



# **Air Liquide 2024 Sustainability Results**

Tuesday, 31<sup>th</sup> March 2025

## **Introduction**

Aude Rodriguez

*Head of Investor Relations, Air Liquide*

### **Welcome**

Good morning, everyone, it's Aude Rodriguez, Head of Investor Relations. Thank you for attending the call today. Available on our website, you will find our 2024 Integrated Annual Report, a press release related to our extra-financial performance, and this presentation.

Joining me today are Diana Schillag, VP and Member of the Executive Committee, notably in charge of Sustainability; Louis-Francois Richard, Group VP-Sustainability; Guillaume De Smedt, Group Deputy VP-Sustainability Strategy

### **Agenda**

Please turn to slide 2. We will begin with Diana, who will highlight the key achievements of our extra-financial performance. Then, Louis-Francois and Guillaume will further detail two specific topics, Air Liquide's approach to CSRD, and the first group, Climate Transition Plan. Over to you, Diana. Please turn to slide 3.

## **Diana Schillag**

*VP & Member of the Executive Committee, Air Liquide*

Thank you very much, Aude, and hello and welcome to everyone. Well, it is a pleasure for me to come together for our annual sustainability update and present you our significant progress. It has been quite a particular and intense year, and we are delivering results. You recently saw the group's 2024 annual results, which showed Air Liquide's solid financial performance.

Now in parallel, our extra-financial performance was equally remarkable as we are making progress in all the extra-financial indicators of our ADVANCE plan. And this success demonstrates the commitment of our 66,500 employees, and I really would like to very warmly thank them for their contributions.

Now let's dive into some of the key achievements. Please turn to slide 4. Let's start with our environmental performance, our first strategic pillar. We are abating CO2 emissions big time. For the third consecutive year, our absolute emissions have decreased. Compared to 2020, this is an 11% reduction, representing in absolute numbers a decrease of 4.4 million tonnes. As such, the inflection of our emissions around 2025 is confirmed one year in advance. This shows Air Liquide is delivering growth while lowering its carbon footprint. We have also significantly improved our CO2 intensity. It has been reduced by 41% compared to 2015, surpassing our 30% target.

Regarding water, we are accelerating our efforts. We are committed to implementing water management plans at all our 75 high water consumption sites in high water stress areas. In 2024, we have clearly stepped up our efforts and 41 plants remain for completion in 2025.

Please turn to slide 5. The second strategic pillar of our extra-financial contributions is health. But let me come back first on the convictions behind our social and societal objectives for healthcare. We believe we can contribute to addressing patients' expectations and at the same time to improving the sustainability of healthcare systems both in mature economies and low-and middle-income countries which have very different healthcare challenges and dynamics to deal with.

In mature economies, we are focusing on personalized care of patients with chronic diseases at home. In 2024, 57% of our patients benefited from personalized care plans. These outcome-driven models, they improve quality of life for chronic disease patients and they answer their expectations to live at home at the best cost for society. In low-and-middle-income countries, access to oxygen is a basic requirement of any healthcare system. Yet more than half of the world's population has no access to oxygen. Air Liquide is the only industrial gas company to develop a social impact initiative to facilitate access to oxygen, supporting the World Healthcare Organization's ambitions to step up oxygen availability in low- and middle-income countries. Since the launch of this program, 2.7 million people in Kenya, South Africa, Senegal, and since 2024 as well in Mali have gained easier access to oxygen.

Please turn to slide 6. Now our third pillar, for all. Here we focus on social and societal impact for our employees and communities. First, on diversity. We have the ambition to reach 35% female representation in management and professional roles by 2025. In 2024, we saw a significant 1% increase to 33% now. It is twice as much as the previous years and demonstrates our strong proactive efforts setting the benchmark for our industry through very systematic initiatives in each of our regions.

Second, common care coverage. It is my pleasure to announce that we have achieved our 2025 goal of providing a common basis of care coverage to all our 66,500 employees wherever they work. Once again, one year ahead of schedule. It helps to overcome geographical disparities in social protection, even in countries where there are no such legal requirements.

And finally, community engagements. 87% of our employees now have access to volunteering opportunities through our Citizen at Work program, progressing towards our 100% target for

2025. Beyond our environmental contributions, we are dedicated to social progress and creating a positive impact for our employees and the communities where we operate.

Please turn to slide 7. Let me now share some additional highlights of this year, 2024. First and foremost, on safety. We have achieved a record low accident frequency rate at 0.7 in 2024 for employees and temporary workers which is down minus 32% compared to 2023. This remarkable result demonstrates the strong engagement and continuous mobilization of our teams to safety.

Second, energy transition growth opportunities. We are strategically positioned for the future. Over 40% of our 12-month project portfolio is dedicated to energy transition. In 2024, energy transition materialized in several very large projects, the Baytown project with Exxon; and the 200-megawatt electrolyzer in the Netherlands for Total Energy, with whom we are studying a second large electrolyzer project in the Netherlands.

Third, low-carbon power. In 2024, we achieved a significant milestone. Over 40% of our purchase power is now low-carbon. We also signed a 2.5 terawatt hour per year in new power purchase agreements after more than 1.5 terawatt hour per year in 2023, thus progressing year after year in the decarbonization of our electricity sourcing.

Fourth highlight is green financing. We successfully issued two EUR500 million green bonds, one in May last year and another one this month in March, which underlines investor confidence in our robust business model. The funds raised will contribute to financing or refinancing flagship energy transition projects, in particular, in the field of low-carbon hydrogen and low-carbon air gases.

Fifth, our Climate Transition Plan. In September 2024, we issued our first climate transition plan. describing in detail the path towards our 2050 carbon neutrality ambition. Guillaume De Smedt, our Group Deputy VP-Sustainability Strategy, will comment later on the specific slides to describe it.

Last but not least, our Vigilance Plan. Beyond our environmental leadership, Air Liquide was awarded for the quality of its Vigilance Plan. This award recognizes our commitment to robust governance and risk management which are crucial for long-term value creation and stakeholder confidence. These are just a few of our many accomplishments with respect to sustainability, and I would like to encourage you to read our Integrated Annual Report released today for many more.

On top of these remarkable results, Air Liquide published earlier this month its extra-financial performance in accordance with the European (sic - Corporate) Sustainability Report Directive, the CSRD. Please note that we are the only industrial gas company among the three majors to have committed to publish the CSRD report in 2025, most likely three years in advance from our competitors.

I will now hand over to Louis-Francois to explain the approach that we took. Please turn to slide 8.

**Louis-Francois Richard**

*Group VP, Sustainability & Air Liquide Foundation President, Air Liquide*

Thank you, Diana. Good morning, everyone. And we'll now dedicate a few minutes to CSRD that definitively has been a key event for us in 2024. Please turn to slide 9. So we started working on CSRD more than two years ago, and it has been a very significant effort. We decided from day one that we would take a proactive approach. So we use CSRD, on one hand, as an opportunity to improve, But at the same time, we remain vigilant because we had no benchmark or guidelines for this new reporting framework. And as Diana said, our direct competitors are not yet submitted to CSRD.

The outcome is our first CSRD Sustainability Statement that we published on March 6, free of any reserve from auditors which is a very strong outcome for us. Given the complexity and the novelty of CSRD, we didn't know exactly how it would come out.

The structure of our report is very much aligned on ESRS, so ESRS standing for the European Sustainability Reporting Standards. As you can see on the slide where we reproduce the table of contents of the sustainability statement.

So we are really convinced that this new format will ease the understanding, the appreciation of Air Liquide's extra-financial performance. It was also an opportunity to add a few new disclosures, more granular energy mix, fair wage, and more granular Scope 3. So definitely a progress in terms of transparency.

And I will now hand over to Guillaume De Smedt, who will introduce our Climate Transition Plan. So please turn to slide 10.

Guillaume De Smedt

*Group Deputy VP - Sustainability, Air Liquide*

Thank you, Louis-Francois, and good morning, everyone. I invite you to turn to slide 11. So Air Liquide published in 2024 its first Climate Transition Plan, a key tool for stakeholders to assess the relevance of our climate ambition and of its implementation. Our transition plan relies on two main pillars and is supported by a clear governance, a strong technology portfolio, and our business model.

First, we have a duty to decarbonize our own activities. And the transition plan describes in detail the three decarbonization pillars we are working with: Sourcing of low-carbon power, carbon capture, and asset management. And the plan also shows that the majority of our emissions is concentrated on a limited number of sites and assets.

Second, beyond our own decarbonization, we have a key role to play in helping the industry to decarbonize. And our unique technological expertise and customer intimacy allow us to deploy low-carbon air gases, hydrogen, and carbon capture solutions to decarbonize key markets such as chemicals, steel, cement manufacturing, or mobility. We are therefore a key enabler of the energy transition that will bring us business opportunities.

These two journeys are deeply intertwined, as investments in the energy transition can take place either upon contract renewal, then contributing to decarbonizing our asset base, or within growth projects, leveraging on the same technologies. Consequently, any investments in decarbonization will contribute to the group economic developments.

Please turn to slide 12. As you can see on the map, we already have many energy transition projects initiated in all geographies, either decarbonization projects of our base business, actionating the three levels described in our transition plan such as power purchase agreements for renewable power, air separation units modernization in China, and other projects like efficiency programs. Our energy transition growth projects with customers is highlighted by the project for electrolysis in Europe or the project mentioned with ExxonMobil in the U.S.

Energy transition is there and will definitely fuel our future goals. Back to you, Diana.

## Conclusion

Diana Schillag

*VP & Member of the Executive Committee, Air Liquide*

### Conclusion

Thank you very much, Guillaume. Let's turn to slide 13. I would like to conclude by saying that first, 2024 was definitely a very special year where we made progress on all our extra-financial ambitions and as just highlighted, reported under the new CSRD and as well launched the new Climate Transition Plan. As our emissions show, we have engaged in a very solid decarbonization, delivering the absolute emission inflection one year in advance. And third, in the current environment, our CO2 trajectory will most probably not be linear looking forward. Now all in all, Air Liquide remains committed and confident to deliver on our advanced extra-financial ambitions.

Thank you very much for your attention and we are now opening the Q&A session. Thank you very much.

## Q&A

### Question 1:

**Tilly Griffith (EOS at Federated Hermes):** Thank you very much for the presentation. Very insightful. I have a question regarding the diversity metric that you have. So I see that you've achieved 33% in 2024 and are aiming for 35% in 2025 for women in managerial positions. Just to ask about the impact of the current climate in the U.S. with the administration talking about not doing any business with EU companies that have association with the U.S. or government contracts. Is this something that Air Liquide is still committing to do in terms of reporting diversity? Or is this something that we might expect to see being reviewed in the future?

**Diana Schillag:** Yes, thank you for your question. It is clearly a topic that has raised up in the past few days. So to be very clear in our answer, As you know, the group has already a long-standing commitment to gender balance for many years. And several years ago, when we established ADVANCE plan, we set the ambition to improve gender balance in the population that we call management and professional to reach 35% by 2025. Ever since, we have made steady progress, and we continue to strive towards an environment where everyone feels they have a fair chance to succeed. The group has long promoted a culture of diversity, be it nationality, may it be gender, or even thought. And we believe that people of all origins and backgrounds can feel welcome and do their best work. So we maintain our ambition going forward as we have announced in our strategic plan.

**Tilly Griffith:** Brilliant. Thank you very much.

**Question 2:**

**Nikita Konovalov (Trium Capital):** Thank you very much for the presentation. My question is, are there any plans to transition from a carbon neutrality target to a full long-term net-zero target? And would the company consider submitting this to the science-based target initiative?

**Diana Schillag:** Yes, of course. So maybe I'll give a first insight and then I let Guillaume continue and explain where we stand with SBTI. So you know that when it comes to our ambition, we remain fully committed to the carbon neutrality by 2050. This objective has already been announced in 2021 and reaffirmed during the Strategic Plan of Advance during the Capital Markets Day of 2022. So this is clearly what we strive for.

Now where do we stand with SBTI? As you know, today, there's not yet a sector and a standard set from SBTI. And so as we are working with SBTI to work such a standard, in the meantime, we progress on delivering results year after year. So maybe, Guillaume, you want to say a few words on SBTI and our work together with them?

**Guillaume De Smedt:** Thanks a lot, Diana. Maybe a few words. We are part of the expert advisory group for the development of a sectoral decarbonization guidance for the chemical sector. Yet the proposals we've seen do not adequately represent our industry, we feel, given our energy intensiveness and our geographical and sectoral footprint. So we are following closely. And indeed, we are taking stock to inform the way we develop our objectives and our ambition of what are the expectations of the stakeholders like SBTI. We are also following closely the review of their net-zero corporate standard which is being publicly discussed as we speak.

**Diana Schillag:** So it is an angle that we contribute. We work together to move forward on the sectoral standards for the industrial gas company. And in the absence of such standards, we continue to progress on our very concrete decarbonization results. Thank you for the question.

**Nikita Konovalov:** I understand. Thank you very much.

**Question 3:**

**Nurcan Ilhan (Societe Generale):** Thank you for the presentation. I would like to know more about your achievement regarding Just Transition Plan. So you made a statement, I think last year or two years ago, and I would like to know what are the next steps and the key achievements for this year. Thank you.

**Diana Schillag:** So when it comes to the Just Transition, we are clearly making progress and analyzing all the impacts of our actions, not just for us, but as well in the whole value chain. So I don't know, maybe, Louis-Francois, you would like to explain in a bit more detail and give some examples of our contributions on the Just Transition.

**Louis-Francois Richard:** Yes, for sure. I think that this is typically an area where CSRD is helping because among the ESRS standards, typically, you have the S2 standards that tackles workers in the value chain. So typically, we have a number of disclosures and narratives to explain the progress we are taking. We have a clear methodology to work with our Tier 1



suppliers. We have about a thousand. And so we have a very strict follow-up of their practices with surveys, some of them being subcontracted. So that's for, I would say, the external part.

And for the internal part, we have a careful follow-up of competencies, requirements as production technologies might evolve. So that's something that is being done in particular at the level of our Engineering & Construction division. And that we will transpose to our operations as soon as the new assets start up. So these are the two sides, the external and internal of Just Transition.

**Diana Schillag:** And then, of course, we could go even one step further and highlight the different actions we take as well for our own employees when it comes to the continuous development of skills as well as the quality of job assignments. Of course, everything linked to fair remuneration package is clearly one element that is contributing to the Just Transition. If I might come back on the topic, as well on inclusion and diversity ambition, which contributes as well for us to a more Just Transition. And all of that has to happen, as you know the group, in a very ethical way. So we, as well, are deploying every year the code of conduct trainings to make sure that we all operate and follow these rules that have been established by the Group.

#### **Question 4:**

**John Campbell (Bank of America):** Good morning and thanks for the presentation. Thank you for taking my questions. I just had one related to slide 14 of your presentation which mentions uncertainties relating to geopolitics and regulatory and a call for vigilance. Could you perhaps specify exactly what that relates to and perhaps can you reassure us that that doesn't relate to any of the energy transition projects that Air Liquide is involved in? Thank you.

**Diana Schillag:** Maybe I will give a few elements and then I'll let Louis-Francois complement. So when it comes to these uncertainties, what we refer to is the fact that we see more and more differences in the different regions of the world addressing their situation and their own objective when it comes to climate and the environmental impact.

We see that ever since the war of the Ukraine, energy costs and energy crisis have evolved very strongly. And we see that based on that, some of the projects that in the past were upon signature have been reshuffled and repositioned.

Now, the dynamic we see overall still remains very good. And you will see, actually, as you might have seen in our various press releases, I have just come back on a few of the energy transition projects earlier in this presentation.

Now, the good news, if I may say, for Air Liquide is that we are very well-positioned in all our geographies to address the projects and to provide technologies, solutions, and we have as well the competencies to answer to the needs of our customers when it comes to providing or launching new projects. So we still see a dynamic, but we see as well shifts in some geographies, and we see as well that some projects just happen in a different mode than they were initially planned. Louis-Francois, something that you would like to add?

**Louis-Francois Richard:** Yes. Maybe to reassure you with one information is that we have currently, as you know, a strong portfolio of energy transition projects in execution phase. And none of them is being delayed or canceled. So we account on them to start up in the next few years, 2025, 2026, and 2027. Looking forward, we know that our carbon trajectory will be also dependent on the decarbonization pace of the world. We cannot act on our own, and we will need this fast to continue.

And as Diana was saying, what we are seeing is kind of regionalization of energy transition trends. Some geographies continue very strongly. We can take the example of China. I think that moving away from coal for the production of electricity in particular is a very strong lever for us currently. We do believe it will reinforce in the coming years. And that may compensate for other geographies where the pace might be slower, I think we all think of the U.S. Also, on the IRA side, we see no negative signs of IRA being suspended. So we anticipate a combination of positives and negatives. But all in all, we remain committed to our objective and being cautious with the environment's evolution.

**John Campbell (Bank of America):** Thank you.

**Question 5:**

**Will Farrell (EOS at Federated Hermes):** Good morning and thank you very much for the presentation. I wonder if you could provide us some more on your outlook for physical risk and specifically, how you're continuing to improve your management and assessment of these risks at key industrial sites?

**Diana Schillag:** It's a very good point especially as we all see more and more climate impacts. And the climate physical risk is very clearly one of the angles of our priorities and our climate and environmental policy. Guillaume, do you want to maybe highlight on the actions we have taken and answer to the outlook for physical risks?

**Guillaume De Smedt:** Yes, sure, Diana. Indeed, as you saw in our Sustainability Report, we made already a full mapping of all our assets across the world to look at all the different physical hazards that help us to screen where the geography, where we should focus, knowing that in parallel we have run workgroups with experts to review the potential impacts of the different hazards on our various assets for the different types of production we have.

So far, we don't see major material impacts on our assets, knowing that we already embed into our development process for new assets and for operations risk analysis and risk management processes. So this is rooted in our risk enterprise risk management to address this risk. We know we need to continue, so this is ongoing. And we'll continue to disclose as per the requirements in our sustainability reports.

**Diana Schillag:** Thank you, Guillaume.

**Question 6:**

**Hadrien Gaudin-Hamama (Mirova):** Hello and thank you very much for the opportunity. I read in your CDP disclosures that the recycled feedstock amounts to 17% right now, and I just wanted to know whether you have any intent to use more waste as feedstock in the future and how this interacts with your climate strategy. Thank you very much.

**Diana Schillag:** Thank you very much for the question –

**Louis-Francois Richard:** Hadrien, thank you very much for your question. I think that through CSRD, we assume that circular economy was not a material standard to Air Liquide, I would say, in the broad sense whether this is a global stake for the group. However, we have a number of opportunities to work on recycled feedstocks. So typically, you know that for the production of hydrogen, off-gases from our customers, it is a very common source of hydrogen. And so typically, this is where we have a number of opportunities and we will continue to develop.

I don't know if your question is also covering biogas, but you know that we have also our biogas business unit that continues to develop. But I would say these are the two main feedstock recycling topics for our business. So important, but that we did not consider to be as material as other topics.

**Hadrien Gaudin-Hamama (Mirova):** Thank you.

**Question 7:**

**Lionel Heurtin (Ofi Invest AM):** Good morning. Thanks for the presentation. On your slide 4, you show that Air Liquide absolute CO2 emission for Scope 1 and 2 is down 11% compared to 2020. When we refer to a net-zero scenario by AIA, a 1.5-degree trajectory translates into a reduction of minus 50% for 2030. So you are still quite far away. Why reduction in absolute emissions should be limited in 2025? I read in your Climate Transition Plan that 60% of your Scope 1 direct emissions come from around 20 production units. What prevents you from tackling the emission of those assets? And also, will you carry on building new SMR with no CCS in the future? Thank you.

**Diana Schillag:** Yes, we have absolutely a strategy that aims at reducing our emissions. And the trajectory, just to be very clear, we are on the carbon neutrality trajectory by 2050. Now in terms of progress, our midterm objective for 2035 is to reduce our Scope 1 and 2 emissions by minus 33%. So the current result of minus 11% in 2024 compared to 2020 means that we are on a good path to achieve our midterm objective. And we remain fully committed on the 2050 carbon neutrality ambition.

Now when it comes to the details in the assets, as you have rightfully identified, in the Climate Transition Plan, we highlight the different levers on how to achieve it and how to move forward. So Guillaume, maybe you would like to illustrate the levers?

**Guillaume De Smedt:** Yes. Maybe a few more details on our trajectory. First, we have to keep in mind our geographical footprint, knowing that for the net-zero scenario by the AIA, you have differentiated dynamics for developed economies and for emerging economies as well as for the different sectors. When we dig into the report by the AIA, we see that the power sector is the one decreasing first, and then every industry is following because electrification of the industry is part of the scenario.

To come back to your point on our Scope 1 emissions, they primarily come from two types of assets, our hydrogen production through SMR, so reforming of natural gas for refineries. And I want to remind that this hydrogen is primarily used to desulfurize the brut fuels to remove

the sulfur and prevent acid rain. So it's been developed across the last 30 years for an environmental purpose, and we are developing the alternative with the development of the electrolyzer project we have announced, especially in Europe.

And then the second main contributor to our Scope 1 emissions are cogeneration plants that are in most of the geography, still adding carbon footprint in terms of CO<sub>2</sub> per unit of electricity produced better than the grid where they operate. And they supply continuous and base load high temperature steam to our customers for which there is no, today, economic solution.

**Question 8:**

**Nikita Konovalov (Trium Capital):** Thank you. Given that renewable electricity is one of the key decarbonization levers for the company, could you please update us on your trajectory for the coming years? And could you provide updated figures at the group level regarding the proportion of renewable energy used? Thank you.

**Diana Schillag:** Yes. Of course, I will come back on that. So overall, you have seen that by 2024, the low-carbon electricity is one of the key levers really driving forward our decarbonization. So it's low-carbon renewables and the efforts on electricity is clearly one of the drivers and one of the key levers. I'm handing over to Guillaume to give you more details on the different contributions path forward.

**Guillaume De Smedt:** Yes, indeed. Thanks a lot, Diana. And as you saw in our sustainability statement for 2024, we consumed 8.9 terawatt hours of low carbon power which covers renewable and nuclear, with a sheer increase compared to last year where the number was 7.5 terawatt hour. So a sharp increase which is largely driven by the increase of active renewable power we sourced in 2024. So this is the bulk of the increase.

Looking forward, we are preparing the future and we also signed in 2024 more than 2.5 terawatt hours of renewable power that will come in our electricity mix in the future years because it takes some time for the plants, the renewable assets, to be built. So we expect this signature, 1.5 terawatt hour in 2023 over 2.5 terawatt hour in 2024, to contribute to the decrease of our CO<sub>2</sub> trajectory.

As of today, we have not set a specific target in terms of renewable or low-carbon power because we have a trajectory based on the reduction of our CO<sub>2</sub> emissions in absolute value. So this is our key indicator. And then, sourcing low-carbon power is one of the critical levers for this.

If you look at our Climate Transition Plan, we give some order of magnitude of what we expect this renewable and nuclear sourcing to represent in the years to 2035 for the base business, which is over an additional 10 terawatt hours.

**Diana Schillag:** Exactly. And that illustrates how renewable power and low-carbon electricity both actually will really contribute to our carbon trajectory.

**Louis-Francois Richard:** And we can add that based on the carbon content of the electricity that we purchase today, that could account to around 5 million tonnes of CO<sub>2</sub> less, if you make the calculation.

**Nikita Konovalov:** Thank you.

**Question 9:**

**Jean-Luc Romain (CIC Market Solutions):** Good morning. Maybe you already addressed the subject as I entered the call a little late. Could you update us on your projects to decarbonize the cement and cement industries, both at Eqiom and Lhoist, notably?

**Diana Schillag:** Thank you very much for the question. The cement industry is one of the industries, part of the hard-to-abate sectors. We have developed, across the past years, strong technologies to address their needs in terms of decarbonization. So we have as well very concrete examples and projects that are ongoing. So maybe Guillaume, you can illustrate what we are doing with Eqiom or with Lhoist.

**Guillaume De Smedt:** Yes, indeed. As you mentioned, we are developing these new markets and it goes very well with our climate strategy which is to provide solutions to decarbonize the industry. And we are developing these projects. Today, there has been no new announcement compared to what we have already said for the French projects, knowing that the development is ongoing. So we install our proprietary technology to capture the CO<sub>2</sub> from our customers. And then transport them to a site where a third party is taking care of the long-term storage. In our view, CO<sub>2</sub> capture and storage is a leading solution to decarbonize heavy industry like cement and lime which have, as of today, barely any other options.

**Diana Schillag:** Exactly. And the technology that you mentioned is our Cryocap technology that I think you have already heard of. And it is really a game changer, especially for those sectors. So I think it can be -- And then the storage can happen onshore or offshore, depending on the geography and the solutions that can be available in those markets.

And by the way, maybe just one additional point. Here we were talking about the cement industry, but it is as well applying to many other industries as well. It may be in the steel industry, iron, in aluminum, fertilizers, and electricity. So there's actually more industries where the Cryocap technology could be useful to capture the CO<sub>2</sub> and liquify it and then be able to transport with the objective to store it in the carbon capture and sequestration units.

**Jean-Luc Romain (CIC Market Solutions):** Thank you.

**Question 10:**

**Tsitsi Griffith (EOS at Federated Hermes):** Thank you. I just wanted to refer to slide 6 where you talk about employees with access to volunteering opportunities. And I see that this is at 87% in 2024. I just wanted to ask about what incentives you have to encourage employees to take up these volunteering opportunities, especially if it's on a voluntary basis and it might be a case of that some people think, well, if they're not being forced to do it, they might not do it. So in terms of Air Liquide's approach, how do you encourage employees to take on these opportunities?

**Diana Schillag:** It is an initiative that we have launched many years ago. The main reason being that we believe we have an impact, we have contributions to make to the local communities wherever we operate. It is actually as well a request that came from some of our employees who wanted to contribute and to volunteer. And we thought it is useful and

necessary to structure this approach through a dedicated program that we call Citizen@Work. This program has developed very strongly in the past years and it is clearly for us a very positive angle to allow our employees these volunteering opportunities. Maybe, Louis-Francois, you could as well give some examples of what has been done.

Just one word in terms of incentivizing. Usually, when we see what we have seen whenever we open up geography, a legal entity, to this program, we very quickly have actually as well contributors. And we have today about 5,000 employees that have been actively joining the program and volunteering through Citizen Network. So maybe some illustration, Louis-Francois?

**Louis-Francois Richard:** Yes. So to answer very concretely your questions, we have no incentive as such, I would say, monetary incentive to the people. I think we account more for the motivation, engagement, and willingness to serve their local communities. So as Diana was saying, today, we are close to, let's say, 10% participants. The form will vary from one geography to the others. In some countries, we have a digital platform where we can post proposals for the employees to take part to, let's say, a communitary work. In the U.S., it's a bit different because they tend to do that outside of working hours, so it's a slightly different system. I think for this kind of initiative, we ambition mostly to bring the proportion of participants to 20%-plus of number of employees.

To me, this is really a quality program. It's really aiming at allowing the most engaged employees to take part to this local association and communitary work. And I think there can be a lot of positive takeaways in terms of impact and motivation for the employees. Typically, we propose employees to dedicate one or two days per year. France is two days, but that varies from one geography to the other.

**Diana Schillag:** And if I may, given the fact that the objective is to have an impact on local communities, I believe it is absolutely fundamental to have, on the one hand side, a corporate program; but as well local adaptation to what makes most sense in any given geography, and as well any given work environment context as well.

**Tsitsi Griffith:** Thank you very much. That was very helpful.

### **Question 11:**

**Gianmarco Migliavacca (Neuberger Berman):** Good morning. Apologies for my voice. And thank you for the presentation. Two questions. One on decarbonization targets. Would you emphasize to introduce an additional target before 2035, like 2030, to better increase visibility on the intermediate, so before 2035? and the second on Scope 3 emissions, are you considering to articulate also targets for emission reduction also including Scope 3? Thank you.

**Diana Schillag:** Thank you very much for your question and very good points indeed. So first of all, in terms of targets, as you know, for the moment, we have the objective of the inflection point by 2025 that we have actually already reached with the minus 11% of reduction on Scope 1 and 2. And then the milestone that we have in our objectives is for 2035 with a minus 30% reduction of Scope 1 and 2. Now these are all very well explained and you can find the details in the transition plan. But in the current environment, we see clearly that

in the perspective with our 2024 actual emissions, we believe they give a clear indication on where we are heading for 2030. But at the moment, we are not planning to give an additional milestone for 2030.

Now when it comes to Scope 3, well, as you have seen, we have focused our energy almost on the emissions that we can very directly act upon. And this is Scope 1 and Scope 2. Of course, as well, we are very clearly monitoring our Scope 3 emissions even if they are not included as such today in our midterm commitments. It is, as you know, a much more complex subject. And to be fully clear, today, I don't see yet clear methodologies on Scope 3 emissions across the whole value chain. Nevertheless, we have engaged one external objective which is our top 50 customers, to have them engaged on the carbon neutrality roadmap by 2050, which is actually the case for 78% of these top 50 customers today.

So we believe this is one angle where we will certainly continue to make progress wherever it's possible. We will certainly as well push forward on the full coverage of our Scope 3. And when you look at our Scope 3 categories, we have a lot of effort in terms of supplier management. It was discussed a little bit earlier on the call as well all the different actions we are taking to engage with our suppliers to reach our full carbon neutrality objective. As you know, to be carbon neutral by 2050, it requires to include all Scopes, 1, 2, 3, and of course, as well, the avoided emissions.

**Louis-Francois Richard:** And if I may add, I think that on Scopes 3, we also improve step-by-step, so you have some more granularity in Scope 3 reporting this year. We have purchasing of procurement of industrial gases. We have emissions in relation with Engineering & Construction. We had a balance of procurement where we had no direct emission factor. So this was added as well. So I think we are also trying to improve year after year.

And in the transition plan, you have a full description of the decarbonization levers for Scope 3. I can name a few, but anything relating to low-carbon sourcing will decrease category 3. Any action optimizing energy consumption will decrease Category 3. We have fleet conversion initiatives that will tend to decrease Category 9. We have a procure to neutrality initiative that is also reducing Category 1. And we are working with hospitals on reducing the use of nitrous oxide in anesthesia, and that will decrease Category 11. So I think maybe the novelty of this year or last year is that for the first time, we give quite extended detail on how we are working on reducing Scope 3. Also, as Diana said, we have no formal objective. And also to remind that the carbon neutrality objective, of course, this is 2050, but this includes Scope 3. So I guess that from now to 2050, we will walk the talk and bring you more detail.

**Gianmarco Migliavacca:** Okay. Thank you very much.

## Conclusion

**Diana Schillag:** All right, so I would like to thank you very much for your interest. Thank you very much for taking the time to join this call. And I hope you find our integrated annual report that includes this year's sustainability statement. You take it as well as a very strong sign of commitment from the group for our financial and extra-financial performance. It is

clearly put at the same level. And again, I refer -- I encourage you as well to go through our Climate Transition Plan which clearly illustrates the levers much more detail as we raised your attention on this point on how to achieve our objectives and as well on the roadmap further ahead. I think it is a good read and you will find as well details of our projects that illustrate how we are contributing to decarbonize our customers. We have not discussed very much about that, but I believe that Air Liquide has clearly a role to play when it comes to avoided emissions for the planet. And I'm very happy to have received as well a few questions on the social and societal engagement today. Thank you very much. That is as well much appreciated.