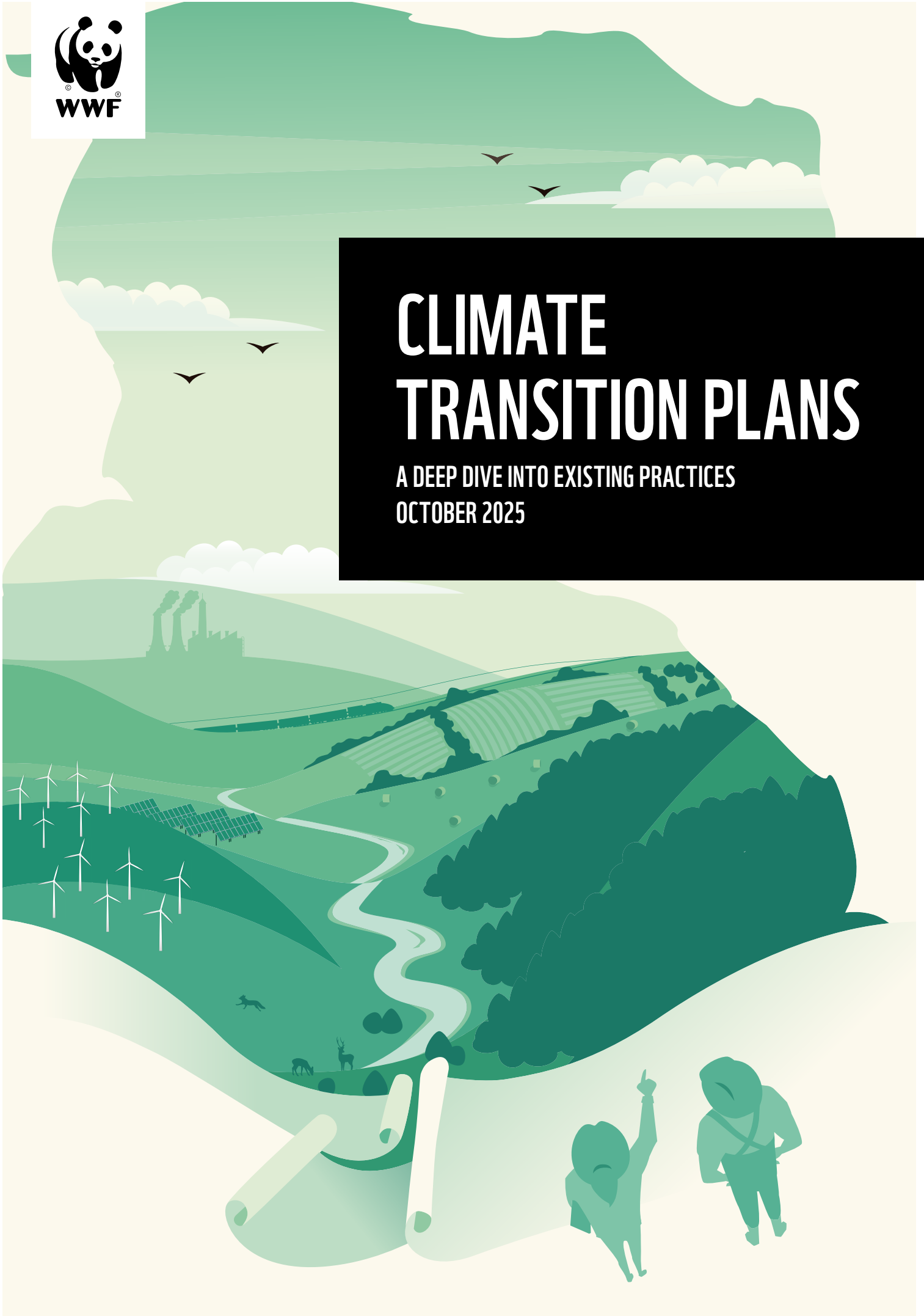




CLIMATE TRANSITION PLANS

A DEEP DIVE INTO EXISTING PRACTICES
OCTOBER 2025



WWF

WWF is one of the world's largest and most experienced independent conservation organisations, with over 5 million supporters and a global network active in more than 100 countries. WWF's mission is to stop the degradation of the planet's natural environment and to build a future in which humans live in harmony with nature, by conserving the world's biological diversity, ensuring that the use of renewable natural resources is sustainable, and promoting the reduction of pollution and wasteful consumption.

Since 1973, WWF France has worked on a constant stream of projects to provide future generations with a living planet. With the support of its volunteers and 202,000 donors, WWF France leads concrete actions to safeguard natural environments and their species, ensure promotion of sustainable ways of life, train decision-makers, engage with businesses to reduce their ecological footprint and educate young people. The only way to implement true change is to respect everyone in the process. That is why dialogue and action are keystones for the WWF philosophy. Alexandra Palt is President of WWF France, and Véronique Andrieux is Chief Executive Officer.

Find our projects on: [wwf.fr](https://www.wwf.fr)

Together possible.

Authors & editors

Guillaume Bône, Antoine Pugliese (WWF France)

Design:

Agence Muscade

WWF® and World Wide Fund for Nature® trademarks and ©1986 Panda Symbol are owned by WWF-World Wide Fund For Nature (formerly World Wildlife Fund). All rights reserved.

Document published in October 2025

Any reproduction in full or in part must mention the title and credit the opposite-mentioned publisher as the copyright owner.

WWF France, 35-37 rue Baudin
93310 Le Pré Saint-Gervais

Cover design:

© Agence Muscade



© Rebecca Drobis / WWF-US



TABLE OF CONTENTS

Scope and objectives	5
Executive summary	6
I - CONTEXT: HISTORY, CONTENT AND STAKEHOLDERS OF CLIMATE TRANSITION PLANS	8
1 - From voluntary frameworks to legal obligation	9
2 - Key elements of the transition plan	10
3 - Mapping out Transition Plan stakeholders	12
II - LESSONS FROM THE FIRST CSRD CLIMATE TRANSITION PLANS	14
1 - WWF approach to evaluating climate transition plans	15
2 - Companies publish compliant climate transition plans, with some good practices to highlight	17
3 - More work is needed to reach levels of consistency or credibility	19
III - LOOKING FORWARD: OUR RECOMMENDATIONS TO STAKEHOLDERS	23
1 - WWF recommendations for companies	24
2 - WWF recommendations for public policy	25
3 - WWF recommendations for central banks, financial market and prudential authorities	28
4 - WWF recommendations for the financial sector	30
5 - WWF recommendations for auditors	31
IV - ANALYSIS RESULTS AND METHODOLOGY	33
1 - CTP analysis per company <i>(Accor, Air Liquide, Danone, Engie, LVMH, Michelin, Renault, Sanofi, TotalEnergies, Vinci)</i>	34
2 - Analysis grid	54



Véronique Andrieux,
C.E.O. at WWF France

DON'T THROW CLIMATE TRANSITION PLANS UNDER THE OMNIBUS!



In 2025, “simplification” has become a key theme across Europe. Policymakers and companies are looking to ease regulatory requirements and reduce administrative complexity, notably regarding environmental policy.

While these efforts can make regulation more efficient, they also carry a real risk: if simplification turns into deregulation, it could weaken the tools needed to deliver on climate objectives. The debate around the EU’s sustainability reporting framework (Corporate Sustainability Reporting Directive, or CSRD) illustrates this tension clearly.

Climate transition plans are the centerpiece of companies’ climate action. Since the CSRD came into force, climate has moved from the margins to the center of many corporate strategies. With legally mandated transition plans, companies are not just setting distant targets anymore; they are outlining the steps to get there. This shift has helped build a shared sense of direction and accountability.

Still, there’s work to do. The CSRD has set a strong baseline for companies to report on climate transition plans, **but more work is needed to make these plans credible**. If regulatory requirements are scaled back too far, transition plans could lose their relevance in helping to achieve climate objectives, and the distance between what’s promised and what’s delivered could grow.

This report offers a practical way to keep ambition and simplicity moving together. It provides a **clear, standardized framework** to assess the credibility of climate transition plans, helping companies, auditors, financial institutions and policymakers speak a common language.

Ultimately, simplification should support — not weaken — the path to net zero. **Climate transition plans can be incredible tools to unlock credible climate action**: with a clear decarbonisation roadmap, Europe can continue to spearhead the transition to a sustainable economy.

SCOPE AND OBJECTIVES

This report builds on the following documents produced by WWF:

- *Corporate Sustainability Targets and Transition Plans*
- *Corporate Climate Targets*
- *CSR Au-Delà des Chiffres*
- *Corporate Nature Targets*
- *Transition Plans: Putting the G20 Principles into Practice*
- *Catalysing Change: The Urgent Need for Nature Transition Plans*

This paper has 3 key objectives:

- 1 Develop and share a simple, qualitative analysis framework for climate transition plan analysis rooted in existing tools and initiatives (ATP-Col, ACT, ESRS...)
- 2 Present and summarize findings on companies' first climate transition plan publications under the European Sustainability Reporting Standards (ESRS) framework. From this analysis, common good practices and areas for improvement for planning, reporting and verification of transition plans are highlighted.

3 Develop recommendations for different constituents that produce or use climate transition plans for how to best leverage this resource. These include recommendations to companies, auditors, policymakers and financial institutions.

The material developed in this report is based on the in-depth analysis of ten climate transition plans produced by French CAC40 (top 40) companies under the European corporate disclosure rulebook ('Corporate Sustainability Report Directive' or 'CSRD', adopted in December 2022), and on a broader review of other ESRS climate transition plans, reports and benchmarks on this topic.

The elements provided in this report are intended to contribute to EU efforts to maintain and improve the legislative framework to guide the ecological transition, to be used by information users to evaluate the quality of data provided in CSRD-mandated publications, and to contribute to the continuous improvement of audit practices regarding sustainability information. This report is part of a series of WWF publications around climate and nature targets and transition plans, presented in the timeline below:



EXECUTIVE SUMMARY

This report discusses good practices and areas for improvement in climate transition plans reporting. These are identified using WWF’s in-depth analysis of ten plans published under the CSRD, according to our own methodology inspired by ACT and ATP-Col. The results of this evaluation and complementary resources are used to formulate recommendations to different stakeholders involved in producing or using companies’ climate transition plans. Context is provided regarding frameworks and regulations that standardize reporting practice for transition plans.

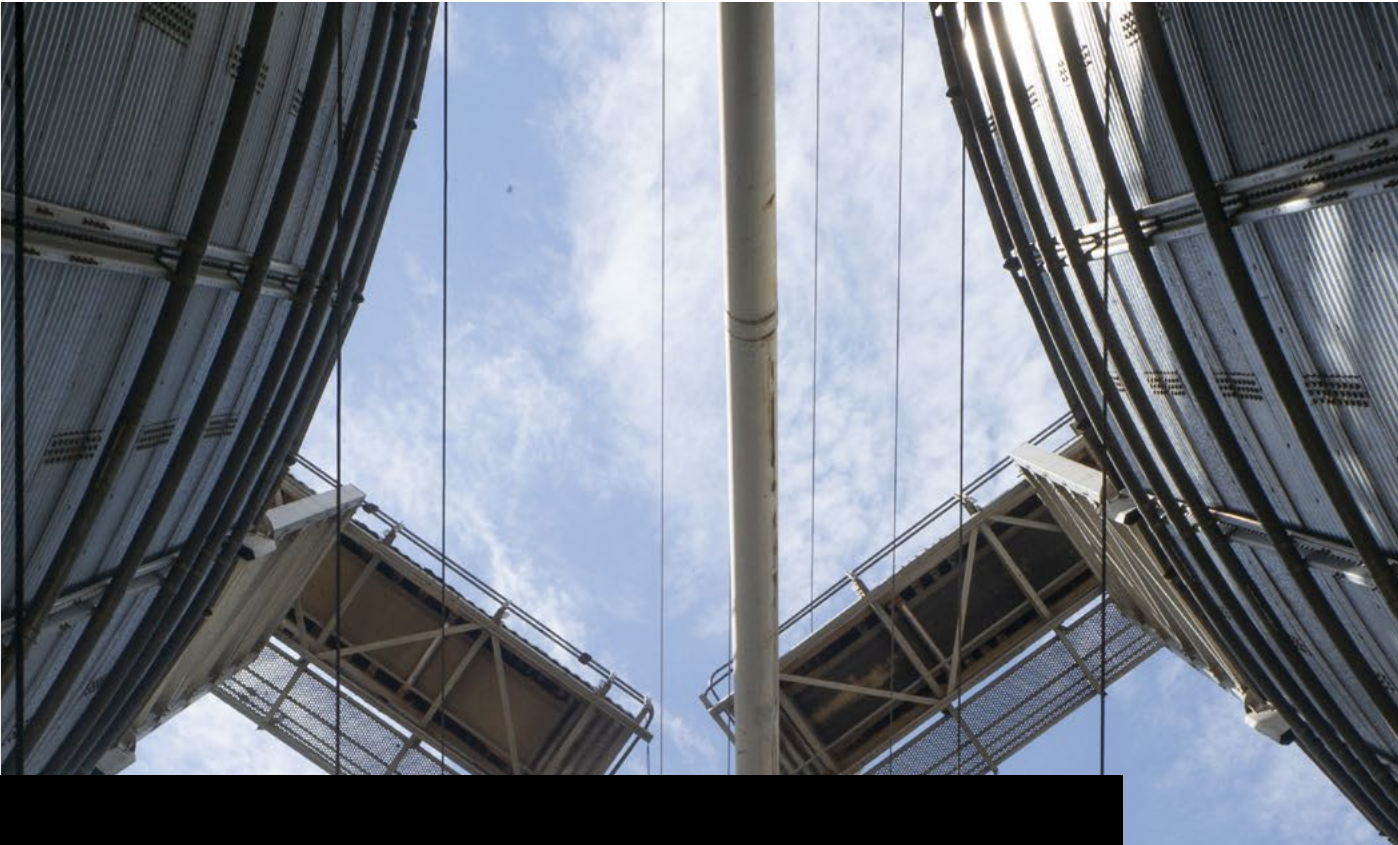
We find that while compliant with ESRS requirements, **climate transition plans are not at the level required to meet Paris Agreement objectives**. Without clear changes in reporting practices, **a transition-washing risk exists** and could be institutionalized. With improvements, **robust transition plans could be key tools that companies, policymakers and financial institutions can use to implement, coordinate and monitor the transition to a net-zero economy**.

WWF findings can be summarized in the following key points:

STRENGTHS	WEAKNESSES
Compliance with regulation: All reports analysed contained the baseline data required to comply with ESRS standards for climate transition plans.	Lack of credibility: No company analysed published a fully credible transition plan. It remains unclear how climate objectives are meant to be implemented realistically.
Comprehensive GHG inventories: Companies usually cover material emissions categories and provide methodologies for the greenhouse gas (GHG) inventory, in line with major reporting frameworks.	Insufficient granularity: Emissions and objectives are not disclosed for highly emissive sites or assets in operations or value chains, making it difficult to track operational performance.
Clear emission reduction targets: Targets are often well-defined, expressed in absolute terms, and set at least for the short and long term, with multiple companies validating targets through the SBTi.	Opaque financials: There is little to no quantitative data regarding necessary investments and expenses for transition plans, and no clear links between financial elements and decarbonisation levers.
Established climate governance: Climate action typically has clear governance structures in place inside companies, with details provided on responsibilities and financial incentives present in remuneration schemes.	Unreliable decarbonisation levers: Transition plans often depend on immature technologies and scarce resources without clear actions to facilitate access to these levers or risk mitigation strategies.
	Absence of links with other sustainability topics: Interactions with other environmental and social topics are not assessed in most climate transition plans reviewed.
	Lack of reference to decisions that could threaten transition plans’ success: Companies often omit key elements that could lead to high locked-in emissions and jeopardize their climate objectives.

WWF recommendations can also be summarized for different group of stakeholders:

STAKEHOLDER GROUP	RECOMMENDATIONS
 1. Companies	• 1.1: Companies should increase transparency across all elements of the climate transition plan, including issues that could threaten the plan's success • 1.2: Companies should focus on developing the quantitative elements of their transition plans • 1.3: Companies should better analyse and account for dependencies on external factors, ensuring they do not use these to avoid action
 2. Policymakers	• 3.1: Policymakers should develop legal frameworks, incentivize and invest in scaling key technologies for the transition to a net-zero economy • 3.2: Policymakers should introduce legislation to rapidly phase out fossil fuels, accounting for fatal emissions necessary for a net-zero transition • 3.3: Policymakers should develop geography-specific budgets and decarbonisation pathways to ensure a coordinated transition effort and use companies' climate transition plan to follow performance against their objectives
 3. Central banks, financial market authorities and prudential authorities	• 3.1: Central banks should develop specific climate transition indicators and factor them into credit ratings • 3.2: Financial market authorities should develop their own climate transition plan credibility framework and use it to enforce the consideration of climate risks in companies and financial institutions • 3.3: Prudential authorities must ensure that financial institutions are considering climate transition plans in their core activities
 4. Financial institutions	• 4.1: Financial institutions should collect and process transition plan and performance data to track the transition to a sustainable economy • 4.2: Financial institutions should consider transition plan credibility as a key component of company evaluations using existing frameworks • 4.3: Financial institutions should reinforce the consideration of climate criteria in their core activities to ensure the success of their own transition plans
 5. Auditors	• 2.1: Auditors should use updated standards (ISSA 5000) and expert opinions (H2A, CEAOB guidelines) to inform their audit processes • 2.2: Auditors should use frameworks such as ATP-Col, ACT, or this report's analysis grid to conduct their analysis of transition plan credibility • 2.3: Auditors should clearly highlight elements that jeopardize transition plan coherence or credibility in their auditor reports



I – CONTEXT: HISTORY, CONTENT AND STAKEHOLDERS OF CLIMATE TRANSITION PLANS



© David Bebbier / WWF-UK

1 - FROM VOLUNTARY FRAMEWORKS TO LEGAL OBLIGATION

Climate transition plans came into focus after 195 parties came together to sign the Paris Agreement at COP21 in 2016. This legally binding agreement sets a goal to hold the increase in the global average temperature to well below 2°C above pre-industrial levels and pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels. This latter reference to 1.5°C represents the baseline for European Green Deal objectives, in line with the scientific consensus that increases beyond this point imply a great risk to the stability of life and human activity globally.

These engagements, taken at the national level, find their counterparts within the private sector. This is essential to ensure the proper transition of economies to models compatible with Paris Agreement objectives. Pioneering companies had begun to set climate targets voluntarily prior to COP21, but the Paris Agreement, together with the creation of the Science Based Target initiative (SBTi), encouraged a wave of climate target setting for the private sector. Today, more than 8 600 companies have validated climate objectives through the SBTi, with nearly another 4 000 having submitted commitments that are under review by the organisation.

In parallel to this, the French environmental agency (Ademe) created the ACT methodology in conjunction with CDP (short for “Assessing Low-Carbon Transition”). After having asked the question of “what” climate objective companies had, this framework asked companies and financial institutions “how” they intended to reach such objectives. The first draft framework was launched in 2016, along with the first sector-specific methodologies meant to ensure the exercise was tailored to the specificities of highly emissive sectors. A pilot phase saw some early, confidential evaluations being conducted by Ademe on some French companies between 2016 and 2018. Ultimately, Decathlon was the first company to publicly share its ACT assessment results in 2021, marking a first step toward public accountability and transparency in climate transition planning.

Since then, multiple frameworks have built on the successes of the ACT framework to propose evaluations of climate transition plans by companies. For example, the UK launched its own voluntary climate transition plan design and evaluation framework through the Transition Pathways Taskforce, which was recently coopted into IFRS sustainability standards. Other institutions have also used the elements provided by climate transition plans to assess companies’ climate efforts and commitments: the Transition Pathway Initiative or Climate Action 100+ provide such evaluations at scale. More recently, ACT was also taken over by the World Benchmarking Alliance, which is now using this methodology to “industrialize” the evaluation of companies’ climate transition plans.

The latest key development in this field is the development of the WBA-led initiative ATP-Col, that brought together over 90 topical experts to establish a common framework for evaluating climate transition plans published by companies. This document is meant to provide a common basis for the assessment of transition plans’ credibility globally, and provides the basis for the analysis work conducted in this paper.

While these developments took place, the European Union passed legislation requiring companies to develop and disclose climate transition plans through the CSRD and the CSDDD, respectively sustainability reporting and due diligence directives, and other prudential regulation. This requirement is meant to ensure that companies assign strategies to their climate commitments, implement these strategies, and provide transparency on their progress regarding climate targets.

This report focuses on CSRD-mandated climate transition plans, which were published by first-wave companies in 2025, per legal requirements.



2 - KEY ELEMENTS OF THE TRANSITION PLAN

Climate transition plan frameworks can label components differently but ultimately refer to similar key elements. These typically include the following:

1. TARGETS

To enable the reader to understand the ambition of the climate transition plan, it is necessary to understand what the end goal is in terms of decarbonisation. Most climate transition plan frameworks refer to Paris Agreement objectives or the 1.5°C limit of temperature change as a baseline ambition for transition planning. WWF published a previous report on this topic.

2. UNDERLYING SCENARIOS AND ASSUMPTIONS

This component usually requires companies to explain how they have set targets and analysed existing scientific literature and tools to set targets and plan out their climate strategy. Frameworks usually recommend referring to well-established scenarios, such as those provided by the IPCC or the IEA, or even going to the sectoral level, using scenarios such as those developed by Ademe or Mission Possible Partnership. Tools like the SBTi help companies aggregate such scenarios and establish a “hard” reference for what 1.5°C compatibility means for companies.

3. DESCRIPTION OF ACTIVITIES AND BUSINESS MODEL

Climate transition plans are strategic tools meant to guide operational change. Transition strategies are therefore typically sector-, geography- or activity- dependent. Understanding the company’s specificities is therefore key to analyzing the relevance of the transition plan and identifying the potential interplay between the company’s activities and forecasted evolutions external to the company.

4. DECARBONISATION LEVERS AND KEY ACTIONS

These map out the company’s plans to implement its decarbonisation strategy. Key actions are those that the company plans to put in place to reduce its GHG emissions, which are then aggregated into higher-level decarbonisation levers. The expected contribution to decarbonisation objectives should be quantified at the level of levers.

Companies should also analyse the dependency of their planned decarbonisation levers to external factors by using appropriate scenarios and models (for example, is it realistic to rely on X or Y technology to decarbonize considering its current maturity level and public policies linked to these technologies).

5. FINANCIAL AND RESOURCE PLAN

Companies must estimate and report planned investments and expenses to ensure that necessary resources are allocated to their decarbonisation strategy. Relevant data includes currently planned capital expenditure (CapEx) and operational expenditure (OpEx) amounts, forecasts on costs expected to be incurred by the transition plan’s implementation, and financial effects triggered by the plan. For financial institutions, the relevant information to provide can include loans outstanding to different industries, expositions to fossil fuels, investments in emissive companies and assets for example. Such disclosures encourage companies to better integrate their financial and extra-financial planning horizons.

6. PERFORMANCE AND GHG EMISSIONS

Companies must disclose historic and current GHG emissions and comment on this performance as related to their climate targets. This allows both the preparers and users to monitor the transition plan’s implementation. The GHG emissions performance can be complemented by operational KPI that track progress on planned actions. Such KPI are typically sector-dependent (for example: an automobile manufacturer may track the ratio of electric to ICE vehicles in its product mix).

7. GOVERNANCE

Companies must detail the governance mechanisms dedicated to the implementation of the plan. Details regarding the role of administrative and management bodies are required and should be complemented with disclosures on operations-level governance and financial incentives.

8. SUPPORTING DISCLOSURES

Common supporting disclosures include a description of locked-in emissions, eventual references to relevant taxonomies for the company, exposure to fossil fuels, stakeholder engagement strategies beyond the value chain, and disclosures linked to lobbying practices.

The ESRS list out the following disclosure requirements for the transition plan for climate change mitigation:



**TARGETS
UNDERLYING SCENARIOS
AND ASSUMPTIONS**

- 16) a. by reference to **GHG emission reduction targets**, an explanation of how the undertaking's targets are compatible with the limiting of global warming to 1.5°C in line with the Paris Agreement;



**DECARBONISATION LEVERS
AND KEY ACTIONS**

- b. by reference to GHG emission reduction targets and the **climate change mitigation actions**, an explanation of the **decarbonisation levers** identified, and key actions planned, including changes in the undertaking's product and service portfolio and the adoption of new technologies in its own operations, or the upstream and/or downstream value chain;



**FINANCIAL AND
RESOURCE PLAN
SUPPORTING DISCLOSURES**

- c. by reference to the **climate change mitigation actions**, an explanation and quantification of the undertaking's investments and funding supporting the implementation of its **transition plan**, with a reference to the key performance indicators of taxonomy-aligned CapEx, and where relevant the CapEx plans, that the undertaking discloses in accordance with Commission Delegated Regulation (EU) 2021/2178;



SUPPORTING DISCLOSURES

- d. a qualitative assessment of the potential **locked-in GHG emissions** from the undertaking's key assets and products. This shall include an explanation of if and how these **emissions** may jeopardise the achievement of the undertaking's **GHG emission reduction targets** and drive transition risk, and if applicable, an explanation of the undertaking's plans to manage its GHG-intensive and energy-intensive assets and products;



SUPPORTING DISCLOSURES

- e. for undertakings with economic activities that are covered by delegated regulations on climate adaptation or mitigation under the Taxonomy Regulation, an explanation of any objective or plans (CapEx, CapEx plans, OpEx) that the undertaking has for aligning its economic activities (revenues, CapEx, OpEx) with the criteria established in Commission Delegated Regulation 2021/2139;



SUPPORTING DISCLOSURES

- f. if applicable, a disclosure of significant CapEx amounts invested during the reporting period related to coal, oil and gas-related economic activities;



SUPPORTING DISCLOSURES

- g. a disclosure on whether or not the undertaking is excluded from the EU Paris-aligned Benchmarks;



**DESCRIPTION OF ACTIVITIES
AND BUSINESS MODEL
GOVERNANCE**

- h. an explanation of how the **transition plan** is embedded in and aligned with the undertaking's overall business strategy and financial planning;



GOVERNANCE

- i. whether the transition plan is approved by the **administrative, management and supervisory bodies**; and



**PERFORMANCE AND
GHG EMISSIONS**

- j. an explanation of the undertaking's progress in implementing the transition plan.

- 17) In case the undertaking does not have a **transition plan** in place, it shall indicate whether and, if so, when it will adopt a transition plan.

Other elements such as a detailed description of the company's business model or disclosures on financial effects expected from climate risks and impacts are covered in other parts of the ESRS but also relate to transition plan elements.

While these encompass typical disclosure requirements for transition plans, reporting against these datapoints does not guarantee a credible transition plan. Transition plans could be compliant, but lack credibility: for example, a company could

report against all listed datapoints but rely on decarbonisation levers that are not likely to be available within the required timeframe.

3 - MAPPING OUT TRANSITION PLAN STAKEHOLDERS

Climate transition plans are helpful tools for companies to develop their decarbonisation strategies. Organisations should engage with internal and external stakeholders through the planning process to ensure they consider all parties potentially impacted by its decarbonisation. In turn, external stakeholders

can refer to the company’s transition plan to inform their interactions with the reporting entity. This section builds on a table published by the NGFS in their [Stocktake on Financial Institutions’ Transition Plans and their Relevance to Micro-prudential Authorities](#) (see figure 1).

Categories of transition plan use cases

Actor requiring transition plans	Government	Corporate	Financial Regulator		
Regulatory objective	Climate outcomes (e.g., Paris Agreement)	N/A	Market conduct / consumer protection	Financial Stability	Safety and Soundness of financial institutions
What is the primary objective of the transition plan?	Achieve national climate outcomes through corporate action	Inform shareholders and investors of a corporate’s strategy in response to climate change and transition	Provide transparency to market actors e.g., maintain market integrity, prevent financial misconduct and/or greenwashing	Effective management of aggregate climate-related financial risks (externalities and systemic vulnerabilities)	Effective management of climate-related financial risks (institution level)
What is the primary tool to achieve that purpose?	Disclosure of strategy to meet climate targets	Disclosure of strategy to meet climate targets	Disclosure of strategy to meet climate targets	Aggregate report on the potential build-up of climate-related risks in the financial system	Report to supervisor on how the institution will manage climate related risks associated with corporate strategy
Who is the primary audience?	Public	Shareholders and investors	Market participants, consumers	Macro-prudential regulators	Micro-prudential regulators
Is the information publicly available?	Yes	Yes	Yes	Jurisdiction-specific decision to determine whether it needs to make the information public to meet regulatory objectives	Jurisdiction-specific decision to determine whether it needs to make the information public to meet regulatory objectives

Figure 1: NGFS table: Categories of transition plan use cases

 COMPANIES

Corporations bring together various parties around a common project. Namely, the administrative bodies, management and workers coordinate to deliver economic value to their shareholders and to society. Transition planning and monitoring provide opportunities for management to communicate with administrators, operations, and support functions over the decarbonisation strategy and facilitate its integration into the company’s business model over time. This helps administrators to consider climate in strategic decision-making, management to understand how to best implement GHG emissions reduction in the company, and workers to understand how their activities will adapt as a result of the plan’s implementation. This can help to reduce friction at the company level. For example, if a company knows it will need to decommission emissions-intensive assets to reach their objectives, they can conduct early discussions around training,

reskilling, and activity transfers to ensure workers are not disproportionately impacted by the plan and treated fairly in the process. This can thereby reduce opposition to the plan.

 INVESTORS

Shareholders, or investors more broadly, can make use of companies’ climate transition plans to incorporate climate-related impacts, risks and opportunities in their investment decisions. Indeed, the transition plan is a tool to safeguard against climate risk. When shareholders and investors have access to information regarding the company’s decarbonisation strategy and associated business model evolutions, they can make better decisions about how to engage with the Board and Management to manage climate risk. It also allows investors with a sensitivity to climate topics to make informed financial decisions.

FINANCIAL INSTITUTIONS

Financial institutions can use the company's climate transition plan to evaluate the climate risks associated with an organisation. In addition, the climate transition plan can constitute a basis for dialogue between companies and financial institutions to discuss needs related to decarbonisation. For example, banks and insurers could use this input to develop transition-specific products or modulate interest rates on loans and insurance dedicated to decarbonisation projects. Transition plans also help financial institutions to incorporate climate risk into lending and investment decisions and consider progress on climate commitments in their engagement with clients. Finally, financial actors can aggregate and use the data collected from transition plans to better allocate capital toward organisations facilitating the transition to a sustainable economy.

CENTRAL BANKS, FINANCIAL MARKET AUTHORITIES AND PRUDENTIAL REGULATORS

Central banks, financial market authorities and prudential regulators help ensure long-term stability and resilience of the economy. These stakeholders can exploit data generated in transition plans to monitor systemic climate risk. Understanding the long-term drivers and needs associated with the transition to a sustainable economy can help them manage shocks linked to the success or failure of an orderly transition to a sustainable economy. When systemic risks are identified, these stakeholders can suggest specific policy instruments to stabilize the market. They can also intervene if specific companies or financial institutions become significant drivers of risk.

POLICY MAKERS

Policy makers can use climate transition plan data to inform sustainable industrial policy. Indeed, getting a representative

picture of progress against climate objectives can support the development of legislation relevant to companies' transition needs – through new incentivization mechanisms, protections for green industry, etc.

CIVIL SOCIETY

NGOs and academics can use companies' climate transition plans to pursue research efforts around the transition to a sustainable economy and inform the public debate regarding this topic. This can help to improve transparency and accountability for companies' climate impacts. Public messaging can also orient consumer choices toward sustainable alternatives. NGOs and academics also develop tools and literature that support private sector transition efforts and contribute to shaping public policy that drives the transition. Some organisations also provide comparisons and insight into climate performance through benchmarks and ratings, which can be improved with more transparent disclosures.

AUDITORS

Auditors are responsible for reviewing and validating companies' CSRD-mandated sustainability reports, which contain climate transition plans. They must ensure that published reports are compliant with the ESRS. Through their evaluation process and considering the qualitative characteristics required under the ESRS, auditors may consider providing some insight into the coherence and credibility of companies' climate transition plans. If incoherences or lack of credible decarbonisation strategies are susceptible to impact the decision making of information users, this could be considered greenwashing, a form of fraud that the work of auditors is expected to prevent. Their role going forward could prove essential to establish the credibility, or lack thereof, of climate transition planning practices by companies and financial institutions.



© Jason Houston / WWF-US



II-LESSONS FROM THE FIRST CSRD CLIMATE TRANSITION PLANS

© ESOLex / iStock

1 - WWF APPROACH TO EVALUATING CLIMATE TRANSITION PLANS

For the first year of mandatory climate transition plan publications under the CSRD, WWF France analysed the sustainability reports of ten multinational companies in the French CAC40. Our analysis is qualitative and highlights good practices and areas for improvements that are common across

transition plan publications. For this first exercise, WWF France chose not to evaluate financial institutions, as real emissions reductions will be driven by real economy companies, and because financial institutions have already seen their transition plans evaluated by [other specialized CSOs](#).

HOW WE CHOSE OUR TEN COMPANIES:

The companies we chose to analyse are among the first to have published their CSRD reports, complete with a climate transition plan, in France. Our criteria for the ten companies we selected included:

- Diversified activities (industry, energy, agrifood, consumer goods, services...)
- Representativeness of the CAC40 index
- Important emissions volumes

We chose to conduct our analysis on a French scope recognizing that other organisations will conduct assessments in their respective countries, and hoping to spark a conversation at the French level, where WWF France is legally registered.

The list of companies analysed is the following, in alphabetical order :

 ACCOR	 Air Liquide	 DANONE ONE PLANET. ONE HEALTH	 ENGIE	 LVMH
Accor <i>Hospitality</i>	Air Liquide <i>Industry</i>	Danone <i>Agrifood</i>	Engie <i>Energy</i>	LVMH <i>Consumer goods</i>
 MICHELIN	 RENAULT	 sanofi	 TotalEnergies	 VINCI
Michelin <i>Industry</i>	Renault <i>Automotive</i>	Sanofi <i>Health</i>	TotalEnergies <i>Energy</i>	Vinci <i>Construction</i>

The assessment framework developed by WWF is based on the material developed in the previously identified ATP-Col initiative, and compatible with the ACT evaluation tool (see figure 2). Our analysis allows us to qualitatively assess whether individual elements of companies' climate transition plans are compliant, consistent, or credible. Compliance is evaluated in relation to the base expectations of users of transition plan data and is based on the requirements set out in the ESRS¹. The consistency analysis seeks to verify that the various elements of the transition plan fit together and with the company's overall strategy. Finally, the credibility

dimension primarily concerns the presence of details that enable data users to analyse the degree of confidence associated with the successful achievement of the transition plan's objectives and to identify potential areas of risk.

Each of these criteria is rated by a color. Green ● means that the criterion is fully met according to our analysis, yellow ■ means that expectations are partially met, and red ▲ means that the criterion does not meet the expectations of the assessment. This allows us to identify both best practices and areas for improvement in these transition plans, as outlined in the qualitative analysis attached to each criterion.

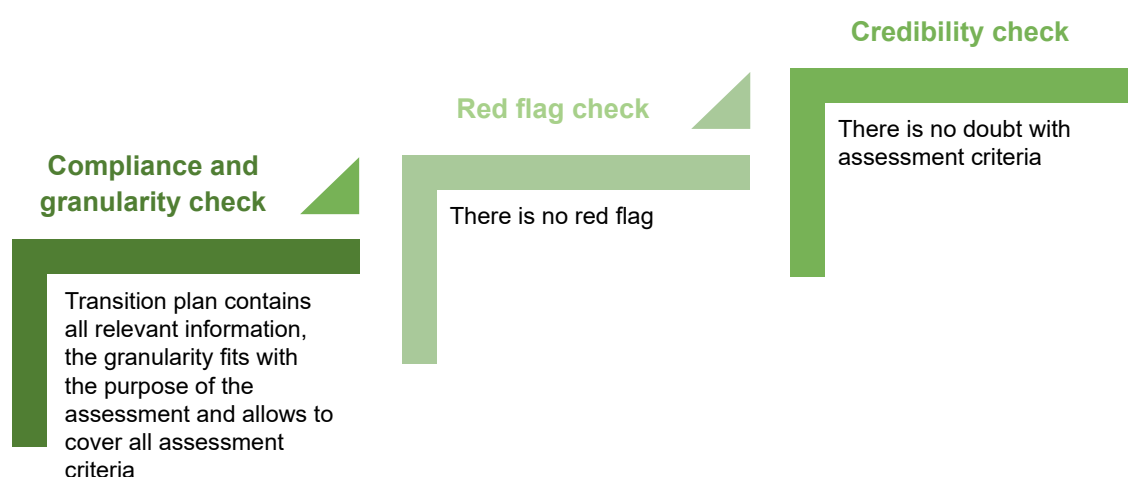


Figure 13: Ideal credibility state and link with assessment process

Figure 2: ATP-Col assessment process from compliance to credibility

WWF France's approach does not seek to reduce analysis to a ranking, benchmark, or unified grade. Instead, it offers an in-depth analysis of a few climate transition plans to demonstrate the relevance of this exercise for companies and information users and incentivize the continuous improvement of reporting practices. It also allows us to formulate specific and

targeted recommendations to different stakeholders for their analysis and use of climate transition plans.

The full analysis grid and methodology is available in the annex, as well as the specific results of climate transition plan analysis of individual companies.

¹ When companies do not receive full marks on the "compliance" dimension, it does not mean they are not compliant with the law, but rather that they do not yet report on all elements required by ESRS on a specific transition plan component.



2 - COMPANIES PUBLISH COMPLIANT CLIMATE TRANSITION PLANS, WITH SOME GOOD PRACTICES TO HIGHLIGHT

Overall, our analysis demonstrates a high rate of compliance for companies that report climate transition plans in line with ESRS standards.

TARGETS

Overall, targets are one of the elements for which transition plan reporting is most robust for the companies we analysed. All companies selected for our analysis publish plans containing climate targets that are either certified through the SBTi (9/10 companies analysed) or directly compared to 1.5°C or Paris Agreement scenarios (TotalEnergies) to establish compatibility with these objectives. It is important to note that greater transparency does not necessarily mean that such targets are systematically easy to understand, consistent with the decarbonisation strategy, or compatible with 1.5°C or Paris Agreement objectives. In other words, comparing its targets with a 1.5°C or Paris Agreement scenario does not mean being compatible with it. The level of robustness provided by SBTi certification provides a much better level of credibility to companies' climate targets, but this does not imply credibility of the whole transition plan. It is also important to notice that climate-related information was already largely communicated in France due to NFRD transposition specificities, and [SBTi certification heavily adopted](#) within the French CAC40. What this demonstrates, however, is that such certification is objectively attainable and realistic on a larger scale for companies reporting under the ESRS framework. Overall, targets are one of the elements for which transition plan reporting is most robust for the companies we analysed.

SCENARIOS AND ASSUMPTIONS

Companies typically provide some measure of discussion of the use of climate scenarios (10/10 companies analysed), highlighting what and how scenarios are used to set targets and develop transition plans. Scenario use is not equally detailed across different companies: Danone and Sanofi, for example, provide detailed qualitative analyses regarding the use of climate scenarios for IRO identification and potential long term financial effects. Sanofi also directly compares its direct GHG emissions reductions with a tendential 1.5°C scenario to contextualize its performance on Scope 1 & 2 emissions reduction. Companies also use different scenarios, with some common references to those developed by the Intergovernmental Panel on Climate Change (IPCC), the International Energy Agency (IEA), or the Network for Greening Financial System (NGFS), but sometimes to other scenarios, or to internal pathways developed based on scenario

aggregation. SBTi certification also implies that targets are compared to aggregated, relevant scenarios for a company. The variability in scenario choice can impact comparability, and it is not always clear whether scenarios are selected due to their relevance for a particular sector, or for other reasons. Generally, however, companies are compliant regarding this practice. When information on scenarios is limited in the transition plan, data can generally be found within the IRO analysis.

ACTIVITIES AND BUSINESS MODEL

In general, the business model is presented separately from the climate transition plan but is still disclosed within the sustainability report. Thorough presentations of the business model, such as Accor's, enable a good understanding of the value chain elements essential to the business – and of where material emissions are likely to be present. Companies can also use this presentation to inform the breakdown of GHG emissions or targets in ways that are relevant to their business and help the reader understand where priorities lie in terms of decarbonisation. This occurs in Danone's transition plan, which presents its key levers per relevant value chain link and activity, and by LVMH, that provides them by subsidiary or business segment.

DECARBONISATION LEVERS AND ACTIONS

Although companies systematically disclose levers and actions, their presentation varies. Links between levers and actions, or between levers and targets, are not always provided. Most companies provide a quantification of the expected contribution of the levers to the achievement of targets at least for the short term (to 2030 or earlier where relevant) (10/10 companies analysed). Some of these provide limited information regarding levers to 2050. The level of detail that goes into explaining the actions and decarbonisation levers can vary significantly and the expected contributions of key actions to decarbonisation levers is not always clear. For example, Danone, Sanofi, and LVMH provide detailed decarbonisation levers and related key actions. Michelin and Vinci also display interesting practices: Michelin provides a thorough analysis of expected annual contributions to short-term Scope 1 and 2 targets. Vinci tracks the implementation of its different actions and levers with specific KPI, allowing information users to follow the implementation of these levers “in real time”. These are effective ways to show where the company is in terms of transition plan implementation, with an intuitive presentation that is easy to grasp for readers.

FINANCING

Our analysis shows that most companies are at the limit of complying with ESRS requirements regarding financing and resources. Indeed, ESRS E1-1 requires that companies disclose “by reference to the climate change mitigation actions [...], an explanation and quantification of the undertaking’s investments and funding supporting the implementation of its transition plan”. Moreover, ESRS E1-3 requires that the undertaking disclose “the significant [Operational expenditure (Opex)] and [Capital expenditure (Capex)] amounts required for the implementation of the actions” found in its transition plan. MDR-A also provides additional requirements that ask companies to describe the current and future financial and other resources allocated to action plans. Companies are also expected to reconcile these amounts to both figures in the financial statements and Taxonomy amounts disclosed in the sustainability report.

In the reports studied, quantitative amounts are not always communicated (6/10 companies analysed²), and when they are, little to no detail around methodologies used to assess and report these sums is provided. Reconciliation with financial statements and Taxonomy figures are seldom presented. On the contrary, Taxonomy Capex often demonstrate very low alignment rates on items related to identified levers. Some companies, such as LVMH, Engie or Renault do provide lump sums planned out for the implementation of the decarbonisation strategy, with the latter also providing more specific elements per lever or key action (although not systematically). Other companies have serious limitations on their disclosures, for example, not communicating any quantitative information on financial resources (Danone, Vinci), or providing information that only covers a very partial scope of GHG emissions (Accor). There are also cases where companies are transparent on allocated resources, but where announced financial plans are incompatible with climate objectives (for example, investment in new fossil capacity by Total Energies).

GHG INVENTORY

Companies analysed demonstrate compliance with ESRS requirements and leading market standards such as the GHG Protocol. Emissions are well-presented (10/10 companies analysed), cover all 3 scopes of GHG, and are sometimes broken down into relevant elements such as geography (Air Liquide), business line (LVMH) or key operations and supply chain activity (Danone). Methodological details are often provided, and the performance is usually compared to targets. Carbon credits and removals, as well as biogenic emissions, are systematically reported separately from other GHG emissions when relevant for companies (although TotalEnergies states that it plans on using GHG removals and credits to reach its targets). Overall, GHG inventory reporting is the element of the transition plan, along with targets and governance, for which reporting is best performed by companies.

GOVERNANCE

Governance mechanisms put in place and described within the transition plan itself are often limited to a statement on administrative and management overview, with occasional elements on specific roles and responsibilities of these bodies. However, significant details are generally provided in other parts of the sustainability statement. This usually implies an overview of the integration of sustainability IROs (including climate ones) into overall strategic decision making, risk management systems, and governance processes (10/10 companies analysed). Further details on taskforces or working groups dedicated to the implementation of the transition plan are also commonplace. In the best cases, details are also provided on the governance mechanisms related to the plan’s operationalization. Moreover, most of the transition plans reviewed provide some level of details regarding the financial incentivization of administrative and management bodies with regard to the plan, albeit with different levels of detail. For example, Renault’s presentation of variable compensation is mostly targeted at the CEO and is not extremely detailed, nor directly related to climate transition plan objectives specifically. On the other hand, Air Liquide provides significant amounts of detail on variable compensation, going as far as to provide information on the indexation of 2600 beneficiaries’ variable compensation to transition plan objectives. Overall, governance is another transition plan element for which disclosures often showcase high quality.

SUPPORTING DISCLOSURES

Supporting disclosures cover different types of elements and are therefore mixed in terms of quality. Companies systematically report their Taxonomy figures, as mandated by European law (10/10 companies analysed); however, they only rarely relate these in a meaningful way to the transition plan itself, when this is done at all. On Capex related to coal, oil and gas, most companies we reviewed did not have significant amounts, and therefore did not report on the data point. The same can be said about PAB exclusion or inclusion, which are not systematically reported. Since only a small number of companies in specific sectors are excluded, it is logical that this data would not be regarded as material.

One specific supporting disclosure which is typically compliant, but could see significant improvement, is the one related to locked-in emissions. ESRS only require a qualitative statement regarding locked-in emissions; it is sometimes surprising to see that asset-heavy industries, or industries that create highly emissive products, do not see any risk of coming short of their targets linked to locked-in emissions. However, because quantification is not a requirement, this does not mean that disclosures are non-compliant.

² Not counting Taxonomy data

Overall, climate transition plans are typically fully disclosed, and where specific disclosures are absent, they are usually only secondary (supporting disclosures), and likely to have been deemed immaterial by the reporting entity in accordance with their auditors. **This demonstrates that climate transition plans are overall well-adopted among companies reporting under ESRS, with an effort with comply to new regulatory requirements. This provides a strong baseline for the improvement of climate transition plans going forward.**

3 - MORE WORK IS NEEDED TO REACH LEVELS OF CONSISTENCY OR CREDIBILITY

Climate transition plans tend to be largely compliant with regulatory requirements; however, this does not mean that these transition plans are always consistent or credible. Overall, our analysis suggests that no transition plan published under ESRS is entirely credible, nor even consistent – although some best performers such as Danone, LVMH, Michelin or Sanofi, come close to the level of consistency. Even in cases where specific disclosures are well-reported in comparison to others (GHG inventory, targets, and governance), there is often room for improvement. On the other hand, certain disclosures are only borderline compliant: these are the data points that will require the most work going forward, notably as they are typically the cornerstones of credible transition plans.

As identified previously, the data points that can most be improved on are decarbonisation levers, scenarios and assumptions, financing and other resources, and locked-in emissions.

DECARBONISATION LEVERS, SCENARIOS AND ASSUMPTIONS

On these elements, ameliorations needed to boost the coherence and credibility of the plan are transversal. They are associated with the level of granularity needed to properly understand how and where decarbonisation levers/actions will be implemented, the identification of dependencies to external factors, and of possible impacts topics of the transition plan on other sustainability issues.

Companies should publish more granular decarbonisation levers. In accordance with ESRS requirements around level of disaggregation, companies must disclose information in such a way that does not obscure material information.

This is relevant to the transition plan: for highly emissive sites and assets, it is important that information on forecasted

decarbonisation actions and levers are provided. This is not only true for direct operations, but for the value chain as well. Currently, almost no detail is provided at these levels. One way to improve would be to at least cover highly emissive sites and assets within direct operations, and provide specific engagement plans for material emissions categories within the supply chain (for example, the LVMH statement regarding transportation does this. However, the report does not provide a specific engagement plan for purchased goods and services, its most important Scope 3 emissions category).

Companies must reinforce external factor analysis to ensure they are not relying on unrealistic decarbonisation levers. More work must be done to identify the actions and levers most at risk of facing implementation difficulties due to immature technologies, unfavourable policy/economic environment, or other factors. Specific plans should be made to ensure that risky decarbonisation levers do not compromise the implementation of climate objectives. Currently, when risks arising from external factors are identified, companies mostly use them as a way to disclaim responsibility for the success of the transition plan. For example, TotalEnergies mentions that it intends to transition “together with society”, and that the success of the transition plan relies on consumers of the company's products. While there is truth to this, the company should plan and disclose supply-side measures to incentivize the transition to decarbonized forms of energy. It is important to highlight here that dependencies to external factors are not meant to absolve companies of their responsibility in the face of climate change mitigation. They are meant to facilitate a collective reflection around measures that would facilitate the implementation of decarbonisation levers for companies. Another common limitation to external factor analysis is the lack of transparency regarding the use of technologically that are immature, scarce or resources intensive. To better assess these dependencies, companies should mobilize the range of scenarios and models that exist and discuss the evolution of external factors.

DEPENDENCIES ON EXTERNAL FACTORS: EXAMPLES FROM REVIEWED TRANSITION PLANS

TECHNOLOGICAL DEPENDENCIES

Renault explicitly relies on hydrogen and sustainable fuels for the success of its transition plan (for scopes 1 and 3 decarbonisation, respectively), while TotalEnergies heavily relies on carbon capture and storage (CCS) for its decarbonisation strategy. Carbon capture technologies (CCTs), while they are identified in scientific scenarios as playing roles in the fight against climate change, are not expected to be widely available nor scalable for a significant amount of time, CCS also raising questions as to its large-scale feasibility regardless of technological improvements³. In fact, one report published by the Smith School of Enterprise & Environment at Oxford University highlights that “CCS is not currently being developed even at the scale envisaged in the low-CCS pathways”, and that “a high CCS pathway to net zero emissions in 2050 is expected to cost at least \$30 trillion more than a low CCS pathway” (up to 2050)⁴. Moreover, CCTs can have adverse impacts on resource use, including water, land and energy.⁵

RESOURCE DEPENDENCIES

For scarce resources, such as biofuels and associated biobased feedstocks (which will be needed to decarbonize a wide variety of sectors from automobiles and aviation to chemistry), companies should discuss how they plan to contribute to the development of relevant supply chains and ensure access to these resources. Otherwise, the gap between expected supply and demand may be very large even on the 2050 horizon. This is relevant to Engie’s transition plan, which claims it will convert its gas power plants to biogas: however, this will depend on resources availability. Accor and LVMH both recognize that the reduction in their direct emissions relies on the availability of renewable energy. While Accor does not provide a contingency plan in the case that renewable energy is not available in the proportion that is needed for their decarbonisation plan to succeed; LVMH, on the other hand, discloses that it plans on installing renewable energy generation technologies directly on their sites, to contribute to the production of this commodity and thereby reduce their dependence on the grid’s evolution.

DEPENDENCIES ON SOLUTIONS THAT LACK A STANDARDIZED DEFINITION

Danone and LVMH both rely on the availability of produce from regenerative agriculture, a denomination that can be used to label widely different practices from exploitation to exploitation, with different levels of sustainability. This implies that use of these resources in the supply chain may not be as efficient for reducing emissions as planned by Danone and LVMH. It is also worth noting that produce from regenerative agriculture farms only represents a very small fraction of total worldwide production: this implies that many companies are likely to rely on these same products for the success of their transition plan, which creates a risk that these companies will not be able to transition at the required rate to meet Paris Agreement objectives. Other examples of solutions that may have uneven positive impacts for emissions reductions include circular economy or eco-conception.

GEOGRAPHICAL DEPENDENCIES

Air Liquide specifies that emissions reductions in China and South Africa are particularly necessary to ensure the success of its transition plan. This means that the company will have to closely monitor policy and infrastructure developments in these areas to assess how realistic their ambitions are locally. In general organisations should assess how specific conditions in different countries or regions are likely to impact the proper implementation of their transition plans, both within direct operations and the value chain.

SOCIAL DEPENDENCIES

Accor, TotalEnergies and Renault all rely on social dependencies for the success of their transition plans, but in different ways. With low operational control over its sites, Accor relies on the implementation of sustainability measures on sites that it does not control for a large part of the emissions it needs to reduce in line with its targets. TotalEnergies relies on the evolution of energy consumption practices across economies to progressively phase out fossil fuels, as they will otherwise continue to produce fossils to meet demand. Renault depends on the widespread adoption of electric vehicles to phase out ICE cars. Companies should provide a discussion on how they plan to facilitate these behavioral changes to ensure the success of their climate goals.

³ <https://www.nature.com/articles/s41467-023-41105-z>

⁴ <https://www.smithschool.ox.ac.uk/news/heavy-dependence-carbon-capture-and-storage-highly-economically-damaging-says-oxford-report>

⁵ Victor Eke, et al., *A comprehensive review of life cycle assessments of direct air capture and carbon dioxide storage*, Sustainable Production and Consumption, Volume 55, 2025, 217-241.

Companies should reinforce disclosures on interactions with other sustainability topics, notably on social and nature-related aspects. Interactions between the transition plan, workforce, and/or value chain workers are seldom discussed. This is particularly important, as the transformation of business models will generate significant differences in workers' daily activities, and phase out certain jobs. To ensure a just transition, companies need to consider how their plans will translate for their workforce and value chain and provide both financial and non-financial measures to mitigate this impact. This can help to ensure broad adherence and a more distributed financial effect of the transition plan's implementation. Other important interactions relate to biodiversity and resource use. Indeed, activities such as construction and mining will likely be significantly mobilized to develop transition-critical infrastructure, which may come at high environmental costs. For example, critical metals and minerals are needed for both battery and renewables production. Exploiting these resources in terrestrial or maritime environments is likely to harm global biodiversity objectives. On the other hand, by finding synergies with circular economy objectives, a company could ameliorate both its GHG and resource extraction impacts. These tradeoffs should be identified, discussed, and integrated into strategic considerations to ensure that working on one sustainability topic does not harm other going forward.

FINANCING

For financial resources, companies could ameliorate their disclosures in various ways.

Companies should make a better effort to quantify the investments and expenses needed for the transition plan. Although some specifics are provided in LVMH, Accor's or Renault's plans, for example, these are usually only quantified for direct operations. It is also unclear how comprehensively key actions and levers are covered by the figures provided. This must be improved going forward, and companies will need to better consider the value chain in their quantification efforts. In other cases, such as Sanofi, lump sums are estimated and provided, but it appears as though these are broad estimations rather than specific evaluations of the resources needed for the transition plan. In some cases, companies do explain that they are still developing methodologies to calculate how much investment will be needed for the transition plan. This should translate to an improvement in practices going forward.

Companies should provide more detail regarding the allocation of financial resources to different parts of the transition plan. Indeed, financial elements should be ventilated by key actions and decarbonisation lever to enable a sound understanding of where resources are meant to be allocated. This is true for different types of financing: capital-intensive decarbonisation levers (investments on PPE to ameliorate economic performance), solutions that need

significant research and development (immature technologies), or solutions that will likely need incentives from the company even if it concerns their value chains rather than direct operations (for example through contributions to farmers by agrifood companies for the implementation of regenerative agricultural practices). Qualitative elements could also be provided to better explain how investments and expenses are meant to facilitate the implementation of the transition plan.

Companies could better link the financial elements provided in the transition plan with both financial and Taxonomy disclosures. Currently, only very few disclosures specifically break down Opex and Capex, and one relates it to financial statement elements. This should be even simpler for Taxonomy disclosures, as they are designed to ensure transparency and comparability regarding investments in the green economy. Specifically, companies that have very low levels of aligned Capex or Opex, notably when they have eligible or other Taxonomy activities linked to decarbonisation levers, should strive to better explain why their alignment rates are so low. Finally, organisations will progressively need to push their financial planning capacity forward to align with climate goals, as this is not common practice for companies today.

LOCKED-IN EMISSIONS

Regarding locked-in emissions, companies usually limit their disclosures to a statement claiming that an analysis was performed and that identified locked-in emissions do not materially threaten the achievement of targets. This is particularly surprising for companies selling highly emissive products or managing emissions-intensive assets, such as Renault, Engie or TotalEnergies.

Companies should provide information regarding the scope of analysis of locked-in emissions, and the consideration of locked-in emissions in their transition plan. In particular, it would be relevant to disclose whether risks will be managed through the transformation of assets (for example, from coal furnaces to electric ovens for steel manufacturing), their decommissioning, or their sale, as these different methods have very different implications for the global reduction of GHG emissions. Equipment changes and decommissioning should also be associated with financial planning, as these can be capital-intensive.

Companies should provide quantification of locked-in emissions per source. This would enable the users of the sustainability report to assess the risk linked to these emissions themselves. Specifically, it would allow users to evaluate the scale of the efforts needed to deliver on climate commitments when considering those emissions that are already planned in time.

For other disclosure items, specific potential improvements have also been identified by our analysis.

GHG INVENTORY

Companies should provide more granular emissions reporting, at the asset, site, or product level in direct operations and the value chain. By highlighting particularly emissive sites and assets, companies can better relate emissions hotspots with decarbonisation levers and targets. This is particularly true when targets are complemented by operational KPI provided to track the transition – as is the case for Vinci. Increased granularity would help to ensure that the plan is followed from the strategic to the operational level.

TARGETS

Companies should systematically publish 2050 targets, as these are not always formalized. It is also good practice to be clear about the scope of emissions included, and to include all material emissions categories into the targets. The disclosure of comprehensive Scope 3 GHG inventories and targets is useful to track where emissions exist in the value chain. This allows companies to come up with engagement and incentivization schemes to encourage decarbonisation across their ecosystem.

GOVERNANCE

Companies could reinforce the link between GHG emissions performance and financial compensation. Best practices in the market do not link more than 10% of the variable compensation of the CEO to GHG emissions performance (see figure 3). This is low compared to financial elements, which represent 70% of the variable compensation on average⁶: consequently, GHG emissions will not become a priority over short-term financial results. To realign market expectations and practices, it is important to ensure that a significant part of the CEO's variable compensation is attached to the reduction of GHG emissions. Overall, ESG performance should be valued at least equally to financial performance if companies are to transform their business models in alignment with global sustainability goals. It is also good practice to ensure that the more operational levels of the organisation are included in this reflection: by attaching a variable compensation portion directly related to climate performance in different operational and support functions of the company, incentives will be more susceptible to align on the organisation's climate ambition.

By working on these different elements, companies could significantly improve the coherence and credibility of their climate commitments and transition plans, thus further aligning themselves with stated ambitions.

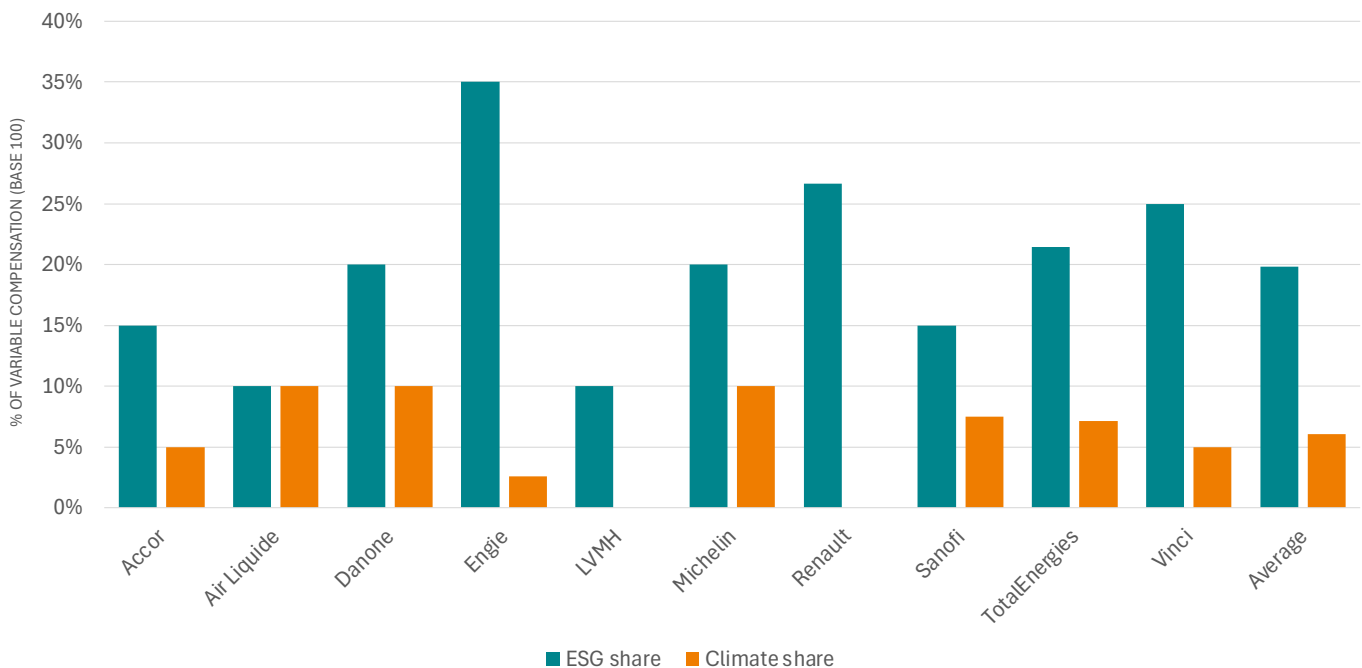


Figure 3: Shares of ESG and climate criteria in CEO's variable compensation for analysed companies

⁶ WWF internal analysis based on publications from CAC40 companies

An aerial photograph showing a large-scale deforestation project. A central river flows through a landscape where large sections of dense green forest have been cleared, revealing brown, eroded soil. Several small, irregular ponds of murky brown water are scattered throughout the cleared areas. In the upper right, a more organized mining or construction site is visible with some structures and equipment. The bottom half of the image shows a closer view of the river and the surrounding cleared land, with a dirt road running alongside the water.

III - LOOKING FORWARD: OUR RECOMMENDATIONS TO STAKEHOLDERS

LOOKING FORWARD: OUR RECOMMENDATIONS TO STAKEHOLDERS

WWF's analysis of companies' climate transition plans allows us to issue practical recommendations toward different stakeholder groups. These inputs are differentiated between information preparers and different types of information users. For reporting entities, recommendations summarize the elements listed in the more detailed analysis section of the paper and are meant to boost the

quality and credibility of transition plans going forward. For evaluators, recommendations are based on existing methodologies to suggest an evolution of audit practices allowing for deeper assessment of decarbonisation strategies. This section also intends to summarize some of the key points that have emerged across analysed sustainability reports for information users.



1 - WWF RECOMMENDATIONS FOR COMPANIES

Our analysis of first wave mandatory climate transition plans disclosure shows that similar strengths and weaknesses are largely shared between reported decarbonisation strategies.

Recommendation 1.1: Companies should increase transparency across all elements of the climate transition plan, including decisions likely to jeopardize the plan's success

Without comprehensive and clear information, it is difficult for information users to assess the quality of a company's transition strategy. This is the case when the information provided is sparse and does not entirely fit the reporting criteria provided by the ESRS, or leading climate transition plan frameworks. It is also true when companies report on these points, but do not provide enough detail to understand how the transition plan will be implemented, financed, etc. Additional detail can bring credibility and tangibility to the decarbonisation strategy. Companies should also clearly identify strategic decisions that could threaten the successful implementation of their transition plans. Currently, these are not incorporated into sustainability disclosures, which forces information users to rely on external research and data to understand if past actions could pose a risk for the proper implementation of the plan. Disclosing these elements would demonstrate accountability and a clear identification of priority issues for the achievement of climate ambitions.

For example, TotalEnergies communicates on its continued investment into new fossil fuel capacity but does not identify this as an obstacle to achieving its climate goals (implied to be line with the Paris Agreement). There is, however, broad

scientific consensus around the incompatibility of new fossil fuel projects with Paris Agreement goals. TotalEnergies highlights that it invests in the development of assets with a low break-even point to ensure profitability and avoid asset stranding ; the eventual sale of these assets does not participate in phasing out fossil fuels. Likewise, Engie does not mention its recent investments in GNL storage, which could lock in significant amounts of emissions likely to jeopardize the success of its transition plan.

Recommendation 1.2: Companies should focus on developing the quantitative elements of their transition plans

Companies should notably direct their effort towards quantitative disclosures on locked-in emissions and financing. While GHG inventories and targets typically do contain more quantitative figures, other sections of climate transition plans are largely qualitative. This may be due to the recency of the exercise, and disclosures are expected to improve over time. Companies should strive to publish data related to transition plan financing and locked-in emissions shortly. Financial data helps the company plan out resources in the medium and long term and ensures they are taking the appropriate steps to capitalize their transition. Locked-in emissions disclosures provide transparency to other stakeholders on the emissions linked to the company's existing assets and products, which can help identify the scale of efforts needed to achieve their climate ambition. Without specific amounts and granular, quantitative data, transition plans essentially become declarations of intent. While this is a good first step, the lack of quantitative data can undermine confidence in the success of the transition plan.

Recommendation 1.3:

Companies should better analyse and account for dependencies on external factors, ensuring they do not use these to avoid action

Decarbonisation levers and key actions typically depend partially on external factors not under the organisation's control. In such cases, if the technology or resources that the company intends to use as a part of its decarbonisation strategy are not available to it, the implementation of the plan will be



2 - WWF RECOMMENDATIONS FOR PUBLIC POLICY

WWF analysed ten climate transition plans in depth, reviewed multiple transition plan analyses provided by other civil society organisations, and investigated existing benchmarks⁷. This allows a broad overview of necessities cited by a large variety of companies for the proper implementation of their transition plans. In turn, we have developed the following policy recommendations to facilitate the implementation of global climate objectives. It is important to underline that these recommendations are based on the content of transition plans but should not replace necessary efforts to reduce global energy demand in line with reference climate scenarios, through energy sobriety, efficiency, and electrification efforts.

Recommendation 2.1:

Policymakers should develop legal frameworks, incentivize and invest in scaling key technologies for the transition to a net-zero economy

In all transition plans reviewed, companies stated renewable energy as central to the achievement of their direct emissions. Multiple organizations also refer to electrification as a necessary condition for the achievement of their GHG targets. This decarbonisation lever improves energy efficiency but delivers necessary gains only when electrified equipment is

compromised. This can be related to the availability of a given technology, to its mitigation potential, to resource availability, or other factors. It is also important to understand that the level of risk may not be dependent solely on the company's actions. For example, even resources with a proven potential to decarbonize goods or services may be required by too many actors or industries to be reliably available for a specific company's transition. Companies should thus identify these dependencies and provide mitigation plans and alternatives for risky decarbonisation levers and actions.

By prioritizing these recommendations, companies could improve the reliability and credibility of their transition plans and show where public policy coordination or financial sector contributions are critical to the success of the transition plan.

connected to a clean power grid. Moreover, deployment of renewables is beneficial for both corporations and consumers, as they will need to shift to renewable energy to ensure states meet their Paris Agreement engagements. It is worth highlighting that without a shift to electricity production from renewables, companies may afford to buy volumes of energy in line with their needs, but this would still leave a need open for households. To ensure that the transition occurs globally, production must be developed quickly and across all geographies. Indeed, these levers are usually cited as solutions for short-term targets, implying that the supply of clean energy must grow rapidly from today to 2030. This requires implementing projects that can be developed quickly, rather than asset-heavy energy production sources that need longer to be developed.

Another priority relates to alternatives to fossil-based energy vectors and energy storage solutions. Multiple climate transition plans refer to their need for hydrogen or biofuels as alternatives to fossil gas or fuels. This can be the case for heavy industrial processes, but also for the transportation sector – particularly for transport means that are difficult to electrify, such as airplanes, vessels and trucks. Most companies rely on this at least for the logistics portion of their value chains, with some organisations also needing these new energy vectors for emissions-intensive industrial processes that concentrate a significant portion of their direct emissions (or that are important contributors to their Scope 3 emissions in the upstream value chain).

⁷ Reports and benchmarks used for our analysis include:

- [WBA Climate Benchmark](#)
- [Corporate Climate Responsibility Monitor 2025 \(NewClimate\)](#)

- [Bank Transition Plans: A Roadmap To Nowhere \(Reclaim Finance\)](#)
- [Transition Arc \(Climate Arc\)](#)
- [Climate Action 100+ Benchmark](#)

It should be noted here that multiple uncertainties exist around the volume of hydrogen and biofuels that will be available for the transition: policymakers should also develop regulations that ensure that strategic sectors that require these energy vectors to reach their climate targets are prioritized. Battery improvement and scalability are central to the decarbonisation of the automotive industry, which concentrates a significant share of GHG emissions globally. Batteries are also instrumental in the transition to a renewable energy system: as most renewable energies are intermittent, storage will be central to the stability of our grids, as well as to the continuity of operations in strategic infrastructure.

One more commonly cited need is that of carbon capture and storage capacity. This is true for all transition plans to the extent that 2050 targets are typically net zero, and residual emissions will need to be removed from the atmosphere every year from 2050 going forward. This will require a mix of nature-based and technological solutions, and there is broad scientific agreement that carbon capture technologies (CCTs) will play a role in achieving Paris Agreement objectives globally. However, it is worth underlining here that CCTs is only likely to contribute to the achievement of worldwide climate goals [to a small extent](#). While it is important that

policymakers provide a favourable policy environment and financial incentives for CCTs technologies, they should consider their potential adverse effects and not divert efforts away from decarbonisation. This is particularly true because carbon capture and storage technologies are [not sufficiently mature](#) to guarantee that they will scale at a level compatible with necessary emissions removals [under high emissions scenarios](#). CCTs can also cause negative adverse on other environmental dimensions and cause significant strain on energy demand⁸. For these reasons, policymakers should make sure that CCTs do not take an overwhelming importance in climate transition strategies.

Policy makers should thus develop industrial strategies that favour the development of renewable energy grids, alternative energy vectors (hydrogen and biofuels), storage solutions (batteries), and carbon capture and storage. This should be done by keeping in mind the expected contributions and risks linked to different solutions and ensuring that public funds are directed to projects aligned with companies' transition needs. This will help to ensure that market forces are not the sole decision-makers in allocating capital for transition-related activities.

CARBON CAPTURE, HYDROGEN AND OTHER FUEL SHIFTS ARE ONLY A SMALL PART OF TRANSITION SOLUTIONS

Companies tend to regularly cite the development of carbon capture technologies and alternative energy vectors (hydrogen and biofuels) as key components of their climate transition plans. However, scientific scenarios mostly emphasize that these solutions only provide a small part of the solution for the transition to a net zero economy. For example, the IEA Net Zero Scenario only plans for these three levers to contribute to 23% of GHG emissions reductions by 2050. This is only a third of the role played by the development of renewables, electrification, energy efficiency and behaviour changes (see figure 4). Companies and policymakers should keep this in mind when developing legislation to ensure they are not prioritizing the wrong solutions for climate change mitigation.

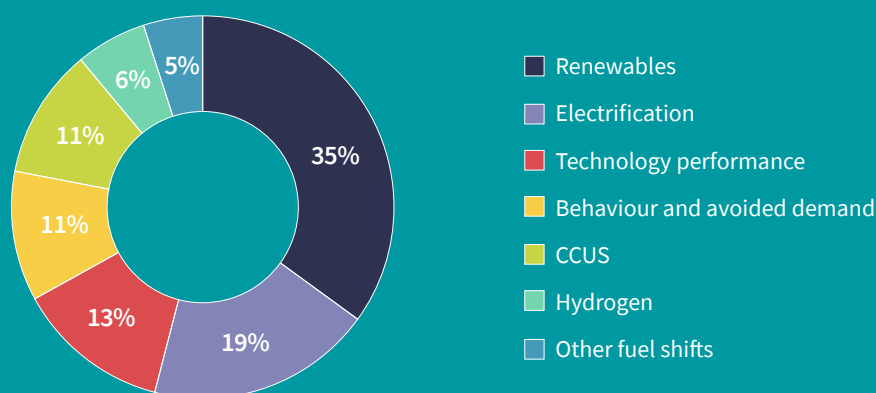


Figure 4: IEA, 'Cumulative emissions reduction by mitigation measure in the Net Zero Scenario, 2021-2050'

8 Erans, María, et al. "Direct air capture: process technology, techno-economic and socio-political challenges." Energy & Environmental Science 15.4 (2022): 1360-1405.

Recommendation 2.2: Policymakers should introduce legislation to rapidly phase out fossil fuels, accounting for unavoidable emissions necessary for a net-zero transition

Policymakers must ensure fossil fuels are phased out quickly enough to meet climate objectives. By assessing the data available from companies, they will be able to better estimate how quickly this phase-out needs to occur and provide the right legislative frameworks to ensure this is happening. Specifically, policymakers should consider the total emissions that will collectively be released in the atmosphere even when companies implement their transition plans. Even when organisations lower their emissions at a rate compatible with the Paris Agreement, the development of alternatives to fossil-based technologies and processes will release GHG emissions. In some sectors, it is also likely that emissions will rise even if they contribute to decarbonisation from a global perspective. For example, if construction companies need to construct rail or energy infrastructure to help reduce emissions from travel and power generation, it is possible that their emissions will grow for a time before going down - also allowing other sectors to lower theirs. This means that the transition to a sustainable economy also implies a certain volume of fatal emissions. When considering new laws and regulations, policymakers should account for these emissions within the GHG budget that they estimate to be compatible with their objectives. For the European Union, this means maintaining a budget compatible with 1.5°C. The key objective of this consideration is to understand whether emissions non-essential to the transition are dropping at an appropriate rate. Indeed, it is worth remembering here that clean technologies will only allow the economy to transition if they replace fossil-based technologies, and do not lead to a rebound effect causing additional emissions. The current literature suggests that while the production of renewable energy is growing at a significant pace, it is not currently replacing legacy fossil fuel infrastructure but rather [avoiding the production of new fossil energy to meet rising global demand](#).

Policymakers must ensure fossil fuels are phased out: by assessing the data available from companies, they will be able to better estimate how quickly this phase-out needs to occur and provide the right legislative frameworks to ensure this is happening. occur and provide the right legislative frameworks to ensure this is happening.

Recommendation 2.3: Policymakers should develop geography-specific budgets and decarbonisation pathways to ensure a coordinated transition effort, and use companies' climate transition plan to follow performance against their objectives

To summarize the elements discussed above and allow companies to have a clear outlook on the level of ambition required of them, policymakers should develop short-, medium- and long-term plans at the levels of countries and regions to meet EU Green Deal – thereby reducing business uncertainty. This implies calculating a GHG budget for the EU, and possibly by country, to align with Paris Agreement objectives. This GHG budget should then be divided per country and/or industry, even going so far as to the company level (especially for those companies concentrating a high share of GHG emissions). This would allow for the creation of sectoral decarbonisation pathways specifically mapping out the key steps expected to be taken for different activities' decarbonisation strategies. Different pathways of this sort have already been developed at the global level (for example, through the [Deep Decarbonisation Pathways initiative](#) or the [Mission Possible Partnership](#)), as well as the national level (for example, through the [sectoral decarbonisation pathways](#) developed by Ademe in France). Anchoring such pathways in national or regional legislation would allow for objective references to Paris Agreement-compatible action, thus reducing the interpretation needs for climate analysts and policymakers alike.



3 - WWF RECOMMENDATIONS FOR CENTRAL BANKS, FINANCIAL MARKET AND PRUDENTIAL AUTHORITIES

Central banks, financial market and prudential authorities play a critical role in safeguarding the long-term stability of the economy. As climate-related shocks increasingly affect financial systems, it is essential for financial actors to embed climate risk into their core activities and strengthen overall resilience. Climate transition plans can support this effort by reducing transition risk – helping companies anticipate how new laws and policies for a net-zero economy may affect their operations – and by mitigating physical risk through structured pathways to achieve net-zero targets. Central banks, financial market supervisors and prudential authorities can leverage these plans to ensure that companies and financial institutions are effectively addressing climate risks. Their close connection with both the private and public sectors positions them uniquely to enforce the adoption of credible transition strategies.

Recommendation 3.1: **Central banks should develop specific climate transition indicators and factor them into credit ratings**

The French central bank (Banque de France) developed an indicator that evaluates the climate performance of companies based on the ACT methodology. This allows the central bank to systematically evaluate the climate maturity of different companies based on public data. Going forward, the Banque de France should use data in ESRS climate transition plans to inform their analysis. Currently, performance on the indicator is not public, nor incorporated into the credit rating of companies.



© WWF-Indonesia

WWF recommends that all central banks develop such a climate indicator based on recognized climate transition plan assessment methodologies. This should be done in coordination, for example through the NGFS, to ensure data comparability. ESRS transition plan data should be used to conduct this assessment. The climate indicator score should systematically be made public to promote transparency and provide stakeholders with a standardized metric to assess the credibility of companies' climate transition plans and performance. This would also provide an objective basis on which market authorities and other stakeholders could engage with companies to suggest improvements to the climate transition plan and bolster their resilience.

Moreover, the climate indicator should be used to evaluate the credit risk associated with a company: businesses with credible transition plans will carry less transition and physical risk compared to those without such plans. To be sure, climate transition planning helps to identify emission-intensive assets and activities that risk becoming stranded or unprofitable through legal or market evolutions. These risks can then be mitigated through the actions and levers described in the transition plan. A similar analysis should be performed on climate-related risks susceptible to impact sites, assets or value chains. This can support the adaptation of companies' infrastructure and business models to become more resilient in the face of climate change. On the other hand, a lack of credible climate transition plan implies that companies are not considering climate risk adequately in their activities. This difference should be reflected in the credit rating of companies, as a lower degree of preparation in the face of climate risk will impact the company's activities and value in the future – thus impacting their capacity to reimburse their loans.

Recommendation 3.2:

Financial market authorities should develop their own climate transition plan credibility framework and use it to enforce the consideration of climate impacts and risks in companies and financial institutions

Financial market authorities (FMAs) protect investors' rights and the stability of markets. As a part of this mandate, they have the authority to verify that CSRD is properly implemented at the level of financial market participants. This is because sustainability risks are financially material and have a direct impact on the financial health and stability of companies individually and systemically. To conduct this work, governments should ensure that FMAs have the

necessary financial and human resources at their disposition to properly implement their mandate.

As a part of their CSRD supervision mandate, FMAs should verify that companies publish a credible climate transition plan that is not susceptible to mislead investors and other stakeholders regarding the degree of engagement and preparation of companies in the face of climate risk. WWF recommends that FMAs use either this report's methodology, ACT, or ATP-Col to develop a framework that enables them to analyse the credibility of companies' climate transition plans. This should be done in liaison with other market regulators and supervisors; for example, the French capital market authority (AMF) could use the methodology developed by the Banque de France to evaluate the credibility of companies' climate transition plans – or at least, ensure the harmonization of their analysis tools. A particular focus should be given to the elements listed in this report.

FMAs should then use the results of their analysis to engage with economic actors on an objective basis. When companies do not meet the credibility criteria that enable them to adequately handle climate risk, FMAs should establish a dialogue to highlight where improvements are needed. If businesses still fail to develop credible climate transition plans even through this engagement process, specific sanctions should be applied to guarantee the financial health and stability of both the company and the financial system.

Recommendation 3.3:

Prudential authorities must ensure that financial institutions are considering climate transition plans in their core activities

Prudential authorities (PAs) are responsible for supervising the banking and insurance sectors to maintain financial stability. In this regard, PAs must ensure that climate risks and impacts are effectively priced in by financial institutions when they operate their core activities; overlooking these risks and impacts would generate significant systemic risk for the financial system.

WWF recommends that PAs reinforce prudential rules to require better integration of climate data into financial activities. Specifically, regulators should ensure that financial institutions are leveraging data from companies' climate transition plans in their investment, lending, insurance and underwriting decisions. This can be done through updates to regulatory technical standards and through the development of specific engagement and sanction mechanisms for financial institutions not properly integrating climate risks and impacts in their core activities.



4 - WWF RECOMMENDATIONS FOR THE FINANCIAL SECTOR

WWF considers that as the central allocator of capital in the real economy, the financial sector has a key role to play in the green transition. Indeed, through its investment, lending, underwriting and insurance activities, the financial sector plays an important role in deciding what kinds of projects and companies may grow and sustain their business activity. The financial sector is not expected to play the same role as the public sector when it comes to setting guardrails and regulations for the transition; it is however expected to deliver on its own climate commitments and allocate resources in a way that is compatible with its sustainability objectives.

Recommendation 4.1: Financial institutions should collect and process transition plan and performance data to track the transition to a sustainable economy

Financial actors can act as a central node to process the information produced by companies reporting under ESRS. Indeed, because they conduct analysis and rating activities, financial institutions are an ideal place to collect, aggregate and compare climate transition plan data to produce a global vision of what the needs are for the transition across companies. They can also follow the performance of companies and of the whole economy with regard to climate objectives. This is akin to the role highlighted for policymakers above: the financial and public sectors could find synergies to better monitor and regulate the transition to a sustainable economy, ensuring stability and predictability for the private sector at large. This would help to mitigate supply or demand shocks resulting from either climate change or the transition to a sustainable economy.

Recommendation 4.2: Financial institutions should consider transition plan credibility as a key component of company evaluations using existing frameworks

Banks, investors and insurers monitor the ESG performance of companies; however, the analysis of climate transition plans is not systematically incorporated into company

evaluations, and therefore not always factored into financing decisions. To ensure that they are lending, investing, or otherwise supporting both the long-term stability of the financial system and the transition to a sustainable economy, financial institutions should primarily, if not exclusively, allocate capital to companies with credible transition plans (or de facto green economy pure players). At least, to meet their own climate objectives, financial institutions should ensure that they provide resources to companies aligned with their own ambitions. We strongly encourage the financial sector to use our own, or related, methodologies and frameworks to incorporate climate transition plan analysis into their own evaluation methods.

Recommendation 4.3: Financial institutions should reinforce the consideration of climate criteria in their core activities to ensure the success of their own transition plans

Financial institutions are not only users, but also preparers of sustainability reports. This implies that they publish climate transition plans. To ensure that they reach their own climate objectives and actively contribute to the transition to a net-zero economy, WWF recommends that the financial sector make use of their company ESG evaluations to inform lending, investment, underwriting and insurance decisions. This could be done through different means: with strong internal policies to restrict lending to companies with non-credible transition plans, through the development of specific financial instruments that facilitate the capitalization of transition projects and activities, modulation of interest rates depending on the nature of financed projects... This would allow the financial sector to respect their own climate engagements, which largely depend on their participations' capacity to decarbonize their own business models. In this sense, financial actors could play a leading role in facilitating the transition, rather than simply financing the real economy as it transitions to more sustainable production and consumption models.



5 - WWF RECOMMENDATIONS FOR AUDITORS

It is understood that auditors, in line with ESRS requirements, leading audit standards, and recommendations stemming from the French independent audit authority (Haute Autorité de l'Audit or H2A), are not meant to pronounce judgement on the ambition of the company regarding climate change objectives. However, auditors are expected to verify that published information is free of material misstatements that could lead to fraud – including greenwashing. In this regard, assurance providers should pay attention to the coherence and credibility

of the climate transition plan, beyond the simple compliance to ESRS requirements. . Indeed, auditors can help information users understand the risks that exist around the strategy established to reach climate objectives and detect misleading statements. Even if such analyses carry an inherent degree of uncertainty, our analysis demonstrates that it is possible to express an opinion on transition plan credibility. This can help information users understand the risks that exist around plan's implementation and detect misleading statements.

CLIMATE TRANSITION PLANS IN AUDITORS' REPORTS

All ten of the companies analysed for this report publish the auditors' reports at the end of their sustainability statement, as required by law. Most of these reports mention that auditors carried out procedures specific to transition plan elements (8 out of 10 auditors' reports). 3 out of these 8 companies detail extensive procedures and verifications performed regarding the transition plan, including checking that stated climate goals and decarbonisation levers align with scenario analysis. None of these reports issued a comment or observation related to audited companies' climate transition plans.

Recommendation 5.1: Auditors should use updated standards (ISSA 5000) and expert opinions (H2A, CEA OB guidelines) to inform their audit processes

Multiple of the statements reviewed in companies' sustainability reports indicate that they use the ISAE 3000 standard to conduct their audits. This is likely a legacy practice linked to the lack of a sustainability audit standard prior to 2024. However, last year, the ISSB issued a sustainability-specific standard called ISSA 5000. This standard is longer and better tailored to the kind of information published under CSRD. For example, the risk of material misstatement related to sustainability matters is clear-cut, and materiality thresholds that auditors must apply when considering information to be reviewed are more detailed.

Misstatements are stated to potentially arise from fraud or error and can be considered material if, individually or in the aggregate, they can be reasonably expected to influence decisions of users taken based on sustainability information. Such possibilities of fraud and error are clearly stated, including elements like: "misstating sustainability information", "aggressive or overly optimistic [...] goals", or "intentionally inaccurate or misleading product or corporate public statements or claims". ISSA 5000 also includes specific directions for auditing forward-looking data such as targets and plans. This could provide auditors with the appropriate tools to analyse climate transition plans. Indeed, where decarbonisation levers are deemed unrealistic, where locked-in emissions represent a large share of a company's remaining GHG budget, or where insufficient resources are dedicated to the decarbonisation strategy, auditors should at least consider providing a comment to bring attention to these elements for information users. This is not different from H2A conclusions that recommend that auditors "[consider] the likelihood of occurrence and extent of errors, omissions or inconsistencies in the disclosures", accounting for a variety of factors including the nature of the commitments taken by companies, financial elements, the complexity of topics considered, etc.

[H2A guidelines](#) provide further guidance for auditors of ESRS-compliant sustainability reports. The guidelines state that auditors should keep an open mind and be receptive to information, conclusions and arguments that might contradict evidence obtained in the audit process – including any lawsuits, disputes, litigation or controversies linked to sustainability data. This is in line with WWF’s evaluation methodology: auditors should go beyond the information directly provided in the climate transition plan to assess whether the company they are reviewing has made investments or taken decisions that are likely to place a significant risk on its climate ambition. The guidelines also state that auditors are expected to ensure that the level of granularity of the information is sufficient to understand material impacts, risks and opportunities. This would also apply to the specific elements related to the climate transition plan, in line with WWF recommendations. Moreover, the H2A guidelines specify that techniques used to assess information include correlation between different data, use of external databases, methodologies and benchmarks and use of experts or a third party – all relevant in assessing the coherence and credibility of the transition plan. Specifically on this point, the guidelines state that “If [auditors’] procedures identify errors, omissions or inconsistencies of such importance that they call into question the compliance of the information produced under the transition plan with the ESRS, the practitioners shall draw the appropriate conclusions in their report”. This may be the case where identified decarbonisation levers are not realistic, where insufficient resources are allocated to the plan’s implementation, and in other cases described above.

Here, it is also worth highlighting that the ESRS themselves require the company to apply qualitative standards when reporting on sustainability information. Notably, companies must faithfully represent the information provided in the sustainability statements, which include obligations to report data in a complete, neutral and accurate manner. The ESRS require that “Any aspirational sustainability information, for example targets or plans, [...] cover both aspirations and factors that could prevent the undertaking from achieving these aspirations in order to have a neutral depiction.” Other similar criteria are provided for faithful representation; this gives auditors a strong footing to evaluate whether different forward-looking information contained in the transition plan is rooted in appropriate assumptions and realistic. Moreover, the qualitative requirements underline the need for understandability, related to the coherence of sustainability information. Granularity and technicality are addressed and must be aligned with the needs and expectations of users. With these qualitative characteristics in mind, auditors should assess the coherence and credibility of the transition plans

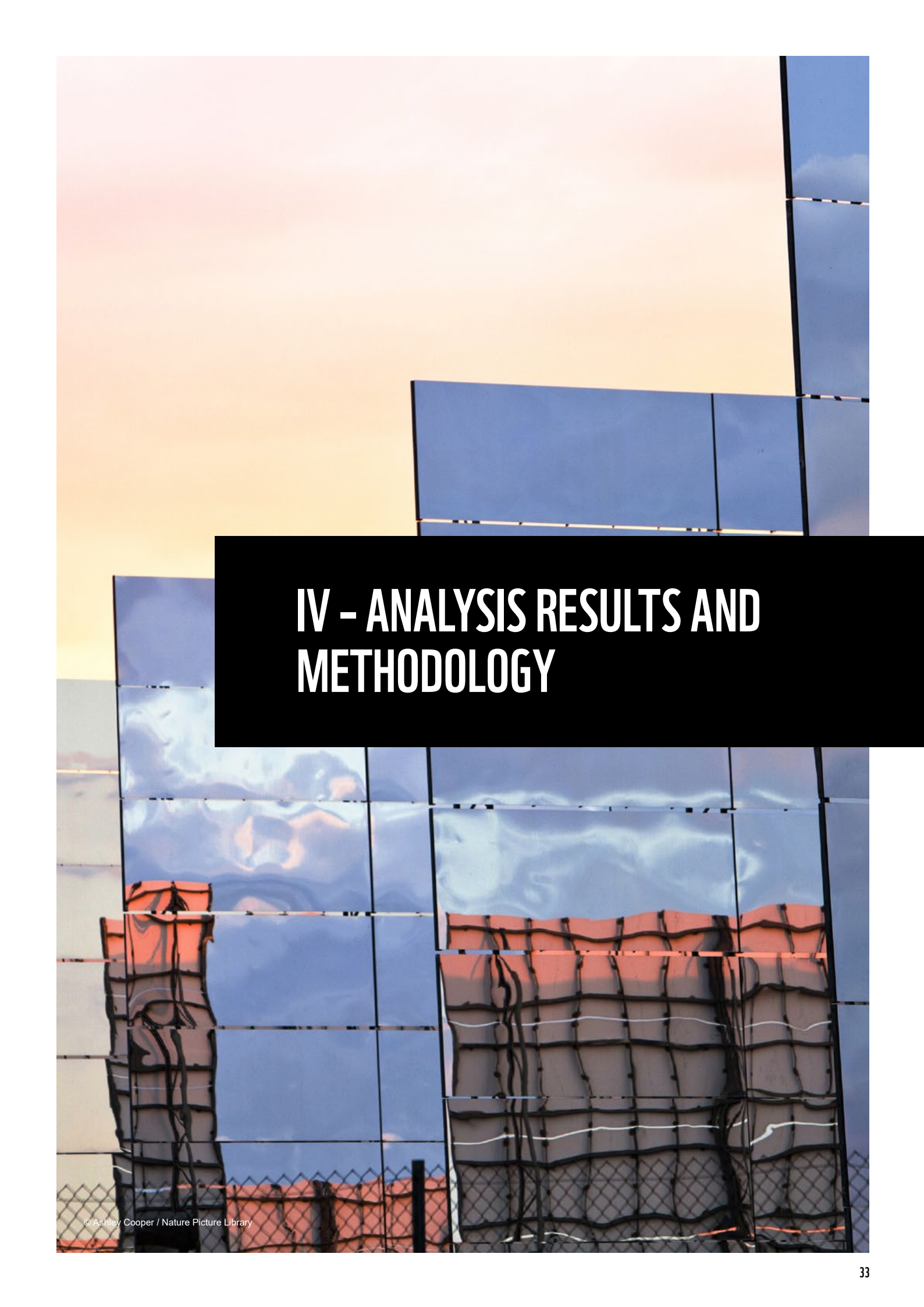
contained within the sustainability statements. This is aligned with CEAOB guidelines, that state that practitioners should assess whether “information in the sustainability report meets the qualitative characteristics of the information required by the ESRS”, notably when analyzing forward-looking information.

Recommendation 5.2: Auditors should use frameworks such as ATP-Col, ACT, or this report’s analysis grid to conduct their analysis of transition plan credibility

WWF provides its own methodological analysis grid, based off the ATP-Col and ACT frameworks, to allow for the rapid assessment of climate transition plans. Our analysis grid is provided in the appendix, and our methodology is explained in detail within the dedicated section of this report. We strongly encourage auditors to refer to either this tool, or directly to the ATP-Col or ACT evaluation frameworks, to analyse climate transition plans. This can assist assurance providers in identifying areas that would compromise ESRS compliance, and the coherence and credibility of the transition plan. This would help to standardize and ameliorate audit practices related to climate transition plans.

Recommendation 5.3: Auditors should clearly highlight elements that jeopardize transition plan coherence or credibility in their audit reports

When auditors identify elements that are likely to affect the credibility of the climate transition plan, they should at least highlight these elements in the form of comments in their report on sustainability information. When a climate transition plan’s credibility is impacted by a variety of different data, it would be relevant to detail what elements impact the plan’s credibility, and eventually, how they interact.



IV – ANALYSIS RESULTS AND METHODOLOGY

	COMPLIANCE	CONSISTENCY	CREDIBILITY
 GHG INVENTORY	●	■	■
 PERFORMANCE	■		
 TARGETS	●	■	■
 DECARBONISATION LEVERS	●	●	▲
 FINANCING	●	▲	▲
 LOCKED-IN EMISSIONS	●	N/A	N/A
 GOVERNANCE	●	■	▲
 SUPPORTING DISCLOSURES	■		

Accor's transition plan contains a lot of details and provides a good starting point for the group's climate action. Positive elements include a high level of transparency on current capacity and limitations of the plan, and an effort to clearly delineate where the group has stronger influence over GHG emissions and where it does not. However, the plan suffers from a lack of clear mechanisms identified to deliver on transition objectives in places where the group discloses that it has less influence. This drawback significantly downgrades the consistency and credibility of the plan. Another place for improvement relates to the inclusion of GHG emissions categories in reporting and targets susceptible to being material for the company. Finally, financial elements should be disclosed more accurately, and the site level should be better considered for entities not directly controlled by the group.

GHG INVENTORY

Accor Group discloses its GHG emissions across all 3 scopes of GHG emissions, in line with the GHG protocol, and without inclusion of GHG removals and credits or biogenic emissions. The group provides some insight into its different emissions categories and differentiates the emissions stemming from sites it operates directly, sites under management contracts, and franchised sites (respectively scopes A, B and C).

However, Accor does not report on two categories susceptible to being of high importance for them: guest travel and scope 3 emissions from franchised hotels. The group does provide transparency on this and highlights its plans to disclose guest travel emissions in 2026. The comparison of the group's GHG performance over time could also be better presented and commented on. Accor could improve its GHG inventory by disclosing the material emissions listed above and providing better insight into the granularity of its emissions (at country level, for example).

PERFORMANCE

Accor discloses that it is early to comment on its climate performance, as it was only approved in 2024. It would be useful to comment on the overall GHG performance of the company regarding climate targets because the group's emissions have been rising since its baseline year. This raises questions regarding the implementation of its climate ambition and capacity to deliver on GHG targets.

TARGETS

Accor publishes SBTi-certified targets to 2030, covering all 3 scopes of GHG emissions. The targets do not rely on carbon credits or removals and include the emissions from all types of sites (scopes A, B and C as explained above) except for Scope 3 emissions from sites under franchise agreements. The group has not published 2050 targets, and their net zero commitment was removed from the SBTi site. Accor identifies the possibility of submitting a net zero target for 2050, and a re-baselining of their 2030 target, to the SBTi. Elements that could be improved include the publication of a 2050 target compared with at least one 1.5°C scenario to specify the long-term ambition, and a discussion of whether and how the coverage of guest travel scope 3 emissions will impact the targets of the group. Moreover, it would be relevant to include Scope 3 emissions from franchised sites in the group's GHG inventory and targets.

DECARBONISATION LEVERS

Accor provides a detailed breakdown of its decarbonisation levers by source of emission, with a clear distinction of the actions planned to reduce GHG emissions. They present the calculations made to assess GHG performance and discuss dependencies on which actions rely. The main dependency relates to the transition of the energy grid, as energy consumption represents the bulk of Accor's emissions. More work could be done by the company to ensure that its guarantee of origin certificates actively assist the development of new clean energy capacity. The company identifies one key risk for the implementation of the transition plan: their asset-light model, which gives them limited control over sites under management contracts and franchise sites. It would be relevant for the company to discuss how they plan to remediate this risk, as there is limited information on the incentive and control mechanisms planned to ensure the transition plan's implementation in scope B and C sites. Finally, it would be useful to provide a discussion of the potential impacts of the implementation of the transition plan on other sustainability topics.

FINANCING

Accor discusses the relevance of Capex and Opex types of financing for the different components of its transition plan as related to sites under A, B and C scopes. However, it provides very little quantitative information regarding planned Capex and Opex figures. The group highlights their different levels of control on the Capex and Opex of different sites, which depends on how much operational control they have over these. The company should explain how they plan on collecting data from scope B and C sites to ensure that resources are dedicated to the transition, and what incentives are planned by the group to favour the implementation of decarbonisation levers. Moreover, a comprehensive discussion of financial effects of climate change and the transition plan would be relevant, as for now, the only effects identified are those related to energy efficiency cost savings.

LOCKED-IN EMISSIONS

Accor provides a statement saying that locked-in emissions are not material for the company due to the asset-light model on which they operate.

GOVERNANCE

Accor provides detailed analysis of how their climate strategy is monitored. Although approval and review by administrative, management and supervisory bodies are not directly claimed, it is clear that the climate strategy is approved at those levels. Supervision is done at different levels, with dedicated Committees at Board and Management levels, and elements are provided regarding the operationalization of the climate transition plan. Clarity could be provided as to the governance of contract-managed and franchised hotels. Moreover, Accor does not index short-term remuneration to the success of the climate transition plan, although an indirect link is made to climate objectives through a share of the compensation linked to eco-certification for hotels. Long-term variable compensation, however, is tied to performance on GHG emissions.

SUPPORTING DISCLOSURES

Supporting disclosures are provided, but not always in the transition plan. While the Taxonomy disclosure is present in the sustainability statement, it is not included in the transition plan, and no links are made between dedicated financing in the transition plan and Taxonomy items. No disclosure is made regarding Capex dedicated to coal, oil or gas financing, but this is likely non-material for the company. Finally, Accor discloses its inclusion in Paris Aligned Benchmarks.

	COMPLIANCE	CONSISTENCY	CREDIBILITY
 GHG INVENTORY	●	●	■
 PERFORMANCE	■		
 TARGETS	■	■	■
 DECARBONISATION LEVERS	●	■	■
 FINANCING	●	■	▲
 LOCKED-IN EMISSIONS	●	▲	▲
 GOVERNANCE	●	●	■
 SUPPORTING DISCLOSURES	●		

Although Air Liquide has SBTi-validated emission reduction targets, unclear temperature objectives and an absence of detail on intermediate ambitions make its targets difficult to read into. The group's decarbonisation strategy is very dependent on two levers over which it has little control: energy prices and the maturity of certain technologies. This significantly lowers the credibility of the transition plan. Air Liquide issued a €500 million green bond for its decarbonisation and provides links between its transition plan's financing and Taxonomy figures. It is also relatively clear on the investment needed to properly implement its transition plan in the short term. Finally, Air Liquide showcases good practice regarding the indexation of variable compensation of managers and employees to the success of the plan.

GHG INVENTORY

Air Liquide's GHG inventory covers all 3 scopes of emissions and is disclosed in accordance with leading standards such as the GHG Protocol. It does not include carbon credits or biogenic emissions. Air Liquide highlights that most of its emissions come from hydrogen and oxygen production units, and explains the links between level of emissions, activity growth, and energy efficiency. Details regarding annual variations are limited but present; there is room for Air Liquide to improve its disclosure on this point. Moreover, the company discloses a breakdown of emissions at the

regional and activity levels, and highlights that some of its sites are covered by EU ETS. It would be useful to provide elements regarding highly emissive sites and assets to better understand priority intervention areas for the group.

PERFORMANCE

Air Liquide presents its progress on GHG emissions reductions against targets across all 3 scopes. In 2024, the group's overall GHG emissions (based on market-based scope 2 emissions) were reduced by 1% in comparison to the 2020 baseline. Scope 1 and 2 emissions respectively went down by 4,1% and 15,6%.

However, Scope 3 emissions rose by 19,5%. This showcases good performance on Scope 1 and 2 emissions but rising Scope 3 emissions could compromise the achievement of the group's climate targets.

TARGETS

Air Liquide has defined climate targets across all 3 scopes of GHG emissions in absolute value. The company publishes targets for 2035 and has announced a 2050 net zero ambition without specifying targets. The group discloses that it does not wish to communicate on Scope 3 targets, making it difficult to assess their ambition. Air Liquide also validated its targets through the SBTi. It is worth noting that the SBTi target dashboard registers Scope 3 targets for the company: this complicates the understanding of the group stance on this matter. Moreover, the validation of climate targets through SBTi was done on a “well-below 2°C” basis. The company explicitly states that the reference to “well-below 2°C” rather than 1.5°C is a result of the lack of existing methodology to evaluate the alignment of its specific activity (industrial gas production) and linked to geographic specificities of its activities. It also specifies that the reference scenario used to track progress on emissions is the IEA’s “hard to abate” scenario.

DECARBONISATION LEVERS

Air Liquide’s decarbonisation levers are detailed and quantified for each type of emissions reductions, and well-integrated into the transition plan. Links are made to emissions reduction objectives in the short and long term. However, the quantification is only provided for Scope 1 and 2 objectives and to 2035, although a general discussion of Scope 3 levers to 2050 is included. It would be useful to harmonize this presentation to increase clarity on levers. Air Liquide mentions that the successful implementation of levers depends on the evolution of specific technologies (for example, carbon capture and storage) and energy prices. This creates a significant risk around the plan’s capacity to deliver on GHG targets. Air Liquide does highlight that it has identified 450 production units of industrial gas and hydrogen on which it must focus to ensure the success of its transition plan and lists China and South Africa as priority geographies. Going forward, the company will need to develop concrete implementation and risk control measures to limit its transition plan’s reliance on immature technologies.

FINANCING

Air Liquide communicates transparently on Capex and Opex figures linked to the transition plan, which are covered by the Taxonomy. In 2024, 45,4% of its investments were Taxonomy-aligned, representing over 250M€. The company has also issued a 500M€ green bond to finance its energy transition projects. Air Liquide also highlights that its

transition-related investments are planned for the next 20 years, which corresponds to ESRS requirements. However, it is not clear that investments are guaranteed, and no detail is given regarding the ventilation of Capex and Opex per lever or key action. The company indirectly communicates on potential effects arising from climate risks and impacts, but only qualitatively through IRO analysis. It would be useful to communicate on whether and how the transition plan is susceptible to impact the group’s revenues and business model.

LOCKED-IN EMISSIONS

The group mentions that it considers locked-in emissions to be compatible with its 2050 net zero ambition. However, no further detail is provided, and there is no description of asset-specific strategies to decarbonize (for example through emissions reductions, decommissioning or other means). Moreover, no quantitative data is provided. Air Liquide could significantly improve on its locked-in emissions disclosure by providing this data, or by providing some detail on the management of highly emissive sites or assets.

GOVERNANCE

Air Liquide formally integrated its climate transition plan into its overall strategy through an official adoption of the plan by the Board in February 2025. This plan is reviewed by both Board and Management. The group includes CSR and transition-specific elements into its governance through different means. A dedicated committee watches over the integration of these topics into the company’s overall strategy. ESG risk is also closely monitored through internal control systems and regularly discussed at Board and Management meetings. The sustainability expertise of multiple management members and employees is highlighted, although there is little justification provided for this claim. In addition, Air Liquide’s CEO has 10% of his short-term and 10% of his long-term variable compensation linked to performance against climate targets and the success of the transition plan. The long-term incentive is also extended to over 2600 employees. 400 different managers in different functions have 15% of their pay indexed to relevant ESG criteria.

SUPPORTING DISCLOSURES

Air Liquide publishes data on the Taxonomy in its climate transition plan, as well as figures related to investments in coal, oil and gas. It discloses that it is included in Paris Aligned Benchmarks.

	COMPLIANCE	CONSISTENCY	CREDIBILITY
 GHG INVENTORY	●	●	■
 PERFORMANCE	●		
 TARGETS	●	●	●
 DECARBONISATION LEVERS	●	●	▲
 FINANCING	■	■	▲
 LOCKED-IN EMISSIONS	●	▲	▲
 GOVERNANCE	●	●	■
 SUPPORTING DISCLOSURES	●		

Danone publishes a summarized view of its more detailed and public climate transition plan in the CSRD and manages to demonstrate solid practices in terms of target-setting and decarbonisation lever identification. They provide a robust analysis of external factors related to key actions and identify measures to mitigate these risks. Sources of improvement include greater transparency and granularity in GHG emissions – notably on the topic of locked-in emissions – and financial disclosures. Overall, the transition plan is intuitive and easy to understand; one key uncertainty in the plan regards how regenerative agriculture will be implemented at the level of the supply chain and in accordance with Danone’s understanding of these practices.

GHG INVENTORY

Danone reports its emissions on all 3 scopes, and transparency is provided on emissions factors. While material emissions sources and categories are highlighted, they are not clearly described in the dedicated methodological note. Interannual and base-year variations are provided but not systematically commented on, and sometimes for important variations. Some information on decarbonisation actions is provided in relation to the GHG inventory but could be explained more clearly. Moreover, no detail is provided regarding the most emissive sites, assets or geographies for Danone. One advantage of the presentation made by the company is the intuitive breakdown of GHG emissions sources by key operations and supply chain

activities that bring reader focus to where efforts are needed in terms of decarbonisation for the company.

PERFORMANCE

Danone clearly comments and details its climate performance. One key dimension to highlight is the difference in scopes considered in the GHG inventory and under SBTi targets. Because the company clearly highlights this scope difference, and because the difference is non-material, the appreciation of the performance is still legible; however, it would be relevant to comment on emissions reduction plans for emissions not covered by the SBTi target, or to integrate non-covered GHG emissions in SBTi targets down the line. Overall, it appears the company is on track to meet its commitments.

TARGETS

Emissions reduction targets cover all 3 scopes and include FLAG targets. They are formulated in absolute value, as well as intensity values. Targets are set for 2030 and 2050, and do not include carbon credits or removals. The company publishes its emissions reduction pathway and compares it to Paris Agreement and 1.5°C-compatible scenarios. The compatibility with 1.5°C is clearly stated by the company based on this comparison. Moreover, the targets are validated through SBTi, and for each of the key emissions sources presented in the GHG inventory breakdown, Danone publishes key challenges and planned actions in ensuring that it meets its targets (in the dedicated climate transition plan published by the company, more than in the CSRD publication.) It could be useful to present potential gaps and tradeoffs for such challenges and actions more systematically, but this already represents good practice.

DECARBONISATION LEVERS

Danone presents its decarbonisation levers in association with climate targets to 2030, and the expected contribution of different levers is quantified. The association of key levers to emissions sources is also valuable and shows that the group prioritizes actions on its most emissive activities. Levers are sequenced in time and show variations between base year, reporting year, and first target year. A comparison is provided between what the 2030 BAU would be for Danone and what the SBT they have set is. Levers are also presented to 2050 but in less detail and with no relation to targets. Presenting this information would be useful to boost the plan's credibility. External dependencies are identified regarding key levers. Most levers identified do not rely on immature or scarce resources and technologies. However, as recognized by Danone, there is still a wide variety in the definition of regenerative agriculture, one of the key levers that the company depends on. The implementation of these models within Danone's supply chain constitutes an important challenge recognized by the company, which should be scrutinized to assess the credibility of the transition plan going forward. Danone does present one mitigation measure to deal with the variety in definitions of regenerative agriculture: direct engagement with farmers. An improvement would be to identify interactions between its transition plan and other key sustainability dimensions – notably social risks and impacts. Danone could provide remediation solutions when the transition plan could be put into question by certain dependencies or create negative impacts on its supply chain. While this is done to an extent, it is difficult to assess how such interactions are considered and acted upon given the information provided.

FINANCING

Danone discusses the integration of transition plan financing with its regular financial planning. According to the company, this integration means that all financing made by the company

is dedicated to both its sustainability action (Danone Impact Journey) and to its growth and attractivity. A carbon prism analysis is required for all investments above 5M€. However, no lump sum or ventilation per decarbonisation lever or key action is provided in the transition plan. While the intention of the transition plan is to shift not only Danone, but its supply chain, to a more regenerative model of agriculture and food production, it is not clear what kind of financial means are allocated to this ambition. Beyond a generic statement on growth, there is no specific discussion on how the transition plan is likely to impact the company's revenues and different activities over time.

LOCKED-IN EMISSIONS

Danone states that locked-in emissions are not a risk, because they do not have a high volume of assets that will emit GHG over long periods of time. It could be useful to understand how this analysis was carried out and how it relates particularly to the assets eligible to the EU ETS - which de facto place the company's eligible assets at the level of the highest emitting facilities in Europe. Another interesting component is the cattle that are necessary for Danone's activity, as they generate high emissions over their lifetime. It would be useful to understand how the company intends to deal with these emissions, notably to ensure that emissions associated with dairy suppliers are reduced and not transferred as Danone's business model evolves.

GOVERNANCE

Danone explicitly cites the directions and people included in the governance of its transition plan. The board and management are both included in this supervision, with a yearly review of the plan (at least) by the Board and its CSR Committee. Different elements show how the transition plan is embedded operationally. Key people for the operationalization of the plan are identified (finance, tech & data; sustainability; purchasing/sourcing functions). Much detail on the variable compensation indexation to sustainability criteria in the short term for the executive director (20% of variable compensation) is provided. The long-term incentivization plan for all major directors is indexed to sustainability performance up to 30%. These are generally good figures in comparison to market practice; however, a view into how this incentivization is implemented at the level of operations would be an improvement.

SUPPORTING DISCLOSURES

Danone published its Taxonomy data, with very low volumes. This is normal because its core activities are not covered by the Taxonomy; however, for those that are covered, it could be useful to make a link between the transition plan and the Taxonomy disclosure. No elements are provided for coal, oil, and gas related activities. The company does disclose its inclusion in Paris-Aligned Benchmarks.



Sources:

[Engie URD](#)

[Les contrats GNL d'ENGIE : un piège à long terme pour la transition énergétique](#)

[Engie sort du charbon : une annonce sans impact](#)

	COMPLIANCE	CONSISTENCY	CREDIBILITY
 GHG INVENTORY	●	■	■
 PERFORMANCE	●		
 TARGETS	●	●	■
 DECARBONISATION LEVERS	●	▲	▲
 FINANCING	●	■	■
 LOCKED-IN EMISSIONS	●	■	▲
 GOVERNANCE	●	●	▲
 SUPPORTING DISCLOSURES	●		

Engie delivers a transition plan that provides a clear picture of what its climate ambition is, and where it currently stands in relation to these objectives. Its target setting and governance are well-established and anchor the company's desire to become compatible with a Paris Agreement future. However, Engie still plans to develop new gas power generation capacity, and while it provides some elements on how it plans to align the operation of these plants with its climate ambition, these do not provide sufficient assurance to create a consistent and credible narrative around its capacity to align with Paris Agreement objectives. Reliance on immature technologies and bioresources, for which competition will be important, are two key points that bring Engie's capacity to deliver on its climate commitments into question.

GHG INVENTORY

Engie reports on its GHG emissions for all 3 scopes, in accordance with GHG Protocol methodologies, and using suitable emissions factors. Some insight is provided regarding variations with baseline emissions, and into material sources and categories in emissions in Engie's methodological note. However, the report does not provide insights into annual variations, and it does not highlight material sites, assets, or geographies for the company, offering only a consolidated view of GHG emissions. It would be useful to provide commentary on the most significant yearly variations for Engie, as well as a

more granular view of GHG emissions. Biogenic emissions are reported with other GHG emissions, which is not in line with ESRS requirements.

PERFORMANCE

Engie provides a clear vision of its performance against GHG emissions targets and seems to be on track to meet their objectives across all scopes. Here, it is worth noting that part of this success is explained by a selling strategy for highly emissive assets, which can lead to the maintenance of a high volume of GHG emissions even after Engie writes these off its GHG inventory.

TARGETS

Engie has adopted GHG emissions reduction targets across all 3 scopes. These targets are formulated in absolute terms and for the years 2030 and 2045 – date at which the company is expected to reach its net zero ambition. Carbon credits are not considered in the scope of these targets. Targets are SBTi-certified but were validated when SBTi still accepted “well-below 2°C” targets. This is reflected in Engie’s statement that its targets are in line with Paris Agreement ambitions, but not with 1.5°C. However, it is worth highlighting that Engie is still planning on developing new gas plants, even if it explains that these will be converted to “renewable gas” capacity by 2045. This harms the credibility of Engie’s climate commitments, as making these plants GHG-neutral would require significant maturation of existing technologies and guaranteed access to sufficient and sustainably sourced bioresources to maintain the plant’s operations. Finally, Engie also publishes an avoided emissions target on the side of its GHG emissions reduction targets.

DECARBONISATION LEVERS

Decarbonisation levers are provided in association with climate targets, with quantified contributions to target achievement. This information is provided in detail until 2030 and more succinctly to 2045. Key actions associated to these levers are also presented. However, a significant share of its emissions reduction strategy relies on technologies and techniques that are either immature, or, more often, at risk from supply scarcity. For example, the company’s heavy reliance on biomass and biomethane, as well as H2 and CCS to decarbonize gas consumption and sales poses some credibility risks. Moreover, it is unclear to what extent the company relies on each of these types of technologies, or what is meant by terminology such as “low-carbon heat”. It would be useful to detail if these solutions are central to the success of the transition plan, and how the company can help specific technologies mature, or how it may secure access to necessary resources. While Engie does not systematically provide details on perceived tradeoffs between decarbonisation levers and other sustainability topics, some risks associated with the transition of its business model are highlighted, notably regarding the employment of its workforce and the stability of the European power grid.

FINANCING

Capex and Opex are disclosed by Engie in lump sums to 2027. There are also significant amounts of Taxonomy-aligned Capex disclosed, and the links between transition plan financing and Taxonomy figures are also lengthily discussed in various parts of the sustainability report. However, there is no specific ventilation of planned investments and expenses into different actions or decarbonisation levers, which would be useful to

understand what resources the company is putting behind its engagements. Engie specifies that it plans on using green bonds to finance most of its transition plan. More generally, Engie discloses that it plans to align all investments with its decarbonisation strategy and transition plan. However, this should be further scrutinized as Engie also discloses that it plans investments in new gas capacities, with no associated volumes. This raises credibility issues as discussed above.

LOCKED-IN EMISSIONS

Engie publishes its statement on locked-in emissions. In this statement, it does not identify assets that are susceptible to impact the realization of its targets. Indeed, the company provides broad strategic outlines for the handling of coal and gas-fired plants. This could be questioned given significant dependencies on immature technology and limited resources needed to effectively convert gas-fired plans. It would be useful to provide specific, and ideally quantitative, assessments on locked-in emissions to boost the coherence and credibility of the transition plan.

GOVERNANCE

A detailed view of the integration of the transition plan into the company’s governance structures is provided by Engie. This is true for administrative, management and supervisory bodies as well as more operational functions. The integration of necessary financing for the plan into regular financial systems is also discussed. Financial incentives provided by Engie for the plan are listed and could be higher (between 3 and 7% depending on the package), although links to long term performance share indexation are stronger (20%). It is worth highlighting here that some of the strategic decisions made by the organisation in recent years, notably linked to gas-fired plans and LNG investments, have been criticized by experts and NGOs as they may jeopardize the company’s capacity to decarbonize. It would be useful to transparently communicate on these elements and eventually explain how such decisions are accounted for in the company’s transition plan.

SUPPORTING DISCLOSURES

All supporting disclosures are present. Engie communicates on Taxonomy information. It also discloses its significant revenue from fossil fuel-related activities. Finally, the company communicates the fact that it is below the thresholds of the Paris Aligned Benchmark exclusions but could disclose more clearly whether this means it is excluded from these benchmarks or not.

LVMH

	COMPLIANCE	CONSISTENCY	CREDIBILITY
 GHG INVENTORY	●	●	■
 PERFORMANCE		●	
 TARGETS	●	●	●
 DECARBONISATION LEVERS	●	●	▲
 FINANCING	●	■	■
 LOCKED-IN EMISSIONS	●	■	▲
 GOVERNANCE	●	●	▲
 SUPPORTING DISCLOSURES		●	

LVMH has a transition plan containing robust targets and detailed GHG inventory reporting, with additional KPI showing how the plan is monitored and demonstrating good progress so far. Decarbonisation levers are identified for the short term, and an effort is made to think forward to 2050 with assistance from models and tools to evaluate different dependencies. Although limited to Scopes 1 and 2 levers (with ongoing development of Scope 3 estimates), some financial elements are provided, showcasing good practice in this exercise. Improvements can be gained through better long-term projection, detailed discussion of Scope 3 decarbonisation levers, and a stronger incentivization of the plan's success in terms of governance.

GHG INVENTORY

LVMH's GHG inventory covers all 3 scopes of GHG emissions and is reported in accordance with the GHG protocol. The company lists the emissions factors sources used for its inventory calculation. It also discloses both location and market-based scope 2 emissions. GHG figures do not include carbon credits or biogenic emissions, neither of which are relevant to the group's activity. The inventory provides significant amounts of detail regarding GHG emissions scopes and categories within Scope 3, going as far as to provide a data quality score for the measurement of its emissions. Annual variations are not presented. The company also updates its baseline to reflect restructurations in its inventory. LVMH provides a breakdown of GHG emissions by business group for Scopes 1, 2 and 3 emissions, and of Scope 3 emissions related to transportation. No geographical or site-level assessments are provided. It could be useful to shed some light on what the most material products, sites or assets are the most significant in terms of generating GHG emissions.

PERFORMANCE

LVMH provides details regarding its GHG performance. The group claims that this is on track to meet its targets and provides multiple high-level KPI to support this (comparing emissions reduction between baseline and reporting year with target-year emissions notably). LVMH also discloses multiple operational KPI that help to show how this progress was obtained.

TARGETS

LVMH publishes GHG emissions reduction targets on all 3 scopes, formulated in absolute values for Scopes 1 and 2, and intensity value with corresponding absolute reductions for Scope 3. These are gross targets, and scenarios used are clear as the targets are SBTi-certified. These targets, however, are only set for the near term (2026 for Scopes 1 and 2, 2030 for Scope 3). The sustainability statement does reference a long-term target submitted to the SBTi, but no further quantitative information is provided.

The SBTi website does disclose that LVMH has a 2050 net zero target certified by the initiative. Ample information is provided regarding the nature and specific breakdown of targets in the sustainability statement and the SBTi target dashboard. The company should address where it believes its greatest challenges may lie in the achievement of the ambitious targets they have set for themselves.

DECARBONISATION LEVERS

LVMH discloses decarbonisation levers and key actions for Scopes 1 and 2 and separately for Scope 3. These are presented in association with baseline GHG emissions and targets, and contain narrative portions, as well as more detailed tables linking levers, actions, expected reductions and an implementation timeline. This allows for easy comprehension of the group's decarbonisation strategy to 2026 and 2030. However, while a descriptive section provides elements regarding priorities for 2040 and 2050, these are not as detailed. One thing to highlight is the large reliance on renewable energy for the group. While it could be useful to understand whether the group's purchased energy from renewables contributes to the production of new renewable capacity, its intention to develop on-site renewable energy represents an ambitious practice. LVMH does not systematically discuss dependencies beyond simple analyses (such as dependency to development of overall renewables production globally to use green energy). For Scope 3 levers, it would be useful to provide more details notably regarding circularity and regenerative agriculture, as these terms can refer to practices that may be unequal in terms of contribution to decarbonisation. For the long term, the higher level of uncertainty is recognized by the group. A bigger focus could be provided on material scope 3 categories. Some elements demonstrate that LVMH monitors developments essential to its decarbonisation strategy (for example, through the referencing of models to analyse the development of its factors necessary to the proper implementation of lever over time). Overall, the group does not seem to have major dependencies to immature technologies. LVMH does not discuss potential adverse impacts on other sustainability topics. This could be particularly interesting for elements related to regenerative agricultural practices, which may affect the financial models of farmers, or on sustainable transportation, which can imply significant environmental impacts to produce batteries or biofuels. This is also relevant regarding production of renewable energy. Finally, in relation to the analysis on GHG inventory and targets, no site or product-level levers are identified.

FINANCING

LVMH communicates on the financial resources assigned to the transition plan in different ways. For Scopes 1 and 2, LVMH offers monetary amounts lumping Opex and Capex to 2026. They describe the different actions meant to be financed by the figures provided. On Scope 3, less detail is provided, but LVMH

announces that it is working on a methodology to evaluate these investments, explaining criteria considered for this modelling and providing a concrete example in one of their subsidiaries. The group also specifies the integration of transition plan and general financing strategies. Financial effects of climate change or of the transition plan are not discussed. One dimension that could be better explained is the link between transition plan financial figures and Taxonomy figures, notably due to the low volumes of alignment for the group.

LOCKED-IN EMISSIONS

There is a high-level statement on locked-in emissions, with LVMH announcing it has conducted a preliminary analysis on the topic. No specific risk is identified regarding this topic. LVMH does explain the interaction between its transition plan, the evolution of external factors, and the estimated locked-in emissions from its assets and sold products. It would be useful for the group to highlight whether specific products, product categories or assets are likely to create a risk regarding its transition plan's success, and to provide quantitative data to support such claims.

GOVERNANCE

For LVMH, the Board of Directors is the strategic body of the company: it is responsible for the climate issues facing the business as well as others. It also works with the Executive management to ensure the proper implementation and strategic direction of the plan. Integration of the plan in strategy, financial planning, and operations, is explained. The transition plan is embedded within LVMH's LIFE 360 environmental strategy. The Environmental Development department oversees the operational implementation of LIFE 360, including the key actions listed in the transition plan. The operationalization of the plan for LVMH's subsidiaries is included. A description of training processes linked to the LIFE 360 plan is also provided. The Board is responsible for setting compensation for the Executive management and has included components of variable remuneration linked to the achievement of LIFE 360 objectives. However, the share of the variable compensation related to the program is quite low (15%) and not directly indexed to the transition plan (although partially related to it through its dependency on the success of LIFE 360 indicators, which include climate targets.) There is no detail provided on how financial incentives are implemented at the operational level.

SUPPORTING DISCLOSURES

The Taxonomy figures are provided and summarized in the transition plan. However, there is not much of a link made between these two disclosures. The group does disclose that it has no significant Capex invested into coal, oil or gas. LVMH is included in PABs.



	COMPLIANCE	CONSISTENCY	CREDIBILITY
 GHG INVENTORY	●	●	▲
 PERFORMANCE	●		
 TARGETS	●	●	●
 DECARBONISATION LEVERS	■	●	■
 FINANCING	●	■	▲
 LOCKED-IN EMISSIONS	●	▲	▲
 GOVERNANCE	●	●	■
 SUPPORTING DISCLOSURES	■		

Michelin’s transition plan is based on strong targets, a clear GHG inventory, and dedicated governance mechanisms. Decarbonisation levers are clearly identified by the company but could be reinforced and projected for the long term to ameliorate the plan’s credibility. Some financial elements are provided, although they should be developed and supported by narrative elements. Overall, this disclosure provides a good starting point for Michelin, and its relevance is demonstrated by the current GHG performance of the company. Going forward, more work will be needed regarding dependencies, locked-in emissions, and financial elements to ensure the plan is successful regarding long-term objectives.

GHG INVENTORY

Michelin covers all 3 scopes of GHG emissions, with a distinction between “required” and “optional” scope 3 emissions. This breakdown is well explained and demonstrates accountability. Other ESRS requirements are respected regarding emissions factors, reporting framework requirements and non-inclusion of carbon removals or credits. The group also provides insight into all GHG emissions categories. One aspect that can be improved regards the details provided on highly

emissive sites: as demonstrated by its plants’ EU ETS coverage, the company’s direct emissions are significant, and elements on specific plans to reduce emissions at the level of assets would reinforce the company’s disclosure.

PERFORMANCE

Michelin discloses and comments on its emissions performance, comparing its overall GHG inventory to the targets it has set. It is on track to go beyond its GHG targets in the short term.

TARGETS

Michelin's targets cover all 3 scopes of GHG emissions and are formulated in absolute terms. Some insight is provided on the base year choice. Targets are set for 2030 and for 2050, and do not rely on carbon removals or credits, or avoided emissions. Michelin's targets are SBTi-certified, and the group reports on non-obligatory categories on the side, as previously highlighted. It would be an improvement to consider including use-phase emissions in the group's GHG emission reduction targets, in line with the reporting scope on the GHG emissions inventory.

DECARBONISATION LEVERS

Michelin discloses its decarbonisation levers and key actions alongside its Scope 1 and 2 targets to 2030, but not to 2050. This could be a useful addition to better understanding the company's plan to achieve long-term emissions reduction ambitions. Another valuable insight would be provided by presenting the information in a similar manner for Scope 3. However, the contribution of different levers on a year-to-year basis is shown. Expected emissions reduction volumes from the described decarbonisation levers are quantified. Michelin also provides details on its capacity to implement key actions and decarbonisation levers, identifying potential difficulties. It is interesting to note that on Scope 1 and 2 emissions, even without the lever dedicated to renewable energy purchases, the company is projecting to meet its scope 1+2 target - demonstrating its capacity to meet targets even on a location-based accounting approach. Michelin also has a voluntary approach on identifying key actions and levers for emissions reported as "optional". The next step for the company would be to analyse its actions' potential impacts on other sustainability topics, and provide mitigation plans for such impacts. Site-level disclosures on decarbonisation levers would also be relevant for Michelin.

FINANCING

Michelin only discloses lump sum amounts of financing dedicated to decarbonisation levers targeting scope 1, 2 and 3 emissions. These financial elements are not broken down by decarbonisation levers or key actions. It is also unclear whether these are Capex or Opex. No narrative elements are provided to explain how the financing is supposed to be ventilated. These would improve the credibility of Michelin's transition plan. Moreover, Michelin discloses that it is currently working on a methodology to analyse the financial impacts linked to climate change on its business model. While no dedicated elements are planned to analyse the impacts of implementing the transition plan on Michelin's finances, the transition plan itself is embedded in the company's long-term strategy.

LOCKED-IN EMISSIONS

There is a high-level statement on locked-in emissions. Michelin does not identify specific risks from locked-in emissions in its capacity to achieve its climate targets. Beyond 2050, the only remedy to potential locked-in emissions present is the identification of technology families that will enable the company to meet its 2050 targets. However, since no quantification is provided by the company, it is difficult to evaluate the credibility of these claims. A disclosure or emissions locked in at the level of highly emissive sites, such as those covered by the EU ETS, would constitute an important improvement to Michelin's transition plan disclosure.

GOVERNANCE

Michelin discloses that all sustainability issues, including the transition plan, are regularly approved and reviewed by the administrative, management and supervisory bodies. The transition plan is stated to be incorporated into the company's general financial plan and strategy. The internal control and risk management protocol and processes are quite detailed and demonstrate a high level of scrutiny regarding general sustainability IRO management in the organisation. In terms of incentivization, 10% (and up to 15%) of the variable compensation of both the Chairman and the General Manager depend on the continued progress on climate targets. Moreover, 20% of the deferred variable compensation, awarded in the form of performance shares, depends on the ESG performance of the company. More generally, sustainability-related incentive schemes exist across the board for administrative, management and supervisory bodies. While these could be higher, it represents good practice in the current market. Moreover, it is worth noting that such incentives extend to the operational level, ensuring good buy-in from all employees into the transition plan.

SUPPORTING DISCLOSURES

The only supporting disclosure provided by Michelin is on the Taxonomy. It is, however, not embedded into the transition plan, and no specific links are made. No statement is provided regarding the alignment of Taxonomy figures. For Paris-Aligned Benchmarks and financial elements related to fossils, no statements or justifications are provided.



Sources:

[Renault URD](#)
[Renault CEO calls for flexibility in European EV transition timeline](#)
[Automakers and Climate Policy Advocacy: A Global Analysis](#)

	COMPLIANCE	CONSISTENCY	CREDIBILITY
GHG INVENTORY	●	■	▲
PERFORMANCE	●		
TARGETS	●	■	■
DECARBONISATION LEVERS	■	●	■
FINANCING	●	■	■
LOCKED-IN EMISSIONS	▲	▲	▲
GOVERNANCE	●	■	▲
SUPPORTING DISCLOSURES	■		

Renault presents a relatively solid and compliant transition plan. Strong points of the disclosure include a comprehensive inclusion of the supply chain, the description of dependencies, a better disclosure of dedicated financing than almost all companies reviewed, and a detailed commentary of its performance against objectives. However, the plan still has room for improvement on consistency and credibility. The lack of information on locked-in emissions harms the credibility of the transition plan significantly. Other ameliorations could include a more granular view of emissions (sites, products), a better description and interlinkage of actions, levers and targets for the company, and increased incentivization for the success of the transition plan.

GHG INVENTORY

Renault discloses emissions across all 3 scopes, with a clear reference to emissions factors and methodological choices. Carbon credits or removals are not included in its accounting. Most of Renault's emissions come from the use of products sold. Details are not provided on annual variations; however, there are comparisons between base and current reporting year, as well as comments on performance in relation to climate targets. Renault could improve its GHG inventory by presenting a breakdown of emissions by geography or activity, and by providing details of emissions at material site, assets, or product levels. This would be particularly relevant for its operational sites, a significant share of which are subject to EU ETS, and a better breakdown of emissions and associated challenges for ICE and electric vehicles.

PERFORMANCE

Renault's performance against targets is provided and commented. The performance seems to be on track to meet short-term targets. Communication on other operational targets that will contribute to Renault's success in meeting climate ambitions is also good practice.

TARGETS

Renault's GHG targets cover all 3 scopes of GHG emissions. They are expressed in % reduction of absolute emissions volumes, with associated volumes expected to be published next year. Targets are made public for 2030 and 2050 (net-zero target year). It is unclear what scenarios were used to develop climate targets. No comparison is provided between the company's planned emissions reduction pathway and a 1.5°- or even Paris Agreement-compatible scenario.

The projected temperature outcome, however, is clearer: Renault states it has set targets consistent with the global objective of limiting global warming well-below 2°C and intends to contribute to a 1.5°C as much as possible. While the company's SBTi certification is referred to and their target is still online on the SBTi dashboard, it is unclear to what extent the company still relies on its SBTi target for its transition plan ambition ("[targets] are regularly reviewed"; "During the transition period [between intensity and absolute targets], Renault Group has set up minimum absolute objectives on combined scope 1 and 2 (market-based only) and on the overall scope 3.") Additional clarity would improve the readability of Renault's climate ambition. It is worth highlighting that the company provides complementary and operational targets that help to understand how it is planning on achieving its overall decarbonisation ambition. For these targets, it would be relevant to include the % of electric vehicles sold in the product mix.

DECARBONISATION LEVERS

Renault discloses decarbonisation levers at a consolidated level within its transition plan, and a list of key actions in the dedicated section of the sustainability report. The link between levers and key actions is not obvious. Where they are quantified, decarbonisation actions/levers are not the same as those identified in other parts of the sustainability statement. This makes it difficult to understand the scope of each of the proposals, but clear priorities for the company include the shift of its product mix as well as extensive work on its supply and end of life of vehicles and components. Better links could also be made between actions, levers and targets, with a harmonized presentation and labelling of key actions and levers. The disclosure could also be improved by discussing dependencies. This may be particularly useful for the sourcing of key metals and minerals necessary to produce batteries, as well as for hydrogen vehicles and for circularity plans disclosed by the company. Finally, Renault does not discuss potential adverse impacts from its transition plan, which may be material considering that a large part of its plan relies on phasing in electric or other low-carbon vehicles, which typically need significant material resources to develop.

FINANCING

Renault provides details on the financing of its different levers and actions. Different narrative components highlight the way in which resources are allocated for the transition plan's key actions, with a methodology provided. A link is made between financing and actions, with a ventilation of some of the specific amounts between key actions presented by the company, which is good practice. To improve on this disclosure, Renault could push its financial forecast until at least the first target date and discuss the financial impacts of its transition plan on its business model, as the transition to electric vehicles is likely to impact its activities significantly.

LOCKED-IN EMISSIONS

The transition plan does not contain any statement regarding locked-in emissions, which would be very helpful in understanding what volume of emissions Renault could already have, or be locking in, through its products sold or planned capacity. It would be useful to understand how such projections change between regions as well, with some jurisdictions adopting stricter mandates to phase out ICE vehicles than others. This should be material information to provide for Renault and would drastically improve the quality and credibility of its disclosure.

GOVERNANCE

Renault explicitly states that the transition plan and its overall sustainability ambition are an integral part of its "Renaulution" strategy. This strategy is endorsed by the Board and the Executive Committee and encompasses operational and value chain aspects to reduce GHG emissions and ameliorate energy efficiency. The Strategy and Sustainability Committee regularly reviews the Group Sustainability Strategy. The governance, however, is not described for the operational teams as closely as for board and top management. Moreover, the direct variable component of the CEO's compensation is not tied with climate targets or the transition plan, although it contains certain ESG components. It is worth highlighting that while the relative variable compensation share attached to ESG is quite high (60% of total variable compensation), this is out of a total percentage going up to 225% of the annual compensation. The lack of tie-in of financial incentivization for the CEO and the success of the climate transition plan should question the prioritization of this goal for Renault's management - although other measures of ESG are included. Climate is only present as part of the long-term incentivization scheme of the CEO. These components could be improved to better support the governance of the transition plan down the line. It is worth highlighting that in recent years, Renault's top management has adopted positions on EU regulations around the transition to electric vehicles that go against its stated climate ambition, and that these positions are also represented by industry groups to which Renault is affiliated, which impacts the credibility of the plan.

SUPPORTING DISCLOSURES

The company discloses its Taxonomy data and mentions that transition plan financing is integral to its sustainability figures. However, the unaligned Capex/Opex (that is, however, eligible) does not provide a strong indication that Renault is indeed dedicated to moving towards mostly sustainable activities. It would be useful to explain why these Capex/Opex are currently unaligned, and if there are plans to align them in the future as a part of the transition strategy. The company also specifies it is not excluded from Paris Aligned Benchmarks. Finally, it does not disclose its Capex amounts on coal, oil and gas.



	COMPLIANCE	CONSISTENCY	CREDIBILITY
GHG INVENTORY	●	●	■
PERFORMANCE	●		
TARGETS	●	●	●
DECARBONISATION LEVERS	●	●	▲
FINANCING	●	■	▲
LOCKED-IN EMISSIONS	●	N/A	N/A
GOVERNANCE	●	●	■
SUPPORTING DISCLOSURES	■		

Sanofi has set clear targets to help keep global temperature rise below 1.5°C, in line with its SBTi certification. However, while the levers for decarbonisation, their financing, and their (positive) impacts on the business model are clearly identified for 2030, they have not yet been considered beyond this date. There is also a lack of detail on the identification of its highest-emitting sites and on the distribution of financing efforts, even in terms of Capex/Opex. Regarding governance, there is a link between executive compensation and the success of its transition, but this could be strengthened.

GHG INVENTORY

Sanofi's GHG inventory covers all 3 scopes of GHG emissions and is reported in accordance with relevant standards (GHG Protocol, ISO 14064-1). Carbon credits and biogenic emissions are reported separately from real emissions. Multiple methodological precisions are provided in the statement, including emissions factor sources, material scope 3 emissions categories, and other information relevant to the calculation of the GHG inventory. Details are also provided on annual variations in GHG emissions. Although the company provides a breakdown of emissions by region and activity, it would be useful to identify highly emissive sites or assets,

notably as the company discloses that it possesses different sites covered by EU ETS – which, by definition, covers the most emissive industrial assets in the EU.

PERFORMANCE

Sanofi clearly and transparently discloses its progress against targets on all 3 scopes of GHG emissions in absolute values. While Scope 1 and 2 emissions seem to be on track to meet targets, a point of attention should be given to Scope 3 emissions, which are going down, but at a rate that may be inconsistent with the company's targets.

TARGETS

Sanofi has defined its climate targets across all 3 scopes of GHG emissions, for 2030 and 2045 – date at which the company plans to reach net zero. The targets are disclosed in absolute value, and do not rely on carbon credits. Sanofi's objectives are certified through the SBTi with a clear 1.5°C ambition. Additionally, the company illustrates the alignment of its climate ambition with corresponding scenarios for Scopes 1 and 2. Scope 3 commitments are aligned to SBTi's ACA scenario. Sanofi also discloses complementary targets that aim to set the ambition for the proper implementation of its decarbonisation levers, which represents good market practice.

DECARBONISATION LEVERS

Sanofi clearly presents and describes its planned decarbonisation levers and systematically associates these with its 2030 climate targets. However, the quantified expected emissions reductions are only disclosed to this first target date. Sanofi could improve this disclosure by providing a quantification of expected emissions reductions by lever to 2045. The presentation of the levers is detailed, and no levers presented to 2030 rely on immature technologies or scarce resources. The company could better relate the expected reductions in GHG emissions provided throughout the report with the percentage reductions used to communicate around decarbonisation levers. Moreover, the company could provide more details on the decarbonisation levers it plans to implement at highly emissive sites, in line with recommendations on the GHG inventory. Finally, it would be useful for Sanofi to present information related to potential adverse impacts on other sustainability topics susceptible to result from the implementation of its decarbonisation levers.

FINANCING

Sanofi communicates on a single, annualized sum that it plans on investing to implement its plan to 2030. It is worth noting that Sanofi provides its overall methodology for calculating investments needed for the attainment of its climate objectives. Taxonomy data is also referred to, but only succinctly. The company does not provide a comparison or make the link between Taxonomy and transition plan-related financial figures. Moreover, Sanofi does not ventilate planned investments by key action or decarbonisation lever, which is necessary to evaluate the credibility of its plan. The report mentions that the financing of the transition plan is integrated into its global financial plan that covers the following 10 years of operations for the company. Finally, Sanofi communicates qualitative elements on the anticipated financial effects of its transition plan, through identified risks and opportunities linked to the plan's implementation. The company could improve this disclosure by quantifying these anticipated impacts.

LOCKED-IN EMISSIONS

Sanofi includes a paragraph stating that it analysed potential locked-in emissions, but that these emissions are not material for the company. It therefore does not disclose specific information on this topic in its transition plan.

GOVERNANCE

Sanofi discloses that the climate transition plan is approved by management and supervisory bodies, and that the transition plan is aligned with the group's global strategy. Multiple elements support these claims, with a detailed description of the way in which the governance structure for the plan is implemented at the level of the group's top management. Data is provided regarding the frequency at which the plan is reviewed and monitored by administrators and management, the internal controls linked to sustainability and climate data, as well as the integration of the sustainability risk control environment to the company's overall risk management architecture. The assignment of IROs to different specific committees is also explained, and the integration of the transition plan's financing to the overall financial plans in the company is highlighted. Sanofi could improve on its governance disclosure by elaborating on the elements related to the expertise of management regarding sustainability, and by providing stronger links between the success of the transition plan's objectives and variable compensation for top management and other relevant functions for transition plan governance.

SUPPORTING DISCLOSURES

Sanofi publishes a statement on its Taxonomy alignment. However, no disclosure is made regarding its inclusion in Paris Aligned Benchmarks, or on Capex dedicated to coal, oil and gas. These may not be material for the company, but it could be useful to transparently disclose this.



Sources:

[TotalEnergies URD](#)
[Bilan carbone de TotalEnergies : révélations](#)
[TotalEnergies VS. Greenpeace : comptabilité carbone, une affaire de périmètre et de méthode](#)
[Carbon Bombs database](#)

	COMPLIANCE	CONSISTENCY	CREDIBILITY
 GHG INVENTORY	■	▲	▲
 PERFORMANCE		▲	
 TARGETS	▲	▲	▲
 DECARBONISATION LEVERS	■	▲	▲
 FINANCING	●	▲	▲
 LOCKED-IN EMISSIONS	●	■	▲
 GOVERNANCE	●	●	■
 SUPPORTING DISCLOSURES		●	

TotalEnergies' climate transition plan has the merit of having some degree of transparency in its disclosure, which ensures its global compliance with reporting requirements, but fails to bring any consistency or credibility to claims made around participating in global decarbonisation efforts in line with the Paris Agreement. The company does disclose financial elements in some detail and describes strong governance over the transition plan and integration into its overall strategy. However, the company is clearly not in line with identified requirements for the oil and gas sector to become compatible with Paris Agreement objectives, notably due to continued investments in exploration of fossil resources, and a strong dependency on fossil gas going forward. Moreover, multiple claims may be seen as misleading, for example the fact that fossil gas is a contributor to the energy transition away from fossils, or that delay in implementation of the transition plan may be justified by 'just transition' imperatives – where it should be reminded that a just transition also implies a transition, rather than a continued practice of business as usual.

GHG INVENTORY

TotalEnergies' GHG emissions inventory is reported for all 3 scopes, in accordance with GHG Protocol methodologies, and using suitable emissions factors. However, TotalEnergies provides only limited methodological support for its disclosure, and at comparable volumes, its emissions are much lower

than competitors with a similar activity. This is likely due to Total's choices in accounting for products sold to direct end users only, which has drawn criticism from experts. Indeed, accounting solely for the portion of products sold to end users, without including intermediaries, does not provide a full picture view of the downstream impacts of the company's activities.

Details on annual and other variations are limited, and no details are provided for heavily emissive sites, assets or projects operated or owned by TotalEnergies.

PERFORMANCE

TotalEnergies comments extensively on its performance, but it is not clear whether its GHG emissions reduction targets will be met. Currently, the company relies on carbon removals for the achievement of its short-term GHG emissions reduction targets, which is contrary to ESRs principles. Moreover, the target scope is different from the GHG emissions reporting scope (financial vs. operational reporting scope), which makes it difficult to understand progress against targets on total emissions. Based on these elements, the claims made about performance against targets should be subject to caution as they may be misleading.

TARGETS

TotalEnergies targets cover all 3 scopes of carbon emissions, and absolute targets are placed on Scopes 1+2, as well as Scope 3 emissions. However, the scope of GHG emissions considered in the targets differ significantly from that of the GHG inventory, due to the difference in accounting for financial vs. operational view. Moreover, the company depends on carbon removals to reach its short-term decarbonisation targets, contrary to ESRs principles. No clear statement is made on the compatibility of GHG emissions targets with a 1.5°C or Paris Agreement objective, although Scope 1 and 2 targets are benchmarked against such scenarios. One key concern is that the company announces its ambition to contribute to Paris Agreement goals, yet its current and planned investments, notably in new oil and gas production, is fundamentally incompatible with a 1.5°C scenario according to the IEA, and only potentially compatible with a Paris Agreement scenario if reserves are not exploited wholly, and if carbon capture technology scales at an unprecedented rate. This should raise concerns around the consistency and credibility of TotalEnergies' transition plan.

DECARBONISATION LEVERS

While multiple details and quantification is provided for Scope 1 and 2 emissions, the description of Scope 3 decarbonisation lever mostly relies on a switch of demand away from oil. Fossil gas is considered as a transition energy by the company, which may only be the case in very specific circumstances incompatible with TotalEnergies' development strategy on the resource. This is further supported by the fact that all gas-related revenue and Capex for the company related to fossil gas is either ineligible or non-aligned with Taxonomy technical criteria. Moreover, in the decarbonisation levers identified, the focus on immature technologies, such as "low carbon molecules" (including hydrogen) and CCS, should be a subject of concern regarding the consistency and credibility of the company's transition plan.

Finally, it is worth noting that part of the Scope 1 and 2 emissions are to be reduced through "portfolio management", which may imply the transfer of assets that are still emitting, implying no real reduction of GHG emissions over time for these assets.

FINANCING

TotalEnergies provides relatively detailed financing data for its transition plan. Global financing amounts are provided, and details are provided for certain actions. There is also a discussion regarding the integration of the transition plan into the company's general strategy and showing how investments specific to the transition plan fit within this strategy. However, the disclosure on financing also shows a 2:1 ratio of investments in favour of fossil fuels, and 1/3 of planned annual capex to 2030 is dedicated to new oil and gas projects for the company. This provides some credibility that planned actions will be financed and implemented but implies that this will be insufficient to offset impacts from expanded fossil fuel capacity.

LOCKED-IN EMISSIONS

TotalEnergies provides multiple qualitative elements on locked-in emissions. The company does mention that potential locked in emissions are anticipated in its climate targets, and that stranded asset risk is managed by only investing in projects with low breakeven points to ensure limited transition risk – a strategy which indeed lowers the stranded asset risk but does not modify the emissions that would be locked in by the projects. Moreover, planned investment in new production capacity, as well as the logic of portfolio management as opposed to transforming or decommissioning existing assets implies that real emissions reductions may not be achieved. While this may not threaten the company's strategy directly, it puts into question the company's claim of supporting Paris Agreement goals.

GOVERNANCE

The transition plan's governance is well detailed, with multiple references to different roles, expertise and control mechanisms for its proper implementation. A higher proportion of Board members' and directors' variable compensation should be tied into the achievement of climate targets. Overall, the plan is quite well integrated into the company's overall business model but fails to align with Paris Agreement ambitions.

SUPPORTING DISCLOSURES

All supporting disclosures are present. TotalEnergies communicates Taxonomy information. It also discloses its significant revenue from fossil fuel-related activities. Finally, the company highlights that it is not included in Paris Aligned Benchmarks.



	COMPLIANCE	CONSISTENCY	CREDIBILITY
GHG INVENTORY	●	■	■
PERFORMANCE		■	
TARGETS	■	■	▲
DECARBONISATION LEVERS	●	■	■
FINANCING	■	■	▲
LOCKED-IN EMISSIONS	●	■	■
GOVERNANCE	●	●	▲
SUPPORTING DISCLOSURES		●	

Vinci discloses all key parts of its climate transition plan. Its GHG inventory is compliant with regulatory demands but could better detail interannual variations and performance regarding set targets on Scope 3 emissions. This impacts the credibility of their targets, which, although SBTi-certified, only go until 2030. Planned decarbonisation levers rely on currently immature technologies, and their specific contributions to targets are unclear. Moreover, no quantitative elements are provided regarding financing of the transition plan or locked-in emissions, which could help bring consistency and credibility to the disclosure. The company does, however, provide supporting information regarding Taxonomy and its exposition to fossil fuels.

GHG INVENTORY

Vinci's GHG emissions are disclosed on all 3 scopes in accordance with GHG protocol guidelines. Removals, credits and biogenic emissions are reported separately. Emissions factors are also provided. The GHG emissions inventory directly compares baseline and year-to-year values. For Scope 1 and 2 emissions, a commentary is provided, but this is not the case for Scope 3 emissions - which are an important part of Vinci's emissions and now growing annually (resulting in only a very slight reduction since baseline). There is little information given on important emissions categories beyond volumes, although the company explains how it has selected its material emissions categories for Scope 3. Although the company communicates on scope 1 & 2 emissions covered by

the EU ETS, there is no detail provided on emissive sites and/or assets, although some information is provided on different business lines' contributions to the GHG inventory. Vinci could improve its disclosure by providing additional information on annual variances and performance, particularly related to Scope 3, as well as more granular data on emissive sites and/or assets.

PERFORMANCE

Vinci comments on its performance regarding the reduction in Scope 1 and 2 GHG emissions, but does not cover scope 3 emissions, which seem the most at risk of not meeting their short-term objectives. Indeed, the reduction since the base year of reporting is low in comparison to Vinci's 2030 plans.

TARGETS

Vinci covers all 3 scopes of GHG emissions with its targets and expresses these in absolute values. However, targets are only set to 2030, although the company announces its intention to contribute to global net zero efforts by 2050. While Vinci has certified its near-term targets through the SBTi, this is through their “well-below 2°C” certification, rather than a 1.5°C-aligned scenario. This is explicit in the disclosure, and scope 1 and 2 emissions reductions are shown in comparison with the well-below 2°C scenario. Compatibility with the well-below 2°C objective is also clearly stated by the company. It is also worth noting that Vinci provides operational targets related to decarbonisation levers, which helps bring coherence to its transition plan. Vinci could significantly improve its targets-related disclosure by publishing a long-term GHG emissions reduction target. It is also important to highlight that the company’s activities linked to airports and highways may jeopardize both its short- and long-term ambitions regarding GHG emissions reductions, notably on its Scope 3.

DECARBONISATION LEVERS

Vinci presents its decarbonisation levers for all 3 scopes of GHG emissions. The group also quantifies expected emissions reductions from each lever with associated uncertainty margins. This is good practice, but somewhat harms the readability of the expected emissions reductions, and shows a real risk of non-attainment of GHG targets. It is also worth highlighting that the calculation methodology for emissions reductions can be questioned, as the rebaselining proposed by the company could impact the rate at which it needs to reduce its emissions to reach SBTi objectives. Vinci should disclose whether this rebaselining has been conducted in accordance with SBTi, and whether it is susceptible to compromise its emissions reduction objectives. Vinci provides a certain level of detail regarding its planned decarbonisation levers, although these precisions are spread unequally among levers. Moreover, the level of performance linked to operational targets raises questions as to the group’s capacity to implement its planned levers, and some of the levers planned rely on immature technologies, creating additional risk that the plan may not successfully be implemented in the long run. Moreover, no long-term levers are identified (to 2050). Although little detail is given on this, Vinci does mention it has assessed that its climate transition plan is not susceptible to negatively impact other sustainability dimensions. It could also be useful to provide a better link between levers and key actions.

FINANCING

Vinci mentions that its transition plan financing is integrated into general financial planification but does not report specific amounts. Some qualitative elements are provided

regarding the way in which climate-oriented financing is integrated at the business line level. While a disclosure is made regarding Taxonomy, it is difficult to understand what Taxonomy financing recoups with that of the climate transition plan. Notably, it would be helpful to understand why some Taxonomy Capex and Opex are integrated into the financing of the transition plan, and why others are not. It would be useful to quantify specific Capex and Opex dedicated to the climate transition plan, associate them with key actions or levers for the group, and explain whether and how these are the same as Taxonomy Capex and Opex. Vinci could also provide additional information on the anticipated financial effects of climate risks and transition plan implementation and explain how the latter is susceptible to impact the company’s business model in the medium to long term.

LOCKED-IN EMISSIONS

Vinci publishes a qualitative statement on locked-in emissions and identifies highway and airport-related activities as carrying risk with regard to the proper implementation of its climate transition plan. Details are provided on the actions implemented to mitigate the risk that locked-in emissions pose for the success of the plan. However, no quantitative elements are provided regarding these emissions. While the company ascertains that these do not cause significant risks in terms of reaching climate targets, it would be useful to publish quantitative figures.

GOVERNANCE

Vinci provides detailed elements regarding the role of administrative and management functions in the implementation, monitoring and review of the transition plan. This description is also extended to the business line level. Vinci also depicts the way in which the plan’s financing is integrated into global financial planning. Beyond this, Vinci describes the overall management system of sustainability/ CSR topics, detailing the risk control environment, the responsibilities and meeting frequencies of various committees, and highlighting the strong internal capacity that the company possesses regarding sustainability topics – at management and at operations levels. However, it would be useful for the group to provide more information regarding how the sustainability expertise of various executive committee members was identified. One area that Vinci could reinforce itself in is regarding the links between financial performance and the success of the transition plan, as the share of variable compensation linked to climate target attainment is low.

SUPPORTING DISCLOSURES

Vinci provides all supporting disclosures on Taxonomy, Capex dedicated to coal, oil and gas, and inclusion in Paris Aligned Benchmarks.

ESRS LINK	CORE DISCLOSURES	COMPLIANT	CONSISTENT	CREDIBLE	ASSISTANCE FOR EVALUATION	LINKS/DUPPLICATES WITH OTHER ASSESSMENT POINTS
E1-1§16j GHG emissions inventory						
E1-1§16j	TP-level red flag: the company has no GHG emissions inventory on all 3 scopes	Automatic non-compliance				Performance (uses GHG emissions inventory information to prove progress)
E1-1§16j	The company discloses its GHG emissions				GHG emissions must: - Cover all 3 scopes - Use suitable and consistent emissions factors - Be reported in accordance with a recognized market standard (ISO 14064-1 or GHG Protocol) - Not include carbon removals or credits, or biogenic emissions, to be reported separately	
E1-1§16j	The company discloses its GHG emissions with presentation of most emissive emissions posts, and contextual information on emissions and variations				GHG emissions reports should: - Present its inventory in such a way as to highlight particularly important emissions categories - Provide insights into annual variations (notably business restructurations or conjectures causing significant sway) - Provide insights into performance in comparison with climate targets	
E1-1§16j	The company discloses its GHG emissions at a granular level for emissions-intensive assets, geographies and activities				GHG emissions reports should: - Highlight what geographies and activities are most material in terms of emissions for the business - Draw attention to most emissive sites, assets or products to place a focus on priority targets for decarbonisation	
E1-1§16a Targets						
E1-1§16a	TP-level red flag: the company has no GHG emissions reduction targets	Automatic non-compliance				
E1-1§16a	TP-level yellow card: the company's targets are not in line at least with Paris Agreement	Automatic quality issue				
E1-1§16a	The company has set climate targets on all 3 scopes, in absolute value				GHG emissions reduction targets must: - Cover all 3 scopes - Be formulated in absolute terms, or in intensity value with associated absolute emissions volumes - Not rely on carbon credits or removals, or avoided emissions - Be set for 2030 and in five-year increments until 2050 - Reference the scenarios used to set targets clearly	
E1-1§16a	The company is transparent about the temperature outcome of its targets				GHG emissions reduction targets should: - Compare its emissions reduction pathway to a reference pathway that is 1.5°C-compatible - Clearly disclose the projected temperature outcome associated with its targets - In particular, the company must disclose whether its targets are 1.5°C-compatible or Paris Agreement-compatible - The assessor should check whether the targets set by the company are at least as ambitious as a recognized sector-specific 1.5°C pathway, or at minimum with the SBTi ACA pathway, referred to in the ESRS	
E1-1§16a	The company has a 1.5°C-compatible set of targets				Based on the analysis conducted above, the company's targets are indeed 1.5°C-compatible. Other good practice includes: - Highlighting potential tradeoffs between target ambitions and gaps in elements needed to reach the targets - Getting a certification of the target through SBTi (keeping in mind that any intensity target must also be converted to absolute emissions volumes) On the other hand, the assessor should verify whether: - The company is planning any actions or investments in activities fundamentally incompatible with a 1.5°C future (please see next tab for further information)	Decarbonisation levers, locked-in emissions: - Do the decarbonisation levers add up to the target? - Are there any major red flags, either in the choices made on decarbonisation levers, or on locked-in emissions, that jeopardize the possible delivery on targets?

ESRS LINK	CORE DISCLOSURES	COMPLIANT	CONSISTENT	CREDIBLE	ASSISTANCE FOR EVALUATION	LINKS/DUPLICATES WITH OTHER ASSESSMENT POINTS
E1-1§16b Decarbonisation levers						
E1-1§16b	TP-level red flag: the company has no decarbonisation levers	Automatic non-compliance				
E1-1§16b	TP-level yellow card: significant portions of planned emissions reductions depend on solutions with a low TRL	Automatic consistency and credibility issue			The company's decarbonisation levers should mostly be focused on existing technologies, process modifications, and rationalization efforts. If an excessive amount of the target relies on technologies, techniques, etc. that are not yet mature or brought to market, there is a significant risk that the company will not be able to effectively implement its transition plan. It is also important to consider this question in relation to the overall availability of different technologies, inputs etc. Examples to pay attention to include: - Excessive reliance on bio-feedstock due to high demand for such feedstock from multiple industries and limited production capacity - Excessive reliance on green hydrogen given the low level of maturity and competition for energetic resources - Excessive reliance on CCS/CCU/DACC/BECCS, which are not mature technologies and each have different potential problems highlighted in the scientific literature	
E1-1§16b	The company has identified decarbonisation levers to reach its targets and presents them in association to the targets, with quantified emissions reductions				The company's decarbonisation levers must: - Be presented in association with its climate targets - Quantify the emissions reductions associated with each type of lever (in % or volume, if relevant) - Demonstrate at least a broad sequencing in time, with reference to the company's different targets at regular intervals	
E1-1§16b	The company discloses any gaps that exist between its current ability to implement its decarbonisation levers and what is needed to implement them				The company's decarbonisation levers should: - Be presented with an assessment of the external factors that the company depends on to ensure the proper implementation of its planned actions - Clearly highlight current gaps in technology readiness, policy environment, etc. that would affect its capacity to attain its climate objectives - Not significantly rely on immature technologies or techniques to ensure the attainment of its targets, or on carbon offsets and removals (please see next tab for further information)	GHG emissions reduction targets: - Do the DLs add up to the GHG emissions reduction targets? Financial elements: - Are there sufficiently detailed financial elements to ensure the proper delivery of projected DLs?
E1-1§16b	The company analyses, discloses, and provides mitigation means for IRs associated to its decarbonisation levers. The company also provides concrete means to decarbonize at the level of emissive assets, activities, or geographies				The company's decarbonisation levers should: - Be evaluated against potential adverse impacts arising from their implementation - Contain mitigation plans for any risks or adverse impacts raised by their future implementation - Have certain levers focused on highly emissive sites, assets, activities or geographies to demonstrate operational capacity to decarbonize	Locked-in emissions: - Do specific DLs address sites, assets, activities or geographies that could generate high locked-in emissions?

ESRS LINK	CORE DISCLOSURES	COMPLIANT	CONSISTENT	CREDIBLE	ASSISTANCE FOR EVALUATION	LINKS/DUPPLICATES WITH OTHER ASSESSMENT POINTS
E1-1§16c Financial elements						
E1-1§16c	DL-level red flag: absent, unclear, or limited information regarding current and future financial resources the company allocates to its DLs	Automatic consistency issue				
E1-1§16c	TP-level yellow card: no financial figures are associated to the DLs	Automatic consistency issue				
E1-1§16c	The company discloses Opex and Capex associated to the different decarbonisation levers in line with financial statements				The financial elements presented by the company must: - Include narrative elements about how the Capex and Opex help to develop and implement the decarbonisation levers - Ensure that the transition plan includes information regarding how the company plans to transition Capex and Opex to low-carbon activities - Ensure that there is consistency between what is announced in the transition plan and the financial statements published by the company	
E1-1§16c	The company discusses how its transition plan and decarbonisation lever implementation is susceptible to affect its bottom line and its business model more broadly, and is transparent about current and planned low-carbon production and revenue				The financial elements presented by the company should: - Include a discussion of how the climate transition plan is likely to impact its revenues, and different activities over time (at least qualitatively) - Discuss how this is susceptible to impact the company's business model in the long term	
E1-1§16c	The company discloses Opex and Capex associated to the different decarbonisation levers at least until its first target date				The financial elements presented by the company should: - Ensure the Capex and Opex plans are continued at least until the first target date - Ensure there are no significant investment gaps in solutions that the company depends on to for the proper implementation of its decarbonisation levers - Ensure that, for any solution that is not yet technically or technologically mature, there is sufficient R&D Opex planned to ensure timely delivery of assets necessary to the transition - Provide elements on cost analysis and abatement cost hypotheses made by the company - Include a reference to the EU green taxonomy to demonstrate the relevance of its Capex and Opex for the transition to a low-carbon economy	
E1-1§16d Locked-in emissions						
E1-1§16d	DL-level red flag: no information provided on locked-in emissions	Automatic consistency issue				
E1-1§16d	TP-level yellow card: no information provided on locked-in emissions OR no plan provided to deal with important projected locked-in emissions	Automatic consistency issue				
E1-1§16d	The company provides a qualitative assessment of potential locked-in emissions from key assets and products, including if and how emissions may jeopardise the achievement of its GHG emissions reduction targets and drive transition risk				The statement on locked-in emissions must: - Identify qualitatively key assets and products that may jeopardize the achievement of its GHG emissions reduction targets	

ESRS LINK		CORE DISCLOSURES		COMPLIANT	CONSISTENT	CREDIBLE	ASSISTANCE FOR EVALUATION	LINKS/DUPPLICATES WITH OTHER ASSESSMENT POINTS
E1-1§16d Locked-in emissions								
E1-1§16d	The company provides detailed plans as to how it will either include the identified locked-in emissions in its consideration of GHG emissions reduction targets, and/or how it plans to deal with its locked-in emissions (decommissioning, technology changes, etc.)						The statement on locked-in emissions should: - Include an explanation of the specific plans to manage (transform, decommission, phase out) GHG-intensive and/or energy-intensive assets and products	Decarbonisation levers: - Are there elements in the decarbonisation levers that appropriately reflect the specific management plans required for phasing out locked-in emissions?
E1-1§16d	The company provides quantitative elements to back its qualitative statement on locked-in emissions						The statement on locked-in emissions should: - Refer to cumulative locked-in emissions associated with key assets between 2030 and 2050 in tCO ₂ eq (sum of scopes 1&2 GHG emissions over the operating lifetime of the active and firmly planned assets) - Refer to locked-in emissions from the direct use phase of sold products in tCO ₂ eq (product of the year's sales volume of goods and expected direct use-phase GHG emissions over the expected lifetime of the goods)	Targets: - Do the identified locked-in emissions already fulfill the greater part of the emissions still available to the company in order to reach its targets?
E1-1§16h & E1-1§16i Governance								
E1-1§16h E1-1§16i	TP-level yellow card: the company provides no data regarding the governance of the climate transition plan or sustainability action in general							
E1-1§16h E1-1§16i	The company indicates whether the transition plan is approved by administrative, management and supervisory bodies						There must be a statement that indicates whether the plan is approved by administrative, management and supervisory bodies There must be a statement that explains how the transition plan is aligned with the overall business strategy and financial planning	Statement is present, both for supervision and for financial planning and business strategy.
E1-1§16h E1-1§16i	The company provides information about the frequency to which the transition plan is addressed at the administrative and management levels						The statement on approval by administrative, management and supervisory bodies should: - Demonstrate buy-in from the highest levels of the organisation - Explain how this buy-in is reflected operationally (monitoring, management, control methods and processes used to ensure the proper governance and achievement of the plan)	Roles and responsibilities are clearly outlined for different members of the Board, as well as management functions. The governance sections clearly highlight different expertise present in the board and management, with reference to training and courses available and/or realized by them. Buy-in operationally is also discussed with the incentivization plan for all employee shareholders as well as the more operational breakdown of the way in which ESG issues are handled within the company.
	The company provides information regarding financial incentives and remuneration associated with the attainment of different targets in the transition plan, and explains how the transition plan is embedded in and aligned with its business strategy						The statement on approval by administrative, management and supervisory bodies should: - Show that incentive and remuneration schemes tied to the plan are embedded into the governance structures of the company, in a significant way The statement on alignment with business strategy and financial planning should: - Clearly identify any current strategic decisions or orientations that jeopardize the transition plan and explain mitigation measures to work against these orientations - Identify any gaps in skills competencies and training required at the levels of administration, management and supervision to ensure a proper implementation and governance of the transition plan	The incentive and remuneration scheme is detailed and demonstrates a good level of indexation of the variable compensation to climate-related items.

ESRS LINK	CORE DISCLOSURES	COMPLIANT	CONSISTENT	CREDIBLE	ASSISTANCE FOR EVALUATION	LINKS/DUPPLICATES WITH OTHER ASSESSMENT POINTS
E1-1§16j Performance						
E1-1§16j	TP-level red flag: the company misses a target by a significant margin in a milestone year	Automatic non-compliance				GHG emissions inventory (needed to explain progress)
E1-1§16j	TP-level yellow card: the company is off track for two consecutive years to reach its targets	Automatic credibility issue				
E1-1§16j	The company explains its progress in delivering the transition plan					

SUPPORTING DISCLOSURES

E1-1§16e Taxonomy disclosures						
E1-1§16e	The company discloses objectives or plans that it has to align its Capex, Capex plans, Opex and revenues with the criteria established by the EU Taxonomy regulation					

E1-1§16f Financial elements on coal, oil and gas related activities						
E1-1§16f	The company discloses significant Capex amounts invested during the reporting period related to coal, oil, and gas-related activities (if applicable)					

E1-1§16g Paris-Aligned Benchmarks						
E1-1§16g	The company discloses whether or not it is excluded from Paris-aligned benchmarks					

**OUR MISSION IS TO CONSERVE
NATURE AND REDUCE THE MOST
PRESSING THREATS
TO THE DIVERSITY OF LIFE
ON EARTH.**



Working to sustain the natural
world for the benefit of people
and wildlife.

together possible™

panda.org

© 2025
Paper 100% recycled

© 1986 Panda symbol WWF – World Wide Fund for Nature (Formerly World Wildlife Fund)
® "WWF" is a WWF Registered Trademark.
WWF France, 35-37 rue Baudin - 93310 Le Pré-Saint-Gervais

For contact details and further information, please visit our international
website at www.panda.org