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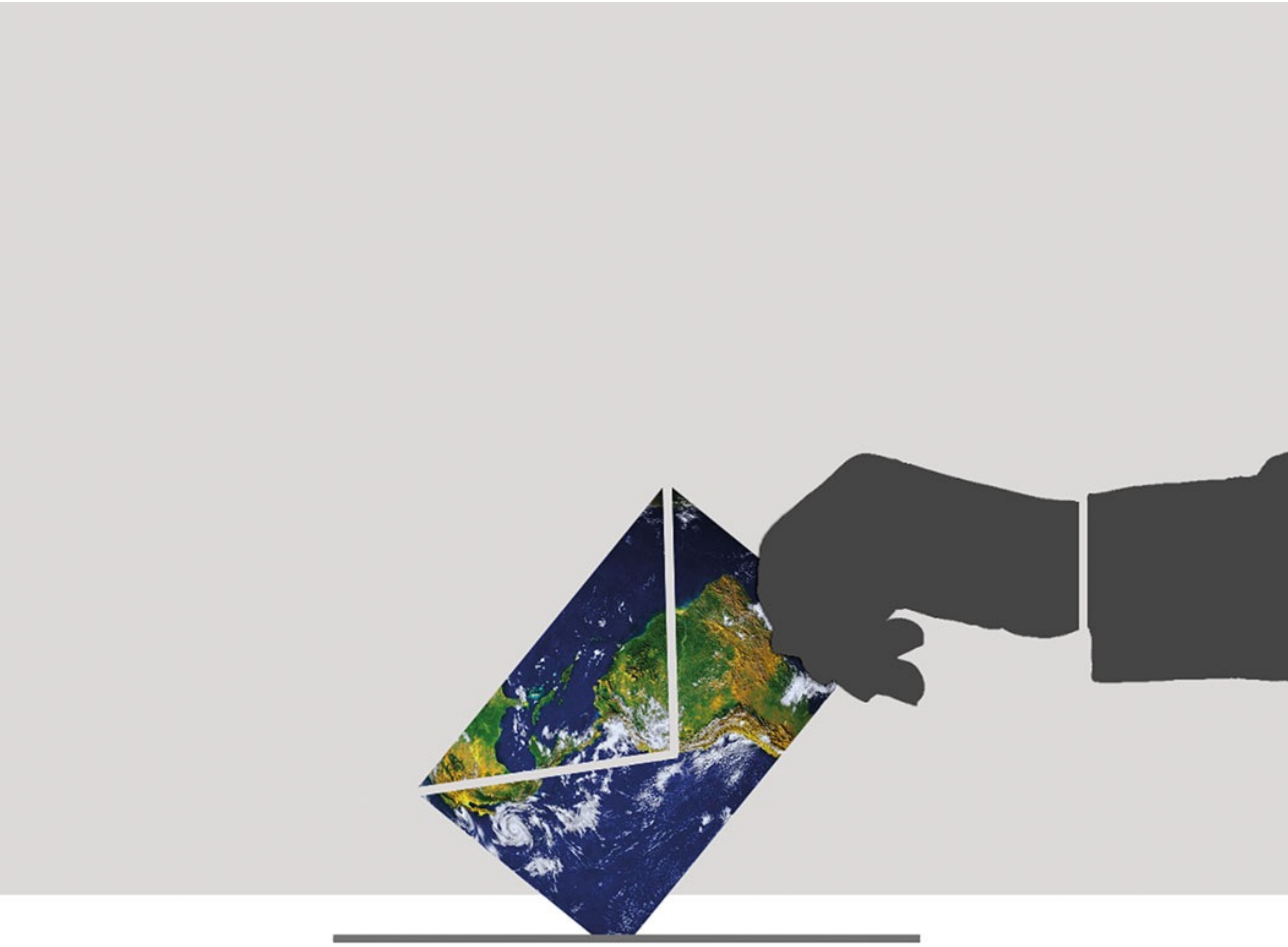
SAY ON CLIMATE REPORT 2024



In partnership with :

ACCELERATE CLIMATE TRANSITION

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SAY ON CLIMATE Report

Europeans 2024

Since 2021, the **French Sustainable Investment Forum (FIR)** has called for the widespread adoption of stringent Say on Climate (SOC). In March 2023, 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 last year, **FIR and ADEME** have extended their partnership by joining forces this year with **Ethos and the World Benchmarking Alliance**, to analyze the climate plans of European companies filed 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 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 have been published progressively ahead of their annual general meetings. 19 FIR/ACT assessments have been carried out.

As in 2022 and 2023, 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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CONTENTS

Reading aids
For each company analysed, there are:

- *A summary page*
- *A FIR analysis page on transparency*
- *An analysis page based on ACT methodology*

APPENDICES :

Say on Climate retrospective

Say on Climate worldwide[1]

Number of *Say on Climate*[2] in 2024: **26** (vs. 27 in 2023)

- Results in 2024: slightly lower approval but still a plebiscite

➢ Average approval rating: **87.4 %** vs. 89.3 % in 2023, 86.4 % in 2022[3]
➢ Highest approval rate: **Icade**, with 99.2 %.
➢ Lowest approval rate: **Woodside Energy Group** (Australia), with 40.15 %: vote rejected

European *Say on Climate*

Number of *Say on Climate*[2] in 2024: **21** (vs. 21 in 2023)

- Results in 2024 (on FIR/ACT scope, 19[4] resolutions analysed/21): approval is stable.

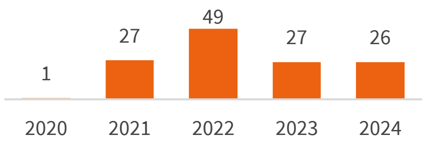
➢ Average approval: 90.2%[3] (vs. 89.4% % in 2023)

Average alignment with FIR 2024 recommendations[5]:

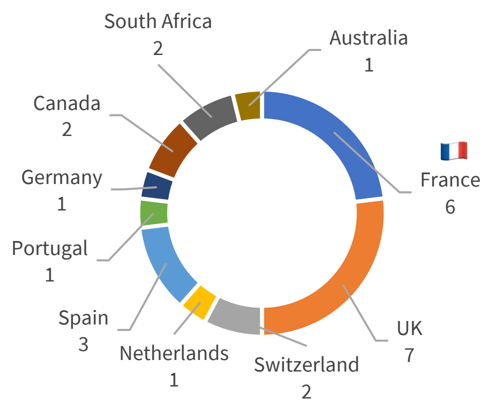
➢ 2024: 47% (vs. 2023: 50%[6])

Average ACT score[7]:
➢ Average performance score: **8.7/20** (vs. 2023: 11/20[6])
➢ Average assessment score: **C** *(graded from A to E)* (vs. 2023: B[6])
➢ Average trend score: **=** (vs. 2023: +[6])

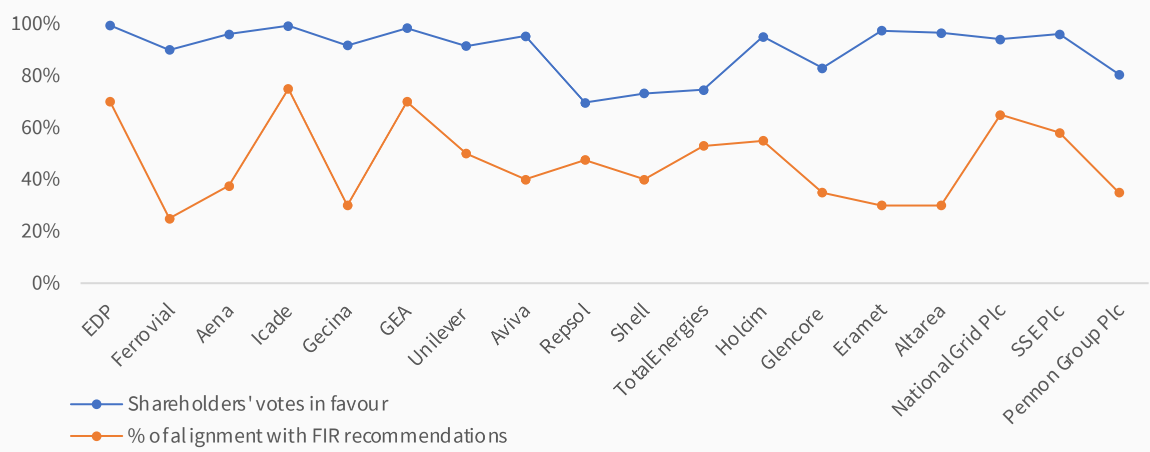
Number of *Say on Climate* worldwide since 2020



Geographical representation of *Say on Climate* worldwide resolutions in 2024



2024 European SoC analysed by FIR



Only EDP and GEA do not disclose their abstention rate, which makes it impossible to recalculate the approval rate by including abstentions.

[1] *Sources: ISS and FIR.*

[2] *Climate resolutions presented by the management.*

[3] *All results have been calculated on the basis of approval rates + opposition rates + abstentions. In 2024, calculations are based on SOCs up to September 2024.*

[4] *The Say on Climate reports by Essentra (UK) and Ninety One Plc (UK) were not analysed through the ACT methodology nor FIR.*

[5] *The percentage of alignment of Amundi's SoC is not taken into account in the calculation as the company was not analysed by FIR.*

[6] *The results of 2023 are only on the French perimeter of SOC.*

[7] *The percentage of alignment of National Grid's SoC is not taken into account in the calculation as the company was not analysed using the ACT methodology.*

Average scores FIR / ACT *Say on Climate* 2024

	Transparency score according to FIR's recommendations	ACCELERATE CLIMATE TRANSITION SCORE performance	narrative	trend
Generic methodology [8]				
▶ AENA	38 %	3/20	E	-
▶ ERAMET	30 %	7/20	D	-
▶ FERROVIAL	25 %	5/20	C	-
▶ GEA	70 %	12/20	B	+
▶ GLENCORE	35 %	4/20	E	-
▶ PENNON	35 %	8/20	C	+
▶ UNILEVER	50 %	11/20	C	+
Cement sector				
▶ HOLCIM	55 %	11/20	D	=
Electricity sector				
▶ EDP	70 %	13.4/20	B	+
▶ NATIONAL GRID	65 %	/	/	/
▶ SSE	58 %	11.2/20	B	=
Finance sector				
▶ AMUNDI	/	7/20	D	=
▶ AVIVA	40 %	6.7/20	B	=
Property sector				
▶ GECINA	35 %	11/20	B	=
Oil and gas sector				
▶ REPSOL	48 %	6.4/20	D	-
▶ SHELL	40 %	8.6/20	E	-
▶ TOTALENERGIES	53 %	9/20	D	=
Property developer sector				
▶ ALTAREA	30 %	10/20	B	=
▶ ICADE	75 %	12/20	A	+

[8] *Seven companies were assessed using the generic methodology because of the diversity or specific nature of their activities, which did not allow them to be associated with a sector methodology. For the reader's convenience, companies have nevertheless been assigned to a sector in the following presentation, based on the GICS 'Industry group' category (level 2). The sector classification presented on this page is based on the ACT methodology.*

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ethos

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Change in rating compared with analysis of FIR *Say On Climate* 2023

↑ Increase → Stagnation ↓ Drop

SAY ON CLIMATE 2024 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

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

CDP DRIVING SUSTAINABLE ECONOMIES

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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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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	Indicator
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

Assessment SAY ON CLIMATE

Spain

aena

2024

Transport sector

Transparency rating	Generic sector methodology ACT ACCELERATE CLIMATE TRANSITION		Analysis carried out by : ethos
38 % alignment with FIR recommendations	**PERFORMANCE SCORE** 3 /20	**NARRATIVE SCORE** A B C D **E**	**TREND SCORE** -

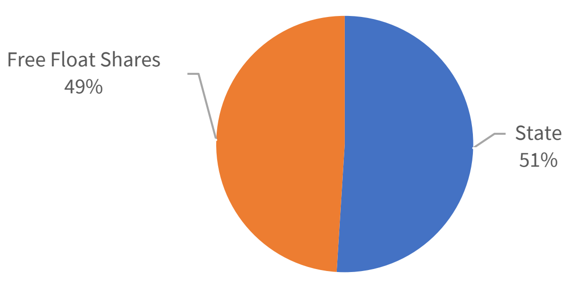
*Although AENA has announced its ambition to be **carbon neutral by 2030, this objective covers the company's scopes 1 and 2, which represent only 1% of total emissions**. In addition, although the company has announced a target to reduce its Scope 3 emissions by 2030, it has no targets beyond this date, even though its Scope 3 accounts for 99% of total emissions. To date, **not all of these targets have been validated by SBTi[1] .** As far as its action plan is concerned, the company reports numerous measures taken, but the information, such as investments and expected emissions reductions, **is still too general, making it impossible to understand the contribution of each action to the objectives for all the scopes**. AENA, like its peers in the aviation sector, has not yet succeeded in putting in place a credible strategy for developing a business model aligned with a low-carbon world. Finally, while we welcome the presentation of a Say on Climate vote, **we note an overall lack of clarity in the company's communication and information that is too scattered**. We encourage AENA to go further in terms of the transparency, ambition and credibility of its climate strategy.*

[1] *In June 2024, three months after Aena's AGM and this analysis, the company's targets were validated by SBTi.*

Voting results at the General Meeting on 18 April 2024

For	Abstention	Against
96.1 %	2.4 %	1.5 %

Aena shareholding structure



AENA

38 % of alignment with FIR recommendations

Ambition Net Zero 2050

Objective of carbon neutrality on scopes 1 and 2 by 2030 (1% of emissions) & net zero on the value chain by 2050
▷ The level of offset emissions for scopes 1 & 2 is high (18% in 2026)
▷ Lack of precision on the nature of the compensation
▷ No information on the trajectory after 2030

Reference scenario(s) used

Medium- and long-term decarbonisation targets based on a 1.5°C scenario covering the 3 scopes sent to SBTi for validation

The scope includes 53 airports out of a total of 79 managed: Aena SME SA (Spain), SCAIRM (Murcia), and its subsidiaries in the UK (LLA) as well as ANB (Northeast Brazil Airport Group).

▷ Does not include 27 airports: some in Brazil (BOAB), Mexico, Jamaica* and Colombia*.*
▷ Objectives not yet validated by SBTi

Current GHG emissions (*2023 vs. 2022***)

SCOPE 1	SCOPE 2	SCOPE 3
17,381 tCO2eq (vs. 21,088)	26,566 tCO2eq (vs. 30,429)	4,216,319 tCO2eq (vs. 3,280,638)
0.4 %	0.6 %	99 %

▷ Scope 3 only takes into account the aircraft take-off and landing (LTO) cycle, excluding emissions during the flight.
▷ The calculation of emissions excludes airports with <50% participation: airports in Mexico, Jamaica and Colombia (16 airports).

Short-term GHG emissions reduction target

82% reduction in scopes 1 and 2 by 2026 compared with 2019
▷ A significant proportion (18%) of emissions are offset to achieve carbon neutrality in 2026
▷ Scope of activities concerned not clearly defined
▷ No scope 3 (99% of emissions)

Medium-term GHG emissions reduction target

Scopes 1 and 2: zero net emissions by 2030;
Scope 3: reduction of -36% in 2030 compared with 2019 in absolute terms
▷ Scope 3 excludes a significant proportion of emissions, as it only takes into account the aircraft take-off and landing (LTO) cycle, excluding emissions during the flight.
▷ Targets for the three scopes have been submitted to SBTi but have not yet been validated
▷ The calculation of emissions excludes holdings in Mexico, Jamaica* and Colombia* (16 airports).*

Long-term GHG emissions reduction target

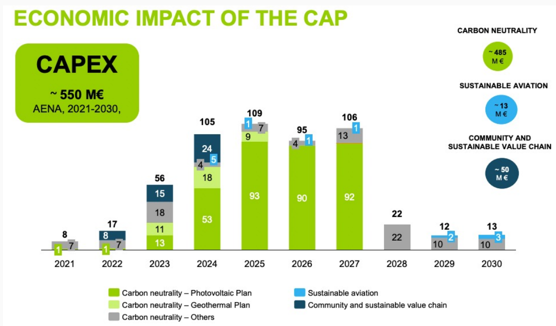
▷ Objectives Net zero 2050 not validated by SBTi
▷ No information after 2030

Action plan measures

Actions mentioned for three geographical zones (Spain, UK, Brazil) for 2026, 2030, 2040.
Commitment: 60% of suppliers (in terms of expenditure) and 67% of their customers in terms of emissions (airlines) will have science-based targets by 2028.
▷ Detailed actions mainly focused on Scopes 1 and 2 (1% of emissions)
▷ Scope of activity covered by the actions is unclear
▷ Contribution of actions to reduction targets is not explicit
▷ No information on actions in Mexico, Colombia*, Jamaica* (16 airports)*

CAPEX / OPEX investment alignment

2021-2030: investments of €550 million associated with the Climate Action Plan with three programmes: carbon neutrality (scopes 1 & 2), sustainable aviation and community and sustainable value chain (scope 3)
15.71 % of CAPEX aligned with Taxonomy
▷ Relatively small amount compared with the company's all CAPEX (based on 2023 CAPEX of 1 498 M€)
▷ No information on investment after 2030



Source: Aena's climate action plan 2021-2030 – page 26

Remuneration***

Chairman and CEO:
Annual variable: 25% on the achievement of the Climate Action Plan and validation of CA report
▷ Qualitative criterion and not specifically linked to reducing emissions

Executive Vice President and Senior Management:
Annual variable: 2 criteria on the achievement of the Climate Action Plans and validation of the CA report
▷ Qualitative criterion and not linked to emissions reduction specifically; lack of clarity

Annual consultative vote on implementation

Annual consultative vote on the Climate Action Plan

Consultative vote on strategy every three years

▷ No vote on strategy every three years

** Less than 50% ownership of Aena.*
*** In 2023, scope 3 emissions of UK and Brazil were added vs. 2022.*
**** The targets of the long-term remuneration are not clear.*
[1] In June 2024, three months after the Annual General Meeting and this analysis, the objectives were validated by SBTi

AENA

PERFORMANCE SCORING	NARRATIVE SCORING	TREND SCORING
3 /20	A B C D **E**	-

Module	Score	%	Assessment's elements
Targets	1.9/20	15%	• No scope 3 targets even though scope 3 represents 99% of the company's total emissions*. • AENA only reports and has only set its objectives on market-based scope 2 emissions, not on location-based emissions. • Scope 1 and scope 2 targets are aligned with a 1.5°C benchmark according to the ACT tool, but represent only 1% of total emissions.
Material investment	5/20	5%	• Current targets (2030) are on track to be achieved. • No disclosure of expected future activity and emissions. • Past intensities and future trend of intensities of scope 1 and 2 is aligned with a 1.5°C benchmark according to the ACT tool
Sold product performance	2.1/20	30%	• Disclosure of two relevant climate actions: «sustainable» aviation fuel and the reduction of LTO and APU cycle emissions. Both interventions lack some success factors such as planning, adequate ressources, clear goals, performance tracking and measures of success.
Management	8.6/20	10%	• Oversight, management incentives and climate scenario testing are in place. • However, board expertise on climate topics, strategy and transition plan are lacking.
Supplier engagement	3.2/20	8%	• No strategy to require suppliers to reduce their emissions and limited disclosure on the engagements that are reportedly taking place.
Client engagement	1.5/20	12%	• The only disclosed client engagement strategy concerns some education/information punctual initiatives.
Policy engagement	3.2/20	5%	• No policy, review process or action plan on engagement with associations, alliances, thinktanks and lobbying practices has been disclosed.
Business model	1.3/20	15%	• AENA has no creation or expansion of low-carbon business models. The company's climate strategy revolves around incremental optimisation of the current business model.

Consistency of the plan :

The past and present actions demonstrate that the company has a climate ambition concerning its scope 1 and 2 emissions, but ambition and credibility is lacking for scope 3 emissions (which represent 99% of the total emissions).

Identified areas for improvement :

- The company should set ambitious and credible targets on its scope 3 emissions.
- The company should disclose the key actions and interventions to reach its targets and the expected emissions reductions of these actions.
- AENA should disclose its emissions linked to flights (scope 3 category 11) using a boundary that covers the full flight and not only the landing and take-off cycle of aircrafts.
- The company should strengthen engagement with airlines and suppliers to require them to reduce their emissions.
- The company should create new business models aligned with a low-carbon transition and engage with clients to influence them towards this low-carbon business model.

* *AENA has submitted its quantitative targets to the SBTi which included planned scope 3 targets. However, the company has not reported that these targets are validated in its current strategy. It was then considered in the analysis that AENA does not yet have quantitative targets on scope 3.*

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Assessment SAY ON CLIMATE

eramet

France

Materials sector

2024

Transparency rating 30 % alignment with FIR recommendations	Generic sector methodology ACT ACCELERATE CLIMATE TRANSITION		Analysis carried out by : ethos
	PERFORMANCE SCORE **7** / 20	NARRATIVE SCORE A B C **D** E	TREND SCORE -

Although Eramet has announced its ***ambition to be carbon neutral by 2050, this only concerns scopes 1 & 2 and is not aligned with a 1.5°C scenario.*** *Similarly,* ***scope 3 is not integrated into the company's overall strategy, either*** *in its short-, medium- and long-term objectives or in its investments, which calls into question the ambition of the objectives set. At the same time,* ***the investments dedicated to scopes 1 and 2 are low between now and 2035 in*** *relation to the amounts of the overall Capex. As far as the action plan is concerned, we welcome the disclosure of the contribution of each action to the objectives of scopes 1 and 2, but* ***would encourage the company to provide more information on the decarbonisation levers identified, specifying the associated investment expenditure****. In addition,* ***the company should apply the same principle to scope 3****, for which very little information is disclosed, and only until 2025.*

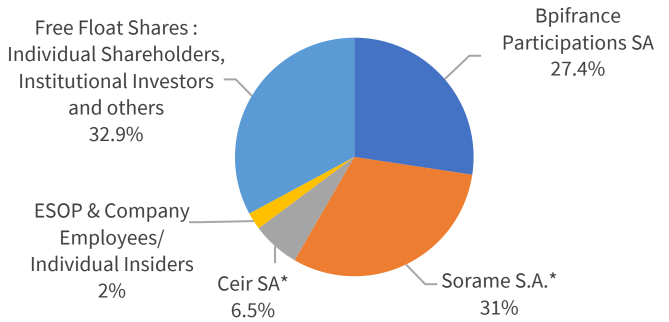
Voting results at the General Meeting on 30 May 2024

97.4 % For

1.6 % abstention

0.9 % against

Eramet shareholding structure



30%

of alignment with FIR recommendations

ERAMET

Ambition Net Zero 2050

Ambition of carbon neutrality for scopes 1 and 2 by 2050

▷ Does not include scope 3

▷ Lack of precision on the share allocated to reduction and that dedicated to compensation, not detailed

▷ The means to achieve this are not explicit including the share of CCS or CCUS technologies beyond 2035

Reference scenario(s) used

Trajectory validated well below 2°C by the SBTi in the medium term (2035) for scopes 1 and 2 only

Current GHG emissions (2023 vs. 2022)

SCOPE 1 (15%)	SCOPE 2 (1%)	SCOPE 3 (84%)
2.81 MtCO2eq (vs. 2022: 2.99)	0.20 MtCO2eq (vs. 2022: 0.24)	15.4 MtCO2eq (vs. 2022: 18.5)
90% of scopes 1 and 2 emissions relate to pyrometallurgical processing of manganese and nicjel ore (extraction metallurgy) and 10% to mining activities.		70% of Scope 3 emissions come from sales

Short-term GHG emissions reduction target

Reduce scopes 1 and 2 emissions by intensity to 0.221 tCO2eq/ton of outgoing production by 2026

Reduce the carbon footprint of mining activities by 10% by 2026 ▷Reference years not provided

▷ Absence of target communicated for all scopes and in absolute terms

▷ Lack of public information on the current value of the intensity of scopes 1 and 2 emissions per tonne of outgoing product, making it impossible to assess the level of ambition of the target for 2026

Medium-term GHG emissions reduction target

40% reduction in absolute emissions from scopes 1 and 2 by 2035 compared with 2019

▷ Absence of communicated target for scope 3

▷ Target almost reached in 2023 (-39.9 % vs 2018) and no upward revision of the target seems considered

Long-term GHG emissions reduction target

▷ No long-term reduction target except to achieve carbon neutrality by 2050 on scope 1 and 2

▷ Between 2035 and 2050, there will still be 60% of the emissions reduction target for scopes 1 and 2 to be achieved (compared with 2019, without taking offsetting into account)

▷ Absence of information for scope 3

Action plan measures

By 2026, develop and validate path to Near Zero Alloys

By 2035:

SCOPES 1 & 2:

Contribution of actions to the target of reducing Scopes 1 and 2 emissions by 40% by 2035:

- Use of bio-reducers (-15 %)
- Switch to natural gas (-9 %)
- Carbon capture and sequestration (-7 %)
- Renewable energies (-7 %)
- Other (-2 %)

More specifically:

- Out of 90% of Scopes 1 and 2 emissions, the main projects are: sourcing or production of low carbon electricity (site in the USA), energy efficiency measures (production of electricity using exhaust gases from the production of manganese alloys); replacement of fossil carbon-reducers with biocarbons from biomass (manganese alloys); deployment (feasibility study under way) of a CO_2 capture, liquefaction, transport and storage system at the Sauda site (Norway).
- On 10% of scopes 1 and 2 emissions: other decarbonisation initiatives are underway (such as the production of photovoltaic generated electricity at their sites in Senegal and Argentina).

SCOPE 3:

Bring 67% of Tier 1 suppliers and customers to make climate commitments by 2025

The contribution of actions to the reduction targets is detailed for scope 1 and 2, but:

▷ Lack of detail on action plan for scope 3 and no information after 2025

CAPEX / OPEX investment alignment

Ambition to invest €500m by 2035 (direct investments) to achieve carbon neutrality on scopes 1 and 2 by 2050

▷ Investments spread over more than 15 years, while in 2024 the company will invest €500m to sustain growth (in particular growth in ore production and transport in Gabon (€150m) and development of the lithium project in Argentina (€250m)).

▷ No information on CAPEX dedicated to Scope 3 in 2050

▷ 0.26 % of CAPEX aligned with the taxonomy (€2.3 million) whereas the rate of CAPEX eligible for the taxonomy is 17.75 %.

Remuneration

Variable annual remuneration for the Chairman and Chief Executive Officer, executives and members of the Executive Committee:

Collective objectives: 75% of variable pay, including:

5% criterion on decarbonisation targets & 15% criterion on the CSR roadmap

Individual targets: 25% of variable pay without any carbon criteria

▷ Finally, the decarbonisation criterion equals 4% and the CSR roadmap criterion equals 11%.

Long-term remuneration of the Chairman and Chief Executive Officer, executives and key managers of the Group:

5% criterion on decarbonisation targets & 20% criterion on CSR roadmap

⚠ → Overall surprise: the strange practice of assessing the majority of remuneration on a single financial criterion

▷ The carbon criteria are not quantified: "reduce the carbon footprint of our value chain"

Annual consultative vote on implementation

No annual vote on implementation

Consultative vote on strategy every three years

No vote on strategy every three years

Point of caution: Although we would like to emphasise the company's efforts to be transparent throughout its ESR and CSR roadmap, we would like to draw attention to the scope of the reduction targets, which are not always clearly defined.

Caption: ▷ Failure to obtain full points.

ERAMET

PERFORMANCE SCORING*	NARRATIVE SCORING	TREND SCORING
7/ 20	A B C **D** E	-

Module	Score	%	Assessment's elements
Targets	2/20	15%	• Between 2019 and 2035, Eramet has set an absolute target of reducing greenhouse gas emissions from Scopes 1 & 2 by 40%, in line with SBTi's "WB2D" scenario. Scope 3 is not objectified on a reduction of greenhouse gas emissions in the future, even though this scope represents more than 71% of Eramet's carbon footprint. • Eramet should update the reduction target for Scopes 1 & 2 to bring it into line with a 1.5°C scenario, and to define a reduction target for Scope 3.
Material investment	0/20	5%	• Eramet's taxonomic alignment is insufficient (1% alignment for CAPEX) and the company does not provide the share of capital expenditure that will be allocated to decarbonization actions. The Group mentions direct investment of around 500 million euros between now and 2035 to implement the emission reduction levers identified.
Intangible investment	0/20	5%	• Eramet does not provide past or future data on R&D investments in climate change mitigation technologies.
Performance of sold products	9/20	30%	• Eramet's data shows a strong increase in low-carbon products, in absolute terms. However, the Group does not provide precise, multi-year data on emissions forecasts or activity growth for its various products, or on the breakdown of Scope 3 emissions by product.
Management	10.6/20	10%	• The low-carbon strategy is taken to the highest level of the company's hierarchy. Scenario analysis is thorough and follows a methodology recognized in France (OCARA), according to various internationally recognized scenarios (IEA, IPCC). The action plan is managed using carbon prices.
Supplier engagement	12.2/20	8%	• Eramet is committed to a responsible purchasing policy, which aims to give preference to suppliers offering products or services that respect environmental criteria. The Group ensures traceability and transparency of the environmental footprint of some of its products (in line with the "Green metals & tracability" initiative), but this could be extended to all products.
Client engagement	4/20	10%	
Policy engagement	13.4/20	6%	• Eramet supports professional associations involved in the fight against global warming, and is involved in international and regional policy on the subject. A process for reviewing associations to ensure that their actions fit within a 1.5°C scenario is to be put in place.
Business model	3/20	10%	• New low-carbon business models are being created, but there is no precise data on emissions reductions or business growth for the various business models. The Group does not appear to be moving towards a reduction in production or the elimination of carbon-intensive business models.

Consistency of the plan:

- Eramet has made a public and official commitment, via the SBTi initiative, to reduce its direct emissions by 40% by 2035 compared with 2019. These commitments are followed by an action plan, focusing on 3 main points: supplier commitment, customer commitment and low-carbon mining and energy production projects. In addition, new business models are emerging for recycling certain minerals.
- However, these various commitments and defined actions do not enable a reduction in greenhouse gas emissions in line with a 1.5°C scenario, across the entire value chain. Past actions show that the subject of climate change is taken into account within the company, but is dealt with on a minimal methodological basis and without paying attention to the risks across the entire value chain.

Identified areas for improvement:

- The Group could publish more information on the breakdown of Scope 3 by product, and set itself a target for this scope. Eramet could improve its management of the action plan (monitoring and success measures, CO_2 quantification, financial projections).

** ADEME and Eramet exchanged additional data prior to publication of the assessment.*

FORUM POUR L'INVESTISSEMENT RESPONSABLE

RÉPUBLIQUE FRANÇAISE
Liberté
Égalité
Fraternité

ADEME
AGENCE DE LA TRANSITION ÉCOLOGIQUE

Assessment SAY ON CLIMATE

Spain

ferrovial

Transport sector

2024

Transparency rating 25 % alignment with FIR recommendations	Generic sector methodology ACT ACCELERATE CLIMATE TRANSITION		Analysis carried out by : ethos
	PERFORMANCE SCORE 5 /20	NARRATIVE SCORE A B **C** D E	TREND SCORE -

*Although Ferrovial has announced **its ambition to be carbon neutral by 2050, this only applies to the company's scopes 1 & 2**. In addition, the company has reduction targets for its 3 scopes for 2030, but **uses a distant reference year (2009), which calls into question the ambition of these targets, especially** as they have all **already been achieved by 2023**. Furthermore, with regard to the medium-term objectives (2030), **a large part of the company's scope 3 is not covered**. In terms of its action plan, the company has a target for the supply of 100% renewable energy by 2025, but **provides little information on the action plan and investments aimed at transforming the core of its business model**, i.e. road and airport infrastructures. While we welcome the company's effort to present a Say on Climate, we encourage it to go further in terms of the transparency and ambition of its climate strategy.*

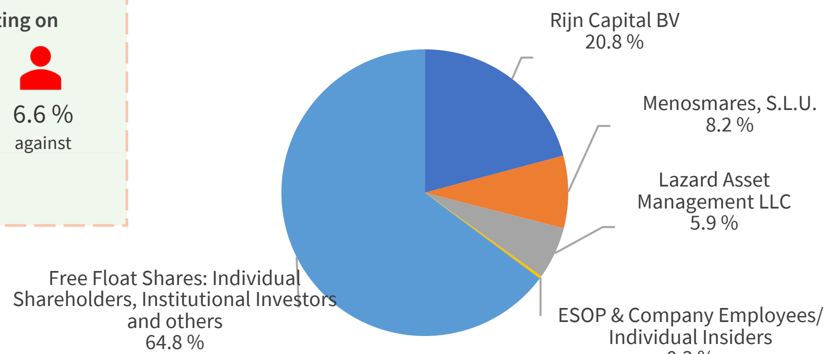
Voting results at the General Meeting on 11 April 2024

90 % For

3.4 % abstention

6.6 % against

Ferrovial shareholding structure



FORUM POUR L'INVESTISSEMENT RESPONSABLE

FERROVIAL

25 %

of alignment with FIR recommendations

Ambition Net Zero 2050

Ambition of carbon neutrality for scopes 1 and 2 by 2050

▷ Does not include scope 3

▷ The level of negative emissions is high: 20% of emissions offset in 2050 (120,353 tCO2eq)

▷ Lack of precision on the nature of the compensation

Reference scenario(s) used

2°C trajectory validated by SBTi for scopes 1 and 2 only

Current GHG emissions (*2023 vs. 2022*)

SCOPE 1	SCOPE 2	SCOPE 3
300,648 tCO2eq (vs. 381.341)	26,926 tCO2eq (vs. 3.995.293)	3,878,812 tCO2eq (vs . 33.045)
7 %	1 %	92 %

Short-term GHG emissions reduction target

28% reduction by 2025 compared with 2009 for scopes 1 and 2

▷ The reference year is very old: 2009

*▷ Unambitious targets: 33% reduction already achieved by 2023 on the scopes 1 & 2**

▷ No target communicated for scope 3

Medium-term GHG emissions reduction target

Scopes 1 & 2: -35.3 % by 2030 compared with 2009 in absolute terms (-42.9 % in intensity/million € of turnover)

Scope 3: -20 % vs. 2012 in absolute terms

▷ The reference year is very old : 2009

▷ Capital goods and goods and services purchased in scope 3 are not included : 1,180,787 tCO2eq, i.e. around 30% not included

▷ Unambitious targets already achieved: 33% reduction already achieved by 2023 on the scopes 1 & 2 and 36.24 % reduction already achieved by 2023 on the scopes 3*

▷ Targets aligned with a 2°C scenario and for scopes 1 & 2 only (8% of total emissions)

Long-term GHG emissions reduction target

Scopes 1 & 2: -80 % by 2050 compared with 2009 in absolute terms

▷ The reference year is very old: 2009

▷ Targets beyond 2030 are not scientifically validated

▷ Covers scopes 1 & 2 only (8% of total emissions)

Action plan measures

Renewable energy supply: 100% target by 2025; opportunities identified for mobility, water, energy and infrastructure

▷ Not detailed and mostly not quantified measures to understand the contribution of each action to transforming the business model based on road and airport infrastructure

▷ No time horizon information on the action plan

CAPEX / OPEX investment alignment

16.06 % of 2023 CAPEX are aligned with the "sustainable environmental activities" taxonomy

▷ No information on the financing of the actions, not even on the additional costs associated with the transition to renewable energies

Remuneration

Chairman:

Bonus : 20% based on "qualitative and ESG" criteria: one of the criteria concerns governance (20%) within which four objectives are cited, including a 23.5 % reduction in emissions in absolute terms compared with 2009 (corresponding to the 2023 objective for scopes 1 and 2).

▷ Emissions reduction criterion present but totally diluted: estimated 1% of total annual variable remuneration

Long-term remuneration: ESG criteria: 10% of long-term objectives, one criterion out of three on reducing GHG emissions

▷ Carbon criteria not precise and diluted

Executive Director:

Bonus: 30% based on "qualitative and ESG" criteria: one of the criteria concerns the "promotion of innovation and corporate social responsibility, diversity, greenhouse gas emissions and sustainability". (15%), in which four objectives are cited, including a 23.5 % reduction in emissions in absolute terms compared with 2009 (corresponding to the 2023 objective for scopes 1 and 2).

▷ Emissions reduction criterion present but totally diluted : estimated 1% of total annual variable remuneration

Long-term remuneration: 10% on ESG criteria, including 5% on reducing CO_2 emissions

▷ Achievement of 5% if equal to 26.9 % reduction with 2009 (we do not know the scope covered by this target)

Annual consultative vote on implementation

Vote consultatif annuel

Consultative vote on strategy every three years

▷ No vote on strategy every three years

* *Excluding the divestment of the Allerton plant (UK), a high-carbon asset.*

The 2030 objectives have been achieved, with a 45.8 % reduction in scopes 1 & 2 in 2023 if we take into account the sale of the asset that occured in 2022.

ferrovial

FERROVIAL

PERFORMANCE SCORING	NARRATIVE SCORING	TREND SCORING
5 /20	A B **C** D E	-

Module	Score	%	Assessment's elements
Targets	2.3/20	15%	• No long-term scope 3 targets approved by the SBTi • 2030 target for upstream scope 3 does not cover the majority of scope 3 upstream emissions • Scope 1 and scope 2 targets are aligned with a 1.5°C benchmark according to the ACT tool • Current targets (2030) are on track to be achieved
Material investment	6/20	5%	• No disclosure of CAPEX information • Past intensities and future trend of intensities of scope 1 and 2 is aligned with a 1.5°C benchmark according to the ACT tool
Intangible investment	2.5/20	5%	• The company invests in low-carbon technologies R&D but it does not disclose the absolute or relative amounts
Sold product performance	5.9/20	30%	• Disclosure of a single product intervention (supplier engagement campaign) but its ambition and carbon mitigation potential is low • Significant emissions are locked-in due to the company's business model, i.e. long-term infrastructures construction and management
Management	11.3/20	10%	• Oversight, management incentives and climate scenario testing are in place for a low-carbon transition. • However, expertise, strategy and transition plan are not aligned
Supplier engagement	9.3/20	10%	• No strategy to require suppliers to reduce their emissions but engagement activities with 98% of suppliers
Client engagement	0/20	10%	• No disclosure of client engagement strategy or activities to reduce their emissions and influence their choices
Policy engagement	1.6/20	5%	• No policy, review process or action plan on engagement with associations, alliances, thinktanks and lobbying practices has been found
Business model	3.2/20	10%	• 32.76 % of the company's revenue from low-carbon products and services according to the EU taxonomy • However, no significant creation of new business models is disclosed.

Consistency of the plan:

The past and present actions demonstrate that the company has a climate ambition, but additional efforts are still needed to achieve climate targets.

Identified areas for improvement:

- The company should set long-term ambitious emissions targets on its scope 3 where most of its emissions occur.
- The company should disclose the key actions and interventions to reach its targets and the expected emissions reductions of these actions.
- The company should engage with its suppliers to require them to reduce their emissions and clients to influence them to reduce their emissions.
- The company should create new business models aligned with a low-carbon transition.

Assessment SAY ON CLIMATE

Germany

GEA

2024

Capital goods sector

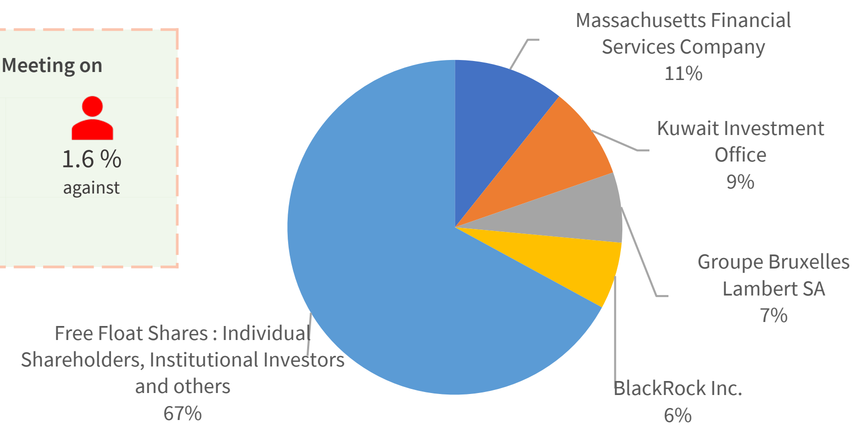
Transparency rating 70 % alignment with FIR recommendations	Generic sector methodology ACT ACCELERATE CLIMATE TRANSITION	Analysis carried out by : ethos
	PERFORMANCE SCORE 12 / 20	**NARRATIVE SCORE** A **B** C D E	**TREND SCORE** +

*GEA has put in place a number of elements that make its **climate strategy sound overall**. The main positive points are **ambitious climate targets, certain measures taken to reduce the impact of products sold, climate governance and the commitment of customers and suppliers**. That said, the company **still lacks key elements** such as a **transparent engagement policy and an R&D budget aligned with its scope 3 climate ambitions** to achieve a fully credible strategy for aligning its business model with a low-emission economy. The progress made by the company in recent years opens **up encouraging prospects for the years to come.***

Voting results at the General Meeting on 30 April 2024

For	Abstention	Against
98.1 %	NA*	1.6 %

GEA shareholding structure



** The results presented are those disclosed by the company and do not take into account abstention. GEA does not communicate on the abstention rate, which prevents the data from being reprocessed by FIR.*

70%

of alignment with
FIR recommendations

GEA

Ambition Net Zero 2050

Net Zero commitment by 2040

▷ *The nature and levels of compensation are not explicit by 2040*

Reference scenario(s) used

1.5°C trajectory validated by SBTi for 2040 (base year: 2019) for the 3 scopes

Current GHG emissions (*2023* vs. 2022)

SCOPE 1 (market based)	SCOPE 2 (market based)	SCOPE 3
30,869 tCO2eq (vs. 32.292)	856 tCO2eq (vs. 726)	29,298,907 tCO2eq (vs. 46.758.587)
0.1 %	0.001 %	99.9 %

Short-term GHG emissions reduction target

60% reduction by 2026 vs. 2019, in absolute terms, for scopes 1 and 2

▷ *No target communicated for scope 3 in the short term*

Medium-term GHG emissions reduction target

In absolute terms :

SCOPES 1 and 2: -80 % by 2030 vs. 2019

SCOPE 3: -27.5 % by 2030 vs. 2019

Long-term GHG emissions reduction target

Reduction of at least 90% in GHG emissions between 2019 and 2040

❍ *Between 2030 and 2040, still 62.5 % of Scope 3 emissions will have to be reduced compared to 2019*

Action plan measures

Scope 1 and 2: Decarbonisation of sites

100% exit from fossil energy by 2040, including measures to renovate buildings by 2040 : substitution of gas, energy-efficient refurbishment of the building envelope, increased energy efficiency, electrification of the vehicle fleet by 2030, etc.

100% emission-free company vehicules by 2030 by 2030

- *25% of GEA's self-generated renewable electricity consumption by 2030 (including owned renewable enegy plants and those financed by GEA)*
- *100% green electricity by 2022*
- *By 2026, 50% of total energy requirements will be covered by a certified energy management system. (22% in 2023)*

By 2030, 25% of GEA's total energy needs will be covered by self-generated electricity (6% in 2023).

Scope 3: Transforming the product offering to reduce the customer footprint and engaging suppliers

Creation of the "Add Better" label to bring resource-efficient products to market: by 2023, the solutions sold will save a total of 4.979.030 tCO2eq over their life cycle. The labelled products are awarded by an independant testing service provider.

Supporting customers through a climate-focused "Add Better Consulting" offering

- *Electrifying products, offering services to extend product life cycles, engaging suppliers:*

By 2030, all suppliers will be categorised A: committed to SBTi targets by 2030 (17% in 2023)

❍ *The contribution of each action to the emission reduction targets is not detailed*

❍ *No figures for the number of products to be labelled "Add Better Products" in the medium term (currently 20 machines are labelled "Add Better").*

CAPEX / OPEX investment alignment

175 million in CAPEX between 2024 and 2040 (€11 million per year for 16 years) on scopes 1 and 2

Breakdown of investments by share:

40% for energy efficiency measures

14% for electrical efficiency measures

6% Building Management System / Energy Management System

14% on renewable electricity generated on site

9% to the electrification of the car fleet

17% to the abandonment of fossil fuels

▷ *No investment amount communicated for scope 3*

▷ *In 2023, the company has dedicated only 9.2 % of its R&D investment to sustainability (15.5 million).*

▷ *23.1 % of CAPEX for activities aligned with the taxonomy (vs. 20.7 %, pro forma, in 2022)/58.1 % of CAPEX for activities eligible for the taxonomy : progress to be continued*

Remuneration

Members of the Executive Committee & the Global Executive Committee (the divisional and regional CEOs, Chief Sustainability Officer, Chief Human Resources Officer)

Long-term: 10% linear reduction criterion to meet the 2030 target for Scopes 1 and 2 (-80 % vs. 2019)

New in 2024: 10% linear reduction criterion to meet the scope 3 target set for 2030 (-27.5 % vs. 2019)

▷ *Variable annual remuneration: No carbon criteria*

TOP 150 senior managers

Bonus based on the number of products sold with the "Add Better" label; in 2024, a new bonus based on profits generated by "Add Better" labelled products.

Annual consultative vote on implementation

No annual vote on strategy

Consultative vote on strategy every three years

No vote on strategy every three years

Caption:

❍ *Indicates that all the criteria for obtaining all the points have been met, but suggests improvements in terms of transparency.*

▷ *Failure to obtain full points.*

GEA

PERFORMANCE SCORING	NARRATIVE SCORING	TREND SCORING
12 /20	A **B** C D E	+

Module	Score	%	Assessment's elements
Targets	14/20	15%	• Climate targets ambition overall climate science-aligned. • In 2023, no clear publication of 2019 absolute emissions for scopes 1 and 2 (base year for targets). • GEA's 2030 scope 3 reduction target of -27.5 % seems under ambitious compared to the 2040 target of at least 90% reduction in scope 3 emissions.
Material investment	11/20	5%	• GEA gives few details and quantifications of the planned transformation of its product portfolio to meet its climate targets. Only a few examples are given, but there is no quantification at company level of the expected results or investments required. Nor is there any planning, clear segment targets or performance monitoring.
Intengible investment	0/20	5%	• GEA reports that a very limited proportion of R&D investments are directed towards low-carbon technologies, and little transparency on intangible investments.
Sold product performance	17/20	30%	• The members of GEA's committee responsible for overseeing climate change issues did not report any relevant expertise in climate change and the transition to a low-carbon economy.
Management	13/20	10%	• GEA has no plans to update or revise its climate plan.
Supplier engagement	12/20	5%	• GEA's strategy for influencing suppliers' GHG emissions is generally advanced. A key improvement would be to develop action levers to engage, incentivize, innovate and collaborate with suppliers.
Client engagement	14/20	15%	• GEA's strategy for influencing its customers' GHG emissions is advanced overall. Key improvements would be to include financial benefits for sustainable products and to disclose the quantitative impact of implementing the strategy.
Policy engagement	7/20	5%	• No policy strategy has been found regarding GEA's engagement with associations, coalitions or think tanks to align its participation with its low-carbon ambitions.
Business model	4/20	10%	• GEA does not create or extend low-carbon business models. Nor does the company plan to phase out its most carbon-intensive business models.

Consistency of the plan:

- Overall, GEA's climate plan is well advanced in many areas. The progress made by GEA in recent years is encouraging. The main positives are: targets whose ambition has been validated by a third party as aligned with a 1.5°C scenario, a solid basis exists for thinking about how to reduce the carbon footprint of GEA's customers' use of its products, a structured governance model around sustainability topics, and some actions taken to positively influence suppliers and customers.

Identified areas for improvement:

- GEA claims to be able to play an important role in the low-carbon transition on technological aspects, thanks to its strong engineering skills and its position in the value chain. However, the company publishes that only 9.2% of its research budget is directed towards subjects related to environmental sustainability and is not transparent about the environmental value of patents filed. GEA could also improve transparency around its societal influence. Finally, GEA has not yet managed to show how it intends to align its business model with a low-carbon economy.

FORUM POUR L'INVESTISSEMENT RESPONSABLE

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Assessment SAY ON CLIMATE

GLENCORE

UK

Materials sector

2024

Transparency rating	Generic sector methodology: ACT (Accelerate Climate Transition)		Analysis carried out by: ethos
35 % alignment with FIR recommendations	**PERFORMANCE SCORE** **4** /20	**NARRATIVE SCORE** A B C D **E**	**TREND SCORE** -

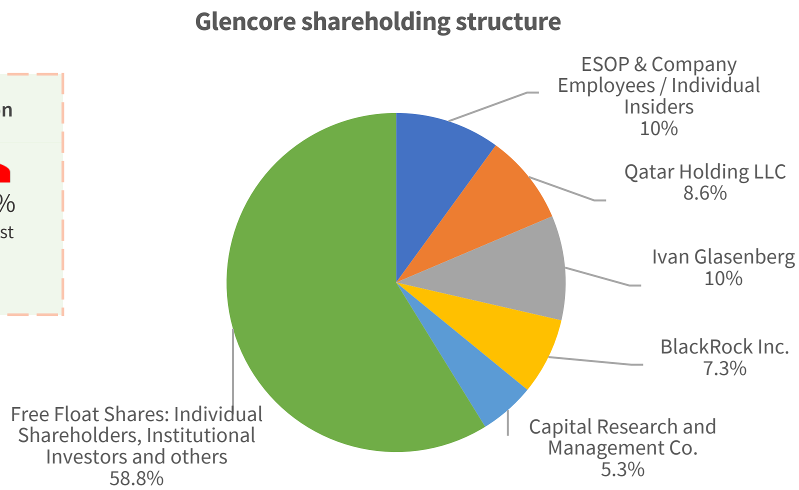
*Glencore's climate plan seems to lack ambition, particularly because of its **lack of commitment to a trajectory validated by a scientific scenario**. Although most of the group's emissions are linked to the use of its products (particularly coal), **Glencore** is **not planning to phase out its coal production** and is continuing to invest in existing mines. The company is also likely to acquire 77% of the metallurgical coal production and supply business of **Teck Resources (Canada)** in the coming months. This **forthcoming acquisition has not yet been taken into account in the Action Climate Plan 2024-2026**. The **scant information provided by Glencore on its action plan and its investments in clean energy** does not reflect a transformation of the core of its business model. In addition, the targets it set itself for 2026 and 2030 were fully and almost fully achieved in 2023 respectively, while **its decarbonisation strategy relies heavily on certificates** (power purchase agreements and carbon credits) to achieve these targets. While we welcome the company's effort to present a Say on Climate, we encourage it to go further in terms of the transparency and ambition of its climate strategy.*

Voting results at the General Meeting on 29 May 2024

83 % For

7.9 % abstention

9.1 % against



FORUM POUR L'INVESTISSEMENT RESPONSABLE

GLENCORE

35%

of alignment with FIR recommendations

Ambition Net Zero 2050

Ambition of neutrality for 2050 on the three scopes

▷ The nature and levels of compensation are not explicit by 2050

Reference scenario(s) used

The company positions its objectives in relation to various IEA and IPCC warming scenarios; however, its objectives are not aligned with a 1.5°C scenario to date (except with the IAE 2023 DAC Net 1.5°C scenario). The company is positioning its targets up to 2035 below the IEA APS 1.7°C scenario*

▷ The company does not wish to commit to an alignment certified by a baseline warming scenario

Current GHG emissions (*2023 vs. 2022*)

SCOPE 1 (market based)	SCOPE 2 (market based)	SCOPE 3
16.7 MtCO2eq (vs. 16.4)	10.3 MtCO2eq (vs. 12.8)	405.8 MtCO2eq (vs. 368.3)
4 %	2 %	94 %
		▷ exclusion of marketing emissions in scope 3

Short-term GHG emissions reduction target**

15% reduction in scopes 1, 2 and 3 by 2026 vs. 2019 in absolute terms

▷ No targets per scope

▷ Target reached in 2023 (-22 % vs. 2019) and no upward revision of the target seems envisaged

GHG emission reduction target for the medium term**

25% reduction in scopes 1, 2 and 3 by 2030 compared with 2019 in absolute terms

50% reduction in scopes 1, 2 and 3 by 2035 compared with 2019 in absolute terms

These reductions appear to be in line with the APS scenario according to the company

▷ No targets per scope

▷ 2030 target almost achieved in 2023 (-22 % vs. 2019) and no upward revision of the target seems envisaged

▷ Reduction to be significant between 2030 and 2035

Long-term GHG emissions reduction target

No clear reduction target other than to achieve carbon neutrality by 2050

Action plan measures

Action plan priorities by scope:

Scope 1: working on fuel efficiency, equipment electrification, developing alternative fuels

Scope 2: sourcing renewable electricity

Scope 3:

- Closure of 12 coal mines by 2035 but the company does not rule out increasing production and investing in its mines that are still in operation.

