



ROADTEST | CALL FOR APPLICATIONS

November 2022



ACT | ASSESSING LOW CARBON TRANSITION[®]

Roadtest | Benefits

WHEN

- March 2023 – September 2023

WHY

- Benefit from a **free ACT assessment** of your low carbon strategy
- Feedback report will provide **tailored recommendations**
- **Showcase efforts to increase your impact in real economy GHG emissions reduction**
- Benefit from **Capacity Building on the ACT methodology**

WHO

- **Max 25 Financial Institutions**
- **Geographically diverse**

OUTPUTS

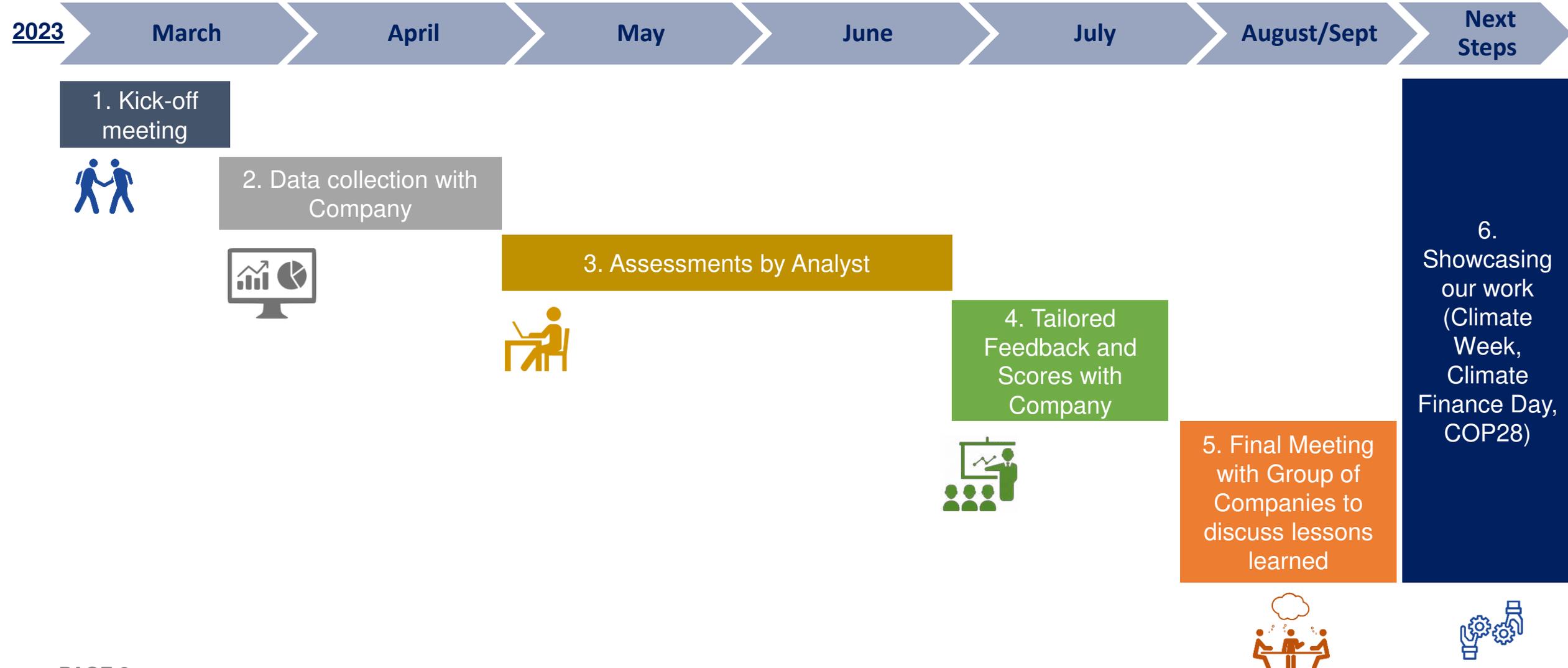


*Individual Report
(private)*



*Anonymised
roadtest results
report (public)*

Roadtest | Timeline



Roadtest | Outputs

1



Individual Financial Institution Report

FI's full score breakdown

2



Full Roadtest Public Report

Summary of Roadtests and aggregate/anonymised FI scores

3



Methodology Feedback Report

Suggested modifications to enhance Methodology

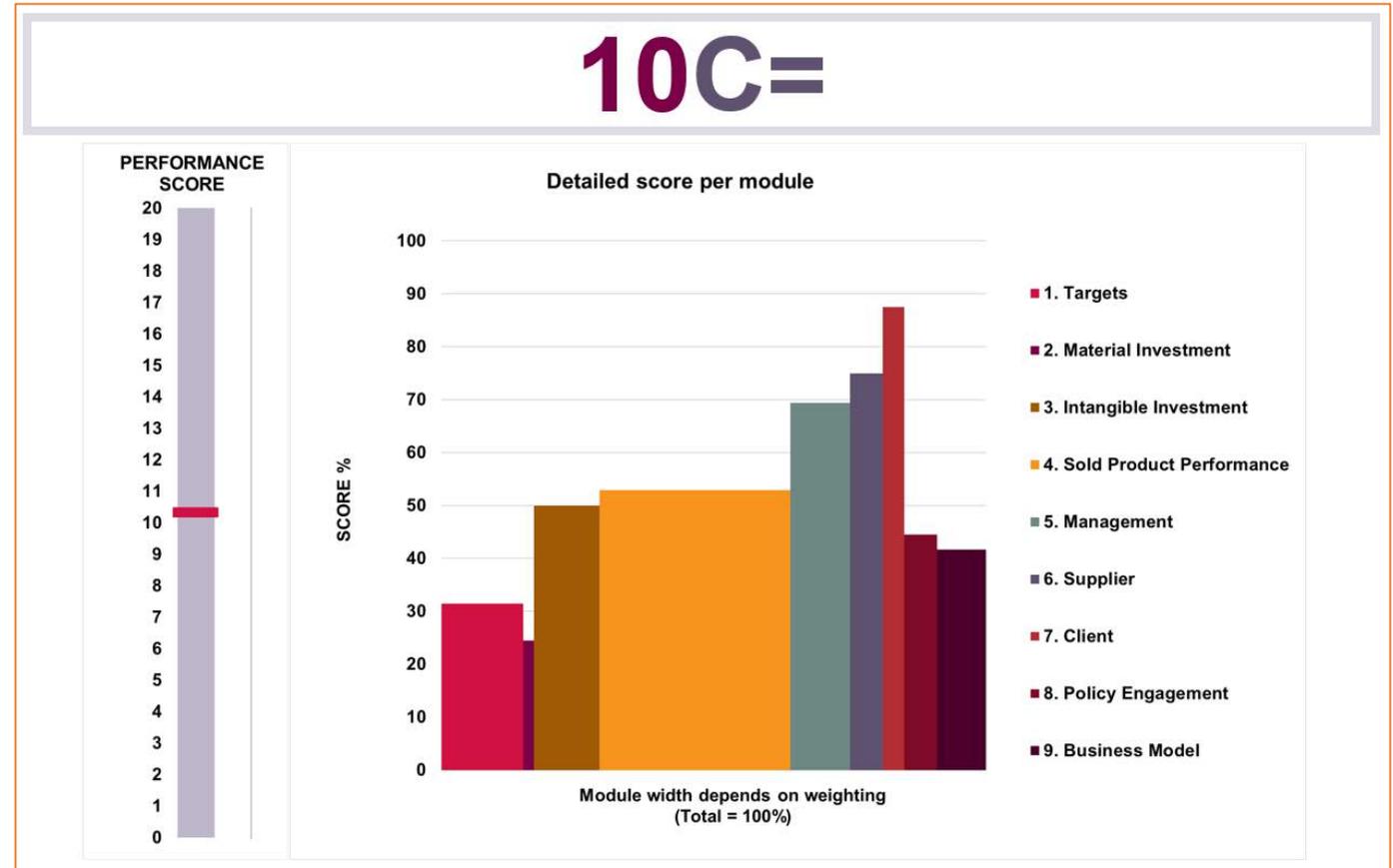
Roadtest | Output example

1



Individual Financial Institution Report

FI's full score breakdown



Roadtest | Guarantees & commitments

Guarantees: Data Confidentiality



- Your data will remain **confidential**
- Your individual ACT score will remain **confidential**
- Possibility to sign a **Non-Disclosure Agreement (NDA)**
- Final Roadtest Report will present aggregated and anonymised scores

Commitments from the FI



- Select a **project lead** + be actively **engaged**
- **Collect data** required for the ACT assessment
- Dedicate **5** working days FTE
- ADEME can **communicate** about FI's participation in the roadtest

Roadtest | Sample of participating companies

Transport, Oil & Gas and Cement sectors



Roadtest | Some feedbacks

Some **tough questions** that provided **useful insight** for our planning

Our ACT score was extremely **useful** – it accurately captured what we have done and where we have **room to improve**. We will be communicating our scores to our **stakeholders**

Analysis was **comprehensive** and was useful to have a **sector-focused** assessment of climate strategy

Useful to understand sector and company climate strategy from a **global perspective**

Roadtest | Application



- i. Read through the Terms of Reference.

- ii. Please confirm your interest by email to anatole.metais-grollier@ademe.fr by **31st of January 2023**.

APPENDIX

ACT | What is the ACT Initiative?

+400
companies
engaged



Provide credibility for companies' climate transition plans and their potential to reach their science-based targets. Avoid greenwashing.



ACT is a forward-looking, holistic and operational approach to corporate climate accountability developed through multi-stakeholders technical working groups and public consultations.



Funded by



Strategic partnerships



ACT 4 FINANCE | If the Paris Agreement mitigation goal was a marathon

#1

The company considers **the benefits of running the marathon and has identified the associated risks**
(in order to secure/reassure sponsors)



DISCLOSE (risk identification)

#3

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



MEASURE (target commitment)

#2

The company shares **track record and running performances**



DISCLOSE (current performance)

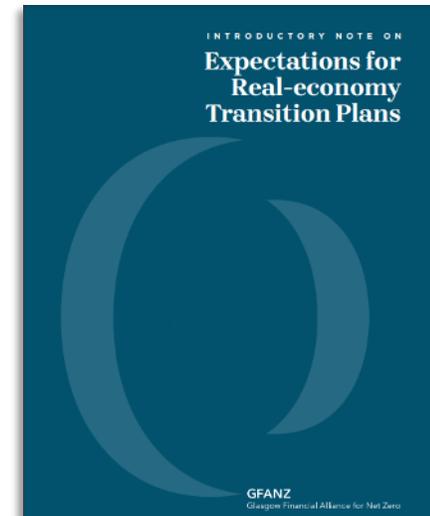
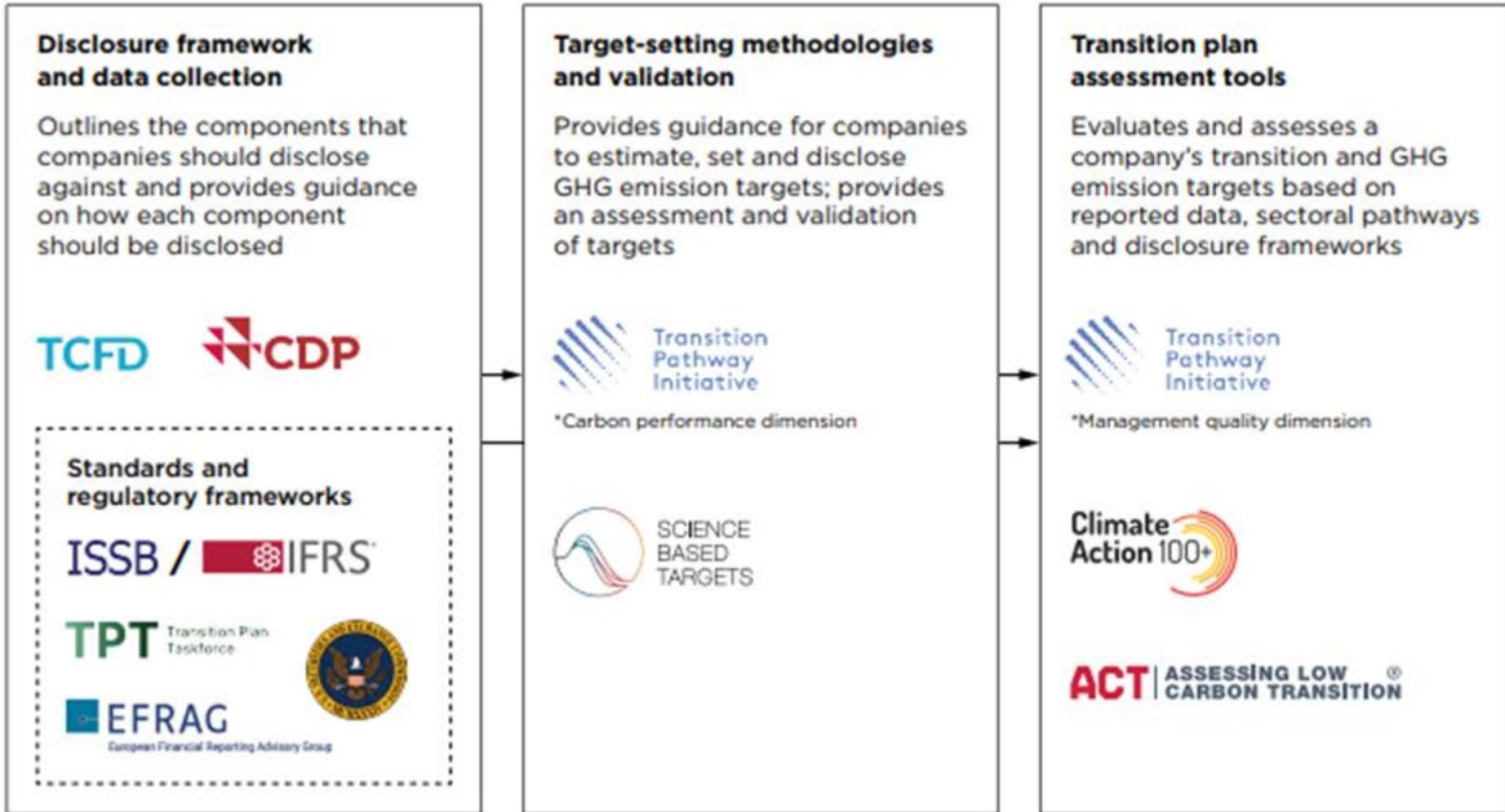
#4

The company demonstrates that it **will run the marathon and has a training program and relevant equipment to successfully run it**



ASSESS & TRACK (methodology)

ACT | In the jungle of transition plan initiatives

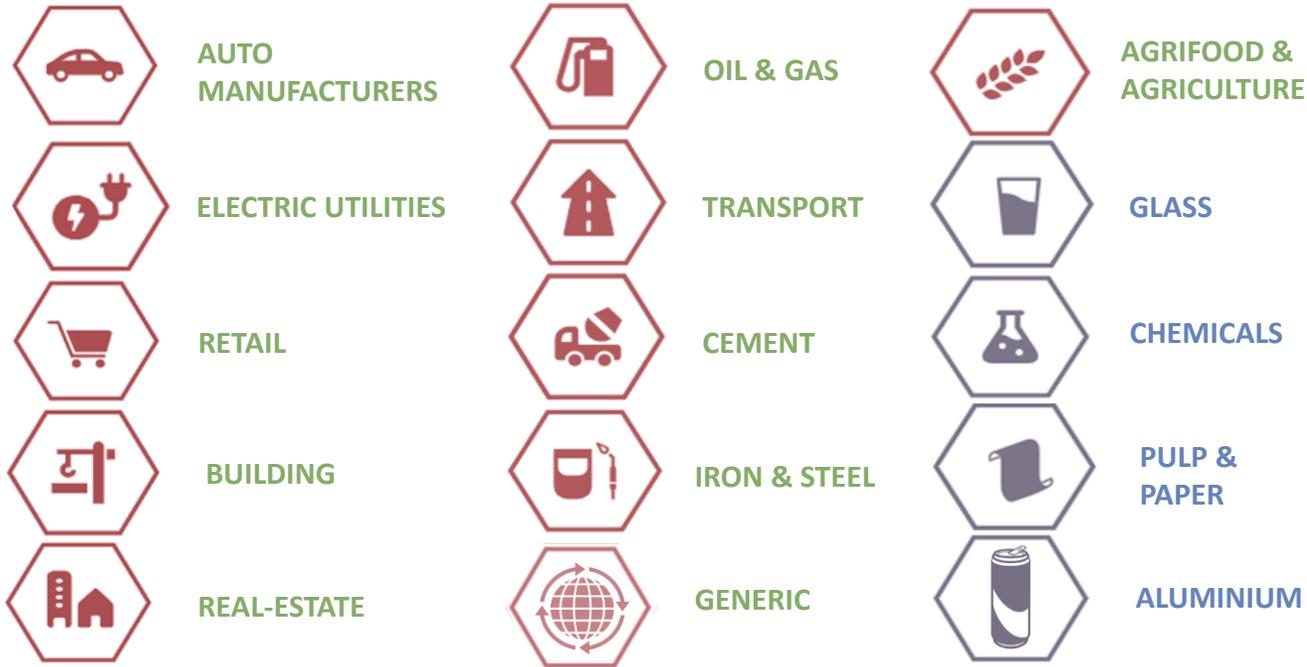


Source : figure 2 Transition plan initiatives classification. introductory note on expectations for real-economy transitions plans (GFANZ June 2022).

ACT | Sectors



- ACT methodology implemented since 2015 in 15 sectors:



On-going roadtest

- Co-funded by:



Co-funded by the European Union

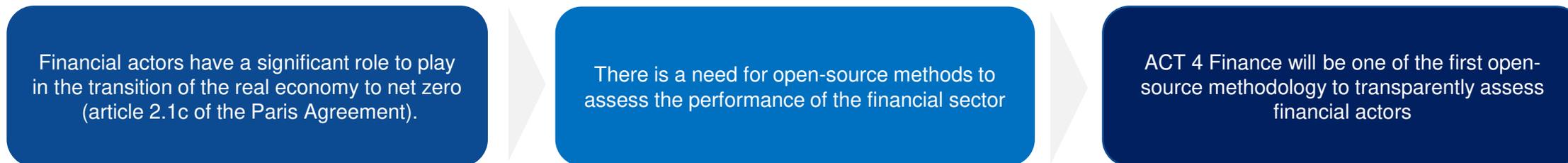
- Provide credibility regarding the abilities of companies to reach their decarbonization targets and avoid greenwashing with support of:



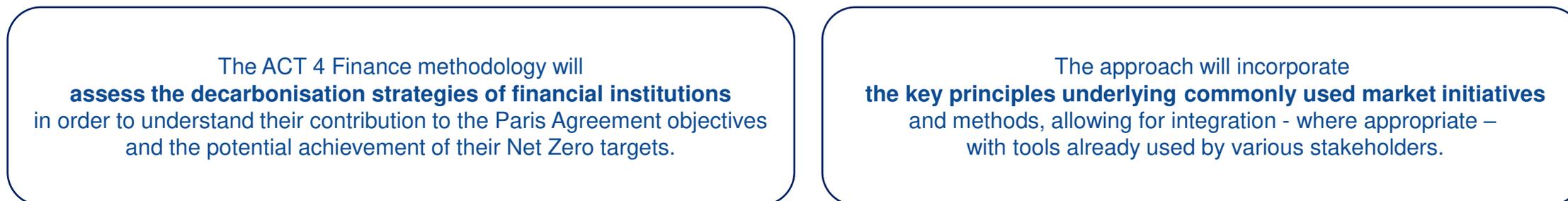
- ACT is the only international initiative providing a **climate accountability framework** to assess company decarbonization strategy and transition plan regarding « well below 2°C » or “1.5°C”.
- ACT also allows to equip companies to **define and implement such strategy and plan.**

ACT 4 FINANCE | Why ACT 4 FINANCE is relevant to my organization?

Why:



How:



- ACT 4 Finance will provide a comprehensive assessment of a financial institution's decarbonisation strategy and transition plan, not just a measure of induced temperature or portfolio alignment.

ACT 4 FINANCE | ACT methodology...

They 5 key questions driving the ACT evaluation:



The ACT score is built on the answers to these 5 questions and synthesized in 3 scores:



- The ACT assessment produces three outputs, which are contained in the ACT assessment report:
 - a score broken down into three parts (a performance score (0-20), a narrative score (A-E) and a trend score (+, -, =));
 - a description of the information on which the assessment is based on;
 - an analysis of the company low-carbon transition identifying where the company performs and where progress should be made.

ACT 4 FINANCE | Comprehensive overview

Performance score

Modules for Investors		20	A	+	Modules for Lenders	
1	Targets	Quantitative	1	Targets		
2	Material Investment	Quantitative	2	Material Investment		
3	Intangible Investment	Qualitative	3	Intangible Investment		
4	Portfolio climate performance	Quantitative	4	Portfolio climate performance		
5	Management & Risks	Qualitative	5	Management & Risks		
6	Investors Engagement	Quantitative Qualitative	6	Savers Engagement		
7	Investees Engagement	Qualitative	7	Issuers/borrowers Engagement		
8	Policy Engagement	Qualitative	8	Policy Engagement		
9	Business Model	Qualitative	9	Business Model		

Schedule

