

Company number: 13680867

TPI Chair's Year-End Reflection, 2025

As 2025 draws to a close, I've been thinking about how in some ways this has been a difficult year politically and from a climate change perspective. Geopolitical pressures, including heightened energy security concerns, have complicated corporate climate action, and some governments have prioritised domestic energy resilience over climate commitments. A persisting anti-ESG and anti-climate narrative from some politicians in some countries is also creating challenging headwinds. Finally, the outcomes of COP30 may have disappointed some.

But none of this means that climate change poses any less of a risk to investments and economies. It is worth remembering that many countries, companies and investors are just getting on with doing what they can to manage climate risk and the transition. So yes, global politics is challenging in some markets, but action is still being taken. A comment I heard during a visit to Asia earlier this year has stuck with me: climate action frequently takes place in spite of policy rather than because of it. Companies and investors are responding to the need to transition from both an energy and a climate perspective because it is in their own interests to do so, irrespective of what policymakers are doing.

In this context, TPI, with its academic partner, the TPI Global Climate Transition Centre (TPI Centre) at the London School of Economics and Political Science (LSE), continues to serve as a vital tool for investors, policymakers and companies navigating the low-carbon transition. TPI remains a key tool providing transparent, comparable and publicly available data to hold companies accountable for how they are planning to transition.

I'm glad to say that from its modest beginnings in 2017 when we assessed 105 companies across three sectors, TPI's Management Quality (MQ) score now covers around 2,000 companies in 11 industries and represents a combined market capitalisation of US\$99 trillion¹. Carbon Performance (CP) is now assessed for 550-plus companies, and the work of the TPI Centre also includes banks (via its [Banking Tool](#)) and sovereign debt (via [Assessing Sovereign Climate-related Opportunities and Risks – ASCOR](#)). TPI Centre analysis also remains the backbone of the Climate Action 100+ Net Zero Company Benchmark, making TPI data central to investor engagement and stewardship globally.

Each of the TPI Centre's three flagship reports for the year, the [State of the Corporate Transition](#), [State of the Sovereign Transition](#) and the [State of the Banking Transition](#), contains insightful analysis on how the transition is – or is not – progressing in those respective areas. For example, the State of the Corporate Transition 2025 highlighted a 'credibility gap' where, despite progress, many companies still lack core components of credible transition plans, particularly around CapEx, Scope 3 emissions and long-term decarbonisation strategies. In the case of the sovereign transition, ASCOR country coverage has been increased to 85 countries. The banking assessments have been applied to emerging market banks outside China for the first time, including two large banks in Brazil, showcasing its general applicability across regions and types of banks. And as a recognition of its excellence, the TPI Centre's Net Zero Standards Assessment Framework, designed to evaluate the comprehensiveness and ambition of transition plans, was awarded 'ESG assessment tool of the year – ratings' by Environmental Finance.

¹ The market capitalisation values are calculated based on data from FTSE Russell as of September 2025.

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Around the world 157 investors representing US\$87 trillion in assets under management (and advice)² support TPI, underscoring its global reach and credibility. We are also supported by [seven Research Funding Partners](#), who financially support the work of TPI and the TPI Centre.

This year I have had the pleasure of meeting many of TPI's supporters. We co-hosted a meeting between companies and investors with the TPI Centre, the London Stock Exchange Group (LSEG) and the World Business Council for Sustainable Development (WBCSD) during London Climate Action Week. The launch event of the TPI Centre's State of the Corporate Transition 2025 at LSE provided another opportunity for interaction between the Centre's analysts and investors. Internationally, I was able to meet supporters in Asia this year, visiting Singapore, Hong Kong and Tokyo and, finally, TPI co-hosted a joint breakfast event with ASCOR at PRI in Person in Brazil. These meetings provided an opportunity for TPI to hear directly from its supporters and other investors – all with the aim of improving the data, analysis and service we provide.

TPI's partnership with LSEG, which provides the underlying data for our MQ assessments, remains strong: since its launch, TPI has received data support at no cost from FTSE Russell, an LSEG business. In addition, the assets under management (AUM) in TPI-data-leveraging index solutions have grown substantially since the launch of the first TPI index in January 2020. Indeed, LSEG index solutions that use TPI data have expanded to cover over US\$100 billion in AUM, a number we expect to see grow further over the coming years.

There are exciting plans for next year. In early 2026, TPI in conjunction with LSEG will significantly increase coverage of MQ to up to 10,000 companies. And the TPI Centre will be updating the banking tool and ASCOR tool, having launched consultations on both (respond [here for the banking tool](#) and [here for the ASCOR tool](#)).

As the urgency of climate change intensifies, TPI's role as a bridge between financial markets and real-economy decarbonisation has never been more critical. Without funding, TPI and the TPI Centre would not be able to deliver our world-class methodologies, data and analysis so I would again like to thank Climate Arc, LSEG and the LSEG Foundation, our Research Funding Partners, and the asset owners and other organisations that financially support our work. If you would like to become a funder, please let me know.

I would also like to thank Carmen Nuzzo, Simon Dietz and the team at the TPI Centre for their hard work producing the TPI analysis, and Joanne Lewis for the support she provides me.

Finally, thank you to our readers for your ongoing support of TPI and best wishes for the season.

With kind regards,

David Russell
Chair of TPI Limited
December 2025

² Assets under management (and advice) are subject to market-price and foreign-exchange fluctuations. As the sum of self-reported data by TPI supporters, they may double-count assets.