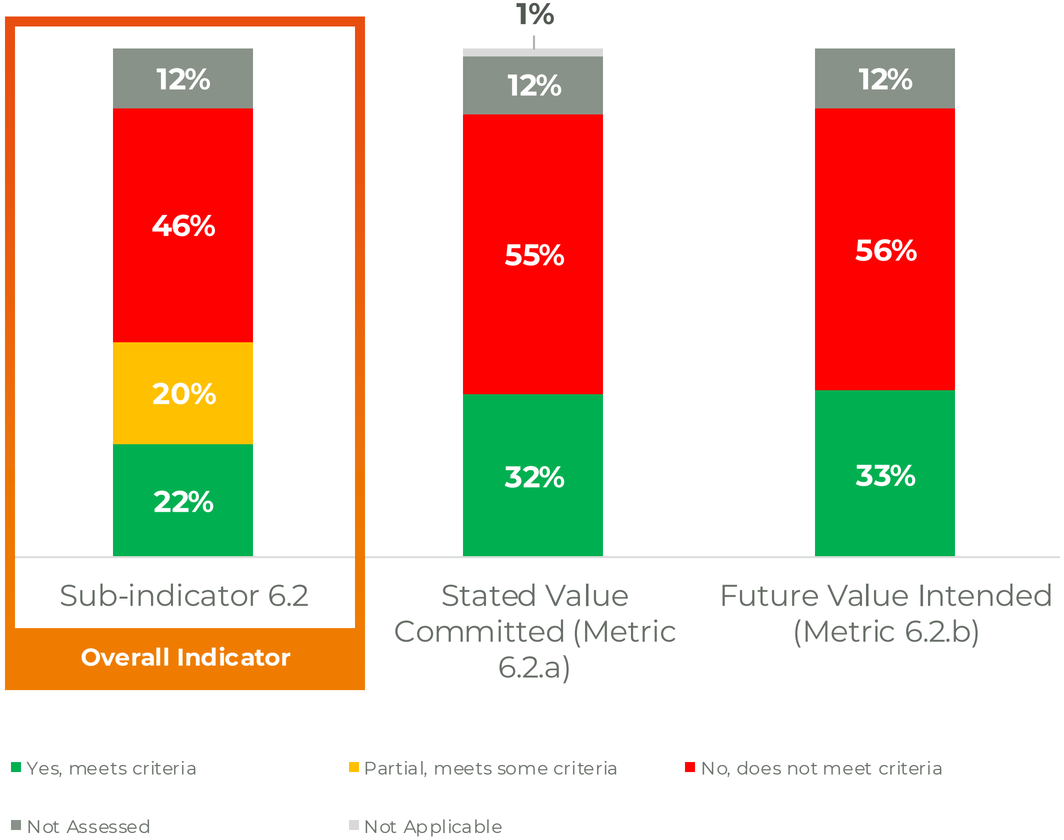
A quarter of all assessed companies are disclosing both current and future CapEx on climate solutions (Sub-indicator 6.2).

In 2024:

- Over a third of assessed companies (38% - 55 of 146 assessed companies) are disclosing the **stated value of their capital expenditure allocated towards climate solutions (Metric 6.2.a).**
- A roughly similar portion of assessed companies (37% - 54 of 146 assessed companies) are disclosing the stated value of their capital **expenditure that they intend to allocate to climate solutions in the future (Metric 6.2.b).**
- A large majority (78%) of companies that have **set a target to increase revenue or production from climate solutions** (in other words received 'Yes' on Metric 5.2.b) have also **disclosed at least some value of CapEx they intend to allocate towards these climate solutions** (Metric 6.2.b).

Sub-indicator 6.2 Breakdown:

Recent and future CapEx - Climate Solutions



Note: Diversified Mining and Chemicals companies have not been assessed against Metrics 5.2.a and 5.2.b for 2024.

Disclosure Indicator 7:

Climate Policy Engagement

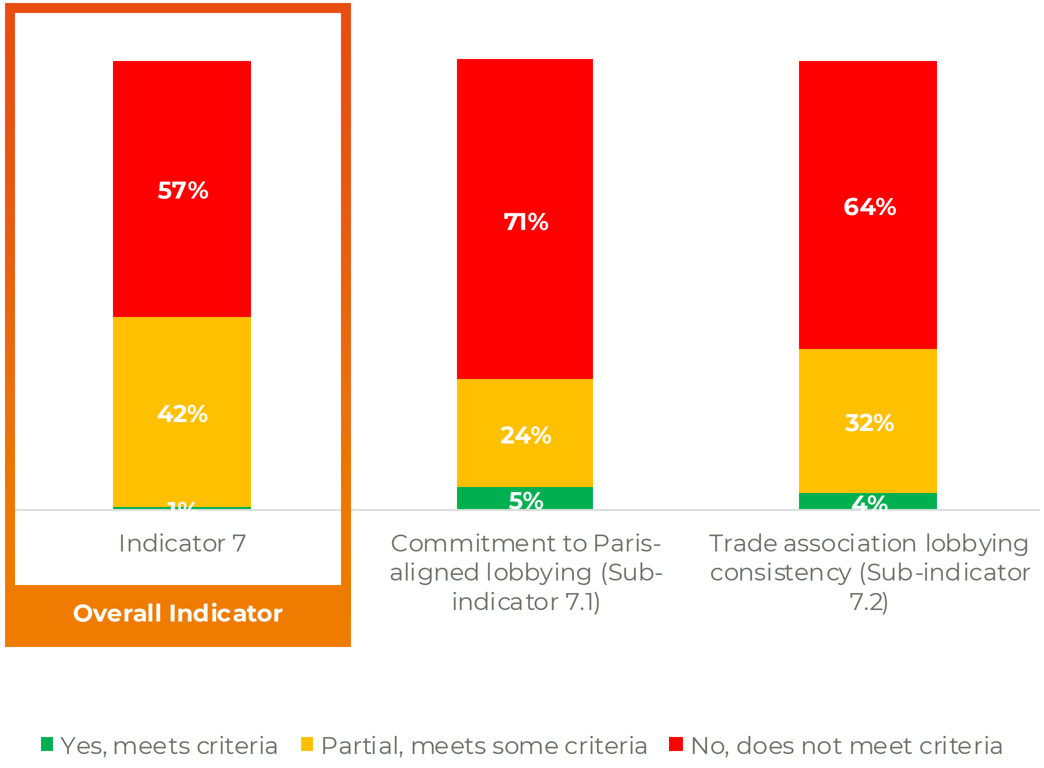
Only one company meets all criteria on Indicator 7 (Unilever). With 42% of all companies meeting at least some requirements this year, the proportion of companies partially meeting this criteria has increased by about 3 percentage points since 2023.*

The biggest improvement has been seen in companies publishing reviews of their trade associations' climate positions/alignment with the Paris Agreement and disclosing what actions were taken as a result (Metric 7.2.b). Of the 150 companies assessed across both years, 39% of companies meet the criteria in 2024 which is an increase of 4 percentage points since 2023.*

InfluenceMap's Climate Policy Engagement Alignment Assessment results complement these assessments and should be viewed alongside them. You can read more about these assessments later in this presentation.

Indicator 7 and Sub-indicators Breakdown:

Climate Policy Engagement



Due to rounding of percentages in the data analysis, the totals for this graph do not all equal 100%

*Comparisons between 2023 and 2024 assessments exclude companies added to the Disclosure Framework in 2024, so considers a sample of 150 companies.

Disclosure Indicator 8:

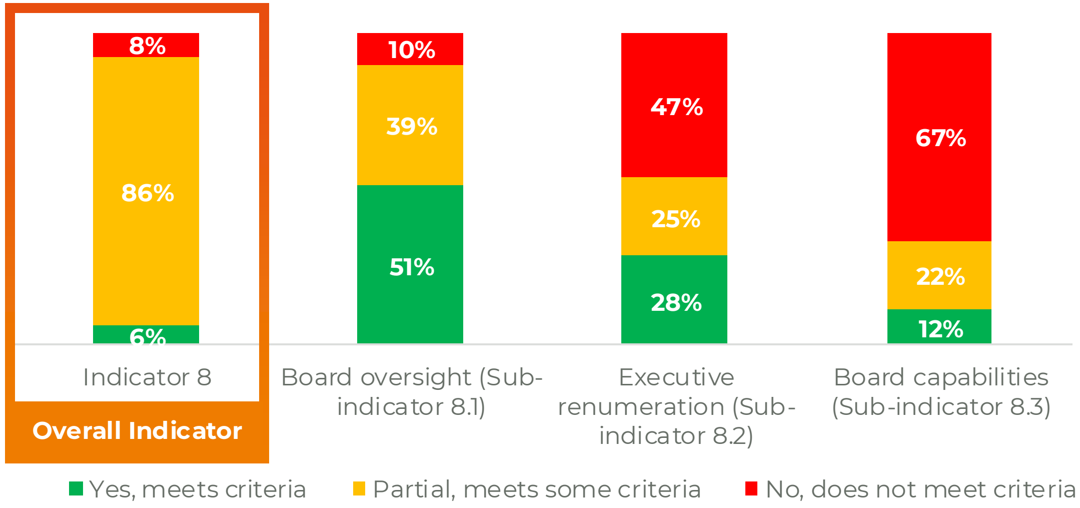
Climate Governance

The number of companies disclosing on the oversight, incentives and competency of their Board for managing climate related risk (Indicator 8) has **increased** from 5 companies in 2023 to 10 in 2024.*

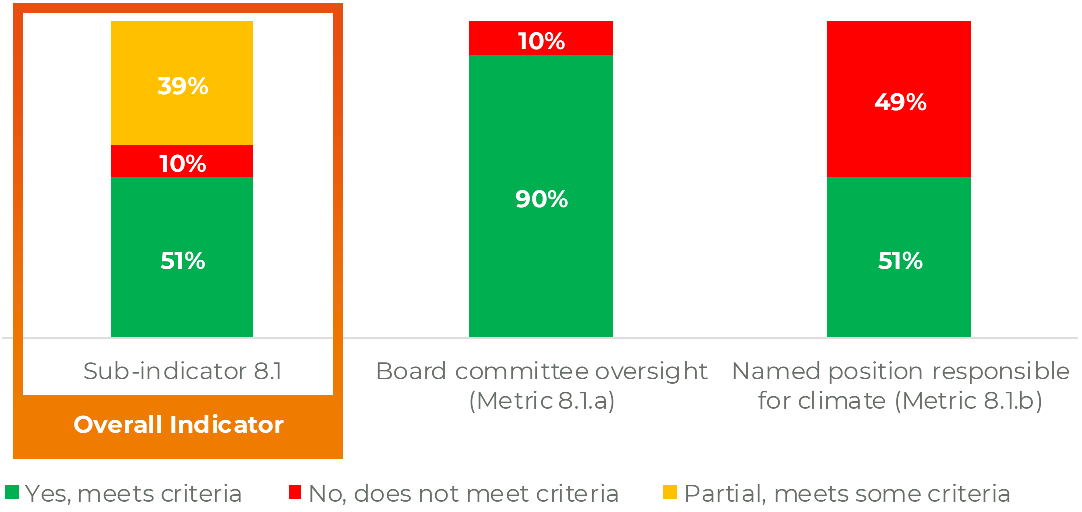
90% of all companies assessed continue to disclose evidence of board-level oversight of the management of climate change risks (Metric 8.1.a). Only 51% of companies had a named position at Board level with responsibility for climate change (Metric 8.1.b).

Although 53% of assessed companies had climate performance KPIs that influenced the salary of their CEO or senior executives (Metric 8.2.a), these KPIs were only linked to progress towards achieving the company's publicly disclosed GHG reduction targets in 28% of cases (Metric 8.2.b).

Indicator 8 and Sub-indicator Breakdown:
Climate Governance



Sub-indicator 8.1 Breakdown:
Board Oversight



*Comparisons between 2023 and 2024 assessments exclude companies added to the Disclosure Framework in 2024, so considers a sample of 150 companies.

Disclosure Indicator 8:

Climate Governance

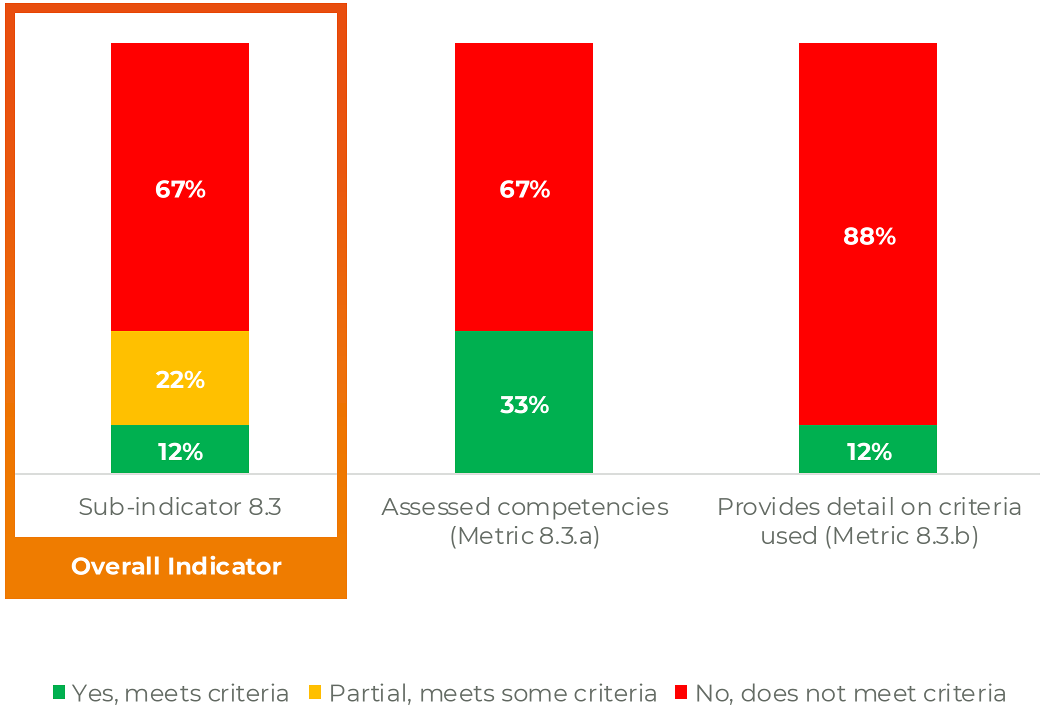
Though it remains the topic with the lowest performance for companies on this Indicator, the number of companies **assessing and disclosing the climate-related capabilities/competencies of their Boards and how these are developed** (Sub-indicator 8.3) has increased from 8 companies to 19 companies in 2024.*

The percentage of companies **disclosing their Board's competencies with respect to managing climate risks and opportunities and disclosing the results of this assessment** (Metric 8.3.a) has **increased** from 26% to 35% in 2024*.

The number of companies **providing details on the criteria they use to assess their Board's competencies with respect to managing climate risks and opportunities, and disclosing the measures they are taking to enhance these competencies** (Metric 8.3.b) has **also increased** from 5% to 13%.*

Sub-indicator 8.3 Breakdown:

Board Capabilities



*Comparisons between 2023 and 2024 assessments exclude companies added to the Disclosure Framework in 2024, so considers a sample of 150 companies.

Disclosure Indicator 9:

Just Transition

39% of companies satisfy at least one Metric on Just Transition (Indicator 9). There has been an improvement of 9 percentage points from 2023*.

30% of companies are committing to a Just Transition with defined principles (Metric 9.1.a). This Metric has seen an improvement of 10 percentage points from 2023.*

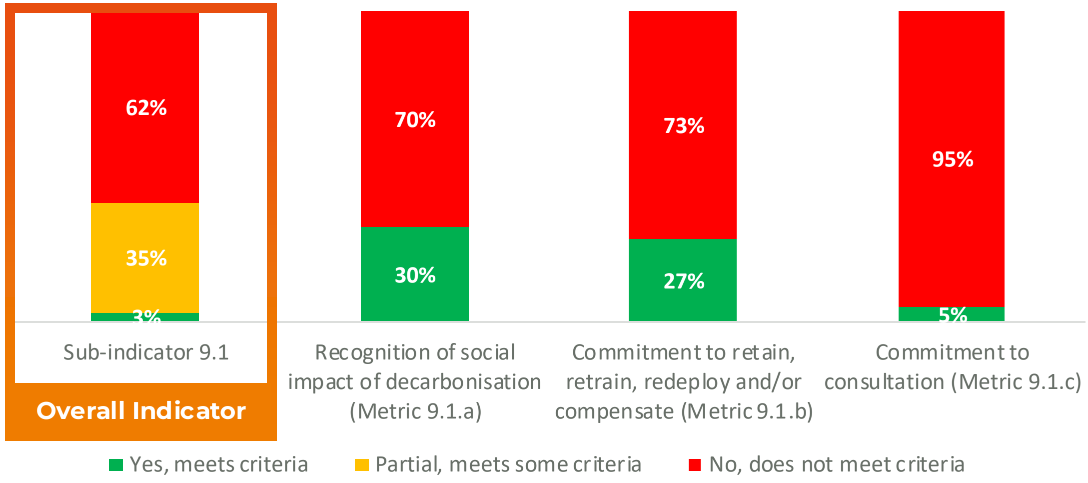
The number of companies committing to retain, retrain, redeploy, and/or compensate workers affected by their decarbonisation actions (Metric 9.1.b) has also increased by 6 percentage points.*

Further progress is needed on Just Transition planning as currently only 12% of companies have published a Just Transition plan with focus on both workers and employees (Metric 9.2.a).

*Comparisons between 2023 and 2024 assessments exclude companies added to the Disclosure Framework in 2024, so considers a sample of 150 companies.

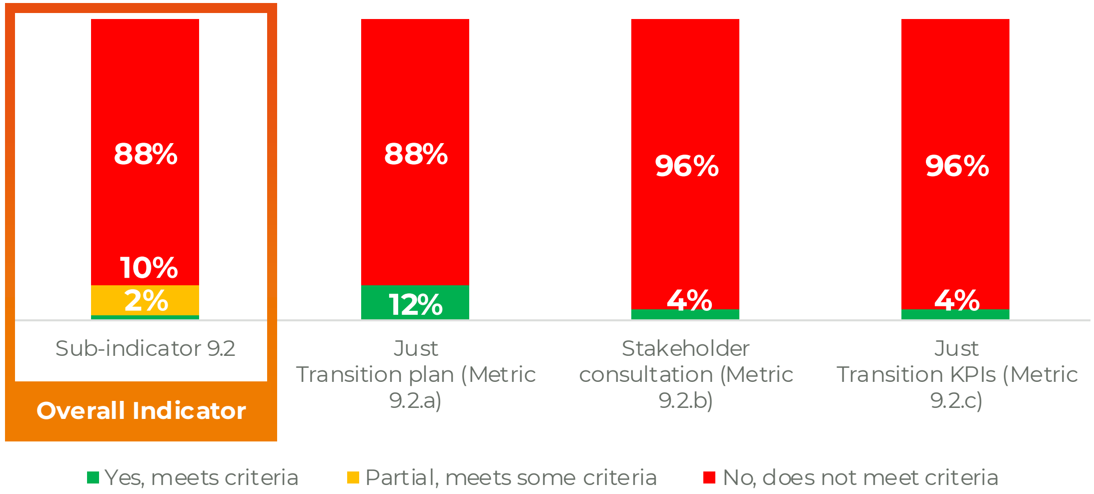
Sub-indicator 9.1 Breakdown:

Commitment to the Principles of a Just Transition



Sub-indicator 9.2 Breakdown:

Development of a Just Transition plan



Disclosure Indicator 10:

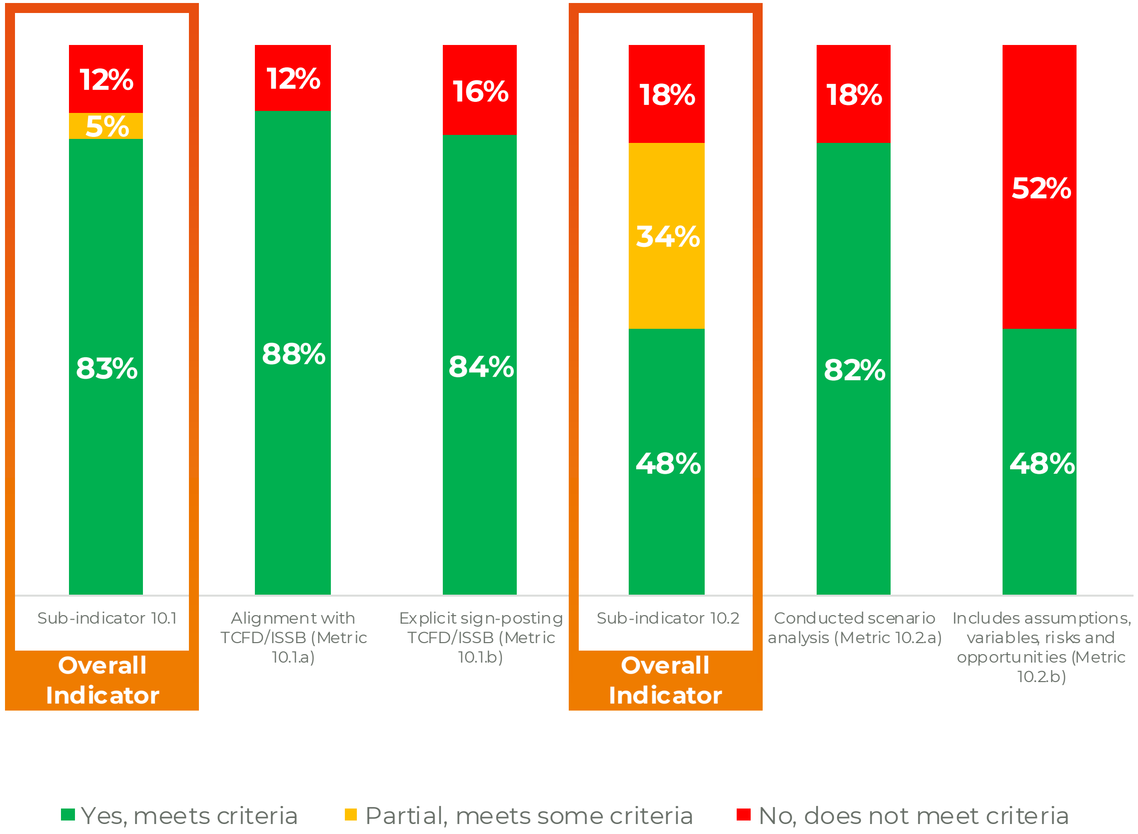
Climate-Related Disclosure

88% of companies are publicly committed to implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) or International Sustainability Standards Board (ISSB) Standards (Metric 10.1.a).** **82% conducted a climate-related scenario analysis including quantitative elements and disclosed its results** (Metric 10.2.a). High achievement across these metrics indicate that companies are recognising the potential opportunities, but also material risk, that climate change presents to the future viability of their business.

The incorporation of TCFD reporting is a regulatory requirement in some jurisdictions which could explain a lot of this improvement. In Australasia, Europe and South America for example, the proportion of companies publicly committing to TCFD and ISSB recommendations (Metric 10.1.a) was 93%, 98%, and 100%, respectively**. This level of achievement is lower in other regions where these standards are not incorporated into regulatory requirements.

Indicator 10 Breakdown:

TCFD and ISSB Commitment



***TCFD has now completed its remit and ISSB Standards are considered the new best practice reporting guidelines.** As a result of this development, companies are no longer listed on the TCFD website as supporters, which was one of the previous criteria for scoring on Metric 10.1.a and may have led to some companies no longer scoring against this Sub-indicator 10.1. The title of this Indicator has also changed in 2024 (from TCFD Disclosure to Climate-Related Disclosures).
**The sample sizes for these assessments were: 14 Australasia, 6 South America and 49 Europe.

Disclosure Indicator 10:

Climate-Related Disclosure

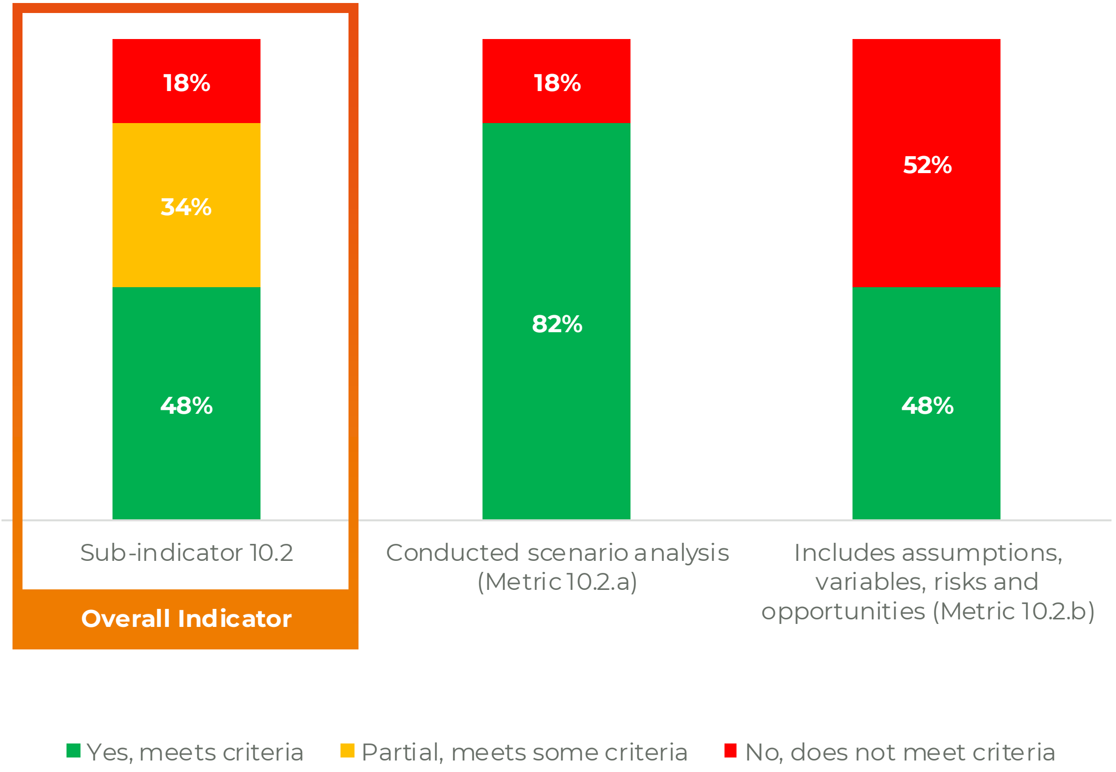
The proportion of overall achievement against Indicator 10 has **increased by 11 percentage points*** in 2024 since the previous iteration.

This improvement was largely driven by:

- Increases in the number of companies **demonstrating the climate-related scenario analysis they had conducted** (Metric 10.2.a) which improved by 6 percentage points.*
- Increases in the number of companies companies **disclosing the assumptions and variables used, and the key risks and opportunities identified in the 1.5°C scenario analyses conducted across their entire businesses** (Metric 10.2.b), which improved by 11 percentage points.*

Sub-indicator 10.2 Breakdown:

Climate Scenario Analysis



*Comparisons between 2023 and 2024 assessments exclude companies added to the Disclosure Framework in 2024, so considers a sample of 150 companies.
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Disclosure Indicator 11:

Historical GHG Emissions Reductions

The proportion of companies satisfying all the criteria on Indicator 11 has increased. 10% of focus companies now meet all the Metrics on Indicator 11, and since last year there has been an 8 percentage point increase.

More and more companies are reducing their emissions intensity, however the rate of reduction is insufficient to avoid climate risk. 67% of companies assessed on this topic have reduced their emissions intensity over the past three years (Metric 11.1.b). However, only 27% of those assessed are reducing their emissions intensity in line with a 1.5°C scenario. The graph on the bottom right shows these percentages in absolute numbers.

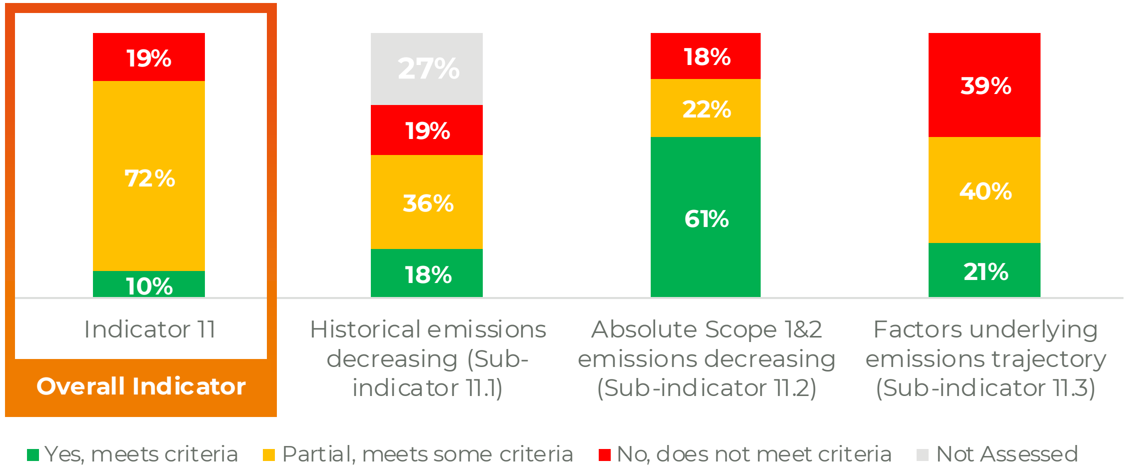
The Oil and Gas sector is noticeably performing worse on this assessment than others. Only 1 out of the 37 Oil and Gas companies assessed (3%) is reducing emissions intensity in line with a 1.5°C scenario.

*Comparisons between 2023 and 2024 assessments exclude companies added to the Disclosure Framework in 2024, so considers a sample of 150 companies.

Sub-indicator 11.2 assessing whether the company's absolute emissions are decreasing is still in Beta form for 2024, meaning it will not be assessed publicly.

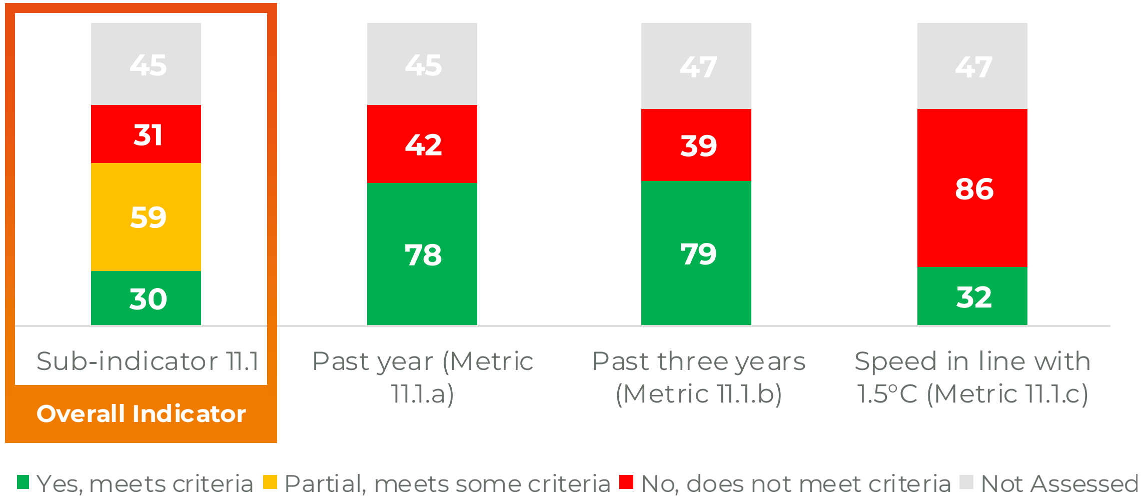
Indicator 11 Breakdown:

Historical Emissions Performance



Sub-indicator 11.1 Breakdown in absolute numbers:

Past Emissions Intensity Reductions



Disclosure Indicator 11:

Historical GHG Emissions Reductions

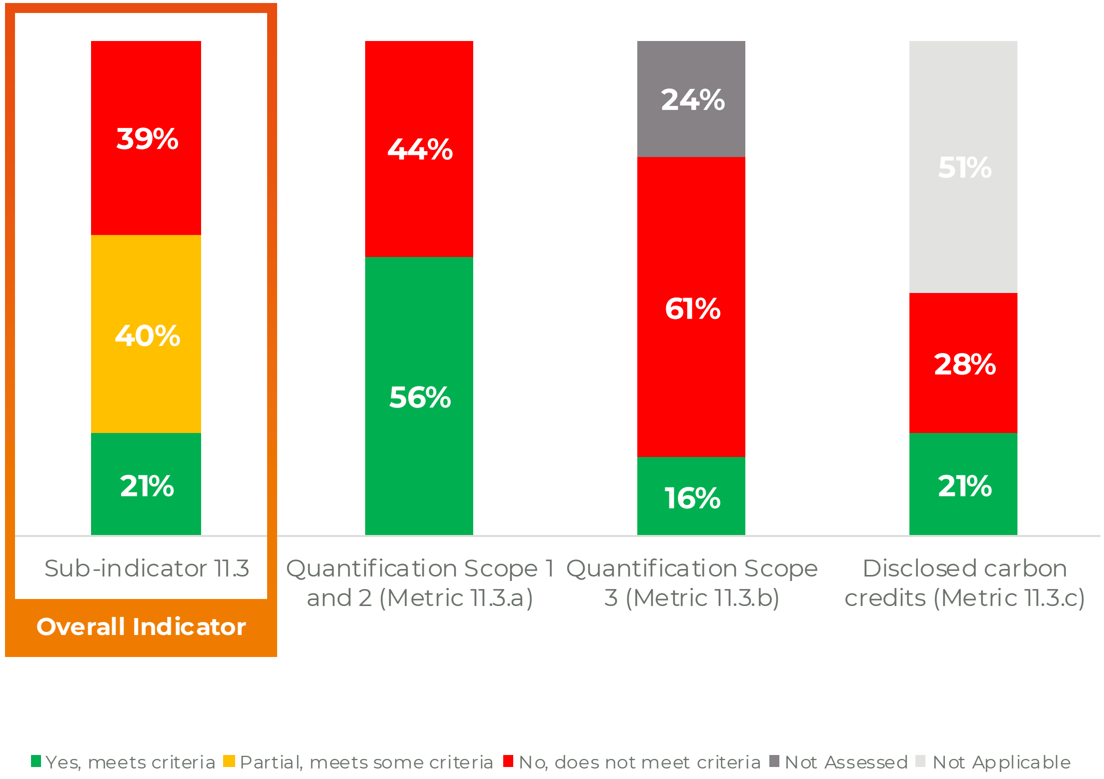
More companies are providing explanations as to why their emissions have changed. 21% of companies satisfy all the criteria on Sub-indicator 11.3. There has been an improvement of 18 percentage points from 2023.*

There has been a dramatic improvement in how companies report on their use of offsets. 72% of companies now either disclose the quantity, type, vintage, and verification of offsets they have retired in the past year, or disclose that they have not retired any offsets in the past year (Metric 11.3.c). This Metric has seen an increase of 62 percentage points from last year.*

The reason for this significant increase is that CDP now requests the same information as required by the CA100+ Disclosure Framework. CDP responses were by far the most common source for this Metric.

Sub-indicator 11.3 Breakdown:

Key Drivers of Emissions Reductions



*Comparisons between 2023 and 2024 assessments exclude companies added to the Disclosure Framework in 2024, so considers a sample of 150 companies.

Alignment Assessments

Summary of 2024 results

Carbon Tracker Initiative and RMI
Capital Allocation and Transition Plan Alignment

The Disclosure Framework results for Indicators 5 (Transition Plan), and 6 (Capital Allocation Alignment), indicate that companies' public commitments are improving incrementally, but what can we say about their real-economy actions?

Carbon Tracker Initiative (CTI) and the Rocky Mountain Institute (RMI) assess electric utilities, oil and gas, and automotive companies for the alignment of actions relating to their transition planning and capital allocation, with the goals of the Paris Agreement. These assessments help investors to understand if a company is engaging in real-economy activities that promote remaining within various Paris Aligned Pathways.

This year's results show the following key points:

- The **electric utilities** sector is key to the global ambition to decarbonise the world economy by 2050, however their capital allocation alignment has not improved since the last iteration.
- The alignment of **oil and gas** companies' capital expenditure and broader transition strategies has regressed since the 2023 assessments, increasing their exposure to financial risks in a 1.5°C-aligned future.
- Again in 2024, none of the 12 focus companies in the **automotive** sector were aligned with the Net Zero Emissions by 2050 Scenario (1.5°C).

Capital Allocation and Transition Plan Alignment Assessments

Oil & Gas

Oil and Gas

Capital Allocation Alignment assessed by CTI

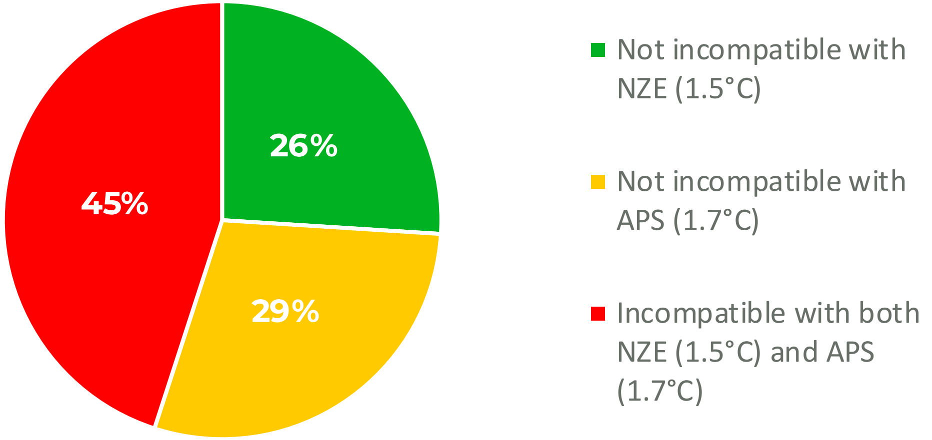
CTI evaluate the Paris Agreement alignment of Capital Expenditure (Capex) plans of 31 focus companies with upstream oil and gas operations.

Indicator 1 results show that **companies have increased their investment in recent high-cost projects** which are incompatible with both the IEA's Net Zero Emissions by 2050 Scenario (NZE) and Announced Pledges Scenario (APS) (1.5 – 1.7°C). Such investments run the risk of not delivering expected returns.

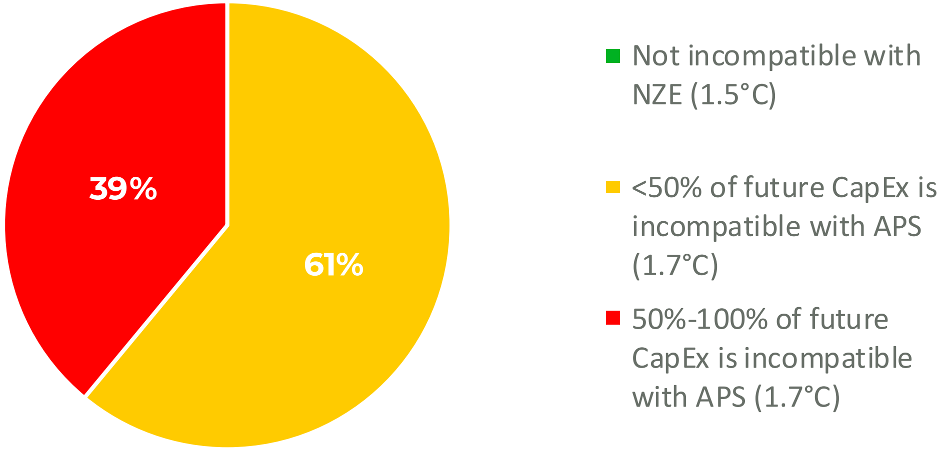
The recent investment strategy of eight companies (26%) is not deemed incompatible with NZE, but this is because no recent project approvals have been identified.

For Indicator 2, **most companies' prospective investments in new projects would likely allocate capital outside the NZE and APS pathways,** thereby posing a significant risk of asset stranding should they move forward with these projects

CTI Capital Allocation Alignment Indicator 1:
Recent Investments



CTI Capital Allocation Alignment Indicator 2:
Future Investments



Oil and Gas

Transition Plan Alignment assessed by CTI

CTI also evaluate the Paris Agreement alignment of oil and gas companies' transition plans. **Company performance on these evaluations have declined since 2023.**

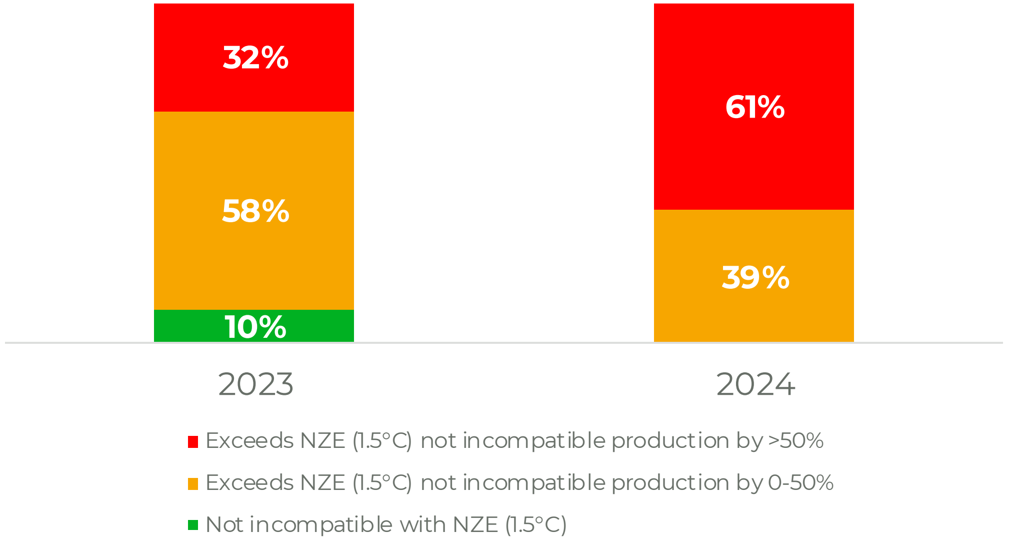
Indicator 3 compares companies' future upstream oil and gas production plans to a hypothetical scenario where only new oil and gas projects which are not incompatible with the IEA's Net Zero Emissions by 2050 Scenario (NZE) are developed. This years' assessments show that companies plans are largely incompatible with this (61% exceeding compatible production by >50%), meaning their **future production plans present a high risk for asset stranding.**

Indicator 4 shows that **87% of companies are either not disclosing or not planning to use oil price forecasts for impairment testing that align with Paris Agreement scenarios.**

Discover more about energy transition risk, and oil and gas corporate response planning through Carbon Tracker Initiative's company profiles and recent reports, or reach out to the relevant CTI team at oilandgas@carbontracker.org

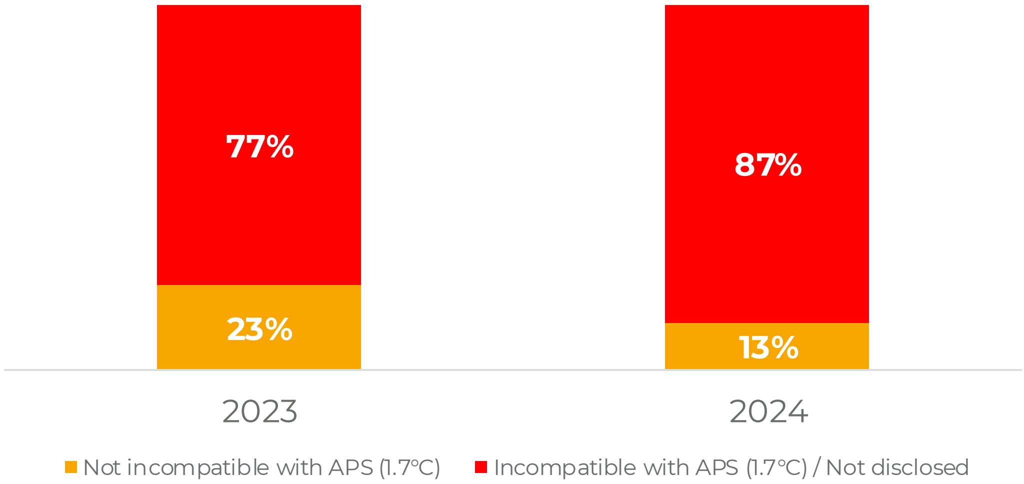
CTI Transition Plan Alignment Indicator 3:

Future Production Sensitivity

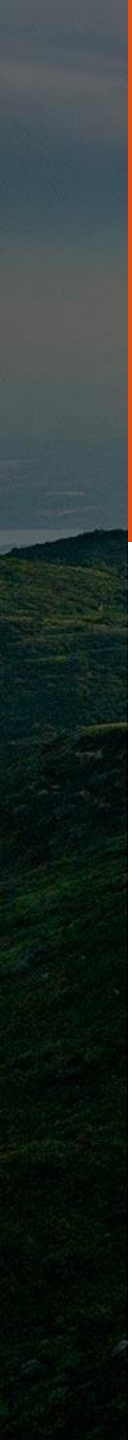


CTI Transition Plan Indicator 4:

Commodity (oil) price forecast



Capital Allocation Alignment Assessments
Electric Utilities



Electric Utilities

Capital Allocation Alignment assessed by CTI and RMI

The electricity sector is **key to the global ambition to decarbonise the world economy by 2050.**

RMI and Carbon Tracker Initiative (CTI) both present complementary forward-looking assessments of electric utilities companies' capital allocation alignment with the goals of the Paris Agreement.

RMI's metrics are based on a 5-year time-frame and consider companies' power capacity alignment across a range of applicable technologies. CTI's assessments are based on a longer timeframe and use a methodology to assess companies compared to a complete phase-out of coal and gas assets.

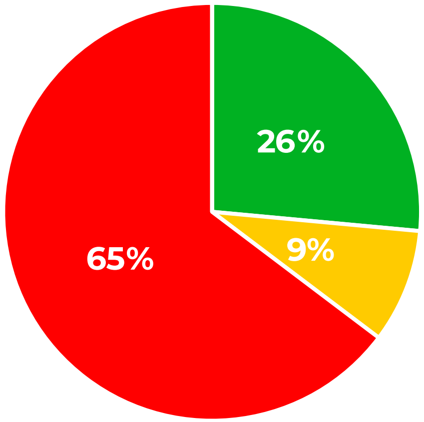
This year, CTI's assessments show that just over a quarter (26%) of companies are aligning their coal capacity with their interpretation of 1.5°C alignment and only 6% of companies do the same for their unabated gas capacity. RMI's assessments show that on aggregate across all assessed technologies, all the companies' capacity plans are misaligned with a 1.5°C Pathway.

Taken together with the results of Disclosure Framework, these assessments indicate that companies are not taking the steps now that are needed to ensure their future success under various future climate change scenarios.

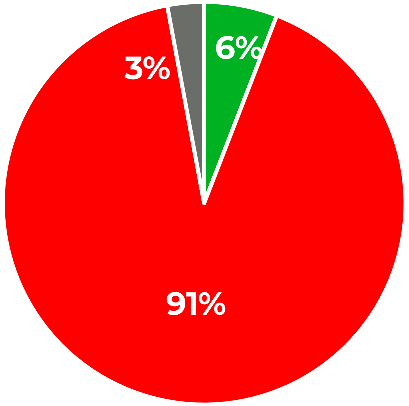
*At present, CTI scales down IEA scenarios to regional grid level and therefore does not take local grid constraint issues into consideration.

CTI Electric Utilities Capacity Alignment Assessments:

3. Coal Capacity Alignment With a 1.5°C Pathway



4. Gas Capacity Alignment With a 1.5°C Pathway

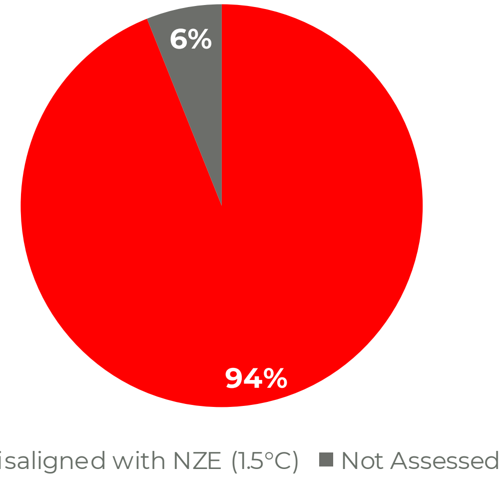


RMI Electric Utilities Assessment Aggregate:

Capacity Alignment with 1.5°C

100%

Of assessed companies misaligned with NZE on aggregate

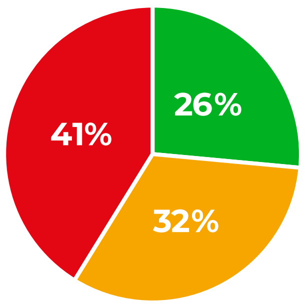


Carbon Tracker Initiative

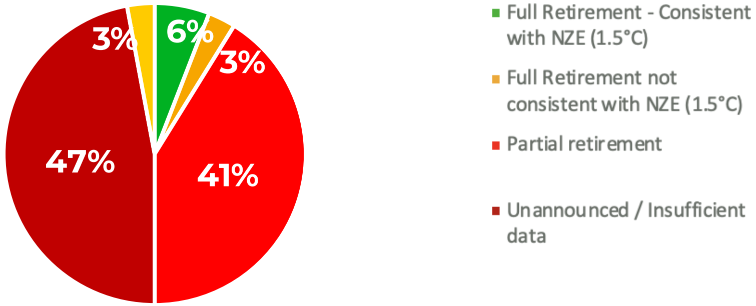
Capital Allocation Alignment Assessments for Utilities

CTI's Indicators 1 - 4 for utilities companies analyse their announced retirement schedules for their legacy coal and natural gas-fired power generation capacity and new planned carbon-emitting assets relative to a range of climate change scenarios.

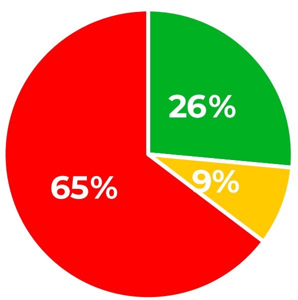
1. Unabated Coal Phase-out Alignment With a 1.5°C Pathway



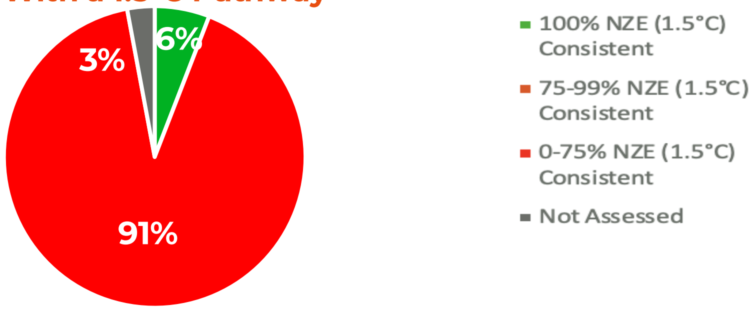
2. Unabated Gas Phase-out Alignment With a 1.5°C Pathway



3. Coal Capacity Alignment With a 1.5°C Pathway



4. Gas Capacity Alignment With a 1.5°C Pathway



CTI's assessments are analysed using modelling based on asset-level global coal generation data as of July 2024 and natural gas data as of February 2024. Public disclosure and asset ownership information is assessed as of 31st June 2024.

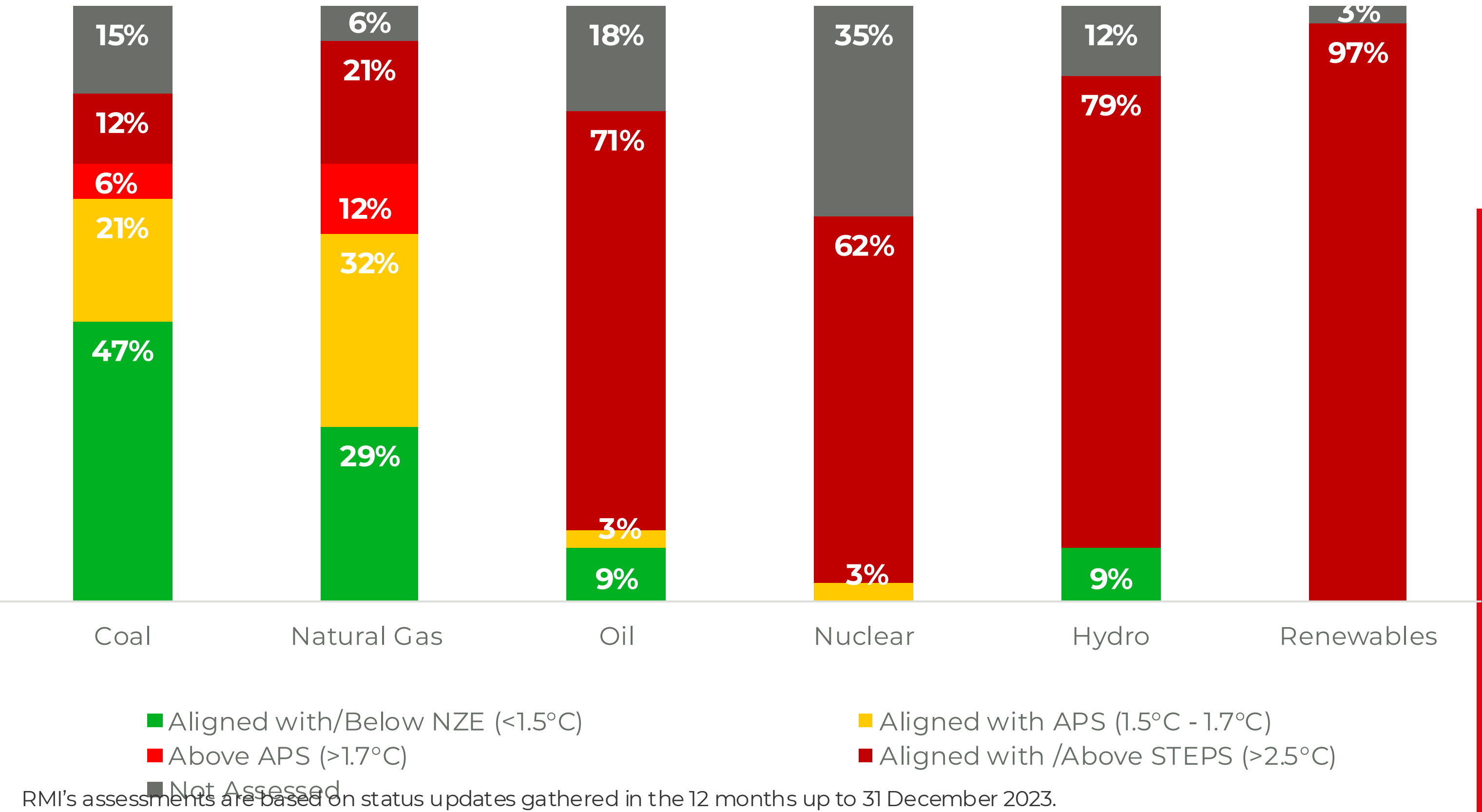
Key findings:

- Marginal improvements since 2023 are limited to the coal benchmarks, **where 2 North American and 1 European Utilities have strengthened their plans for unabated coal phaseouts.** No improvements were seen for gas capacity.
- Most utilities **companies do not have retirement plans for fossil fuel capacity that are sufficiently ambitious to comply with IEA pathways (NZE 1.5°C)** and cumulative power sector CO_2 emissions continue to rise.
- You can discover more useful insights and explore these topics in greater detail through CTI's company profiles.

RMI (Rocky Mountain Institute)

Capital Allocation Alignment Assessments for Utilities: 1.5°C Alignment

RMI's Indicator 1 for utilities considers whether companies' physical assets and forward-looking capacity plans align with a 1.5°C pathway (the IEA's NZE).



RMI's assessments are based on status updates gathered in the 12 months up to 31 December 2023.

Key findings:

- There **are two less companies** aligned with Net Zero Emissions by 2050 Scenario (1.5°C) which relates to the phaseout plans for **coal** power and 1 less aligned with Announced Pledges Scenario (APS) compared to last year.
- 29% of the analysed companies plan decreases in **gas power** that are aligned with the Net Zero Emissions by 2050 Scenario (1.5°C), which is **up from 9%** in the last assessment.
- Companies are not **planning to buildout their renewables capacity sufficiently;** the majority of companies still fall into the misaligned with Stated Policies Scenario (STEPS) (>2.5°C) categeory.

Capital Allocation Alignment Assessments
Automotives

Autos

Capital Allocation Alignment assessed by RMI

RMI assess 12 focus companies in the automotive sector for their alignment with the IEA's Net Zero Emissions by 2050 Scenario (NZE) at an aggregate and technology level. This is a forward-looking assessment based on a 5-year time-frame. To achieve against this Indicator, companies need to be transitioning the bulk of their production toward hybrid and electric vehicles and phasing down internal combustion engine production.

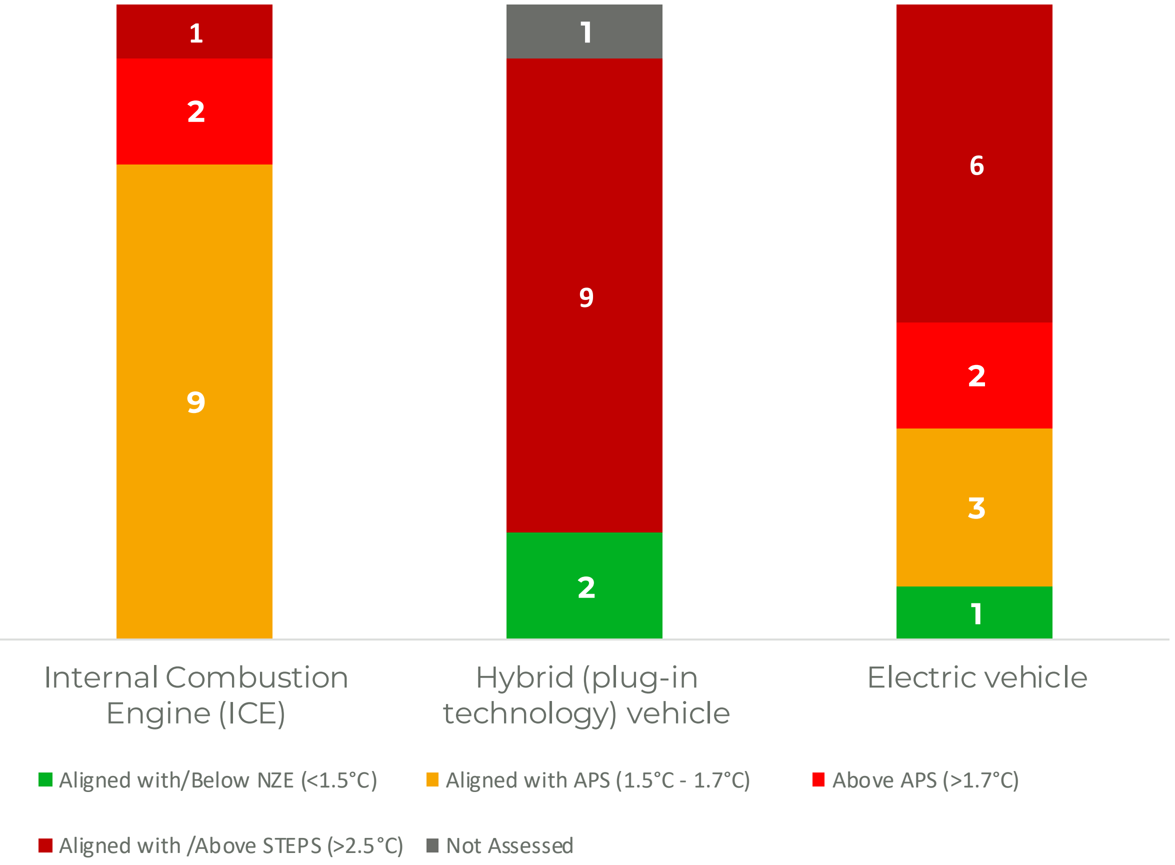
For Internal Combustion Engine vehicle manufacturing, there is no major change. The majority of focus companies (75%) are planning to make a reduction in production that is aligned with Announced Pledges Scenario (APS) (1.5 – 1.7°C) by 2028, which still puts them on a pathway that is compatible with the Paris Agreement.

For both hybrid and electric vehicles there are a significant number of focus companies that are above APS (1.7°C) or Stated Policies Scenario (STEPS) (>2.5°C), which means they are not planning to increase their production sufficiently in the next 5 years. This is particularly the case for hybrid (9 companies) although electric vehicles require the greatest increase in capacity according to both the APS and NZE scenarios.

0%

Companies aligned with NZE (down from 2 in 2023) on aggregate

None of the 12 focus companies that were assessed are aligned with the NZE scenario. This is **down from two companies** that were aligned with the NZE scenario in 2023.



RMI's assessments are based on status updates gathered in the 12 months up to 31 December 2023.

Climate Policy Engagement Alignment
All sectors

InfluenceMap **Climate Policy Engagement Alignment**

InfluenceMap provides detailed analyses of the alignment of company climate policy engagement actions (direct and indirect via their industry associations) with the goals of the Paris Agreement, as well as the quality, accuracy and completeness of corporate disclosures on climate policy engagement.

These assessments complement Indicator 7 of the Disclosure Framework.

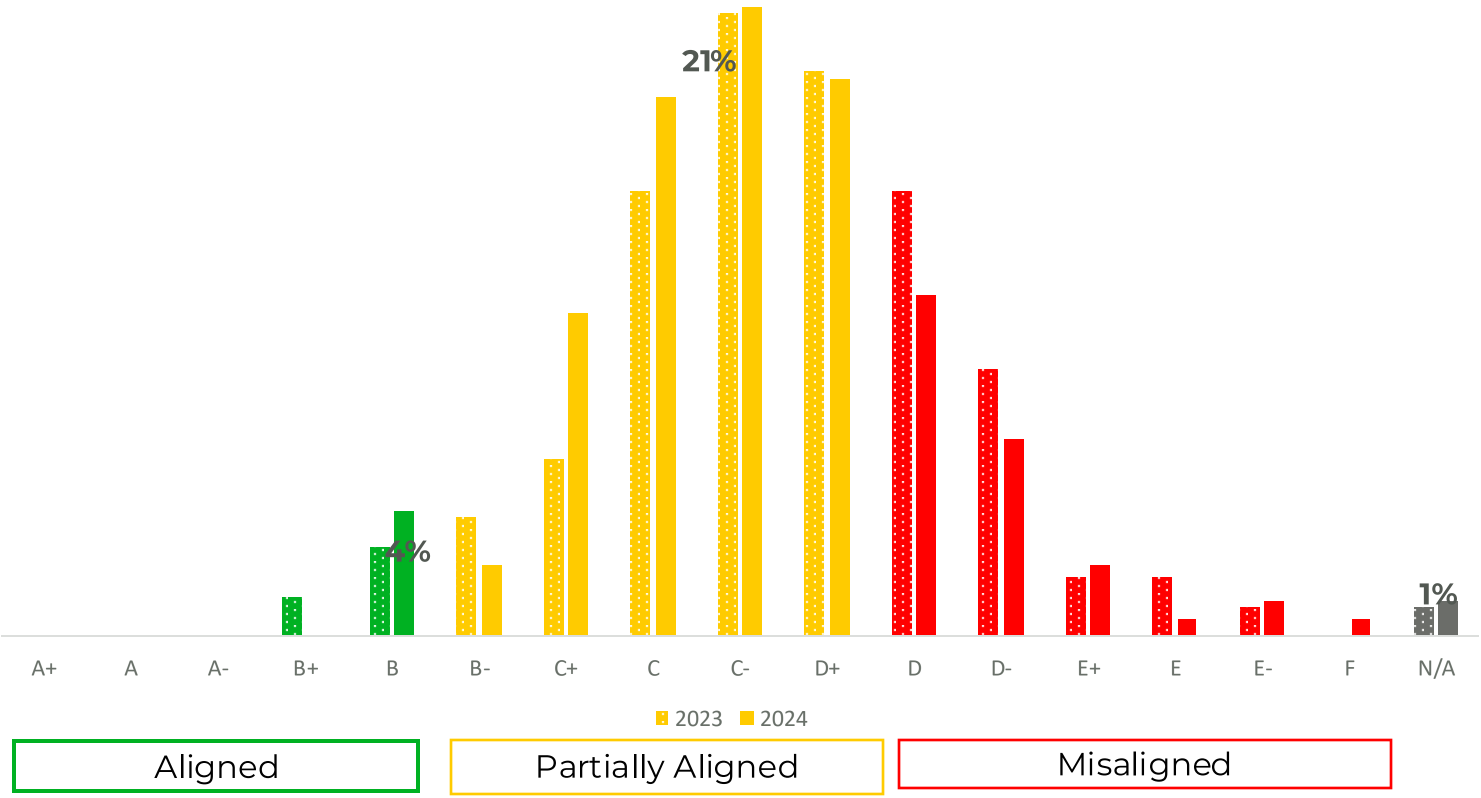
Results show that:

- The **majority of companies remain partially aligned in their real-world policy engagement** indicating that they may still be engaging in some obstructive lobbying, or refraining from supporting Paris-aligned climate policy. We have seen a **decline in misalignment** against the assessments for real-world policy engagement since 2023.
- Overall, companies can further improve the accuracy of their **account of direct and indirect climate policy engagement activities** for future iterations. While assessments against this indicator are low overall, companies disclose more accurate accounts of their direct climate policy engagement activities as compared to their indirect (via industry associations) climate lobbying.
- 2024 has seen marginal increase in companies producing and improving the quality of their review process. The majority of companies (58%) can improve their assessments for 2025 by simply **publishing a review of their corporate climate policy engagements.**

InfluenceMap Indicator 1:

Real-World Climate Policy Engagement

InfluenceMap's Indicator 1 provides a comprehensive assessment of a **company's real world climate policy engagement**, accounting for both its own engagement and that of its industry associations.



*Note that there have been several changes to the list of assessed companies since the first iteration of the Benchmark. Assessments here compare the overall % of focus companies assessed for each iteration. In 2023 150 companies were assessed and in 2024 165.

Companies received an overall performance band assessment on a scale from **A+ to F** on this Indicator, mapping to the traffic light system.

Key findings:

- This year has seen an **overall decline in misalignment** of company's climate policy engagement since 2023.
- 7 (4%) of companies have achieved alignment on this assessment, however the majority remain partially aligned.
- 38 (23%) of companies are misaligned.

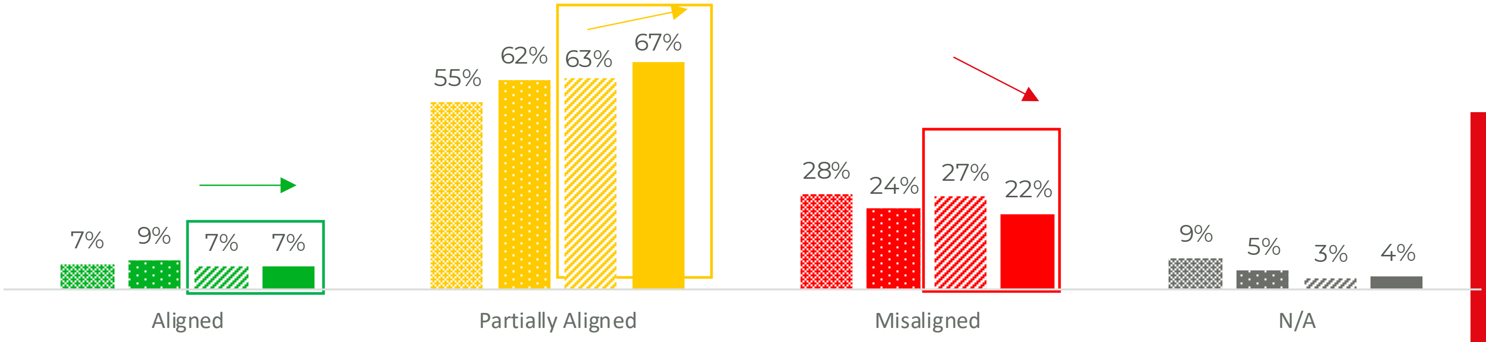
Year-on-year trends

Real-world Climate Policy Engagement Alignment

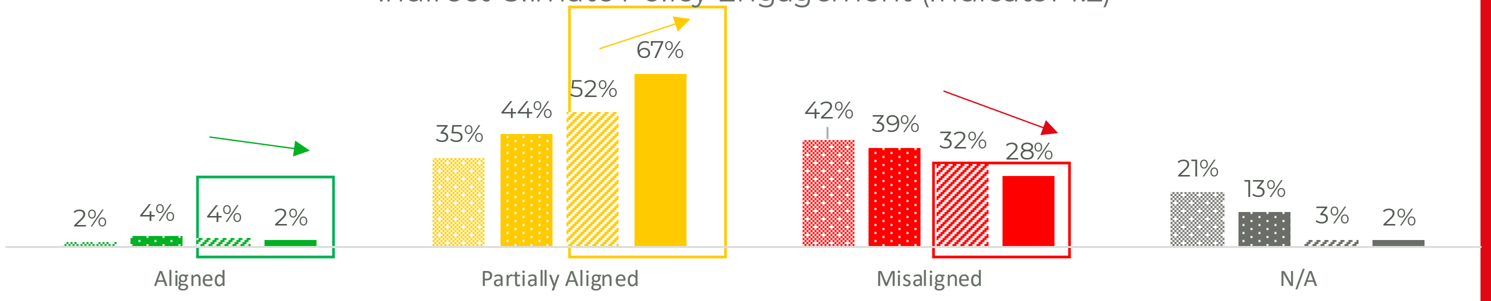
Focus companies' direct climate policy engagement on Paris Agreement goals (Metric 1.1 Organisation Score) and indirect – via industry associations – climate policy engagement activities (Metric 1.2 Relationship Score) have been assessed by InfluenceMap since March 2022:

Key:
- March 2022
- October 2022
- October 2023
- October 2024

Direct Climate Policy Engagement (Indicator 1.1)



Indirect Climate Policy Engagement (Indicator 1.2)



*Note that there have been several changes to the list of assessed companies since the first iteration of the Benchmark. Assessments here show the overall % of focus companies assessed for each iteration.

Key findings:

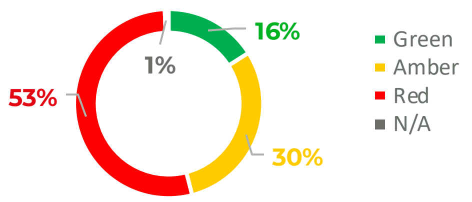
- Between 2023 and 2024, there was a 5% **reduction in the percentage of companies misaligned in terms of their direct policy engagement.**
- **Partially-aligned relationship assessments have increased** from 52% to 67% and **misaligned relationship scores have also decreased** from 2023 to 2024 from 32% to 28%.

InfluenceMap Indicator 2:

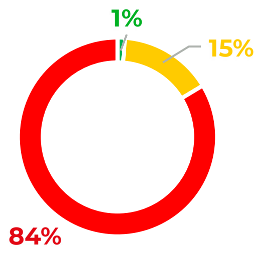
Accuracy of Climate Policy Engagement Disclosure

Indicator 2 evaluates whether a company has published an accurate account of its direct and indirect climate policy engagement activities, as compared with InfluenceMap's database. This is an important indicator of each company's understanding and transparency surrounding their climate policy engagement.

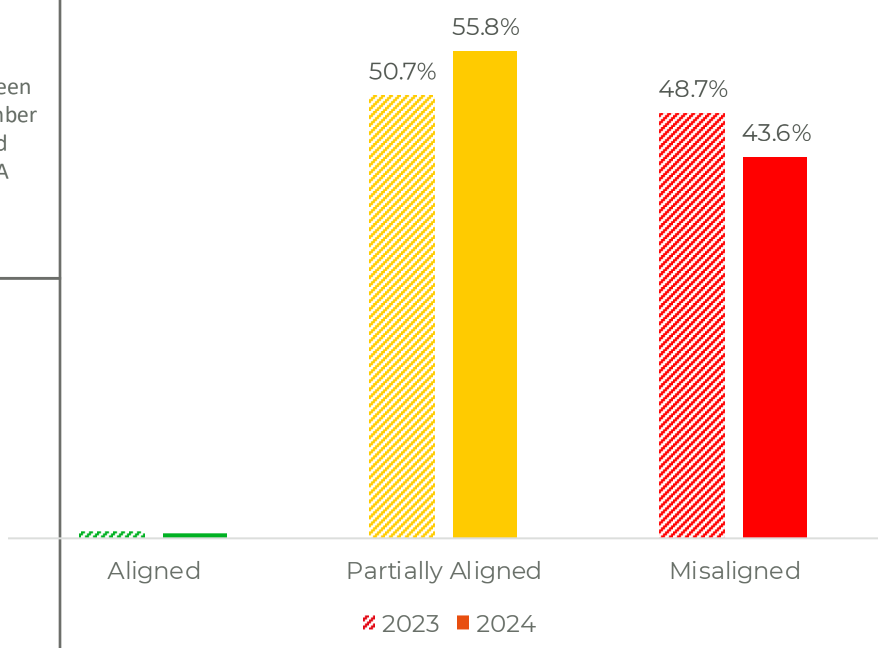
2.1: Accuracy of **direct** climate policy engagement disclosure



2.2: Accuracy of **indirect** climate policy engagement disclosure



Indicator 2: Progress 2023 to 2024



*Note that there have been several changes to the list of assessed companies since the first iteration of the Benchmark. Assessments here compare the overall % of focus companies assessed for each iteration. In 2023 150 companies were assessed and in 2024 165.

