The Transition Pathway Initiative, now backed by over Â£7/$9.3 trillion in assets under management, released today its report The State of Transition in the Coal Mining, Electricity and Oil and Gas Sectors.

The report - available to download here -Â analyses 105 of the worldâs largest public companies in three key sectors: coal mining, electricity, and oil and gas.

The report shows significant improvement in companiesâ carbon policies and management processes but concludes that most are yet to adopt business strategies that align with the goals of the Paris Agreement.

The report was released today at theÂ *Asset Ownersâ State of Transition Climate Summit*Â held in partnership with FTSE Russell and the London School of Economics at the London Stock Exchange, where the worldâs leading asset owners worked together to identify interventions that asset owners can make to help shape the transition to a low carbon economy.

Key findings

- The electricity sector and general mining companies are best prepared in terms of their overall quality of management.
- In contrast, nine pure-play coal companies are stuck on levels 0 and 1 of the management quality assessment.
- Oil and gas companies acknowledge the importance of climate change but most do not have emissions reduction targets.
- There is clear progress across all three sectors, with 17 out of the 54 companies improving since TPIâs previous assessment. Progress is related to implementing new carbon management practices, such as explicitly recognising climate change as a business risk / opportunity, and setting emissions reduction targets.
- Of the 37 electricity utilities assessed, 26 have targets extending to at least 2020, but only 19 have targets encompassing 2030. Of these, over half are projected to be aligned with at least the Paris Pledges in 2020, and most of these also align with a Below 2 Degrees scenario.
- Only 5 of the electricity companies â E.ON, EDF, Enel, Iberdrola and SSE â are aligned with Below 2 Degrees by 2030.
- In the oil and gas and mining sectors, very few companies have set emissions targets reduction targets for the carbon emissions from the use of coal, oil and gas in buildings, electricity generation, industry and transport.

Emma Howard Boyd, Chair of the Environment Agency, said:âItâs heartening to see many companies have implemented a wide range of carbon management practices, but it is concerning that companies are yet to align their business strategies with the goals of the Paris Agreement. On current trajectories, global temperature rise is expected to exceed 2Â°C by 2100, and a 3 to 4Â°C rise is likely. If investors are to have confidence risks are managed appropriately we need to see more on resilience to the physical threats of climate change in addition to better carbon management.â

Adam Matthews, Co-Chair of the Transition Pathway Initiative and Director of Ethics and Engagement for the Church of England Pensions Board, said: â□□Todayâ□□s report identifiers that Increasing numbers of electricity utilities are making the transition to renewable energy. However, most companies still do not take a strategic approach to climate change, and most electricity utilities either do not have quantitative, long-term emissions targets, or their targets do not keep pace with what the Paris Agreement requires.â□□

Professor Simon Dietz at the London School of Economics, who led the analysis, said:â□□Carbon performance is a crucial measure and in March 2018 we published a discussion paper, which sets out a proposal for how Carbon Performance could be assessed in the oil and gas sector in future.We are now working with companies in the sector to encourage them to provide the disclosures we need to assess their future performance.â□□

Source URL: *https://www.churchofengland.org/news-and-media/news-and-statements/business-strategies-failing-keep-pace-need-decarbonise*