- Investment in carbon capture, utilisation and storage systems via the Carbon Transport and Storage Company (CTSCo) subsidiary.

▷ No information on the contribution of each action to the reduction targets

▷ The action plan could be clearer and more detailed by scope, particularly for scope 3.

*▷ No phasing out of all coal-related activities, which account for the largest share of the company's total emissions****

CAPEX / OPEX investment alignment

▷ No clear, quantified information on short-, medium- or long-term investments to help achieve objectives

▷ No reporting on CAPEX amounts eligible or aligned with taxonomy (subject to regulation from 2025)

Remuneration

Variable annual remuneration 2023:

Criterion of 15% of variable remuneration for executives based on short- and medium-term GHG emission reduction targets (2026, 2030 and 2035)

2023 Action Plan:

Part allocated on the basis of ESG performance

▷ Qualitative criteria (not. Climate Change) disclosed but neither quantified nor weighted

Change in remuneration policy in 2024 vs. since 2021

Annual variable remuneration 2024:

Abolition of the annual variable, replaced by a variable whose performance is assessed over several years

▷ Qualitative criteria (CO_2 reduction) disclosed but neither quantified nor weighted

Annual consultative vote on implementation

No annual consultation vote on implementation

Consultative vote on strategy every three years

Consultative vote if ever the climate strategy is reworked but does not commit to a vote every 3 years

In April 2024, the European Commission approved Glencore's acquisition of sole control of 77% of the Canadian coal business and assets of Teck Resources Limited of Canada. The transaction mainly concerns the production and supply of metallurgical coal. This potential forthcoming acquisition is not yet taken into account in the Climate Action Plan 2024-2026.

** Delayed Action Case.*

*** Exclusion of marketing emissions in scope 3.*

**** In 2023, emissions linked to the use of coal and refined oil by customers accounted for 80% of Scope 3 emissions .*

Caption: ▷ Failure to obtain full points.

GLENCORE

ethos

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ADEME
AGENCE DE LA TRANSITION ÉCOLOGIQUE

GLENCORE

ACT ACCELERATE CLIMATE TRANSITION

PERFORMANCE SCORING	NARRATIVE SCORING	TREND SCORING
4 /20	A B C D **E**	-

Module	Score	%	Assessment's elements
Targets	11/20	15%	• Glencore's 2026 and the new 2030 targets are not considered ambitious (achieved or nearly achieved) and not aligned with a 1.5°C benchmark according to the ACT tool. • Glencore's targets do not account for emissions within its marketing activities.
Material investment	3/20	5%	• Glencore's CAPEX disclosures are not transparent enough to be assessed, in particular regarding coal investments.
Sold product performance	0/20	30%	• Glencore does not disclose significant product interventions within its value chain • Glencore's scope 3 emissions decreased from the restated 2019 baseline, but they increased from 2018 (not restated) levels. Restatements are selective and based on the company's view, which may lead to an inflated 2019 baseline. • Glencore's CEO and the chairman do not have material experience regarding climate change issues.
Management	12/20	10%	• Glencore's transition plan include a marginal abatement cost curve (MACC) for its short- and long-term actions but it only includes actions on its scope 1 and 2 emissions.
Supplier engagement	1/20	5%	• No significant strategy and actions to influence suppliers to reduce their GHG emissions have been found.
Client engagement	3/20	15%	• No significant strategy and actions to influence clients to reduce their GHG emissions have been found. • Glencore provides some support to customers' new solutions, but its positioning is focused on responding to evolving demand.
Policy engagement	7/20	5%	• Glencore does not plan a phase-out from thermal coal production, only a phase-down, and will continue brownfield investments in existing coal mines.
Business model	2/20	15%	• Glencore's current decarbonisation actions are overly reliant on power purchase agreements (PPAs) and carbon credits. • No significant change in its business model has been found.

Consistency of the plan:

- Glencore climate transition action plan is not considered consistent with a 1.5°C benchmark according to the ACT tool. The company lacks ambitious targets and does not demonstrate credible actions to reduce its emissions. In particular, the company does not plan a phase-out of its coal activities, which account for the largest share of its total emissions, and it mostly relies on certificates (PPAs and carbon credits/offsets) to meet its objectives. Overall, the company does not plan to change its business model based on extraction to a circular one.

Identified areas for improvement:

- The company should develop a credible and ambitious transition plan which includes a phase-out of its coal portfolio and planned actions to reduce its emissions throughout its value chain that are measurable and do not rely mostly on certificate purchases. The company should also transition its extractive business model to a business model based on circularity and recycling.

GLENCORE

Assessment SAY ON CLIMATE

UK

Pennon

2024

Utilities sector

Transparency rating 35 % alignment with FIR recommendations	Generic sector methodology ACT Accelerate Climate Transition		Analysis carried out by : ethos
	PERFORMANCE SCORE **8** /20	NARRATIVE SCORE A B **C** D E	TREND SCORE +

Although Pennon has announced its ***ambition to be carbon neutral by 2030****, this* ***only*** *relates* ***to scopes 1 & 2 and concerns only part of its business****. Similarly, most of scope 3 is not included in the medium-term emissions reduction targets. In addition, more than* ***90% of emissions are excluded from the short-term targets*** *(2025), which calls into question the ambition of the targets before 2032. At the same time, the company is announcing an ambition of carbon neutrality by 2045 for its subsidiary South West Water (45% of the business), including all scopes.*

The company does ***not*** *disclose* ***information on investments after 2025, which does*** *not allow investors to fully assess the company's determination to achieve its objectives. Finally, at the level of its action plan,* ***we encourage the company to provide more information on the decarbonisation levers*** *identified, specifying the associated investment expenditure and the contribution of each of them to the decarbonisation objectives.*

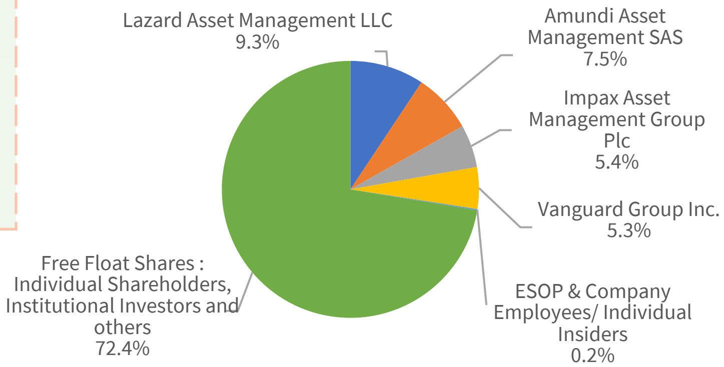
Voting results at the General Meeting on 24 July 2024

80.5 % For

1.9 % abstention

17.6 % against

Ownership of Pennon



PENNON

35 %

of alignment with FIR recommendations

Ambition Net Zero 2050

Ambition of carbon neutrality on scopes 1 and 2 by 2030 for two sites: South West Water (45% of business) & Bristol Water (26% of business)*.*

Ambition of carbon neutrality on scopes 1, 2 and 3 by 2045 announced only for South West Water

Offset of 17,700 tCO2eq over the next 30 years and 650,000 tCO2eq over the next 50 years

▷ *The breakdown by year between reduction and compensation is not detailed*

▷ *30% of the business* is not included in the net zero commitment to 2030, 55% of the business* is not included in the net zero commitment to 2045; the scope 3 is not included in the carbon neutrality ambition by 2030 and only on a part of its businesses by 2045*

Reference scenario(s) used

Commitment to a warming trajectory limited to 1.5°C until 2032 for the objectives of scopes 1, 2 and 3, validated by SBTi

▷ *The 1.5°C targets for scope 3 concern only 15% of scope 3*

▷ *For the moment, the Bristol Water subsidiary acquired in 2021 (26% of the business)* is not included in the 2050 projection (in progress).*

▷ *After 2032, the commitments are identified as "withdrawn commitments" by SBTi.*

Current GHG emissions** (*2023/24 vs. 2022/23*)

SCOPE 1: 26.737 tCO2eq (vs. 28.773)	SCOPE 2 (market based): 25.662 tCO2eq (vs. 31.321)	SCOPE 3: 315.867 tCO2eq (vs. 239.653)
7 %	7 %	86 %

Increase in Scope 3 emissions (in absolute terms) compared with 2022 (+36% on capital goods, +26% on business travel, +17% on purchased goods, +6% downstream transport); Bristol Water's Scope 3 has been reported for the 1st time.

Short-term GHG emissions reduction target

70% reduction in scope 2 (market-based) by 2025 compared with 2021/2022

These targets have already been achieved, with a current reduction of 71.9 % in Scopes 1 and 2 by 2023.

▷ *No target set for Scope 1 and Scope 3 (93% of emissions)*

Medium-term GHG emissions reduction target

68% reduction in absolute Scopes 1 and 2 emissions by 2032/2033 vs. 2021/2022

30% reduction in absolute Scope 3 emissions (15%) by 2032/33 vs. 2021/22 from well to tank' electricity and fuels, the delivery of electricity, emissions from waste, and business travel and commuting

▷ *Absence of reduction target for 85% of scope 3 (capital goods and purchased goods)*

Long-term GHG emissions reduction target

▷ *Long-term objectives are not made explicit*

Action plan measures

Scope 1 and 2: Decarbonisation of sites

- *Electricity : By 2025, up to 50% of electricity from renewable sources, 100% by 2030.*
- *Energy : 13% renewable energy by 2025 and 50% by 2030. (7.5 % in 2023-2024 for a target set at 8%)*

through onsite Solar PV, floating Solar PV, grid connected Solar PV, wind power, hydroelectricity and making more use of our bioresources for generating energy).

Scope 3

- *Commitment that 60% of suppliers will have targets validated by SBTi by 2027/28 and will reduce their emissions from purchased goods and services, capital goods and upstream transport and distribution.*

▷ *No information on the contribution of each action to the reduction targets*

▷ *The action plan could be clearer and more detailed by scope*

CAPEX / OPEX investment alignment

Investment in renewable energies to acquire and develop photovoltaic sites: £160 million in 2023, and £160 million in 2024.

Additional investment to improve resilience and environmental performance: £120 million in 2023, £145 million in 2024

"These costs can be revised upwards to achieve carbon neutrality by 2030".

▷ *No information on quantified investments after 2025*

▷ *No information on alignment or eligibility of CAPEX with taxonomy*

Remuneration

Variable annual remuneration 2023

Criterion of 18.5 % based on 5 criteria, including one on the objective of reducing Scope 2 emissions: 68%, finally achieved this year at 71.9 %.

▷ *Criterion diluted*

▷ *No details on the breakdown of remuneration criteria for 2024*

Long-term executive remuneration

▷ *Absence of carbon criteria*

Annual consultative vote on implementation

No annual vote on strategy

Consultative vote on strategy every three years

No vote on strategy every three years

* *Calculation based on the quantity of drinking water per day (litres) at 31 March 2023.*

** *These emissions do not include those of SES Water, acquired in 2024, whose total emissions amount to 2299 tCO2e.*

Caption:

❍ *Indicates that all the criteria for obtaining all the points have been met, but suggests improvements in terms of transparency.*

▷ *Failure to obtain full points.*

Pennon

ethos

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AGENCE DE LA TRANSITION ÉCOLOGIQUE

PENNON

ACT ACCELERATE CLIMATE TRANSITION

PERFORMANCE SCORING	NARRATIVE SCORING	TREND SCORING
8 /20	A B **C** D E	+

Module	Score	%	Assessment's elements
Targets	4/20	15%	• Pennon has set near-term SBTi targets to reduce its GHG emissions for its scopes 1 and 2 and for some of its scope 3 emissions by 2032. However, reduction targets for scope 3 only covers some of the categories that do not represent the largest part of the company's scope 3 emissions. In addition, the company states that it commits to achieve net zero by 2030 but this commitment is not validated by SBTi. • Pennon has not set long term targets after 2032.
Material investment	10/20	15%	• Pennon does not disclose its CAPEX invested in Low-Carbon & Mitigation technologies.
Sold product performance	13/20	20%	• Pennon provides information over some measures taken to encourage clients to save water but it does not consider categories 8 through 15 of its scope 3 to be relevant. However, more information on categories 8 through 13, that are often relevant for companies in this sector, would be welcomed.
Management	8.5/20	10%	• Pennon has an ESG committee at board level which has the responsibility, among others, for climate governance and climate change management but members do not have sufficient specific climate change expertise. • The company does not have yet a transition plan but plans to publish one.
Supplier engagement	7.5/20	15%	• Pennon has set the target to have 60% of its suppliers included in 3 categories of scope 3 (purchased goods and services, capital goods and upstream transportation and distribution) with a science-based targets by FY27/28. Details of implementation of the commitment and *reporting* on the progress would be welcomed.
Client engagement	12.5/20	5%	• Pennon has conducted campaigns by customer to reduce non-essential water consumption but does not seem to have a strategy to influence its clients behaviour.
Policy engagement	1/20	5%	• Even if the company shows its commitment to climate policies such as Science-Based Targets, it does not have any specific policy, review process or action plan on engagement with associations, alliances, thinktanks and lobbying practices.
Business model	2.5/20	15%	• Pennon is developing a subsidiary, Pennon Power, to support the company's energy needs with renewable sources, which represents a minor share of total revenue and the company does not plan to develop that activity.

Consistency of the plan:

- Pennon has not yet published a transition plan. Nevertheless, the company states that it will prepare one. In addition, measures taken show that the company has ambition for its scope 1 and 2 emissions. However, there is no reduction targets on scope 3 categories 1, 2 and 4 that represent an important share of its total emissions. However, Pennon has set the target to have 60% of its suppliers with SBTi validated targets by FY27/28.

Identified areas for improvement:

- Further details about measures and their contribution in reaching the Pennon's targets would be welcomed.
- The company should provide further insights about its plans once the 2032 targets are reached.
- Pennon could better formalize its engagement with clients to influence them in saving water.

Pennon

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Assessment SAY ON CLIMATE

UK

Unilever

2024

Food and drink sector

Transparency rating	Generic sector methodology ACT ACCELERATE CLIMATE TRANSITION		Analysis carried out by : ethos
50 % alignment with FIR recommendations	PERFORMANCE SCORE 11 /20	NARRATIVE SCORE A B **C** D E	TREND SCORE +

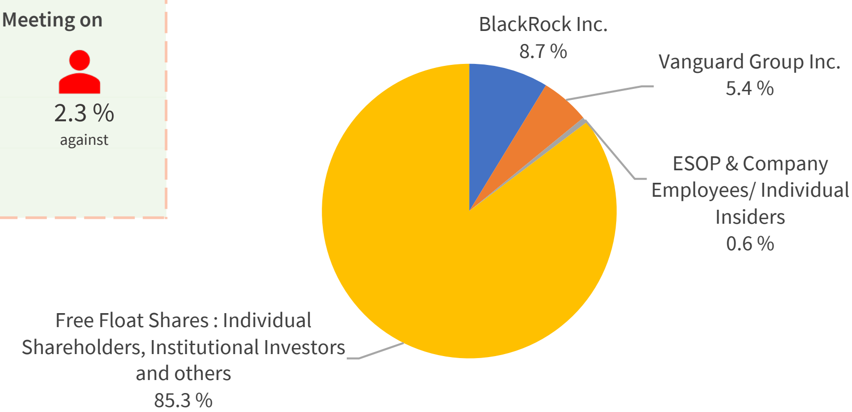
*Although Unilever has announced its **ambition to achieve carbon neutrality by 2039**, this excludes emissions linked to the indirect use of products (47%). Nevertheless, the company has set itself **specific targets for 2030 and has drawn up a detailed plan** to achieve them by then. These targets, which are **currently being validated** by an external third party for scope 3[1], **do not include 1/3 of the scope** calculated on the basis of the ambition of carbon neutrality. In addition, the investments associated with the targets set seem insufficient to bring about a significant change in the business model. All these factors, combined with the reduction in the sustainability criteria taken into account in the long-term variable remuneration of senior executives, raise questions about the company's true commitment to decarbonising all its activities. We urge the company to persevere in its efforts and **to go further in its ambition.***

[1] *On 25th April the scope 3 objectives were validated by SBTi.*

Voting results at the General Meeting on 1st May 2024

for	abstention	against
91.5 %	6.2 %	2.3 %

Unilever shareholding structure



FORUM POUR L'INVESTISSEMENT RESPONSABLE

UNILEVER

50%

of alignment with FIR recommendations

Ambition Net Zero 2050

Ambition of carbon neutrality for scopes 1, 2 and approximately half of scope 3 by 2039

▷ Absence of information on the level and nature of compensation for residual emissions

▷ Exclusion of 47% of scope 3 linked to the indirect consumer - use phase emissions: energy indirectly consumed during the lifetime of products (in particular emissions linked to customer freezers used to refrigerate ice cream).

▷ Except to point out that the GHG Protocol considers these emissions to be optional and that SBTi encourages their inclusion, the company has not provided any explanation as to why this part of scope 3 has been excluded from the scope of the ambition for 2039.

Reference scenario(s) used

Commitment to a trajectory limited to 1.5°C for Scopes 1 and 2 targets, validated by the SBTi up to 2030;

▷The commitment on the part of scope 3 included in ambition 2039 is being validated by SBTi on a warming scenario limited to 1.5°C.*

Current GHG emissions (*2023 vs. 2022*)

SCOPE 1 : *0.62 MtCO2eq (vs. 0.66)*

SCOPE 2 : *0.11 MtCO2eq (vs. 0.15)*

SCOPE 3 : *99.2 MtCO2eq (vs. 110.4)*

89% of Scope 3 :

Indirect consumer use: 47.07 MtCO2eq (47% of Scope 3)

Purchase goods and services (FLAG, E&I, packaging materials, indirect procurement): 41.47 MtCO2eq (41% of scope 3)

Short-term GHG emissions reduction target

70% reduction by 2025 compared with 2015, in absolute terms, for scopes 1 and 2

▷ Absence of communicated target for scope 3

Medium-term GHG emissions reduction target

- *Reduction in all Scopes 1 and 2 emissions by 2030 vs. 2015 in absolute terms*
- *39% absolute reduction in Scope 3 emissions by 2021 as part of the net zero* ambition, split into two objectives:*

*42% absolute reduction in Scope 3 emissions from energy and industry (E&I)** by 2021*

30.3 % absolute reduction in Scope 3 emissions from forests, land and agriculture (FLAG) by 2030 vs. 2021

▷ About 1/3 of scope 3 of the net zero ambition is not included in these targets (15 MtCO2eq)*

*Excluding indirect procurement which represents 8 MtCO2eq (media and marketing suppliers emissions) as well as emissions from third-party contract manufacturers outside of India***- approximately 9 MtCO2eq*

▷ The target for emissions from forests, land and agriculture (FLAG) includes offsetting

▷ Validation by SBTi is expressed in terms of intensity across all 3 scopes, no external third-party validation of scope 3 targets yet (in progress by SBTi).

Long-term GHG emission reduction target

Despite the ambition of carbon neutrality by 2039, no quantified reduction target beyond 2030

*▷ What about the emissions excluded from the 2030 reduction targets yet included in the 2039 ambition*****

▷ No information on the share of emissions reduction to 2039 vs. the share of offsetting

Action plan measures

Explanation of the contribution of its actions to the past reduction and clear main lines of the roadmap to 2030

▷ Quantified actions and contribution to reduction targets are not detailed

▷ No clear action plan for advertising and media-related emissions and emissions from third-party contract manufacturers outside India (around 15 MtCO2eq)

▷ Time horizon for action plans ends in 2030

*▷ No action plan for scope 3 emissions not included in ambition net zero 2039 (47 MtCO2eq)**

CAPEX / OPEX investment alignment

Scope 3

140 million between now and 2030 for regenerative agriculture (one of the ten priorities of the action plan)

Other: €1 billion in the Unilever Climate and Nature fund between 2020 and 2030

▷ Lack of quantified information on CAPEX dedicated to scope 3 (no amount of CAPEX for 9 of the 10 axes of the 2030 action plan)

▷ 17.7 % of CAPEX eligible for taxonomy (€404 million); 0% of CAPEX not aligned with taxonomy. The company justifies this due to a lack of detail in the taxonomy documentation

Scopes 1 & 2

In 2023, 42 million euros of sustainability-related investment in plants (for energy efficiency and renewable energy projects)

Target of €150 million over the next three years to decarbonise thermal and electrical energy, and increase the company's use of renewable energy.

Remuneration

CEO and CFO:

Long-term remuneration: 15% criterion (vs. 25% in remuneration paid in 2023) based on a sustainability progress index, including one criterion, among four others, which targets climate: an 80% reduction in emissions linked to to the use of energy and refrigerants use in scope 1 and 2 in 2026 vs. 2015

▷Criteria diluted

▷ No target for scope 3

The long-term variable (LTP), if approved, will also apply from 2024, members of the Unilever Leadership Executive (ULE) and senior managers (approximately 500 employees)

▷ Annual variable: no carbon-related criteria

Annual consultative vote on implementation

No annual vote on strategy

Consultative vote on strategy every three years

No vote on strategy every three years

** The company's zero net ambition to 2039 does not take into account the indirect consumer-use phase emissions (47% of overall emissions). On 24th April aftert the assessment was made the scope 3 objectives were validated by SBTi.*

*** Scope 3 emissions related to energy and industrial GHG emissions from purchased goods and services (associated with ingredients, packaging), upstream transport and distribution, energy and fuel-related activities, direct emissions from use of sold products (associated with HFC propellants), end-of-life treatment of sold products and downstream leased assets (associated with ice cream retail cabinets).*

**** The company has started to engage its third-party contract manufacturers (CMs) in India as they represent 25% of the CM footprint. They are included in the scope of its 2030 objectives, unlike the other CMs.*

***** In its reduction targets for 2030, the company has not taken into account around 1/3 of scope 3 of the net zero ambition* (15 MtCO2eq). For more details, see the box "Medium-term GHG emissions reduction target".*

Caption: ▷ Failure to obtain full points.

UNILEVER

PERFORMANCE SCORING	NARRATIVE SCORING	TREND SCORING
11 /20	A B **C** D E	+

Module	Score	%	Assessment's elements
Targets	17/20	15%	• The company has near-term and long-term targets covering all its scope 1, 2 and 3 relevant and mandatory emissions that are validated by the SBTi and considered aligned with a 1.5°C benchmark according to the ACT tool. • However, the company excludes the indirect consumer use emissions from its targets. • The company is considered on track to achieve its current targets.
Material investment	10/20	5%	• The company's operational scope 1 and 2 historical and future estimates are aligned with a 1.5°C benchmark according to the ACT tool. • However, the company does not allocate a significant share of its CAPEX to low-carbon technologies.
Sold product performance	11/20	30%	• Past trend of scope 3 emissions is estimated to be aligned with a 1.5°C benchmark according to the ACT tool. • The company reports some specific product interventions, such as product reformulations for ice creams or chemicals used in soaps and laundry products, but current interventions only involve a marginal share of all products sold. • The CEO, and member of the board of directors, is responsible for the oversight and implementation of the Climate Transition Action Plan (CTAP), but no specific climate change expertise has been found.
Management	12/20	10%	• The CTAP and climate scenario testing are considered low-carbon aligned according to the ACT methodology. • The executive management incentives are only partly aligned with the CTAP's targets as KPIs only take scope 1 and 2 targets into account.
Supplier engagement	14/20	12%	• The company has a Supplier Climate Programme, which does not cover the majority of its suppliers in terms of emissions and still lack a requirement to report their GHG emissions and to commit to GHG reductions (Unilever will require it by 2030).
Client engagement	2/20	8%	• The company has not taken actions with its distributors and do not try to change the behavior of end consumers when using its products.
Policy engagement	11/20	5%	• The company has a clear positioning regarding trade associations and climate policies within its CTAP but it does not disclose a transparent and comprehensive review of its involvements and collaborations.
Business model	8/20	15%	• Revenue from low-carbon products are not significant but the company is developing some new or existing low-carbon business models such as plant-based nutrition.

Consistency of the plan:

- Unilever has clear objectives and a detailed transition plan to achieve them. Unilever has identified the levers and quantified the actions to achieve its objectives by 2030 but not beyond. Specifically, the company describes some interventions on its current products as well as some changes to its business models.

Identified areas for improvement:

- Unilever should consider its relevant scope 3 downstream emissions from indirect product use in its climate strategy.
- Unilever should also plan significant business model and product changes to meet its targets and reinforce its expectations for emissions reductions from suppliers and engagement with customers. In addition, Unilever will still need to identify actions that will enable it to achieve its medium-term objectives beyond 2030.

ACT Methodology

Cement

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	Indicator
1. Targets	1.1 Alignment of inclusive scope 1+2 emissions reduction targets
	1.2 Time horizon of targets
	1.3 Achievement of previous targets
2. Material investment	2.1 Trend in past emissions intensity
	2.2 Locked-in emissions
	2.3 Trend in future emissions intensity for cement production
	2.4 Alternative fuels activities
3. Intangible investment	3.1 R&D for Low carbon transition
4. Sold Product performance	4.1 Trend in past emission intensity
	4.2 Electricity management
	4.3 Clinker/ material-specific interventions
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	6.1 Strategy to influence suppliers tu reduce their GHG emissions
	6.2 Activites ton influence suppliers to reduce their GHG emissions
7. Client	7.1 Strategy to influence customer behavior to reduce GHG emissions
	7.2 Activities to influence customer behaviour to reduce GHG emissions
8. Policy engagement	8.1 Company policy on engagement with trade associations
	8.2 Trade associations supported do not have climate-negative activities or positions
	8.3 Position on significant climate policies
9. Business Model	9.1 Business activities that reduce structural barriers to market penetration of low-carbon cement
	9.2 Business activities that contribute to low-carbon optimization of construction
	9.3 Business activities around circular economy

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

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Assessment SAY ON CLIMATE

HOLCIM

Switzerland

2024

Materials sector

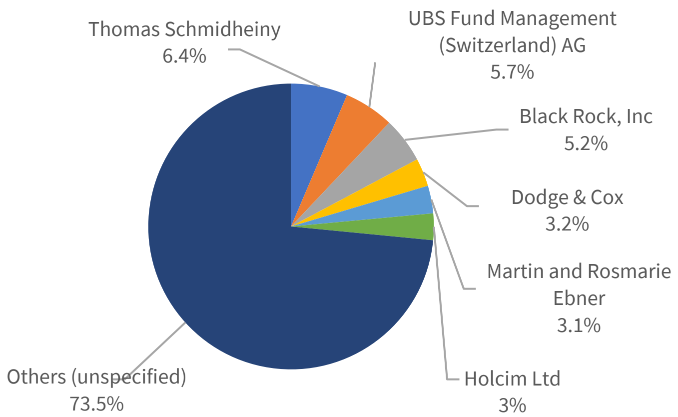
Transparency rating	Cement sector methodology ACT ACCELERATE CLIMATE TRANSITION		Analysis carried out by : ethos
55 % alignment with FIR recommendations	PERFORMANCE SCORE **11** /20	NARRATIVE SCORE A B C **D** E	PERFORMANCE SCORE =

*Although Holcim has announced **an ambition of carbon neutrality by 2050**, a large part of the reduction in emissions from scopes 1 and 2 is based on **technological solutions for carbon capture, use and storage (CCUS)**, which require **significant investment** (56% of CAPEX from 2023 to 2032). Furthermore, **the scope 3 targets validated to date** by SBTi on a 1.5°C trajectory **represent only 8% of scope 3**. The company's focus on technological solutions will certainly be part of the solution, but Holcim could at the same time question its business model further to maximise its chances of aligning with a low-carbon economy.*

Voting results at the General Meeting on 8 May 2024

For	Abstention	Against
95.1 %	2.8 %	2.1 %

Holcim shareholding structure



55%
of alignment with FIR recommendations

HOLCIM

Ambition Net Zero 2050

Net Zero commitment 2050, with the aim of offsetting 5% of Scope 1 and 2 emissions and 10% of Scope 3 emissions by 2050. In addition, 6 CCUS projects are under way, with a capture target set at 5 MtCO2 per year by 2030 (but this is one of the reduction levers).

▷ For scopes 1 and 2, 5 % of the reduction is supposed to come from natural reabsorption during the life of the products: questions the credibility of this reduction; for scope 3, means for 10% of offset are not detailed

▷ For scopes 1 and 2, the company relies on CCUS for 44% of its emissions reduction: questioning the maturity of technologies

Reference scenario(s) used

1.5°C trajectory validated by SBTi for 2050 (base year: 2019) for all scopes

❍ 1.5°C trajectory also validated by SBTi for 2030 for scopes 1 & 2 (base year 2018) and 8% of scope 3 (base year 2020)*

** clinker and cement purchases represent 3.9 MtCO2eq in 2023*

Current GHG emissions (2023 vs. 2022)

SCOPE 1 (59%)	SCOPE 2 (market based) (4%)	SCOPE 3 (37%)
75 MtCO2eq (vs. 78)	5 MtCO2eq (vs. 5)	47 MtCO2eq (vs. 47)
39% emitted by raw materials during cement production, 19% generated by fuel combustion during cement production & 1% from the power generation, aggregates, Rmx and solutions and products operations	4% from purchased electricity	19% of emissions from upstream and downstream (transport, the extraction and production of purchased materials and fuels) & 18% from direct emissions from companies and non-consolidated investments.

Short-term GHG emissions reduction target

12% reduction in Scope 1 intensity by 2025 compared with 2018:
targets set at 520 kgCO2net/ton of cement by 2025 (2018 baseline: 590 kgCO2net/ton of cement)

▷Absence of detailed quantified targets for scopes 2 and 3 in the short term and absence of absolute targets

Medium-term GHG emissions reduction target

Targets validated by the SBTi on the 1.5°C trajectory for 66% of all scopes:

Scopes 1 & 2: Reduction of 26.2 % kgCO2net/ton of cement vs. 2018

*Equivalent to a 25% reduction in Scopes 1 and 2 absolute emissions compared with 2018**.*

*** Including land-related emissions and removals from bioenergy feedstocks*

Scope 3: 25.1 % reduction per tonne of clinker and cement purchases vs. 2020 (8% of Scope 3)*

Other scope 3 targets validated by the SBTi on a 2°C trajectory: 20% reduction in fuel and energy-related activities per tonne of fuel purchased by 2030 vs. 2020 (11% of scope 3) and 24.3 % reduction per ton of materials transported by 2030 vs. 2020 in downstream transport and distribution (11% of scope 3).

▷Absence of objective in absolute value for global scope 3

▷Absence of objectives for 69% of scope 3

Long-term GHG emissions reduction target

Targets validated by SBTi: scopes 1 & 2: -95.1 %/tonne of cement by 2050 vs. 2018 and scope 3: -90% by 2050 vs. 2020*

The 2050 scope 3 targets incorporate the 15 categories of the scope :

▷ No specific targets for each category, while only 31% of Scope 3 emissions are covered by the 2030 targets.

Action plan measures

Contribution of actions to Scopes 1 and 2 reduction targets by 2050:
- Carbon capture and storage technology (CCUS) (44% in 2050): Objective of capturing 5 MtC02 per year by 2030 and producing 8 Mt of "decarbonised cement" per year by 2030.
- efficiency gains in design/construction (16% in 2050) and in concrete (10% in 2050)
- Replace clinker in final cement products with mineral components (10% by 2050): reduce the clinker factor from 72% in 2023 to 68% in 2030.
- Less CO_2 in clinker (10% by 2050): Produce clinker with decarbonised raw materials. Thermal substitution rate target of 50% in 2030 and 70% in 2050.
- Decarbonised electricity (5% by 2050)
- Natural reabsorption of CO_2 during the lifetime of concrete products (5% in 2050) - passive action

Scope 3:
Actions by 2030 for 53% of Scope 3 emissions: replacement of fossil fuels with locally sourced alternative fuels, purchase of low-carbon products, for downstream transport: optimisation of more environmentally-friendly routes and transport, for clinker purchases: analysis of information provided by suppliers in their environmental declarations, for other products and services purchased: inclusion of CO_2 emissions in calls for tender/purchasing decisions.

▷Contribution of actions to reduction targets are detailed for scope 1 and 2, but the plan is mainly based on CCUS (carbon dioxide capture and storage) technologies, with the aim of achieving a 44% reduction via CCUS by 2050.

▷No action plan for 47% of scope 3

▷Lack of detail on action plan for scope 3 covered; absence of contribution to reduction targets

CAPEX / OPEX investment alignment

CAPEX plan: 2023-2032: CHF 4.4 billion
56% on the CCUS (CHF 2.2 billion)
39% on decarbonisation (CHF 1.7 billion)
2% on own energy (CHF 82 million)
2% on adapting to climate change, water, biodiversity

▷ 7% of business CAPEX aligned to taxonomy/ 37% of CAPEX eligible for taxonomy. target set: 70% of Capex aligned to taxonomy by 2030 in Europe. Progress to be monitored.

▷ Large part of CAPEX dedicated to CCUS technologies for capturing and producing "low carbon products": questioning the maturity of technologies

Remuneration

Executive Committee:
Long-term variable compensation: 16.5 % criterion following the 2025 target for reducing Scope 1 emissions

▷ Absence of criteria for reducing emissions from scopes 2 and 3. ▷ Annual variable: absence of carbon-related criteria

Annual consultative vote on implementation

No annual vote on strategy

Consultative vote on strategy every three years

No vote on strategy every three years

Caption:
❍ Indicates that all the criteria for obtaining all the points have been met but suggestions for improving transparency.
▷ Failure to obtain full points.

ethos

RÉPUBLIQUE FRANÇAISE
Liberté
Égalité
Fraternité

ADEME
AGENCE DE LA TRANSITION ÉCOLOGIQUE

HOLCIM

PERFORMANCE SCORING	NARRATIVE SCORING	TREND SCORING
11 /20	A B C **D** E	=

Module	Score	%	Assessment's elements
Targets	15/20	15%	• Targets are sufficiently ambitious and have been validated as science-based by a third party. A possible improvement would be to set intermediate targets at the 2040 horizon. Target achievement is currently not on track compared to a linear reduction and additional efforts seem necessary.
Material investment	9/20	16%	• Holcim plans to capture 44% to reduce its scopes 1 and 2 by 2050 using CCUS technologies, but does not give an estimate of the associated costs. Currently Holcim has significant locked-in emissions linked to its production plants.
Intengible investment	20/20	10%	• Holcim reports that more than 50% of the R&D resources are dedicated on low-carbon products which is considered significant. A precise definition of what is considered a low-carbon product and more details on the projects would be an improvement.
Sold product performance	3/20	17%	• Holcim relies too heavily on unproven and cost-prohibitive CCUS technologies in its decarbonisation strategy.
Management	17/20	10%	• Holcim has successfully put in place a management system that should be aligned with climate topics.
Supplier engagement	8/20	6%	• Holcim does engage with suppliers, but additional tools should be deployed such as a clause for quantified GHG reduction.
Client engagement	6/20	10%	• Holcim is lacking an ambitious strategy to influence its clients towards low-carbon construction solutions.
Policy engagement	13/20	6%	• Holcim has a relatively good policy engagement transparency and position. Holcim participates in sectoral initiatives against climate change but it could be more proactive by leading some of these initiatives.
Business model	5/20	10%	• Holcim has shown progress these last years to make incremental changes to its current business model, but these changes remain marginal. A broader strategy that would allow Holcim to pass from a cement company to a construction material company is still lacking.

Consistency of the plan:

- Overall Holcim has well understood that climate is a profoundly material topic and has put in place multiple actions to manage this topic. Unfortunately, Holcim's actions seem to be aimed at minimizing costs to continue with its business-as-usual activities. The company has not given itself the opportunity to broaden the scope of its business model redefinition, for example by seeing itself as a construction material company rather than a cement company. Significant efforts seem to have been put in Holcim's climate plan and the level of *reporting* is positive. The main strong points of the climate plan are the science-based targets, the high R&D budget share for low-carbon technologies, the company's climate governance, and the policy engagement transparency and alignment with pro-climate protection positions.

Identified areas for improvement:

- Holcim's main improvement areas are to increase the scale of its low-carbon solutions, increase expectations and tools for supplier engagement, implement an ambitious strategy for client engagement and improve its business model compatibility with a low-carbon economy. Because Holcim has not yet managed to redefine its business model, its climate strategy over-relies on CCUS which is considered a non-credible strategy.

HOLCIM

ACT Methodology

Electricity

The full ACT methodology for the Electricity 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	Indicator
1. Targets	1.1 Alignment of scope 1+2 emissions reduction targets
	1.2 Alignment of upstream scope 3 emissions reduction targets
	1.3 Time horizon of targets
	1.4 Achievement of previous and current targets
2. Material investment	2.1 Trend in past emissions intensity for generated electricity
	2.2 Locked-in emissions
	2.3 Trend in future emissions intensity for generated electricity
	2.4 Share of Low Carbon CAPEX investments
3. Intangible investment	3.1 R&D spending in low-carbon technologies
	3.2 Company low-carbon patenting activity
4. Sold product performance	4.1 Past performance of retailed electricity
	4.2 Future performance of retailed electricity
	4.3 Contribution to low-carbon electricity generation
	4.4 Energy efficiency services share
	4.5 Interventions to reduce life-cycle emissions of low-carbon assets
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 Fossil fuel power incentives
	5.6 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 regulators and legislators
9. Business model	9.1 Revenue from low-carbon products and/or services
	9.2 Changes to 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

Assessment SAY ON CLIMATE

Portugal

edp

2024

Utilities sector

Transparency rating	Electricty sector methodology ACT ACCELERATE CLIMATE TRANSITION		Analysis carried out by : World Benchmarking Alliance
70 % alignment with FIR recommendations	PERFORMANCE SCORE 13.4 /20	NARRATIVE SCORE A **B** C D E	TREND SCORE +

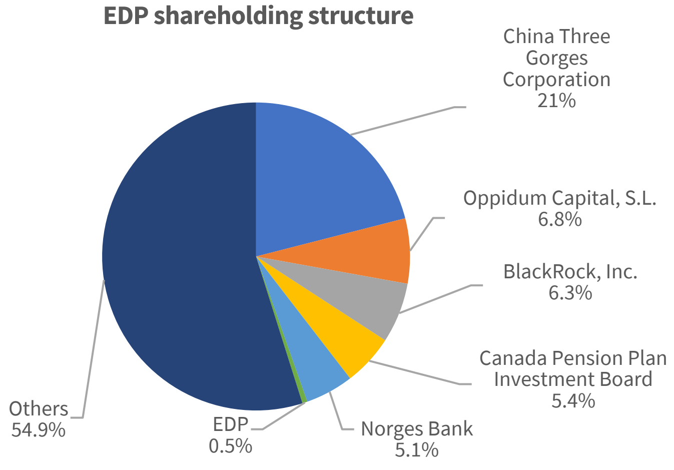
*EDP's ambition is to achieve **zero net emissions in all scopes by 2040**. Its targets have been validated at 1.5°C for all scopes up to 2040. To achieve its targets, the company plans **to** take strong measures such as **phasing out coal-fired power stations by 2025 and gas-fired power stations by 2030**, and achieving **100% renewable energy** production **by 2030.** Although more granular information would have made it easier to understand the breakdown, **the company plans to allocate 85% of its investments to renewable energies**, customers and energy management from 2023 to 2026. **One of the important areas for progress identified is that of supplier coverage and requirements**: it could apply its GHG emissions reduction strategy to a greater percentage of suppliers and include quantified emissions reduction requirements in purchasing models, as well as mandatory reporting requirements on progress made.*

Voting results at the General Meeting on 10 April 2024

For	Abstention	Against
99.4 %	NA*	0.6 %

** The results presented are those disclosed by the company and do not take abstention into account. EDP does not calculate the abstention rate, which prevents the data from being reprocessed by FIR.*

EDP shareholding structure



FORUM POUR L'INVESTISSEMENT RESPONSABLE

EDP

70 %
of alignment with FIR recommendations

Ambition Net Zero 2050

Ambition to achieve "zero net emissions" in all scopes by 2040
Declares that it will offset 10% of its emissions after 2040
❍ *Lack of detail on the post-2040 period*
❍ *Lack of detail on the nature of the compensation*

Reference scenario(s) used

1.5°C trajectory validated by SBTi for 2040 (base year: 2020) on 3 scopes; objectives approved by SBTi's Net Zero Standard

Current GHG emissions (*2023 vs. 2022*)

SCOPE 1	SCOPE 2	SCOPE 3
4.3 MtCO2eq (vs. 9.4)	0.3 MtCO2eq (vs. 0.5)	8.1 MtCO2eq (vs. 9.3)

Short-term GHG emissions reduction target (2026)

Scopes 1 and 2: -77 % intensity reduction (gC02/kWh) compared with 2020;
Scope 3: -30 to 40% reduction in emissions from gas sold to customers.
▷ *Reduction expressed in intensity for scopes 1 and 2: no communication in absolute value*
▷ *No clear target for the majority of scope 3 in the short term*

Medium-term GHG emissions reduction target (2030)

Alignment of 2030 targets with a 1.5°C scenario validated by SBTi for the 3 scopes.*
Scopes 1 and 2: -95 % intensity reduction compared with 2020 (gC02/kWh)
Scope 3: -45 % by 2020 in absolute terms (tCO2eq)
❍ *Reduction expressed in intensity for scopes 1 and 2 : no communication in absolute value*

Long-term GHG emissions reduction target (2040)

90% reduction in GHG emissions across all scopes in absolute terms between 2020 and 2040
Scopes 1 and 2: -96 % compared to 2020 in intensity (gC02/kWh)
Scope 3: -90 % by 2020 in absolute terms (tCO2eq)
Alignment of 2040 targets with a 1.5°C scenario validated by SBTi for the 3 scopes.*
❍ *Reduction expressed in intensity for scopes 1 and 2: no communication in absolute value*

Action plan measures

Detailed actions on the 3 scopes to achieve the objectives for 2030 and 2040:
1- Phase out coal-fired power stations by 2025 and gas-fired power stations by 2030.
2- Increase renewable energy production: 93% by 2026 to reach 100% by 2030
In 2023, 87% of the electricity supplied by EDP came from renewable sources.
3- Reduce distribution-related emissions (90% of Scope 2)
4- Reducing emissions due to the imbalance between production and distribution
5- Reducing supply chain emissions
6- Minimising natural gas emissions
▷ *The contribution of each action to the emission reduction targets is not detailed, and there are no quantified measures after 2030.*

CAPEX / OPEX investment alignment

2023-2026: investments of €25 billion, 85% of which devoted to renewable energies, customers and energy management
▷ *Not enough detail on investment per objective set*
▷ *No information on investments after 2026*
▷ *Lack of information in the transition plan*

Remuneration

Remuneration of members of the Executive Committee :

Annual variable : 20% ESG criteria
- Dow Jones Sustainability Index results (8%)
- Results of the annual workplace climate survey (6%)
- Results of the customer satisfaction index (6%)
▷ *No criteria linked to the company's emission reduction targets*

Long-term variable (3-year plan) : 20% ESG criteria
- Increase in the share of renewable energy production
- Reducing emissions
- Performance of the Bloomberg Gender Equality Index
▷ *Criteria for increasing renewable energy production and reducing emissions not weighted or quantified, targets not disclosed*

Annual consultative vote on implementation

▷ *No annual consultative vote on the implementation of the strategy*

Consultative vote on strategy every three years

▷ *No vote on strategy every three years*

* *However, SBTi is currently carrying out a complete review of its methods and criteria for defining scope 3 objectives in order to enable the classification of scope 3 objectives according to temperature.*

Caption:
❍ *Indicates that all the criteria for obtaining all the points have been met, but suggests improvements in terms of transparency.*
▷ *Failure to obtain full points.*

edp

ENERGIAS DE PORTUGAL

PERFORMANCE SCORING	NARRATIVE SCORING	TREND SCORING
13.4 /20	A **B** C D E	+

Module	Score	%	Assessment's elements
Tagets	**14/20**	**15%**	• EDP has set Net Zero targets to reduce its scope 1, 2, and 3 emissions by 90% by 2040, compared to the year 2020. • The company has set interim targets for 2030 to reduce absolute scope 3 emissions by 45%, scope 1 and 2 emissions intensity by 95%, and scope 1 and scope 3 emissions intensity by 90% compared to 2020. By 2040 the company commits to reduce its Scope 1 + 2 emissions intensity by 96% and its scope 1 and scope 3 emissions intensity by 95% compared to 2020. All targets have been validated as consistent with a 1.5°C pathway.
Material Investment	**17.2/20**	**11.4%**	• EDP's Scope 1 + 2 emissions intensity between 2018 and 2023 decreased by about 18.33 % per year on average, with a significant 50% decrease between 2022 and 2023. • The company's proportion of low-carbon electricity generation increased from 79% in 2022 to 87% in 2023 accompanied by a reduction in emissions from thermal generation from 10.4 MtCO2e to 4.8 MtCO2e in 2023.
Intangible investment	**4.8/20**	**5.7%**	• EDP is projected to remain below its carbon budget for 2023-2038. • EDP is taking is phasing out coal generation by 2025 and gas by 2030 across all markets in which operates. It aims to expand its renewable energy capacity to 33 GW by 2026 (vs. 24. GW in 2023)
Sold product performance	**12.2/20**	**23%**	• EDP invested 74% of its total research and) development (R&D) spending on low-carbon technologies between 2020 and 2023. It aims to be spending at least 80% by 2026 according to its business plan. • EDP's low carbon power generation CAPEX was over 98% in 2023
Management	**19.7/20**	**12%**	• The company's emissions intensity for its own generation combined with purchased electricity decreased between 2018 and 2023 at a rate greater than that required to align with its 1.5°C pathway in 2028. • The company's Board is responsible for sustainability and climate change issues.
Supplier engagement	**7.7/20**	**7.9%**	• EDP has the objective of adding 0.5 GW of battery energy storage systems capacity by 2026, and 1.5 GW of hydrogen electrolyser capacity by 2030, along with implementing smart grid technologies.
Client engagement	**12.5/20**	**9.9%**	• EDP's Business Plan 2023-2026 has allocated USD 20.88 billion worth of investment to renewables, client and energy management, and its digitalisation goal. • EDP's supplier engagement strategy includes engagement and incentivization and affect 34% of it's procurement spend covering 51% of scope 3 emissions. A key improvement would be to include GHG emissions reduction commitments in engagements with suppliers.
Engagement policy	**20/20**	**5%**	• EDP's client engagement strategy applies to 33% of Scope 3 emissions and includes a target to avoid 15 MtCO2e of emissions by 2025
Business Model	**11.62/20**	**10%**	• 43% of the company's reported revenues are aligned with EU taxonomy. Business models to support EDP's net-zero greenhouse gas (GHG) emissions by 2040 include 33 GW of installed renewable capacity by 2026 and reach 1.5 GW of hydrogen electrolyser capacity by 2030. In addition, the company plans to expand its energy storage capacity by adding 0.5 GW of battery storage capacity by 2026.

Consistency of the plan: EDP's objective to achieve net-zero scope 1, 2 and 3 emissions by 2040 is supported by plans to significantly increase renewable energy capacity and its commitment to phase out coal and gas by 2025 and 2030, respectively. The company is on track to achieve its targets.

Identified areas for improvement: EDP could increase the share of its R&D costs in non-mature low-carbon technologies. It could also apply its GHG emissions reduction strategy to a greater percentage of suppliers and include quantified emissions reduction requirements in procurement templates along with mandatory progress *reporting* requirements.

Assessment SAY ON CLIMATE

UK **nationalgrid** **2024**

Utilities sector

Transparency rating
65 %
alignment with FIR recommendations

Only FIR analysis was carried out for this company. As it was not one of the priority companies, the analysis based on the ACT methodology was not carried out this year.

