



# SAY ON CLIMATE assessment

France



2024

Transparency rating

**30%**

alignment with FIR  
recommendations



ACCELERATE  
CLIMATE  
TRANSITION

PERFORMANCE SCORING  
**10 / 20**

NARRATIVE SCORING  
**B** C D E

TREND SCORING  
**=**

While Altarea is renewing its Say on Climate for 2024, its objectives in terms of climate strategy do not appear to have been revised upwards. The company has committed to an ambition of zero net emissions by 2030, but this does not cover scope 3, which accounts for 99% of Altarea's emissions. The Group is not aligning its strategy with a precise trajectory, contrary to last year's mention of a commitment below 1.5°C. Similarly, the targets for reducing greenhouse gas emissions are essentially set for the medium term, and the action plan, although detailed, lacks a timeframe and figures. Although we highlight the company's efforts to renew its Say on Climate, we encourage it to go further in its climate strategy.

Since 2021, the **French Forum for Responsible Investment (FIR)** has called for the widespread adoption of stringent Say on Climate (SOC). In March 2023, the FIR signed again [an agreement with 48 French and European signatories](#), encouraging the development of SOC's. Meanwhile, in 2022, FIR began analyzing the climate plans of French companies that submit them to shareholder vote. After joining forces last year, **FIR and ADEME** are extending their partnership by joining forces this year with **Ethos and the World Benchmarking Alliance**, to analyze the climate plans of European companies submitted to a consultative shareholder vote at their annual general meetings in 2024.

In 2022, FIR had published [analysis reports](#) assessing the extent to which French companies' climate strategies were in line with its recommendations. In 2023, as part of the partnership with ADEME, these analysis reports has been enriched with the **ACT assessment tool**, to measure the contribution of corporate strategies and actions to the mitigation objectives of the Paris Agreement.

In 2024, the scope of our analysis has been extended to include European companies which have submitted a SOC. Assessments will be published progressively ahead of their annual general meetings.

As in 2022 and 2023, the FIR wishes to salute the efforts of companies that contribute to improving shareholder dialogue, and encourages them to reiterate the Say on Climate exercise annually.

## TABLE OF CONTENTS

- ▶ [Assessment according to the FIR analysis grid](#)
- ▶ [ACT's assessment](#)
- ▶ [FIR's recommendations grid](#)
- ▶ [ACT's assessment methodology](#)
- ▶ [ACT Property developer methodology](#)

In partnership with :



World  
Benchmarking  
Alliance



With the contribution of the European  
Union LIFE program

# ALTAREA

→ ● <b>Ambition Net Zero 2050</b>	
<p>Ambition of carbon neutrality on scopes 1 and 2 of the real estate business by 2030</p> <ul style="list-style-type: none"> <li>▷ Does not include scope 3 (99% of total emissions)</li> <li>▷ This ambition target only part of scopes 1 and 2 – approx. 50% of scopes 1 and 2</li> <li>▷ Lack of information on the share of compensation/reduction</li> </ul>	
→ ● <b>Reference scenario(s) used</b>	
<ul style="list-style-type: none"> <li>▷ No clear commitment to a trajectory</li> <li>▷ Objectives not yet scientifically validated</li> <li>▷ The company no longer refers to a commitment to set science-based targets to comply with the objective of keeping global warming 'below 1.5°C', as it did last year (DEU 2022 p237)</li> </ul>	
→ ● <b>Current GHG emissions (2023 vs 2022)</b>	
<p><b>SCOPE 1 and 2</b></p> <p>2,684 tCO<sub>2</sub>eq (vs. 2,289 tCO<sub>2</sub>eq) emissions from real estate and corporate activities</p>	<p><b>SCOPE 3**</b></p> <p>906,884 tCO<sub>2</sub>eq (vs. 1,082,188 tCO<sub>2</sub>eq) emissions from property development activities (residential 84% - commercial 9% - retail 6%) and land and corporate activities (3%)</p>
<p>16% fall in emissions in 2023 compared with 2022, mainly due to the fall in property development activity (volume effect) as a result of the property crisis (volume effect : -13% and decrease of the carbon intensity -10%)</p> <p>Intensity in 2023:</p> <ul style="list-style-type: none"> <li>-Group : 335 gCO<sub>2</sub>e/€ revenue</li> <li>-Property : 1,4 kgCO<sub>2</sub>e/m<sup>2</sup></li> <li>-Property development : 1,3 tCO<sub>2</sub>eq/m<sup>2</sup></li> </ul>	
→ ● <b>Short-term GHG emissions reduction target</b>	
<ul style="list-style-type: none"> <li>▷ Short-term objectives are not made explicit</li> </ul>	
→ ● <b>Medium-term GHG emissions reduction target</b>	
<p><b>SCOPE 1 and 2</b></p> <p>Ambition net zero 2030 for the real estate business</p>	<p><b>SCOPE 3:</b> 50% reduction in the surface intensity (CO<sub>2</sub>/m<sup>2</sup>) of development activities between 2019 and 2035</p> <ul style="list-style-type: none"> <li>▷ Lack of granularity : no quantified targets for construction (66% of total emissions) and use (31% of total emissions)</li> </ul>
<ul style="list-style-type: none"> <li>▷ Objectives not yet scientifically validated</li> <li>▷ Net zero target only covers approx. 50% of scopes 1 and 2 and 1% of total emissions, with no details on the offset share</li> </ul>	
→ ● <b>Long-term GHG emissions reduction target</b>	
<ul style="list-style-type: none"> <li>▷ Long-term objectives are not made explicit</li> </ul>	
→ ● <b>Action plan measures</b>	
<p>Detailed plan for the three divisions : property development (construction and use), real estate and corporate.</p> <ul style="list-style-type: none"> <li>▷ Few information on time horizon information on the action plan</li> <li>▷ Measures could be more detailed and quantified so that the contribution of each to the reduction targets can be understood</li> </ul>	
→ ● <b>CAPEX / OPEX investment alignment</b>	
<ul style="list-style-type: none"> <li>▷ No information on CAPEX figures by scope</li> <li>▷ 45,5% of investments are aligned with the taxonomy vs. 91,6% of eligible CAPEX in 2023</li> </ul>	
→ ● <b>Remuneration</b>	
<p>Payment in 2023:</p> <ul style="list-style-type: none"> <li>- Variable remuneration for Altarea's management for 2023 : A portion (€350k excluding VAT) divided equally between achieving consolidated sales thresholds aligned with European taxonomy and achieving thresholds on GHG emissions (tCO<sub>2</sub>eq/consolidated sales).</li> <li>▷ Lack of consistency with surface intensity targets (CO<sub>2</sub>/m<sup>2</sup>)</li> <li>▷ The thresholds to be reached are not public</li> <li>▷ Only 50% of these two targets will be met by 2023</li> <li>- Altareit management***: 50% of the variable linked to extrafinancial criteria relates to the climate theme: deployment of the decarbonisation strategy in development activities</li> <li>▷ Objective simply qualitative</li> <li>- Variable remuneration for managers + profit-sharing include climate-related criteria, the weighting of which is not specified.</li> </ul> <p>For 2024, as a result of the crisis in the property sector, the management will waive all variable compensation that may be due in respect of 2024</p> <ul style="list-style-type: none"> <li>▷ What are the criteria for variable pay for managers ?</li> </ul>	
→ ● <b>Annual consultative vote on implementation</b>	
<p>No annual vote on implementation</p>	
→ ● <b>Consultative vote on strategy every three years</b>	
<p>No vote on strategy every three years</p>	

\*The overall score is higher than in 2022 (27%) due to a change in weighting. The two final criteria correlated with voting frequency are now given a weighting of 0.5 each, while the other nine retain a weighting of 1.

\*\*For scope 3 development, a share relating to the future use of the buildings over a period of 50 years is taken into account.

\*\*\*Listed subsidiary 99% owned by Altarea.

Caption:

▷ Failure to obtain full points

# ALTAREA



## PERFORMANCE SCORING

10 / 20

## NARRATIVE SCORING

A **B** C D E

## TREND SCORING



Module	Score	%	Assessment's elements
Targets	2,6/20	15%	<ul style="list-style-type: none"> <li>Targets for reducing GHG emissions have been defined in terms of intensity for development activities (-50% between 2019 and 2035) and real estate activities (zero net emissions by 2030).</li> <li>However, Altarea should define and communicate separate targets according to product, item (energy and materials) and project type (new construction, renovation), and integrate scope 3 (consumption in private areas) and location-based into the real estate target in order to be more exhaustive.</li> <li>The company's reference trajectory targets, as defined in the sector benchmark, are more ambitious for 2050, but the Group does not yet have visibility for 2050.</li> <li>The Group has integrated the criteria of the European taxonomy into its financing, with 48.1% of sales aligned this year, including 4.3% of sales aligned with the taxonomy for the renovation of existing buildings.</li> <li>Altarea is also expected to report on its locked-in issues.</li> </ul>
Sold product management	8,6/20	35%	<ul style="list-style-type: none"> <li>The governance of the climate strategy, integrated into the CSR approach, is mature. The climate strategy is steered by a member of the Executive Committee, in charge of the CSR Department. This department centralizes expertise and monitoring, and coordinates the teams. The Management Board and Supervisory Board supervise and determine the CSR approach.</li> <li>The strategic roadmap includes a climate dimension, taking into account the risks associated with climate change and defining a transition plan in line with targets set up to 2035. Climate objectives have been integrated into the remuneration of all employees and managers.</li> <li>A responsible purchasing charter has been drawn up for all Group purchases. Actions are in place to encourage suppliers to develop their own CSR approach and low-carbon solutions. This charter could be refined to take account of environmental requirements.</li> <li>The Group is increasingly offering low-carbon products (alignment of sales to green taxonomy, environmental certifications for projects, etc.) to meet customers' needs and get them on board with its low-carbon strategy. Partners are made aware of and trained in climate issues. The Group has made green leases and energy consumption monitoring widespread, and is developing the Tandem approach to leverage transformation levers, particularly in the area of CSR.</li> <li>The Group is heavily involved and committed to external initiatives, and actively participates in industry bodies promoting sustainable development (Paris Action Climat, OID, BBCE, Booster du réemploi, etc.). The drafting and distribution of a commitment policy specifying the Group's position on climate issues would help clarify the subject.</li> <li>A photovoltaic energy production activity is currently being developed, with a local and secure energy supply, to distribute low-carbon electricity.</li> </ul>
Management	18,8/20	10%	
Supplier engagement	11,3/20	8%	
Client engagement	12,5/20	20%	
Engagement policy	12/20	2%	
Business model	15/20	10%	

### Consistency of the plan:

Altarea seems to have integrated climate issues into the Group's strategy and governance.




- Disclaimer:** The performance score has changed between 2023 and 2024 due to a change in methodology: The Real estate methodology was used last year, and has been replaced by the Property developer methodology. This methodology takes better account of all the Group's activities. Altarea's ACT 2024 valuation cannot therefore be compared with the one published in 2023.

### Identified areas for improvement:

- The Group could communicate more on the history of GHG emissions since the definition of their target (in 2019). Similarly, Altarea could further define the strategy for taking locked emissions into account.
- All the Group's emissions reduction targets could be specified by product type, item (energy and materials) and project type (new construction, rehabilitation) on the three emissions scopes.

SAY ON CLIMATE 2023 evaluation grid

based on follow-up to FIR recommendations

			
Ambition net zero 2050	If the ambition of contributing to carbon neutrality by 2050 is declared and clear explanations are given on how to achieve this neutrality The level of negative emissions is limited	The ambition to contribute to carbon neutrality by 2050 is declared and the explanations on how to achieve this neutrality are clear. The level of negative emissions is high	A declared ambition, but very little clarity on how the company intends to achieve carbon neutrality (no long-term reduction targets, targets set are not very credible, heavy reliance on offsetting, etc.) or no declared ambition to be carbon neutral by 2050
Reference scenarios used	The company positions its climate strategy in relation to a 1.5°C warming scenario for all scopes	The company uses a reference scenario limiting warming to between 2°C and 1.5°C, or 1.5°C for only part of its scope.	No reference scenario explicitly mentioned or scenario(s) not used to define the strategy
Current GHG emissions	Disclosure of greenhouse gas emissions in absolute terms; breakdown by scope	Insufficiently detailed publication	No public data
Short-term GHG emissions reduction target	If the quantified emission reduction targets before 2030, expressed at least in absolute terms, cover the 3 scopes and are set in relation to the company's 1.5°C alignment trajectory. This trajectory has been scientifically validated.	If the quantified emission reduction targets before 2030 do not cover the majority of the company's activities, or if these targets cover all activities but are on a trajectory of between 2°C and 1.5°C	No quantified target for reducing emissions in the short term, or targets that are not very ambitious in the short term (reference year too far in the past, no absolute reduction, not scientifically validated, etc.)
Medium-term GHG emissions reduction target	If the quantified emission reduction targets for 2030, expressed at least in absolute terms, cover the 3 scopes and respect the alignment with a 1.5°C scenario. This trajectory has been scientifically validated	If the quantified emissions reduction targets for 2030 do not cover the majority of the company's activities, or if these targets cover all activities but are on a trajectory of between 2°C and 1.5°C	No quantified target for reducing emissions in the medium term, or targets that are not very ambitious in the medium term (reference year too far in the past, no absolute reduction, not scientifically validated, etc.)
Long-term GHG emissions reduction target	If the quantified emission reduction targets in 2050 or earlier, expressed at least in absolute terms, cover the 3 scopes and are set in relation to the company's 1.5°C alignment trajectory. This trajectory has been scientifically validated	If the quantified emission reduction targets for 2050 or earlier do not cover the majority of the company's activities, or if these targets cover all activities but are on a trajectory of between 2°C and 1.5°C	No quantified target for reducing emissions in the long term, or targets that are not very ambitious in the long term (reference year too far in the past, no absolute reduction, not scientifically validated, etc.)
Action plan measures	Detailed measures for each scope of the company with a sufficient level of detail, including short- and medium-term figures, to enable the alignment of this plan with the objectives set to be assessed.	Detailed measures for each scope of the company, but insufficient detail to assess the level of alignment with the objectives set (lack of quantified measures in particular)	Measures with little or no detail
Investment alignment (OPEX / CAPEX)	Details the proportion of investments (OPEX and CAPEX) that contribute to meeting short- and medium-term targets, and explains how these investments enable the targets to be met	The information provided on the contribution of investments to the achievement of objectives does not allow an understanding of how the company achieves the objectives set	No investments contributing to the achievement of explicit objectives
Remuneration	All variable parts of the remuneration of corporate officers include at least one criterion that assesses the achievement of greenhouse gas emission reduction targets. The % of remuneration determined by this criterion is published; it represents a significant proportion (10% or more)	At least part of the variable part of the remuneration of corporate officers is covered by a non-diluted criterion for reducing greenhouse gas emissions in line with the reduction trajectory defined by the company	The criterion included in the remuneration of corporate officers relating to the reduction in greenhouse gas emissions is diluted, or does not follow the reduction trajectory defined by the company. or No criteria relating to the reduction of greenhouse gas emissions are included in executive remuneration
Annual consultation on implementation	The company undertakes to consult shareholders annually on the implementation of its climate change strategy	The company is committed to consult shareholders on the implementation of its climate strategy over the coming years	The company does not undertake to consult shareholders on the implementation of its climate strategy
Consultation on strategy every three years	The company undertakes to consult shareholders on its climate strategy at least every three years	The company undertakes to consult shareholders on its climate strategy over the coming years	The company makes no commitment to consult shareholders on its climate strategy

# → IT'S TIME TO ACT

## WHAT IS ACT ?

A joint voluntary initiative of the UNFCCC secretariat Global Climate Agenda.

