



**Rystad**Energy

# Are oil and gas players on track to deliver on 2025 emissions targets?

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Sustainability stress test for emission-reduction promises

**Whitepaper**

April 2025

# Most companies not yet ready to commit to reducing Scope 3 emissions

In the past five years, oil and gas players have been transforming towards becoming more carbon-conscious operators and have outlined strategies for reducing and controlling emissions across their whole value chain.

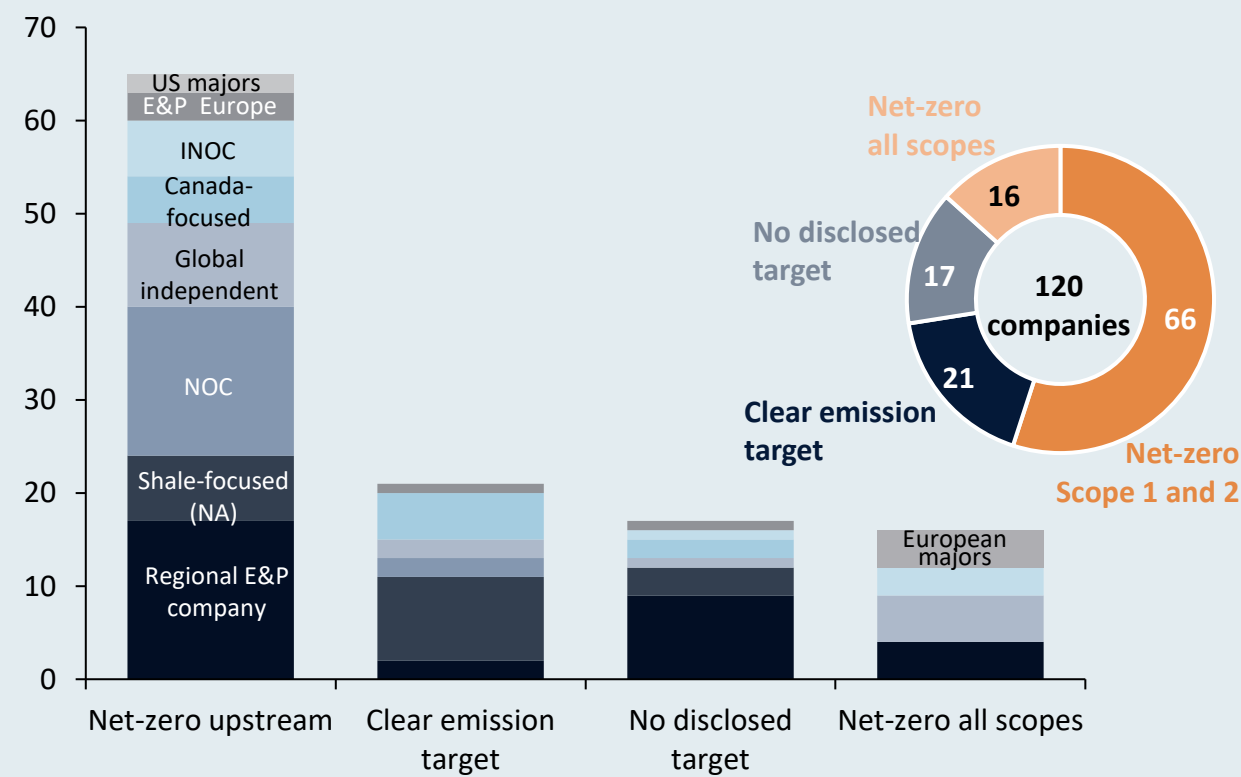
This year will be pivotal for measuring progress, as several corporations have set 2025 as one of the benchmark years for achieving interim reductions in Scope 1, 2 and 3 emissions. Rystad Energy analyzes 120 select key oil and gas companies, each with its own strategy for reducing emissions. These companies’ operations collectively emitted more than 630 million tonnes of upstream emissions in 2024, representing around 58% of the total emissions from oil and gas companies last year.

The pressure to decarbonize in recent years has

been vital in reshaping the strategies of oil and gas companies. This has resulted in most companies – whether they be majors, national oil companies (NOC) or regional players – outlining their strategies and committing to various decarbonization levels. Figure 1 below shows the distribution of companies across different decarbonization targets.

The chart below shows that net-zero Scope 1 and 2 have been dominating oil and gas companies’ decarbonization strategies, as more than half of the companies in our database have committed to this target. Meanwhile, only 16 companies have committed to the net-zero all-scopes target, or only around 13% of the total company count.

**Landscape of oil and gas companies’ emissions targets**  
Count of companies



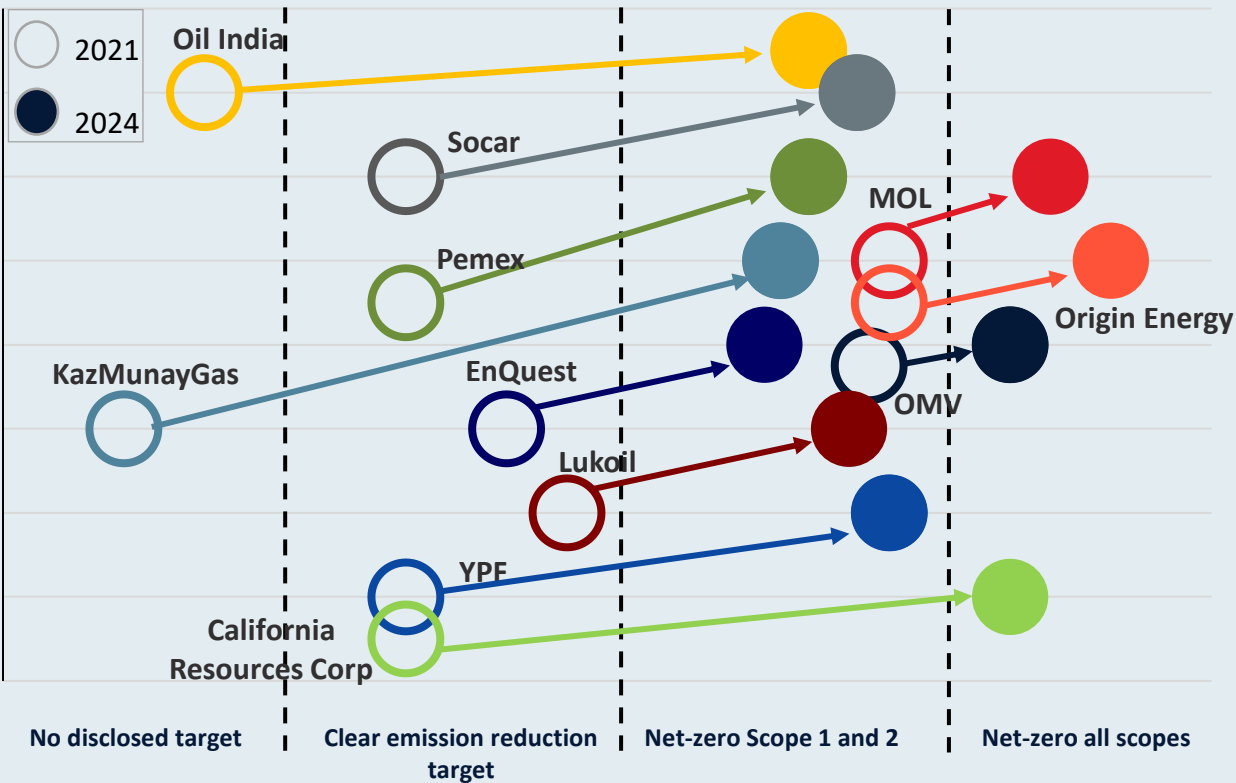
\*Chart consists of 120 key players that have announced each type of emissions reduction target  
Source: Rystad Energy E&P Energy Transition Strategy dashboard

# Several companies embraced more ambitious targets since 2021

Our data shows several players' ultimate decarbonization targets have become more ambitious. This is evident in NOCs and such players with international portfolios (INOC), such as Mexico's Pemex, Socar in Azerbaijan, and Argentina's YPF, where the three companies are accelerating their targets from specific reduction targets to net-zero upstream by 2050. Other NOCs/INOCs that previously did not set a target, such as Indian player Oil India and KazMunayGas in Kazakhstan, have also set net-zero upstream as their main decarbonization ambition. Other notable accelerations are Hungary's MOL and Australian independent Origin Energy, which have further enhanced their target from net-zero upstream to net-zero in all scopes.

Numerous events have driven this evolution, with one of the critical milestones within the timeframe being the Oil & Gas Decarbonization Charter (OGDC), which is a landmark from the 28th edition of the Conference of Parties (COP28), which took place in Dubai in late 2023. Company signatories to the Charter have targets to achieve net-zero Scope 1 and 2 emissions by 2050, near-zero upstream methane emissions by 2030, and zero routine flaring by 2030. This charter saw 55 companies sign up, with 32 from the NOC/INOC segment and the remainder being international oil companies (IOC) and independents, some of which did not previously have a net-zero target.

