



# SAY ON CLIMATE assessment

UK

SEVERN

TRENT

2025

Transparency rating	<div>ACTACCELERATE ©CLIMATE TRANSITION</div>		
	PERFORMANCE SCORING	NARRATIVE SCORING	TREND SCORING
50% alignment with FIR recommendations	57%	A B C D E	+

The company has a **Net Zero ambition across all its scopes by 2050**. It has also set **reduction targets for its scopes 1 & 2 and part of its scope 3 for 2031**. However, its scope 3 target **only covers the use of its products sold, representing only 5.6% of its scope 3 emissions and no quantified emissions reduction target has been communicated after 2031**. Its scope 3 on the use of products sold has **increased by 19%** since 2019, calling into question its ability to achieve its target in 2031. Regarding its **action plan**, this is well detailed for scopes 1 & 2, specifying the contribution to the reduction of the main actions, but is less so for its scope 3 for which only a few examples are given, and few elements are quantified. Regarding spending, we highlight the company's efforts, which have published its 2025-2030 spending plan for the Net Zero action plan, but **without detailing the spending per action**. Finally, we encourage the company to repeat this *Say on Climate* exercise, as it has committed to doing every three years.

As early as 2021, the **French Forum for Responsible Investment (FIR)** has called for the widespread adoption of stringent Say on Climate (SOC). After a first edition on 2022, 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 in 2023, **FIR and ADEME** extended their partnership in 2024 by teaming up **with Ethos and the World Benchmarking Alliance**. Again this year, these players will be working together to study the climate plans of **European companies** submitted to a consultative vote by shareholders at their general meetings in 2025.

In 2022, FIR had published [fact sheets](#) 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 will be enriched **with the ACT assessment tool** to measure the contribution of corporate strategies and actions to the mitigation objectives of the Paris Agreement.

Analyses will be published as they become available, ahead of their annual general meetings.

As in previous years, 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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# Severn Trent

50%

alignment with FIR  
recommendations

## Ambition Net Zero 2050

Net-zero ambition by 2050 for Scopes 1, 2, and 3, with significant offsetting, notably due to exported renewable energy (counted as avoided emissions).

- ▷ The company does not have a quantified decarbonization target across Scope 3, making it difficult to clearly understand how it intends to achieve its net-zero targets.
- ▷ The company does not have a quantified long-term decarbonization target (after 2031) across all of its Scopes.
- ▷ The exact planned offsetting level is not detailed but includes a significant level of avoided emissions (116,097 tCO<sub>2</sub>e in 2024/2025) included in the calculation of net emissions.

## Reference scenario(s) used

The decarbonization targets for Scopes 1 and 2 through 2031 are validated at 1.5°C by SBTi.

The company states that the Scope 3 targets will be on a 1.5°C trajectory after 2030.

- ▷ No external validation of the company's Scope 3 1.5°C alignment at this stage
- ▷ No external validation of the 1.5°C trajectory alignment after 2031.

## Current GHG emissions (2024 vs 2023)

SCOPE 1	SCOPE 2	SCOPE 3
394 203 tCO <sub>2</sub> e in 2024 (vs 2023 recalculated: 379 306) 31% of the total in location based	Location based : 156 759 (vs 159 296); Market based : 501 (vs 113) 13% of the total in location based	702 592 (vs 2023 : 613 860) 56% of the total in location based

Scope 1 = Emissions from fossil fuels, process and fugitive emissions, and transportation; Scope 3 = Emissions primarily from capital equipment and purchased goods and services

## Short-term GHG emissions reduction target (before 2030)

No communication on a short-term reduction target even if there is short-term monitoring (2028) in the CEO's remuneration

## Medium-term GHG emissions reduction target (2040)

Emissions reduction targets by 2031:

- Net-zero Scope 1 & 2 operational emissions by 2030 (including offsets) from a 2019/20 baseline. Currently achieving a 15% reduction compared to the baseline year.
- Also targeting a 46% reduction in Scope 1 and 2 emissions by 2031 compared to 2019/20 (validated SBT 1.5°C target): a 25% reduction of the 46%.
- A 13.5% reduction in emissions related to the use of products sold by 2031 compared to the 2019/20 baseline. Validated SBT target. This target is scheduled to be revised in 2026. At this stage, Scope 3 emissions from products sold have increased by 19% compared to 2019/2020.
- 30% reduction in methane emissions per cubic meter of gas produced by 2033.
- ▷ The SBTi-validated reduction targets for Scope 3 only cover the use of products sold, which corresponds to 5.6% of Scope 3 emissions. Furthermore, they have increased by 19% since 2019/2020.
- ▷ The company could better explain and quantify how it intends to achieve carbon neutrality, including offsetting, for its operations by 2030 and the correlation with its 46% reduction target for the same scope by 2031.
- ▷ No baseline given for methane emissions reduction.

## Long-term GHG emissions reduction target (2050)

Lack of quantified reduction targets across all Scopes between 2031 and 2050.

## Action plan measures

Scopes 1 and 2 :

Targets a reduction of 220 ktCO<sub>2</sub>e between 2025 and 2030, also expressed by the company as a reduction of 537 ktCO<sub>2</sub>e in 2030 compared to a "nothing is done" scenario. Their reduction levers are:

- Reduction of process emissions ~ 175 ktCO<sub>2</sub>e.
- Arrival of a green tariff ~ 125 ktCO<sub>2</sub>e.
- Renewable energy exports ~ 165 ktCO<sub>2</sub>e
- Fossil fuel phase-out ~ 50 ktCO<sub>2</sub>e with 100% renewable energy by 2030 (Scope 2) (86% of target achieved)
- Electric fleet = objective of 100% electric vehicles when achievable by 2031 (Scope 1) (28% of the objective achieved)
- ▷ Significant offsetting in Scopes 1 & 2 due to the sale of renewable energy

\*greenhouse gas emissions other than combustion emissions resulting from intentional and unintentional reactions between substances or from their transformation, where the primary purpose is other than the production of heat.

Scope 3 :

Scope 3 emissions are expected to increase before decreasing, given the scale of investments. Severn Trent aims to tackle the carbon issue in capital and adopt alternative solutions on a large scale.

Likely levers for action already identified:

- Collaboration with suppliers to reduce their carbon footprint (target of 70% of its suppliers (in emissions) having set an SBT target by 2026 (Scope 3). Plans to implement new targets once these have matured.
- Research, test, and pilot alternatives: alternative low-carbon materials to reduce embodied carbon, investments in advanced processing technologies to improve biosolids quality, and exploration of low- or no-chemical solutions for water and wastewater treatment.
- ▷ No quantification of Scope 3 action levers

## CAPEX / OPEX investment alignment

Severn Trent announces it has allocated £295 million between 2025 and 2030 for its net zero action plan (out of £6.4 billion allocated to improvement spending).

86% CAPEX alignment with the taxonomy vs. 87% in 2024; 64% OPEX alignment with the taxonomy vs. 71% in 2024

- ▷ Only 4.7% of spending is explicitly earmarked for the Net Zero action plan between 2025 and 2030

## Remuneration

CEO:

-Variable annual remuneration (for 2025): 39% of the annual bonus is linked to measures directly related to environmental performance and river health with 10% on the Environmental Performance Assessment (EPA) controlled by the Environment Agency and 14% on Environmental Outcome Delivery Services (ODIs).

-Long-term remuneration: 50% on non-financial criteria, including 20% on carbon footprint reduction:

- 10% on "Achieving a cumulative reduction in our Scope 1 and 2 emissions of 46% compared to the 2019/20 baseline (of 508.4 kT) by March 31, 2028" with a threshold of 34% and a target of 40%
- 10% on "Achieving additional production of 313 GWh compared to the 2019/20 baseline of 486 GWh, enabling a minimum total renewable production of 799 GWh by March 31, 2028" with a threshold of 751 GWh and a target of 775 GWh.

Corporate officers:

-Long-term remuneration: 20% is linked to carbon reduction

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

## Annual consultative vote on implementation

No annual consultation on implementation

## Consultative vote on strategy every three years

Consultative vote every 3 years on the Climate Action Plan

## PERFORMANCE SCORE

57%

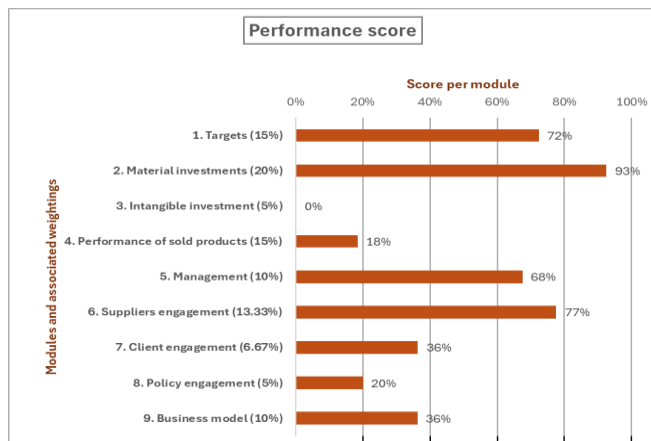
## NARRATIVE SCORE

A **B** C D E

## TREND SCORE



### ACT Generic Methodology



The score for each module is weighted (see slide 7) and results in a performance score.

### Company's categorization

1. Transitioning in a credible and robust way

2a. Committed company

2b. Performing company

3. Minimum requirements Act categorization framework not achieved

\*The company's categorization explanations are available in slide 6

### Transition plan's assessment

#### Performance score

**1. Targets:** Severn Trent's SBTi scope 1 and 2 near term target is aligned with a 1.5°C trajectory (-46% by 2031 with a 2019 baseline) and include biogenic emissions, which account for a large share of the company's emissions. In addition, within the same timeframe, Severn Trent has a scope 3 category 15 (use of sold products) SBTi target to reduce its emissions by 13.5%. The company has also set a 2050 net zero emissions target. However, Severn Trent has not set a near term GHG emissions reduction target regarding its scope 3 upstream emissions accounting for 44% of the total emissions and the scope 3 emissions increased since the baseline.

**2. Material investment:** 86% of Severn Trent's CAPEX is low-carbon aligned (EU Taxonomy), but the company's past performance and reduction of its scope 1 and 2 emissions is not aligned with a 1.5°C trajectory.

**3. Intangible investment:** Severn Trent does not disclose sufficient information regarding its low-carbon R&D investments and patenting activity.

**4. Sold product performance:** Severn Trent disclosed few details and quantitative information on product-specific interventions that are implemented at scale. In addition, in terms of performance, Severn Trent's scope 3 emissions increased in the last years.

**5. Management :** Severn Trent's oversight of climate change strategy lies at board level and the company has implemented a comprehensive transition plan.

**6/7. Value chain engagement :** Regarding supplier engagement, Severn Trent has a strategy and a SBTi target to reach 70% of its suppliers (by emissions) with SBTi targets by 2026. However, Severn Trent has not disclosed any strategy to influence client behaviour, but it reports some engagement and collaborative actions undertaken.

**8. Policy engagement :** Severn Trent does not disclose detailed information on its engagement policy and support in associations. However, the company reports some positive engagement activities with local public authorities.

**9. Business model :** 75% of Severn Trent's turnover is low-carbon aligned (EU Taxonomy) and this share has increased from the previous year (73%). However, the company reports few development of new low-carbon business models and has not committed to phase out from fossil fuel in its activities, such as electricity generation from gas.

#### Transition plan's consistency (narrative score):

- Severn Trent's past and present actions demonstrate that the company has a climate ambition, but additional efforts are still needed to achieve climate targets and reduce its total emissions aligned with a 1.5°C trajectory.

#### Trend score :

- Severn Trent improved in some areas such as the setting of a long-term net zero target and its biogenic emissions reporting, but some issues and uncertainties remain.

#### Areas of improvements :

- The company should include its scope 3 upstream emissions where almost half of its emissions occur in its near-term targets
- The company should disclose the details regarding key actions and interventions throughout its value chain as well as the expected emissions reductions and the investments associated.
- The company should develop a strategy to engage its clients and to influence them to reduce their emissions.
- The company should create new business models aligned with a low-carbon transition.

## SAY ON CLIMATE 2025 evaluation grid

based on follow-up to FIR recommendations

	●	●	●
<b>Ambition net zero 2050</b>	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
<b>Reference scenarios used</b>	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
<b>Current GHG emissions</b>	Disclosure of absolute greenhouse gas emissions; breakdown by scope; downward trend in past emissions (over at least 3 years) in line with company targets	Insufficiently detailed disclosure of absolute greenhouse gas emissions and/or lack of substantiated justification for the absolute increase in emissions over the last 3 years	No public data or little or no justification for the upward trend in emissions intensity and absolute values
<b>Short-term GHG emissions reduction target</b>	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.)
<b>Medium-term GHG emissions reduction target</b>	If the quantified emission reduction targets between 2030 and 2040, 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 between 2030 and 2040 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.)
<b>Long-term GHG emissions reduction target</b>	If the quantified emission reduction targets for 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.)
<b>Action plan measures</b>	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
<b>Investment alignment (OPEX / CAPEX)</b>	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
<b>Remuneration</b>	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
<b>Annual consultation on implementation</b>	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
<b>Consultation on strategy every three years</b>	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

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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.

# → IT'S TIME TO ACT

## WHAT IS ACT ?

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

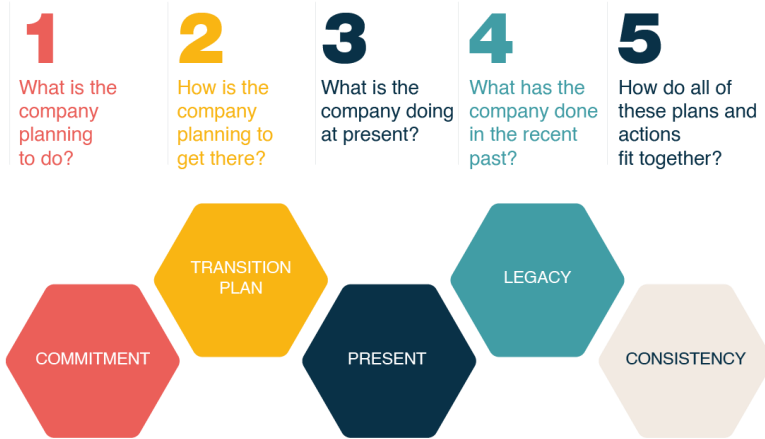
## WHY ACT ?

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

**20**



### PERFORMANCE SCORE

Transition alignment metrics

1 - 20

**A**



### NARRATIVE SCORE

Analysis of overall consistency

A - E

**+**



### TREND SCORE

Forecast of future changes

+ = -

ACT assessment categorization

The purpose of this categorization is to leverage on the ACT assessment methodologies, that provide an in-depth assessment of strengths and weaknesses of company’s transition plans and propose a categorization framework providing a clear signal on a company’s situation. It is willing to address the following question “what is a good ACT score?”.  
All the information on this paper is to be found [here](#).

The categorization framework proposed is the following:

- 1. Companies transitioning in a credible and robust way;
- 2. Companies partially satisfactory on one or two of the following aspects:
  - a. Companies “committed” that are ambitious enough but have not yet demonstrated the performance;
  - b. Companies “performing” that have demonstrated good GHG trajectory at the moment but haven’t provide aligned ambitions.
- 3. Companies **not** transitioning in an enough credible and robust way.

The categorization of companies proposed in this paper is based on thresholds on the global performance score, complemented by safeguards on relevant sub-module performance score levels, on narrative and on trend scores. The categorization framework is sum-up in the table below :

Category	1. Transitioning in a credible and robust way	2a. Committed	2b. Performing	3. Not transitioning in a credible and robust way <sup>2</sup>
Criteria application	Criteria blocks are cumulative			Criteria blocks are alternative <sup>3</sup>
Global performance score	≥12/20	No threshold.		Global < 12/20 AND
Module performance scores	Module 1 ≥ 75% Modules 2+4 ≥ 60% <i>Where relevant:</i> Modules 6+7≥ 50%	Module 1 ≥ 75%	Modules 2+4 ≥ 60%	Module 1 < 75% AND Modules 2+4 < 60%
Narrative score	≥ C global AND ≥ C on consistency and credibility AND reputation			< C global OR <C on consistency and credibility OR reputation
Trend score	= or +			-

## 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
<b>1. Targets</b>	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
<b>2. Material investment</b>	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
<b>3. Intangible investment</b>	3.1 R&D spending in low-carbon technologies
	3.2 Company climate change mitigation patenting activity
<b>4. Sold product performance</b>	4.1 Product-specific interventions
	4.2 Trend in past product / service specific performance
<b>5. Management</b>	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
<b>6. Supplier engagement</b>	6.1 Strategy to influence suppliers to reduce their GHG emissions
<b>7. Client engagement</b>	7.1 Strategy to influence client behaviour to reduce their GHG emissions
	7.2 Activities to influence customer behaviour to reduce their ghg emissions
<b>8. Policy engagement</b>	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
<b>9. Business model</b>	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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