

# Corporations fall short on implementing green agendas: report

November 7 2023, by Linnea Pedersen

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Corporations are increasingly committed to green agendas, but a new report on Tuesday reveals that only one in 20 of over a thousand publicly

listed companies have a detailed strategy for how they will reach their greenhouse gas targets.

While 82 percent of companies in sectors ranging from food to oil and gas reported long-term emissions strategies, only half incorporated [climate scenarios](#) into their planning, according to the report published by the Transition Pathway Initiative (TPI) Centre at the London School of Economics.

And only one percent of the companies aligned their future spending with their goals to decarbonize.

"Our research is contributing to this shift in emphasis from setting targets to actually implementing them and the big takeaway is just how little of that is going on right now, even among these very large and sophisticated publicly listed companies," TPI Research Director Simon Dietz told AFP.

Part of the reason is that the focus in recent years has been on corporate pledges, such as net-zero targets that align with the Paris Agreement's goal to cap the rise in global average temperature to well below two degrees Celsius (2.7 degrees Fahrenheit) above pre-industrial levels. The aim was to pursue a 1.5C threshold.

But implementing those pledges is much harder.

"Most companies by now have done the easy bit," said Dietz. That includes expressing awareness of [climate change](#) and having a corporate climate policy.

But now attention is shifting towards "whether those pledges, which are usually voluntary are credible. And whether companies have a detailed plan for reaching them," he added.

## Global variation

The findings revealed that no companies so far meet all five management qualities that the TPI Centre considers necessary to put a [company](#) on a credible path towards implementing its green pledges.

These include clarifying the role of carbon offsets in their emissions targets and aligning capital expenditures with long-term climate goals.

Airlines and oil and gas companies were some of the highest performing sectors, but the difficulties of implementing their decarbonizing pledges are apparent.

A separate TPI Centre assessment found that most airlines were not aligned with the Paris Agreement targets, nor were 75 percent of oil and gas companies.

"They often have sophisticated management and governance of the issue. It's not the same thing as saying they are reducing their emissions fast enough to align with the Paris goals," said Dietz.

Other industries such as cement and [coal mining](#) lagged behind on all indicators. Only half of coal mining companies have set an emissions reduction target.

The commitments varied globally as well.

European companies showed a "clear outperformance" in management quality, whereas only a quarter of companies in North America and two percent in China ranked highly.

"Every year companies are doing more to manage climate change as a business risk, and a business opportunity, so that's the good news. The

bad news is that progress continues to be slow," added Dietz.

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