Defining Transition Finance and Considerations for Decarbonization Contribution Methodologies

BLUNOMY'S RESPONSE TO CONSULTATIVE DOCUMENT

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Introducing Blunomy

We believe the best is yet to come if we put everything we have into inventing new rules for a new economy, more decarbonised, circular and inclusive.

- **Decarbonisation & business transition strategies**
- **Sustainable business models development & scale-up**
- **Financial advisory & Due diligence**
- **Modelling & Data science for energy systems and impact measurement**
- **Supply chain & Coalitions engagement**

120
Blunomists
As a core-staff and a growing community of external experts, partners and talents

360
Degrees
Unlocking systemic transition bottlenecks across value chains

300+
Projects per year

6
Offices

Energy production and resources
- Renewable & distributed power
- Biogas & hydrogen
- Bioenergies, waste & resources
- Circular economy

Infrastructure
- Storage, microgrids & smart networks
- Power, gas, heating, cooling networks
- Energy access & off-grid systems
- Access to essential infrastructure

Energy usage and GHG emissions
- Energy efficiency & industrial ecology
- Low carbon transport
- Carbon Capture Usage and Storage (CCUS)

Agri-industry and Land Use
- Food industry transition
- Agriculture transition & adaptation
- Nature-based solutions
- Balance of land uses

Sustainable finance and impact
- Impact & ESG frameworks and metrics
- Green & sustainable investment thesis
- Sustainable finance instruments & products

We do "with"
We're action-oriented and offer much more than merely advisory services, acting as your long-term partner.
We help you design robust transition roadmaps, engage your clients and your value chain, build business coalitions, develop new business models, prove your impact, structure financing, and attract capital to reach scale.

We do "whatever it takes"
We find solutions to transition bottlenecks without shying away from complexity. We help channel money to players transitioning faster and connect funding to promising and impactful models to reach scale.
Our own business model will also allow us to share risks when relevant. We want to get change done.

We do things "differently"…
… when helping social entrepreneurs access essential infrastructure.
Our pro-bono work in developing countries is about making sure the transition does not leave anyone behind and in order to create a more decarbonised, more circular but also more inclusive economy.

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1 PART I: TRANSITION FINANCE

1.1 Climate solutions

In our view, the attributes that define Climate Solutions are not stringent enough. We believe that Climate Solutions are already well identified in existing frameworks and the acceleration of their deployment requires massive funding. A homogeneous and consensual list of Climate Solutions, with identification at activity level (versus entity level), could be envisioned for more efficient and focused financing/investment towards these Climate Solutions.

1. **Are the proposed attributes sufficient and flexible enough to help you identify assets to this segment?**

We believe that while the technical maturity of Climate Solutions should not be an attribute in their definition, it will be of utmost importance to define differentiated financing strategies between Climate Solutions that are mature, and easily and rapidly scalable, and in great need of financing, and less mature Climate Solutions that will need R&D and demonstration financing before reaching the scale-up stage. Investments in Climate Solutions can be managed with different ROI targets and time horizons depending on the investors' mandate and investment strategies.

- Attribute A: contribution to decarbonization and emissions reduction in the real economy

The attribute (A) of contribution to decarbonisation and emissions reduction in the real economy is an important attribute of climate solutions.

  - The contribution to emissions reductions should be significant, which is acknowledged in the consultation document. However, the lack of standardised and homogeneous methodology to identify avoided emissions can lead to a heterogeneous definition of climate solutions among practitioners. There is a potential risk that entities requiring alignment with climate targets would be indulgently classified as Climate Solutions and therefore not subject to the specific and stricter implementation of the "Net-zero" transition plan. We recognise that this is a current area of research and an area for further work (the WBCSD is trying to standardise avoided emissions calculation for example).
  - Climate Solutions should not lead to the extension of the lifespan of assets identified for phaseout while other alternatives exist. For instance, adding a sustainable source of energy (such as biomass) to a coal-fired plant, slightly reducing the emissions intensity of the produced electricity should not lead to the extension of this plant's lifespan, and hence an increase in the cumulative amount of emissions it will generate before closure. It could also be the case for a CCS (Carbon Capture and Storage) unit being added on to a coal-fired power plant.

- Attribute B: Revenue or other financial KPI not generated from high-emitting source or operation

In our view, attribute (B) that states that most of the revenue should not be generated from high-emitting sources is not stringent enough and simultaneously not specific enough.

  - Majority of an entity's revenue should be generated by the operation of Climate Solution assets and by the sales stemming from them, or the sales of Climate Solution products and services.

- These attributes should not be attributed to entities, but to activities or assets – hence assessing a company on the share of climate solutions sales, but not label it "climate solution" per se. Such approach would ensure that a company that derives 51% of its revenue from climate solutions-related activities, but 49% from high-carbon solutions, is not categorized as a Climate Solution.
- A power generator could operate 40% renewables and 60% coal-fired power plants. In the suggested attribute, it would be excluded from the Climate Solutions classification where the renewable portion should indeed be treated as Climate Solution and the coal portion as Managed Phaseout activities.

- Attribute C: reasonable effort made to address emissions reductions in the near and medium-term

Our views on this attribute are developed in our answer to the Question 3.

2. What would be an appropriate revenue threshold for the purpose of identification?

For the purposes of entity-level identification, a very high revenue threshold shall be set. This revenue threshold could be set around 75%-80%. We believe that 50% is not enough.

3. Would the feasibility of alignment to a science-based pathway over time be a key consideration when identifying Solutions and Enablers?

We think that the feasibility of aligning with a science-based pathway over time shall not be a key consideration for the identification of Climate Solutions. Notably, reducing their absolute emissions to further align would require additional efforts for a Climate Solution entity, which would impair its growth potential.

We believe that well-identified Climate Solutions, such as renewables, railway transportation, power networks, should be deployed as fast as possible. The fact that they are identified as Climate Solutions could in many cases mean that they are aligned to a science-based pathway, in homogeneous sectors. Requirements for alignment in terms of absolute contraction of emissions, as suggested in this consultation, would potentially be counterproductive.

4. Are separate and/or additional attributes required for Enablers?

We believe that Climate Solutions should require more stringent identification criteria to prevent selection bias. This is doubly true for Enablers. Enablers are necessary players for the deployment of climate solutions, but it doesn't mean that they are solely used to enable Climate Solutions.

An example is the mining & metal value chain. Some minerals are critical to the deployment of Climate Solutions. However, the same minerals also play a major role in other value chains including electronics' such as smartphones, laptops, or household appliances. These other uses do not support as directly or as much the energy and climate transition.

We would require additional criteria for these to identify as Climate Solutions, including a minimum level of contribution to the value chain of the Climate Solution they are serving. For instance, >80% of the

production at a company activity or asset level shall be reserved to a well-identified Climate Solution value chain.

5. **Are there any other considerations for Climate Solutions attributes, especially relating to hurdles to implementation (e.g. additional KPIs to consider, data limitations, suggestions for specific attributes for Enablers)?**

While we respect the requirement of a widely applicable and very flexible framework, we believe that Climate Solutions are well identified. As time is of the essence, the massive deployment of already mature technologies should be accelerated. If the EU Taxonomy provides a great framework for identifying Climate Solutions, the IPCC Working WG 3 6th evaluation report also provides well-identified Climate Solutions.

Enablers should also be well defined to avoid the inclusion of any company that has a marginal intervention in a Climate Solution's value chain or plays a limited enabling role.

1.2 Aligned and Aligning

We strongly believe that the number of companies that fall under 'All Other' (i.e. does not qualify under one of the four key financing strategies) will be too high with the approach suggested in the consultation document, and the diversity of these companies potentially too broad (i.e. no homogeneous category). These two elements could hinder impactful transition investment strategies implementation and portfolio management.

Companies that are only starting their transition will be lost in the 'All Other' category even though they have set science-based targets and need financing to align. This is notably due to the potential quite stringent requirements for the 'Aligning' strategy ("*consider including planned low-carbon capex"*), that are by design not necessarily in the alignment plan structuring and early stages.

One solution is to segment the 'All Other' category to further discriminate companies that are 'Committed to Align', to those that either lack data or were not analysed yet and those that are unable or not willing to align (see answers to "Other for Part I").

Another solution is to include such companies in the 'Aligning' strategy. To do so, the attributes for the strategy should be less stringent. In this case, the assessment of the entity's transition plans through a credibility score, which includes elements such as CAPEX, governance, etc. would provide information on the level of effort already put in the alignment of the company.

6. Are the proposed attributes sufficient to help you identify entities to this segment?

- Established net-zero commitment/ambition

We are convinced that a relevant and credible net-zero target must be based on and compared to a robust net-zero pathway. The pathways used must comply with the requirements presented in the *Guidance on Use of Sectoral Pathways for Financial Institutions*[1] published by the GFANZ in 2022. This document covers the requirements for the pathway to be robust, including its scope and ambition, its reliance on carbon capture and removals, the underlying assumptions to achieve the pathway, and the pathway's credibility and feasibility.

- Established net-zero targets (set to pathway)

The materiality of scope 3 emissions, mentioned in this attribute, must be clearly defined for each sector in a homogenous manner for all relevant categories of scope 3.

Material scope 3 emissions are defined in several reference documents. *The Recommendations and Guidance on Financial Institution Net-zero Transition Plans document* published by the GFANZ defines priority sectors for which Scope 3 emissions should be included. The sectors are oil and gas, utilities, transport, materials, agriculture, forestry and fisheries, chemicals, Construction and Buildings, Water utilities and Textile and leather[2].

