FORUM POUR L'INVESTISSEMENT RESPONSABLE

SAY ON CLIMATE assessment

France | ENGIE | 2025

Transparency rating	ACT – Accelerate Climate Transition		
70% alignment with FIR recommendations	PERFORMANCE SCORING 58%	NARRATIVE SCORING A B C **D** E	TREND SCORING =

ENGIE is maintaining its ambition to be carbon neutral by 2045 in all three scopes. To this end, ENGIE has set targets for reducing its emissions on its three scopes, which were revised this year. The company now has ***targets for its overall emissions and for the sale of commodities*** *(energy + fuels) in addition to its previous targets for energy production, fuel use and upstream scope 3. It no longer presents a single reduction target but* ***a range, expressed in absolute GHG emissions, depending on the different assumptions used****. For targets that are comparable with last year, even the lowest level in the range represents an increase in ambition. These targets are accompanied by* ***a well-detailed action plan specifying the contribution that each action will make to reducing emissions up to 2030****. However, this contribution could be more detailed after 2030 and include, in particular, a figure for the planned reduction in fossil gas production and sales. On CAPEX, the company does disclose its taxonomic alignment for 2025-2027, but the* ***level of alignment is significantly different depending on whether maintenance CAPEX is included or not (67% with maintenance CAPEX vs. 82% without)****.*

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.

CONTENTS

Engie

70%

alignment with FIR recommendations

Ambition Net Zero 2050

Ambition net zero 2045 for the 3 scopes

90% reduction in emissions by 2045 and neutralisation of residual emissions (10%)

In the short term (2030), the Group will mainly use carbon credits from nature-based carbon sequestration solutions and in the long term (2045), ENGIE will mainly rely on negative emissions technology solutions due to its integration within the energy production value chain.

Reference scenario(s) used

Engie is certified WB2°C by SBTi until 2030

Beyond 2030, the company is continuing its alignment with a WB2°C scenario according to the Transition Pathway Initiative (MSCI considers the company to be aligned at 1.5°c).

▷ Although we highlight the effort made by SBTi to justify the absence of 1.5°C certification, the company does not seem to be aiming for this certification in the future (for the "Power" part of its business).

▷ SBTi certification does not cover the trajectory beyond 2030, without explanation

Current GHG emissions *(2024 vs. 2023): over 40% reduction in emissions across the three scopes since 2017*

SCOPE 1	SCOPE 2 (market based)	SCOPE 3
22 MtCO2eq (vs 24.5MtCO2eq: -10%) 14%	(market based): 0.8 MtCO2eq (vs 0.8MtCO2eq : =)	135 MtCC2eq (vs 133MtCO2eq: +1%) 86%

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

Global emissions (new target): between -47% and -55% absolute reduction vs. 2017

Scopes 1 & 3.15, energy generation: between -66% and -76% reduction in absolute terms vs. 2017 (vs. -60% for the previous target)

Commodity sales (new target): between -20% and -40% in absolute terms vs. 2017 including Scope 3.11, fuel sales: between -41% and -54% reduction in absolute terms vs. 2017 (vs. -33% for the old target); scope 3 upstream: -32.5% in intensity vs. 2017

Reduction in methane emissions: -50% in 2030 vs. 2017 (vs. -30% for the previous target)

The company has introduced reduction ranges based on several future scenarios. Even for the lowest reduction target in the range, the company has increased the ambition of these targets (among those already published, except for upstream scope 2). It has also published new targets covering all its emissions

- *Targets not certified as aligned with 1.5°c and only part certified as WB2°C SBTi (scopes 1 & 2 + part of scope 3 excluding, in particular, use of products sold) but maximum points awarded to encourage higher ambitions.*

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

Intermediate targets disclosed 2035 and 2040 :

Global emissions: 2035: between -59% and -70% absolute reduction vs. 2017; 2040: between -74% and -85% vs. 2017

Scopes 1 & 3.15, energy generation: 2035: between -76% and -85% in absolute terms vs. 2017; 2040: between -84% and -94% vs. 2017

Commodity sales (new target): 2035: between -44% and -64% absolute reduction vs. 2017; 2040: between -69% and -88%.

of which Scope 3.1.11, fuel sales: 2035: between -59% and -72% reduction in absolute terms vs. 2017; 2040: between -78% and -91%.

We underline the effort made to disclose detailed objectives between 2030 and 2045

▷ No targets disclosed for methane beyond 2030

▷ Targets not certified as aligned 1.5°c and only part certified WB2°C; no target after 2030 for upstream scope 3

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

2050: 90% reduction in total emissions compared with 2017 in absolute terms and neutralisation of residual emissions.

Action plan measures

- Stop using coal (stop selling coal and stop producing energy from coal)

- Reduce and decarbonise gas consumption and sales, while producing and selling renewable and decarbonised gas

- Decarbonise the production, sale and consumption of electricity and heat by producing renewable electricity (95 GW including storage, 58%/66% renewable capacity in the production mix in 2030) and renewable, decarbonised or recovered heat (20 TWh in 2030) and by selling renewable electricity (300 TWh of electricity sales in 2030).

- Supporting the transition of existing gas infrastructures (50 TWh of biomethane connected to the French network by 2030) and developing electricity transmission and distribution infrastructures (10,000 km by 2030)

- Helping customers to reduce their carbon footprint, with a target of 250 SBTi-certified or SBTi-aligned preferred suppliers (excluding energy)

Engie gives the contribution of its actions to its emissions reduction from 2024 to 2030: -2 MtCO2eq: coal phase-out; -11 MtCO2eq: gas ptf reduction; -2 MtCO2eq: fuel greening; -7 MtCO2eq: gas sales reduction; -3 MtCO2eq: green gas sales.

▷ No specific contribution disclosed and less detailed action plan after 2030

▷ The company does not publish a quantified reduction in gas production and sales

CAPEX / OPEX investment alignment

6 billion in 2024 (for the climate action plan) / 9.97 billion (62% of CAPEX aligned with taxonomy vs. 66% in 2023)

The company states that the CAPEX plan for growth between 2025 and 2027 (21 to 24 billion euros) is 82% aligned with the European taxonomy vs. CAPEX (growth and maintenance as defined by the taxonomy) is 67% aligned in 2024.

▷ The company communicates that its growth CAPEX are aligned with the taxonomy, but the alignment of CAPEX as defined by the taxonomy (including growth and maintenance) is 15% lower for the 2025-2027 plan (62% vs. 82%).

Remuneration

Annual variable (CEO and COMEX members): 35% of criteria on non-financial criteria, including 70% on strategic and operational objectives (talent, health & safety, etc.) and 30% on ESG criteria (including 10% on a target for GHG emissions linked to energy production).

▷ The GHG emissions criterion is diluted: 3.5% of total variable annual remuneration (we would, however, highlight the change for DG 2025 remuneration: the GHG emissions criterion rises to 7% by including commodity sales).

Long-term (Managing Director, COMEX members and senior executives): 30% of ESG criteria, including 15% on a target for GHG emissions linked to energy production and the use of products sold, and 5% on installed renewable capacity;

On a positive note: the proportion of ESG criteria in the long term has increased compared with the last plan (2021-2024).

▷ Targets for GHG emission criteria are not disclosed ex-ante

▷ The GHG emissions criterion covers only scope 1 and part of downstream scope 3 (for the long term) in 2024.

Annual consultative vote on implementation

No annual consultative vote on implementation

Consultative vote on strategy every three years

Consultative vote on strategy every three years

Caption:

▷ Failure to obtain full points

○ suggestions for improvement

ACCELERATE CLIMATE TRANSITION

PERFORMANCE SCORE

58%

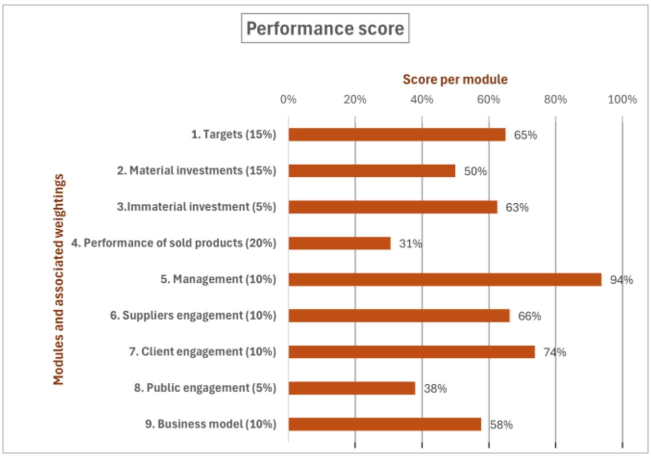
NARRATIVE SCORE

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. Minimum ACT categorization framework criteria not achieved

The company's categorization explanations are available in slide 6

Transition plan's assessment

Performance score

1. Targets : At Group level, ENGIE is committed to reducing its emissions by 55% in 2030 compared to 2017. ENGIE is also committed to reducing its total emissions by 90% by 2045.

2. Material investment: Between 2017 and 2024, scope 1 and 2 emissions fell significantly by 71%, reflecting a major effort to decarbonise. The 2025-2027 investment plan calls for 67% of CAPEX to be aligned with the European green taxonomy, while the eligibility rate is 72%. However, emissions projections to 2030 broken down by scope have not been published for 2024.

3. Immaterial investment : In 2022, 88% of R&D expenditure was devoted to low-carbon technologies. However, few data are available for 2024 concerning R&D amounts and intellectual property.

4. Sold products performance: A significant decrease in scope 3 emissions has been observed since 2017, with a 29% drop in upstream emissions and a 25% drop in downstream emissions over the period 2017-2024. While ENGIE plans a complete phase-out of coal by 2027 and is committed to phasing out natural gas by 2045, there is a lack of transparency on the levers mobilized and the conversion of assets (towards which energy and what proportion of emissions reductions does this represent?)

5. Management : ENGIE's strategy is reviewed every three years by the Board of Directors. ENGIE monitors several performance indicators on emissions and renewable energy deployment. In terms of risk governance, ENGIE adopts a structured approach integrating the assessment of climate risks up to 2050 with governance at the highest level.

6/7. Value chain engagement : ENGIE is focusing its upstream strategy on 'preferred' non-energy suppliers, who account for 55% of non-energy purchasing emissions. One of the objectives for 2030 is for 100% of preferred suppliers to be certified or aligned with the SBTi methodology. In addition, ENGIE has introduced a methodology for calculating avoided emissions at its customers' sites. In 2023, avoided emissions thanks to these initiatives reached 36 $MtCO_2$. However, separate reporting on emissions related to non-operated assets would help to clarify the decarbonisation process for decentralised infrastructures, in particular to clarify the share of emissions concerned by the strategy and actions carried out.

8. Public engagement : ENGIE provides an association review document that describes its vision of lobbying, the review process, the list of associations and the amount of contributions. However, the list of associations disclosed appears incomplete. The omission of *Gas Distributors for Sustainability* (GD4S), of which GRDF is a founding member, is not justified. GD4S is considered by *LobbyMap* to have climate-adverse positions.

9. Business model : ENGIE is pursuing the decarbonisation of its electricity production through the continuous increase of renewable electricity production (from 23% of electricity produced in 2017 to 43% in 2024). In addition, ENGIE plans to move away from coal in 2027 and from gas in 2045. However, this could be communicated more transparently to clarify its ambition.

Transition plan's consistency (narrative score): The main energy transition levers put forward by ENGIE have moderate credibility. Decarbonisation through coal phase-out relies mostly on asset sales (55% of the assets from 2017 to 2023), with limited details on the exit plan. Reducing gas sales is subject to considerable market uncertainty, with no transparent strategy. In addition, there remains a tension between decarbonisation through electrification and gas activities, with ENGIE continuing to promote the role of gas through their support for trade associations.

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 :

- ENGIE would benefit from clarifying its objectives and transition plan for its upstream emissions.
- More transparency would be appreciated regarding its gas sales reduction strategy and its exit from coal.
- Finally, ENGIE is expected to achieve full transparency on its contribution to industry associations, by disclosing the methodology for selecting the associations presented in the review document and by integrating G4DS.

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

RÉPUBLIQUE FRANÇAISE
Liberté
Égalité
Fraternité

CDP DRIVING SUSTAINABLE ECONOMIES

ADEME AGENCY FOR ECOLOGICAL TRANSITION

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? — COMMITMENT
2. How is the company planning to get there? — TRANSITION PLAN
3. What is the company doing at present? — PRESENT
4. What has the company done in the recent past? — LEGACY
5. How do all of these plans and actions fit together? — 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 + = -

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 :

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

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