Evolution of decarbonization targets for selected companies













Source: Rystad Energy research and analysis; company reports

# This year will be a key milestone year in companies' decarbonization pathways

From our analysis, more than 20 companies have interim emission-reduction targets for 2025, especially in Scope 1 and 2, with some shown in table below.

The array of targets exemplifies how different each company's approach to the net-zero objectives is.

## Scope 1 and 2 reduction target by 2025 for selected companies

Company	Boundary	2025 target
<b>Absolute target</b>		
	Operated	BP is targeting a 20% reduction in Scope 1 and 2 emissions by 2025 against the 2019 baseline year.
	Undisclosed	CNOOC aims to achieve a cumulative emission reduction of more than 1.5 million tonnes of CO <sub>2</sub> equivalent
	Equity	Eni has set a 65% emission reduction target within its Scope 1 and 2 by 2025 for its upstream operations compared to the 2018 baseline year.
	Operated	OMV's targets are reducing the carbon intensity of operations (Scope 1) by at least 30% by 2025 versus the 2010 baseline, with an additional 1 million tonnes of CO <sub>2</sub> from operated assets within 2020-2025
	Operated	TotalEnergies' short-term targets include reducing operating emissions by 17% by 2025, compared to 2015 levels.
	Equity	Woodside is aiming for a 15% reduction of net equity emissions by 2025 relative to a starting base of 6.32 million tonnes of CO <sub>2</sub> , which is representative of the gross annual average equity emissions over 2016-2020.
<b>Intensity target</b>		
	Operated	By or before 2025, EQT Corporation has a target to achieve net-zero Scope 1 and Scope 2 GHG emissions from the 2020 level.
	Operated	Equinor has set a 2025 target to limit its CO <sub>2</sub> upstream intensity target to seven kilograms of CO <sub>2</sub> per barrel of oil equivalent, which is Scope 1 exclusive.
	Operated	Expand Energy (a merger of Chesapeake Energy and Southwestern Energy) aims to reduce emission intensity to 3 metric tonnes CO <sub>2</sub> equivalent per gross million barrels of oil equivalent produced by 2025 compared to 2020 levels.
	Operated	Oxy aims to reduce total operational GHG emissions intensity to 0.02 metric tonnes of CO <sub>2</sub> equivalent per barrel of oil equivalent by 2025 compared to 2019 levels.

Source: Rystad Energy research and analysis; company reports










# Several companies have embraced more ambitious targets since 2021

How is each company's progress toward these targets? The table below shows several selected companies' progress toward the 2025 Scope 1 and 2 reduction targets. Based on company reported data and our analysis, the figure shows each company's trackable progress toward its 2025 (and some 2030) objectives. The figures are not intended to compare the progress of one company with another, as each company's scales and target metrics differ.

The majority of the companies in this group

have demonstrated relatively strong progress toward their emission-reduction targets. BP, French major TotalEnergies and US gas independent Expand Energy have already surpassed their targets as of 2023. BP, in particular, has reduced its absolute emission to 41% by 2023 from the targeted 20%. At the same time, for the second consecutive year, BP's absolute Scope 1 and 2 emissions have increased on a year-on-year basis. In 2024 compared to 2023, emissions rose by 5%.

## Selected companies' progress towards 2025 and 2030 Scope 1+2 reduction target\*

Company	Baseline year	Boundary	Actual reduction		Reduction target	
			2020	2023	2025	2030
Absolute target						
	2019	Operated	-16%	-41%	-20%	-45%-50%
	2018	Equity	-23%	-40%	-65%	-100%
	2015	Operated	-9%	-24%	-17%	-40%
	2020	Equity		-13%	-15%	-30%
Intensity target						
	2020	Operated		-53%	-100%	
	2010	Operated	-18%	-20%	-30%	
		Operated	8 kilograms of CO <sub>2</sub> per barrel of oil equivalent	6.7 kilograms of CO <sub>2</sub> per barrel of oil equivalent	7 kilograms of CO <sub>2</sub> per barrel of oil equivalent	6 kilograms of CO <sub>2</sub> per barrel of oil equivalent
	2021	Operated		-54%	-35%	
	2019	Operated	-6%	-20%	-40%	

✓ Target achieved in 2023

\*Table baseline year, actual reduction, and reduction target are exclusive to short-term 2025 and 2030 targets  
Source: Rystad Energy research and analysis; company reports

# Actual performance on emissions reduction is key sustainability metric

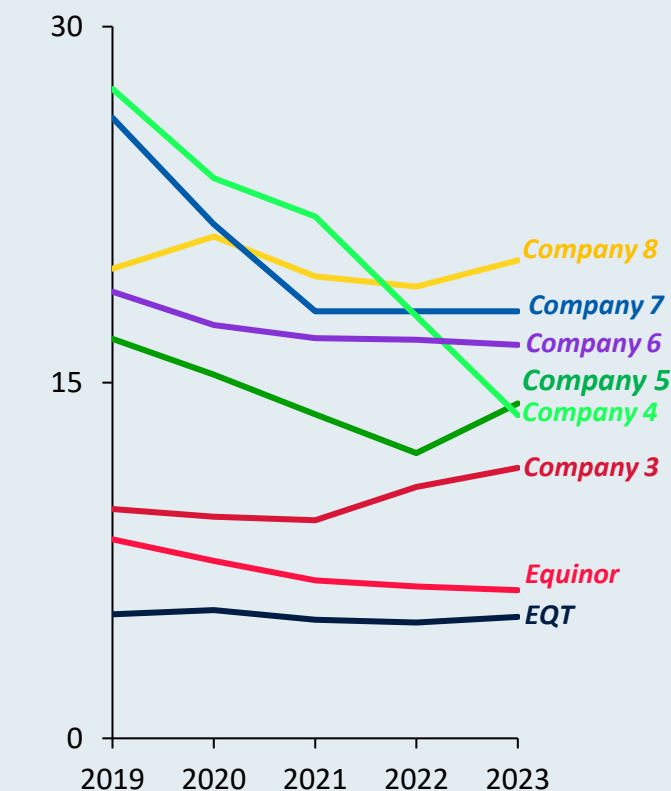
While target-setting is an important part of oil and gas company strategic plans, the starting points, actual performance, and understanding of how these reductions were achieved should be an essential part of their overall strategic decision-making process. With our upstream emissions data, we can keep track of how companies are progressing on their performance. The chart below shows the emissions intensity for a select group of companies that have 2025 emissions targets and their progress since 2019. Some companies that showed the biggest improvement in emissions intensity – 50% and 40% respectively, started from a high intensity back in 2019 and

by 2023 managed significant reductions, resulting in similar intensity compared to their peers. While Equinor and EQT held the lowest emissions intensity since 2019, they were still able to improve their performance by 2023.

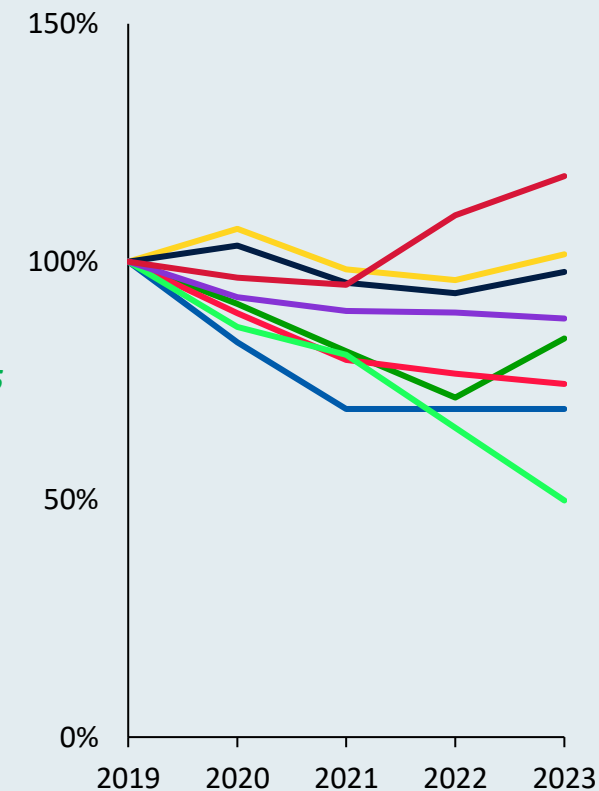
M&A activity increased emissions intensity for certain players while others used M&A to reduce emissions through selling assets with the highest emissions intensity in their portfolios.

That said, in order to achieve sustainability goals in oil and gas sector, it is important to track actual performance and progression year on year.

Operated upstream CO<sub>2</sub> emissions intensity [kgCO<sub>2</sub>/boe]



Relative 2019-indexed operated upstream CO<sub>2</sub> emissions intensity



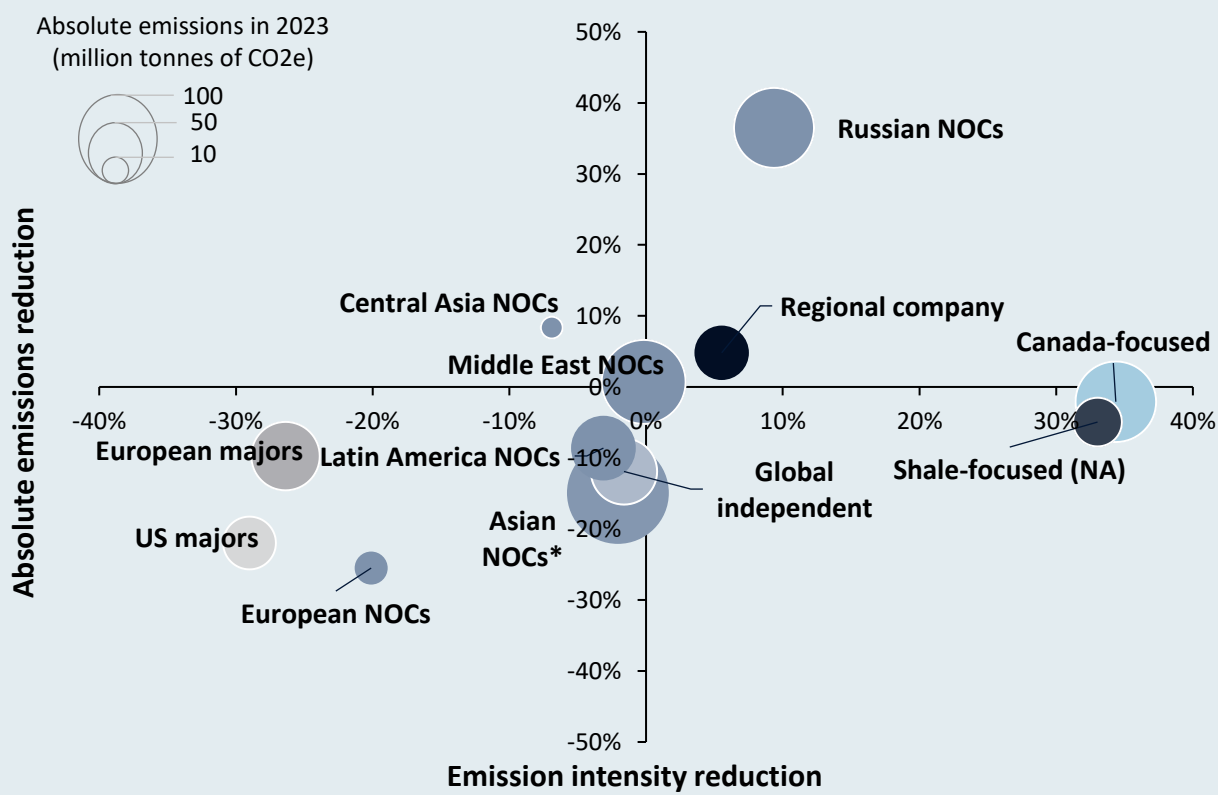
Source: Rystad Energy EmissionsCube

# Majors stand out as best-performing group

Among the 120 key oil and gas companies selected, distinct segments can be categorized to assess their progress in emission reduction achieved over the last five years. Leveraging data from our EmissionsCube, upstream operated CO<sub>2</sub> emissions and reduction trends from 2019 to 2023 have been analyzed across major company categories: NOCs/INOCs, majors, regional companies, Canada-focused, global independents, and shale-focused (North America), as represented in the chart below. It is important to note that there are variations in emissions performance between companies within each segment. For example, within the NOCs/INOCs group, European companies such as Equinor, OMV and MOL have substantially

reduced their absolute and intensity emissions. In contrast, Russian NOCs such as Gazprom and Rosneft have increased their emissions in both metrics since 2019. Similar disparities are observed in the regional company and global independent segments, illustrating how regional factors and operational environments influence emission-reduction outcomes. The majors segment – split into US and European majors – stands out as the best-performing group. As one of the most scrutinized segments in decarbonization efforts, these companies have implemented various strategies, including divestments, operational efficiency improvements, electrification, flaring reduction, and methane emissions control.

Upstream emission reduction progress from 2019-2023 split by company segment  
Percentage



Source: Rystad Energy research and analysis; company reports



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