



SAY ON CLIMATE assessment

France



2024

Transparency rating

30%

alignment with FIR
recommendations



ACCELERATE
CLIMATE
TRANSITION

PERFORMANCE SCORING
7 / 20

NARRATIVE SCORING
A B C D E

TREND SCORING
-

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 terms of its action plan, we welcome the disclosure of the contribution of each action to the objectives of scopes 1 and 2, but encourage the company to provide 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. 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.

Since 2021, the **French Forum for Responsible Investment (FIR)** has called for the widespread adoption of stringent Say on Climate (SOC). In March 2023, the FIR signed again [an agreement with 48 French and European signatories](#), encouraging the development of SOC's. 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** are extending their partnership by joining forces this year with **Ethos and the World Benchmarking Alliance**, to analyze the climate plans of European companies submitted 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 mitigation 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 will be published progressively ahead of their annual general meetings.

As in 2022 and 2023, the 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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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 SB Ti 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 MtCO ₂ eq (vs 2022: 2.99)	0.20 MtCO ₂ eq (vs 2022: 0.24)	15.4 MtCO ₂ eq (vs 2022: 18.5)

90% of scopes 1 and 2 emissions relate to pyrometallurgical processing of manganese and nickel 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 underway) of a CO₂ 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.

ERAMET



PERFORMANCE SCORING*

7/ 20

NARRATIVE SCORING

A B C **D** E

TREND SCORING



Module	Score	%	Assessment's elements
Targets	2/20	15%	<ul style="list-style-type: none"> 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. 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. Eramet does not provide past or future data on R&D investments in climate change mitigation technologies. 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. 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. 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. 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. 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.
Material investment	0/20	5%	
Intangible investment	0/20	5%	
Performance of sold products	9/20	30%	
Management	10,6/20	10%	
Supplier engagement	12,2/20	8%	
Client engagement	4/20	10%	
Policy engagement	13,4/20	6%	
Business model	3/20	10%	

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, CO2 quantification, financial projections).

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

SAY ON CLIMATE 2023 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

→ IT'S TIME TO ACT

WHAT IS ACT ?

A joint voluntary initiative of the UNFCCC secretariat Global Climate Agenda.

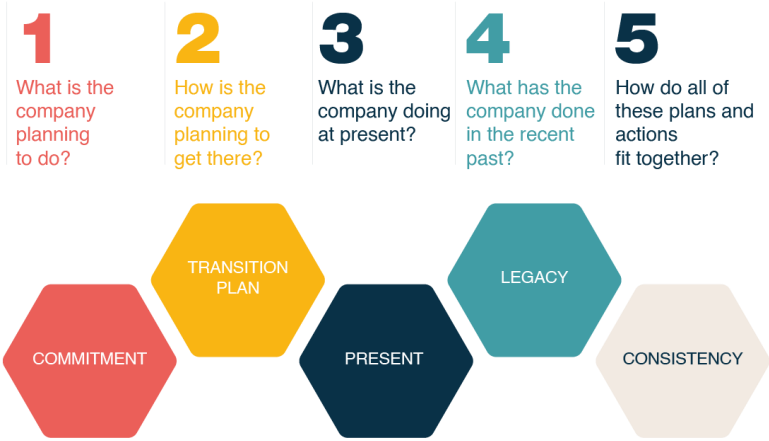
WHY ACT ?

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



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



ACT Methodology

Generic

The full ACT methodology for the Generic sector can be found on [our website](#). The detailed assessment is summarized in a score based on three criteria: performance, overall consistency and trend. It takes the following form:

- **Performance:** number between 1 and 20
- **Evaluation (consistency):** letter between A and E
- **Trend:** + (improvement), - (deterioration), = (stable)

Module	Indicateur
1. Targets	1.1 Alignment of scope 1+2 emissions reduction targets
	1.2 Alignment of upstream scope 3 emissions reduction targets
	1.3 Alignment of downstream scope 3 emissions reduction targets
	1.4 Time horizon of targets
	1.5 Achievement of previous and current targets
2. Material investment	2.1 Trend in past emissions intensity from material investment
	2.2 Trend in future emissions intensity from material investment
	2.3 Share of Low Carbon CAPEX
	2.4 Locked-in emissions from own fleet and buildings
3. Intangible investment	3.1 R&D spending in low-carbon technologies
	3.2 Company climate change mitigation patenting activity
4. Sold product performance	4.1 Product-specific interventions
	4.2 Trend in past product / service specific performance
	4.3 Locked-in emissions from sold products
	4.4 Sub-contracted transport service performance
5. Management	5.1 Oversight of climate change issues
	5.2 Climate change oversight capability
	5.3 Low-carbon transition plan
	5.4 Climate change management incentives
	5.5 Climate change scenario testing
6. Supplier engagement	6.1 Strategy to influence suppliers to reduce their GHG emissions
	6.2 Activities to influence suppliers to reduce their GHG emissions
7. Client engagement	7.1 Strategy to influence client behaviour to reduce their GHG emissions
	7.2 Activities to influence customer behaviour to reduce their ghg emissions
8. Policy engagement	8.1 Company policy on engagement with associations, alliances, coalitions or thinktanks
	8.2 Associations, alliances, coalitions and thinktanks supported do not have climate-negative activities or positions
	8.3 Position on significant climate policies
	8.4 Collaboration with local public authorities Assessment Eramet Say on Climate - FIR & ACT
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

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.

In collaboration with:

