Progress Update 2024

Climate Action 100+
Global Investors Driving Business Transition

AIGCC Asia Investor Group on Climate Change
Ceres
Investor Group on Climate Change
PRI Principles for Responsible Investment
IIGCC

About

More than 600 investors are engaging companies on improving climate change governance, creating transition plans that include cutting emissions over the long term and strengthening climate-related financial disclosures, in order to mitigate financial risk and to maximise long-term value of assets.

The work of the initiative is coordinated by five investor networks: the 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). It is supported by a global Steering Committee.

Launched in December 2017, Climate Action 100+ has since become the largest global investor engagement initiative on climate change.

Climate Action 100+ was initially launched as a five-year initiative (2017-22) but in 2022 announced that it would be extended until 2030.

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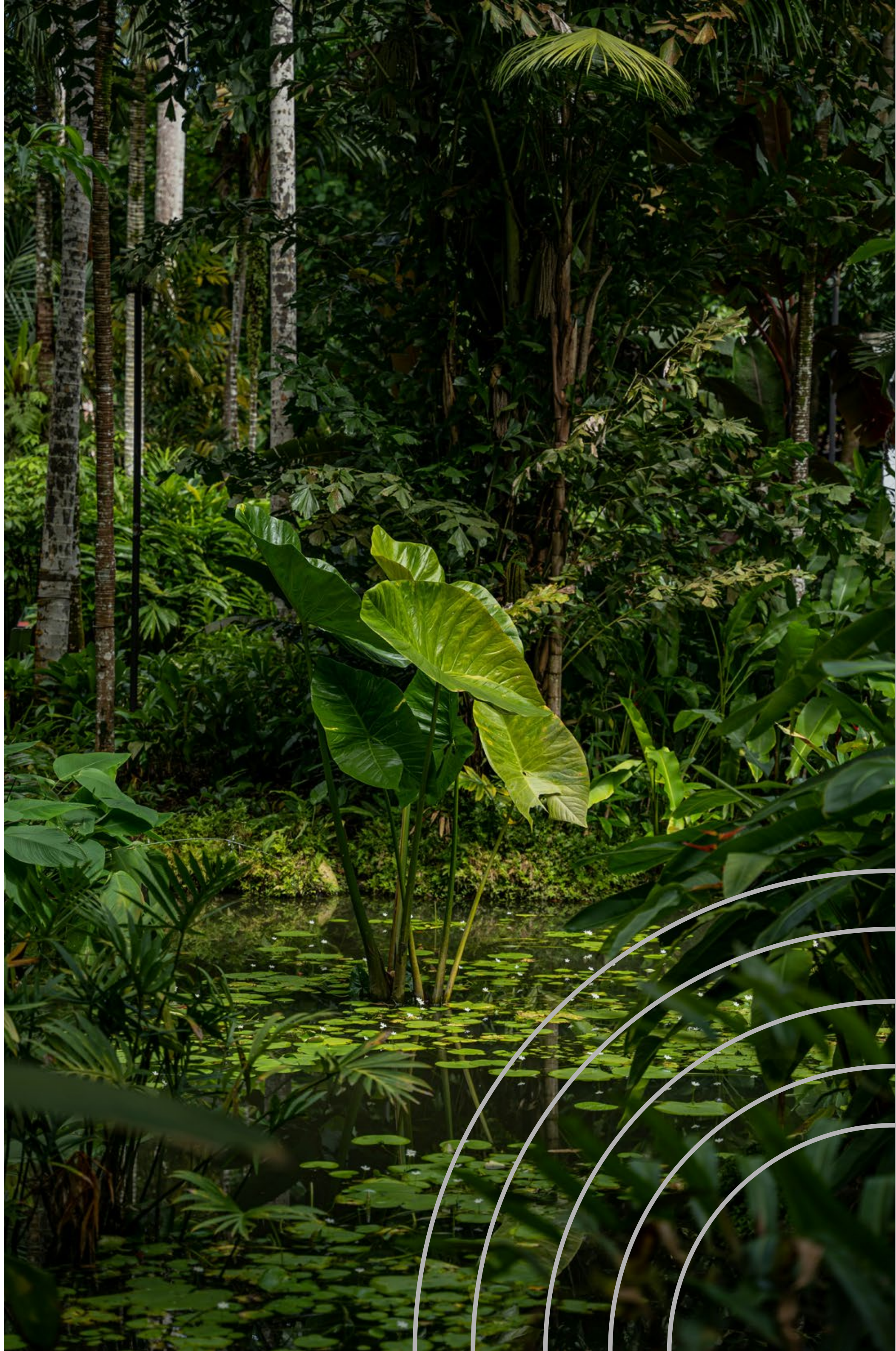


Climate Action 100+ at a glance

More than

600

signatories

168

total focus companies as of 31st December 2024

80%

of focus companies have set an independent ambition to reach net zero by 2050 or sooner, on at least Scope 1 and 2 emissions

90%

of focus companies disclose evidence of Board-level oversight of the management of climate change risks

88%

of focus companies are publicly committed to implement the recommendations of the TCFD or ISSB

Foreword

Michael Cohen

Current Chair of Climate Action 100+'s global Steering Committee and Chief Operating Investment Officer at CalPERS

2024 will be remembered as a year of unprecedented geopolitical shifts and economic uncertainty. The year was marked by historic elections, with over 60 countries heading to the polls. Global unrest continued to rise, with the Russia-Ukraine war entering its third year and conflict spreading throughout the Middle East. 2024 was also the hottest year on record and the first year to pass to the 1.5ºC threshold for global warming. Climate-related events also posed a major threat and made headlines, marked by major hurricanes impacting the Southeastern United States, alongside unprecedented floods in Nepal and Dubai. These factors contributed to disruptions in the global economy, which have been associated with slower growth and high inflation.

Significant corporate action

In the wake of these crises, investor engagement remains a crucial part of corporate transition planning. The world's largest corporate emitting companies recognise that climate risk is a financial risk and have largely committed to a net zero pathway – as shown through increased progress against the initiative's three goals in the latest Net Zero Company Benchmark. This is a signature tool used by investors to manage their exposure to climate-related risks, with this year's results showing a promising step forward. More companies are responding to investors' requests to see more details about their climate transition plans, signaling to the market their ambitions to achieve net zero by 2050 or sooner. Measurable impact from when the initiative began is reflected in the key results, with some 80% (133) of assessed companies making net zero commitments. This is up from five companies when Climate Action 100+ started seven years ago.

Eighty-eight percent of companies have committed to disclosing their climate-related risks and opportunities in line with the Task Force on Climate-related Financial Disclosures' recommendations. And 90% of companies continue to show that they are putting board members in charge of overseeing climate risk management. And for the first time, a majority of assessed companies – 67% – reduced their emissions intensity over the past three years.

While the work is far from done, these findings clearly show the progress of investor engagements through Climate Action 100+ achieved over the past six years. As we move forward in this pivotal decade, investors must continue supporting companies in disclosing comprehensive climate transition action plans and showing the value of aligning their business practices with those plans.

Decarbonisation is underway in some sectors

2024 was also a significant year for sector decarbonisation, reflected in this year's Benchmark results and sectoral engagement outcomes. Companies in industries such as steel, electric power, and transportation are responding to consumer demand, technological developments and supportive policy environments, as they take advantage of the opportunities to invest in low carbon solutions and products, while improving the efficiency of their operations.

Yet significant work remains to make the business case for heavy emitters to realistically plan for transition, with the material risk posed by climate on the rise. While many sectors that are major consumers of fossil fuels are shifting to a clean economy; the oil and gas sector is not taking similar steps to respond to this potential change in demand.

A growing initiative against a politicised backdrop

While the freedom for investors to engage collaboratively on climate change has been subject to political attacks over the past year, what remains clear is climate risk is financial risk, and institutional investors are pursuing a common-sense approach to act on these risks and opportunities while delivering the best long-term results for their clients and beneficiaries.

Climate Action 100+ provides value to signatories through cutting-edge research and access to global corporate leaders and other stakeholders. Climate Action 100+ continues to demonstrate the incredible power of corporate engagement, with more than 90 investors worldwide joining between June 2023 and December 2024. However, much work remains to fully achieve the goals of the initiative.

As we begin 2025, thematic and sectoral engagements will be vital in helping heavy-emitting companies to adopt realistic transition plans. Benchmark results have also shone light on where companies are falling short; with many not matching their long-term climate goals with short- and medium-term targets or providing sufficient details about their climate transition plans. Enabling policy frameworks are still critical.

It is vital that investors continue to engage with companies to reduce the climate risks they both face, as measuring and incorporating big risks has is part of what makes financial markets work.

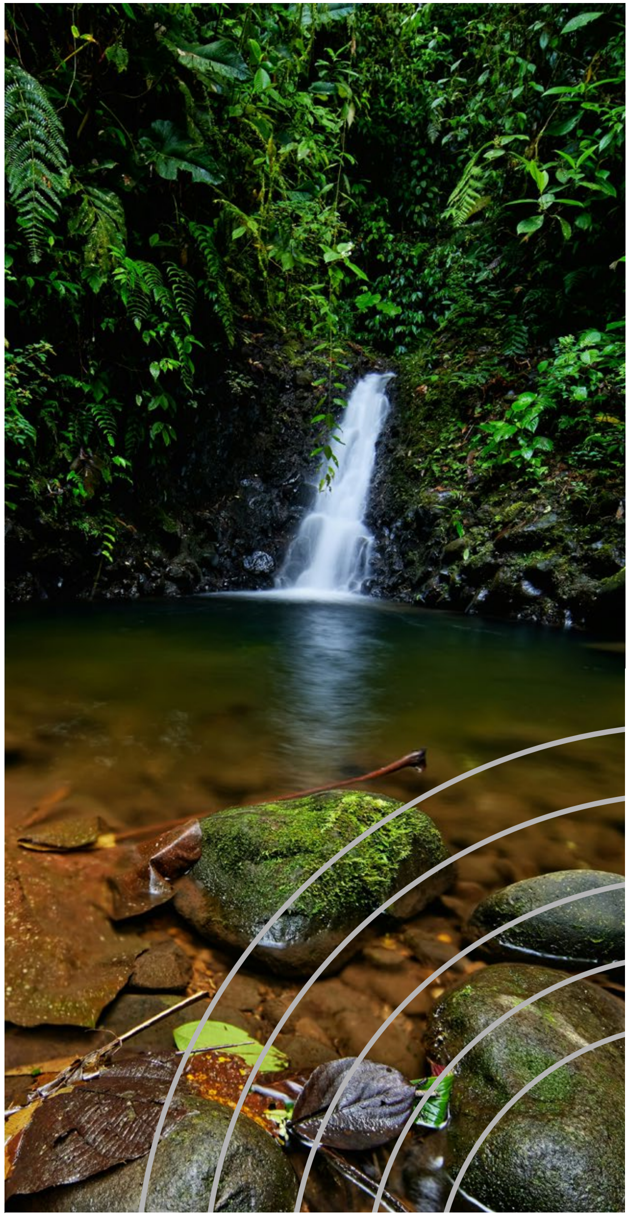
The role of the Steering Committee

As an investor-led initiative, Climate Action 100+ is spearheaded by a global Steering Committee that comprises the five investor network CEOs and Directors, and ten investor representatives. The five investor networks appoint two investor representatives each from the network's respective region.

In recognition of the global nature of the initiative and the different priorities and conditions for company engagements in each region, the roles of Steering Committee chair and vice chair rotate every year between different regional representatives.

The Steering Committee provides invaluable insight, direction and leadership for the initiative, drawing from their extensive experience overseeing stewardship and engagement activities in their firm.

The current Chair of the Steering Committee is Michael Cohen of CalPERS, supported by Mindy Lubber of Ceres as Vice-Chair.



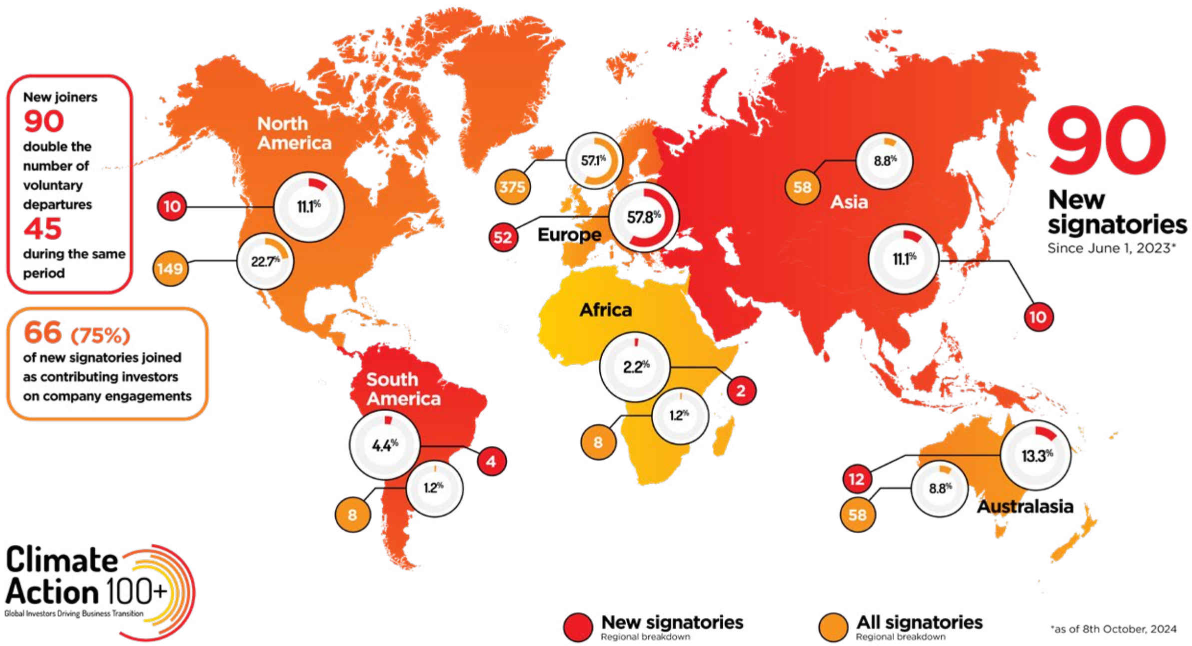
Impact and growth of the initiative

i) New joiners global story

This work was published in October 2024 on Climate Action 100+'s website.

Climate Action 100+ is a growing global initiative which took on 90 new joiners from June 2023*, representing a net increase of 19 over the recorded period. The regional breakdown of new signatories as of October 2024 is as follows: Africa – 2, Asia – 10, Australasia – 12, Europe – 52, North America – 10, and South America – 4.

Three quarters (75%) of new signatories have joined as contributing investors on company engagements. Contributing investors may provide inputs into company engagements and attend meetings with companies, as set out in the Signatory Handbook.



*Please note: The growth of these new joiners was recorded between June 2023 – October 2024.

ii) Quotes from new joiners and those from emerging markets

Quilter Cheviot

“We are excited to be members of Climate Action 100+. We believe working in collaboration with other investors is critical to achieving the ‘real-world’ decarbonisation we need to see, particularly given how fundamentally interlinked the bulk of global emissions are across industries. Collaborative efforts like Climate Action 100+ are a critical tool for investors to support companies in setting and ultimately achieving emissions reductions. The companies we engage through Climate Action 100+ will benefit from investors sharing knowledge and highlighting industry best practices, which propels all of us towards a successful transition to a lower-carbon economy.”

Quilter Cheviot (a new signatory since June 2023)

China Merchants Fund Management

“We are excited to be members of Climate Action 100+. Climate Action 100+ has become one of the most influential and important investor initiatives in the field of climate change, and its signatories, as owners and investors of the company, play an important role in promoting low-carbon transformation. As a new signatory, China Merchants Funds will properly address climate risks by implementing responsible management to mitigate the climate risk exposure of our investment portfolio and ensure long-term sustainable returns, finally to achieve the low-carbon development goals.”

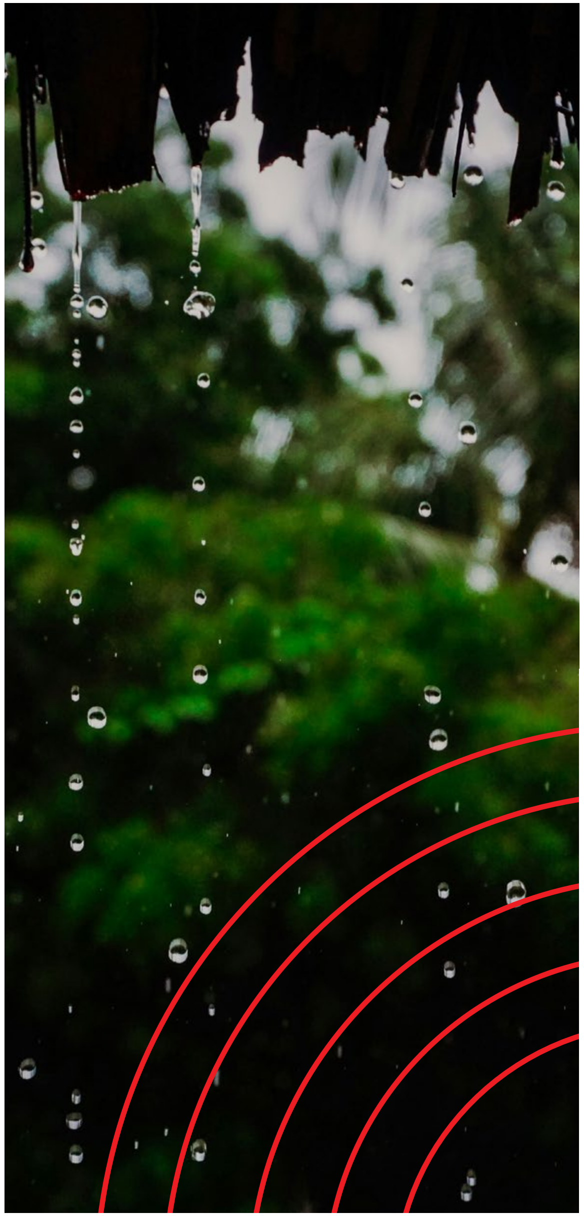
China Merchants Fund Management (largest new joiner by AUM in China and new joiner since November 2023)

Eden Tree

"Through its encouragement of cooperation and collaboration, Climate Action 100+ has helped drive real progress over the years, making it one of the most impactful initiatives for climate engagement out there. As investors with no direct exposure to oil and gas, we are really pleased to see the initiative expand to include more companies throughout the fossil fuel supply chain and are delighted to join in this stage in its journey."

FIDEURAM Intesa Sanpaolo Private Banking Asset Management SGR S.p.A

"A key element of our Net Zero strategy is the engagement activity, which we consider fundamental to promoting decarbonisation paths and the adoption of long-term sustainability strategies by the companies we invest in, mitigating in this way their financial risk and also maximising long-term value of assets. We believe participating in collective engagement initiatives like Climate Action 100+ allows investors to have a greater impact in guiding companies towards alignment with the net zero objectives, stimulating the transition to more sustainable business models and being also more efficient and valuable from the investee perspective. Joining Climate Action 100+ represented a true milestone for our company, as the initiative allows to drive real progress through investor engagement, whilst providing an opportunity to develop distinctive knowledge and skills through the sharing of frameworks and best practices among investors to support the dialogue with companies."



iii) Global review webinar highlights

Climate Action 100+ held its annual Global Review Webinar in October 2024, which was an opportunity for signatories to hear from investors all over the world on diverse topics from their engagements.

Agenda items included this year's Benchmark results, case studies from the engagements and the annual engagement survey analysis. Signatories can access these slides via the 'Signatory Login' area on the Climate Action 100+ website.

Case studies

i) Selection of case studies over the year

Danone

Rio Tinto

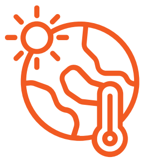
Bumi Resources

China Steel

Progress of Just Transition in the electric power sector

Pemex

Danone



Danone has significantly improved its climate-related lobbying disclosure. In early 2023, Danone came to the attention of the Climate Action 100+ Climate Lobbying Working Group (CLWG), as the company had not previously published a review of its direct and indirect climate lobbying.

A pivotal moment in the engagement with Danone came in April 2023 when BNP Paribas Asset Management (BNPP AM) – a co-lead investor and co-chair of the CLWG – held a call with the company in April 2023 dedicated to climate lobbying. On the call, BNPP AM highlighted the Global Standard on Responsible Corporate Climate Lobbying and related investor expectations on lobbying disclosures. The company went on to publish its Danone Position on Climate Advocacy in May 2023, and its Danone Policy on Advocacy in December 2023. The company also published a more detailed review of its industry associations' lobbying activities in its 2023 CDP response.

Danone scored 50/100 for its climate lobbying review under InfluenceMap's assessment (see table), which also forms part of the Climate Action 100+ Net Zero Company Benchmark. This made Danone the second highest scoring company in InfluenceMap's assessments as of February 2024 (IM Danone Assessment). InfluenceMap is a critical research partner in tracking, assessing and scoring companies' ongoing engagement with climate-related policy, and serves as a key resource for investors.

Review Process	Review Assessment (Direct)	Review Assessment (Indirect)
Monitor & Review	Identify & Assess	Identify & Assess
Alignment Assessment Method	Act	Act
Framework for Misalignment		

Source: Influence Map's Disclosure Scorecard for Danone, February 2023

Read this longer-form case study online Climate Action 100+'s website here.

Rio Tinto

Rio Tinto, one of the world's largest metals and mining corporations and a leading iron ore producer, has made new commitments to enhance disclosure on plans and progress to reduce scope 3 emissions from iron ore processing for steel production. This represents a step forward with potential sector-wide implications.

Rio has acknowledged the role of investor engagement via Climate Action 100+ in influencing this outcome.

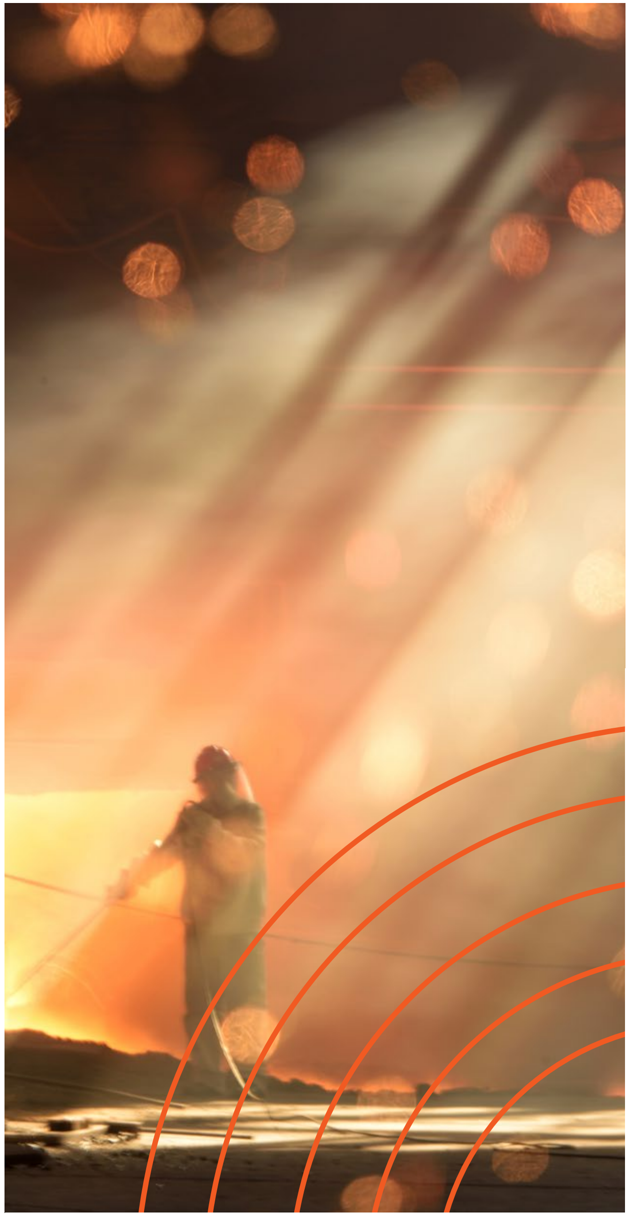
Scope 3 emissions from the use and processing of their products typically form the majority of a diversified mining company's greenhouse gas emissions, and Rio is no exception. Rio's scope 3 emissions from processing of iron ore stand at 400 $MtCO_2$, 65% of the company's total footprint. These emissions occur during steelmaking, which is carbon intensive because it primarily relies on the use of metallurgical coal in blast furnaces. As the global economy decarbonises, these scope 3 emissions represent a significant business risk, and investors expect miners to demonstrate that they are taking steps to supply iron ore in line with low carbon steelmaking pathways.

Although projects and customer collaborations to reduce these emissions are often highlighted in disclosures, more specific details of plans, progress and anticipated outcomes can be limited. An absence of clear action and targets to reduce scope 3 emissions within the transition plans of iron ore producers has been consistently highlighted by investors and proxy advisors.

Rio has committed to enhance disclosures prior to the 2025 AGM and thereafter by providing:

- Actual expenditure on steel decarbonisation, and forecast spend, as a range, over a 3-year period
- Capital expenditure on Rio Tinto-led steel decarbonisation projects and financial contributions to steel decarbonisation partnerships (subject to commercial agreements)
- Known milestones and timelines, anticipated expenditure and potential abatement opportunities of announced projects and partnerships (subject to joint venture partner approvals)
- Potential abatement opportunities of announced projects and partnerships aligned to industry abatement curves and net zero decarbonisation scenarios.

Discover those key milestones in the engagement with Rio Tinto in the long-form case study online.



Bumi Resources

Consideration of the socio-economic impact during the process of energy transition is uniquely important for emerging markets. This includes implementing inclusive and sustainable transition strategies that are supportive of local communities and to enable them to benefit from the energy transition. This has particular relevance for coal-dependent markets in Asia, such as Indonesia, and the lead investor to the company has consistently prioritised senior level oversight on a credible and just transition as one of their key engagement priorities.

Bumi Resources is a pure-play coal miner in Indonesia. Through investor dialogue, we have learnt about the diversification opportunities it is looking into as part of the transition, whilst giving priority to managing the impact on local communities in which they operate.

In its latest Sustainability Report, the company has outlined several strategies it is implementing to build community resilience in anticipation of future mine closures. Specifically, this refers to more detail about supporting Bumi Resources' work in promoting equitable and decent working conditions and investing in upskilling and reskilling initiatives through training programmes.

Whilst the company has yet to commit to Just Transition principles, current practices can be considered a first step to ensure that local communities are fully considered, as investors continue to engage the company for transparency on the credibility of its transition plans.

China Steel

Allocating capital to climate solutions is a means of demonstrating corporate commitment to decarbonisation. There is currently limited transparency on whether capital allocated towards the various types of solutions is aligned with climate goals and credible transition plans. Any transparency around this would be a good start for Asian companies in sectors where transition pathways are still being developed.

In the case of China Steel Corporation ("CSC"), a steelmaker in Taiwan, the current lead investor has been engaging with the company's ambitions to achieve carbon neutrality by 2050, succeeding in securing a meeting with the Chairman and President of the organisation to discuss details of CSC's decarbonisation and capital allocation strategy.

In the latest Net Zero Company Benchmark assessment, the company has demonstrated progress through disclosure of its past and future capital allocation into climate solutions (Sub-indicator 6.2 of the Disclosure Framework). This supported the company's decarbonisation strategy, such as the use of electric arc furnaces (EAF), the use of Direct Reduced Iron made from green hydrogen (H2-DRI) and carbon capture and utilisation by downstream industries. Investors are also encouraged by the company's disclosure of capital allocated towards various decarbonisation measures, which helps set them up for future engagement.

Progress of Just Transition in the electric power sector (North America)

In North America, focus companies in the electric utility sector made notable progress on Indicator 9: Just Transition. 11 of the 15 utility companies within the sector received a “Partial” score, indicating accomplishment of at least one of the assessment’s six sub-indicators. Building on years of signatory engagement and research into Just Transition as a thematic focus for the North American electric power sector, focus companies have made notable progress on Just Transitions. Yet investors are looking to companies to move beyond acknowledgement to producing robust Just Transition plans.

In 2023, Climate Action 100+ North America launched a thematic engagement on Just Transition – this engagement aimed to centre Just Transition as a core, strategic consideration for electric utilities that were preparing for a low-carbon future. This thematic focus, coupled with research and subject-matter expertise provided by Ceres and PRI, supported signatories as they began engagement on Just Transition in earnest.

Investor engagement on Just Transition has yielded tangible progress within the sector, as two-thirds of the North American electric power companies assessed in 2024 have already disclosed a Just Transition commitment (9.1a). Further, three companies have disclosed Just Transition plans (9.2a) – an increase from two in 2023. There is still considerable work to be done on this topic, but progress to date has been promising.

As investors and companies plan for the economy of 2030, there are myriad factors to consider when evaluating corporate preparedness. For electric utilities, the transition to a low-carbon future not only represents an evolution of the sector’s core business model but also implies striking impacts for their workers and the communities they serve.

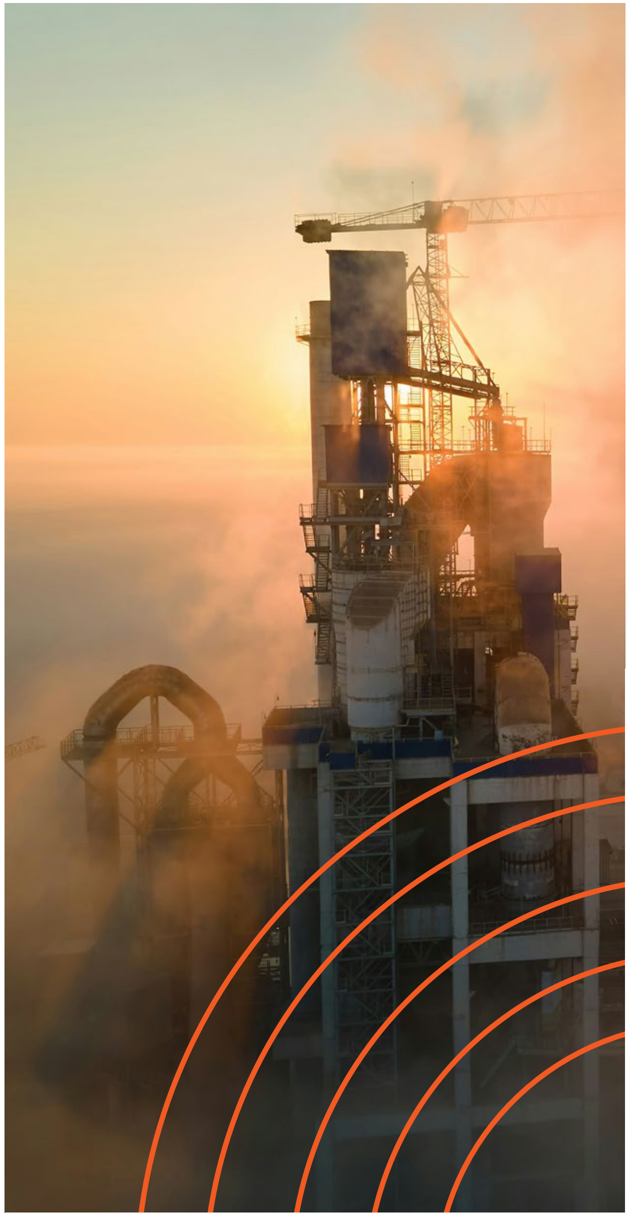
Pemex

In March 2024, Climate Action 100+ investors engaging Pemex welcomed the release of the company's first Sustainability Plan, which marked a significant step in the company's commitment to address material climate risks and align with investor expectations.

Pemex's Sustainability Plan, which was developed in consultation with an external consultancy firm with additional input from the Climate Action 100+ co-lead investors, outlines a forward-looking strategy to 2050 and includes: a net-zero emissions by 2050 (Scopes 1 & 2) ambition; additional short-, medium-, and long-term greenhouse gas reduction targets; enhanced disclosures to align with international reporting standards such as the ISSB and TCFD; an outline of necessary actions to develop a capital allocation framework for climate goals; a more comprehensive methane reduction strategy including new targets and a commitment to improve methane measurement data quality.

Pemex has been engaged by a diverse group of local and international bondholders through Climate Action 100+ since 2020 to address the systemic and investment material risks posed by climate change to the company and its stakeholders. Establishing consistent, high-quality engagement on climate change was initially challenging. However, the expansion of the engagement cohort to include local investors and a large bondholder base led to significant improvements in the quality and continuity of engagement dialogue – a responsiveness which has resulted in notable improvements to address climate-related risks. In 2023, Pemex created a Sustainability Committee, establishing oversight of climate change at the board level. This progress was reflected in the company's first score against the Benchmark on Indicator 8.

Pemex's Sustainability Plan has resulted in further improved scores on the 2024 Benchmark across Indicators 1-4 and Indicator 10. Climate Action 100+ investors view the Plan as a strong foundation to drive further progress and will continue to engage with the company, and the new administration, to further support Pemex's progress in its climate goals and alignment of its actions with international best practices for oil and gas companies.



Proxy season case studies

During 2024, proxy season activity was updated on Climate Action 100+'s 'Proxy Season' webpage, where there was a growing theme of investors calling on companies to improve lobbying, accounting and governance on climate transition-related issues.

Proxy season related stewardship activities, such as filing shareholder proposals, publishing pre-declarations, and asking questions at annual general meetings (AGMs) are a sample of engagement tools considered or utilised by signatory investors. Regional highlights from the 2024 proxy season are outlined below:

Australia regional highlight

- **Say on Climate votes at BHP and Woodside Energy:** There were two significant Say on Climate votes in 2024 for Australian companies, with BHP's plan resoundingly received 91% support, while Woodside Energy received a stark 58% vote against their plan. While Woodside's 2024 Climate Transition Action Plan included more comprehensive disclosure and the inclusion of a scope 3 target, many investors did not view this as a substantial revision of the initial strategy or adequately increasing ambition. Investors are working closely with the company's leadership to ensure their concerns are addressed as Woodside's asset portfolio evolves.

Asia regional highlight

- **Climate Lobbying at Nippon Steel and Toyota Motor:** Shareholder proposals seeking alignment on corporate climate lobbying were filed at Nippon Steel and Toyota Motor Corp. The proposals received 27.4% and 9.17% support, respectively. Any proposals with less than 10% support will not be eligible for re-filing for the next three years under the current Companies Act. The impact of the proposal may have contributed to the declining support for the re-election of Toyota Motor's Chairman, which has started at a point of 97.72% in support for re-election in 2021 and have consistently declined in the following years, reaching 71.93% in 2024. It is worth noting that Japan is one of the markets in the region where the limited timeframe of 8 weeks between filing of the proposal and the AGM limits the option for filers to use it as a tactic to negotiate for withdrawals of proposals and for them to be in time for the proxy voting period.

Europe regional highlights

- **Shareholder Resolutions at Shell and Equinor:** A shareholder resolution was filed at Shell, of whom eighteen out of the total twenty-seven institutional investors were Climate Action 100+ signatories. The proposal asked the company to align medium-term emissions reduction targets with the goal of the Paris Climate Agreement, receiving 18.6% support. A strategy and capital expenditure related shareholder resolution was filed by Sarasin & Partners LLP alongside three other Climate Action 100+ signatories, receiving 6.46% support (equating to 29% of the free float*). This was one of the most supported climate related shareholder proposals at Equinor in the last ten years. A shareholder resolution was also filed at Shell by twenty-seven institutional investors, of whom eighteen were Climate Action 100+ signatories.

- **Withdrawals for Agreement on climate lobbying at Renault, Shell and TotalEnergies:** Renault committed to a climate policy and industry association review *"No later than the 2025 AGM* (see investor statement); Shell committed to updating their review of corporate lobbying and advocacy prior to 2025 AGM to cover a wider range of geographies as requested in a draft resolution proposal; TotalEnergies published a review of industry associations as a result of engagement on the topic by former engagement team members and the Climate Lobbying Working Group members (see case study online).

* Note: The Government of Norway owns 67% of the share capital (2,012,080,085 shares), see link here.

North America regional highlights

- **Climate Lobbying proposal at NextEra Energy:** A Climate Lobbying proposal at NextEra Energy, filed by CCLA Investment Management Limited, Mercy Investment Services and Railpen, received 32.5% support. As the highest supported climate lobbying proposals in North America in 2024, this result should provide the company with a clear signal that meaningful engagement with shareholders on this issue enhanced disclosure may be necessary to address the concerns highlighted by the proposal.

- **Withdrawal on Executive Compensation proposal at The Southern Company:** The Office of the Illinois State Treasurer filed a proposal seeking that the Compensation Committee of the Board of Directors at The Southern Company publish an analysis assessing the implications of using absolute or relative changes in total greenhouse gas emissions as a component of senior executive compensation. They were successful in negotiating a withdrawal, securing multiple commitment and disclosure outcomes. Read details of the withdrawal in a case study from the Treasurer's office here.

Thematic and sectoral working groups

i) Thematic workstream

Climate Action 100+ introduced thematic engagements as a new, optional way for signatories to contribute to the initiative. Thematic engagements are engagements with a range of companies on a defined theme or topic, for example:

- An indicator under the Climate Action 100+ Net Zero Company Benchmark such as climate governance, just transition, or lobbying; or,
- A separate and distinct topic of interest such as methane or State-Owned Enterprises.

The intended outcome of the thematic engagements is to see enhanced performance from companies, for example against the relevant indicator on the Benchmark. They complement the lead investor-company model, which may focus on core topics such as transition plans and capital expenditure. Thematic engagements also provide value-add for signatories through in-depth and specialised research on specific themes or topics.

Thematic engagements may differ in terms of the number of investors involved, frequency of meetings, engagement tactics, and/or annual objectives. For example, some thematic engagements may engage with a focus list of companies on a specific ask(s) while others are set up for knowledge-sharing purposes. This provides networks and participating investors with flexibility on how to achieve the goals of the engagement.

As of December 2024, there are a total of 11 active thematic engagements:

Theme	Facilitating Network
Climate Lobbying	IIGCC
Climate Accounting	IIGCC
Positive Lobbying	Investor Group on Climate Change
Just Transition	Investor Group on Climate Change
Executive Remuneration	Investor Group on Climate Change
State-owned Enterprises - Non-Asian Emerging Markets	PRI Principles for Responsible Investment
State-owned Enterprises – China	AIGCC Asia Investor Group on Climate Change PRI Principles for Responsible Investment
India Public Sector Undertakings	AIGCC Asia Investor Group on Climate Change PRI Principles for Responsible Investment
Climate Accounting and Audit	Ceres
Science-based Targets (Electric Power)	Ceres
Just Transition (Electric Power)	Ceres

This list is subject to change as regional networks may pause or discontinue current themes and/or explore new themes in 2025. An up-to-date list of thematic engagements will be live on the Climate Action 100+ website on a new 'Thematic Engagements' webpage, to be launched in Q1 2025.

Case studies

Theme: European Climate Lobbying
Network: IIGCC

2024 Strategy:

The workstream identified a focus list of 12 European Climate Action 100+ companies based on InfluenceMap data from Indicator 7 – Climate Policy Engagement under the Climate Action 100+ Net Zero Company Benchmark. Investors worked with the Climate Action 100+ company leads to discuss whether to intensify and/or escalate engagement to encourage the company to publish a climate lobbying review, the main investor ask on climate lobbying.

2024 Impact:

As of December 2024, 5 of 12 companies have published lobbying reviews and 4 others have committed to do so in 2025. Company developments include the following:

- **Unilever** published its first Climate Policy Engagement Review for 2023 which was comprehensive and met all assessment criteria. As a result, it received a score of 100% from InfluenceMap. Unilever became the first company to score 100% for its lobbying review under the Climate Action 100+ Benchmark, setting a best practice example for companies to follow.
- **Danone** also made many more disclosures in early 2024; it received a score of 50% from InfluenceMap. (See case study).
- **National Grid** also published a review for the first time, following many years of engagement including escalation measures led by members of the CLWG. The review scored 21%.
- **Naturgy** and **TotalEnergies** have also published reviews which are yet to be assessed by InfluenceMap.

Theme: North America Climate Accounting
Network: Ceres

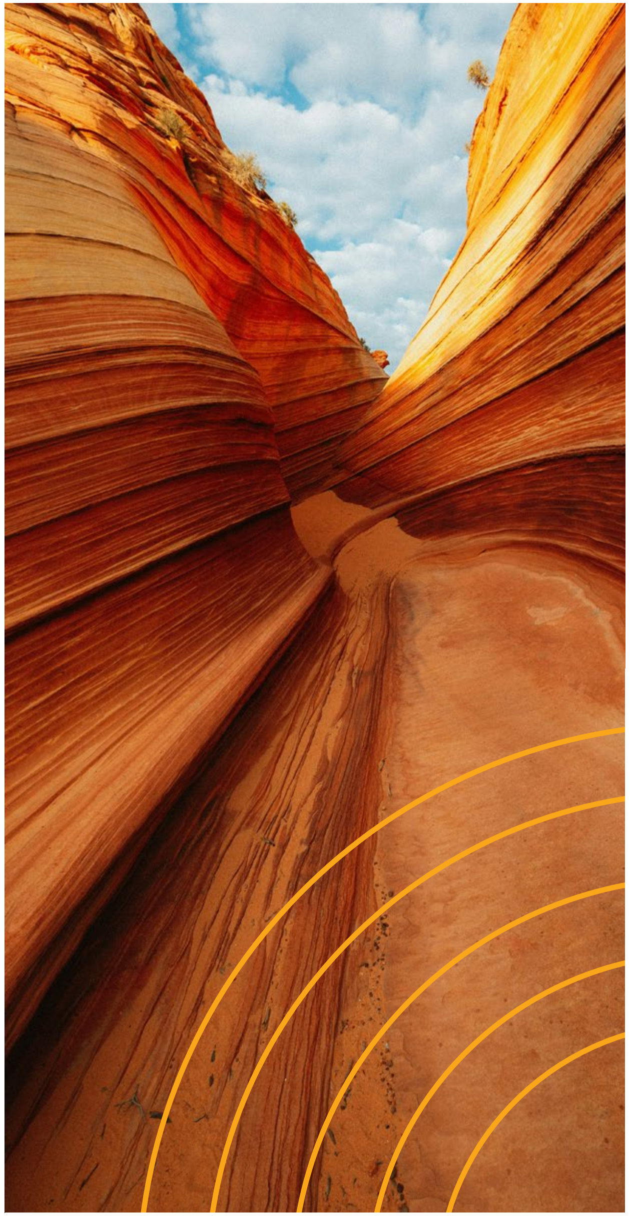
2024 Strategy:

As a majority of North American oil and gas companies do not meet any metrics of the Climate Action 100+ Benchmark accounting and audit assessments, there is a need to engage slower moving companies. In 2024, the thematic workstream aimed to engage a small subset of slower moving oil and gas companies, with plans to expand to more companies in 2025. Investors engaging on this topic primarily wrote to the chair of the audit committee, requesting a meeting to discuss integration of climate considerations into financials.

In parallel, investors engaged regulators and standard setters to ensure that there is clear guidance for companies on a regulatory level. This has involved investors submitting comments to IASB, SEC, and PCAOB, as well as multiple private roundtable discussions on topics including asset retirement obligations (AROs) recognition, critical/key audit matters (CAM/KAMs), and the role of the audit committee.

2024 Impact:

Investors engaged three Climate Action 100+ North American oil and gas companies via dialogue at the management, CFO, and board level. Progress will be tracked against the 2025 Climate Action 100+ Benchmark results.



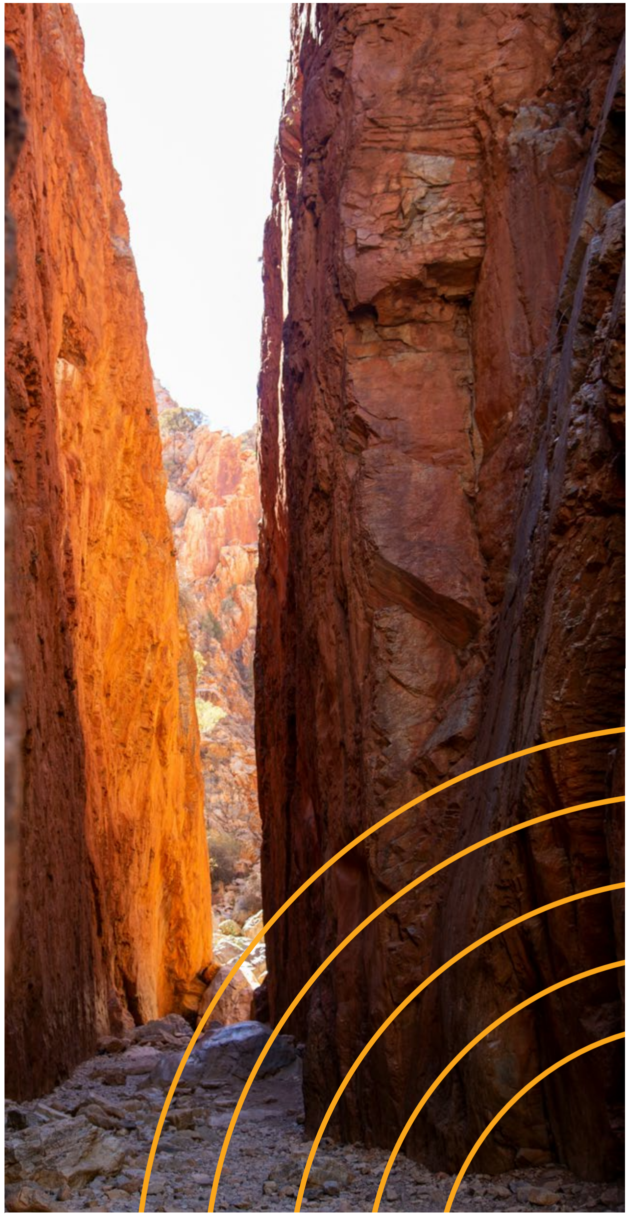
Theme: Australian Executive Remuneration
Network: IGCC

2024 Strategy:

The objective was to support more nuanced investor engagement with companies on the integration of climate goals with executive remuneration. This was achieved through development of a principles-based framework to acknowledge the shortcomings of a 'one-size fits all' approach. Investor workshops and stakeholder interviews informed development of six Guiding Principles and an accompanying engagement framework. Based on these principles, an alignment analysis of the 14 Australian Climate Action 100+ focus companies was provided to Australian Climate Action 100+ signatories. A corresponding public report was also published which outlined the principles and framework. It also included anonymised results from the analysis, a deep-dive into current challenges and how these could be addressed, as well as best practice case studies.

2024 Impact:

The analysis and public report were released towards the end of 2024, just prior to most Australian focus company AGMs. Thus, the impact on company remuneration plans is yet to be discerned. Several Australian signatories have already reported using the Guiding Principles to inform engagements with investee companies and have provided positive feedback on their usefulness and applicability.



ii) Sectoral workstream

In 2021, Climate Action 100+ launched the Global Sector Strategies workstream to enable ways for investors to contribute to the initiative as sector leads or sector contributing investors. There was an ambition to build upon these existing projects to help facilitate new sector engagements. This workstream was renamed 'Sectoral engagements' in the final quarter of this year to better reflect the nature of the workstream, which involves engagements on ecosystem barriers in specific sectors (for example policy, value chain, technology or financing).

The intended outcome of sectoral engagements is to enable companies to set and deliver on ambitious targets through the removal of sectoral ecosystem barriers. Investors have a unique ability to engage the entire value chain on systemic barriers like policy.

Sectoral engagements are coordinated regionally by the relevant network and with oversight from the Sectoral Engagements Working Group (SEWG). As ecosystem barriers are regional, engagements are therefore implemented regionally (e.g. policy). Engagements are often facilitated with a small group of investors who have a particular interest or expertise on specific sectors such as "leads". Whilst sector lead teams are facilitated by networks for each sectoral engagement, there can be multiple per sector and per network (e.g. steel value chain and steel policy sectoral engagement teams at IIGCC).

As of December 2024, there are five active sectoral engagements with 12+ investors leads.

Sector	Barrier Type	Facilitating Network
Steel	Value Chain	IIGCC
Steel	Value Chain & Policy	AIGCC Asia Investor Group on Climate Change
Steel	Policy	IIGCC
Chemicals	Value Chain	IIGCC
Aviation	Sustainable Aviation Fuels	PRI Principles for Responsible Investment

Case studies

Sectoral Engagement on Steel Policy (IIGCC)

Background:

IIGCC has started to convene a sectoral engagement focusing on steel policy barriers in Europe in January 2024. Insufficient policy support for the transition to green steel production and unhelpful policy lobbying by companies has held back the steel transition in Europe. The objective of the sector leads was to establish engagement asks to policymakers and companies (on lobbying). Three sector leads came together to draft a policy paper meant to use for engagement, outlining key policy barriers and asks in Europe. The paper was consulted on with a 30+ group of investors, external experts, and company input.

2024 impact:

This sector engagement was the first of its kind, focusing on direct policy engagement as part of its work. As a result, investors engaged directly at the EU Commission level, securing a meeting with DG Energy. The meeting resulted in a promise to follow up on EU Multiannual Financial Framework (MFF). Similarly, the group met, for the first time with the biggest European steel trade association (Eurofer), highlighting the importance of positive policy advocacy on the climate transition for steel to investors. In addition, the policy paper was distributed to six major European steel makers with four follow-up discussions on its applicability for company lobbying efforts.

Sectoral Engagement on Steel Value Chain (IIGCC)

Background:

IIGCC has started to convene a sectoral engagement focusing on steel value chain barriers in Europe in autumn 2023. For steel producers to transition their long-lifespan assets to green steel production, they need better transparency over green steel demand. The objective of the sector leads was to support major steel purchasers to commit to net zero steel purchasing by 2050 (thereby also tackling their upstream scope 3 emissions) and disclose their targets.

2024 impact:

The sector leads have engaged 25 companies over the course of 2024 on the Steel Purchasing Framework developed by IIGCC and its members in 2023. Eight of these companies attended a roundtable in Q3 2024 on early adoption of the framework asks.

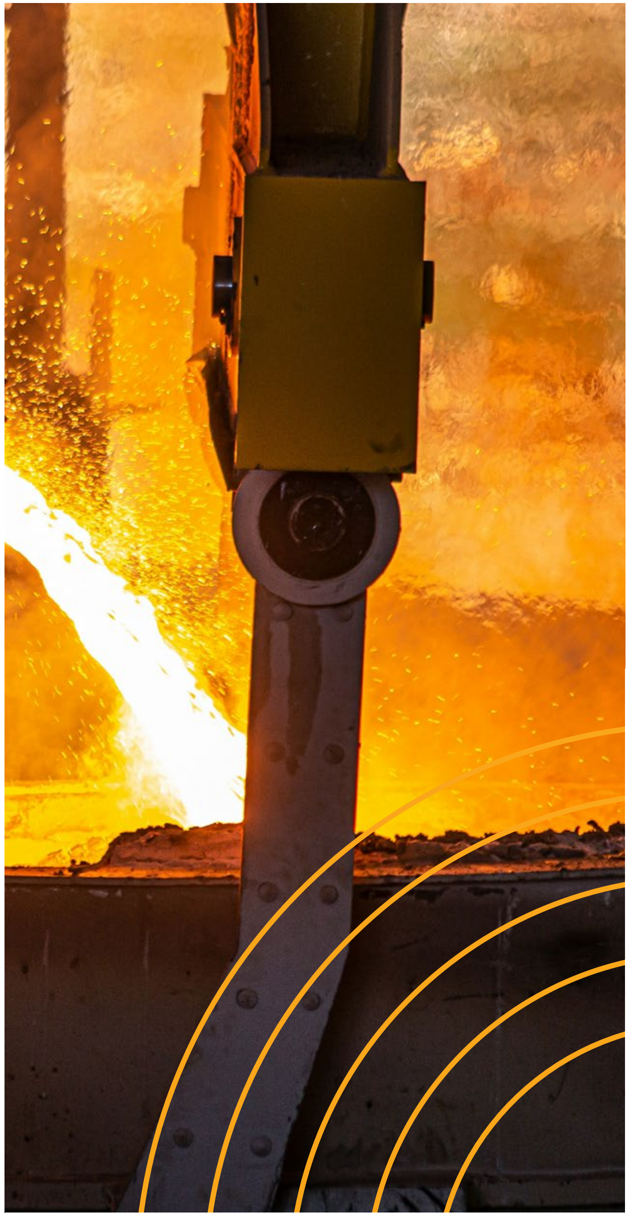
Sectoral Engagement on Steel Value Chain and Policy (AIGCC)

Background:

In 2023, AIGCC started a focus area to strengthen investor capacity on Asia's steel value chain and policy engagement. The region contributes to over 70% of global steel output, hence deep industrial transformation to foster the growth of low-carbon steelmaking in Asia and entails the need for long-term investment perspectives in addressing the significant and far-reaching changes that will be required in the industrial processes.

2024 impact:

Building on the multi-stakeholder roundtable participated by investors, steelmakers and purchasers held in October 2023, AIGCC continued to convene cross-industry dialogues along the value chain to accelerate steel decarbonisation in Asia. This included an investor dialogue in April 2024 to establish the Steel Sector Working Group, and similarly a briefing and panel discussion organised with IGCC, which brought together different sectoral views for diversified mining and steelmaking. Asian investors and AIGCC representatives have also become regular participants to relevant market-level forums, to provide feedback on steel as a strategically important sector through the China Center for International Economic Exchanges and the India Green Steel Network. Progress on decarbonisation strategies and climate solutions are also reflected in the 2024 Benchmark assessments amongst Asian steel companies.



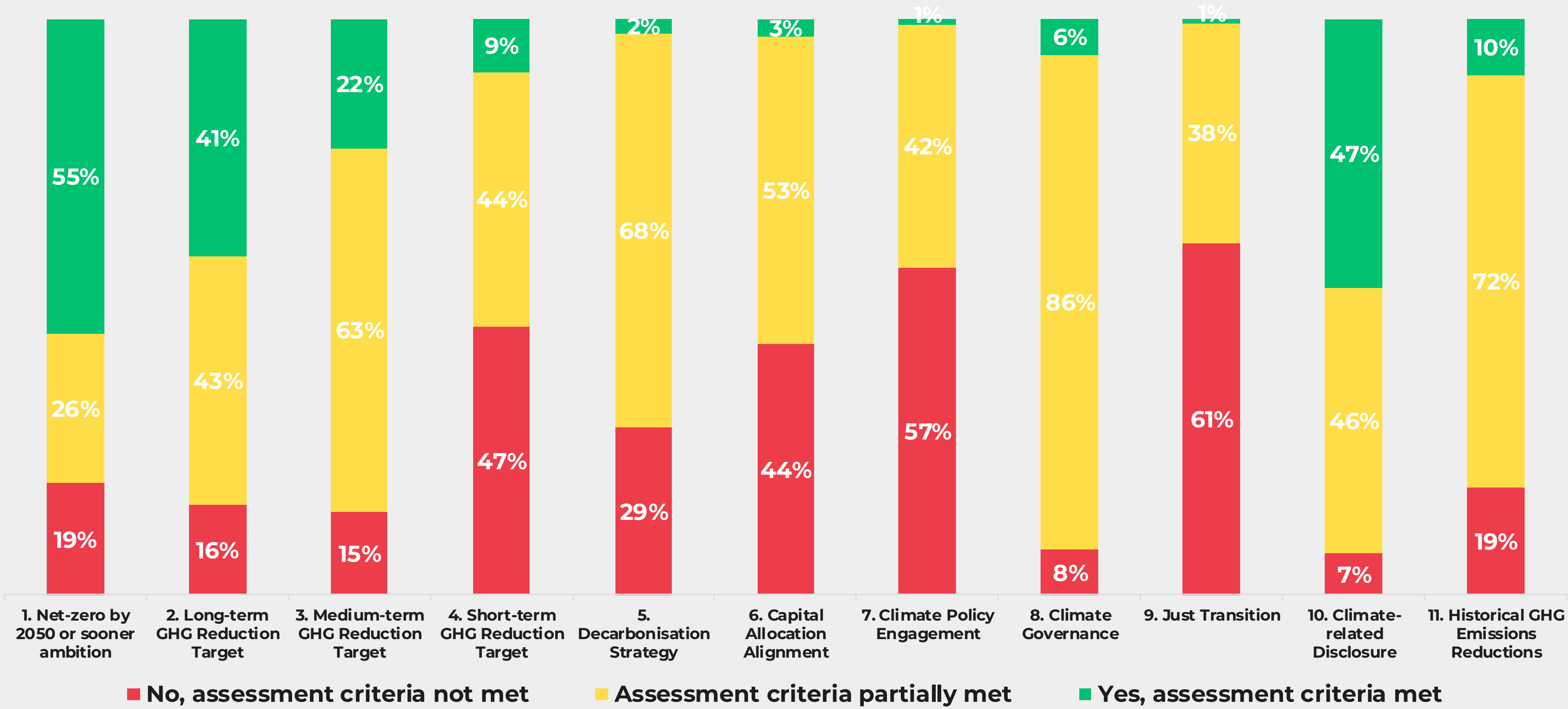
Net Zero Company Benchmark Assessments

Overview

In October 2024, Climate Action 100+ released the latest assessments of 168 focus companies against the Net Zero Company Benchmark's three high-level goals: improved governance, emissions reduction, and enhanced climate-related disclosures. The results demonstrate the initiative's growing impact on driving corporate climate action.

A summary of results can be found here and the full dataset can be found here.

Results by Indicator



Note: The percentages referenced within this graph have been taken from the full sample of assessed CA100+ focused companieswhich 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.

Summary of key findings

Most companies are now setting public targets, establishing board-level oversight, and adopting frameworks like TCFD and ISSB.

Progress was made this year in reporting on capital allocation to low-carbon solutions as well as just transition planning. However, comprehensive transition planning remains limited, highlighting the need for clearer, more specific and actionable pathways to realistically account for climate risk and opportunities.

For the first time, in 2024 emissions performance was assessed, showing 65% of companies reduced emissions intensity. Despite these reductions, there's a stronger need for climate transition action plans from the world's largest corporate emitters. Sectors like oil and gas, utilities and autos face ongoing challenges, with many companies' investments and production plans still misaligned on how to deliver a credible transition plan. This reflects a greater need for investors to understand their exposure to climate-related financial risks and opportunities.

The Climate Action 100+ Benchmark has played a pivotal role in advancing corporate accountability by setting clear expectations for governance, emissions reduction, and climate-related disclosures. It has encouraged companies to adopt globally recognised frameworks, such as TCFD and ISSB, and integrate climate risk into their strategic and financial planning. This influence has driven more transparent and consistent reporting practices across industries, helping investors assess corporate alignment with climate transition planning.

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 assessments (March 2021).

All 5 **airlines** reduced their emissions intensity over the past 3 years, all 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.

Looking ahead

Looking ahead, Climate Action 100+ will refine the Benchmark in 2025 to address evolving challenges and stakeholder feedback, ensuring it continues to drive transparency and corporate accountability.

For more information or to provide input, contact benchmark@climateaction100.org.

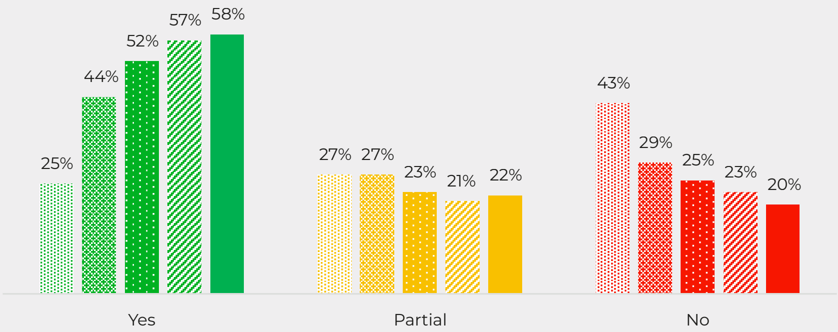
Year-on-year progress

Given the amendments to the Disclosure Framework since the first iteration, year-on-year progress can only accurately be compared across four Indicators focused on company target setting. Companies are showing **gradual improvements** in performance across these however this year we have seen a **slight decline in short-term target setting.**

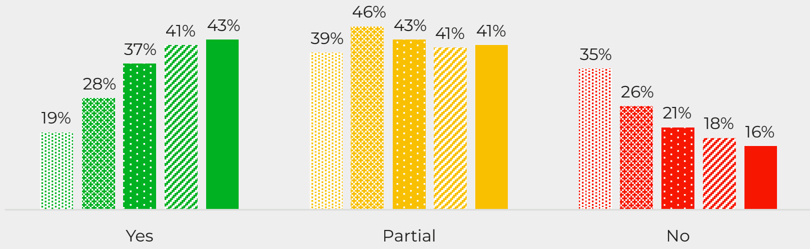
Key:

- March 2021
- March 2022
- October 2022
- October 2023
- October 2024

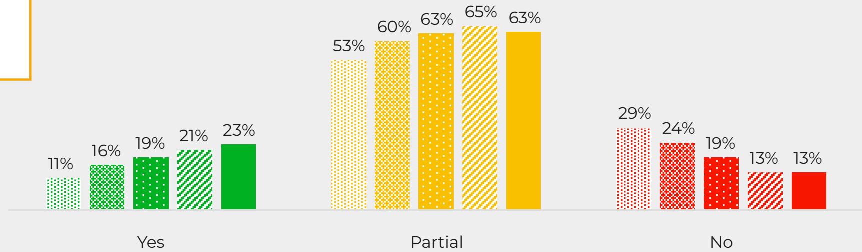
Indicator 1: Net Zero 2050 (Or Sooner) Ambition



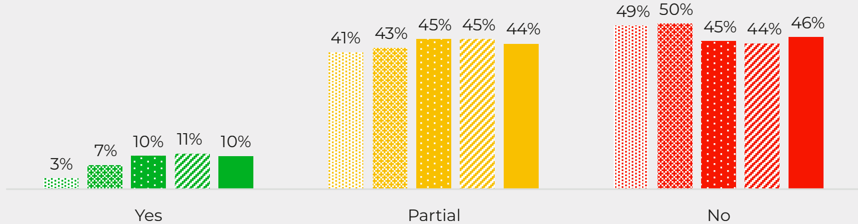
The graphs on this page compare year-on-year progress made by the sample of 165 companies assessed in 2024. 9 or 6% of these were not assessed in March 2021. The 2021 'Not Assessed' scores (i.e., the 6% of companies scoring 'Not Assessed' in 2021) are not included in the graphs above. Due to rounding of percentages in the data analysis, some of the totals per assessment period do not add up to a hundred percent.



Indicator 3: Medium-term GHG Reduction Targets



Indicator 4: Short-term GHG Reduction Targets



Please note: this year-on-year data was recorded from 10th September 2024.

i) Net Zero Standards

The Net Zero Standards (NZS) are sector-specific frameworks designed to complement the sector-neutral Climate Action 100+ Net Zero Disclosure Framework and support investors assessment of company transition plans. Developed through extensive consultations with investors, industry bodies, companies, and other key stakeholders, they aim to enhance investor engagement by providing metrics that better capture each sector's unique challenges and opportunities. To date, NZS has been published for the Oil & Gas (O&G) and Diversified Mining (DM) sectors and in 2024, 10 European and North American O&G companies were assessed against the standard by the Transition Pathway Initiative (TPI).

In 2025, TPI plans to expand the assessments using the NZS O&G as well as publish the first assessments using the NZS DM. Feedback on their usability is also being gathered and reviewed with the aim of refining and reducing the number of metrics and broadening the sector and company coverage. IIGCC intends to lead the next stage of this development, supported by input from other partner networks from the CA100+ amongst others, depending on their capacity to contribute.

Climate Action 100+

Global Investors Driving Business Transition

AIGCC ASIA INVESTOR GROUP ON CLIMATE CHANGE

Ceres

Investor Group on Climate Change

PRI Principles for Responsible Investment

IIGCC