



# ROADTEST | CALL FOR APPLICATIONS

November 2022



**ACT** | ASSESSING LOW CARBON TRANSITION<sup>®</sup>

# 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

2023

March

April

May

June

July

August/Sept

Next  
Steps

1. Kick-off  
meeting



2. Data collection with  
Company



3. Assessments by Analyst



4. Tailored  
Feedback and  
Scores with  
Company



5. Final Meeting  
with Group of  
Companies to  
discuss lessons  
learned



6.  
Showcasing  
our work  
(Climate  
Week,  
Climate  
Finance Day,  
COP28)



# Roadtest | Outputs

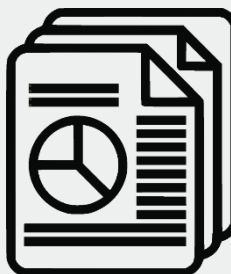
1



## 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

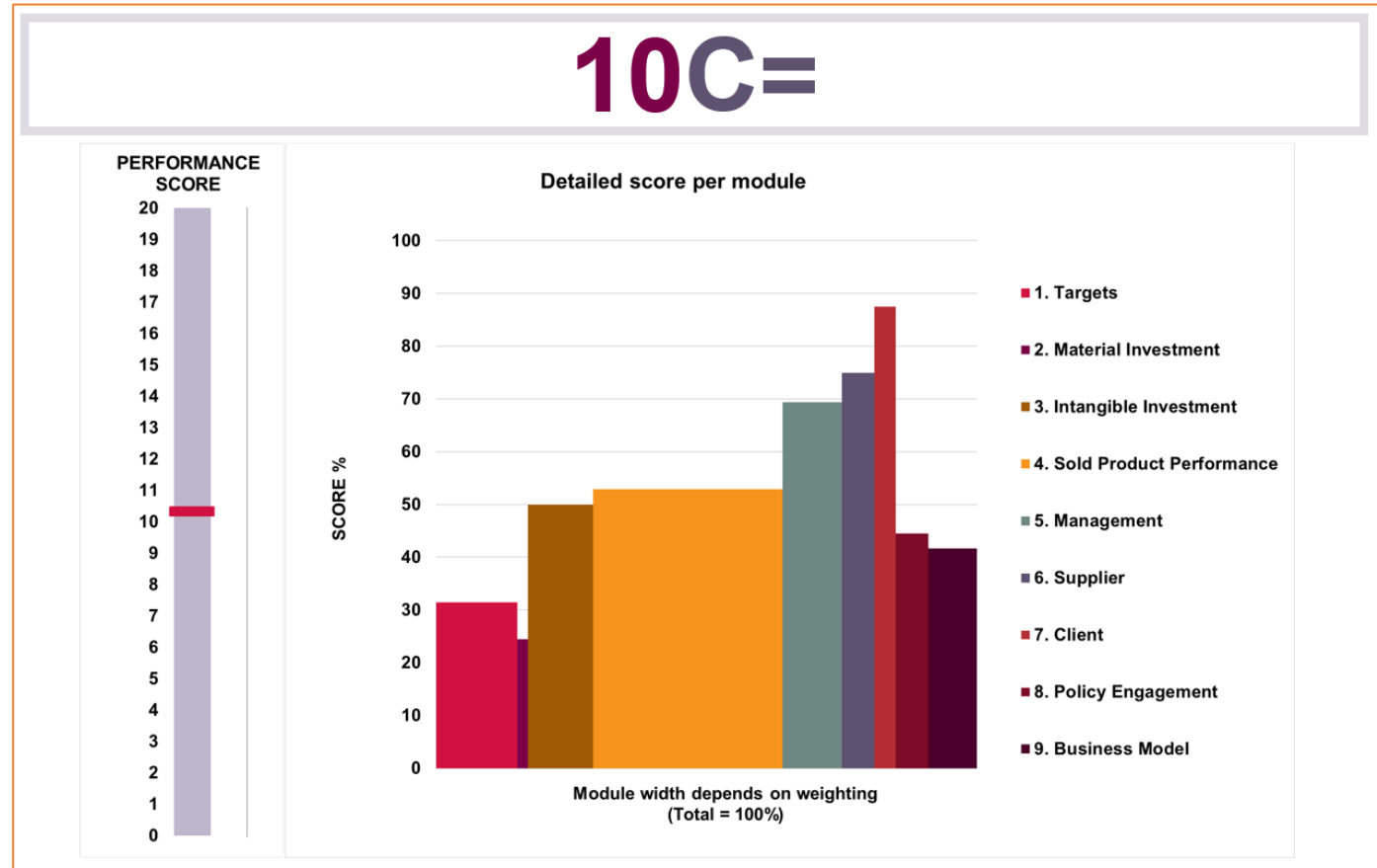
# Roadtest | Output example

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](mailto: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)

