

Global net zero commitments rise, even as U.S. federal government retreats

September 23 2025



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Despite the federal U.S. retreat, the global ambition to slash emissions and reach net zero remains intact, with commitments from cities, regions and companies rising steadily, according to Net Zero Stocktake 2025.

The annual assessment by the Net Zero Tracker (NZT)—which reviews both the quantity and quality of global climate commitments—finds that

77% of global GDP is still covered by national net zero commitments.

Corporate net zero is maturing

Net zero targets remain a defining feature of the global economy, with a clear majority of the largest listed companies within the Global Forbes 2000 having set targets and most backing them up with plans.

- By revenue, \$36.6 trillion, representing 70% of the revenue in the Forbes Global 2000 list, is covered by listed companies' net zero targets.
- Target-setting continues to increase in Asia, notably in China (48 to 60), India (29 to 34), Japan (from 184 to 199), South Korea (41 to 48), Taiwan (26 to 35) and Thailand (11 to 15).
- Worldwide, over two thirds of Forbes Global 2000 companies with net zero targets (860/1,245) back these up with plans.

The Stocktake indicates that clearer standards, a steady rise in national climate regulation, and companies' determination to protect their investments are together driving the continued rise in net zero targets.

John Lang, Lead, Net Zero Tracker, said, "From the devastating LA fires to floods in Pakistan, 2025 has shown why reaching net zero, the only way to halt rising temperatures, is so urgent. Talk of a 'net zero recession' is overblown. Backtracking is confined to fossil fuels and their financiers, while more companies are moving from box-ticking to real emission cuts—a long-overdue reset."

Saskia Straub, Analyst, NewClimate Institute, said, "Ten years post-Paris Agreement, net zero has become a widely accepted shared ambition and vision for companies, regions and cities. Leading companies have already begun to implement robust plans to back up targets. The message is clear: it's time for others to catch up or risk being left behind."

U.S. subnational action sustains domestic and global momentum

The U.S.'s abandonment of its federal net zero target saw global net zero coverage, by national-level commitments, fall from 93% to 77% of GDP. But subnational and company leaders have sustained momentum:

- 19 U.S. states remain committed to net zero. If state targets are included, worldwide net zero coverage jumps to 83% of global GDP.
- Net zero commitments by U.S. headquartered companies grew 9% in the last year—from 279 to 304, including new commitments from eBay, Merck & Co and Goodyear.
- These 304 companies account for \$12 trillion in global revenue—64% of U.S. corporate revenue assessed, the largest absolute share worldwide.
- Over half (52%) of America's largest companies now have net zero targets.

Sybrig Smit, Analyst, NewClimate Institute, said, "The persistent growth in net zero momentum shows most leaders understand the gravity of the climate crisis and the scientific imperative for action. But with less than half of the critical decade remaining, incremental progress is undermining our opportunity for a livable world. Plans must urgently improve to drive a pivot from pledges to real implementation."

The majority of national and subnational governments remain committed to net zero

- 69% of national governments and territories (137/198), including the EU, have kept their net zero pledge in place.
- 67% of national net zero commitments are now embedded in law

or formal policy, the strongest form of commitment, up from 52% in 2024.

- 2.55 billion people are now covered by net zero targets from their cities, states and regions—up from 497 million in 2020, a more than five-fold increase.

More entities join the net zero race, but still few are ready to run it

While commitments continue to rise, the quality of net zero strategies continues to lag. NZT's review of the Starting Line integrity criteria shows minimal progress over the past year:

- 7% of company net zero targets (90/1,245) meet the integrity criteria, though the number of companies at the Starting Line doubled in 12 months, from 45.
- 4% of city net zero targets (13 of 337) meet integrity criteria—unchanged since 2024, although net zero coverage increased from 271 cities to 337.
- 6.5% of regions (14/ 216) meet the integrity criteria, up from 3.5% since 2024, although net zero coverage increased from 186 to 216 regions.

Thomas Hale, Professor of Global Public Policy at the Blavatnik School of Government (Oxford University), said, "U.S. companies know they need to keep pace with the EU, China and other regions where climate policy is increasingly shaping competitiveness. Net zero is less a political battleground and more a race to secure future markets, investment and jobs."

Net zero excuse: Nearly half still missing

Strikingly, the Stocktake also shows that nearly half (1,548/3,885) of subnational governments and companies assessed still have yet to set an emissions reduction target—424 companies are operating without any emission reductions target.

Dr. Steve Smith, Executive Director, Oxford Net Zero and CO2RE, said, "This is 2025. If a major company, city or state still has no target or plan for being part of a climate-safe future, you have to ask if they are risking their own economic and environmental opportunities, as well as the world's."

Nature is a growing focus, but risks remain

- The 2025 Stocktake includes a special focus on nature and land use, highlighting corporate reliance on nature-based solutions and trends in food and agriculture.
- Around one-third of companies with net-zero targets plan to use nature-based carbon removals such as reforestation or peatland restoration.
- Yet only 4% set clear, separate targets for carbon removals, a key transparency measure that can help prevent overreliance on scarce removals and show how serious a company is about reducing emissions directly.
- Among the world's 30 largest food and agriculture firms, the number of climate targets has remained stable in 2025, but their focus is shifting:
 - Short-term targets are being dropped or delayed.
 - Longer-term pledges—often aligned with the SBTi's new FLAG (Forest, Land and Agriculture) guidance—are becoming more common.
- An increasing number of companies are planning to meet their targets via land-based removals. These bring co-benefits for biodiversity and ecosystems, but cannot substitute for deep,

structural reductions in emissions from fossil fuels.

Provided by University of Oxford

Citation: Global net zero commitments rise, even as U.S. federal government retreats (2025, September 23) retrieved 2 October 2025 from <https://phys.org/news/2025-09-global-net-commitments-federal-retreats.html>

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