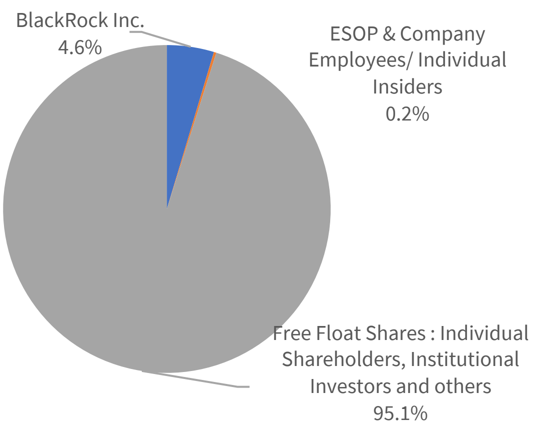
Voting results at the General Meeting on 10 July 2024

94.1 % For

4.9% abstention

1% against

National Grid shareholding structure



FORUM POUR L'INVESTISSEMENT RESPONSABLE

65% of alignment with FIR recommendations

NATIONAL GRID

Ambition Net Zero 2050

Ambition of carbon neutrality for scopes 1, 2 and 3 by 2030
In line with SBTi's Net Zero Standard, the company plans to reduce emissions across its value chain by at least 90% by 2050.
❍ *A small part of scope 3 <1% is not included in the ambition (commuting, business travel, waste)*
❍ *It seems that 10% is devoted to compensation as a last resort after 2030. However, this target is not specified for the long term.*

Reference scenario(s) used

Medium-term trajectory for reducing scopes 1 and 2 recently validated at 1.5°C; the target for scope 3, which includes the production and sale of electricity, has also been validated at 1.5°C by SBTi.
The company explains that the long-term objectives cannot yet be validated by SBTi because it has not developed a sector pathway for heat, and its power sector guidance is not yet accounting for the growth in infrastructure needed to enable decarbonisation of the electricity system.
▷ *Part of the medium-term scope 3 targets (gas sold) is aligned with a "well bellow 2°C" scenario*
▷ *Beyond 2033, commitments are identified as "withdrawn commitments" by SBTi (methodology underdevelopment).*

Current GHG emissions (*2023 vs. 2022*)

SCOPE 1: *3 988 ktCO2eq (vs. 4 408)*	***SCOPE 2:*** *2 864 ktCO2eq (vs. 2 876)*	***SCOPE 3:*** *27,384 ktCO2eq (vs. 27,867)*
12 %	*8 %*	*80 %*

❍ *The calculation of scope 3 excludes energy transported on behalf of third parties (17,317 ktCO2eq). However, these emissions are covered by a separate reduction target for 2033 compared with 2018/19 (-37.5 %).*

Short-term GHG emissions reduction target

Reduce air business travel emissions by 50% by 2025 (compared with 2019) and "offset the remaining emissions responsibly".
▷ *Objective not disclosed in climate plan (only in Responsible Business report)*
▷ *Only concerns <1% of total emissions*
▷ *No other stated short-term emission reduction targets*

Medium-term GHG emission reduction target

Main objectives:
- *60% reduction in scopes 1 and 2 by 2030/31 in absolute terms compared with 2018/19*
- *Reduce scope 3 (excluding sold electricity) by 37.5 % by 2033/34 in absolute terms compared with 2018/19 (well below 2°C scenario); currently +0.8 %.*

Sub-objectives:
- *37.5 % reduction in emissions for gas sold by third parties (17,731 ktCO2eq) by 2033/34 in absolute terms (well below 2°C scenario); currently -17.6 %.*

❍ *This item is not included in the calculation of overall Scope 3 emissions, but is subject to a reduction target.*
- *50% reduction in scopes 1 and 2, excluding electricity production, by 2030/31 vs. 2018/19 in absolute terms (1.5°C scenario); currently -15 %.*
- *90% reduction in the carbon intensity of Scope 1 power generation emissions by 2030/31, and 92% by 2033/34 (1.5°C scenario); currently -34.7 %.*
- *86% reduction in the carbon intensity of power generation and sold electricity (GHG emissions from scopes 1 and 3) by 2033/34 (1.5°C scenario); currently -15.4 %.*

Long-term GHG emissions reduction target

▷ *Long-term targets are not spelled out, only reduction ranges.*

Action plan measures

Very precise action plan: chronological to 2050 by sub-category of scope and by geographical area: page 12 to page 22 of the Climate Transition Plan report; graph for 2050 showing the contribution of the actions set to the reduction targets.

CAPEX / OPEX investment alignment

51 billion, i.e. 85% of the 2024-2029 investment plan is dedicated to the decarbonisation of the business; CAPEX in line with taxonomy: 78%/ CAPEX eligible for taxonomy: 83% in 2023
❍ *The company could detail the proportion of investments that contribute to meeting the objectives set in the short and medium term and explain how these investments make it possible to achieve the objectives*

Remuneration

2023 variable annual remuneration for the CEO
Individual leader criterion (15%): one out of 3 linked to greater clarity on future transmission and related investment in the UK in support of zero emissions. Mobilising strategic infrastructure & accelerating new clean energy projects in the UK
▷ *absence of qualitative criteria*
▷ *limited perimeter*
▷ *Absence of criteria linked to the ambition of carbon neutrality for the CFO's annual variable remuneration*

Long-term remuneration 2023
10% criterion for reducing Scope 1 emissions in line with the Group's 2030 targets
▷ *if the reduction threshold is reached at 20% of the target, remuneration criterion awarded*
10% criterion on the transition to carbon neutrality on scopes 2 and 3 emissions & strategic initiatives: net zero transmission strategy in the UK, gas future strategy in the US and investments in low-carbon electricity distribution to be measured on a four-point scale based on quantifiable and qualitative results.

Long-term remuneration 2024
10% criterion for reducing Scope 1 emissions
10% criterion on the implementation of strategic initiatives to enable a carbon-neutral transition

Annual consultative vote on implementation

A vote had been submitted to the 2023 General Meeting
▷ *The company does not make a clear commitment to consult its shareholders annually or in the coming years*

Consultative vote on strategy every three years

No vote on strategy every three years

Caption:
▷ *Failure to obtain full points.*
❍ *Indicates that all the criteria for obtaining all the points have been met, but there are suggestions for improving transparency.*

nationalgrid

Assessment SAY ON CLIMATE

UK

2024

Utilities sector

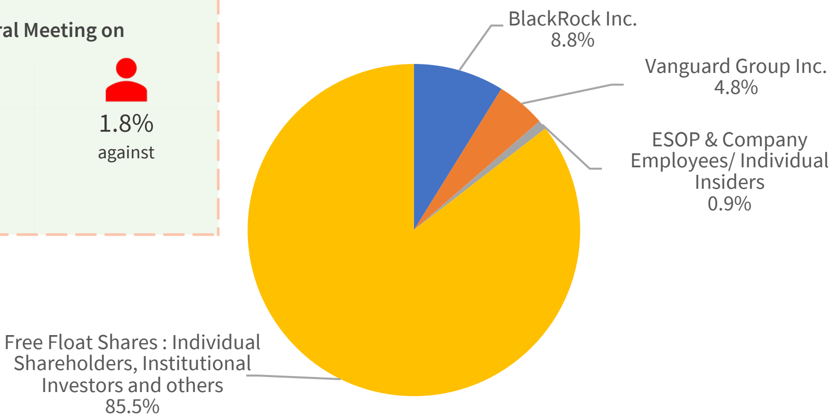
Transparency rating	Electricity sector methodology ACT Accelerate Climate Transition		Analysis carried out by: World Benchmarking Alliance
58 % alignment with FIR recommendations	**PERFORMANCE SCORE** 11.2 /20	**NARRATIVE SCORE** A **B** C D E	**TREND SCORE** =

*SSE's climate strategy appears to be well thought out and implemented, with an action plan broken down by scopes. However, **the Group does not provide any information on its short-term emission reduction targets**. Similarly, although a net zero ambition is declared for the 3 scopes, **the commitment has been withdrawn from the SBTi** and it remains unclear what the reduction targets beyond 2034 will be to achieve this. Finally, SSE has announced an **ambitious investment plan aimed primarily at renewable energies and network infrastructure**, but this plan lacks transparency and details on the purpose and distribution of energy in the networks. Low-carbon activities still only represent 50% of the company's turnover today.*

Voting results at the General Meeting on 18 July 2024

For	Abstention	Against
96%	2.2%	1.8%

SSE shareholding structure



FORUM POUR L'INVESTISSEMENT RESPONSABLE

58%

of alignment with FIR recommendations

SSE

Ambition Net Zero 2050

Ambition of carbon neutrality for all three scopes: by 2040 for scopes 1 & 2 and by 2050 for scope 3

▷ The company does not give the exact contribution from reduction and from the carbon offsetting (nature-based solutions, CCS technologies, etc.) enabling it to achieve its objectives. Furthermore, no details for scope 3.

Reference scenario(s) used

The company's 2030 targets have been validated as 1.5°C aligned by SBTi;

▷ However, beyond 2030, the commitments are identified as "commitment removed" by the SBTi (for Net-zero targets)

Current GHG emissions (*2024 vs. 2023*)

SCOPE 1	SCOPE 2	SCOPE 3
4.34 MtCO2eq (vs. 6.08)	0.47 MtCO2eq (vs. 0.44)	4.46 MtCO2eq* (vs. 4.81)
47 %	5 %	48 %

Short-term GHG emissions reduction target

▷ No short-term emission reduction target

Medium-term GHG emissions reduction target

Target of 72.5 % reduction in absolute emissions from scopes 1 & 2 by 2030 vs. 2017/2018 (80% in intensity)

Target of 50% reduction in absolute emissions from the use of products sold by 2034 vs. 2017/2018 (represents approx. 45% of scope 3)

▷ Scope 3 targets for only part (approx. 45%)

Long-term GHG emissions reduction target

Net zero target for scopes 1 & 2 by 2040

Net zero target for Scope 3 by 2050

▷ No precise long-term CO_2 emission reduction target to achieve carbon neutrality for the 3 scopes

Action plan measures

The action plan is well modelled and detailed by scope

The main measures include the following figures:

- *Building a renewable energy portfolio: ambition raised to 9 GW of capacity by 2027*
- *Enable at least 20 GW of renewable generation, facilitate 2 million electric vehicles and 1 million heat pumps (SSEN's electricity networks) by 2030*
- *Engage with 50% of suppliers (expressed as spend) to set science-based targets by 2024 (target achieved with 51%, either engaged or with a SBT target set); the aim is now to transform the 17/51% of engaged suppliers into suppliers with targets set*

▷ The company is not transparent about its energy mix over the medium and long term

▷ The objective of 16 GW of net installed renewables capacity by 2032 disclosed in the annual report 2023 is no longer mentioned as clearly in the annual report 2024

▷ Information on the quantified contribution of each action to the reduction targets could be more granular

CAPEX / OPEX investment alignment

£20.5 billion invested between 2023 and 2027, 90% of which will go to renewables and networks (40% for renewables; 50% for networks); 89% of CAPEX are aligned with taxonomy (2023/24)

❍ Lack of details on how much of the networks will be used for renewable energy and how much for thermal energy.

Remuneration

▷ Short-term remuneration: 10% variable remuneration based on a sustainability criterion based solely on ratings obtained by non-financial rating agencies.

▷ Long-term remuneration (for 2023 & 2024): 30% related to the Net zero acceleration programme: 15% linked to targets in terms of renewables and networks and 15% linked to the reduction of scope 1 carbon intensity, the targets on renewable, electric vehicles and heat pumps by 2030 & just transition

Annual consultative vote on implementation

*An annual vote at the Annual General Meeting is planned**.*

Consultative vote on strategy every three years

*For the time being, an annual vote is planned, but this does not separate strategy from implementation***.*

** including 2.16 MtCO2eq from gas sold.*

***until at least 2024/2025, when shareholders will be consulted on the desired frequency of this vote.*

****The company plans to consult its shareholders in 2025 on the frequency of its Say On Climate.*

Caption:

❍ Indicates that all the criteria for obtaining all the points have been met, but suggests improvements in terms of transparency.

▷ Failure to obtain full points.

sse

World Benchmarking Alliance

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AGENCE DE LA TRANSITION ÉCOLOGIQUE

SSE

ACT ACCELERATE CLIMATE TRANSITION

PERFORMANCE SCORING	NARRATIVE SCORING	TREND SCORING
11.2 /20	A **B** C D E	=

Module	Score	%
Targets	14/20	15%
Material investment	13/20	22.5%
Intengible investment	3/20	6.4%
Sold product performance	3/20	15.3%
Management	17/20	12%
Supplier engagement	14/20	5.9%
Client engagement	5/20	7.9%
Policy engagement	17/20	5%
Business model	13/20	10%

Assessment's elements

- SSE has committed to reduce its absolute scope 1 and 2 emissions by 72.5 % by 2030, and scope 3 emissions from the use of sold products by 50% by 2034, both from a 2017/18 baseline.
- Additionally, the company aims to be net zero across scope 1 + 2 emissions by 2040, and net zero for all remaining scope 3 emissions by 2050. SSE's climate targets are overall climate science-aligned.
- SSE plans to further increase the proportion of low-carbon CAPEX from 81 to 90% by 2025. The company's emission intensity for generated electricity is reducing in line with its recommended low-carbon pathway and even forecasted to reduce ahead of it.
- While SSE is actively investing in low-carbon activities, the share of R&D investments in mature and non-mature low-carbon activities remains below 30%.
- While oversight responsibility for climate issues lies with the board, SSE could ensure more members have relevant expertise, beyond the Chief Sustainability Officer.
- In its transition plan, the company considers several scenarios, from short term up to 2080.
- SSE requires suppliers to set science-based targets and aims to engage with 50% of them by 2024. It could also disclose a clear process in case of non-compliance.
- The company doesn't disclose a clear client engagement strategy or policy. While it describes examples of customer engagement activities, it's not clear what proportion of customers these represent.
- SSE has a policy for engagement with associations, coalitions or think tanks to ensure alignment with its low-carbon ambitions. It could, however, disclose an action plan in case of misalignment.
- While SSE aims to grow its renewable energy business, low-carbon activities still represent less than 50% of revenue.

Consistency of the plan:
Overall, SSE's climate plan is well advanced in many areas. The progress made by SSE in recent years is encouraging. SSE has a detailed transition plan that considers actions and pathway levers to achieve net zero. Additionally, the company is on track to achieve its emissions reduction targets. In 2023, the company has invested 81% of its CAPEX in low-carbon technologies and plans to increase it to 90% by 2025. The company has also set targets to engage with suppliers to set science-based targets.

Identified areas for improvement:
While SSE showcases a strong ambition for low carbon transition, focusing on renewable energy and distribution, the company may need to speed up its emission reduction efforts in order to meet its net zero goals. Additionally, more investment in low-carbon R&D may be needed to ensure a successful implementation of CCUS technology, crucial for reducing carbon intensity of thermal energy generation. SSE could also fill gaps in its engagement policies with action plans for non-compliance.

sse

AC T methodology
Finance

The full ACT methodology for the Investors Finance 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)

Performance scoring

Module	Indicator
1. Targets	1.1 Alignment of scope 3 reduction targets
	1.2 Targets time horizon
	1.3 Achievement of past and current targets
	1.4 Engagement targets
	1.5 Financing targets
3. Intangible investment	3.1 Investments in human capital- training
4. Portfolio climate performance	4.1 Financial flows trend
	4.2 Portfolio alignment management
5. Management	5.1 Oversight of climate change issues
	5.2 Climate change oversight capability
	5.3 Low carbon transition plan
	5.4 Incentives to manage climate change
	5.5 Risk management
	5.6 Climate change scenario testing
6. investors engagement	6.1 Strategy to influence suppliers to reduce their GHG emissions
	6.2 Activities to influence suppliers to reduce their GHG emissions
7. investees engagement	7.1 Strategy ton influence investees/ asset managers
	7.2 Activities to influence investees/ asset managers
	7.3 Activities to influence investees/ asset managers with fossil fuel and/ or deforestation link
8. Policy engagement	8.1 Financial institution policy on engagement with associations, alliances, coalitions or think thanks.
	8.2 Associations alliances coalitions or think thank do not have climate-negative activities or positions
	8.3 Positions on significant climate policies & lobbying
	8.4 Collaboration with public authorities
9. Business model	9.1 Transformative measures facilitating climate investment reorientation & impact

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

RÉPUBLIQUE FRANÇAISE
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ADEME
AGENCE DE LA TRANSITION ÉCOLOGIQUE

Assessment SAY ON CLIMATE

France

Amundi ASSET MANAGEMENT

2024

Financial services sector

	Finance sector methodology ACT ACCELERATE CLIMATE TRANSITION		Analysis by ADEME
	PERFORMANCE SCORE 7 /20	**NARRATIVE SCORE** A B C **D** E	**TREND SCORE** =

*Amundi is implementing the **Ambition ESG 2025 plan**, which includes strong elements such as the **deployment of 'Net Zero' investment solutions for each asset class and a broader engagement policy**. The plan appears to be on track. However, its potential to achieve the Paris agreement is considerably weakened by the fact that Amundi's main objective remains to **meet the demands of its potential clients**, including those who do not wish to take climate aspects into account. Furthermore, in line with the overall state of the market, Amundi **has not yet put in place a comprehensive and systematic categorisation framework** analysing assets from a climate alignment perspective.*

Voting results at the General Meeting on 24 May 2024

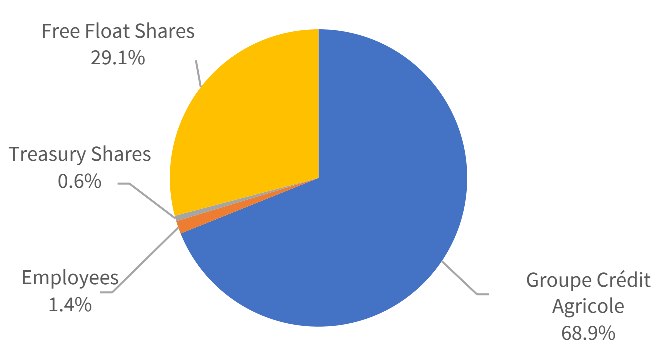
92.8 % For

4.1 % abstention*

3.1 % against

** The abstention rate shown includes invalid votes and non casted votes, as communicated by the company*

Amundi shareholding structure



Given the difficulty of transition plans in the financial sector and the objective of neutrality in its assessments, FIR did not assess Amundi nor the UK company Ninety One.

AMUNDI

ACCELERATE CLIMATE TRANSITION

PERFORMANCE SCORING	NARRATIVE SCORING	TREND SCORING
7 /20	A B C **D** E	=

Module	Score	%	Assessment's elements
Targets	2/20	20%	• The assessment of exclusion policies is severely penalized by the fact that they are lifted at the customer's request.The target for aligned assets (18% by 2025) remains limited in scope and is only imperfectly valued, mainly due to the heterogeneous underlying approaches, for which there is little public information at this stage to attest to their quality. Amundi has a greenhouse gas emissions reduction target expressed in tCO2e/m€ sales. While the commitment itself is in line (-60 % by 2030), its coverage (15% of assets) and its nature (monetary intensity) heavily penalize the final score.
Intangible investment	14/20	2%	• Deployment of the resources needed to achieve the objectives is monitored. Public information on the climate training program could be strengthened to enhance its value.
Portoflio climate performance	3/20	25%	• This module, which is based in particular on the proportion of assets allocated to low-carbon or transitional assets, suffers from a lack of overall maturity on the part of players to date in setting up a systematic framework for identifying such assets. • As a result, the lack of data means that it is not possible to assess the value of aligned outstandings. In absolute terms, they remain low in relation to the total size of outstandings. • It has not been demonstrated that new investments in the fossil fuel sector are only made in companies in transition. • Tracking metrics such as portfolio temperature or the proportion of companies having made SBTi commitments yields only a few points, given the strong dependence of the first approach on model assumptions, and the fact that SBTI commitments do not guarantee the credibility of the approach implemented by the player who made them.
Management	10/20	15%	• Amundi's climate management is the responsibility of the Board of Directors, which has climate expertise. • However, Amundi does not publish a climate transition plan per se. The Ambitions ESG 2025 action plan remains short-term. Part of variable compensation is linked to the Ambitions 2025 plan. • The risk management system appears satisfactory overall. • Amundi does not currently appear to be using climate stress tests as part of its risk management tools.
Investors engagement	15/20	3%	• Amundi runs a number of awareness-raising campaigns for its investors. • Offering customers an analysis service is part of the Ambitions ESG 2050 plan.
Investees engagement	8/20	20%	• Amundi describes a structured engagement process, defining objectives and themes for dialogue, with targeted objectives, a limited timeframe for achieving them, and an escalation strategy in the event of failure, potentially up to and including exclusion. • However, the description does not provide any reassurance as to the relevance of the objectives set for companies committed to achieving the Paris Agreement, nor as to the rigor of the follow-up and escalation process, and in particular the credibility of the enforcement of an exclusion. • On the opposite, the description does not specify any cases where the commitment has had a positive impact in terms of achieving the Paris Agreement.
Policy engagement	14/20	10%	• Amundi is a member of NZAM and respects its commitments.No public lobbying activities have been identified as detrimental to the achievement of the Paris Agreements.
Business model	13/20	5%	• Amundi is proposing a number of initiatives (Net Zero offer, analysis tools) designed to facilitate the reorientation of financial flows. • However, Amundi's deployment ambitions (target of 18% of assets aligned by 2025) remain limited in relation to the challenges of achieving the Paris Agreements. • Amundi's business model remains to open up possibilities for its customers, without closing any doors to business relationships.

Consistency of the plan:

- Amundi is implementing the Ambition ESG 2025 plan, which includes the deployment of a "Net Zero" investment solutions offering for each asset class, the relative inclusion by 2025 of a transition criterion on active funds, and an extended engagement policy. Although the plan is well underway, it still has a horizon of 2025. The scope of the actions taken is considerably weakened from the point of view of achieving the Paris Agreements, by the fact that Amundi's primary objective remains to meet the demands of its potential clients, including those who do not wish to take climate aspects into account.

Key areas of improvement:

- Evolve the business model by refusing to manage assets that would be detrimental to achieving the Paris Agreement, which could mean giving up market share in the short term. Set milestones beyond 2025, notably by significantly reinforcing the target of aligned assets. Base its climate strategy and *reporting* on a framework for categorizing assets with regard to the transition (low-carbon, aligned, non-aligned, etc.), based on robust, transparent methodologies. Communicate more on the relevance and rigor of the commitment framework to ensure its credibility with companies and demonstrate the impact on the transition. Set GHG targets in tCO2e/€ invested rather than in tCO2e/€ sales.

FORUM POUR L'INVESTISSEMENT RESPONSABLE

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Assessment SAY ON CLIMATE

UK | AVIVA | 2024

Insurance sector

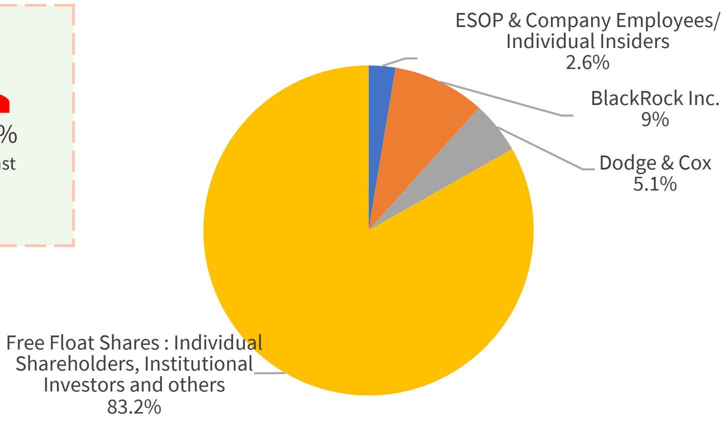
Transparency rating	Finance sector methodology ACT ACCELERATE CLIMATE TRANSITION		Analysis carried out by : ethos
40 % alignment with FIR recommendations	PERFORMANCE SCORE **6.7** /20	NARRATIVE SCORE A **B** C D E	TREND SCORE =

Despite the company's commitment to Net Zero by 2040 for its operations and part of its investments, ***Aviva's climate transition plan is not considered compatible with a target of 1.5°C according to the ACT tool****. The company does not provide sufficiently clear information on the scenarios on which its objectives are based, nor does it demonstrate sufficient action to reduce its emissions. In particular, the* ***company's objective of carbon neutralitý by 2040 does not include emissions on the scope 3 operations*** *of invested companies. In addition,* ***the company has not set an absolute reduction target for the emissions that result from its financing****. Finally, although it has adopted certain restrictions,* ***it does not plan to completely stop new investments in fossil fuels.***

Voting results at the General Meeting on 2 May 2024

For	Abstention	Against
95.4 %	2.2 %	2.4 %

Aviva shareholding structure



40%

of alignment with FIR recommendations

AVIVA

Ambition Net Zero 2050

Net Zero commitment on operations and part of investments by 2040

▷The nature and levels of compensation are not explicit by 2040

▷ All of the scopes 1 & 2 operational emissions were offset in 2023 (17,386 tCO2eq) every year since 2006, but the operational emissions increased in 2023: this raises questions about the priority given to reducing emissions.

▷ Scope of investments covered by the Net Zero 2040 commitment to be specified

Reference scenario(s) used

1. Operational emissions

Commitment to a warming trajectory limited to 1.5°C for Scopes 1 and 2 targets, validated by SBTi up to 2030

▷ No validated 1.5°C commitment on scope 3 operations

*2. Financed emissions** (in millions of euros)*

Participation in GFANZ, NZAOA, NZAM, NZIA initiatives; objectives in reference to NZAOA but no details on the scenarios used*

Current GHG emissions (2023)

Total emissions: 17.7 MtCO2eq

*1. Operational emissions : 1% of total emissions **17,386 tCO2eq** (market-based)*

Scope 1: 7 503 tCO2eq *Scope 2: 429 tCO2eq* *Scope 3: 9 454 tCO2eq*

❍ The company excludes part of scope 3 from its operations

Total leased emissions: 24,830 tCO2e - Scope 2: 7 873 tCO2eq

*2. Financed emissions: 99% of total emissions **17.7** MtCO2eq*

Scope 3 operations : business travel and fleet, vehicle fleet, waste and water, electricity transmission and distribution excluding home office energy consumption

NB : Hike in emissions from operations in 2023 due to increase in business travel

- *Equities, bonds, direct real estate, infra debt, mortgages (scopes 1 and 2 of the entities): **8.8 MtCO2eq** of attributed emissions (credits and equities account for 82% of these emissions)*
- *Sovereign bonds: **8.9 MtCO2eq** of allocated emissions*

Efforts by the company to be transparent: scope covered, sources, methods, etc. disclosed for each asset class and emissions from operations, but difficulties in cross-checking climate metrics and AUMs.

*❍ 31% of the assets recorded in the Group's financial balance sheet are not included in the measures of financed emissions**: issues by local authorities and external funds that are not covered, for example*

*❍ No data on scope 3 of companies invested in***

Short-term GHG emissions reduction target

1. Operational emissions:

▷No quantified target communicated for all emission scopes for short-term operations

*2. Financed emissions**:*

*By 2025 vs. 2019, target of a **25%** reduction in the carbon intensity of investments in property, equities and corporate bonds for scopes 1 and 2 (target defined in the NZAOA)*

▷Objective in terms of intensity (and not in absolute terms) which covers only part of investments and does not include companies' scope 3.

Medium-term GHG emissions reduction target

1. Operational emissions :

***90%** reduction by 2030 vs. 2019, in absolute terms, for scopes 1 and 2 (target on the 1.5°C trajectory validated by SBTi)*

▷No quantified decarbonisation target communicated for scope 3 emissions from medium-term operations

*2. Financed emissions** :*

*Intensity reduction of **60%** by 2030 vs. 2019 on equities, bonds (corporate and sovereign) and real estate (target reduction of **57%** (tCO2eq/m2) for the latter asset class)*

*▷ The exact coverage of investment amounts by objectives is unclear***.*

▷ Absence of medium-term absolute value targets for scopes 1 and 2 investments

▷Scope 3, which is not taken into account in the emissions financed, is not the subject of medium-term objectives, either in intensity or in absolute value.

Long-term GHG emissions reduction target

Ambition of carbon neutrality by 2040 for emissions from operations and part of the emissions financed

▷ Lack of information on the scope of the carbon neutrality ambition

▷ No information on the share of emissions reduction to 2040 vs. the share of offsetting on emissions financed

** Net Zero Asset Owner Alliance (NZAOA).*

***The company does not take into account Scope 3 of its financed emissions due to concerns about double counting, data quality and the level of estimation.*

In addition, the company does not include 31% of the assets recorded in the financial balance sheet in its measurements of financed emissions. These include assets managed under discretionary mandates (dedicated mandates), local authorities and cash.

**** 50% of total investments and loans in 2019 according to SBTi.*

Legend:

▷ Failure to obtain all points.

❍ Indicates that all the criteria for obtaining all the points have been met, but suggests improvements in terms of transparency.

AVIVA

40%

of alignment with FIR recommendations

AVIVA

Action plan measures

*Financed emissions: 99% of emissions**:*

Influencing, decarbonising portfolios, ensuring the transition

- Financing the transition: providing finance to support the development of new technologies and processes to ensure the transition to a low carbon future. Financing of electricity generation projects based solely on renewable energies until 2030.

- Engage the companies Aviva invests in, divest where necessary and apply portfolio constraints for high carbon sectors and individual names: In 2023, 37% of its portfolio of equities, bonds and loans was invested with targets validated by the SBTi, exceeding its target set for the end of 2025 (33% of the amount invested).

▷ The target for SBTi objectives has not been readjusted in 2023 for 2025

▷ Actions that lack overall quantification

▷ Horizon on the action plan stops at 2030

Operational emissions:

- Reducing emissions from its operations & influencing its value chain. This involves: sourcing renewable energy, a new head office by the end of 2023 that will consume 700 tC02eq/year less than the old head office, and a car fleet that focuses on electric and hybrid vehicles.

On scope 3: a target of 70% of its suppliers setting targets validated by SBTi by the end of 2025.

▷No details on the contribution of the actions set to the reduction targets

CAPEX / OPEX investment alignment

*Financed emissions**:*

Only 2% of assets under management will be dedicated to climate and transition investments in 2023 (£7.3 billion vs. £306.9 billion of assets under management recorded in the Group's balance sheet).

▷ Low amounts dedicated specifically to climate compared to overall assets: £5.4bn in Green Bonds and £1.9bn in climate and transition funds (out of £10.6bn in assets dedicated to sustainability)

▷No information on the financing of the overall action plan

▷ No reporting yet on taxonomic alignment

Remuneration

Variable annual remuneration for the CEO and CFO:

▷No criteria related to climate strategy

Investment teams:

Long-term remuneration:

New 2024 criteria: sustainable development objectives

▷Lack of precision

Long-term remuneration of CEO and CFO:

Criterion of 7.5 % of remuneration on the reduction in the carbon intensity of shareholders' assets and open-end credit and equity funds over the 3-year performance period.

The achievement of this objective is "delivery underpinned by the embedding of carbon intensity into our investment strategy, including the implementation of our coal exclusions policy and divestments, stewardship actions and ongoing emission reduction activities".

▷ Weighting of the criterion too low

Annual consultative vote on implementation

No annual vote on strategy

Consultative vote on strategy every three years

No vote on strategy every three years

*** The company does not take into account Scope 3 of its financed emissions due to concerns about double counting, data quality and the level of estimation.*

In addition, the company does not include 31% of the assets recorded in the balance sheet in its measurements of financed emissions. These include assets managed under discretionary mandates (dedicated mandates) for local authorities and cash.

AVIVA

AVIVA

ACCELERATE CLIMATE TRANSITION

PERFORMANCE SCORING	NARRATIVE SCORING	TREND SCORING
6.7 /20	A **B** C D E	=

Module	Score	%
Targets	3/20	20%
Intangible investment	8/20	2%
Portfolio climate performance	3/20	25%
Management	12/20	15%
Investees engagement	5/20	23%
Policy engagement	17/20	10%
Business model	7/20	5%

Assessment's elements

- Aviva's target to be net zero by 2040 is not considered ambitious enough as scope 3 emissions from investee companies are not included in the scope of the targets.
- As Aviva has not set a fully aligned scope 3 category 15 target, the company is not considered to be aligned with a 1.5°C benchmark under the ACT tool.
- It is not possible to assess Aviva's progress towards its intensity reduction targets, as the company does not disclose the baseline intensity of its net zero target, in particular regarding its real estate investments.
- Aviva does not clearly state that it has not made any new investments in coal or fossil fuel in the last 4 years.
- However, on the positive side, the company employs a metric based on degrees Celsius to assess the alignment of its portfolio with the Paris Agreement target. This metric is employed to monitor risk and to guide investment decisions.
- Overall standard oversight, expertise, strategy and transition plan, management incentives and climate scenario testing are in place for a low-carbon transition.
- 7.5 % of the executives' long-term incentives are based on the company's progress towards its intensity reduction targets, but not enough information is provided to assess the scopes included.
- Aviva has not implemented a significant strategy and actions to influence investees to reduce their GHG emissions.
- Aviva's Climate Engagement Escalation Programme to influence portfolio companies to reduce their GHG emissions only covers 30 significant carbon emitters.
- Aviva reports engaging with asset managers regarding its delegated investments but not much details is provided.
- Aviva's policy regarding investments in coal and unconventional fossil fuels is considered to be insufficient, as it may still invest in companies under certain restrictions.
- Aviva has not changed, or does not plan to change, its business model significantly.
- The most significant action taken by the company to facilitate climate-friendly investments is the development of climate funds.

Consistency of the plan:

- Aviva's climate transition plan is not considered consistent with a 1.5°C benchmark according to the ACT tool. The company lacks ambitious sectoral targets and does not demonstrate sufficient action to reduce its emissions. In particular, the company's target to be net zero by 2040 does not include scope 3 emissions from investees. Aviva is also not planning a complete halt to new investments in fossil fuel companies as it has only adopted some restrictions with loopholes.

Identified areas for improvement:

- Aviva should first disclose its baseline intensity related to its targets in order to measure its progress against them. Aviva should also set a science-based and comprehensive net-zero target also covering scope 3 emissions of investees. The company is also expected to end all new investments in fossil fuels and communicate this clearly. In addition, to make its commitment to net zero more credible, the company should encourage investee companies to stop developing new fossil fuel projects and reduce their production. It would also be welcome to see the company set a new and more ambitious target for sustainable assets investments, as its 2025 target of investing £6 billion has already been achieved.

AC T methodology

Real Estate

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 2 (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 targets
	1.2 Alignment of buildings managed (use phase) reduction targets
	1.3 Alignment of new buildings integrated (use phase) reduction targets
	1.4 Alignment of new buildings (materials) reduction targets
	1.5 Time horizon of targets
	1.6 Historic target ambition and company performance
3. Material investement	3.1 Trend in past emissions intensity for buildings managed
	3.2 Emissions lock-in
	3.3 Trend in future emissions intensity for buildings managed
4. Management	5.1 Oversight of climate change issues
	5.2 Climate changge ovrsight capability
	5.3 Low carbon transition plan
	5.4 Climate change management incentives
	5.5 Climate chnage scenario testing
6. Supplier	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
	8.2 Trade associations supported do not have climate-negative activities or positions
	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

Assessment SAY ON CLIMATE

France

gecina

2024

Property sector

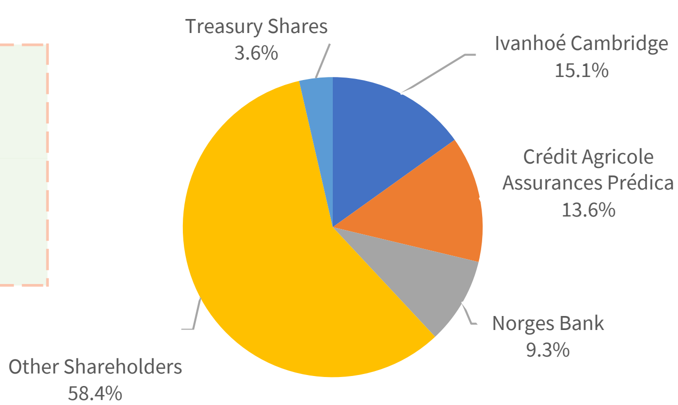
Transparency rating	Real estate sector methodology ACT ACCELERATE CLIMATE TRANSITION		Analysis carried out by ADEME
35 % alignment with FIR recommendations	**PERFORMANCE SCORE** 11 /20	**NARRATIVE SCORE** A **B** C D E	**TREND SCORE** =

*We **welcome the presentation of a Say on Climate vote for a mid-cap company**. The company has ambitious targets up to 2030 for its operating perimeter and reports well on its past actions. However, there is a **lack of transparency regarding its objectives and action plans after 2025.** In addition, the company does **not provide sufficient details of its targets for a significant part of its scope 3, including that relating to development work**. The investments required to achieve the targets are also not set out.*

Voting results at the General Meeting on 25 April 2024

For	Abstention	Against
91.8 %	2.2 %	6 %

Gecina shareholding structure



FORUM POUR L'INVESTISSEMENT RESPONSABLE

35%
of alignment with FIR recommendations

GECINA

Ambition Net Zero 2050
Ambition of carbon neutrality for scopes 1 & 2 and part of scope 3 by 2030
▷ A large part of scope 3 is not taken into account in those objectives, including emissions linked to capital goods and emissions from building occupants commuting.*
▷ Absence of information on the level and nature of compensation for residual emissions

Reference scenario(s) used
*Commitment to a warming trajectory limited to 1.5°C, but only the objectives for scopes 1 and 2 are validated 1.5°C by 2030 by SBTi; refers to the CRREM** initiative (limiting warming to 1.5°C), but only 65% (as % of surface area) of the portfolio complies with the CRREM trajectory.*

Current GHG emissions (*2023 vs. 2022*)

SCOPE 1	SCOPE 2	SCOPE 3
(excluding scope 3.2 and 3.7) 934 tCO2eq (vs. 2.818)	6 983 tCO2eq (vs. 8 122)	10,726 tCO2eq (vs. 10,999)
5 %	37 %	58 %
(scope 3.2 and 3.7 included) 1 %	11 %	88 % (55,976 tCO2eq)

For its scope 3 reporting, the company uses both the GHG Protocol and the UK Green Building Council's guide for commercial real estate.
▷The scope of reporting on scope 3 is limited to part of the emissions. The scope used to define its 2030 emissions reduction pathway is as follows:*
Scope 3.3: emissions linked to the upstream and energy line losses not controlled by Gecina (construction, supply, transport and end-of-life of energy production infrastructures)
Scope 3.13: emissions due to all types of energy consumption in buildings not controlled by Gecina (fuel oil, gas, heating/cooling networks, electricity).

Short-term GHG emissions reduction target
2025 targets: 55% reduction by 2025 compared with 2019 in intensity for scopes 1, 2, 3.3 and 3.13, to reach 8.5 kg/CO2/m2/year; the equivalent of an average annual reduction of around 12.5 %: targets that appear to be in line with the CRREM trajectory (average annual reduction of around 10% over the period 2022-2030); on the theoretical energy performance of office buildings under renovation when they will be in operation (65 kWhef/m2/year, theoretical carbon performance of office buildings under renovation when they will be in operation: 4 kgC02/m2/year); emissions from materials used in major renovations: 735 kgCO2/m2 renovated (scope 3.2) level corresponding to the BBCA label
▷The 2025 targets have already been reached in 2023 (except for the total assets in operation)
▷No overall target set for all the company's significant emissions
▷Absence of detailed quantified targets by scope and in absolute terms

Medium-term GHG emissions reduction target
Drastic decarbonisation of all its operating emissions across its entire portfolio by 2030, with offsetting of residual emissions.*
42% reduction in scopes 1 and 2 between 2020 and 2030 and a "commitment to measure and reduce scope 3" validated by SBTi
▷The targets are not set for all the company's significant emissions.*
▷The quantified targets for 2030 are not detailed by scope and have not been validated by SBTi for scope 3 (58% of total market-based emissions - excluding scope 3.2 and 3.7).

Long-term GHG emissions reduction target
No reduction target for 2050

Action plan measures
Improving the energy performance of buildings by operation and deployment of an ambitious sobriety plan, developing low-carbon buildings

Detailed actions and explanations of the contribution of these actions to the past reduction (2023 vs. 2022, mainly thanks to energy efficiency)
▷Horizon for action plans ends in 2025
▷ Future actions and their contribution to reduction targets are not detailed

CAPEX / OPEX investment alignment
▷No information on short-, medium- or long-term investments to help achieve objectives
▷No reporting on CAPEX amounts eligible or aligned with taxonomy (subject to regulation from 2025)

Remuneration *Chief Executive Officer:*
Variable annual remuneration:
Between 20% and 30% on speeding up the implementation of the CAN0P-2030 ambition, in particular by continuing to improve the energy performance of buildings in operation and rolling out an ambitious sobriety plan, as well as speeding up the digitisation of tools for measuring environmental performance.
▷No quantified target

Long-term remuneration:
10% criterion relating to the final energy consumption of buildings in the portfolio in operation, which must be reduced by at least 19.5 % over four years between 2022 and 2026 (180.8 kWhef/m2/year in 2022)
▷Possible to obtain 75% of the long-term remuneration while the reduction in consumption is below 19.5 % (between 13.1 % and 19.5 %).

Annual consultative vote on implementation
No annual vote on strategy

Consultative vote on strategy every three years
No vote on strategy every three years

** In its 2030 trajectory, the company only takes into account scope 3 emissions linked to upstream and on-line energy losses and those due to all types of energy consumption in buildings not controlled by Gecina.*
The company calculates some of the other Scope 3 emissions, in particular the 3.2 emissions associated with capital goods (15,251 tCO2eq) and the 3.7 emissions associated with building occupants commuting (estimated at 30,000 tCO2eq), but these are excluded from the Scope 3 emissions used to set its 2030 targets. The afore mentioned 3.2 and 3.7 emissions represent 24% and 47% respectively of the total emissions calculated by the company (45,251 tCO2eq).

*** Carbon Risk Real Estate Monitor.*

gecina

GECINA

PERFORMANCE SCORING	NARRATIVE SCORING	TREND SCORING
11 /20	A **B** C D E	=

Module	Score	%	Assessment's elements
Targets	16/20	15%	• The emissions reduction targets are very ambitious for 2025 (-55 % compared with 2019) and 2030. The targets take into account emissions from the entire portfolio (whether directly managed or not). • The achievement of past decarbonisation targets is not taken into account in the *reporting. There is* no long-term objective beyond 2030.
Material investment	5/20	35%	• Past trends show greater decarbonisation than the sector benchmark. If maintained, Gecina's decarbonisation trends should be higher than those of the sector benchmark. However, there are no robust quantitative elements to justify the continuity of this trend (particularly with regard to the deployment of sobriety throughout the portfolio and the switch to 100% biomethane). • There are no forecasts for assets and projects under development that would enable us to model the "locked-in" emissions of Gecina's assets.
Management	14/20	10%	• The climate strategy, which is integrated into the CSR section, is supported directly by the management teams (via the CSR Committee), although the skills relating to climate change issues within the CSR Committee are not highlighted. The use of a climate scenario to assess risk exposure enables Gecina to assess its vulnerability qualitatively and more quantitatively. • The timeframe for exposure to climate risks remains to be studied in greater detail, as risk analyses do not go beyond 2030.
Supplier engagement	14/20	10%	• Gecina mobilizes all of its suppliers, particularly when carrying out work, on quantified emissions objectives *via* a maximum threshold. However, the supplier audit process is not explained.
Client engagement	14/20	15%	• Gecina is mobilising all of its customers, users and building managers to set reduction targets. Although the energy task force working with asset managers to implement the energy efficiency plan has demonstrated its effectiveness, there is still room for improvement in the rate of deployment of energy efficiency measures (75% in total), particularly in buildings operated by Gecina.
Policy engagement	14/20	5%	• Gecina is an active member of sectoral and cross-sectoral initiatives on decarbonisation (IDO, BBCA, FEI CSR Committee).
Business model	10/20	10%	• The low-carbon restructuring activity is an important part of Gecina's business, but its development as a business model is not really tangible in the company's documentation.

Consistency of the plan:

- Gecina's decarbonisation objectives are very ambitious, particularly the drastic reduction target for 2030. However, as this objective has not been quantified, nor have the sources of reduction been quantified, the achievement of this objective has yet to be demonstrated. To date, the *reporting* system is not very mature and would benefit from substantial improvements in the area of construction-related emissions.
- In addition, the carbon performance of their business is monitored using *market-based* accounting, whereas ACT favours a *location-based* approach.

Areas for improvement identified:

- Gecina could publish more on the monitoring of its emissions linked to restructuring work, which is not sufficiently detailed to be assessed.
- There are no forecasts for assets and projects under development that would enable us to model the "locked-in" or future emissions of Gecina's assets.

ACT Methodology

Oil and Gas

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)

Score de performance

Module	Indicator
1. Targets	1.1 Alignment of scope 1, 2 emissions reduction targets
	1.2 Alignment of scope 1, 2 and 3 emissions reduction targets
	1.3 Time horizon of target
	1.4 Achievement of previous and current targets
2. Material Investment	2.1 Trend in future scope 1 + 2 emissions intensity
	2.2 Emissions lock-in
	2.3 Share of unsanctioned projects within carbon budget
	2.4 Low carbon and mitigation technologies capex share
	2.5 Carbon removal technologies (CDR) and carbon capture, use and storage technologies (CCS, CCUS) CAPEX share
3. Intangible investment	3.1 Share of R&D in Low carbon and mitigation technologies
	3.2 Share of R&D in Carbon Removal Technologies
4. Sold product performance	4.1 Trend in past Scope 1 + 2 + 3 emissions intensity
	4.3 Trend in future Scope 1 + 2 + 3 emissions intensity
	4.3 Trend in future low-carbon products share
	4.4 Energy efficiency services share
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 Supplier engagement
	6.2 Activities to influence suppliers to reduce their GHG emissions
7. Client engagement	7.1 Strategy to influence customers to reduce their GHG emission
	7.2 Activities to influence customers to reduce their GHG emission
8. Policy engagement	8.1 Company policy on engagement with trade association
	8.2 Trade associations supported do not have climate-negative activities or positions
	8.3 Position on significant climate policies
9. Business model	9.1 Business activities that drive the energy mix to low-carbon energy
	9.2 Business activities that contribute to the reduction of energy demand
	9.3 Business activities that develop CCS, CCUS and Negative Emissions Technologies (NETs).

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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AGENCE DE LA TRANSITION ÉCOLOGIQUE

Assessment SAY ON CLIMATE

Spain

REPSOL

2024

Energy sector

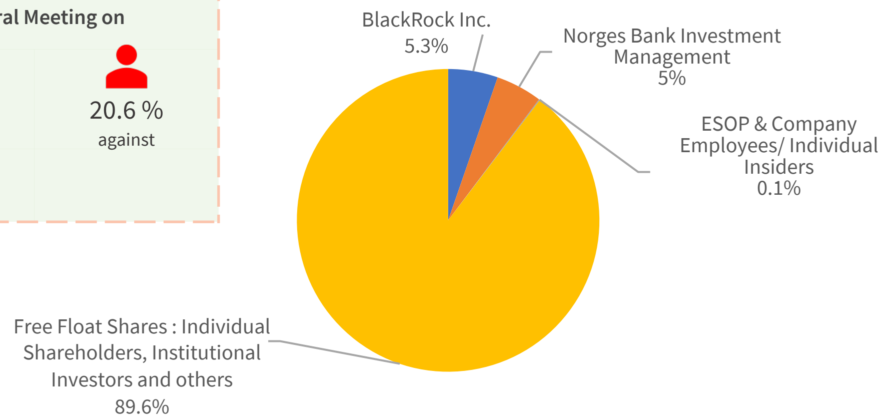
Transparency rating 48 % alignment with FIR recommendations	Oil and gas sector methodology ACT ACCELERATE CLIMATE TRANSITION		Analysis carried out by : World Benchmarking Alliance
	PERFORMANCE SCORE 6.4 /20	**NARRATIVE SCORE** A B C **D** E	**SCORE TREND** -

Repsol's ambition is zero net emissions by 2050, and it has short-, medium- and long-term reduction targets in both intensity and absolute terms. However, the calculation on which the reduction targets are based and the company's trajectory include both ***avoided emissions and carbon capture****.* ***Beyond 2030, the strategy is not clearly defined.*** *In terms of levers for action, the company plans to significantly increase its renewable energy capacity (15-20 GW of installed capacity by 2030). However,* ***75% of its energy mix will still be based on fossil fuels, and a minority of its investments will still be in low-carbon projects until 2027 (>35% of net capex), whereas the*** *IEA's Net Zero scenario recommends allocating at least 50% of CAPEX to clean energy by 2030.*

Voting results at the General Meeting on 9 May 2024

For	Abstention	Against
69.7 %	9.7 %	20.6 %

Repsol shareholding structure



FORUM POUR L'INVESTISSEMENT RESPONSABLE

REPSOL

48%

of alignment with FIR recommendations

Ambition Net Zero 2050

Net Zero commitment in 2050

▷ Does not rule out the use of carbon credits after 2030 without giving further details

▷ No details on the nature and amount of the compensation

Reference scenario(s) used

Mainly refers to STEPS (2.4°C in 2100), APS (1.7°C) and IEA NZE (1.4°C);

▷ Does not join the NZE-AIE scenario until 2050;

▷Alignment with a 1.5°C scenario not validated by an external third party

▷Did not plan to reduce fossil fuel production before 2030

Current GHG emissions (*2023 vs. 2022*)

SCOPE 1 and 2
14.8 MtCO2eq (vs. 16.3)

SCOPE 3
60.8 MtCO2eq (vs. 70.4)

(of which use of products sold based on primary energy: 59.2 Mt CO2eq, disposal of products sold: 1Mt CO2eq and purchase of raw materials and services: 0.6 MtCO2eq).

SCOPE 3 (category 11) 252 MtCO2e

Products sold to commercial customers: 180 MtCO2e (vs. 176) & Products sold to the end user: 72 MtCO2e (vs. 72)*

Short-term GHG emissions reduction target**

The intensity targets are expressed in terms of the CII (carbon intensity indicator defined by the company)

15% reduction in intensity (gCO2e/MJ) in emissions from all scopes by 2025 vs. 2016; absolute reduction to reach - 1.5 MtCO2eq

Methane intensity target: reduce to 0.2 % CH4 emissions/marketed gas vs 2017 ▷ Target already exceeded in 2023: 0.15 %.

Routine flaring in operated E&P assets: -50 % reduction in 2025 (172 ktCO2e) vs. 2018 (344) ▷Target already achieved in 2023: 25 ktCO2e

▷Targets for methane and routine flaring could be revised upwards

*▷Repsol does not include emissions linked to products sold to commercial and end customers in its targets** (point valid for medium and long-term targets)*

Medium-term GHG emission reduction target**

30% absolute reduction in net emissions from all scopes by 2030 vs. 2016

28% reduction in intensity by 2030 compared with 2016 (gCO2e/MJ) across all scopes.

55% absolute reduction in Scopes 1 and 2 emissions from operated assets by 2030 vs. 2016

*▷The absolute reduction target for all emissions has already been exceeded in 2023: -37 %***;*

▷The carbon intensity target would be 21.9 % higher than that recommended by the NZE scenario trajectory (source: "assessment of Repsol's Climate Strategy", April 2024, Reclaim Finance, page 16)

Long-term GHG emissions reduction target**

55% reduction in intensity by 2040 compared with 2016

100% reduction in emissions by 2050, both in intensity and in absolute terms for all scopes.

▷Almost half the intensity between 2040 and 2050 ▷No details by scope, nor on the share of offsetting

Action plan measures

*Contributing to the 28% reduction in intensity across all scopes** by 2030:*

- *Portfolio efficiency and management: 8 to 10%*
- *Renewable fuels: 9 to 11*
- *Renewable electricity generation: 7 to 9%*
- *CCS: 0 to 1%*

Targets for 2027 and 2030 in terms of: installed renewable energy capacity (15-20 GW in 2030 vs. 2.8 in 2023); production of renewable fuels (2.2 to 2.4 Mt in 2030 vs. 1 Mt in 2023); renewable hydrogen (1.6 to 2.2 GWe in 2030 vs. 0 in 2023) and biomethane (2.1 to 2.3 TWh in 2030 vs. 0 in 2023) and sustainable materials (150 to 200 kt in 2030 vs. 7 in 2023).

Levers for action between 2030 and 2050 are expressed in relation to the IEA's APS and NZE scenarios:

▷ After 2030, levers are not based on the company's declared climate strategy but on IEA scenarios

▷ Decrease in fossil fuel production not expected until 2030, energy mix still based on 75% fossil fuels in 2030 (in products sold)

CAPEX / OPEX investment alignment

2024-2027: >35% of its net CAPEX to low-carbon projects (€5.6-6.6 billion over the period), including 15-25 % for renewable electricity production and 10-20 % for renewable fuel production.

€4.6 billion/year on average plans to allocate including €2.5 billion/year in fossil fuels (around 55-65% of CAPEX) and €875 million in renewables

Taxonomy: 32% of CAPEX aligned (2023), 61% not eligible

▷ According to the IEA, to be in line with a NZE scenario, an allocation of 50% of CAPEX to clean energy is necessary by 2030.

▷ Only 3% more than over the 2021-2023 period ▷ Undefined CAPEX choices after 2027 ▷ Repsol continues to invest in new oil and gas projects, contrary to the IEA's Net Zero scenario.

Remuneration

Long-term variable for the Chief Executive Officer, executives and senior managers(2023-2026): 40% on energy transition (30% on reducing carbon intensity, 10% on producing low-carbon capacity)

Annual variable for the Chief Executive Officer (2023): 15% criterion on the development of low-carbon platforms, based on the evolution of transformation

▷ Short-term variable: qualitative criterion, no quantitative target disclosed

Annual consultative vote on implementation

No annual vote on strategy

Consultative vote on strategy every three years

▷ Engagement to put its strategy to the vote is not fixed over time only if the strategy is updated, or if a significant change in its strategy or associated objectives occurs

** Excluding products bought and sold to a third party as part of trading activities.*

*** In setting its targets, Repsol does not take into account emissions from products sold to commercial customers and end user, but only emissions associated with the use of products from its primary energy production, the disposal of products sold and the purchase of raw materials and not those related to the use of products sold to commercial customers and end-users.*

**** Some contributions to emissions reductions are due to operational rather than structural factors, which is why the 30% target for 2030 is still considered appropriate by the company.*

Caption: ▷ Failure to obtain full points.

REPSOL

REPSOL

PERFORMANCE SCORING	NARRATIVE SCORING	TREND SCORING
6.4 /20	A B C **D** E	=

Module	Score	%	Assessment's elements
Tagets	8/20	15%	• Repsol has set targets to reduce its Carbon Intensity Indicator (CII) by 15%, 28%, 55% and 100% by respectively 2025, 2030, 2040 and 2050. Because CCI considers an unknown amount of carbon sinks and emissions displacement, the company's target performance could not be scored. It is unclear what proportion of the company's targeted reductions will be achieved through avoided emissions and how the company calculates its avoided emissions. The company has set a new target to achieve net-zero scope 1 + 2 absolute emissions in operated assets by 2050.
Material Investment	7.5/20	15%	• Repsol's scope 1 + 2 emissions intensity has been reducing in the last 5 years at the rate required by the company's low-carbon pathway. However, this reduction was partly through circumstantial factors within the year such as portfolio optimization of E&P assets and energy efficiency measures.
Intangible investment	5/20	8%	• In 2023, Repsol reported a 32% of CAPEX aligned with the EU Taxonomy, with plans to increase the investment in low-carbon businesses to more than 40% by 2030. However, IEA suggests higher levels of low-carbon energy investment are needed.
Sold product performance	2.3/20	23%	• In 2023, Repsol invested 57% of total R&D expenditure in low-carbon technologies.
Management	16 /20	10%	• Repsol's 2024 Global Sustainability Plan includes detailed short, intermediate and long-term targets. The company reports that oversight of climate change issues is under the responsibility of the Board.
Supplier engagement	5.7/20	4%	• Repsol's strategy for influencing suppliers' GHG emissions is limited overall. A key improvement would be to include GHG emissions reduction commitments in engagements with suppliers and disclose % of scope 3 emissions covered by their strategy
Client engagement	3.7/20	10%	• Repsol's strategy for influencing its customers' GHG emissions is limited overall. Key improvements would be to increase and prioritize projects related to improving consumption patterns and to disclose their quantitative impacts.
Engagement policy	6.4/20	5%	• Repsol has a comprehensive climate and energy transition policy, which is aligned to its net-zero ambitions. However, the company continues to have memberships with associations that negatively engage on climate-related policies such as the API.
Business Model	5.6/20	10%	• Repsol is developing low-carbon business models, such as expanding its renewable capacity and production of hydrogen and advanced biofuels. However, these businesses still represent a limited size of market for the company.

Consistency of the plan:
Repsol's Sustainability Strategy includes detailed emissions reduction levers until 2030 for scope 1 + 2 emissions. The company has set targets to reduce its absolute scope 1 + 2 + 3 by 30% by 2030. However, this considers avoided emissions from renewable electricity generation, similarly as the company's Carbon Intensity Indicator. Repsol plans to significantly expand its renewable energy activities, aiming for an installed capacity of 9-10 GW by 2027. However, the company is still active in the exploration and exploitation of fossil fuels and has not committed to phasing out.

Identified areas for improvement:
Repsol has set a net-zero target for 2050 with multiple interim targets. However, the company's targets include the use of an unquantified proportion of offsets and avoided emissions and do not cover all of the company's scope 3 emissions. Repsol is planning to expand its oil and gas production at least until 2030 and has not committed to cease exploration.

FORUM POUR L'INVESTISSEMENT RESPONSABLE

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Assessment SAY ON CLIMATE

Netherlands

Shell

2024

Energy sector

Transparency rating	Oil and gas sector methodology ACT ACCELERATE CLIMATE TRANSITION		Analysis carried out by : World Benchmarking Alliance
40 % alignment with FIR recommendations	PERFORMANCE SCORE **8.6** /20	NARRATIVE SCORE A B C **D** E	TREND SCORE -

Although Shell has announced an ambition to be carbon neutral by 2050, and a new medium-term objective has been set for part of its scope 3 in absolute terms, it does ***not seem to be making the shift to a genuine transition to develop sustainable activities*** *and transform the core of its business model in order to meet the objectives it has set itself. The company* ***is not transparent about the proportion that reduction actually represents compared with offsetting and capturing emissions****. Nor does the company communicate clearly on the* ***investments specifically dedicated to each low-carbon energy source between now and 2030, or on the targeted energy mix.*** *While we welcome the company's effort to present a Say on Climate, we encourage it to go further in terms of the transparency and ambition of its climate strategy.*

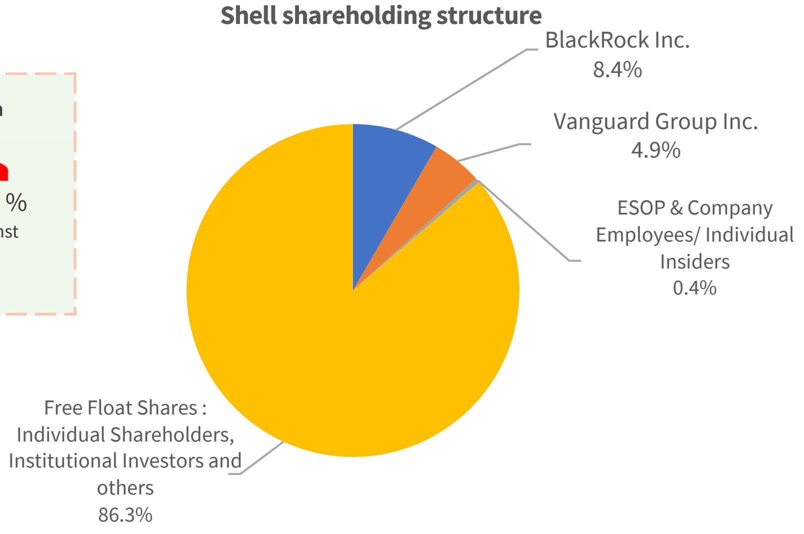
Voting results at the General Meeting on 21 May 2024

73.3 % For

6.1 % abstention

20.6 % against

Shell shareholding structure



FORUM POUR L'INVESTISSEMENT RESPONSABLE

SHELL

40%

of alignment with FIR recommendations

Ambition Net Zero 2050

Ambition of carbon neutrality for 2050 on the three scopes

▷Part of reduction and compensation to reach the ambition are not detailed

▷ The company plans to use carbon capture and storage, as well as carbon credits, without giving details of the exact use in the medium and long term

From 2021 to 2023, 29.2 MtCO2eq offset, including 20 MtC02eq offset in 2023

⚠ *The IEA's Net Zero scenario forecasts global CO2 storage of 7.6 Gt/year in 2050*****

Reference scenario

Projections for 2050 refer to the IEA's Net Zero scenario and the APS scenario. Regarding the projections of the company, it only joins the IEA's NZE scenario in 2050

*▷Questioning the compatibility of the strategy with the IEA's NZE scenario**

Current GHG emissions (*2023 vs. 2022*)

SCOPE 1	SCOPE 2	SCOPE 3**
50 MtCO2eq (51 MtCO2eq)	*7 MtCO2eq (7 MtCO2eq)*	*1 147 MtCO2eq (1 174 MtCO2eq)*
4%	*1%*	*95%*

including customer emissions due to the use of oil products: 517 MtCO2eq in 2023 (45% of scope 3) = part of category 11 of scope 3

Short-term GHG emissions reduction target

*Reduction of 9-13 % in intensity of all scopes by 2025 compared with 2016****

▷No absolute targets

Medium-term GHG emissions reduction target

Scopes 1 and 2 (5% of emissions): 50% reduction in absolute terms by 2030 compared with 2016, to reach 41 MtCO2eq.

*Reduction of 15-20 % in the intensity of scopes 1, 2 and 3 emissions between 2016 and 2030****

▷Reduction target lower than last year : from 20% to 15-20 % ▷Reducing customer emissions from the use of oil products (517 MtCO2eq) by 15-20 % by 2030 vs. 2021 (45% of scope 3) ▷The target above on scope 3 does not include gas, it only covers oil products

*▷To be in line with a Net Zero scenario, the IEA recommends a -60 % reduction of emissions absolute from scopes 1 and 2 by 2030 compared with 2022****

Long-term GHG emissions reduction target

No clear reduction target other than to achieve carbon neutrality by 2050

▷Between 2030 and 2040, there will be still 85 to 80% to reduce for the target set for 45% of scope 3 emissions compared to 2021.

Action plan measure

Eliminate routine flaring by upstream operations by 2025 (0.2MtCO2eq flared in 2022),

Maintain methane emissions intensity below 0.2 % and achieve near zero methane emissions by 2030,

Developing biofuels and hydrogen

Increase sales of renewable electricity (by 2023, development of 4.1 GW of additional renewable capacity, on top of the 2.5 GW of renewable capacity already installed), energy efficiency, carbon credits and CCS.

▷The company has not communicated a target for the development of its renewable energy capacity by 2030.

▷No exact figures for the contribution of objectives to each action

▷35% of its energy sales divided between gas pipelines (26%), electricity and biofuels. The share devoted to electricity and biofuels is increasing but is not clearly specified.

*▷Development of gas projects up to 2030 (+20-30 % LNG production 2030 vs. 2022) in contradiction with the recommendations of the Net Zero scenario IEA*****

Investment alignment (OPEX/CAPEX)

*▷The company continues to invest in new oil and gas projects, contrary to the IEA's Net Zero scenario*****

Between 2023 and the end of 2025, target of $10-$15 billion in low-carbon energies. In 2023, $340 millions of CAPEX dedicated to capture carbon solutions CCS

Of the total CAPEX planned for 2024, $22-25 billion: around 20% of planned investments are devoted to low-carbon energy (including low-carbon fuels, renewables energy production, hydrogen, ...) and compensation (including CCS et carbon credits included), 35% to oil and gas and 33% to fossil fuel extraction.

▷The proportion of *investment devoted to low-carbon energy is low (around 20%) compared with the recommendations of the IEA's NZE scenario, which recommends that a minimum of 50% of CAPEX be allocated to clean energy projects by 2030****

▷In 2023, CAPEX eligible for taxonomy 19.2 % ($6 032 million) / 13.3 % aligned with taxonomy ($4 173 million)

By 2023, $340 million in CAPEX dedicated to CCUS carbon capture solutions

Remuneration

Variable annual remuneration for Chief Executive Officer and Chief Financial Officer :

5% criterion on the reduction of scopes 1 and 2 emissions

5% criterion to support the reduction of customer decarbonisation (scope 3 category 11)

▷In 2024, the criterion of sales of low-carbon products has been replaced by the criterion of LNG volumes (5%).

Long-term remuneration Chief Executive Officer and Chief Financial Officer :

25% on Shell's transition (REMCO):

Halve emissions from scopes 1 and 2 by 2030 vs. 2016; eliminate routine flaring by upstream operations by 2025; Maintain methane emissions intensity below 0,2% and achieve near zero methane emissions by 2030; target 15-20 % reduction intensity for part of the category 11 of scope 3 (45% of scope 3)

Annual consultation on implementation

Despite the submission of the consultative vote over the last three years consecutive years, the company will propose a vote every 3 years from now on.

Consultation on strategy every 3 years

The "energy transition strategy" report will be submitted to a consultative vote every three years

Caption: ▷ Failure to obtain full points.

** According to the ReclaimFinance report "Assessment of Shell's climate strategy", Shell's oil and gas production targets for 2030 are 11% higher than production in 2023. As a result, by 2030, the company's targeted carbon intensity would be 32.8 % higher than the NZE for instance.*

*** Total scope 3 includes scope categories 1,3,9,11; These numbers include well-to-wheel emissions associated with energy products sold, on an equity boundary basis; they also include the well-to-tank emissions associated with the manufacturing of energy products by others that are sold by Shell. Emissions associated with the manufacturing and use of non-energy products are excluded.*

**** Calculated according to the Net Carbon Intensity, NCI; indicator set by Shell*

***** IEA, World Energy Outlook 2023, 2023.*

SHELL

PERFORMANCE SCORING	NARRATIVE SCORING	TREND SCORING
8.6 /20	A B C D **E**	-

Module	Score	%	Assessment's elements
Targets	4/20	15%	• Shell has set targets to be net-zero across its scope 1, 2 and 3 emissions by 2050. However, the companies'target are not aligned with a 1,5°C pathway, because they rely on an undisclose amount of carbon offsets. • In 2024, Shell set specific targets to reduce the net carbon intensity of its scope 1 + 2 + 3 emissions by 15-20 % by 2030, as compared to 2016. Moreover, the company set targets to reduce customer emissions from the use of oil products (part of category 11 of scope 3) by 15-20 % by 2030, as compared to 2021. However, the company plans to use carbon credits for the achievement of these targets.
Material investment	2/20	15%	• The company's scope 1 + 2 emissions intensity has stagnated in the last 5 years.
Intengible investment	5/20	8%	• Shell reports a 49% of R&D investments in low-carbon technologies, but does not disclose the proportion directed to non-mature and carbon removal technologies.
Sold product performance	10/20	23%	• In 2024, Shell reported a proportion of CAPEX aligned with the EU Taxonomy of 13.3 %, which falls short of the sectoral expectation of 77%.
Management	17/20	10%	• Shell has a transition plan, with intermediate targets and oversight of climate change issues under the responsibility of the Board. However, the company has not committed to stopping oil and gas exploration and operations.
Supplier engagement	12/20	4%	• Shell's strategy for influencing suppliers' GHG emissions is generally advanced. A key improvement would be to include GHG emissions reduction commitments in engagements with suppliers.
Client engagement	9/20	10%	• Shell's strategy for influencing its customers' GHG emissions is advanced overall. Key improvements would be to include financial benefits for sustainable products and to disclose the quantitative impact of implementing the strategy.
Policy engagement	12/20	5%	• Shell has a comprehensive climate and energy transition policy, which is aligned to its net-zero ambitions. However, the company provides funding to associations not aligned to the Paris Agreement, such as the API.
Business model	12/20	10%	• Shell is developing low-carbon business models, such as electric charging stations for EVs, renewable electricity from solar and wind sources, biofuels and carbon capture technologies. However, these business still represent a limited size of market for the company.

Consistency of the plan:

- Overall, Shell's climate plan includes details but measurable actions are not reported by 2050. The company has released an Energy Transition Strategy considering short actions based on avoid, reduce and offset climate emissions. The company has set specific targets to reduce in absolute around half of its scope 3 emissions, which represent the biggest part of its total carbon footprint. Moreover, Shell has achieved its previous targets related to reducing its net carbon intensity, however, this has considered the use of carbon credits. Additionally, the company is still active in the exploration and exploitation of fossil fuels and has not committed to phasing out its operations. Their Net Zero Ambition for 2050 is questionable regarding the lack of emission reduction in recent years and almost no change in their business model for the future.

Identified areas for improvement:

- Shell aims to be a leader in decarbonising the energy sector and scaling up new technologies. However, the reported CAPEX for 2023 aligned with the EU Taxonomy is 13.3 %. Shell could improve by diversifying their business model and in investing more in the development of low-carbon technologies. In addition, the company still relies on carbon credits and offsets to achieve its emissions reduction targets.

FORUM POUR L'INVESTISSEMENT RESPONSABLE

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Assessment SAY ON CLIMATE

France

TotalEnergies

2024

Energy sector

Transparency rating	Oil and gas sector methodology ACT ACCELERATE CLIMATE TRANSITION		Analysis carried out by ADEME
53 % alignment with FIR recommendations	PERFORMANCE SCORE 9 /20	NARRATIVE SCORE A B C **D** E	TREND SCORE =

Although TotalEnergies has announced an ambition of carbon neutrality by 2050, and the company is taking the first steps towards a transition of its business model, ***the efforts seem insufficient in the light of the recommendations of the IEA's NZE scenario, to*** *which it refers. In terms of its action plan, the company* ***still plans to increase its oil and gas energy production between 2023 and 2030.***
While we welcome the company's effort to present a Say on Climate and its transparency on the ***use of*** *technology to* ***offset and capture emissions****, we encourage it to accelerate its energy transition by stepping up its efforts to develop and sell low-carbon energy.*

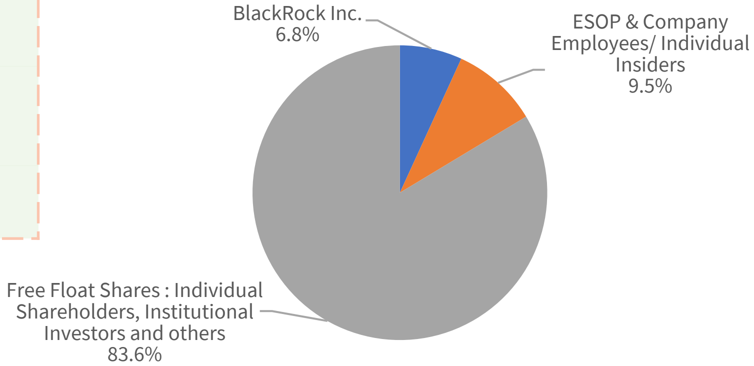
Voting results at the General Meeting on 24 May 2024

74.6 % For

6.4 % abstention

19 % against

TotalEnergies shareholding structure



FORUM POUR L'INVESTISSEMENT RESPONSABLE

TOTALENERGIES

53%

of alignment with FIR recommendations

Ambition Net Zero 2050

Ambition of carbon neutrality by 2050 for the three scopes, detailed breakdown between offsetting and reduction
Scopes 1 and 2: offsetting (nature-based solutions) from 2030 (5 to 10 million credits per year).
In 2050, offsetting will represent 10 MtCO2eq (equivalent to 29% of current Scopes 1 and 2 emissions in 2023).
For scope 3, the company is banking on CCU and CCS: target of 10 MtCO2eq/year from 2030 and 100 MtCO2eq in 2050.*
▷ Significant use of offsetting and technologies; questions about the maturity of technologies

Reference scenario(s) used

Projections for 2050 refer to the IEA's Net Zero scenario
▷ But does not base its scope 3 targets on a Net Zero scenario → alignment 2030 close to the trajectory of the APS scenario (1.7°C) according to the company

Current GHG emissions (*2023* vs. 2022)

SCOPE 1 and 2 (assets operated): *35 MtCO2eq (vs. 40)*
SCOPE 1 and 2 (non-operated assets/asset share): *49 MtCO2eq (vs. 56)*

SCOPE 3**: *415 MtCO2eq (vs. 453)*
including 355 MtCO2eq induced by the use of products sold (vs. 389)

GHG emissions reduction target in the short term***

2025 vs. 2015: 17% absolute reduction in scopes 1 and 2 (of operated facilities) to 38 MtCO2eq
15% reduction in the lifecycle carbon intensity of energy products sold (gCO2e/MJ) (scope 1, 2 and 3) ; Absolute target for scope 3 < 400 MtCO2eq vs. 410 MtCO2eq in 2015
50% reduction in absolute methane emissions at operated sites by 2025 compared with 2020
▷ For the accounted part of scope 3, virtually no reduction in emissions is expected in absolute terms ; around 2% of reduction (< 400 Mt in 2025 vs. 410 Mt in 2015)
▷ The targets have already been reached since 2023 (355 MtCO2eq) without being revised upwards.

GHG emission reduction target for the medium term***

Reduction of scopes 1 and 2 (on operated facilities) between -35 % and -46 % in absolute terms (between 25 and 30 MtCO2eq) by 2030 vs. 2015
25% reduction in the lifecycle carbon intensity of energy products sold (gCO2e/MJ) (scopes 1, 2 and 3) by 2030 vs. 2015
80% reduction in absolute methane emissions at operated sites by 2030 compared with 2020
▷ Scope 3 is the same target as for 2025 in absolute terms (< 400 Mt), with virtually no reduction (2%). Target achieved since 2023 without being revised upwards

Long-term GHG emissions reduction target***

Net zero target for all scopes by 2050
Scope 1 and 2
▷ In 2050, offsetting 10 MtCO2 through natural carbon sinks from 2030: the equivalent of 29% of Scope 1 and 2 emissions (from operated facilities) in 2023.
Scope 3
▷ In 2050, 100 MtCO2e captured by stored CO_2 and CO_2 consumed via synthetic fuels (CCU and CCS technology): equivalent to 28% of scope 3 in 2023*
▷Extensive use of offsetting and long-term carbon capture and utilisation technologies

Action plan measures

Actions on the 3 scopes (100 GW in 2030 cap. of renewable electricity, low-carbon molecules, reduction of methane emissions from operated facilities, capture and storage, work on non-operated assets, etc.)
*▷ Including development of gas projects up to 2030 (+40 % LNG production - 2030 vs. 2021) in contradiction with the recommendations of the Net Zero scenario IEA****; reduction in oil sales but not in production until 2030*
▷ No exact figures for the contribution of each action

CAPEX / OPEX investment alignment

By 2028, 30% of net investments/year for the development of new oil and gas projects; 33% for low-carbon energy and footprint reduction; By 2023, CAPEX eligible for taxonomy 33.9 % ($6 565 millions) / 31.7 % aligned with taxonomy ($5 998 millions);
*▷ The company will continue to invest in new oil and gas projects until at least 2028, contrary to the IEA's Net Zero scenario*****
*▷ 33% CAPEX by 2028 vs. the minimum of 50% CAPEX allocated to clean energy fuel projects by 2030 recommended by the IEA's NZE scenario*****

Remuneration

Annual variable compensation CEO:
Remuneration policy, annual variable:
Evolution of GHG emissions scopes 1 and 2 on operated installations: 10% + 15% qualitative /180%.
Out of 100%, this corresponds to a criterion of 6% for scopes 1 and 2 and 8% for qualitative criteria.
Qualitative: steering the transformation strategy towards carbon neutrality in line with the 2020/2030 objectives
▷ carbon criteria is weak and covers only on scopes 1 and 2

Long-term remuneration of the CEO and beneficiaries of the share plan:
- Criteria of 15% on the evolution of methane emissions (-56 % in 2026 vs. 2020)
- New criterion: 15% on the lifecycle carbon intensity of energy products sold to customers (-17 % in 2026 vs. 2015) (gCO2e/MJ) → replaces the criterion on scope 1 and 2 operated assets

Annual consultative vote on implementation

The company undertakes to consult its shareholders annually on the implementation of its climate strategy

Consultative vote on strategy every three years

Resolution on implementation and ambitions; not two separate resolutions

** Offering carbon utilisation solutions (CCU) and carbon capture and storage (CCS).*
*** The company's scope 3 is calculated according to the Oil and Gas sector methodologies published by Ipieca. This methodology accounts for the largest volume in the oil, biofuels or gas value chains, i.e. either production or sales.*
**** Scopes 1 and 2 targets do not cover legacy emissions. Scope 3 targets only cover emissions related to the end use of energy products sold to customers, i.e. from their combustion to obtain energy (355 MtCO2eq in 2023).*
***** IEA, World Energy Outlook 2023, 2023.*

Caption: ▷ Failure to obtain full points.

TotalEnergies

TOTALENERGIES

PERFORMANCE SCORING	NARRATIVE SCORING	TREND SCORING
9 /20	A B C **D** E	=

Module	Score	%	Assessment's elements
Targets	16/20	15%	• TotalEnergies has set itself a target of reducing its net Scope 1 + 2 emissions by 40% by 2030 compared with 2015, which would be net of 5 to 10 Mt of natural carbon sinks. TotalEnergies has also set specific targets to reduce the carbon intensity of its Scope 1, 2 and 3 emissions by 25% by 2030 compared with 2015. The company states that it is committed to carbon neutrality by 2050, and specifies the proportion that will be allocated to carbon offsetting. However, TotalEnergies plans to increase its energy production (oil, gas and electricity) overall by 4% a year between 2023 and 2030, while reducing emissions (Scope 1, 2 and methane) from its operated sites.
Material investment	4/20	15%	• TotalEnergies declares a proportion of CAPEX eligible for the European taxonomy of 28.1 % for 25.7 % aligned with their controlled perimeter, which is below the sector expectation of 77%.
Intengible investment	0/20	8%	• In 2023, TotalEnergies will devote 65% of their $774 million R&D investment to new energies (renewable electricity, low-carbon molecules), batteries and reducing its environmental footprint, which is not enough to reach the sector benchmark. The company does not indicate the proportion devoted to non-mature technologies and carbon elimination technologies.
Sold product performance	7/20	23%	• Past trends for the three emission scopes show a reduction in GHG emissions that don't measure up to the sector benchmark.
Management	15/20	10%	• TotalEnergies has a transition plan, with short-, medium- and long-term objectives, as well as oversight of climate change issues under the responsibility of the Board of Directors. Extra-financial criteria account for 39% of variable remuneration, including 6% for the reduction of GHG emissions.
Supplier engagement	12/20	4%	• TotalEnergies encourages its main suppliers to reduce their emissions, and has set itself the target that 90% of the 400 most emissive suppliers will have adopted targets to reduce their scopes 1 and 2 emissions by 2025.
Client engagement	8/20	10%	• TotalEnergies' strategy for influencing its customers could be improved. Since 2022, the company has had a OneB2B Solutions offering that includes more than 30 experts who help our major customers in 11 different sectors realize their ambition for energy transition through offers tailored to their needs.
Policy engagement	12/20	5%	• TotalEnergies seems to have a comprehensive climate and energy transition policy.
Business model	7/20	10%	• The share of Capex aligned with the European taxonomy is 25.7 % (22.9 % for electricity and renewables) on the controlled perimeter. As a share of sales aligned with the taxonomy, this represents only 1.4 %.

Consistency of the plan:
Overall, TotalEnergies' climate plan is detailed and the monitoring of targets and emission reductions is consistent. The company's performance score increased slightly, due in particular to the precision of certain qualitative elements (supplier commitment, management and evolution of the business model). The company publishes clear energy transition objectives for scopes 1, 2 and 3. Past trends for the three emission scopes show a reduction in GHG emissions that falls short of the sector benchmark. Similarly, the company plans to increase its energy production (oil, gas and electricity) overall by 4% per year between 2023 and 2030, while reducing emissions (Scope 1, 2 and methane) from its operated sites. Total aims to achieve carbon neutrality by 2050 on all three scopes, and details the share of offsetting that should take place through natural carbon sinks from 2030 onwards for residual emissions, based on a consumption of around 10% per year of our stock of carbon credits.

Identified areas for improvement:
TotalEnergies aims to be a major player in the energy transition. However, the proportion of sales aligned with the taxonomy remains at 1.4 %. Taxonomy-aligned capex amounted to 25.7 % on the controlled perimeter and 31.7% on the proportional view. The company could accelerate its energy transition by stepping up its efforts to develop and sell low-carbon energy . TotalEnergies could publish more information on its locked-in emissions.

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

Assessment SAY ON CLIMATE

France

ALTAREA

2024

Property sector

Transparency rating 30 % alignment with FIR recommendations	Property developer sector methodology	ACT ACCELERATE CLIMATE TRANSITION	Analysis carried out by ADEME
	PERFORMANCE SCORE **10** /20	NARRATIVE SCORE A **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, has little time horizon and lacks figures. Although we highlight the company's efforts to renew its Say on Climate, we encourage it to go further in its climate strategy.*

Voting results at the General Meeting on 5 June 2024

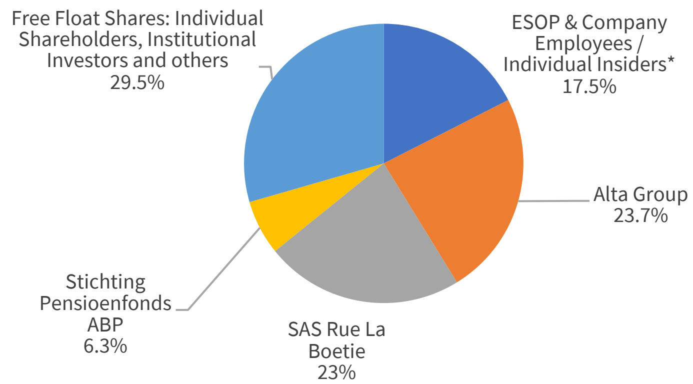
96.5 % for

1.3 % abstention*

2.2 % against

* *The abstention rate shown includes invalid votes and non casted votes, as communicated by the company.*

Altarea shareholding structure



* *Including majority shareholder Alain Taravella (17.2 % of capital).*

ALTAREA

30%

of alignment with FIR recommendations*

Ambition Net Zero 2050

Ambition of carbon neutrality on scopes 1 and 2 of the real estate business by 2030

▷ Does not include scope 3 (99% of total emissions)

▷ This ambition target only part of scopes 1 and 2 – approx. 50% of scopes 1 and 2

▷ Lack of information on the share of compensation/reduction

Reference scenario(s) used

▷ No clear commitment to a trajectory

▷ Objectives not yet scientifically validated

▷ 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 page 237)

Current GHG emissions (*2023 vs 2022*)

SCOPE 1 and 2	**SCOPE 3****
2 684 tCO2eq (vs. 2 289 tCO2eq)	906,884 tCO2eq (vs. 1,082,188 tCO2eq)
emissions from real estate and corporate activities	emissions from property development activities (residential 84% – commercial 9% – retail 6%) and land and corporate activities (3%)

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 %)

Intensity in 2023 :

- *Group: 335 gCO2e/€ revenue*
- *Property: 1.4 kgCO2e/m2*
- *Property development: 1.3 tCO2eq/m2*

Short-term GHG emissions reduction target

▷ Short-term objectives are not made explicit

Medium-term GHG emissions reduction target

SCOPE 1 and 2:

- *Ambition net zero 2030 for the real estate business*

SCOPE 3: *50% reduction in the surface intensity (CO2/m2) of development activities between 2019 and 2035*

▷Lack of granularity: no quantified targets for construction (66% of total emissions) and use (31% of total emissions)

▷ Objectives not yet scientifically validated

▷ Net zero target only covers approx. 50% of scopes 1 and 2 and 1% of total emissions, with no details on the offset share

Long-term GHG emissions reduction target

▷ Long-term objectives are not made explicit

Action plan measures

Detailed plan for the three divisions: property development (construction and use), real estate and corporate.

▷ Few information on time horizon information on the action plan

▷ Measures could be more detailed and quantified so that the contribution of each to the reduction targets can be understood

CAPEX / OPEX investment alignment

▷ No information on CAPEX figures by scope

▷ 45.5 % of investments are aligned with the taxonomy vs. 91.6 % of eligible CAPEX in 2023

Remuneration

Payment in 2023:

- 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 (tCO2eq/consolidated sales).

▷ Lack of consistency with surface intensity targets (CO2/m2)

▷ The thresholds to be reached are not public

▷ Only 50% of these two targets will be met by 2023

*- Altareit management***: 50% of the variable linked to extrafinancial criteria relates to the climate theme: deployment of the decarbonisation strategy in development activities*

▷ Objective simply qualitative

- Variable remuneration for managers + profit-sharing include climate-related criteria, the weighting of which is not specified.

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

▷ What are the criteria for variable pay for managers ?

Annual consultative vote on implementation

No annual vote on implementation

Consultative vote on strategy every three years

No vote on strategy every three years

Caption: ▷ Failure to obtain full points.

** 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.*

ALTAREA

RÉPUBLIQUE FRANÇAISE
*Liberté
Égalité
Fraternité*

ADEME
AGENCE DE LA TRANSITION ÉCOLOGIQUE

ALTAREA

ACCELERATE CLIMATE TRANSITION

PERFORMANCE SCORING	NARRATIVE SCORING	TREND SCORING
10 /20	A **B** C D E	=

Module	Score	%	Assessment's elements
Targets	**2.6/20**	**15%**	• 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). • 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. • 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.
Sold product management	**8.6/20**	**35%**	• 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. • Altarea is also expected to report on its locked-in issues.
Management	**18.8/20**	**10%**	• 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. • 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.
Supplier engagement	**11.3/20**	**8%**	• 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.
Client engagement	**12.5/20**	**20%**	• 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.
Engagement policy	**12/20**	**2%**	• The Group is heavily involved and committed to external initiatives, and actively participates in industry bodies promoting sustainable development (Paris Action Climat, OID, BBCA, 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.
Business model	**15/20**	**10%**	• A photovoltaic energy production activity is currently being developed, with a local and secure energy supply, to distribute low-carbon electricity.

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.

* *An exchange between ADEME and Altarea took place prior to publication of the assessment.*

ALTAREA

Assessment SAY ON CLIMATE

France

ICADE

2024

Property sector

Transparency rating 75 % alignment with FIR recommendations	Property developer sector methodology	ACCELERATE CLIMATE TRANSITION	Analysis carried out by ADEME
	PERFORMANCE SCORE **12** /20	NARRATIVE SCORE **A** B C D E	TREND SCORE +

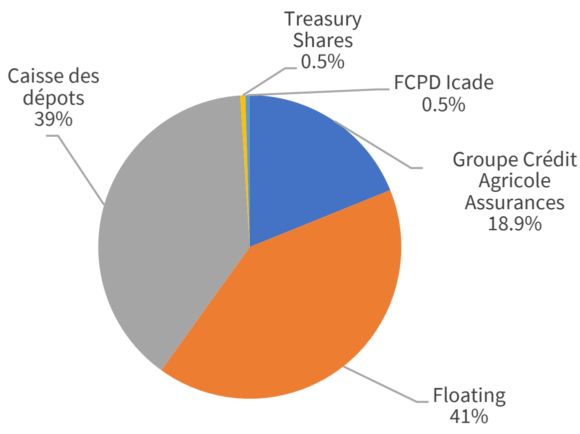
*We welcome the presentation of a Say on Climate vote for the third consecutive year at ICADE's AGM. This year in particular, **we note that the company has made an effort to be transparent** and has clearly disclosed some of FIR's recommendations. The coherence of the plan reflects the narrative score. **Climate issues are fully integrated into the company's strategy and business model.** For the time being, the company is in line with the objectives it has set itself, **although certain points remain to be clarified**: additional information is still required on its action plan, particularly on the contribution of each action to the decarbonisation objectives and on the CAPEX amounts associated with each action. More generally, **the amounts of the company's investments are still not communicated for Icade's most emissive division** (89% of GHG emissions). Finally, we expect more granular disclosure of data on locked-in emissions and on changes in the proportion of low-carbon buildings.*

Voting results at the General Meeting on 18 April 2024

For	Abstention*	Against
99.2 %	1 %	0.7 %

* *The abstention rate shown includes invalid votes and non casted votes, as communicated by the company.*

Icade shareholding structure



FORUM POUR L'INVESTISSEMENT RESPONSABLE

↑ 75 % of alignment with FIR recommendations

ICADE

Ambition Net Zero 2050

Net Zero commitment until 2050, ambition to offset 51,612 tC02eq in 2050;
This year Icade declares that it has offset a total of 114,000 tCO2eq over the period 2019-2023.
▷The nature and levels of offsetting, called "voluntary additional contribution", are not explicit from 2023 to 2050.

Reference scenario(s) used

1.5°C trajectory validated by SBTi for 2050 (base year: 2019) for the 3 scopes

Current GHG emissions (*2023 vs 2022*)

SCOPE 1	SCOPE 2	SCOPE 3
89 tCO2eq (vs. 489)	4 507 tCO2eq (vs. 5 349)	405,078 tCO2eq (vs. 561,723)
0.1 %	1 %	98 %

Short-term GHG emissions reduction target

▷Short-term objectives are not spelled out

Medium-term GHG emissions reduction target

2019 – 2030: -28 % in absolute terms for all scopes

In absolute terms:

SCOPES 1 et 2: -55 % *SCOPE 3: -27,5 %*

In intensity 2019 - 2030: (vs. 2019 - 2023)

COMMERCIAL INVESTMENT:	PROPERTY DEVELOPMENT:	CORPORATE:
-60 % (kgCO2/m²)	-41 % (en kgCO2/m²)	-30 % (en tco2/an)
-35 %	-12 %	-8 %

Long-term GHG emissions reduction target

90% reduction in GHG emissions in absolute terms between 2019 and 2050; offsetting of 51,612 tCO2eq

Action plan measures

▷Detailed action plan measures for each division (commercial investment, property development and corporate) with some quantified targets (e.g. 1/3 of operations in wood and bio-sourced construction by 2030; 1/3 of its operations in renovation by 2030) but lack of information on the contribution of each action to the decarbonisation targets and on the CAPEX amounts associated with each action.

CAPEX / OPEX investment alignment

Focus on Commercial investment (10% of GHG emissions): €145m budget for 2024-2030
Breakdown of investments between 2024 and 2030:
58%: Energy efficiency improvements and asset renovation
16%: Adaptation, biodiversity
15%: Energy switch and renewable energy
11%: Charging points for electric vehicles
▷No investment amount communicated for the other divisions, in particular the Property development division (Energy, Renewal of materials, Construction), which accounts for 89% of GHG emissions.
51.4 % of CAPEX for activities aligned with the taxonomy (vs. 38%, pro forma, in 2022)/90.5 % of CAPEX for activities eligible for the taxonomy

↑ **Remuneration**

Executive Director :
Variable annual remuneration: new criterion – 25% to maintain the Icade Group's leadership position in CSR based on two components, one of which is adaptation to climate change: reduction of CO_2 emissions in line with the Company's -1.5°C trajectory and biodiversity.

Executive Director, members of the Executive Committee, members of the Coordination Committee and designated "key" executives:
Long-term remuneration: 20% criterion on the reduction in CO_2 emissions measured in absolute terms according to the SBTI measure compared with 2019

Members of the Executive Committee :
Variable remuneration for members of the Executive Committee depends for 15% on the achievement of Icade's CSR commitments and the deployment of the Raison d'être
▷Unweighted carbon criterion

Annual consultative vote on implementation

The low-carbon strategy is subject to an annual shareholder vote

↑ **Consultative vote on strategy every three years**

The annual vote is actually based on the company's strategy

ICADE

ICADE

ACT ACCELERATE CLIMATE TRANSITION

PERFORMANCE SCORING	NARRATIVE SCORING	TREND SCORING
12 /20	**A** B C D E	+

Module	Score	%
Targets	**12/20**	**15%**
Sold product management	**7/20**	**35%**
Management	**13/20**	**10%**
Supplier engagement	**15/20**	**8%**
Client engagement	**16/20**	**20%**
Engagement policy	**17/20**	**2%**
Business model	**13/20**	**10%**

Assessment's elements

- The targets set by Icade, both in intensity and in absolute terms, are aligned with the sector's low-carbon trajectories for the entire Promotion perimeter and for scope 1 & 2 (SBTi aligned targets).
- Icade is on a trajectory that will enable it to achieve its low-carbon objectives, given the 21% reduction in emissions across the 3 scopes observed between its 2019 and 2023.
- Icade has set targets for 2030 and 2050, but has no intermediate targets in between.
- Icade clearly communicates the average carbon intensity of the property development division, as well as the surface area of buildings placed on the market. The carbon performance of buildings placed on the market is in line with the sector scenarios.
- The proportion of "low-carbon" buildings is significant but its evolution over time is not measurable considering a lack of data from previous years that would have enabled the assessment of the trend trajectory.
- Climate issues are dealt with at Board level by the Innovation and CSR Committee. A large majority of employees, including Comex members, are offered financial incentives for achieving climate-related targets.
- Icade favors low-carbon materials, adapting its purchasing strategy and supporting suppliers in the development of low-carbon solutions.
- Icade has set up documents and committees aimed at reducing emissions linked to the use of the buildings it sells. Icade has introduced leases that include climate criteria.
- ICADE is involved in a number of climate initiatives and professional associations, which is highlighted in its communications and *reporting*.
- ICADE has launched several external initiatives with a positive impact on the climate, such as the Cycle-Up platform dedicated to the re-use of building materials.

Consistency of the plan:

- The coherence of the plan reflects the narrative score. Climate issues are fully integrated into the company's strategy and business model. The company is currently aligned with the objectives it has set itself. The company has also worked on its climate *reporting* methodology.

Identified areas for improvement:

- Icade could increase the granularity of its carbon intensity *reporting* in terms of life-cycle stage and asset type.
- Despite a significant proportion of "low-carbon" buildings, it has not been possible to calculate whether this proportion has increased in comparison with the sector benchmark. Similarly, Icade could publish more about its lock-in emissions.
- In terms of influencing its value chain, Icade could propose more downstream solutions for its property development division.

* *An exchange between ADEME and Icade took place prior to publication of the assessment.*

APPENDIX 1: *SAY ON CLIMATE*

▶ *Say on Climate 2020 (1)*

- **Aena** *(Spain)*

▶ *Say on Climate 2021 (27)*

- **Aena** *(Spain)*
- **Atos** *(France)*
- **Aviva** *(UK)*
- **BHP Group Ltd** *(UK)*
- **BHP Group Limited** *(Australia)*
- **Canadian National Railway Company** *(Canada)*
- **Ferrovial**[9] *(Spain)*
- **Gestamp Automocion** *(Spain)*
- **Glencore** *(Switzerland)*
- **HSBC Holdings** *(UK)*
- **Iberdrola** *(Spain)*
- **Investec Plc** *(UK & South Africa)*
- **Investec Plc** *(UK & South Africa)*
- **Moodys Corporation** *(USA)*
- **National Grid** *(UK)*
- **Nestle** *(Switzerland)*
- **Ninety One Ltd** *(South Africa)*
- **Ninety One Plc** *(UK)*
- **S&P Global** *(USA)*
- **Sasol** *(South Africa)*
- **Severn Trent Plc** *(UK)*
- **Shell** *(Netherlands)*
- **SSE** *(UK)*
- **TotalEnergies** *(France)*
- **Unilever** *(UK)*
- **Vinci** *(France)*

[9] *Ferrovial has submitted two separate Say on Climate votes in 2021.*

Sources: ISS

APPENDIX 1: *SAY ON CLIMATE*

▶ Say on Climate 2022 (49)

- **Aena** *(Spain)*
- **AGL Energy Limited** *(Australia)*
- **Amundi** *(France)*
- **Anglo American Plc** *(USA)*
- **APA Group** *(Australia)*
- **Aviva** *(UK)*
- **Barclays PLC** *(UK)*
- **BP Plc** *(UK)*
- **Canadian National Railway Company** *(Canada)*
- **Canadian Pacific Kansas City Limited** *(Canada)*
- **Carmila** *(France)*
- **Carrefour** *(France)*
- **Centrica** *(UK)*
- **Electricite de France (***France)*
- **Elis** *(France)*
- **Engie** *(France)*
- **Equinor** *(Norway)*
- **Ferrovial** *(Spain)*
- **Getlink** *(France)*
- **Glencore** *(Switzerland)*
- **Holcim** *(Switzerland)*
- **Icade** *(France)*
- **Kingspan Group** *(Ireland)*
- **La Francaise de l'Energie** *(France)*
- **London Stock Exchange Group (***UK)*
- **M&G** *(UK)*
- **Mercialys** *(France)*
- **Mundys SpA** *(Italy)*
- **National Grid** *(UK)*
- **NatWest Group** *(UK)*
- **Nexity** *(Spain)*
- **Ninety One Ltd** *(South Africa)*
- **Ninety One Plc** *(UK)*
- **Origin Energy Limited** *(Australia)*
- **Pennon Group Plc** *(UK)*
- **Repsol SA** *(Spain)*
- **Rio Tinto Limited** *(UK)*
- **Rio Tinto Plc** *(UK)*
- **Santos Limited** *(Australia)*
- **Sasol** *(South Africa)*
- **Shell** *(Netherlands)*
- **Sims Limited** *(USA)*
- **South32 Ltd** *(Australia)*
- **SSE** *(UK)*
- **Standard Chartered Plc** *(UK)*
- **TotalEnergies** *(France)*
- **UBS Group AG** *(Switzerland)*
- **United Utilities Group Plc** *(UK)*
- **Woodside Energy Group (***Australia)*

Sources: ISS

APPENDIX 1: *SAY ON CLIMATE*

▶ Say on Climate 2023 (27)

- ▶ **Aena** *(Spain)*
- ▶ **Altarea** *(France)*
- ▶ **Alzchem Group AG** *(Germany)*
- ▶ **Amundi** *(France)*
- ▶ **Aviva** *(UK)*
- ▶ **Canadian National Railway Company** *(Canada)*
- ▶ **Canadian Pacific Kansas City Limited** *(Canada)*
- ▶ **Covivio** *(France)*
- ▶ **Credit Suisse Group AG** *(Switzerland)*
- ▶ **EDP-Energias de Portugal SA** *(Portugal)*
- ▶ **Ferrovial** *(Spain)*
- ▶ **Glencore** *(Switzerland)*
- ▶ **Holcim** *(Switzerland)*
- ▶ **Icade** *(France)*
- ▶ **Incitec Pivot Limited** *(Australia)*
- ▶ **Klepierre** *(France)*
- ▶ **Legal & General Group Plc** *(UK)*
- ▶ **Ninety One Ltd** *(South Africa)*
- ▶ **Ninety One Plc** *(UK)*
- ▶ **Pennon Group** *(UK)*
- ▶ **Schneider Electric SE** *(France)*
- ▶ **Shell** *(Netherlands)*
- ▶ **SSE** *(UK)*
- ▶ **Orica** *(Australia)*
- ▶ **TotalEnergies** *(France)*
- ▶ **Vallourec SA** *(France)*
- ▶ **Westpac banking** *(Australia)*

Sources: ISS

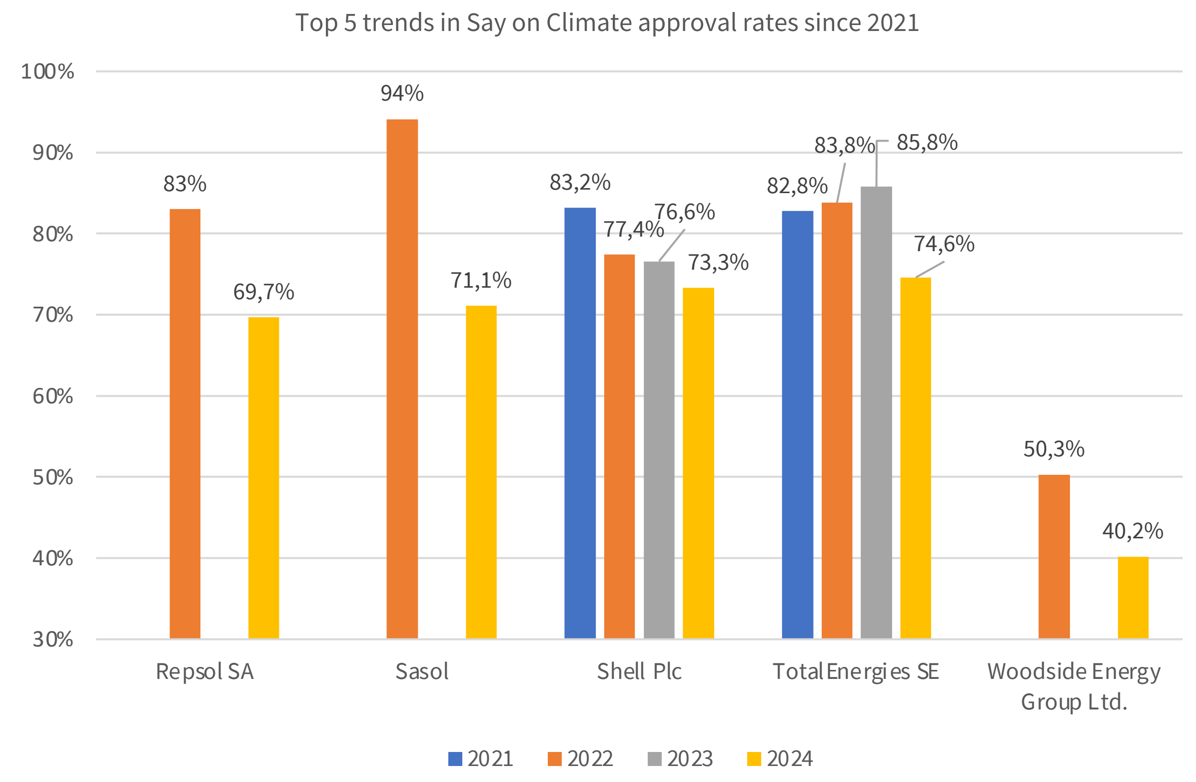
APPENDIX 1: *SAY ON CLIMATE*

Say on Climate 2024 (26)

- **Aena** *(Spain)*
- **Altarea** *(France)*
- **Amundi** *(France)*
- **Aviva** *(UK)*
- **Canadian National Railway Company** *(Canada)*
- **Canadian Pacific Kansas City Limited** *(Canada)*
- **EDP-Energias de Portugal SA** *(Portugal)*
- **Eramet** *(France)*
- **Essentra** *(UK)*
- **Ferrovial** *(Spain)*
- **GEA** *(Germany)*
- **Gecina** *(France)*
- **Glencore** *(Switzerland)*
- **Holcim** *(Switzerland)*
- **Icade** *(France)*
- **National Grid** *(UK)*
- **Ninety One Ltd** *(South Africa)*
- **Ninety One Plc** *(UK)*
- **Pennon Group** *(UK)*
- **Repsol SA** *(Spain)*
- **Sasol** *(South Africa)*
- **Shell** *(Netherlands)*
- **SSE** *(UK)*
- **TotalEnergies** *(France)*
- **Unilever** *(UK)*
- **Woodside Energy Group** *(Australia)*

Sources: ISS

APPENDIX 2:
Top 5 trends in *Say on Climate* approval rates since 2021



In order to find the Top 5 biggest changes in the approval rate, FIR calculated the difference between the rate in the first year and that in the last year of filing a vote on the transition plan, and retained the biggest differences. These changes are -13.3 % for Repsol, -23% for Sasol, -9.9 % for Shell, -8.2 % for TotalEnergies and -10.1 % for Woodside Energy Group.

As a reminder, each approval rate was recalculated by FIR by taking abstentions into account (number of votes in favour/total number of votes: in favour + against + abstentions).

Average evolution of the SoC approval rate between 2021 and 2024 :
- 2021: 93% (27 SoC)
- 2022: 86.4% (49 SoC)
- 2023: 89.3% (27 SoC)
- 2024: 87.4% (26 SoC)

Sources: FIR-ISS

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.

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