SAY ON CLIMATE assessment

Germany

GEA

2024

Transparency rating			
70% alignment with FIR recommendations	PERFORMANCE SCORING 12 / 20	NARRATIVE SCORING A **B** C D E	TREND SCORING +

*GEA has put in place numerous elements that make its **overall climate strategy robust**. Main positives elements are ambitious climate targets, some actions being taken to reduce the impact of sold products, the governance around climate, and client and supplier engagement. Nevertheless, the company does have **some key aspects that are still lacking** such as a transparent policy engagement and a R&D budget aligned with its climate ambitions on scope 3 to achieve a fully credible strategy for aligning its business model with a low-emission economy. Progress made by the company in recent years offers **an encouraging outlook for the coming years**.*

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 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** 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.

TABLE OF CONTENTS

In partnership with :

ethos

World Benchmarking Alliance

With the contribution of the European Union LIFE program

FORUM POUR L'INVESTISSEMENT RESPONSABLE

GEA

70%
alignment with FIR recommendations

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%	
Management	13/20	10%	• 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. • 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

Change in rating compared with analysis of FIR *Say On Climate* 2023 — Increase / Stagnation / Drop

SAY ON CLIMATE 2023 evaluation grid

based on follow-up to FIR recommendations

	Green	Orange	Red
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

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? — COMMITMENT

2 How is the company planning to get there? — TRANSITION PLAN

3 What is the company doing at present? — PRESENT

4 What has the company done in the recent past? — LEGACY

5 How do all of these plans and actions fit together? — 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 → **PERFORMANCE SCORE**
Transition alignment metrics
1 - 20

A → **NARRATIVE SCORE**
Analysis of overall consistency
A - E

+ → **TREND SCORE**
Forecast of future changes
+ = -

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
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:

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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: