FORUM POUR L'INVESTISSEMENT RESPONSABLE

SAY ON CLIMATE assessment

France

SOCIETE FONCIERE LYONNAISE

2025

Transparency rating	PERFORMANCE SCORING	NARRATIVE SCORING	TREND SCORING
35% alignment with FIR recommendations	44%	A **B** C D E E	=

Despite its efforts to be transparent, **Société Foncière Lyonnaise does not disclose a decarbonization trajectory beyond 2030**. **The company has two targets for 2030 based on separate baselines:** one target for scopes 1 and 2 relative to 2018 and another for all scopes relative to 2021. Unlike the scope 1 and 2 target, **the target for all three scopes has not yet been certified by SBTi**, but the company is seeking certification and states that it complies with a 1.5°C trajectory. The company could be more granular in its transparency on emissions in order to better understand the emissions per asset in operation or under development. While the action plan measures are well detailed, **the company does not disclose the amount of investments dedicated to upstream scope 3** (89% of emissions). Although we commend the company for its presentation of a Say on Climate, we encourage it to go further in terms of its level of ambition with regard to its climate strategy. For example, **the target for scopes 1 and 2 set for 2030 is almost reached this year.**

As early as 2021, the **French Forum for Responsible Investment (FIR)** has called for the widespread adoption of stringent Say on Climate (SOC). After a first edition on 2022, the FIR signed again [an agreement with 48 French and European signatories](), encouraging the development of SOCs. Meanwhile, in 2022, FIR began analyzing the climate plans of French companies that submit them to shareholder vote. After joining forces in 2023, **FIR and ADEME** extended their partnership in 2024 by teaming up **with Ethos and the World Benchmarking Alliance**. Again this year, these players will be working together to study the climate plans of **European companies** submitted to a consultative vote by shareholders at their general meetings in 2025.

In 2022, FIR had published fact sheets 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 will be enriched **with the ACT assessment tool** to measure the contribution of corporate strategies and actions to the mitigation objectives of the Paris Agreement.

Analyses will be published as they become available, ahead of their annual general meetings.

As in previous years, 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.

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Société Foncière Lyonnaise

35%
alignment with FIR recommendations

Ambition Net Zero 2050

Lack of ambition to achieve net zero by 2050

Reference scenario(s) used

Trajectory validated by the SBTi at 1.5°C for scopes 1 and 2 by 2030.
Commitment to the SBTi to measure and reduce its scope 3 emissions
*▷ The 1.5°C scenario followed by the company for the scope 3 trajectory (94% of emissions) is not yet certified by SBTi**
▷ The scenario followed by the company after 2030 is not disclosed

Current GHG emissions (2024 vs. 2023)

Absolute reduction in emissions of 11% in scope 1 and 38% in scope 2 in market-based terms between 2021 and 2024.
Absolute reduction in scope 3 emissions of 15% between 2021 and 2024 (but 19% increase from 2023 to 2024).

SCOPE 1	SCOPE 2 (market based)	SCOPE 2 (location based)	SCOPE 3
205 tCO2eq (vs 121)	1,319 tCO2eq (vs 1966)	1,502 tC02eq (vs 1,777)	22 750 tCO2eq (vs 19 125)
1%	5%	86%	94 %
			Scope 3 upstream 89% Scope 3 downstream 5%

The scope 3 reporting excludes 7 categories. These exclusions are justified by the company.
*▷ Lack of clarity on the scope: the company states that buildings undergoing major renovations** are excluded from carbon reporting (for 2024: Louvre Saint-Honoré, Haussmann Saint-Augustin) but the Scope asset, which is undergoing restructuring, is also excluded in 2024 without justification for the exclusion of this project.*
▷ Lack of transparency on emissions per asset (vs. 2023 in which this detail was included for development operations)
▷ 19% increase in scope 3 between 2023 and 2024 explained by the company as a result of a greater number of renovation and restructuring projects in progress this year, but without further details. Business travel has increased by +186% since 2021.