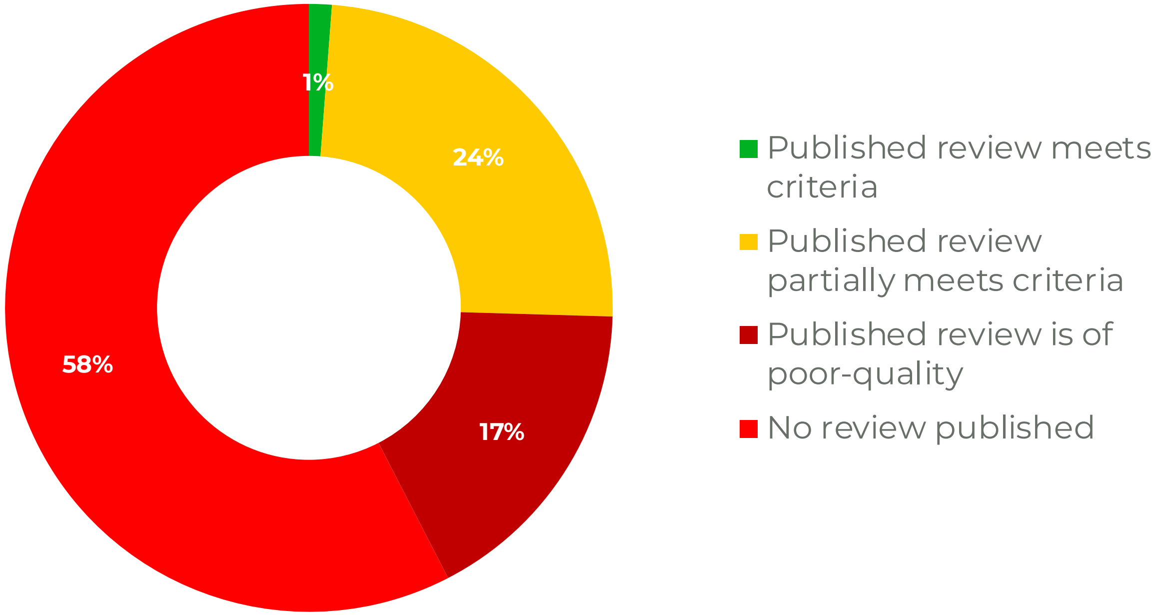
Key findings:

- While assessments against this indicator are low overall, companies disclose more accurate accounts of their direct climate policy engagement activities as compared to their indirect (via industry associations) climate lobbying.
- The percentage of misaligned, (red) disclosure scores scores declined in 2024 compared to 2023 from 49% to 44%. In turn, the percentage of partially aligned, amber disclosures increased from 51% to 56%.

InfluenceMap Indicator 3:

Corporate Climate Policy Engagement Review

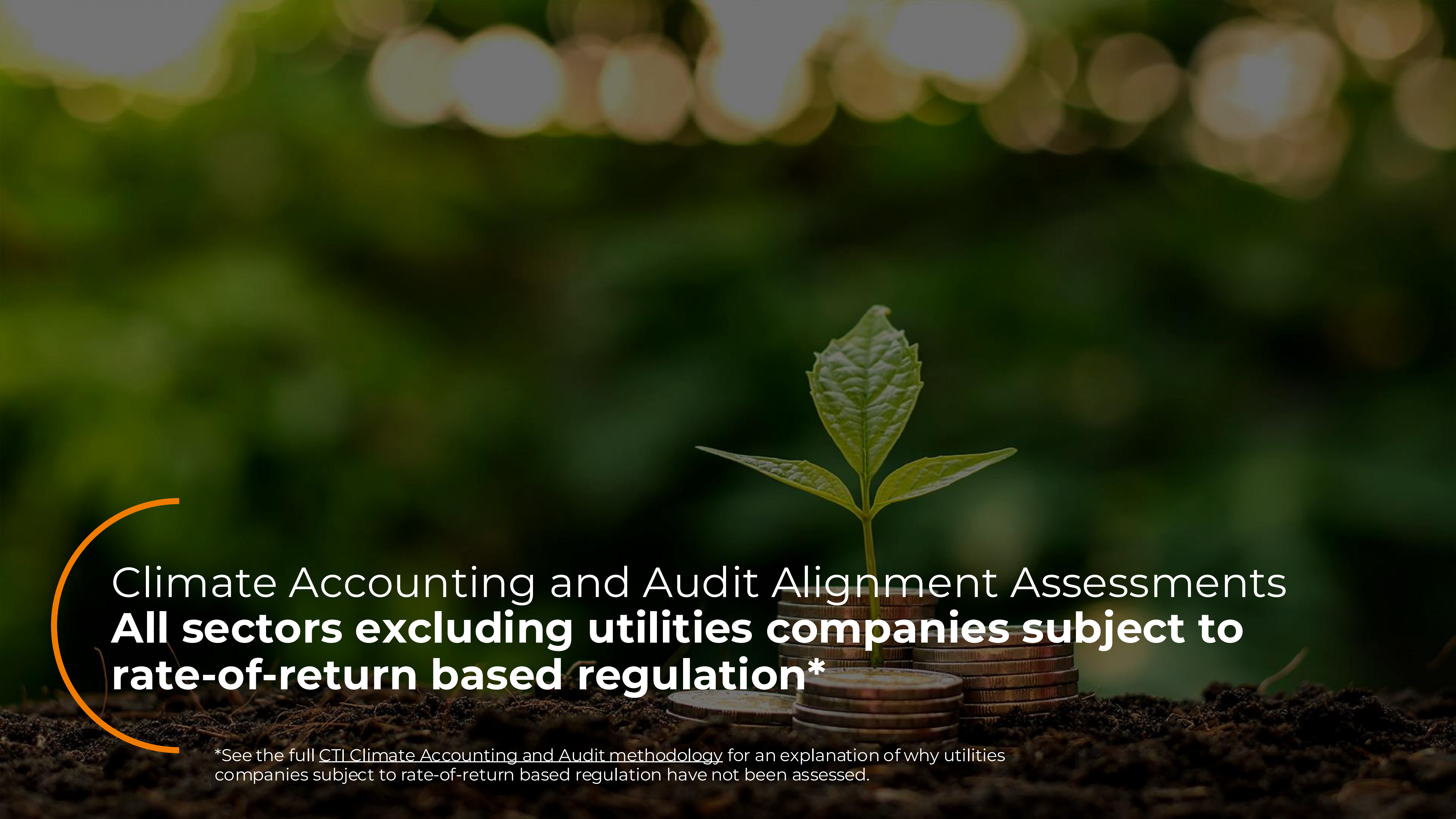
InfluenceMap's Indicator 3 assesses whether a company has robust, high-quality review processes to identify, report on and address specific cases of misalignment between its climate policy engagement activities and the Paris Agreement. This is a key expectation of the Global Standard on Responsible Climate Lobbying, and a first step for companies to take to ensure their activities support the policies needed for the global transition to net zero.



*Percentages here have been taken from the 165 companies assessed against this Indicator in 2024.

Key findings:

- 2024 has seen marginal increase in companies producing and improving the quality of their review process.
- Two companies based in Europe achieved alignment on this assessment this year, where no companies achieved this in the last assessment (2023).
- The majority of companies (58%) can improve their assessments for 2025 by simply publishing a review of their corporate climate policy engagements against the 1.5°C goal of the Paris Agreement.



Climate Accounting and Audit Alignment Assessments
All sectors excluding utilities companies subject to rate-of-return based regulation*

*See the full CTI Climate Accounting and Audit methodology for an explanation of why utilities companies subject to rate-of-return based regulation have not been assessed.

Carbon Tracker Initiative
Climate Accounting and Audit

In 2023, the Climate Accounting and Audit Assessment featured an updated scoring system, with companies receiving a traffic light rather than a binary yes/no score at Metric level. This is the second year of assessments under this same scoring system.

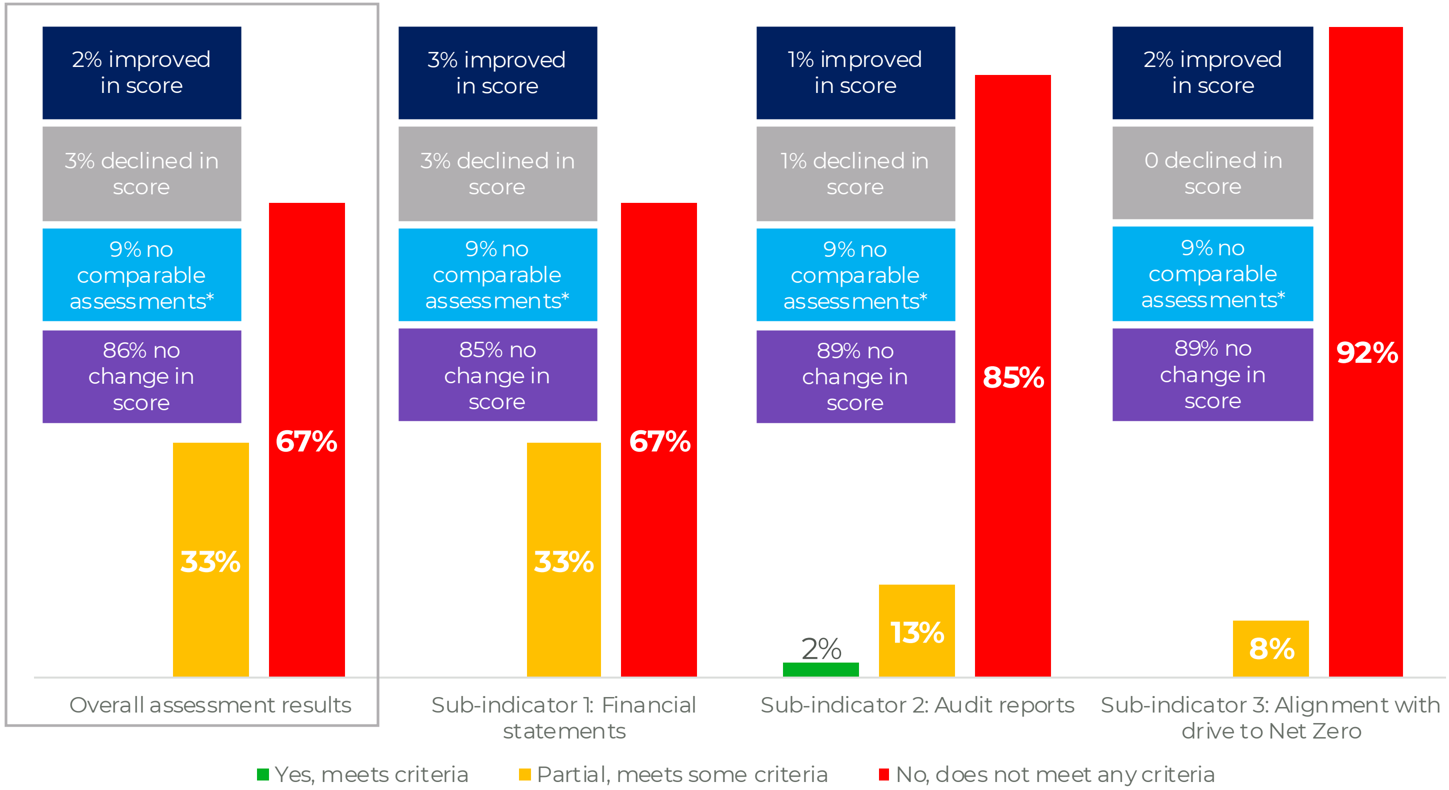
Key 2024 assessment findings:

- **2% of focus companies assessed have shown improvements in their overall Climate Accounting and Audit Assessment scores.**
- **Auditors should provide more evidence about consideration of material climate-related matters in their reports:** 85% of auditors do not currently indicate or provide sufficient evidence that they have incorporated material climate-related risks into their audits of such companies.
- **Faster progress is needed on the alignment of financial statements with the Paris Agreement:** There continues to be little progress in the integration of Paris-aligned assumptions into accounts, or the provision of relevant sensitivities. A significant majority of companies and their auditors (92%) still fail to provide, and assess, respectively, Paris-aligned sensitivities. Only 2% of companies and/or auditors improved their scores in this area.

* Of 138 companies assessed as of October 2024, 124 were also assessed for the October 2023 benchmark. Additionally, some percentages may differ due to rounding.

Climate Accounting and Audit: October 2024*

Assessed by Carbon Tracker Initiative



Note: 126 companies were assessed for the October 2023 Climate Accounting and Audit Assessments versus 138 for October 2024. Of these, 124 were the same companies in both years. Percentages in the above graph may differ due to rounding.
9% of companies were assessed for October 2024 but not October 2023, these companies cannot be compared to any previous assessments and are represented in the blue boxes above.

Discover more useful insights through CTI's company profiles.

Key findings:

- **Sub-indicator 1 – Financial Statements:** 3% of companies showed improvements in financial statement disclosure scores (Danone, Bayer, Vale and ENEOS).
- **Sub-indicator 2 – Audit Reports:** EY (for Shell) was the only auditor that improved its overall audit score in October 2024 vs 2023. Separately, Deloitte's audit report for CRH declined in score.
- **Sub-indicator 3 – 'Paris alignment':** 2% of companies improved their overall Paris alignment scores (Petrobras and SSE)

RMI
Emissions intensity metrics

The Disclosure Framework results for Indicator 11 (Historical Emissions Reduction), indicates that companies' historical emissions are decreasing, **but what can be said about their future emissions?**

RMI assesses the distance between steel, cement and aviation companies' future emissions intensity (focused on the next five years) with the goals of the Paris Agreement.

This year's results show the following key points:

- **Steel** companies have made progress toward aligning their emissions intensity in the next five years to achieve the IEA Net Zero Emissions by 2050 Scenario (NZE) target for the sector.
- All **cement** companies still need to make significant progress in the next five years aligning their emissions intensity to achieve the NZE target for the sector.
- **Airline** companies have performed better in 2024, but expectations have been lowered in the scenarios assessed this year.

Emissions Intensity Alignment Assessments
Airline, Cement & Steel

RMI

Emissions intensity Alignment assessments for steel, cement and airline companies

RMI evaluate the distance between airline, cement and steel focus companies' emissions intensity and the IEA 2030 scenario targets for a Paris Agreement-aligned trajectory. In 2024 we have found that:

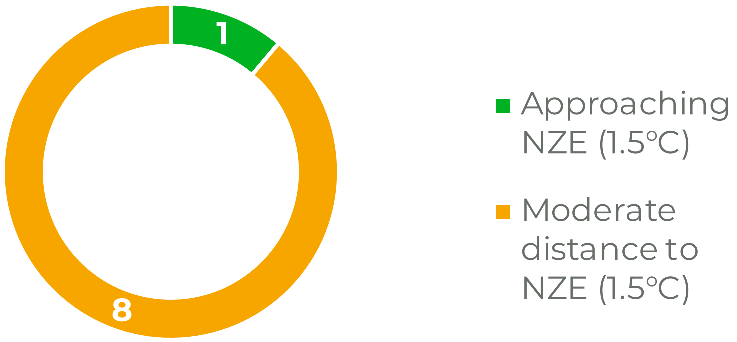
Steel companies have made progress toward aligning their emissions intensity in the next five years to achieve the IEA NZE target for the sector, with one company approaching the IEA Net Zero Emissions by 2050 Scenario (NZE) and the other 8 companies a moderate distance from NZE.

All cement companies still need to make significant progress in the next five years aligning their emissions intensity to achieve the IEA NZE target for the sector.

The **airline** company assessments were based on NZE for 2024 (in 2023 these were assessed against B2DS). In 2024, these **companies have performed better against the IEA NZE target,** based on for example the use of more efficient aircraft, and three companies are now at a moderate distance to NZE.

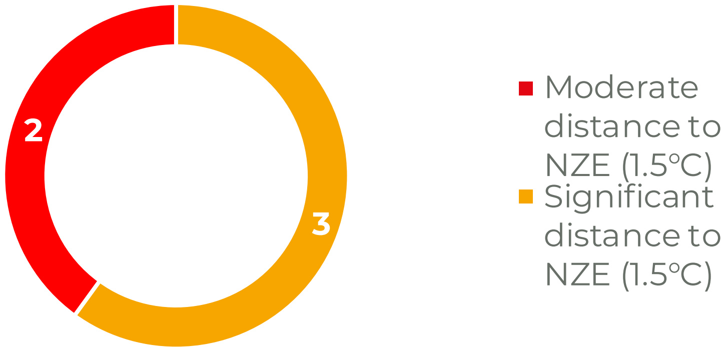
RMI's assessments are based on status updates gathered in the 12 months up to 31 December 2023.

Steel



Cement

Airlines



Annex

Net Zero Company Benchmark

Structure

For more information, download our framework overview

Disclosure Framework

1. Net Zero GHG Emissions By 2050 (Or Sooner) Ambition

2. Long-term (2036-2050) GHG Reduction Target(s)

3. Medium-term (2028-2035) GHG Reduction Target(s)

4. Short-term (up to 2027) GHG Reduction Target(s)

5. Decarbonisation Strategy

6. Capital Allocation

7. Climate Policy Engagement

8. Climate Governance

9. Just Transition

10. Climate-related Disclosure

11. Historical GHG Emissions Reductions [Beta]

Assessed by:
Transition Pathway Initiative Centre (TPI Centre) &FTSE Russell, an LSEG business

Alignment Assessments

Capital Allocation Alignment (for airline, automotive, cement, steel and electric utility sectors)

Assessed by:
RMI

Capital Allocation Alignment (for electric utility & oil and gas sectors)

Assessed by:
CTI

Climate Policy Engagement Alignment

Assessed by:
InfluenceMap

Climate Accounting And Audit Assessment (covering both disclosure and alignment) Assessed by: **CTI**

Benchmark framework components

Indicators:

Specific area the company is being assessed on

Sub-indicators:

Component of an indicator that divides it into specific areas of interest

Metrics:

The unit or standard of measurement

Overview of assessed companies

In 2024, 165 out of a total of 170 Climate Action 100+ focus companies have been assessed against the Benchmark Disclosure Framework, assessed by TPI Centre and FTSE Russell, and Climate Policy Engagement Alignment Assessments, assessed by InfluenceMap.

This excludes companies that were added to the Climate Action 100+ focus list as part of the initiative's Phase 2 launch in June 2023, as well as Exelon Corporation and Constellation, which became separate entities in February 2022 and will be assessed from 2024 onwards. Russian focus companies, with whom Climate Action 100+ investor signatories paused active engagement until further notice, have also not been assessed this year.

In addition, Climate Accounting and Audit Assessments, provided by CTI, exclude utilities companies subject to rate-of-return-based regulation. Please see CTI's methodology for further information about this.

Finally, the sector-specific Capital Allocation Alignment Assessments, provided by RMI and CTI, only apply to focus companies in the airlines, cement, electric utility, upstream oil and gas, and steel sectors. Some companies have multiple business lines and may be assessed against two sector-specific alignment assessments.

The full list of companies assessed can be found here.

Breakdown by sector

Out of the total universe of 150 companies assessed in 2024:

34 are in the oil and gas sector

28 in the electric utility sector

12 are in the automotive sector

12 are in the other industrials sector

11 are in the cement sector

10 are in the diversified mining sector

9 are in the consumer goods & services sector

7 are in the steel sector

7 are in the chemicals sector

5 are in the airline sector

The assessments also covered 7 companies in the **other transportation** sector, 3 companies in the coal mining sector, 2 companies in the paper sector, 2 in the oil and gas distribution sector and 1 company in the shipping sector.

The CA100+ Benchmark Assessment cycle and key contacts

Evolution of the CA100+ Benchmark

The Benchmark builds on successive iterations and draws from consultation with investors, companies, NGOs and other relevant stakeholders. For more information, visit our website.

March 2021
First ever Benchmark Assessment v1.0

First assessments released ahead of the US and Europe Proxy Voting season. This followed an initial announcement to companies and the company review period

November 2021
Public Feedback Survey

March 2022
V1.1 Assessments

Incorporation of the Climate Accounting and Audit [Provisional*] (CTI), CapEx assessments (RMI and CTI) and Just Transition [Beta*] (TPI) Indicators.
For details and other updates see here

October 2022
Interim Benchmark assessments v1.2

Following the same methodologies as v1.1

Oct – Nov 2022
Public Consultation

Collecting feedback on the V1.1 and v1.2 methodologies and assessments

October 2023
V2.0 Assessments

Benchmark framework updated to address feedback provided through the public consultation

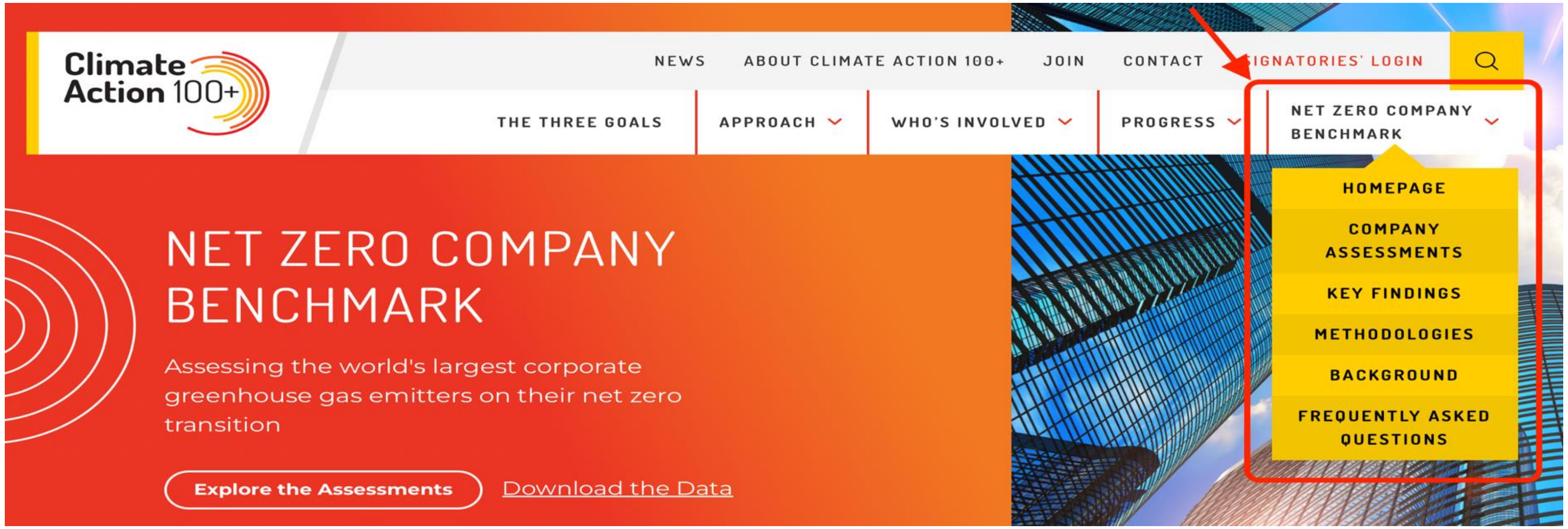
October 2024
V2.1 Assessments

*Beta = data collected, but not publicly assessed. Subject to change in future.
**Provisional = data collected and publicly assessed. Subject to change.

Climate Action 100+
Global Investors Driving Business Transition

Other Useful Materials

Various useful resources are available to the public via the CA100+ website:



Key resources include:

Downloadable Data Sheet

Download all company data in one place for comparative analysis

Company Scorecards

View clearly a specific company's assessment against each Benchmark Indicator.

Further analysis and data in excel

Dive deeper into assessments and collect your own insights through our supporting analysis which includes metric level statistics as well as sector and regional performance.

Methodologies

Learn more about how companies are assessed against each methodology and Indicator.

Climate Action 100+
Global Investors Driving Business Transition

Signatory-only resources

Various useful resources are available to signatory investors via our signatories' only page:

Resources include:

Benchmark Underlying Data Tool

Discover the reason behind companies' Disclosure Framework assessments and links to relevant disclosures

Framework Overview

View a summary of how the Benchmark assessments fit together overall

Framework Changes v2.1

Find out exactly what has changed for the 2024 assessments.

V2.1 Methodology

View the v2.1 detailed methodology guidance for the Disclosure Framework.

Please note that the use of Net Zero Company Benchmark data is governed by the **data usage terms and conditions** available here.

For more information about the data collection and company review and redress process, please see here.

For any questions about the Net Zero Company Benchmark, please contact benchmark@climateaction100.org

The data featured in this report is valid as of 13 October 2024.