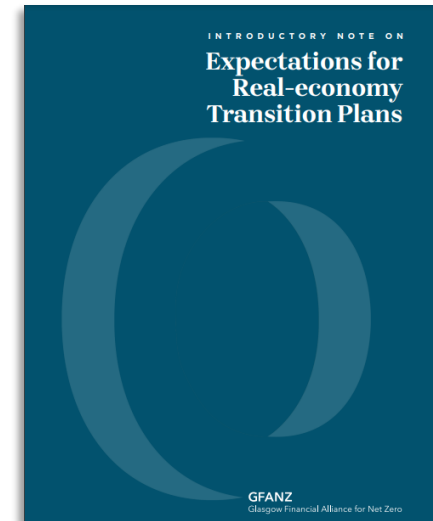
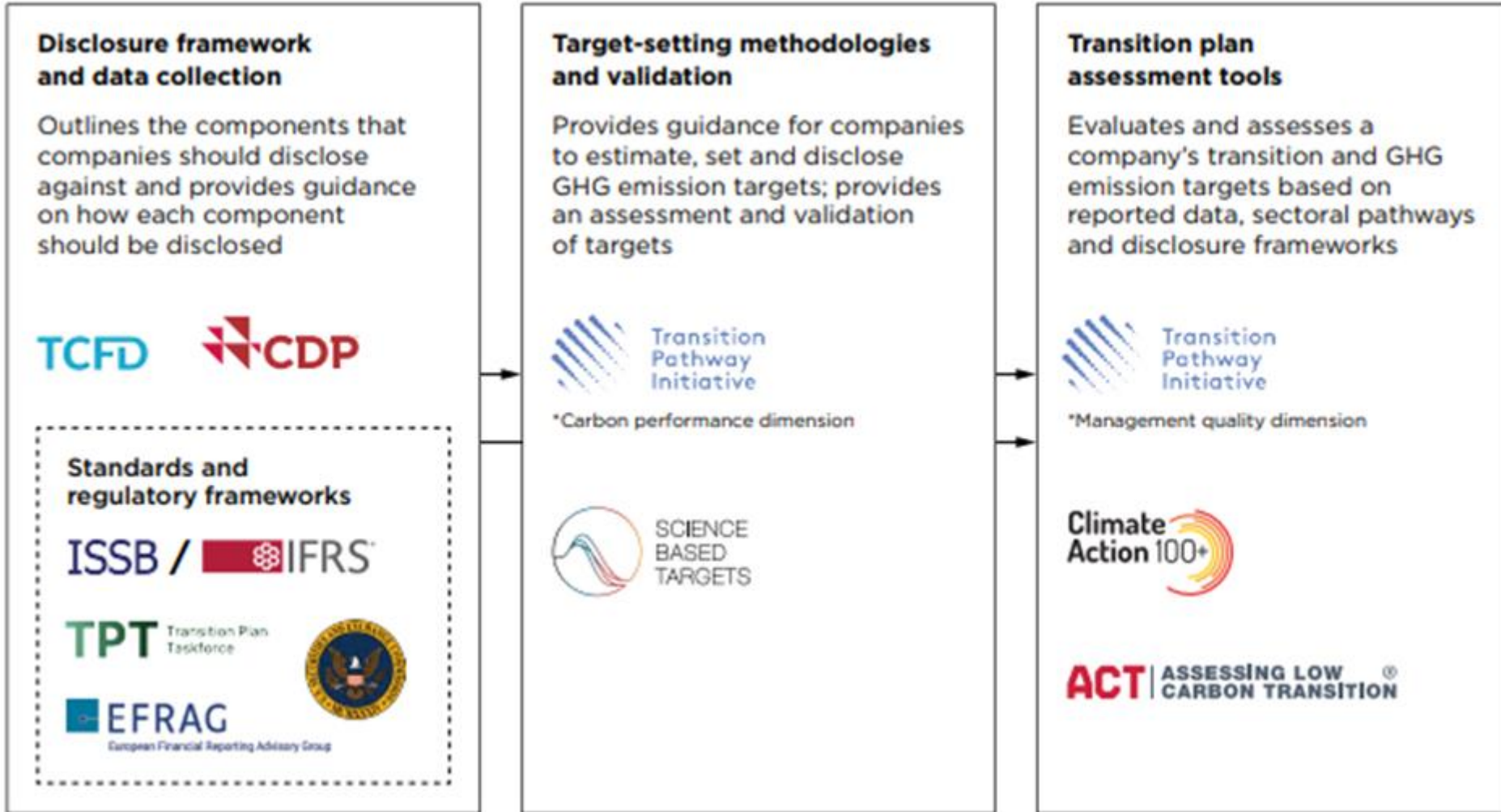
#4

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



**ASSESS & TRACK** (methodology)

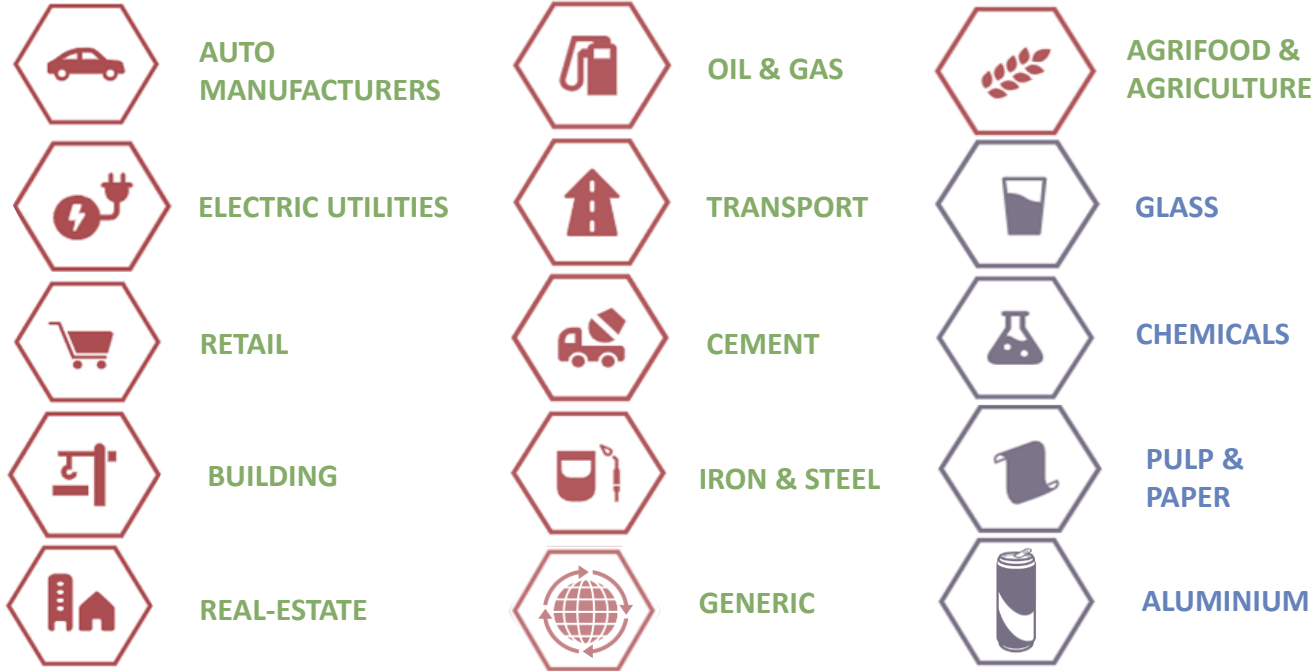
# ACT | In the jungle of transition plan initiatives



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:

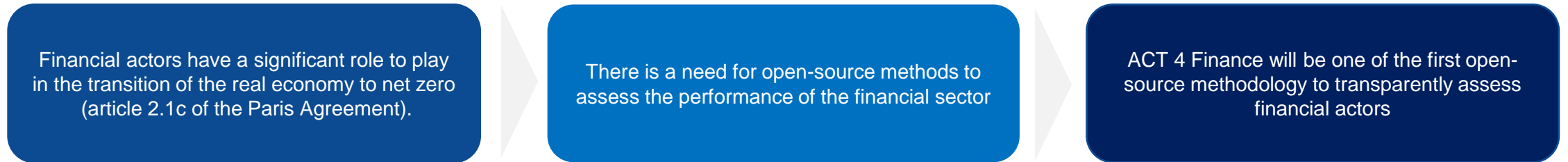


Global Climate Action  
United Nations Climate Change

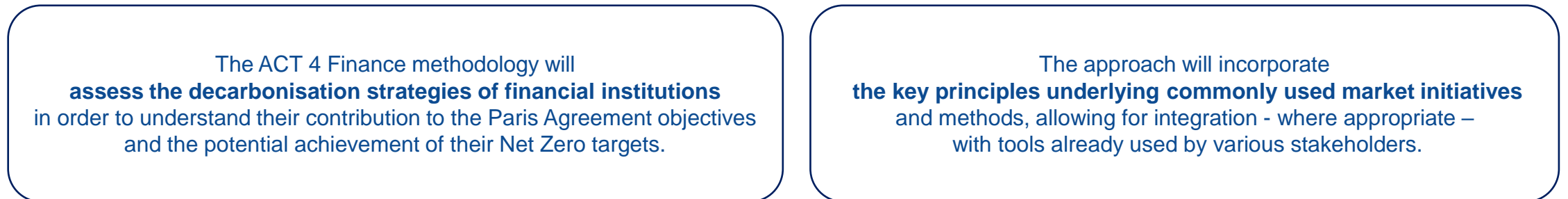
- ACT is the only international initiative providing a **climate accountability framework** to assess company decarbonization strategy and transition plan regarding « well below 2°C » or “1.5°C”.
- ACT also allows to equip companies to **define and implement such strategy and plan.**

# 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