Short-term GHG emissions reduction target (2030 or earlier)

Lack of information

Medium-term GHG emissions reduction target (between 2030 and 2040)

-50% reduction by 2030 on scopes 1 and 2 vs. 2018 (current performance vs. 2018:-45%)
-42% reduction by 2030 across all scopes (scope 2 market based) vs. 2021 (current performance vs. 2021:-17%)
Different baseline year for the target covering the three scopes from that for scopes 1 & 2 certified by SBTi
*▷ The target across all three scopes has not yet been certified by the SBTi, although the company states that it is on track for a 1.5°C trajectory**
▷ The target for scopes 1 and 2 could be revised upwards due to a target that has almost been reached in 2024

Long-term GHG emissions reduction target (2050 or earlier)

Lack of information

Action plan measures

Disclosure of the contribution of each item to the reduction of the 2030 targets for the 3 scopes (17 ktCO2eq in 2030 vs. 29.2 ktCO2eq in 2021, -42%)
Scopes 1, 2 and 3 downstream: "Operational efficiency" (15%) reduce the energy consumption of common and private areas by -1.8 ktCO2eq, in particular by abandoning fossil fuels (1), favoring energies with the lowest emission factors (2), replacingrefrigerants (3) and improving energy efficiency (4)
*1-removal of the last two natural gas-powered appliances by winter 2025/2026 ****
2-gradual extension of connections to district cooling networks in heritage buildings that are served and undergoing restructuring, deployment of new low-consumption heat pumps
3-improvement of heating, ventilation or air conditioning (HVAC) systems, lighting, building management systems or renewable energy production
4-energy and clean carbon trajectory for each asset and associated investment plan, involvement of technical maintainers, dialogue with tenants
Scope 3 upstream:
- ○ *Reduce emissions by -9.7ktCO2eq on renovation and restructuring projects (79%): reduce embedded carbon, promote a circular economy - lack of details on this lever even though it is decisive*

Objective 2030: 100% of assets subject to vulnerability studies and having implemented the necessary prevention and adaptation measures (in 2024: vulnerability studies updated on 100% of assets)
- ○ *BBCA label sought for major renovation operations -no quantified objective*
  Reduce purchases and journeys by -0.5 ktCO2eq (4%)

Reduce waste by -0.2 ktcO2eq (2%): Recovery and recycling of waste related to the development and operation of buildings. Target for 2030: zero final waste. In 2024, 96% of waste recovered on operating assets; 74% on development operations.

CAPEX / OPEX investment alignment

On Scopes 1, 2 and 3 downstream, 20 million CAPEX over the next five years (2024-2030); 6 million in 2024 on operating assets scopes 1,2, 3 downstream (energy consumption of common areas and private areas of buildings) for actions contributing to the reduction of emissions related to operating assets
▷ no information on investments dedicated to upstream scope 3 (89% of emissions)
▷ no information on CAPEX aligned with the European taxonomy

Remuneration

Companies officers
Annual variable: 10% of the annual variable remuneration is allocated to a "CSR Policy" criterion which has 5 objectives, 2 of which are related to GHG emission reduction trajectories: compliance with the SBTi linearized forecast curve (+10% max), and the development of CRREM trajectories per active in operation.
▷ criteria not quantified and diluted among the various objectives

Employees and managers who do not hold more than 10% of the company's share capital
*Implementation of long-term profit-sharing through a bonus share distribution plan (no. 8) ****, 10% of which is based on a criterion linked to the reduction of scope 1 and 2 greenhouse gas emissions.*

Annual consultative vote on implementation

No annual consultative vote on implementation

Consultative vote on strategy every three years

No consultative vote every three years on the strategy

**SFL would like to have its new target certified in 2025 now that the sectoral benchmark for real estate has been finalized.*
***renovations affecting more than 50% of the surface area or which have led to the relocation of more than 50% of the tenants on the surface*
****Nevertheless, fossil fuels are still present in scope 2: the Parisian heating network (49.3% of whose mix is composed of natural gas), energy production by suppliers (5.6% of whose energy mix is composed of fossil fuels).*
*****for the 2024 financial year and for a period of 38 months*

Caption:
▷ Failure to obtain full points
○ suggestions for improvement

ACCELERATE ® CLIMATE TRANSITION

PERFORMANCE SCORE

44%

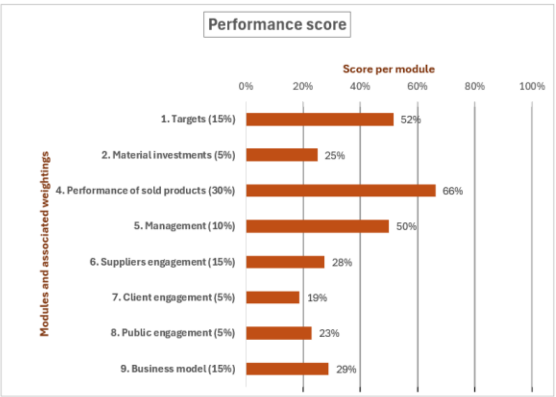
NARRATIVE SCORE

A **B** C D E

TREND SCORE

=

ACT Generic Methodology



The score for each module is weighted (see slide 7) and results in a performance score.

Company's categorization

1. Transitioning in a credible and robust way

2a. Performing Company

2b. Committed Company

3. Not transitioning in a credible and robust way

The company's categorization explanations are available in slide 6

Transition plan's assessment

Performance score

1.Targets: SFL has committed to reducing its emissions by 42% by 2030 compared to 2021. While this target is considered ambitious as it is science-based, the company could also set a long-term goal to clarify its trajectory.

2.Material investment: A significant decrease in Scope 1 & 2 emissions has been observed since 2021 (-35%). However, the share of low-carbon CAPEX announced by the company for the next five years does not include scope 3, which accounts for 89% of the company's GHG emissions.

4. Performance of Sold Products: Between 2021 and 2024, Scope 3 emissions decreased by 15%, which shows that SFL is on track to meet its short-term target. The levers to achieve this are listed and revolve around three pillars: improving the energy efficiency of assets, transitioning to decarbonized energy sources, and reducing embedded carbon in the value chain. Implementation actions are indicated but do not clearly demonstrate how they will contribute to achieving the 2030 targets (particularly those relating to upstream scope 3).

5. Management: SFL's ESG committee, which defines the main strategic directions alongside top management, meets four times a year. SFL has implemented an employee incentive plan that includes the company's carbon performance. However, the governance of the transition plan is not sufficiently detailed to understand the monitoring framework and the progress made by the company.

6/7. Value Chain Engagement: SFL has put in place monitoring tools and actions to engage suppliers and clients, but these do not appear to be part of a comprehensive engagement and selection policy for its value chain stakeholders. The company has implemented a sustainable procurement charter and CSR consultations with suppliers. In 2024, an internal audit reviewed how ESG criteria are considered in supplier selection. The analysis grid for these selection criteria should be further detailed.

8. Public Engagement: SFL could further formalize and communicate a public engagement policy regarding climate change mitigation.

9. Business Model: Certain activities related to the evolution of SFL's business model are mentioned, such as the reuse of materials for restructuring and renovation. These elements are not detailed enough to understand how they align with SFL's transition trajectory and the implementation of its transition plan.

Transition plan's consistency (narrative score): The climate data published by SFL is clear, expressed on a location-based basis, and generally consistent. However, the actions taken and planned by SFL are not very detailed, remain fairly general, and only cover the short term, which does not allow for a clear view of how the decarbonization targets will be concretely implemented.

Trend score : ENGIE's emissions trajectory is declining, but the company's projections for 2030 point to a slowdown in the group's decarbonisation. Despite significant efforts, ENGIE's emissions reduction is slowing down and is still subject to a number of uncertainties over the next five years.

Areas of improvements :

- SFL should set intermediate and long-term targets. The full set of decarbonization actions could be further specified in terms of the concrete measures involved and the associated required financing. The company could also expand the publication of intensity-based data for Scope 3, which accounts for more than 90% of its GHG emissions.
- Greater transparency and detail regarding SFL's engagement and selection policy for value chain stakeholders (suppliers and clients) would be appreciated. The company is also encouraged to provide more detail on the implementation process.

FIR FORUM POUR L'INVESTISSEMENT RESPONSABLE

Change in rating compared with analysis of FIR *Say On Climate* 2024	↑ Increase	→ Stagnation	↓ Drop

SAY ON CLIMATE 2025 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 absolute greenhouse gas emissions; breakdown by scope; downward trend in past emissions (over at least 3 years) in line with company targets	Insufficiently detailed disclosure of absolute greenhouse gas emissions and/or lack of substantiated justification for the absolute increase in emissions over the last 3 years	No public data or little or no justification for the upward trend in emissions intensity and absolute values
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 between 2030 and 2040, 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 between 2030 and 2040 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 for 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

Weighting: the two final criteria correlated with the vote are given a weighting of 0.5 each, while the other nine retain a weighting of 1.

ACT's methodology

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→ 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

1 What is the company planning to do?

2 How is the company planning to get there?

3 What is the company doing at present?

4 What has the company done in the recent past?

5 How do all of these plans and actions fit together?

COMMITMENT – TRANSITION PLAN – PRESENT – LEGACY – CONSISTENCY

INNOVATIVE : ACT is an integrated, long-term approach.

QUANTITATIVE : it measures past, present and future performance

TARGETED: on the main sources of emissions in the value chain

SECTORAL: addressing issues specific to the transition of each sector

TRANSPARENT: through third-party evaluation

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	A	+
PERFORMANCE SCORE Transition alignment metrics 1 - 20	**NARRATIVE SCORE** Analysis of overall consistency A - E	**TREND SCORE** Forecast of future changes + = -

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ADEME
AGENCE DE LA TRANSITION ÉCOLOGIQUE

ACT assessment categorization

The purpose of this categorization is to leverage on the ACT assessment methodologies, that provide an in-depth assessment of strengths and weaknesses of company's transition plans and propose a categorization framework providing a clear signal on a company's situation. It is willing to address the following question "what is a good ACT score?".
All the information on this paper is to be found [here.]

The categorization framework proposed is the following:

1. Companies transitioning in a credible and robust way;
2. Companies partially satisfactory on one or two of the following aspects:
   a. Companies "committed" that are ambitious enough but have not yet demonstrated the performance;
   b. Companies "performing" that have demonstrated good GHG trajectory at the moment but haven't provide aligned ambitions.
3. Companies **not** transitioning in an enough credible and robust way.

The categorization of companies proposed in this paper is based on thresholds on the global performance score, complemented by safeguards on relevant sub-module performance score levels, on narrative and on trend scores. The categorization framework is sum-up in the table below :

Category	1. Transitioning in a credible and robust way	2a. Committed	2b. Performing	3. Not transitioning in a credible and robust way[2]
Criteria application	Criteria blocks are cumulative			Criteria blocks are alternative[3]
Global performance score	≥12/20	No threshold.		Global < 12/20 AND
Module performance scores	Module 1 ≥ 75% Modules 2+4 ≥ 60% *Where relevant:* Modules 6+7≥ 50%	Module 1 ≥ 75%	Modules 2+4 ≥ 60%	Module 1 < 75% AND Modules 2+4 < 60%
Narrative score	≥ C global AND ≥ C on consistency and credibility AND reputation			< C global OR <C on consistency and credibility OR reputation
Trend score	= or +			-

ACT Methodology

Generic

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)

Module	Indicateur
1. Targets	1.1 Alignment of scope 1+2 emissions reduction targets
	1.2 Alignment of upstream scope 3 emissions reduction targets
	1.3 Alignment of downstream scope 3 emissions reduction targets
	1.4 Time horizon of targets
	1.5 Achievement of previous and current targets
2. Material investment	2.1 Trend in past emissions intensity from material investment
	2.2 Trend in future emissions intensity from material investment
	2.3 Share of Low Carbon CAPEX
	2.4 Locked-in emissions from own fleet and buildings
3. Intangible investment	3.1 R&D spending in low-carbon technologies
	3.2 Company climate change mitigation patenting activity
4. Sold product performance	4.1 Product-specific interventions
	4.2 Trend in past product / service specific performance
	4.3 Locked-in emissions from sold products
	4.4 Sub-contracted transport service performance
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. Supplier engagement	6.1 Strategy to influence suppliers to reduce their GHG emissions
	6.2 Activities to influence suppliers to reduce their GHG emissions
7. Client engagement	7.1 Strategy to influence client behaviour to reduce their GHG emissions
	7.2 Activities to influence customer behaviour to reduce their ghg emissions
8. Policy engagement	8.1 Company policy on engagement with associations, alliances, coalitions or thinktanks
	8.2 Associations, alliances, coalitions and thinktanks supported do not have climate-negative activities or positions
	8.3 Position on significant climate policies
	8.4 Collaboration with local public authorities
9. Business model	9.1 Revenue from low-carbon products and/or services
	9.2 Changes to business models
	9.3 Share of product/service sales used in client low-carbon products/services

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

FORUM POUR L'INVESTISSEMENT RESPONSABLE

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