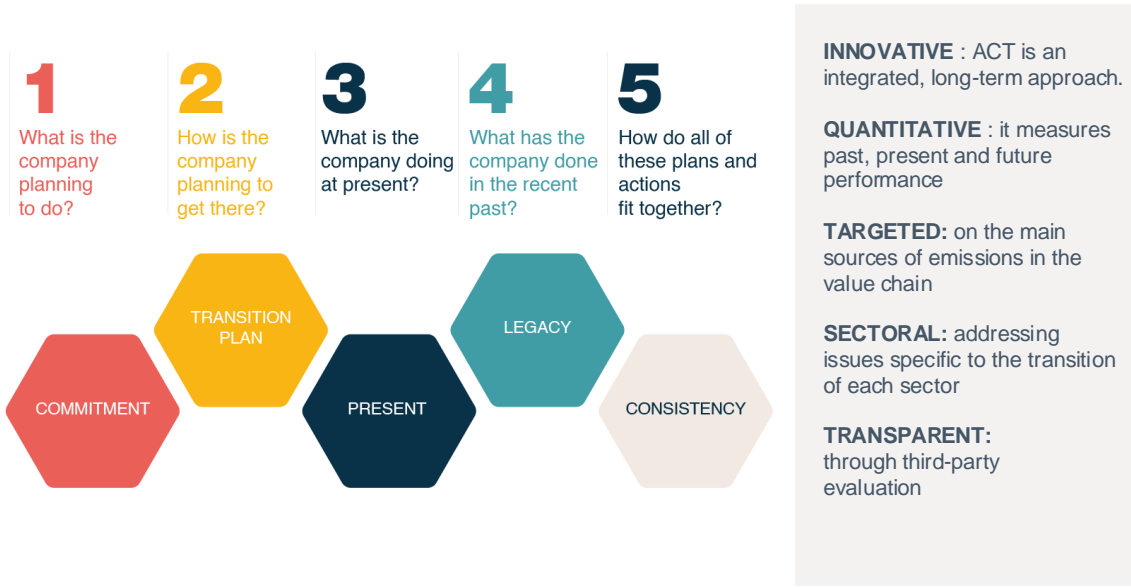
## WHY ACT ?

Drive climate action by companies and align their strategies with low-carbon pathways.

## HOW DOES ACT WORK ?

ACT provides sectoral methodologies as an accountability framework to assess how companies' strategies and actions contribute to the Paris mitigation goals.

# FRAMEWORK



## ACT ASSESSMENT

### For what purpose?

Credibly measure the contribution to the net-zero objective in relation to sectoral low-carbon trajectories.

### For whom?

Companies with science-based objectives and/or a transition plan ready for assessment

**20**



### PERFORMANCE SCORE

Transition alignment metrics

1 - 20

**A**



### NARRATIVE SCORE

Analysis of overall consistency

A - E

**+**



### TREND SCORE

Forecast of future changes

+ = -

## ACT methodology

### Property Developer

The full ACT methodology for the Generic sector can be found on our website. The detailed assessment is summarized in a score based on three criteria: performance, overall consistency and trend. It takes the following form:

- **Performance:** number between 1 and 20
- **Evaluation (consistency):** letter between A and E
- Trend: + (improvement), - (deterioration), = (stable)

The specifics of the performance score for the Property Development sector are set out below: The performance score is heavily dependent on the performance module (35% weighting), since most of the sector's decarbonization challenge stems from the need to improve the bottom-line performance of real estate assets under management.

#### Score de performance

Module	Indicator
1.Targets	1.1 Alignment of owned buildings reduction tar
	1.2 Alignment of new buildings delivered (use phase) reduction targets
	1.3 Alignment of renovated buildings (use phase) reduction targets
	1.4 Alignment of new buildings (materials) reduction targets
	1.5 Time horizon of targets
	1.6 Historic target mabition and company performance
4.Sold product performance	4.1 Alignment of carbon performance trend for new buildings (use phase)
	4.2 Share of low carbon buildings
	4.3 Renovated subject to thermal renovation share
	4.4 Emissions lock-in
5.Management	5.1 Oversight of climate change issues
	5.2 Climate change oversight capability
	5.3 Low carbon transition plan
	5.4 Climate change management incentives
	5.5 Climate change scenario testing
6.Suppliers	6.1 Strategy to influence suppliers to reduce their GHG emissions
	6.2 Activities to influence suppliers to reduce their GHG emissions
7.Clients	7.1 Strategy to influence clients to reduce their GHG emissions
	7.2 Activities to influence suppliers to reduce their GHG emissions
8.Engagement policy	8.1 Company policy on engagement with trade associations
	8.3 Position on significant climate policies
9.Business model	9.1 Integration of the low carbon economy in current and future business models

#### Narrative scoring

1. Business model and strategy
2. Consistency and credibility
3. Reputation
4. Risks

#### Trend scoring

1. Probability of emissions' evolution
2. Evolution of business model and strategy

Disclaimer:

The information and assessments disclosed here do not constitute investment or voting advice. Each organisation individually determines the most appropriate way to use this information. In addition, the information and assessments contained in this document reflect a judgement at the time these assessments were made and do not guarantee that the most recent information on the company has been taken into account, as this information may have been published between the assessment and the publication of this document.

In collaboration with:

