PRESS RELEASE:

UNDER EMBARGO until 09:00 am CET on Thursday 29 June

Research reveals no oil and gas companies have plans in place to phase out fossil fuels

- *The World Benchmarking Alliance and CDP assessed the top oil and gas companies from around the world, including BP, ExxonMobil and Saudi Aramco – finding that the oil and gas sector has made almost no progress towards the Paris Agreement goals since 2021.*

- *Most companies fail to disclose their capital investment in low-carbon technologies. Among those who do, investment falls dangerously short; only one company – Neste – is currently investing enough to align with a credible transition plan.*

- *The World Benchmarking Alliance calls for rapid action from the oil and gas sector to ensure a just transition to a zero carbon future, with the need to see accelerated pressure from investors, policymakers and the public critical to hold the sector accountable.*

Amsterdam, 29 June 2023 – The World Benchmarking Alliance's (WBA) second Oil and Gas Benchmark, published today, shows a dangerous lack of progress towards global climate goals from the sector. There has been little advance – and alarmingly even some decline – in oil and gas companies' progress on limiting global warming to 1.5 degrees. Overall scores across the Benchmark have fallen, on average, by 0.2 points in the past two years.

WBA's Oil and Gas Benchmark, developed with CDP using the ACT methodology, assesses and ranks the world's most influential oil and gas companies, including TotalEnergies, Chevron Corporation and China National Petroleum Corporation, on their low-carbon transition and social impact. The research shows that even though the oil and gas sector has a wealth of resources and tools available to decarbonise, it is failing to use them.

A dismal picture on decarbonisation

The seven major oil and gas companies made a record $380 billion profits last year but despite this, investment to reach a low-carbon economy has fallen dangerously short.[1]

To halve the sector's scope 1 and 2 emissions, companies need to invest $600 billion by 2030 into low-carbon solutions. This is not happening. Only 12% of companies' assessed scope 1 and 2 emissions have decreased on track to limiting global warming to 1.5 C. Scope 1 and 2 methane emissions must be reduced by 60% by 2030, yet only 29 companies have even disclosed targets to reduce methane emissions by 2030.

About 80% of the sector's emissions come from the use of oil and gas products. The sector's only route to transition is phasing out fossil fuels. While this cannot happen overnight, companies are not even putting plans in place, and there is no sign that companies are slowing down extraction. Last year, the sector committed half a trillion dollars[2] for new drilling and extraction. In fact, the 81 oil and gas companies with extraction activities are predicted to increase total oil production by 9% from 2021, peaking in 2028. Over half of companies assessed still link executive remuneration or incentives to the growth of fossil fuels, and only 18% of assessed companies have scope 3 emission targets.

[1] https://www.reuters.com/business/energy/big-oil-doubles-profits-blockbuster-2022-2023-02-08/ and https://www.aramco.com/en/news-media/news/2023/aramco-announces-full-year-2022-results
[2] https://www.theguardian.com/commentisfree/2023/jun/22/the-guardian-view-on-macrons-green-finance-deal-save-lives-not-profits

Only 25% of companies assessed report how much of their capital expenditure is invested in low-carbon technologies. On average, these companies only dedicate around 18% of their investment in decarbonisation. Just one company, Neste, invests enough for a credible transition, spending 88% of their investment on low-carbon options such as advanced biofuels.

Although no companies are performing well, the top 10 scoring companies are:

RANK	COMPANY	HEADQUARTER	SCORE	2021 RANKING
1	Neste	Finland	56.0 / 100	ENGIE
2	ENGIE	France	49.6 / 100	BP
3	TotalEnergies	France	45.3 / 100	Eni
4	Naturgy Energy	Spain	43.9 / 100	Neste
5	Eni	Italy	42.2 /100	TotalEnergies
6	Origin Energy	Australia	41.8 / 100	Shell
7	Galp Energia	Portugal	37.1 / 100	Repsol
8	Repsol	Spain	33.7 / 100	NaturgyEnergy
9	SK Innovation	South Korea	32.6 / 100	Galp Energia
10	OMV	Austria	31.8 / 100	Equinor

Vicky Sins, World Benchmarking Alliance’s Decarbonisation and Energy Transformation Lead, said:

“The oil and gas sector’s failure to address emissions from its products and operations hampers international efforts to limit global warming to 1.5C. In the run up to COP28 in Dubai, all eyes are on the oil and gas industry. But these companies are not planning for a low-carbon future and are failing to take responsibility in the immediate and long term. It is deeply concerning that no companies have made a commitment to halt the expansion of fossil fuel activities before 2030.”

Some progress on human rights

In addition to decarbonisation, WBA is calling for immediate and significant investment in protecting workers and communities who will be impacted by the transition to a net zero future. A just transition must consider those who are at risk of negative impacts from necessary change, and account for them through investment in skills, training and human rights due diligence.

Despite the dismal picture on decarbonisation, the research shows that some progress has been made by some companies on human rights due diligence. 85% of companies are working to assess human rights risks, 56% of companies now have human rights policies and 12% demonstrate effective human rights due diligence, including identifying potential risks to human rights, integrating salient risks into planning, and proactively responding to issues.

While only 35% of assessed companies are committed to social dialogue, an increasing number of companies are engaging with stakeholders on just transition planning (currently 15% up from 8% in

2021). 4% of companies demonstrate social dialogue and meaningful engagement on all aspects of a just transition, up from 2% in 2021.

Vicky Sins added:

"*While there has been some progress on social aspects, the oil and gas sector is far behind where it needs to be. The oil and gas sector will not make the investment in rapid decarbonisation and just transition without external pressure from key stakeholders. Our findings are a warning for the need for all stakeholders — investors, policymakers and the public — to hold the oil and gas sector accountable."*

Amir Sokolowski, CDP's Global Director, Climate said:

"This assessment of the oil and gas sector is critically timed before COP28, it must be used to re-enforce current cries that it is not possible for us to limit warming to 1.5 degrees and avert the worst impacts of climate change if we do not start to hold this vital sector to account.

We need to see the oil and gas sector gaze at its future through science aligned lenses, confronting structural, not cosmetic changes. Commitments and actions are limited across the board. Not enough companies have set targets, and of those that have, most don't have targets that include scope 3 emissions reductions. Even the small number that have targets that include scope 3 are not supporting them with a credible transition plan. The advice could not be clearer from the IEA, we need to have stopped exploration by 2021, yet it is currently not set to peak until 2028.

A few companies in the benchmark show that there is room to transition for those that act now, the rest of the sector must follow suit, and quickly."

ENDS

Notes to editors
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About the Oil and gas Benchmark
Please see the full Oil and gas Benchmark available here: https://www.worldbenchmarkingalliance.org/publication/oil-and-gas/ (NB: This will be updated to 2023 results on 29 June 2023)

Please see the ranking of the companies here: https://www.worldbenchmarkingalliance.org/publication/oil-and-gas/rankings/ (NB: This will be updated to 2023 results on 29 June 2023)

To see the full methodology, visit: https://www.worldbenchmarkingalliance.org/research/methodology-for-the-2023-oil-and-gas-benchmark/

About the World Benchmarking Alliance
- *Founded in 2018, the World Benchmarking Alliance is a non-profit organisation holding 2,000 of the world's most influential companies accountable for their part in achieving the Sustainable Development Goals.*
- *It does this by publishing free and publicly available benchmarks on their performance and showing what good corporate practice looks like.*
- *The benchmarks provide companies with a clear roadmap of what commitments and changes they must make in order to put our planet, society and economy on a more sustainable and resilient path.*

- *They also equip everyone – from governments and financial institutions to civil society organisations and individuals – with the insights that they need to collectively incentivise leading companies to keep going and pressure the laggards to catch up.*
- *Visit www.worldbenchmarkingalliance.org and follow @SDGBenchmarks*

About ACT

- *ACT (Assessing low-Carbon Transition) is a publicly funded initiative founded by CDP and Ademe hosted by the World Benchmarking Alliance that provides credibility to companies' climate transition plans by using forward-looking, holistic and operational approaches to corporate climate accountability.*
- *It includes sector-specific, free and publicly available methodologies, developed according to a standardised, multi-stakeholder process, and tested by companies.*
- *This process ensures an assessment of all aspects of a company's contribution to limiting emissions and aligning with the Paris Agreement mitigation goals.*

About CDP

- *CDP is a global non-profit that runs the world's environmental disclosure system for companies, cities, states and regions.*
- *Founded in 2000 and working with more than 740 financial institutions with over $130 trillion in assets, CDP pioneered using capital markets and corporate procurement to motivate companies to disclose their environmental impacts, and to reduce greenhouse gas emissions, safeguard water resources and protect forests.*
- *Nearly 20,000 organizations around the world disclosed data through CDP in 2022, including more than 18,700 companies worth half of global market capitalization, and over 1,100 cities, states and regions.*
- *Fully TCFD aligned, CDP holds the largest environmental database in the world, and CDP scores are widely used to drive investment and procurement decisions towards a zero carbon, sustainable and resilient economy. CDP is a founding member of the Science Based Targets initiative, We Mean Business Coalition, The Investor Agenda and the Net Zero Asset Managers initiative.*
- *Visit cdp.net or follow us @CDP to find out more.*