



# HOW DOES THE CAC 40 RESPOND TO INVESTORS?

ENGAGEMENT REPORT - SEASON 4  
WRITTEN QUESTIONS TO GENERAL MEETINGS



AGM  
2023

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## SEASON 4 :

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### Weaker results requiring greater precision from companies.

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The past year has featured high points for the responsible investment community, but 2023 has nonetheless oscillated between significant advances and obstacles where major initiatives had been expected.

To begin on a positive note, the recent revision of the SRI label, introduced in 2016 to steer investors towards responsible funds, has tightened the label's eligibility criteria, excluding fossil fuels<sup>1</sup> from SRI-labelled funds. The strengthening of climate criteria to bring these funds into line with the objectives of the Paris Agreement is also welcome. Although these improvements are not the only issue at stake for the social responsibility focused label, they do represent a step forward for savers and for responsible investment.

On the other hand, an opportunity for the climate was missed during the review of the French Green Industry Bill – the "Say on Climate" amendment<sup>2</sup> was rejected by the Joint Committee in October 2023, despite having been adopted by the National Assembly in the summer. Supported by many responsible investors but opposed by companies, this amendment would have enabled France to maintain its European leadership in this area. It proposed a mechanism to facilitate dialogue between responsible investors and companies through a consultative vote every three years on corporate climate policy.

The FIR's written question campaign at the CAC 40 general meetings makes perfect sense in the present context, in which companies can be somewhat reluctant to engage in dialogue with shareholders on non-financial issues.

This public exercise, which falls within the scope of French law, enables responsible investors to play their part, by informing these major companies of the issues that are important to such investors. It also helps encourage other investors to adopt a more responsible approach and to better understand the companies' level of maturity on the subjects discussed. Finally, it helps savers to make informed decisions when choosing responsible investment products, by giving them an insight into the key issues on which investors expect companies to make progress.

The FIR has held one share in each CAC 40 company since 2020, enabling it to conduct this campaign every year. Although the FIR's stock portfolio remains modest, the members of its "Dialogue and Engagement Commission", some of whom participated in this campaign, manage over €4,600 billion in assets.

It is essential to understand that this exercise primarily assesses the companies' transparency on specific subjects related to their social responsibility, without prejudging

the overall quality of their Corporate Social Responsibility (CSR) policy. In other words, companies that provide satisfactory answers to our questions may at the same time show weaknesses or be the subject of controversy on aspects of their policy. Conversely, some companies with ambitious CSR strategies may be penalised for their lack of transparency. Let's hope that the implementation of the Corporate Sustainability Reporting Directive (CSRD) will, over the next few years, enhance the transparency of all major companies and enable investors to focus their questions more effectively on the ambitions of the policies pursued.

In light of the limitations outlined above, the FIR has enriched this fourth campaign by introducing new perspectives: introducing external expertise on certain questions; taking into account controversies linked to the campaign themes; structuring written questions into several sub-points; and personalising questions for certain companies. Overall, the evaluation exercise has been strengthened.

Compared with 2022, the overall scores for all questions – except one – are down, leading to a 0.22-point reduction in the overall average.

The more challenging questions reflect growing pressure from responsible investors to obtain detailed and precise answers from companies. This trend coincides with an alarming acceleration in climate change, massive disruption to ecosystems and growing inequality, prompting a desire for faster action from engaged investors. The weaker results from this campaign should raise companies' awareness of the actions they still need to take and the issues on which they should focus their efforts.

Among the responses, we note that companies' commitments and shortcomings with regard to their environmental, social and governance (ESG) responsibilities are very heterogeneous. In order to overcome the biases that arise when presenting an aggregate score, we begin by presenting the ranking for the different environmental, social and governance themes, in the same way as last year. Some companies stand out for their relative transparency, but there is still room for improvement in all areas.

In recent years, the urgency brought about by the impact of climate change has given greater importance to the environmental pillar than to social and governance issues. Over the last three campaigns, the FIR has therefore emphasised the fact that companies are, naturally, more mature on these issues, on average. This year we were expecting an improvement or, at the very least, no change, but the companies' responses did not live up to our

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1. The excluded companies concerned are those exploiting coal or non-conventional hydrocarbons and companies launching new oil or gas exploration, exploitation or refining projects.

2. <https://www.assemblee-nationale.fr/dyn/16/amendements/1512/AN/483.pdf> (in French).



expectations, resulting in a significant drop in scores for this pillar compared with the previous year. The environmental pillar has nevertheless maintained a higher level than the social and governance pillars.

### **A comparison with the first campaign in 2020**

Despite the questions being much more specific than in 2020, more than half of the companies have increased their score over the last four years, illustrating that our concerns are being taken seriously.

All but three questions have improved since 2020. The greatest progress over the last four years concerns two questions: integrating ESG criteria into executive and employee remuneration (+0.7 points) and integrating social partners into the CSR strategy (+0.63 points). However, for the latter, there is still a great deal of work to be done, as it remains in seventh place in the ranking.

Compared with 2020, the three questions with lower scores are question 1 on climate, question 7 on employee savings schemes and question 8 on fiscal responsibility. These results reflect more demanding requirements in the questions, combined with a lack of improvement in companies' responses.

### **The two questions with the lowest scores (Q8-Q7)**

On question 8, as last year, companies are finding it difficult to specify their commitments in terms of fiscal responsibility and are struggling to show that they are going beyond their legal obligations. Most companies still limit themselves to addressing their fiscal responsibility from a compliance perspective.

With regard to question 7 on employee savings schemes, additional details were required to enable the analysts to identify the funds in question and to perform independent checks. Orange is the only CAC 40 company to offer a range of fully labelled funds for employee savings. The trend shows that the majority of non-labelled funds do not incorporate robust ESG criteria, despite a few positive examples. Finally, companies have not made any progress over the past year

in terms of their international practices, with only two expressing a desire to introduce international labels.

### **The question that has fallen the most compared with 2022 (Q1)**

The question on climate (Q1) saw the biggest drop compared with last year's campaign. This illustrates the delay in meeting the requirements of the Paris Agreement by 2050. Less than a third of CAC 40 companies are aligning their GHG emission reduction targets across all of their scopes with a global warming scenario of 1.5°C. A quarter of companies provided details of how each action contributes to the emission reduction objectives, covering all the scopes, and only two of them communicated the share of offset emissions in their decarbonisation objectives. Finally, only two companies provided a breakdown of the investment over time by action deployed in each scope.

There will be high expectations for CAC 40 companies in the year ahead. It is imperative that they step up their efforts to communicate transparently, clearly and precisely on their ESG actions, by including figures and clear, measurable objectives in their annual reports. Greater consistency between statements of intent and actual actions is needed, and stakeholders need to be more closely involved in decisions that have an impact on their policies. These measures will help to strengthen public and investor trust in their engagement with companies.

Finally, we would like to express our sincere gratitude to the 26 analysts who took the time to examine the companies' responses, as well as to the external experts, Clément Bladier and Jean-Guillaume Péladan, for their valuable contribution through the NEC initiative. We also thank the academics Viviane de Beaufort and Grégory Schneider-Maunoury, whose engagement greatly enhanced the quality of our analysis this year on two specific questions.

The FIR hopes that this document will help each of you to form an opinion on the way in which the largest French companies are addressing the major social responsibility themes and their progress over the last four years.



**Caroline Le Meaux**

President of the Dialogue and Engagement Commission, Frenchsif (FIR)



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President of the Frenchsif (FIR)

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## SUMMARY OF RESULTS

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Responsible investors focus on the sustainability of their investments in a society facing major environmental, social and governance challenges: fighting climate change, the depletion of natural resources, biodiversity loss, reducing inequalities, respecting human rights, and fiscal responsibility. One of the tools that investors have to improve companies' practices in these areas is dialogue and shareholder engagement. The written question campaign conducted by the FIR is part of this desire to push companies to acknowledge the importance of these challenges and to adopt social responsibility best practices, thereby helping to strengthen their non-financial performance and their sustainability.

### Greater precision in the ten questions

For the fourth year running, the FIR – which owns one share in each CAC 40 company – asked each of these 40 companies ten questions, covering ten major social responsibility themes. The answers were analysed by groups of professionals specialising in the ESG (Environment, Social, Governance) approach, using a common analysis grid for each question.<sup>3</sup> The responses were analysed solely on the basis of the statements made by the companies. A score of between 0 and 3 stars was then awarded to each company based on its response to each question.

The ten questions selected by the FIR and its members do not claim to be exhaustive, and other topics also deserve attention. Nevertheless, they cover ten major CSR issues that are important for building companies that are resilient and successful over the long term, and that are in tune with society's expectations and aware of their responsibilities.

The themes are the same as last year, except for question 5, which initially dealt with teleworking and which now addresses share buybacks, a topical issue in the context of value sharing. This idea was instigated by certain unions that are members of the FIR.

As it does every year, the FIR has naturally continued its efforts to refine its questions, thereby helping companies to make progress on ten ESG issues that are important to responsible investors. This approach is also designed to obtain more precise answers that nonetheless remain comparable.

By asking written questions at the CAC 40 general meetings, the FIR enables all shareholders, and all interested parties, to obtain public, clear and summarised answers to these essential questions, and to compare the answers provided by these large companies. This approach provides a means of improving our understanding of the companies' approach to these specific issues and of clarifying certain points, thereby contributing to a better assessment of their social responsibility ambitions. Without claiming to reflect all aspects of these companies' policies, the exercise enables us to obtain clear elements and to shed new light on aspects normally communicated by the companies themselves.

### Moving beyond transparency to encourage clarity

For the fourth edition of its written question campaign, the FIR has introduced four significant changes:

- **Questions divided into sub-sections**

All of the questions were drafted to include detailed points,<sup>4</sup> with the aim of helping companies better understand all aspects of the question and respond to each point in turn. This approach also made it easier for the analysts to read the answers. It was very much appreciated that companies adopted this approach in their responses.<sup>5</sup>

- **Personalised questions**

In order to follow up on the answers received last year and to understand companies' progress, certain questions (1-3-4-6) were personalised for particular companies. For the question on the Paris Agreements (Q1), the nine companies with the lowest scores in 2022<sup>6</sup> were asked about their individual commitments, based on their responses from last year. The question on the circular economy (Q3) was tailored to address the eight companies in the finance and service sectors<sup>7</sup> whose resource scarcity impact is more indirect than for other companies. For the question on integrating environmental and social criteria into remuneration (Q4), an additional question was developed for companies in which these criteria accounted for less than 20% of executives' long-term variable remuneration, based on their declared response in 2022. Finally, for the question on a living wage (Q6), the 26 companies that did not provide a definition of a living wage in response to this question in 2022 were questioned again with a suggested definition considered acceptable by the FIR (see Appendix IV).

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3. Although the assessments are subject to some subjectivity on the part of the analysts, all companies are rated from 0 to 3 on the basis of clearly defined criteria for each question, assessing both the company's transparency and its precision.

4. All ten questions were divided into sub-sections.

5. 25 companies responded in this way, generally answering each sub-question.

6. The lowest score for question 1 in 2022 was 1 star.

7. AXA, BNP Paribas, Capgemini, Crédit Agricole, Dassault Systèmes, Société Générale, Teleperformance and Worldline.



- **A qualitative dimension to enhance the transparency analysis**

This year, to assess the overall quality of companies' CSR strategies, the FIR called on several experts to provide an in-depth examination of the quality of the responses provided by the CAC 40 companies. These experts bring additional insights to this campaign, going beyond an analysis of the company's transparency on the subjects chosen by the FIR and ascertaining whether the strategy is in line with communication on the E, S and G pillars (see page 7).

- **An analysis of the responses in the light of controversies**

The FIR's partnership with rating agency Ethifinance enabled us to add an essential dimension to this evaluation by integrating the controversies affecting some companies on certain of the questions. Our access to the Ethifinance platform helped us to identify the most serious controversies connected to our questions.<sup>8</sup> The campaign's analysts then decided whether or not to include the controversy in their analysis if the company had not mentioned it in its response (see page 7).

The transparency analysis has been strengthened by examining key controversies and by incorporating external expertise on certain questions. However, the risk of "greenwashing" has still not been entirely eliminated. Stakeholders will be able to judge for themselves when they read the full responses in French.<sup>9</sup>

We set out below a summary of the main results, details of which can be found on the following pages.

Preliminary comment: this year, as last year, five companies (LVMH, Michelin, Pernod Ricard, TotalEnergies and Vivendi) did not provide a generic e-mail address for submitting written questions online. This choice, which forces investors to send their questions by post with acknowledgement of receipt, hampers dialogue.

### Ten increasingly precise and specific questions that have led to a fall in results

As mentioned above, although all but one of the questions retained the same theme,<sup>10</sup> all the questions were reworded into several sub-sections. The aim of this rewording was to obtain more precise answers and to complete elements that had been missing in previous years.

The majority of companies therefore saw their score fall between 2022 and 2023.

Overall, 25 companies saw their score decrease (vs. 15 companies in 2022). Ten companies<sup>11</sup> nonetheless increased their score compared with last year (11 fewer companies than last year). Bouygues and Pernod Ricard experienced the biggest increases (+0.6 points and +0.5 points, respectively). Four companies<sup>12</sup> were unchanged (vs. 3 in 2022). Finally, Danone, whose scores fell on six questions and were unchanged on two others, recorded the biggest drop compared with 2022 (with -1.1 points).

On a like-for-like basis,<sup>13</sup> ten companies have made progress, 27 have fallen and two are unchanged compared with 2022. The same two companies as above (Bouygues and Pernod Ricard) have also made the greatest progress on a like-for-like basis.

The ten questions broadly cover the main issues at the heart of corporate social responsibility: environmental impact measurement and targets, biodiversity impact and expenditure, natural resource management, ESG criteria in remuneration, value sharing, respect for human rights, responsible savings schemes, tax policy, lobbying and stakeholder engagement.

This year, of the three pillars, the environmental pillar (questions 1, 2 and 3) fell the most, from an overall average of 1.56 points to 1.22 points (-0.34 points). The social pillar (questions 8, 9 and 10) and the governance pillar (questions 4, 5, 6 and 7) both fell by 0.15 points.

### The top-scoring companies of this fourth campaign

In terms of the consolidated score for all the questions, **L'Oréal and Veolia came out on top in this fourth campaign.** Compared with 2022, the best overall score fell by 0.2 points, but the two companies managed to stay on course, retaining an overall average of 1.9/3 points.

These two companies obtained the highest-ranking scores on:

- For L'Oréal, the questions on climate (question 1), biodiversity (question 2), a living wage (question 6), employee savings schemes (question 7) and responsible lobbying (question 9).

8. Severity score of 3 or 4 according to Ethifinance methodology.

9. [https://www.frenchsif.org/isr\\_esg/wp-content/uploads/reponses-campagne-FIR-AG2023\\_Rapport\\_S4.pdf](https://www.frenchsif.org/isr_esg/wp-content/uploads/reponses-campagne-FIR-AG2023_Rapport_S4.pdf)

10. The theme of question 5 was modified this year to address the issue of share buybacks in the context of value sharing.

11. Airbus, AXA, Bouygues, Crédit Agricole, Hermès, Legrand, Pernod Ricard, Saint-Gobain, STMicroelectronics and Teleperformance.

12. Stellantis, Safran, L'Oréal and Veolia.

13. Here we compared the overall scores of each company without question 5, as it covers a new topic this year. In addition, Eurofins Scientific, which did not take part in the 2022 written questions campaign, is not included in this calculation.

- For Veolia, the questions on E&S criteria in executive remuneration (question 4), share buybacks (question 5) and employee savings schemes (question 7).

However, they still need to improve on two and one question(s), respectively, where their scores are below average:

- For L'Oréal, the question on fiscal responsibility where it scored no points (Q8), and the question on share buybacks (Q5) where it scored only one point.
- For Veolia, the question on climate (Q1) where it scored only one point.

With like-for-like questions compared to 2022, L'Oréal has improved on three questions (questions 2, 7, 9), and fallen on one question (question 10); while Veolia's score has fallen on three questions (questions 1, 6, 10) and improved on just one (question 2).

Michelin came in second in the ranking with an overall average of 1.8/3. The company scored highest on Q2 (biodiversity), Q4 (remuneration), Q6 (living wage) and Q9 (lobbying), but failed to score any points on questions 8 (fiscal responsibility) and 10 (ecological transition in employment).

At the bottom of the table, we find Eurofins Scientific in last place (0.1/3 points), then ArcelorMittal (0.3/3 points) and finally four companies in 35<sup>th</sup> place: EssilorLuxottica, LVMH, Publicis and Thales (all 0.7/3 points).

If we take a more granular view, the classification by theme (E, S and G) differs:

- If we take the average of the three environmental questions, Pernod Ricard comes out on top, scoring 2.67 points (vs. 1 point in 2022). L'Oréal confirms its place on the podium, coming in second alongside Schneider Electric (2.33 points), while Veolia is in sixth place (1.67 points).
- In terms of the average for the four social questions, Veolia is tied for first place with Michelin, while L'Oréal is tied for third place with Schneider Electric. The top scores for the environmental and social pillars are the same as in 2022. As a result, the average score of the best performers in the social pillar is once again lower than the best performer in the environmental pillar (2.67/3 vs. 2.25/3).
- Finally, on the three governance questions, AXA and TotalEnergies top the list (2.33/3). Veolia and L'Oréal are in 5<sup>th</sup> and 11<sup>th</sup> place respectively, with average scores of 1.67/3 and 1.33/3. Unlike the other two pillars, the top score for the governance pillar is down 0.34 points on last year.

Pernod Ricard, which was the best performer in the environmental pillar, came 28<sup>th</sup> in the governance pillar with a score of 0.33/3 points, and 22<sup>nd</sup> in the social pillar (1/3 points).

### Companies are failing to keep pace with rising investor demands on transparency

**An analysis of the results table shows a slight overall drop compared with last year**, with an average score for the ten questions of 1.11, compared with 1.33 in 2022, 1.26 in 2021 and 1.04/3 in 2020.

A majority of satisfactory responses (two or three stars) were given for two questions, with 26 companies receiving this rating on question 4 concerning the integration of ESG criteria in remuneration (compared with 31 in 2022), and 18 companies on question 3 (circularity). However, companies obtaining three stars are still in the minority, with only 20 responses out of 400 achieving the highest score, compared with 42 responses in 2022. Only 11 companies obtained three stars.<sup>14</sup>

There were two questions for which no company scored top marks: the question on reducing GHG emissions (Q1) and, as last year, the question on labelling employee savings schemes (Q7).

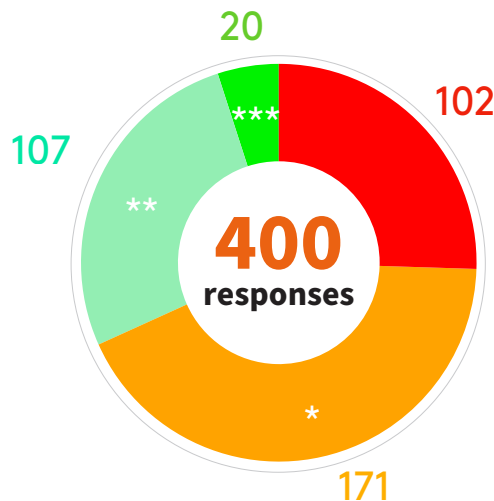
The question on which companies are the most mature overall is the integration of ESG criteria into remuneration (Q4), as in 2022. This is the only question this year where the average score for the CAC 40 (1.73/3) is above the average score of 1.5/3.

Conversely, the question on fiscal responsibility (question 8) had the lowest average score, unchanged at the same level as last year: 0.63/3 points.

Finally, the three questions that fell the most compared to 2022 are:

- Question 1 (alignment of action plans, investments and baselines scenario(s) with the objectives of the Paris Agreement): -0.65 points, with an average of 1.18/3 points.
- Question 9 (lobbying): -0.34 points with an average of 1.15/3 points.
- Question 3 (circular economy): -0.32 points with an average of 1.45/3 points.

14. AXA, Dassault Systèmes, Hermès, L'Oréal, Michelin, Pernod Ricard, Safran, Sanofi, Schneider Electric, TotalEnergies and Veolia.



Note: 400 responses from the CAC 40

To see all of the companies' responses,

[https://www.frenchsif.org/isr\\_esg/plateforme-engagement/questions-esg-en-ag/#2023](https://www.frenchsif.org/isr_esg/plateforme-engagement/questions-esg-en-ag/#2023)

#### Minimising the risk of greenwashing for season 4

As a reminder, the FIR only analyses the transparency of CAC 40 companies – by assessing whether they have actually answered the campaign questions as clearly as possible – without being able to detect the full veracity of the allegations received.

So, as mentioned above, the FIR wanted to remedy this shortcoming a little more this year by applying penalties to companies that do not mention the controversies they are facing.

#### Taking controversies into account:

For this fourth season, the FIR has teamed up with one of its members, EthiFinance, a European rating, research and advisory group in the sustainable finance field. This close collaboration has enabled us to include controversies that have affected CAC 40 companies for several years and that are connected to one of the ten themes of this campaign. Companies that had been implicated in major controversies – i.e., ranked by EthiFinance as having the highest severity score (score 3 and 4) – were put through a more in-depth analysis, in some cases leading to a penalty of 0.5 points per question concerned (see Appendix VI).

#### External expertise:

The FIR has also taken the initiative of adding a qualitative dimension to its analysis process. This involves consulting specialist experts on subjects related to the questions posed.

- For the environmental pillar (E),<sup>15</sup> the FIR called on teams from the Net Environmental Contribution initiative. Based on this methodology, presented on page 26,<sup>16</sup> the net environmental contributions of the CAC 40 companies were provided by the NEC initiative using calculations performed by Sycomore AM, an expert NEC user. These scores aggregate the impacts on the climate-biodiversity-resources triptych on a standard scale of -100% to +100%.<sup>17</sup> An explanation is given for six companies whose average FIR scores, awarded for transparency on the environmental pillar, show significant deviations from the NEC scores (see page 27).<sup>16</sup>
- The FIR brought in academic experts for two questions on the Social pillar (S) and the Governance pillar (G) in order to provide an additional perspective beyond transparency, and to ensure an informed assessment. Grégory Schneider-Maunoury, Professor at the CEPN SPI Centre for Economics, Sorbonne Paris Nord University, and Viviane de Beaufort, Professor at ESSEC BS, Director of the European Centre for Law and Economics, contributed their expertise to the questions on fiscal responsibility (Q8) and the representation of interests (Q9), respectively.

15. Questions 1-2-3 form the environmental pillar of the campaign.

16. From the engagement report in french: [https://www.frenchsif.org/isr\\_esg/wp-content/uploads/FIR-RapportCAC40Responsable-AG2023\\_16janv.2024.pdf](https://www.frenchsif.org/isr_esg/wp-content/uploads/FIR-RapportCAC40Responsable-AG2023_16janv.2024.pdf)

17. NEC 1.0 based on data for 2022, and the composition of the CAC 40 at 30/12/2022.



**TABLE OF SCORES FOR ALL QUESTIONS**

Companies	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Score 2023
AIR LIQUIDE	2	2	0	2	2	1	1	0	1	1	1.2
AIRBUS GROUP	1	0	2	2	1	0	0	0	1	1	0.8
ALSTOM	1	1	1	2	2	0	1	0	1	1	1
ARCELORMITTAL	0	0	1	1	0	0	0	0	1	0	0.3
AXA	1	1	2	1	1	1	1	3	2	2	1.5
BNP PARIBAS	1	1	2	2	1	1	1	1	2	2	1.4
BOUYGUES	1	2	2	2	2	1	0	1	2	2	1.5
CAPGEMINI	1	1	1	2	2	0	1	0	0	0	0.8
CARREFOUR	1	2	1	1	0	0	2	0	1	1	0.9
CRÉDIT AGRICOLE	1	1	1	2	1	1	2	2	1	2	1.4
DANONE	1	0	1	2	0	0	0	2	2	0	0.8
DASSAULT SYSTÈMES	0	0	3	2	2	0	1	0	1	0	0.9
ENGIE	2	0	1	2	2	0	0	2	2	1	1.2
ESSILOR LUXOTTICA	1	0	1	2	1	0	0	0	1	1	0.7
EUROFINS	0	0	0	1	0	0	0	0	0	0	0.1
HERMÈS	1	3	1	1	0	2	1	0	1	1	1.1
KERING	2	2	2	2	1	2	1	1	2	2	1.7
L'ORÉAL	2	3	2	2	1	3	2	0	3	1	1.9
LEGRAND	2	1	2	2	1	0	1	0	1	1	1.1
LVMH	2	1	1	1	0	1	0	0	1	0	0.7
MICHELIN	1	3	2	3	2	3	1	0	3	0	1.8
ORANGE	1	1	1	2	1	0	2	2	2	2	1.4
PERNOD RICARD	2	3	3	2	1	1	0	0	1	0	1.3
PUBLICIS	1	0	1	2	1	0	1	0	0	1	0.7
RENAULT	1	1	2	1	1	1	1	0	1	2	1.1
SAFRAN	1	0	2	2	2	2	1	1	2	3	1.6
SAINT-GOBAIN	2	0	1	2	2	1	1	0	0	1	1
SANOFI	1	1	1	2	0	3	0	1	1	1	1.1
SCHNEIDER ELECTRIC	2	3	2	3	2	3	0	0	1	1	1.7
SOCIÉTÉ GÉNÉRALE	1	1	1	1	1	0	1	1	2	1	1
STELLANTIS	2	0	2	1	1	1	0	1	1	1	1
STMICROELECTRONICS	1	0	2	1	2	1	1	0	0	0	0.8
TELEPERFORMANCE	1	1	2	1	1	2	0	0	0	0	0.8
THALES	1	1	1	1	1	0	1	0	1	0	0.7
TOTALENERGIES	1	0	2	1	1	2	1	3	2	2	1.5
UNIBAIL-RODAMCO-WESTFIELD	2	1	1	1	2	0	0	1	0	1	0.9
VEOLIA	1	2	2	3	3	1	2	1	2	2	1.9
VINCI	0	1	1	2	2	1	2	2	0	2	1.3
VIVENDI	1	0	1	2	1	1	1	0	0	1	0.8
WORLDLINE	1	1	1	2	2	2	1	0	1	0	1.1

## TABLES OF GROUP SCORES BY ENVIRONMENTAL, SOCIAL AND GOVERNANCE ISSUES

### Environmental Questions

Companies	Average score 2023	Change compared with 2022
AIR LIQUIDE	1.33	↓ -0.33
AIRBUS GROUP	1.00	0.00
ALSTOM	1.00	↓ -0.67
ARCELORMITTAL	0.33	↓ -1.33
AXA	1.33	0.00
BNP PARIBAS	1.33	↓ -0.67
BOUYGUES	1.67	↑ 0.67
CAPGEMINI	1.00	↓ -0.33
CARREFOUR	1.33	↓ -1.00
CRÉDIT AGRICOLE	1.00	0.00
DANONE	0.67	↓ -2.00
DASSAULT SYSTÈMES	1.00	↓ -1.00
ENGIE	1.00	↓ -0.33
ESSILOR LUXOTTICA	0.67	↓ -1.00
EUROFINS SCIENTIFIC	0.00	
HERMÈS	1.67	0.00
KERING	2.00	↓ -0.67
L'ORÉAL	2.33	↑ 0.33
LEGRAND	1.67	↑ 0.33
LVMH	1.33	0.00
MICHELIN	2.00	↓ -0.33
ORANGE	1.00	↓ -0.67
PERNOD RICARD	2.67	1.67
PUBLICIS	0.67	↓ -0.67
RENAULT	1.33	↓ -0.67
SAFRAN	1.00	↓ -0.67
SAINT-GOBAIN	1.00	↓ -0.67
SANOFI	1.00	↓ -0.33
SCHNEIDER ELECTRIC	2.33	0.00
SOCIÉTÉ GÉNÉRALE	1.00	0.00
STELLANTIS	1.33	↓ -0.33
STMICROELECTRONICS	1.00	0.00
TELEPERFORMANCE	1.33	↑ 0.33
THALES	1.00	↑ -0.67
TOTALENERGIES	1.00	↓ -0.67
UNIBAIL-RODAMCO-WESTFIELD	1.33	0.00
VEOLIA	1.67	0.00
VINCI	0.67	↓ -0.67
VIVENDI	0.67	↓ -0.67
WORLDLINE	1.00	↑ 1.00

### Social Questions

Companies	Average score 2023	Change compared with 2022 <sup>(1)</sup>
AIR LIQUIDE	1.50	↑ 0.33
AIRBUS GROUP	0.75	0.00
ALSTOM	1.25	0.00
ARCELORMITTAL	0.25	↓ -0.33
AXA	1.00	0.00
BNP PARIBAS	1.25	↓ -0.67
BOUYGUES	1.25	↑ 0.33
CAPGEMINI	1.25	↓ -0.33
CARREFOUR	0.75	↓ -0.33
CRÉDIT AGRICOLE	1.50	↑ 0.67
DANONE	0.50	↓ -0.67
DASSAULT SYSTÈMES	1.25	0.00
ENGIE	1.00	0.00
ESSILOR LUXOTTICA	0.75	0.00
EUROFINS SCIENTIFIC	0.25	
HERMÈS	1.00	↑ 0.67
KERING	1.50	↓ -0.33
L'ORÉAL	2.00	↑ 0.33
LEGRAND	1.00	0.00
LVMH	0.50	↓ -0.33
MICHELIN	2.25	0.00
ORANGE	1.25	↓ -0.33
PERNOD RICARD	1.00	0.00
PUBLICIS	1.00	0.00
RENAULT	1.00	↓ -0.67
SAFRAN	1.75	0.00
SAINT-GOBAIN	1.50	↑ 0.67
SANOFI	1.25	↑ 0.67
SCHNEIDER ELECTRIC	2.00	0.00
SOCIÉTÉ GÉNÉRALE	0.75	↓ -0.67
STELLANTIS	0.75	↓ -0.33
STMICROELECTRONICS	1.25	0.00
TELEPERFORMANCE	1.00	0.00
THALES	0.75	↓ -0.33
TOTALENERGIES	1.25	↓ -1.00
UNIBAIL-RODAMCO-WESTFIELD	0.75	↓ -1.00
VEOLIA	2.25	↓ -0.33
VINCI	1.75	↓ -0.33
VIVENDI	1.25	↑ 0.33
WORLDLINE	1.75	↑ 0.33

### Governance Questions

Companies	Average score 2023	Change compared with 2022
AIR LIQUIDE	0.67	↓ -0.33
AIRBUS GROUP	0.67	↑ 0.67
ALSTOM	0.67	↓ -0.33
ARCELORMITTAL	0.33	0.00
AXA	2.33	↑ 1.33
BNP PARIBAS	1.67	0.00
BOUYGUES	1.67	↑ 1.00
CAPGEMINI	0.00	↓ -0.33
CARREFOUR	0.67	↓ -0.67
CRÉDIT AGRICOLE	1.67	0.00
DANONE	1.33	↓ -0.33
DASSAULT SYSTÈMES	0.33	↓ -1.00
ENGIE	1.67	0.00
ESSILOR LUXOTTICA	0.67	0.00
EUROFINS SCIENTIFIC	0.00	
HERMÈS	0.67	0.00
KERING	1.67	↑ 0.33
L'ORÉAL	1.33	0.00
LEGRAND	0.67	↑ 0.33
LVMH	0.33	↓ -0.33
MICHELIN	1.00	↓ -0.67
ORANGE	2.00	↓ -0.67
PERNOD RICARD	0.33	↑ 0.33
PUBLICIS	0.33	0.00
RENAULT	1.00	↓ -0.67
SAFRAN	2.00	↑ 0.67
SAINT-GOBAIN	0.33	↑ 0.33
SANOFI	1.00	↓ -1.00
SCHNEIDER ELECTRIC	0.67	↓ -0.67
SOCIÉTÉ GÉNÉRALE	1.33	↓ -1.33
STELLANTIS	1.00	↑ 0.33
STMICROELECTRONICS	0.00	0.00
TELEPERFORMANCE	0.00	0.00
THALES	0.33	↓ -0.67
TOTALENERGIES	2.33	↓ -0.33
UNIBAIL-RODAMCO-WESTFIELD	0.67	0.00
VEOLIA	1.67	↓ -0.33
VINCI	1.33	↑ 0.33
VIVENDI	0.33	↓ -0.67
WORLDLINE	0.33	↓ -0.33

<sup>(1)</sup> For like-for-like questions, excluding question 5.

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## APPENDIX I: **Participants in the written question campaign**

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We would like to thank:

**Sebastien Akbik** – Principles for Responsible Investment (PRI)

**Justine Apollin** – The French Sustainable Investment Forum (Forum pour l'Investissement Responsable - FIR)

**Victor Batrel** – EthiFinance

**Raphaëlle Bertholon** – CFE-CGC (French national trade union)

**Clément Bladier** – NEC Initiative

**Lola Brochart** – The French Sustainable Investment Forum (Forum pour l'Investissement Responsable - FIR)

**Grégoire Cousté** – The French Sustainable Investment Forum (Forum pour l'Investissement Responsable - FIR)

**Martial Cozette** – French Business Information Centre (Centre Français d'Information sur les Entreprises - CFIE)

**Frédérique Debril** – Amundi

**Léa Destaing** – Groupe Caisse des Dépôts

**Viviane de Beaufort** – ESSEC Business School

**Alix Ditisheim** – Phitrust

**Matthieu Firmian** – AXA IM

**Diane Fleury** – EthiFinance

**Julien Foll** – Amundi

**Caroline Le Meaux** – Amundi, President of the FIR's Dialogue and Engagement Commission

**Martine Léonard** – The French Society of Financial Analysts (Société Française des Analystes Financiers - SFAF)

**Lorna Lucet** – Amundi

**Marie Marchais** – The French Sustainable Investment Forum (Forum pour l'Investissement Responsable - FIR)

**Grégory Schneider-Maunoury** – CEPN SPI Centre d'Économie de Paris Nord et Université Sorbonne Paris Nord

**Agathe Masson** – Reclaim Finance

**Alice de la Morinière** – UBP Asset Management

**François Nolleau** – Ircantec

**Benoît Ostertag** – CFDT (French national trade union)

**Jean-Guillaume Péladan** – Sycomore Asset Management

**Floriane Rigourd** – Amundi

**Simona Rizzuto** – ODDO BHF Asset Management

**Alix Roy** – Ecofi

**Juliette Simonetto** – The French National Institute for the Circular Economy (Institut National de l'Économie Circulaire - INEC)

**Mariana Socorro** – AXA IM

**Joyce Stevenson** – Mandarine Gestion

**Liudmila Strakodonskaya** – AXA IM

**Luda Svystunova** – Amundi

**Philippe Vigneron** – CFDT (French national trade union)

## APPENDIX II: Comparison of the 2022, 2021, and 2020 results<sup>18</sup>

Companies	Scores 2023	Scores 2022	Scores 2021	Scores 2020	Score 2023/2020
AIR LIQUIDE	1.2	1.3	1.4	1.3	↓ -0.1
AIRBUS GROUP	0.8	0.5	0.6	0.3	↑ +0.6
ALSTOM	1.0	1.2	1.0	na	↑ +1.0
ARCELORMITTAL	0.3	0.8	0.6	0.3	0.0
AXA	1.5	1.2	1.5	1.3	↑ +0.3
BNP PARIBAS	1.4	1.9	1.9	1.6	↓ -0.2
BOUYGUES	1.5	0.9	0.8	1.0	↑ +0.5
CAPGEMINI	0.8	1.1	0.8	1.1	↓ -0.3
CARREFOUR	0.9	1.6	1.2	1.3	↓ -0.4
CRÉDIT AGRICOLE	1.4	1.2	1.6	1.6	↓ -0.2
DANONE	0.8	1.9	1.3	1.4	↓ -0.6
DASSAULT SYSTÈMES	0.9	1.5	1.2	1.3	↓ -0.4
ENGIE	1.2	1.3	1.5	1.0	↑ +0.2
ESSILOR LUXOTTICA	0.7	1.0	1.2	0.3	↑ +0.4
EUROFINS SCIENTIFIC	0.1	na	na	na	na
HERMÈS	1.1	1.0	1.0	0.5	↑ +0.6
KERING	1.7	1.9	1.8	1.1	↑ +0.6
L'ORÉAL	1.9	1.9	1.2	0.9	↑ +1.0
LEGRAND	1.1	0.9	1.5	0.9	↑ +0.2
LVMH	0.7	1.0	1.3	0.9	↓ -0.2
MICHELIN	1.8	2.0	1.9	1.6	↑ +0.2
ORANGE	1.4	2.1	2.0	1.7	↓ -0.3
PERNOD RICARD	1.3	0.7	0.7	0.7	↑ +0.6
PUBLICIS	0.7	0.9	0.7	0.8	↓ -0.1
RENAULT	1.1	1.9	1.5	0.9	↑ +0.2
SAFRAN	1.6	1.6	1.7	1.3	↑ +0.4
SAINT-GOBAIN	1.0	0.8	1.2	1.3	↓ -0.3
SANOFI	1.1	1.4	1.6	1.3	↓ -0.2
SCHNEIDER ELECTRIC	1.7	1.9	1.8	1.8	↓ -0.1
SOCIÉTÉ GÉNÉRALE	1.0	1.6	1.5	0.8	↑ +0.2
STELLANTIS	1.0	1.0	0.8	1.2	↓ -0.2
STMICROELECTRONICS	0.8	0.6	0.7	0.5	↑ +0.3
TELEPERFORMANCE	0.8	0.7	0.8	0.7	↑ +0.1
THALES	0.7	1.3	1.3	0.8	↓ -0.1
TOTALENERGIES	1.5	2.1	1.9	1.3	↑ +0.3
UNIBAIL-RODAMCO-WESTFIELD	0.9	1.1	1.3	1.1	↓ -0.2
VEOLIA	1.9	1.9	1.6	0.9	↑ +1.0
VINCI	1.3	1.4	0.8	1.2	↑ +0.1
VIVENDI	0.8	1.0	0.8	0.6	↑ +0.2
WORLDLINE	1.1	1.6	1.3	1.2	↓ -0.1

18. Comparison of the overall 2023/2022/2021/2020 scores with all questions for each year.

## APPENDIX III: Evolution of the average scores per question between 2020 and 2023<sup>19</sup>

Average scores per question					
Questions	2023	2022	2021	2020	Evolution of the average per question between 2020 et 2023
1	1.18	1.82	1.49	1.46	↓ -0.28
2	1.03	1.26	1.28	0.87	↑ +0.16
3	1.45	1.77	1.69		na
4	1.73	1.92	1.10	1.03	↑ +0.7
5	1.23				na
6	0.95	0.90	0.82	0.84	↑ +0.11
7	0.80	1.00	1.28	1.08	↓ -0.28
8	0.63	0.62	0.82	0.79	↓ -0.16
9	1.15	1.49	1.31		na
10	1.00	1.13	0.64	0.37	↑ +0.63

## APPENDIX IV: 2023 written questions

2023	
Q1	<p>a) In the context of the Paris Agreement, how do each of your actions to reduce your direct and indirect emissions contribute to your decarbonisation objectives across all scopes (percentage of emissions reduced thanks to the action)? What is the share of negative emissions in your decarbonisation objectives?</p> <p>b) With respect to your decarbonisation strategy, could you indicate the amount of investment required for each of the actions taken to reduce your direct and indirect emissions?</p> <p>c) What baseline scenario(s) is your decarbonisation strategy based on? Is it aligned with a 1.5°C scenario?</p> <p>→ Additional, personalised questions added for the <b>nine companies</b> with a one-star score in 2022 (Airbus Group, Carrefour, Crédit Agricole, EssilorLuxottica, Hermès, Pernod Ricard, Teleperformance, Vinci and Vivendi).</p> <p><b>Airbus Group</b> : With regard to your scope 3 objectives, last year you mentioned that you supported the net zero ambition for the aviation sector. What emission reductions and offsets does achieving net zero 2050 imply for your company? When do you expect to have 1.5°C-scenario targets validated by the Science Based Targets initiative? You mentioned a 100% SAF capacity offering on commercial aircraft, but what will the share of sustainable fuel be in the total fuel mix in 2030?</p> <p><b>Carrefour</b> : You have defined an action plan to reduce scope 1 and 2 emissions in line with a 1.5°C objective, but not for scope 3, which accounts for 98% of the Group's emissions.</p> <p>Do you plan to extend this action plan, aligned with a 1.5°C scenario, to scope 3?</p> <p><b>Crédit Agricole</b> : In 2022, you announced targets for the carbon footprint of your portfolio: you are aiming for a 25% reduction in exposure to oil extraction by 2025 compared with 2020. How much will you be investing in this activity in 2025? What is your investment policy for new gas extraction projects?</p> <p><b>EssilorLuxottica</b> : Your first action plan to combat climate change in 2021 only concerned your scopes 1 and 2. Do you plan to extend these targets to scope 3? When do you plan to have your targets validated by the Science Based Targets initiative?</p> <p><b>Hermès</b> : Your Paris Agreement objectives include scope 3, but your action plan is limited to scopes 1 and 2. What is your action plan for scope 3?</p> <p><b>Pernod Ricard</b> : Last year you put forward a target for scopes 1 and 2 aligned with a 1.5°C scenario and were in the process of reviewing your scope 3 target with a view to aligning it with this scenario. How far have you got with aligning your scope 3 and do you plan to have your new scope 3 targets validated by the Science Based Targets initiative?</p>

<sup>19</sup> Scope: companies included in the CAC 40 from 2020 to 2023.

	2023
Q1	<p><b>Teleperformance</b> : Part of your scope 3 is based on the energy consumption of your data centres and Cloud infrastructure. How much of your carbon emissions come from your IT infrastructure? What policy has been put in place to ensure that your environmental policy is properly managed when choosing your service providers? In which countries are the Teleperformance data centres located?</p> <p><b>Vinci</b> : In 2022, you provided us with your medium-term targets (to 2030), aligned with a well-below 2°C objective. We consider this date to be a waypoint. Do you have, or are you considering, 2050 targets aligned with a 1.5°C scenario for all of your scopes?</p> <p><b>Vivendi</b> : You state that you are aiming for carbon neutrality by 2025. Does this objective apply to your 3 scopes, and how much of this objective is reduction vs. offsetting?</p>
Q2	<p>a) Have you recently assessed the impact and dependence (direct and indirect) of your activities on biodiversity?</p> <p>b) If not, why not? If yes, has your estimate of the dependence (direct and indirect) of your activities on biodiversity (expressed as a percentage of sales, net banking income, etc.) changed compared with last year?</p> <p>c) On the basis of your assessment, what is your expenditure on biodiversity (protection, restoration, etc.)? Please provide us with an amount.</p>
Q3	<p>Against a backdrop of inflation, geopolitical crises, global warming and biodiversity loss, how do you assess the financial and economic impact on your business models of the increasing scarcity of, or difficulties accessing, your strategic natural resources?</p> <p>Have you assessed the increase in costs generated by these difficulties (specify the change in costs as a percentage or in value terms)?</p> <p>What measures have you taken to reduce your consumption and circularise your business model (specify the proportion of the company's activities covered by these solutions)?</p>
Q3	<p>→ Questions tailored to the finance and service sectors (whose resource scarcity impact is more indirect):</p> <p>a) Against a backdrop of inflation, geopolitical crises, global warming and biodiversity loss, what economic and financial impacts, however indirect, have the scarcity, or difficulties in the supply, of natural resources (including energy) had on your business models?</p> <p>b) Accordingly, in your operations, what measures have you taken to reduce consumption and circularise your business model? In your value chain (upstream and/or downstream), how do you encourage the development of circular business models (via investment or financing strategies, customer services, engagement with suppliers, etc.)?</p> <p>These questions concern <b>eight companies</b> (AXA, BNP Paribas, Capgemini, Crédit Agricole, Dassault Systèmes, Société Générale, Teleperformance and Worldline).</p>
Q4	<p>a) Could you specify how the E&amp;S criteria included in the short- and long-term variable remuneration policies (if applicable) of your executives reflect the most material E&amp;S issues facing your company?</p> <p>b) How does the Board ensure that the E&amp;S objectives are being met, and on the basis of which quantitative criteria? Is the requirement level systematically reassessed when achievement rates are high?</p> <p>c) Can you describe how the remuneration (bonus, long-term incentive, profit-sharing, other) of your employees (excluding executives) includes environmental and social (E&amp;S) criteria? Please specify the number of employees concerned and give as much detail as possible about the E&amp;S criteria and their weight in employee remuneration.</p> <p>→ <i>Personalised question for companies whose % of E&amp;S criteria over the long term is less than 20% (according to our 2022 data, 12 companies): Do you plan to increase the weight of E&amp;S criteria included in the long-term variable remuneration of your executives? The majority of other CAC 40 companies are at 20% or more.</i></p> <p>This concerns <b>12 companies</b> (Airbus Group, Air Liquide, Capgemini, Dassault Systèmes, EssilorLuxottica, Eurofins Scientific, LVMH, Publicis, Sanofi, Stellantis, Thales and Vivendi).</p>
Q5	<p>a) As part of your value-sharing policy, what proportion of your share buybacks have you allocated to your employees over the last five financial years (excluding performance shares)? What proportion of employees were covered by the policy in France and abroad?</p> <p>b) Over the same period, could you provide a breakdown of your share buybacks (cancellation, employee share ownership, allocation of performance shares, other beneficiaries, other allocations)?</p> <p>c) More generally, do you have a policy defining the allocation of your share buybacks? Is this policy public? If so, can you describe it?</p>
Q6	<p>A living wage is defined as "The remuneration received for a standard workweek by a worker in a particular place sufficient to afford a decent standard of living for the worker and her or his family. Elements of a decent standard of living include food, water, housing, education, health care, transportation, clothing, and other essential needs including provision for unexpected events" by the Global Living Wage Coalition. The living wage is quite distinct from the local legal minimum wage.</p> <p>For the <b>26 companies</b> that did not provide an answer on the definition last year, or answered poorly: Have you adopted a definition of a living wage such as the one mentioned above or equivalent? If so, which one?</p>

APPENDIX IV: 2023 written questions

	2023
Q6	<p>This concerns Air Liquide, Airbus Group, Alstom, Arcelor Mittal, Bouygues, Capgemini, Carrefour, Crédit Agricole, Danone, Dassault Systèmes, Engie, EssilorLuxottica, Eurofins Scientific, Hermès, Legrand, Orange, Pernod Ricard, Publicis, Renault, Saint-Gobain, Société Générale, Stellantis, STM, Thales, Veolia and Vivendi.</p> <p>For all companies:</p> <ul style="list-style-type: none"> <li>a) What specific measures have you put in place to ensure that all your employees, and those of your suppliers, are paid a living wage (work with specialist initiatives, studies to determine the living wage level in each country, inclusion of the criterion in your supplier charters, supplier due diligence, etc.)?</li> <li>b) Have you set minimum wage thresholds for all the countries in which you operate for your employees and the employees of your suppliers, and how do these thresholds compare to local minimum wages? If you have put thresholds in place, do you carry out audits to ensure that these thresholds are respected and that they are adjusted to reflect the cost of living?</li> <li>c) Have you taken into account and mapped the systemic risks likely to hinder the payment of a living wage to your employees and the employees of your suppliers (such as failure to respect freedom of association)?</li> </ul>
Q7	<ul style="list-style-type: none"> <li>a) Scope France: apart from investments in your company's shares, what proportion of the employee savings funds offered to your employees are labelled as responsible (SRI, Greenfin, CIES, Finansol or foreign labels)? Please indicate the name of the funds that have been awarded a label; the share of labelled savings funds, as a percentage of assets under management and as a percentage of funds excluding employee share ownership; the percentage of the group's employees who benefit from them; and the change compared with last year.</li> <li>b) If applicable, please explain why your employee savings funds are not all labelled? If some are not labelled but include ESG criteria, please explain how these criteria demonstrate a robust and selective ESG approach.</li> <li>c) In your other countries of operation: What employee savings schemes, excluding employee share ownership, have been implemented for your employees outside France? Do they include robust ESG criteria? If so, which ones? If not, why not?</li> <li>d) How do you involve your employees in selecting and monitoring the responsible engagement of the funds?</li> </ul>
Q8	<p>For corporate fiscal responsibility to be in line with corporate social responsibility, the Board of Directors must be fully involved in the company's fiscal citizenship choices (aligned with principles such as those of the B Team initiative). Consistent with this, the FIR expects the company to have a public fiscal responsibility report that is reviewed and signed by the Board of Directors, detailed country by country, and aligned with GRI 207. Accordingly:</p> <ul style="list-style-type: none"> <li>a) Do you publish a document detailing your fiscal responsibility commitments? How does it fit into your corporate social responsibility policy, beyond mere compliance? Is the document reviewed and approved by the Board? (Please attach a link or specify where this document can be found, along with a detailed explanation). Does it specify the tax practices that you consider unacceptable?</li> <li>b) Do you make your country-by-country tax <i>reporting</i> public? If not, how are you preparing for the European directive planned for 2024, which will require country-by-country <i>reporting</i> for EU member countries? Do you plan to publish country-by-country <i>reporting</i> that goes beyond the obligations of the directive?</li> </ul>
Q9	<ul style="list-style-type: none"> <li>a) What public decisions do you target with your lobbying activities? Please provide details for the last two years, focusing on lobbying related to human rights (including fundamental social rights), climate and governance, for the main jurisdictions in which you lobby (including the EU, US, emerging markets and other regions)?</li> <li>b) How do you monitor and ensure alignment between your ESG objectives and the positions of the trade associations of which you are a member, as well as any potential divergence from your own positions? Do you publish a report in which you detail how the positions of your company and of your trade associations are aligned, but also where they may differ from one another?</li> <li>c) What resources do you allocate to your lobbying activities (human and financial resources) for all your markets worldwide?</li> </ul>
Q10	<ul style="list-style-type: none"> <li>a) What measures are you taking to anticipate the short- and medium-term effects of the ecological transition on jobs and on changing skills requirements, both within your Group and across your value chain (subcontractors, suppliers, franchisees, etc.)?</li> <li>b) How are environmental issues discussed with social partners? At what level(s) (local, national, European, global) and within what frameworks? Can you also indicate whether these exchanges are based on information sharing, consultations or negotiations? We would be grateful if you could be specific about the different scenarios that may arise.</li> <li>c) What resources do you allocate to social partners to help them engage in your Group's environmental policy (training, specific committees, etc.)?</li> <li>d) Have the environmental prerogatives explicitly assigned to the Social and Economic Committee by the French Labour Code ("Climate and Resilience" law) led to new practices in this area in your company?</li> </ul>

APPENDIX IV: 2023 written questions



## APPENDIX V: 2022/2021/2020 written questions

	2022	2021	2020
Q1	<p>Are you explicitly committed to aligning your earnings and investments (CAPEX / OPEX / R&amp;D / M&amp;A, etc.) with the Paris Agreement objective of limiting global warming to 1.5°C?</p> <p>How do you ensure that these earnings and investments respect this objective (please describe the methodologies used)?</p> <p>What key action plans and, if applicable, related investment amounts have you implemented to achieve this objective in the short, medium and long term?</p>	<p>What amounts of Capex do you need to invest by 2025 to be aligned with the Paris Agreement?</p> <p>How will these Capex expenditures be distributed across the value chain between maintenance Capex and growth Capex?</p> <p>What is their geographical distribution?</p>	<p>How are your CAPEX/ development plans aligned with a climate scenario compatible with the Paris Agreement? (Question 2)</p>
Q2	<p>What percentage of your business (expressed as turnover, net banking income, etc.) is directly dependent on biodiversity?</p> <p>What is your biodiversity expenditure?</p>	<p>How do you limit the impact of biodiversity loss on your future earnings?</p> <p>Specify the indicators and means you have put in place.</p>	<p>How do you analyse the impact of your activities on global and local ecosystems (e.g., biodiversity)?</p> <p>What are your five main impacts on them (positive and negative)? (Question 3)</p>
Q3	<p>List the strategic natural resources needed to carry out your business activities and/or those of your clients (water, energy, materials, etc.). How do you assess and calculate the impact of the scarcity of these resources on your business models?</p> <p>What actions are you taking to combat supply difficulties and to seize opportunities to develop "circular business models"?</p> <p>What are your objectives in this area?</p>	<p>How do you plan ahead for the scarcity of certain natural resources and difficulties procuring your strategic resources?</p> <p>How does this affect your business models and how do you secure your supply chains?</p>	
Q4	<p>What proportion of your corporate officers and employees (broken down by type) have environmental and social (E&amp;S) criteria integrated into the determination of their variable remuneration (bonus, long-term incentives, profit-sharing, etc.)?</p> <p>Which governance bodies are responsible for choosing and validating these E&amp;S criteria?</p> <p>How do they ensure that these criteria are relevant, sufficiently incentive-based and correlated with the objectives to be achieved in order to successfully implement the group's environmental and social strategy? (Please specify the non-financial criteria used for corporate officers and for employees.)</p>	<p>Do you take environmental and social criteria into account in the profit-sharing agreements of your employees in France?</p> <p>If yes:</p> <ul style="list-style-type: none"> <li>- What are these criteria? Have they changed since 1<sup>st</sup> April 2020?</li> <li>- What proportion do these criteria represent in the profit-sharing formula? Has it changed in the last year?</li> <li>- What proportion of employees are affected?</li> </ul>	<p>Do you take environmental and social criteria into account in profit-sharing agreements with your employees in France?</p> <p>If yes, how and in what proportion?</p>
Q5	<p>What lessons have you learned from the new work organisation methods implemented in your company as a result of the COVID-19 pandemic (remote working, digitalisation of communication methods, increased flexibility, etc.) in terms of their impact on working conditions?</p> <p>How does your human resources strategy currently integrate these new organisational methods?</p> <p>What social dialogue has been conducted on the subject (agreements, shared reflection on the future of work, etc.) across all of your business lines and locations?</p>	<p>How do you manage, at group level, the social impacts associated with the massive development of teleworking since the beginning of the pandemic?</p> <p>In particular in terms of psychosocial risk management, cost sharing, employee satisfaction surveys, shifts in employee choices, share of teleworkers, etc.</p>	<p>How does your company prepare its employees for the 21<sup>st</sup> century transitions that are shaking up your industry?</p>



	2022	2021	2020
Q6	<p>Do you have a definition of the "living wage" that goes beyond the local legal minimum wage? If yes, what is it?</p> <p>How does your company ensure that its employees, and also the employees of its suppliers, receive a living wage?</p>	<p>Do you have a definition of the "living wage" that goes beyond the local legal minimum wage? If yes, what is it?</p> <p>How does your company ensure that its employees, and also the employees of its suppliers, receive a living wage?</p>	<p>Do you have a definition of the "living wage" that goes beyond the local legal minimum wage? If yes, what is it?</p> <p>How does your company guarantee a living wage for its employees, especially in the main countries in which it operates?</p>
Q7	<p>Question scope France: apart from investments in your company's own securities, what proportion of the employee savings funds offered to your employees has received a responsible label (SRI, Greenfin, CIES or Finansol labels)?</p> <p>How do you explain the continued offering of non-responsible funds if there is no difference in profitability and when the Paris market is a leader in this area?</p> <p>In your other countries of operation: do your employee savings schemes (pension or other) also include ESG criteria?</p> <p>How does the board of directors or supervisory board encourage subscriptions to these types of employee savings funds?</p>	<p>In the context of employee savings, which funds have received a socially responsible investment label (CIES, Finansol, Greenfin, SRI)?</p> <p>For each fund offered, what is the name of the label(s), what is its percentage share in the employee savings portfolio, and to what proportion of employees is it offered?</p> <p>In addition, what proportion of the group's employees in France and abroad have access to other forms of professional savings, particularly for retirement?</p> <p>What proportion of the assets corresponding to these savings is managed in a socially responsible manner and has "quality marks"? Which ones? (Question 8)</p>	<p>What proportion of employee savings scheme funds have received a socially responsible investment label (CIES, Finansol, Greenfin, SRI)? (Question 8)</p>
Q8	<p>Do you publish a charter detailing your fiscal responsibility commitments? If so, how does this fiscal responsibility fit into your wider social responsibility? Does the board review and approve this charter? Do you report annually on the application of the charter's principles via a fiscal responsibility report? Does this report detail the taxes paid country by country?</p>	<p>Do you apply the GRI 207 standard for your public tax reporting? If yes, does this reporting cover all the elements indicated in this standard and if not, which elements have you chosen not to publish and why? If you are not using this standard, what are the reasons and do you plan to apply it in the near future (in one to two years)? What other measures have you implemented or do you plan to implement to meet your stakeholders' increasing demand for tax transparency? (Question 9)</p>	<p>Is the country-by-country tax allocation discussed by the board as a whole and/or in the audit committee? Do you plan to make the results public? (Question 9)</p>
Q9	<p>Do you publish a responsible lobbying charter? Are you a member of any professional associations with controversial positions from a public interest perspective? If so, what actions are you taking to reorient the positions of these associations? What resources (human and financial) do you allocate on a consolidated basis (i.e., across your geographical area of operation) to support representation of the public interest</p>	<p>How are your lobbying practices formalised and how do they fit into your group's CSR strategy?</p> <p>Can you describe your company's chain of responsibility for lobbying or institutional relations?</p> <p>In which cases can or should the matter be referred to your group's supervisory body (board of directors, supervisory board)?</p> <p>What information do you publish about your lobbying practices (public positions, allocated budgets, etc.) for each of your global markets? (Question 12)</p>	
Q10	<p>How does your Group integrate its social partners – at local and global levels – in the different stages of the preparing, updating and implementing its vigilance plan?</p> <p>What resources does the Group provide them with to accomplish this mission?</p> <p>How are these social partners involved in reporting on the effective implementation of the vigilance plan?</p>	<p>How, in concrete terms, do you involve your social partners, at group level and locally, in engaging your company in a just transition? Do you intend to publish their opinion on your vigilance plan?</p> <p>Do you intend to publish their opinion on your non-financial performance statement? (Question 13)</p>	<p>Do you intend to publish the opinion of your social partners on your group's Non-Financial Performance Statement? (Question 12)</p>

APPENDIX V: 2022/2021/2020 written questions



## APPENDIX VI: Controversies – partnership with Ethifinance

Our partnership with Ethifinance has allowed us to add an essential dimension to this assessment by integrating the controversies affecting some companies on certain of the questions. Our access to the Ethifinance platform helped us to identify the most serious controversies.<sup>20</sup> The campaign's analysts then decided whether or not to include the controversy in their analysis if the company had not mentioned it in its answer.

If the company did not address the topic in its response, it could receive a penalty of 0.5 points out of a total of 3 points, depending on the severity of the controversy as estimated by the rating agency and the decision of the FIR analysts who worked on the question.

Ethifinance has designed a rigorous methodology to assess the severity level of each controversy, using three calculations to assign an overall score:

- Assessment of the impact on the business, based on financial and operational aspects, and the impact on its reputation;
- Analysis of the impact on stakeholders, including the number of stakeholders affected and the intensity of the impact;
- Assessing the company's responsibility in the controversy, by examining the legal implications and the degree of involvement.

This collaboration has enabled us to make a more complete and contextual evaluation of the companies' levels on each question. Thanks to this approach, we have been able to offer a richer and more nuanced assessment of the way in which companies manage and respond to the issues raised by the questions posed.

As such, this APPENDIX is based on the rigorous evaluation methodology developed by Ethifinance, supplemented by the analysis of the FIR campaign participants on each question. While we strive to provide an objective and thorough analysis, it is important to recognise that any evaluation methodology has inherent limitations.

We would like to stress that our conclusions may be influenced by various factors, including publicly available information, accessible data, and the weighting and scoring choices we have made as part of our analysis. Consequently, it is possible that certain nuances or important aspects may not be fully represented in this part of the analysis.

	Controversy
Q1	<p><b>BNP Paribas</b> : 0.5-point penalty. Friends of the Earth France, environmental association Notre Affaire à Tous and Oxfam France filed a lawsuit against BNP Paribas in February 2023, accusing the bank of financing oil and gas companies that act in an environmentally damaging way. The associations are calling on the bank to cease all support for the expansion of fossil fuels.</p> <p><b>Stellantis</b> : 0.5-point penalty. Stellantis faced emissions fraud charges in January 2019 and was fined in the US and Europe ("Dieselgate").</p> <p><b>TotalEnergies</b> : 0.5-point penalty. Oil multinational TotalEnergies has been under investigation since December 2021 for "misleading commercial practices". The investigation was opened by the economic and financial division of the Nanterre public prosecutor's office following a criminal complaint filed in October 2020 by three environmental associations.</p>
Q2	<p><b>Carrefour</b> : although the company had promised to suspend the sale of meat from certain slaughterhouses of the supplier JBS, accused of massive deforestation and of deceptive practices linked to the origin of its beef, the NGO Mighty Earth published a report in September 2022 stating that Carrefour was continuing to sell this meat.</p> <p><b>BNP Paribas</b> : in February 2023, the Brazilian NGO Comissão Pastoral da Terra (CPT) and the French association Notre Affaire à Tous filed a complaint with the Judicial Court of Paris against the French bank BNP Paribas, accusing it of financing a Brazilian agri-food giant which, they claim, contributes to deforestation.</p>
Q3	<p><b>Carrefour &amp; Danone</b> : 0.5-point penalty. In September 2022, three NGOs accused nine major groups, including Carrefour and Danone, of failing to reduce plastic pollution and of being among the world's leading producers of plastic waste, in breach of their duty of care.</p>
Q4	<p><b>Carrefour</b> : 0.5-point penalty. At the Carrefour Group's Annual General Meeting in 2023, shareholders voiced their disapproval of CEO Alexandre Bompard's remuneration of €9.2 million for 2022. Around 40% of shareholders voted against the proposal, the highest negative vote for a CAC 40 company.</p>
Q5	No controversies identified by analysts.
Q6	No controversies identified by analysts.
Q7	No controversies identified by analysts.
Q8	<p><b>BNP Paribas &amp; Société Générale</b> : 0.5-point penalty.</p> <p>In 2023, the French offices of BNP Paribas and Société Générale were searched as part of an investigation into tax fraud and money laundering initiated in 2018 by the National Financial Prosecutor (PNF) and involving five banking institutions (cum-cum and cum-ex practices revealed by the cum-ex files). The investigation is still ongoing.</p>
Q9	<p><b>Engie &amp; TotalEnergies</b> : 0.5-point penalty. InfluenceMap published a report in August 2023 accusing TotalEnergies and Engie (and other energy companies) of influencing global climate and energy investment policies. The report identifies three phases: promoting gas exploration in Africa, defending LNG imports into Europe and undermining EU climate policies to reduce gas demand. This influence compromises European climate objectives and sustainable development opportunities in Africa.</p>
Q10	No controversies identified by analysts.

20. Severity score of 3 or 4 according to the Ethifinance methodology.

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## APPENDIX VII : Supplement on the NEC Methodology

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### The NEC, an environmental compass guiding economic actors;

The NEC stands out from other metrics, notably due to the following characteristics:

- Transparent: Ensuring credibility and scientific enforceability, its methodology is detailed, public, and freely accessible on the website: : <https://www.nec-initiative.com/methodology/>
- Granular: In contrast to other alignment measures and exclusion criteria highlighting only the "very green" or "very brown," the NEC metric distinguishes itself with granularity, allowing the analysis and comparison of all economic activities, from the brownest to the greenest, through 200 nuances of environmental contribution.
- Relative and trans-sectoral: Designed to compare all economic activities both between sectors and within each sector.
- Global: Applicable to any geographical area, company size, economic sector, and asset class.

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#### More information:

Web Site : <https://www.nec-initiative.com/>

LinkedIn page:

@NEC – NET Environmental Contribution  
<https://www.linkedin.com/company/nec-initiative/>

Contact: [hello@nec-initiative.org](mailto:hello@nec-initiative.org)

### Framework Presentation Paragraphs

#### Food and Beverage

The NEC's sectoral framework for "Food and Beverage" allows the analysis of all activities from production to distribution and sales. The sector's main environmental pressures are on the climate with agriculture, fishing, and livestock responsible for over a quarter of global greenhouse gas emissions. The NEC captures these impacts by integrating quantitative climate and water components, as well as a biodiversity component based on the quality of labels used in food.

#### Wood, Forests, Paper

The NEC includes the four main activities in the wood and paper value chain: forestry, paper and pulp production, sawmills and wood products, and packaging. This sector has significant impacts on biodiversity and climate, contributing to deforestation and ecosystem degradation. The NEC captures these impacts using a range of environmental certifications.

#### Fuel

The "Fuel" framework considers all fossil and renewable fuels in various forms, analyzing activities from extraction to distribution. The major environmental impact is on climate, as fossil fuels represent about 60% of global greenhouse gas emissions. The NEC captures these impacts by integrating climate and specific elements related to biofuels.

#### Heat

The NEC analyzes activities in the heat production value chain, distinguishing between local heating (small systems for homes and buildings) and industrial heating. The main impacts are on climate and air quality due to fossil fuel use. The NEC measures the contribution of products, services, and activities by considering greenhouse gas emissions and air pollutants.

#### Chemistry

Chemical products are found in various activities and economic sectors, contributing to environmental transition. However, their production accounts for 6% of greenhouse gas emissions and has impacts on resources and ecosystems. The NEC evaluates the final product's use, incorporating an increment related to the product's specifics.

#### Building and Real Estate

This sectoral framework covers various construction value chain activities, addressing environmental impacts on climate, water, and waste. The NEC includes a material component based on raw material guidelines, adds an increment for building energy efficiency, and considers renewable energy use and recycled materials.

#### Waste

The NEC assesses the environmental impacts of waste collection, sorting, and treatment activities, categorizing non-radioactive waste into hazardous, non-hazardous, and inert. Key environmental issues include climate, resources, and biodiversity. The NEC combines quantitative waste treatment volume with qualitative waste type, treatment, and geography.

#### Water

The NEC examines the environmental impacts of water withdrawal, transport, storage, distribution, and wastewater collection and treatment activities. The focus is on water resources, infrastructure leaks, and wastewater treatment. The NEC includes components for biodiversity, water network leaks, and wastewater treatment based on geographical zones.

#### Electricity

This framework covers electricity production, sales to end customers, and grid operation. Major modeled impacts include climate, biodiversity, and waste production. The NEC captures these impacts through greenhouse gas emissions, a biodiversity component, and a waste component.

#### Appliances

The value chain includes the production, sale, and service of household and professional appliances. The impacts are moderate, primarily during usage, affecting climate, water, and waste. The NEC incorporates energy and water consumption and adds an increment for commercial practices that could extend appliance lifespan.

#### Apparel and Textiles

This sectoral framework covers activities using textile fibers, including their transformation into clothing and other textile products. Impacts include climate (8% of global greenhouse gas emissions), water use, and biodiversity. The NEC captures these impacts with a 'fiber' component and a 'commercial practice' component.

#### IT & Telecom

Activities in this framework include computer equipment, electronic devices, data center activities, and software and IT services. Impacts include climate (electricity consumption), resources, and waste. The NEC evaluates the final product's use, incorporating elements measuring environmental performance.

#### Mobility and Transport

This framework covers the entire passenger and freight transport value chain in all transport modes. Major impacts are on climate and air quality, with fossil fuels being a significant contributor. The NEC integrates greenhouse gas emissions and atmospheric pollutant emissions into its equation.

#### Basic Materials

The raw materials framework analyzes activities related to the extraction and transformation of raw materials. It calculates the NEC for metals, metallic minerals, other minerals, cement, and concrete used in resource-intensive industries. The NEC captures environmental impacts through the final use of materials and components incorporating carbon intensity, water and biodiversity impacts, and the share of recycled materials used.

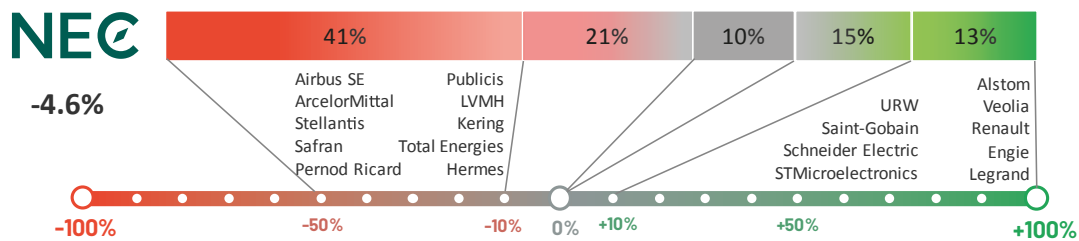
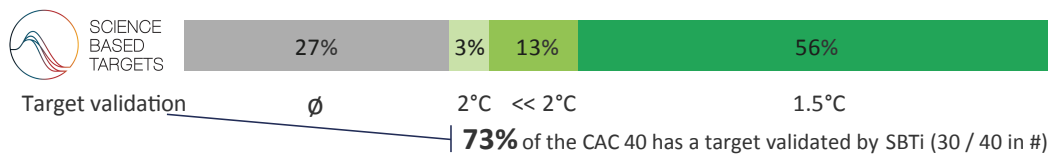
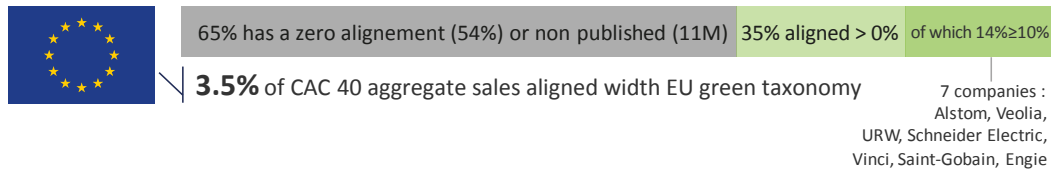
#### Household and Personal Care

This framework encompasses a wide range of products from cosmetics to household items like detergents. Activities include product manufacturing, distribution, and use. This sector has a moderate environmental impact, mainly on climate during usage and water resources during manufacturing and use. The NEC captures these impacts through a specific component on palm oil and a certification component related to the formula and/or packaging.

## APPENDIX VIII: Supplement to NEC's qualitative analysis of the CAC 40

### Illustration with CAC 40

Data for 2022



- ▶ The share of Alstom's revenue aligned with the EU's green taxonomy was 59% in 2022.
- ▶ The share of Renault Group's revenue aligned with the EU's green taxonomy is 0% in 2022. This 0% is primarily due to the interpretation of the pollution prevention and control criterion in the taxonomy in terms of Do Not Significantly Harm (DNSH)<sup>21</sup>, compared to 11% of revenues meeting the substantial contribution criterion to climate change mitigation.
- ▶ The share of Stellantis Group's revenue aligned with the EU's green taxonomy is 7% in 2022. Stellantis considers that the DNSH criterion poses an interpretation issue, and the company does not reclassify alignment as non-alignment at this stage.



As the EU taxonomy does not cover food, beverages, or clothing, the eligible and aligned revenue shares of Hermès, Kering, and Pernod Ricard are zero by design.

21. Source: Sycomore AM.

The pollution prevention and control criterion, see paragraph 2.6.1.1 in:  
[https://www.renaultgroup.com/wp-content/uploads/2023/03/renault\\_2022-urd\\_20230327\\_en.pdf](https://www.renaultgroup.com/wp-content/uploads/2023/03/renault_2022-urd_20230327_en.pdf)



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