

Position Green's annual **ESG100** review reveals top European companies' net zero pledges lack green investment backing

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- First large-scale assessment of ESG disclosure alignment post-ESRS entry into force
- 96% of Europe's top 100 companies pledge Net Zero by 2050, but only 32% disclose climate investments; Scandinavia lags at 7%
- New ESRS regulations are estimated to impact 10,000 non-EU firms, including 3,000 in the US and 1,000 in the UK, demanding greater transparency on social issues and presenting both compliance challenges and strategic opportunities



Aligning with the future:

**ESG reporting
in the ESRS era**

Position Green, a market leading sustainability partner, releases its seventh annual ESG100 review. The review is the first comprehensive assessment of major listed companies' implementation of the European Sustainability Reporting Standards (ESRS) under the Corporate Sustainability Reporting Directive (CSRD), which entered into force in January 2024.

It assesses the largest 300 companies across Norway, Denmark and Sweden along with 100 additional of the largest European companies and analyzes their current ESG disclosure practices against 32 core ESRS criteria and 13 000 data points.

The CSRD affects approximately 3700 companies in Scandinavia and 50,000 across Europe. Position Green's ESG100 review provides an exclusive snapshot of how the 2023 reporting practices align with the new ESRS requirements, which are currently being phased in.

"While progress has been made both in the scope and transparency of reporting, the ESG100 highlights critical challenges in adapting to the new ESRS requirements. Most importantly, it raises questions about the ability of companies to meet their sustainability commitments and potentially the region's ability to meet climate targets. Even Scandinavian companies, typically seen as leaders in ESG, have considerable work to do. As the ESRS introduces the most comprehensive ESG disclosure regulations to date, these insights are key for businesses, investors and policymakers to navigate the regulatory landscape and achieve real sustainability impact," says Julia Staunig, Chief Strategy Officer at Position Green.

Some key findings from the ESG100 report:

- **Net zero commitments vs. green investments:** 96% of the 100 largest companies in Europe have pledged to reach Net Zero by 2050. However, only 32% of the European companies report their level of climate investments, and a mere 7% of Scandinavian companies disclose this information.
- **Revenue from green activities:** Among the 100 largest companies in Europe, only 5% of revenue is classified as "green" according to the EU taxonomy, with Scandinavian companies slightly better at 8%.
- **Few green investments:** Most investments are in fact not green as defined by the EU. In Scandinavia, 91% of investment budgets are not aligned with the green taxonomy. Across Europe, only 13% of investments (capex) are allocated to green initiatives, meaning 87% do not support what the EU defines as sustainable business.
- **Green pay gaps:** Linking executive pay to greenhouse gas (GHG) targets is still rare in Scandinavia, with only 24% of companies adopting this compared to 84% in Europe. Broader ESG-linked pay, which includes factors like diversity and governance, is also uncommon — 36% in Scandinavia compared to 74% in Europe.

Global impact - and opportunity

The new ESRS regulations impact about 10,000 non-EU firms, including approximately 3,000 in the US and 1,000 in the UK, requiring more transparency on social issues like workforce conditions and community impacts. For non-EU companies, the new ESRS regulations present both a compliance challenge and a strategic opportunity. Those who meet these new standards can position themselves as sustainability leaders, while those who fail to comply risk penalties and losing market relevance. Navigating these new requirements demands a proactive and robust approach to ESG reporting.



“With growing concerns about greenwashing, the ESG100 review highlights the need for companies and policymakers to ensure that sustainability disclosures are both comprehensive and clear. Without full transparency of sustainability efforts, it's challenging for investors, regulators, and stakeholders to assess a company's actual impact. And the story needs to hang together: companies need to invest in making their green pledges a reality, and they need to be transparent about these investments. A lack of clarity can lead to misallocated funds, steering investments away from truly sustainable initiatives. Additionally, poor reporting on human rights, emissions, and biodiversity can expose companies to legal risks, reputational damage, and a loss of customer and employee trust — ultimately affecting companies' bottom line.”

Julia Staunig , CSO, Managing Director Brussels, Position Green

About Position Green

Position Green is a market leading, sustainability partner supporting organizations to accelerate their sustainability journey. Position Green's offering combines a proprietary ESG Software with specialised sustainability advisory services and e-learning. In making sustainability measurable and actionable, Position Green simplifies the ESG reporting challenge and helps build robust strategies that reduce risk and create lasting value. Position Green is a signatory to the UN Global Compact and a partner of GRESB and the SASB Consulting Programme, having contributed to the development of the SASB Marine Transportation standards.

Position Green has also served as a certified GRI Training Partner and a CDP Accredited solutions provider. As of September 2024, Position Green has over 700 clients worldwide, including more than 50 GP/LPs, and more than 340 employees across Sweden, Norway, Denmark, the UK, the US, and Belgium.

Read more at www.positiongreen.com

Contact for more information

Ulrika Enström
PR Consultant
ulrika@kioskservices.eu
+46 (0) 733 328 515