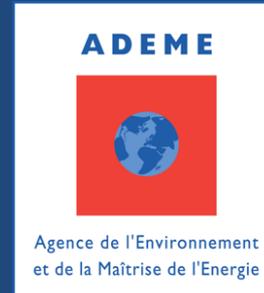


ACT Pilot feedback report template

March 2017

Company name



Introduction

This report provides the results of the ACT Pilot assessment. It consists of four principal parts:

- Performance score (0 – 20)
- Assessment narrative (A – E)
- Trend narrative (+, =, -)
- Data quality statement

In addition, the report provides some graphical focus points on those elements of the assessment that the assessor found most interesting to show about the company. Finally, the report provides some aggregate information about the ACT assessment across the entire sample.

12C+

Highlights

- Positive highlight
- Positive highlight
- Company challenge
- Point of improvement
- Point of improvement

The first page summarises the main take away messages for the reader. These highlight the areas in which the company is excelling, as well as the challenges the company is facing in their transition. They also show where improvements could be made to the strategy to address these challenges.

ACT Performance score [TEMPLATE]

Category Summary

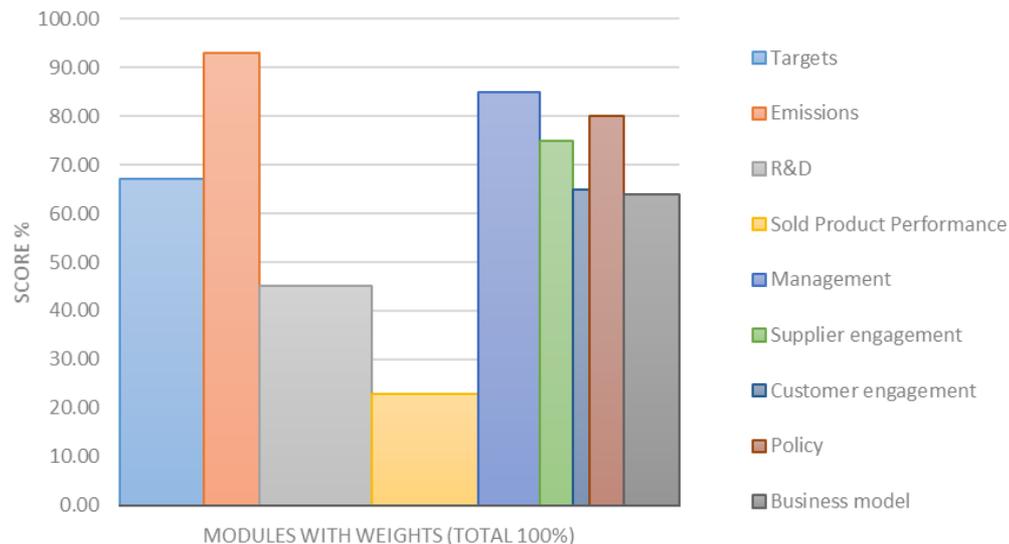
The graph to the right shows the Performance scores across the eight modules of ACT. The width of the bars indicates the weight of the module in the overall calculation of the Performance score. The height of the bar shows the score the company achieved.

For the 9 Modules in the illustrative ACT assessment, the company has scored highest on Emissions (93%), Management (85%), Policy (80%) and Supplier engagement (75%). Medium scores were obtained for Targets (67%) Customer engagement (65%), Customer engagement (53%) and Business Model (53%).

Final performance score is 12/20

12C+

Score breakdown



Value chain engagement [TEMPLATE]

Basic	Standard	Advanced	Next Practice	Low-carbon aligned
Business as usual	Implementing basic CSR practices, engaged in emissions accounting of operations.	Industry benchmark of CSR. Full value chain emissions accounting, and managing operational emissions.	Next practice in climate change mitigation, reaching beyond direct operations and recognizing influential position of a retailer.	Fully leveraging market position to influence customers and suppliers via collaboration, education, motivation, regulation and compensation.

Product category example #1: Meat and fish products

Interventions:

- Tier 1 supply chain engagement programme with meat producers
- Local customer engagement activity on meat replacement products
- Procurement rules & Key Performance Indicator for local procurement teams

Advanced criterion: Expand supply chain engagement towards lower tiers of the supply chain & attach KPI's to engagement actions.

Next practice criterion: Enact 'shift' KPI's that track the displacement effect that meat replacement products have on high impact animal products & reach minimum value chain coverage of high impact hotspots.

Low-carbon aligned criterion: Proven results in all shift-KPI's that show a direct reduction of emissions from animal products by engaging with the relevant hotspots in the value chain and moving consumer demand.

Product category example #2: Consumer white goods

Interventions:

- Product environmental labelling programme to inform and educate customers
- Procurement rules that ban the sale of energy inefficient equipment to the highest possible standard
- Repair and takeback system to elongate life of products for all major brands

Next practice criterion: Attach KPI's to reparability and recycling of white goods, and actively promote more efficient products through business model innovation into the circular economy.

Low-carbon aligned criterion: Apply circular economy principles to majority of white goods, by running 'goods as a service' business model that allows for maximum resource efficiency and promotes long lifetime of highly efficient products.

This page shows the results of the 'sold product performance (scoring category 4 on the previous page) specifically applied to the retail sector. This is done using dynamic maturity matrix scoring, whereby company actions (called 'Interventions') that drive emissions reductions in the value chain are assessed on a product category level (prioritizing high impact product categories such as meat production). Optimal company action is defined per intervention, and company interventions are assessed as to how far they have come towards this ideal (green bar shows the score). Text boxes gain insight on how the company could improve their action per product category to move up on levels.

Assessment narrative [TEMPLATE]

Assessment narrative

The company is assigned a score between A and E, which is a reflection of the overall analysis that the assessor has done with all available data sources. This assessment narrative summarizes the performance and highlights the interesting points of each module. Furthermore, it takes another look at the company's:

- Business model & strategy
- Consistency & credibility
- Reputation
- Risks

12C+

Assessment narrative indicative company score: B

In the assessment narrative, the score for each of the 9 modules is explained, with the main focus on those elements that caused the company to lose points. Heavier weighted modules are also given more precedent in the discussion.

To construct an assessment narrative, the assessor follows the following track:

1. *Scoring Matrix insights*
2. *Secondary angles (as explained the blue box to the left)*
3. *Use 5-questions of the assessment framework to create a readable narrative.*

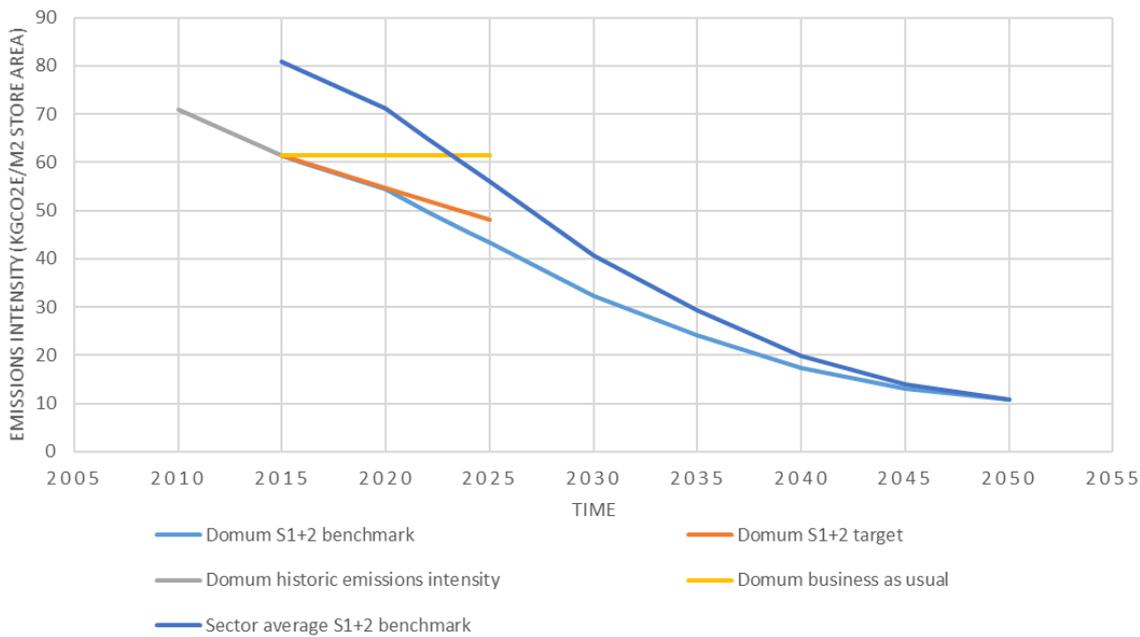
The secondary angles are laid out to the left. The 5-questions framework is then used to combine all information and provide a holistic narrative:

1. *What is the company planning to do? (Commitments)*
2. *How is the company planning to get there? (Transition planning)*
3. *What is the company doing at present? (Present)*
4. *What has the company done in the past? (Legacy)*
5. *How do all of these plans and actions fit together? (Consistency)*

The assessment narrative generally spans two pages in text that can follow either the 5-questions framework or the indicator categories as the guideline.

Performance focus: Retail targets [TEMPLATE]

SCOPE 1+2 EMISSIONS AND TARGETS



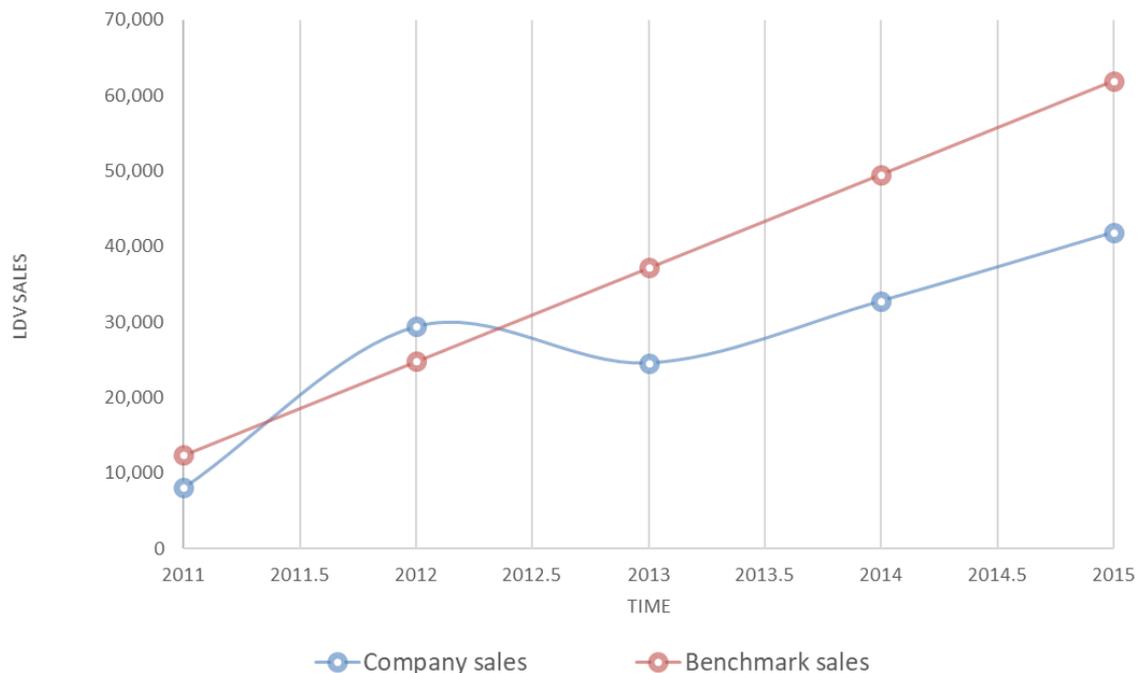
Performance focus pages:

Scope 1+2 emissions and targets for the fictional retailer 'Domum'. It is shown here that in 2020, the target for S1+2 emissions is on track with the benchmark, but in 2025 it lags behind. Commitment gaps can be derived from this.

The performance focus pages show a graphical/abstract representation of one or more key indicators, explaining in detail the assessment on these indicators. There are generally two focus pages per report, and they can be tailored per company or show the same data for every sector. The general focus is around quantitative data for targets, emissions and output metrics.

Performance focus: Auto vehicles [TEMPLATE]

Low-carbon vehicle sales progression



Low-carbon vehicle sales progression in the past 5 years.

For auto manufacturers, this page was a standard performance focus, showing how well the company is implementing the transition to the low-carbon economy through their market-share weighted performance on low-carbon vehicle sales. Low-carbon vehicles are defined as battery electric, plug-in hybrid or hydrogen electric vehicles.

Performance focus Electric Lock-in [TEMPLATE]

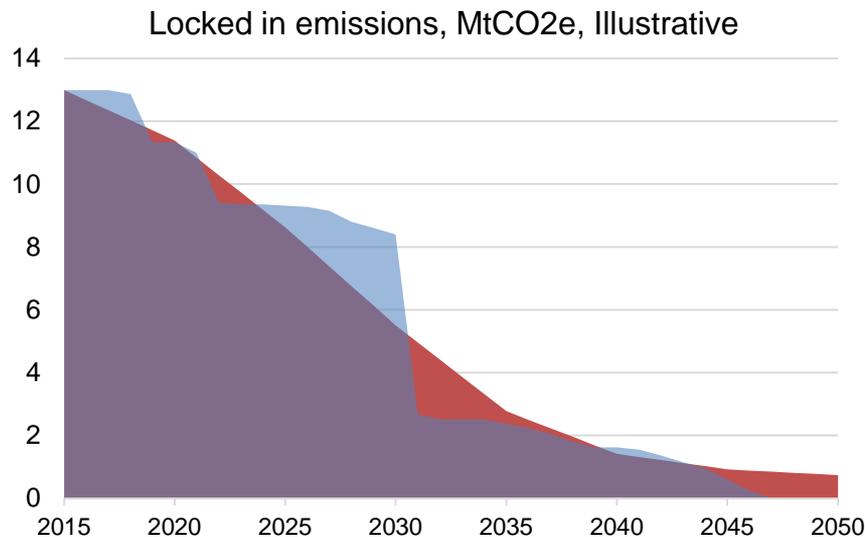


Chart 1: The light blue area at the front represents the company's total cumulative locked-in emissions in megatons CO₂e from 2015 up until 2050. The orange area at the back represents the company's carbon budget. The company stays within the carbon budget with a lock-in ratio 100%, which means that the current asset portfolio represents all emissions that the company can still emit up until 2050.

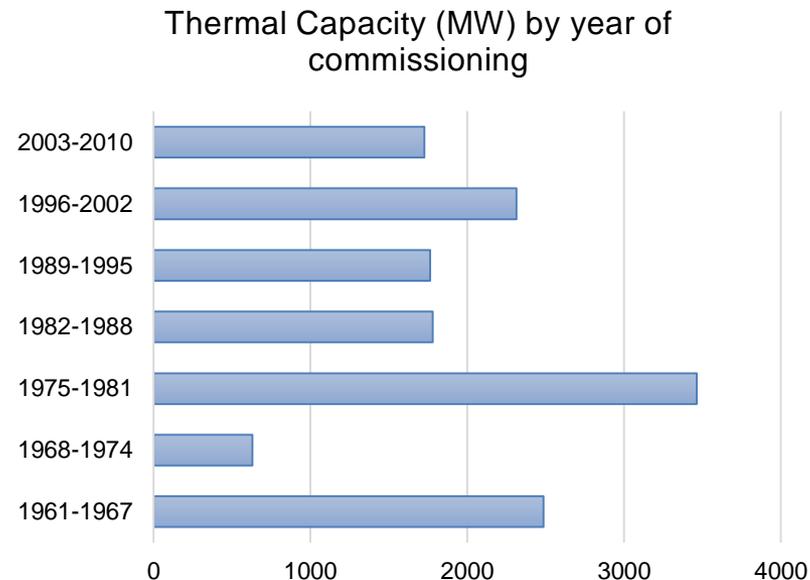


Chart 2: Thermal capacity by year of commissioning: This graph shows that the illustrative company has a relatively aged thermal fleet. Due to this age, many plants are projected to be decommissioned over the next few decades, resulting in the step-wise reduction of emissions that is visible in Chart 1.

Trend narrative [TEMPLATE]

Trend narrative

The company is assigned -, =, +, depending on whether the assessor deems that the future company will be less, equally or more able to meet the requirements of the low-carbon transition.

A minus sign means that the company's low-carbon credentials are expected to worsen in the future, for example due to increasing or stagnant fossil-fuel based business model at a time when this dependence should be decreasing. Conversely, a plus sign means the company is expected to reduce their carbon dependence and become more aligned with a low-carbon future.

12C+

Company trend outlook:

Trend narrative text is structured as follows:

1. *Positive pressures and drivers*
2. *Negative pressures and drivers*
3. *Concluding note to determine score direction.*

Trend narrative is an additional score that, on the basis of current information, predicts the change in the company's score if the assessment were to be repeated in a few years time. Naturally, a + becomes harder to achieve as the performance and assessment scores become higher.

Principal data sources

- *Company Data request*
- *RepRisk business intelligence*
- *Company reports and online public information*
- *CDP Investor research report*
- *CDP Climate Change Response*

The principal data sources which informed the assessment will be listed, and the list above shows the data sources typically used for the assessment. Other data sources can be added by the assessor according to their individual relevance. No data sources are out of bounds as long as their accuracy can be warranted in some way, and verified/verifiable data sources are preferred.

Company specific data notes:

These notes will provide specific information on the data used for the company assessment and highlight any specific data gaps that have resulted in low scores on particular modules/elements. This will aid the user of the feedback report in assessing the usefulness of the report and the reliability of the information and conclusions presented.