

ACT | **ASSESSING LOW CARBON TRANSITION**®

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What is the ACT initiative ?

Provide credibility regarding the abilities of companies to reach their decarbonization targets. Avoid greenwashing



ACT is the only international initiative providing a « climate accountability » framework to assess company decarbonization strategy and transition plan regarding « well below 2°C ». ACT also allows to equip companies to define and implement such strategy and plan

ACT | ASSESSING LOW CARBON TRANSITION[®]

Quantify

Assessing
ACT – A

Guiding
ACT – S

Co-funded by



If Paris agreement's mitigation goal was a Marathon?



The company transparently informs that it considers to run the marathon and had identified the risks associated (...in order to secure/reassure sponsors)



The company has committed that it actually wants to run the marathon and finish it on time



The company demonstrates that it will run the marathon and has a training program and relevant equipment to successfully run it without injuries

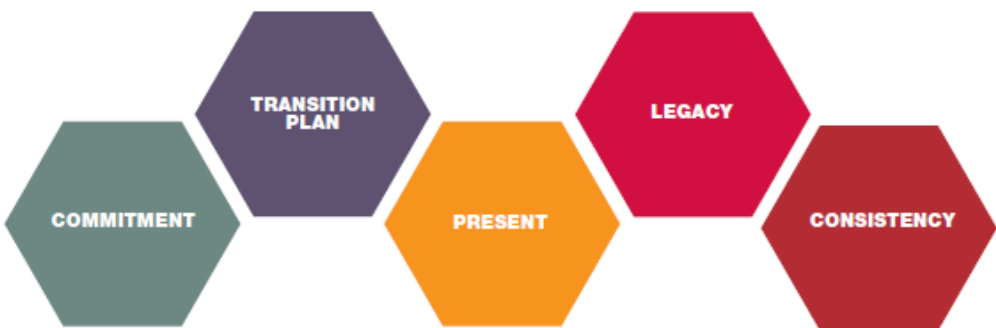
The ACT framework


- 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?

PERFORMANCE SCORE Alignment measured with KPIs 20 - 1	
1	Targets
2	Material investment
3	Intangible investment
4	Performance of products
5	Management
6	Suppliers
7	Clients
8	Policy engagement
9	Business model

NARRATIVE SCORE Summary of whole assessment A - E	
1	Business model & strategy
2	Consistency & credibility
3	Reputation
4	Risk

TREND SCORE Forecast of future changes +, =, -	
1	Change in future emissions
2	Change in business model & strategy
3	Any other information compiled as part of score research





ACT
 Feedback report

COMPANY : _____ ANALYST : _____

Score ACT

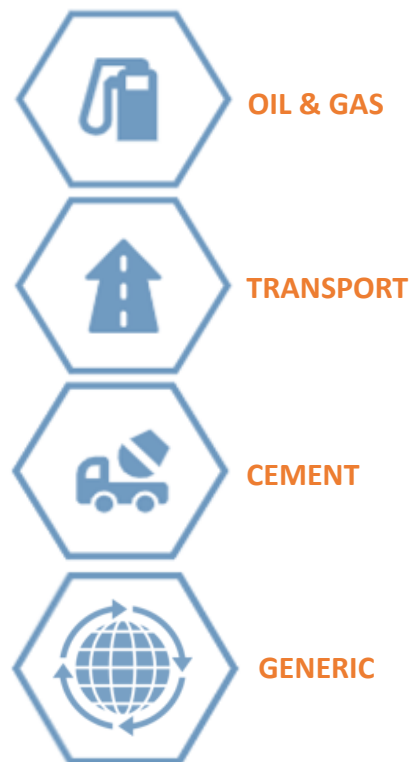




Performance Narrative Trend

ACT assessment : sectoral coverage

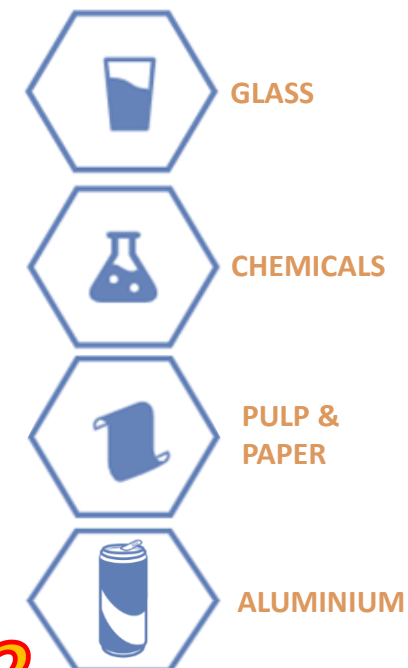
Available



Finalization December 2021



Road testing Sept 2021 – Mar 2022



NEW 2022

ACT ADAPTATION
Road-test April- Oct 2021

ACT FOR FINANCE
March 2021 – March 2022

Use and recognition

Climate and Energy Benchmark in Oil and Gas



Ranking
Companies that ranked in Top 5

Total score
out of 100

ACT rating
performance, narrative and trend

1	Neste	<div><div></div></div>	57.4 / 100	8.1 / 20	B	=
2	Engie	<div><div></div></div>	56.9 / 100	7.9 / 20	B	=
3	Naturgy Energy	<div><div></div></div>	44.8 / 100	6.8 / 20	C	+
4	Eni	<div><div></div></div>	43.6 / 100	7.3 / 20	C	=
5	bp	<div><div></div></div>	42.9 / 100	6.0 / 20	C	+

Ranking
Companies that ranked in Bottom 5

Total score
out of 100

ACT rating
performance, narrative and trend

96	Abu Dhabi National Oil Company (ADNOC)	<div><div></div></div>	0.7 / 100	0.3 / 20	E	-
96	National Oil Corporation of Libya	<div><div></div></div>	0.7 / 100	0.3 / 20	E	-
98	NGL Energy Partners	<div><div></div></div>	0.2 / 100	0.1 / 20	E	-
98	Basra Oil Company	<div><div></div></div>	0.2 / 100	0.1 / 20	E	-
100	PBF Energy	<div><div></div></div>	0.0 / 100	0.0 / 20	E	-

Partners



ACT ASSESSING LOW CARBON TRANSITION

Figure 11: Sources of existing guidance on key elements of transition plans

Common users		All Economy		Investors		Banks		Corporates	
		TCFD	SBTi	CA 100+	TPI	CSL	CDP	ACT	
1 Governance	Describe the board and management's oversight and approval of the net-zero transition plan								
	Describe the reporting to be done in support of the net-zero transition plan and the process for its review and update								
	Describe the incentives and impacts on remuneration tied to the execution of the net-zero transition plan								
2 Strategy	Describe the planned roadmap and the phasing of the specific actions required to reach net zero (e.g. technologies deployed, energy efficiency measures taken)								
	Describe the usage of carbon credits and offsets with reference to emerging industry guidance (e.g. type of credits used, price applied, verification). Credits and offsets should be disclosed separately from gross emissions figures								
	Describe the size and nature of current and future low-carbon capital investments (capital allocation alignment)								
	Describe current and future engagement with customers, clients, and suppliers								
	Describe current and future engagement with policy and advocacy efforts								
	Describe how the transition plan supports a just transition								
	Explore the impacts of different transition scenarios on the firm's decarbonisation strategy								
3 Risk mgmt.	Describe the responsible retirement plans for high-emitting corporate assets (capital allocation alignment)								
	Describe the operational challenges likely to be encountered in transitioning to a net-zero business								
	Describe the ways in which the firm will overcome these challenges								
	Describe the size and nature of the transition and physical risks facing the firm in the short, medium, and long term								
4 Metrics & targets	Describe the climate impacts that result from firm activities (e.g. risks posed by the firm to the climate)								
	Explicitly state the ambition of the transition plan in terms of net-zero date, interim targets, and the pathway used to develop the net-zero transition plan								
	Describe short-, medium-, and long-term decarbonisation targets for the firm and individual business lines (if relevant)								
	Disclose Scope 1, 2, and 3 baseline emissions								
	Disclose progress made against emissions reductions targets								
	Disclose other relevant metrics for assessing transition progress (e.g. emissions intensity metrics, energy use, production plans)								

Element inc	CDP Climate Transition Plan elements	ACT	TCFD ¹⁴	CA100+	Gfanz ¹⁵	IIGCC ¹⁶	ICAPs ¹⁷	TPI ¹⁸	ALCT	ACCR	CBI ¹⁹	ICMA	CSLN ²⁰
	Governance												
	Scenario Analysis												
	Risks & Opportunities												
	Strategy to achieve Net Zero												
	Financial Planning												
	Targets												
	Scope 1,2,3 accounting with verification												
	Policy												
	Value chain engagement & Low carbon initiatives												



Full alignment

Partial alignment

No alignment

ACT STEP BY STEP

Companies can be assisted by a trained advisor

Goal: Develop low-carbon strategy with associated transition plan and implement it

For: Early-stage companies

1. Current situation

2. Issues & challenges

3. Vision

4. New strategy

5. Action plan



4 PRACTICAL
TOOLS



3 CHECKPOINTS
TO VALIDATE
PROGRESS

Low-Carbon Transition Strategy

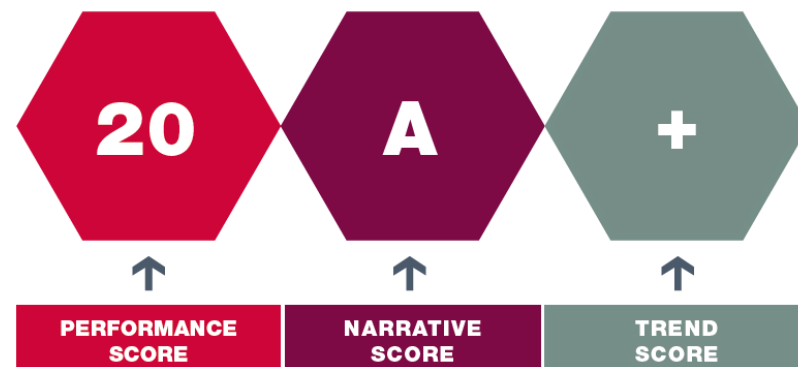
- 1 Target
- 2 Material Investment
- 3 Immaterial investment
- 4 Product performance
- 5 Management
- 6 Supplier engagement
- 7 Client engagement
- 8 Public engagement
- 9 Business Model

ACT ASSESSMENT

Companies can be assisted by a trained assessor

Goal: Measure the alignment of low-carbon strategy with the Paris Agreement goal

For: Companies with science based targets and transition plan



About 120

 French

 companies

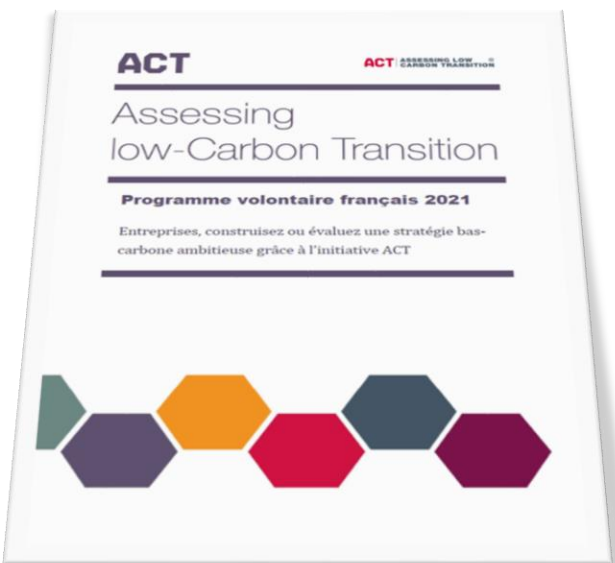
The ACT French voluntary program

Funding support for

 companies

6 colleges gouvernance

 committee



Assess : ACT covered sectors

Progress : ACT Step by Step

100 ACT trained consultants

Trainings

<https://formations.ademe.fr>



Colleges	Organizations
Policy makers	Ministries of Environment, Economy and Finances, Foreign affairs,
Financial institutions	F4T, BPI, FBF, BdF, APE
NGOs	ECF, CAN
Companies	MEDEF, CPME, EpE, UN Global Compact Fr
Consultants, experts	ABC, APCC, Deloitte, McKinsey
Academics, Think tanks	I4CE, IDDRI, CIRED, Policy Shift, Chaire Economie du Climat



**RÉPUBLIQUE
FRANÇAISE**

*Liberté
Égalité
Fraternité*



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<https://actinitiative.org/>