[1] Guidance on Use of Sectoral Pathways for Financial Institutions (GFANZ), 2022 https://assets.bbhub.io/company/sites/63/2022/06/GFANZ_Guidance-on-Use-of-Sectoral-Pathways-for-Financial-Institutions_June2022.pdf

[2] Recommendations and Guidance on Financial Institution Net-zero Transition Plans (GFANZ), 2022 https://assets.bbhub.io/company/sites/63/2022/09/Recommendations-and-Guidance-on-Financial-Institution-Net-zero-Transition-Plans-November-2022.pdf

Measuring Portfolio Alignment: Driving Enhancement, Convergence, and Adoption[3] also published by the GFANZ sets 40% as the threshold for Scope 3 categories materiality and establishes an absolute magnitude criterion that states that material scope 3 emissions should be above 10 Mt CO_2e at the entity level.

This methodology can be used on well-defined and highly granular sectors, providing a homogenous analysis of scope 3 emissions materiality. The output of this analysis should include which categories from the GHG Protocol are material to each sector. A granular definition of the materiality of scope 3 emissions at category level for each activity would allow a sound comparison of companies and a focus and the most material elements regarding the transition of the activity.

- Additional KPIs

The proposed attribute raises comparability issues. The criteria covered in the Additional KPIs attribute should follow a clear and standard methodology. This is especially true for the financial metrics proposed as proxy for alignment. We believe that low-carbon capex or revenues should be more precisely defined, and "other financial metrics" should be clarified. Otherwise, the comparison of the entities based on such KPIs will not be sound and homogenous.

This attribute also mentions 'benchmarking/accreditation scores by third-party platforms". We believe that the assessment of companies made by specific organizations (such as SBTi) should be expressively considered. We develop this idea in the answer to Question 9.

- Net-zero transition plan

In our view, the distinction between an established and implemented plan ('Aligned') and an established plan ('Aligning') is too thin and not sufficient. The meaning of "implementation of the net-zero transition plan" should be defined more comprehensively.

If we choose to broaden the scope of the 'Aligning' category to avoid categorizing too many companies in 'All Other', then, the requirements for 'Aligning' assets/entities can be too stringent. Considering a low-carbon CAPEX plan to enter this category would prevent many companies that have started their transition by setting science-based targets but do not have such plan yet. We understand that there is still some uncertainty regarding the stringency of this criterion ("*consider including planned low-carbon capex"* as per written in the consultation document). The question is thus on how to discriminate between the more or less ready companies (the ones who have planned low-carbon CAPEX and the others). It should be good to have a proper scoring approach to discriminate entities.

CAPEX plans have many different features, from qualitative to quantitative, they can be robust or not (and this assessment is somehow subjective) and can be planned or already implemented. They can consider different timeline horizons; they can cover different types of investments (incl. external growth/acquisition). While requiring a robust, implemented, quantitative CAPEX plan for 'Aligned' entities/ assets makes sense, requiring a quantitative CAPEX plan for 'Aligning' entities means a high number of companies will be classified in 'All Other'.

- Performance

This attribute for 'Aligning' entities reads as follows: "Demonstrating increasingly meaningful progress towards established targets/KPIs and convergence towards pathways". The meaning behind "increasingly meaningful progress" should be defined properly.

[3] Measuring Portfolio Alignment: Driving Enhancement, Convergence, and Adoption (GFANZ), 2022 https://assets.bbhub.io/company/sites/63/2022/09/Measuring-Portfolio-Alignment-Enhancement-Convergence-and-Adoption-November-2022.pdf

Carbon reduction should not be the only performance KPI to assess the level of maturity of the alignment of a company. The business transition of the companies is equally important.

- Other possible attributes

Climate governance is not assessed in the presented attributes. Climate governance can increase the credibility of the entity targets. Proper climate governance can include a part of the top management's remuneration to be based on meeting climate objectives or responsibility assigned within the EXCOM to meet climate objectives.

7. **Is the proposed target timeframe for alignment, set at 2030 and articulated through net-zero interim targets, appropriate for the purposes of identification?**

A 2030 target timeframe for interim targets provides time for entities/assets to develop their net-zero transition plan and to implement it. This timeframe allows the assessment of the plan and to observe significant change.

It is also a short enough timeframe to incentivize short-term objectives to meet medium term targets by 2030.

8. **Is the proposed progress and two-year continuous performance threshold for Aligned and Aligning appropriate for the purposes of identification?**

- Aligned

The two-year continuous performance threshold for 'Aligned' seems relevant. Beyond two years the data might not be available for many entities. A one-year threshold would potentially not be sufficient to assess an entity commitment in its transition. However, continuous monitoring after the two-year observed continuous performance is a must-have, to be able to identify "fallbacks" to less 'Aligned' activities.

- Aligning

As mentioned above the proposed progress for 'Aligning' strategies should be clearly defined. Indeed, "*demonstrating an increasingly meaningful progress*" is too vague, clearer criterion/criteria should be defined to qualify what "*an increasingly meaningful progress"* mean and what are the expected elements to qualify the evolution of carbon footprint/intensity as such. This is especially true given the subtlety of the difference between the performance indicators proposed for 'Aligned' entities *"two years of performance"* and the one proposed for 'Aligning' "*increasingly meaningful progress*".

9. **Are there any other considerations for Aligned/Aligning attributes, especially relating to hurdles to implementation (e.g. data limitations, lack of disclosure regarding capex, other KPIs for degree of alignment)?**

- Lack of data and limited homogenous reporting

Lack of data and limited disclosure can be observed, especially for unlisted companies, companies in some geographies, and companies starting their transition.

When data is available, it can be heterogenous. There are no universal reporting standards, leading to heterogenous reporting from companies (although we observe a certain convergence on the new reporting regulations and disclosure standards – at least in Europe). This is emphasized by the fact that some companies are not yet subject to stringent ESG reporting regulations, and thus do not disclose much.

- Climate governance

As stated earlier, climate governance is a meaningful indicator of an entity/asset's commitment and capacity to meet a climate target. It is one element to assess the credibility of the entity/asset to implement and to monitor the implementation of a transition plan 'Aligned' with its climate ambition. This indicator should be included in the analysis to assess whether the entity has put in place the necessary tools to advance their net-zero transition journey. Climate governance-related reporting has progressed over the past years particularly thanks to the TCFD; access to information should not be a major challenge.

- Validation by third parties

Some entities' targets and/or transition plans have already been assessed or evaluated by third parties.

For instance, SBTi checks companies' targets against a 1.5 °C pathway. This type of validation could be considered to facilitate the validation of an asset targets (i.e. if an entity or asset has its targets validated by SBTi, it could be classified as Aligning). However, in the proposed definition of Aligning, some companies whose targets are validated by SBTi might not fall under the 'Aligning' category because of a lack performance KPIs or CAPEX plan. This could be revised to allow more flexibility in the categorisation. This would allow companies that are only starting their transition to fall under the 'Aligning' strategy, especially if their targets are validated by SBTi.

- Aligned and 'Aligning' distinction

The boundary between 'Aligned' and 'Aligning' is a thin one, due to the stringent requirements imposed to fall into the category 'Aligning'. With this segmentation many companies that have recently begun their transition will fall into the 'All Other' category. This would hamper financing for this type of company.

We have identified two potential solutions to remedy to this issue:

1. The first solution is to segment the 'All Other' category to discriminate the companies 'Committed to Align' from the ones showing no interest in the transition. This is equivalent to creating a fifth category, e.g. 'Committed to Align', between 'Aligning' and "Managed Phaseout" (see in question 14).
2. Another solution would be to broaden the 'Aligning' segment and assess the credibility of the targets based on other factors including transition plans presented by each company categorized in this strategy.

- In this case, the 'Net-zero transition plan' attribute for 'Aligning' could not require a planned low-carbon CAPEX plan and the "Other attributes" should not require historical data, both attributes that we deem too stringent for early transition companies. However, these attributes should be included in a "Credibility score" to assess an entity's level of engagement in their transition.
- This would increase the gap between an 'Aligning' and 'Aligned' entities. It would allow companies that are starting their transition (notably by setting science-based targets) to fall under the 'Aligning' category and not be placed in the 'All Other' category. This would allow these companies to benefit from a specific engagement/implementation plan from financial institutions, adapted to their level of maturity.

1.3 Managed Phaseout

The Managed Phaseout strategy only covers a limited number of very specific assets that should be closed to align to Net-zero alignment pathways. There is also a certain amount of porosity between the Managed Phaseout category and the other categories.

We believe that at least two attributes are necessary to classify the asset under Managed Phaseout: a retirement year or a phaseout schedule, and a plan for the management of the reduction of expected returns from an investment point of view due to early retirement.

10. **Are the proposed attributes sufficient to help you identify assets to this segment?**

We believe that two additional attributes are essential to identify Managed Phaseout assets.

- Year of retirement or phaseout schedule

The date of retirement or the plan for progressive retirement should be communicated clearly. Until this date, it will be difficult to assess whether the retirement claim is credible or not, especially when the asset can be operated normally until retirement.

- Agreement for the management of the reduction of expected returns

Retiring an asset can be costly, especially if it has been financed with the assumption of an expected lifetime that was longer at the time of construction. Clearly defining and stating who is going to assume this cost is essential to assess the credibility of this claim and avoid greenwashing.

Both attributes are essential to categorize an asset under the Managed Phaseout strategy. Because this strategy only includes specific types of assets, such as coal power plants, the attributes can be more stringent and prescriptive in their requirements.

11. **Are there any other considerations for Managed Phaseout attributes, especially relating to hurdles to implementation (e.g. data limitations, lack of disclosure regarding capex, other KPIs for tracking phaseout progress)?**

The definition of Managed Phaseout through a list of questions is sound (Figure 4 of the consultation document). However, as stated previously the attributes should be stricter to ensure the credibility of the classification of the asset under the Managed Phaseout category.

The lack of disclosure regarding CAPEX plans could be a hurdle for this category (when decommissioning is costly – this subject can be treated in a regulatory way by Asset Retirement Obligations or ARO).

1.4 Segmentation Method

The four strategies are not mutually exclusive: 'Aligned' entities can comprise Managed Phaseout assets, Climate Solutions, and potentially other assets. We advocate for a clear definition of the attributes at entity level.

As mentioned earlier, because of the high level of strictness of the 'Aligning' attributes, many companies that have initiated their transition fall under the 'All Other' category. Yet, transitioning these companies is essential in the net-zero transition and they must be accompanied by financial institutions. The 'All Other' category could be segmented, or the 'Aligning' strategy could be broadened. The introduction of a credibility score could be very relevant for a bucket of companies having set ambitions 'Aligned' with a science-based pathway but which would still have to demonstrate implementation.

12. **Considering the proposed approaches, do you foresee any potential unintended consequences that may disincentivize financing in the four key financing strategies or motivate behaviour that may not be supportive of the net-zero transition?**

- The four strategies are not mutually exclusive leading to a break in the categories' continuum

Some assets or entities could fall either under Climate Solutions or 'Aligned'/'Aligning'; the two strategies are not mutually exclusive. Climate Solutions can be used by 'Aligned' or 'Aligning' entities in the implementation of their transition plan. These same 'Aligned' or 'Aligning' entities could include Managed Phaseout assets/activities as they plan to decommission some very carbon intensive assets.

For instance, an automaker who only manufactures internal combustion engine vehicles plans to replace its manufacturing plant to produce only electric cars by 2035. This entity can be considered as 'Aligned' or 'Aligning' depending on the reliability of its plan. However, the plant itself can be first considered as a Managed Phaseout asset and then as a Climate Solution asset.

The same logic applies for power producers. For example, a power company that mainly uses fossil fuels plans on reducing its carbon intensity to 60gCO_2e/kWh by 2030 (target that is aligned with a 1.5 °C pathway). The entire company can be considered as 'Aligning', with a clear pathway and low-carbon capex deployment plan. But to reach this goal, the company will have to invest in Climate Solutions such as renewable power, and potentially close Managed Phaseout assets such as coal-fired power plants.

This porosity between the categories is due to the difference between entities and assets levels. Entities could be considered as a sum of assets, a mix of activities.

The presented methodology in the consultation document lacks strict attributes' definitions for all strategies at the entity level, while many investment strategies will target entities (e.g. corporate-level debt/equity instruments, etc.).

- Too many companies will be categorized in All Other

As stated in the "Aligned and Aligning" part of this consultation, the difference between the attributes defining 'Aligned' and 'Aligning' entities is thin, leading to many companies that are starting their transition (i.e. target set but no implementation plan) to be classified in 'All Other'.

To support the net-zero transition, companies that are only beginning their transition must be supported by financial players (this is maybe where their additionality could be maximized). This will not be the case if most of the companies starting their transition are placed in the 'All Other' category and are not properly discriminated from the ones who are not engaged at all in any transition reflection.

Measuring Portfolio Alignment, Driving Enhancement, Convergence, and Adoption[4] published by the GFANZ in 2022 proposes to assess the credibility of entities' targets through the assessment of their transition plan. This would enable a more granular classification of entities. This granularity would allow financial institutions to accompany companies that are only beginning to transition, having set science-based targets, with a dedicated implementation/engagement strategy, and would therefore make the link with the recommendations from the *Recommendations and Guidance on Financial Institutions Net-zero Transition Plans* document. These companies would otherwise fall under the 'All Other' category and the asset management strategy from the financial institution might not be as specific.

Table 1 – Levels of analysis for each financing strategy

Asset-level and activity level	**Entity-level**
Climate Solution	Committed to Align
Managed phaseout	Aligning
Committed to Align	Aligned
Aligning	Not able or willing to align
Aligned	
Not able or willing to align	

13. If you were to implement the proposed approaches today, what could be some challenges you might encounter?

As stated in previous questions, the four strategies presented by the framework are not mutually exclusive (Climate Solutions and 'Aligned'), their boundaries can be blurry or too thin ('Aligned' and 'Aligning'), and they do not cover most of the assets on the market (important size of the 'All Other' category).

The framework could be adapted to mitigate these issues.

Some solutions include either the segmentation of the 'All Other' category or the implementation of a credibility assessment in a broader 'Aligning' strategy to capture companies that are only beginning their transition and making attributes more precise to allow a homogenous comparison at entity level.

[4] Measuring Portfolio Alignment, Driving Enhancement, Convergence, and Adoption (GFANZ), 2022 https://assets.bbhub.io/company/sites/63/2022/09/Measuring-Portfolio-Alignment-Enhancement-Convergence-and-Adoption-November-2022.pdf

1.5 Other for Part I

14. What sub-segment would you consider under All Other segment? Please identify and provide rationale and examples.

As mentioned in the "Segmentation Method" part of this consultation, the 'All Other' segment would include a broad range of entities, leading companies that are starting their transition not being differentiated from companies which haven't done so.

Refining the granularity for the 'Aligning' category and creating a 'Committed to Align' category

To assess efficiently assets and entities, there is a need for more granular financing strategies. First, we believe that an additional 'Committed to Align' strategy would capture companies that are only starting their transition through a commitment to net-zero and minimum credibility criteria (such as the disclosure of GHG emissions which are most material for their activity) but have not developed a detailed transition plan yet. Then, for those who have started the aligning journey, having set targets aligned with a reference low-carbon scenario, a credibility score would allow the assessment of the company's progress and engagement in their alignment.

The credibility score could be applied either to the 'Aligning' category if the latter is broadened, or to the 'Committed to Align' one (see Tables 2 and 3). Both choices are however not equivalent in terms of financing strategies, as more effort would probably be sought to the "Aligning" category, hence a virtuous choice to broaden it and encourage players to finance and invest in entities to progress along the underlying maturity score.

Table 2 – Financing strategies with refined 'Aligning' category using a credibility score, and capturing 'Committed to Align' in a separate category

<table>
<tr><th></th><th>Climate solutions</th><th>Aligned</th><th colspan="3">Aligning</th><th>Committed to Align</th><th>Managed Phaseout</th><th>All Other</th></tr>
<tr><td>Credibility score</td><td>N/A</td><td>N/A</td><td>3</td><td>2</td><td>1</td><td>0</td><td>N/A</td><td>N/A</td></tr>
<tr><td rowspan="2">Potential attributes</td><td rowspan="2">See "Climate Solutions" in this document</td><td colspan="4">- Commitment to net-zero
- Emission-based targets aligned with a reference low carbon scenario</td><td>- Commitment to net-zero
- Qualitative transition plan
- Material GHG emissions reporting available</td><td rowspan="2">See "Managed Phaseout" in this document</td><td rowspan="2">See below</td></tr>
<tr><td>- All 'Aligning' attributes +
- Implemented low-carbon CAPEX[5]
- Actual performance for 2 continuous reporting cycles/years[6]

= 'Aligned' in this document</td><td>- Attributes from lower level of credibility +
- Planned low-carbon CAPEX
- 2 years emissions reduction[6]</td><td>- Emissions based KPIs
- Attributes from lower level of credibility
- Medium/short term targets
- Climate Governance</td><td>- Quantitative or qualitative transition plan
- Material GHG emissions reporting available</td></tr>
</table>

[5] The investments must have already started in the previous years. This is an important indicator to testify to the performance.

[6] For 'Aligned', actual performance for two continuous reporting cycles/years refers to meeting target performance in terms of reduction. While for 'Aligning', 2 years emissions reductions would refer to a reduction of emissions witnessed through credible GHG reporting regardless of targets.

Table 3 – Financing strategies with a 'Committed to Align' category using a credibility score

<table>
<tr><th></th><th>Climate solutions</th><th>Aligned</th><th>Aligning</th><th colspan="3">Committed to Align</th><th>Managed Phaseout</th><th>All Other</th></tr>
<tr><td>Credibility score</td><td>N/A</td><td>N/A</td><td>3</td><td>2</td><td>1</td><td>0</td><td>N/A</td><td>N/A</td></tr>
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- Qualitative transition plan
- Material GHG emissions reporting available</td><td rowspan="2">See "Managed Phaseout" in this document</td><td rowspan="2">See below</td></tr>
<tr><td>- All 'Aligning' attributes +
- Implemented low-carbon CAPEX[7]
- Actual performance for 2 continuous reporting cycles/years[8]

= 'Aligned' in this document</td><td>- Attributes from lower level of credibility +
- Planned low-carbon CAPEX
- 2 years emissions reduction[6]</td><td>- Emissions based KPIs
- Attributes from lower level of credibility
- Medium/short term targets
- Climate Governance</td><td>- Quantitative or qualitative transition plan
- Material GHG emissions reporting available</td></tr>
</table>

Comments on the "Committed to Align" (lower credibility score)

While companies that would be classified in 'Committed to Align' with the lower credibility score are early in their transition, they are still showing an interest (which should be followed-through) in transitioning towards net-zero.

The financial institutions must have a way to capture this interest to accompany such companies with a specific engagement strategy. The 'Committed to Align' category shows a will to align but are still not mature in their transition compared to entities with higher credibility scores and in the 'Aligning' process. For instance, a company that has just disclosed a global climate or net-zero ambition, proposed a qualitative plan and made its material emissions publicly available can be considered as 'Committed to Align' but not as 'Aligning'. To be considered as 'Aligning', the company would have to provide medium/short term targets, put in place a climate governance and show a transition dynamic thanks to historic emissions reduction.

All Other segmentation

The remaining entities can be segmented in the three categories listed below.

- Not analysed yet

All entities or assets that are not yet analysed fall under this category. These are companies in a financial institution's portfolio that they have not been looked at yet. Entities should not remain in this category

[7] The investments must have already started in the previous years. This is an important indicator to testify to the performance.

[8] For 'Aligned', actual performance for two continuous reporting cycles/years refers to meeting target performance in terms of reduction. While for 'Aligning', 2 years emissions reductions refers to a reduction of emissions witnessed through credible GHG reporting regardless of targets.

in the long term, the goal will be to analyse these companies as soon as possible to accompany them according to their specific needs.

- Missing data

All assets that were analysed but for which data was missing to complete the analysis or fall under one of the four strategies fall under this category. Companies that have not yet published a net-zero transition plan, or for which the targets or KPIs are missing can fall under this category. To fit in this category, the missing data should be made publicly available in certain timeframe (i.e. the data must already exist but is kept private or there must be a plan to gather the data).

Companies for which the data is not available (i.e. because non-existent) and will not be made available in a reasonable timeframe (i.e. no will from the company to gather the data or to publish it) should not be categorized as "Missing data" but as "Not able/willing to align" (see below).

Financial institutions should accompany these companies in the development of their plan and encourage them to publish relevant data. Entities should not remain in this category in the long term, the goal will be to accompany them into being 'Aligning' and then 'Aligned'.

- Not able/willing to align

All entities that were analysed and for which data was sufficient but that did not meet the requirements to fall under a transition financing strategy fall into this category. All assets that were previously categorized under a strategy but that did not meet the requirements in the long term would eventually fall into this category.

This includes companies for which targets were not ambitious enough to be 'Aligned' or 'Aligning', companies that failed to provide sufficient data in a reasonable timeframe (to be subjectively defined), companies that were classified as 'Aligning' but which failed to meet their targets, companies that were 'Aligned' that did not implement their net-zero transition plan and did not look into a transition dynamic (no material improvement in the last years).

Entities/assets can be classified in this category in the long term but can be re-evaluated regularly to assess if changes were made and if they could be re-categorized in one of the four transition financing strategies.

A specific portfolio management strategy should be defined for assets/entities in this category. Financial institutions should define specific strategy to manage this type of assets/entities – for example, active engagement strategy to assess if the entity is not willing to align; if yes, a progressive divestment strategy should be contemplated.

15. Any additional feedback regarding Part I of this consultation?

The GFANZ's role with this methodology is to provide homogeneity and standardisation in the assessment process of the alignment of companies to climate transition scenarios. To do so, financial institutions and corporate will require more stringent definitions of the attributes for each strategy, at activity and entity level. This would allow a sound comparison of all existing entities through a common methodology.

All entities should be assessed and classified, even companies that have not yet started their transition, or have just started with a net-zero commitment. Therefore, there is a need for more granular investment strategies that consider these companies. In the presented methodology, the category 'All Other' would

encompass too many companies that are only beginning their transition but that are still showing a will to transition. We believe this difference should be made. This could be remedied by either including some of them in the 'Aligning' category or creating specific strategies: one for entities having set science-based targets and one 'Committed to Align'.

We are convinced that financial institutions can and must put "positive pressure" on entities/assets to steer their transition, and thus steer their investment portfolio towards a net-zero target. Building common definitions of transition and common tools to assess the transition performance level of an entity through collaborative initiatives like this consultation is essential.

2 PART II: DECARBONIZATION CONTRIBUTION METHODOLOGIES

2.1 Overview and current state

16. **What is your organization's preferred approach for measuring the impact of transition finance activities, for example for capital allocation, monitoring, and disclosure purposes? What are the benefits and drawbacks of these approaches?**

Our organisation's preferred approach for measuring the impact of transition finance activities entails the use of maturity scale alignment metrics, which combine quantitative and qualitative criteria. These criteria include both carbon and business-related metrics as well as both forward-looking and current observed metrics to capture different aspects of transition (evolution from a past situation towards an ambitious climate target with a credible monitored action plan).

The impact of transition finance activities can be measured through the compatibility of the financed activities to low-carbon scenarios, when this is feasible. Improving the maturity of entities makes quantitative alignment methods usable and relevant in the future, as GHG reporting and target setting become a reality. It allows clear decision usefulness through a range of criteria such as opportunity detection, risk management, pragmatic impact generation through readily available metrics and best-in class selection. Impact tracking can be made clearly through the evolution of assets, activities and entities within the maturity scale.

One of the drawbacks is that it does not measure or try to quantify the impact of the transition finance activity through an aggregated quantified metric, but rather through the evolution under a maturity scale. However, for specific maturity scale categories where quantified alignment is feasible, impact measurement is done in through the avoided or added emissions versus a low-carbon scenario and not versus a Business-as-Usual scenario.

We acknowledge the decision usefulness of avoided emissions versus a BAU scenario in some limited cases, where a benchmark scenario pathway cannot be associated with the emissions perimeter of an activity, and where a reference (or BAU) scenario can be defined in a credible manner. However, these avoided emissions are hardly comparable across situations.

17. **Would best practice approaches for calculating EER add value to your current investment/financing/underwriting practices?**

Best practice approaches for calculating EER would add significant value for all stakeholders. This would allow homogeneous calculations across financial institutions thanks to common good practice and would allow a sound comparison of portfolios and encourage positive change.

18. **What are key considerations for the development of a decarbonization contribution methodology? What challenges do you anticipate?**

- Homogenous reference situation

To get unbiased and comparable results, the reference situation used to calculate the EER must be selected with standardised guidelines.

- Requirement for scenarios based on ambitious but realistic objectives

As of today, climate transition scenarios suffer from several flaws.

For instance, the technology roll out is sometimes too ambitious and will hardly materialize in realistic scenarios. These scenarios often rely on significant technological evolution including on quite optimistic deployment hypothesis of non-mature technologies[9] and increase in energy efficiency (quantity of energy per unit of output), both that are not accepted as credible by practitioners.

In addition, the available reference scenarios often do not loop with constraints on raw materials, especially on metals. Low-carbon scenarios should consider more specifically the physical materials availability to present a real view of what the transition could be.

Scenarios must remain credible to foster change and be used by the financial institutions, but they also need to remain ambitious enough to lead to a real transition. Finally, the carbon budget for 1.5 °C is so limited (~250 $GtCO_2$ at the time of writing) that benchmark pathways derived from these scenarios are often virtually impossible to achieve. The development of intermediary scenarios (for instance respecting 2 °C carbon budgets) will become increasingly necessary.

Scenarios should be constructed with a high level of granularity. The pathways used should have the same granularity as the object it is compared to (activity level, asset level, … but also geographic level). Moreover, the units for the available pathways should also be diverse and allow both intensity and absolute emissions comparison.

19. What important references and research papers should we take into account with regard to further work on decarbonization contribution?

Important references should be part of further work on decarbonisation contribution.

Sustainability and climate-related disclosure:

SASB, GHG Protocol, CDP, GRI, CDSB, TCFD, TNFD, EU CSRD

Target setting, scenarios, and alignment methodologies:

SBTI, TPI, PCAF, The Alignment Cookbook, PAT work on alignment methodologies, PAII, IIGCC, other documents from GFANZ, NGFS, BIS, IEA, OECM, IPCC, WBCSD

20. Any additional feedback regarding the Overview and Current State section?

We completely align with the necessity of complementing backward-looking metrics, such as the carbon intensity, to more forward-looking metrics, such as alignment methodology.

[9] As an example, the IEA has revised its growth projections downwards regarding Carbon capture and low-carbon hydrogen in its revised Net-zero Emission scenario published in the report World Energy Outlook 2023 published in October 2023.

We believe that additional carbon metrics shall be developed but most importantly standardised.

We believe that while the carbon analysis (backward and forward-looking) is key, the analysis at asset and activity level, and thus the transition speed of companies from a business perspective, is not widely or sufficiently addressed as part of current methodologies.

Indeed, while each economic activity can be assessed through a climate carbon lens, a company could and potentially should transition its activity mix. A business dimension should be added to the pure carbon perspective, as the transition of most companies will incur a deep transformation of their business models and activities.

Specific commentaries regarding proposed approaches for the 'Aligned' and 'Aligning', as well as 'Climate Solutions' and 'Managed f' categories will be made in dedicated sections.

2.2 Potential approaches for 'Aligned' and 'Aligning' transition finance strategies

21. What are considerations for choosing a BAU pathway for Aligned/Aligning transition finance strategies and what is the minimum required level of granularity (i.e. sectoral, regional)?

Before delving on the considerations for a BAU scenario for 'Aligned' and 'Aligning' transition finance strategies, at asset or activity level, or at entity level, we would like to reflect on the cases where the Emissions Reduction Potential (ERP) method, defined as a forward-looking difference between observed trajectory and reference BAU scenario, is relevant to measure Expected-Emission Reductions (EER) as a measure of impact.

We believe that the decision usefulness of computing a metric based on the difference between a hypothetical BAU scenario and a forward-looking emissions trajectory differs whether the decision and reasoning are to be made at asset or activity, or at entity levels.

- **At asset or activity levels**, the concept makes sense to capture the information of the magnitude of the change generated by implementing a shift from a BAU Solution to a Climate Solution (Solution, Enabler, or Nature-Based Solutions), or of implementing a Phaseout from a BAU Solution. In both cases the decision-usefulness interest lies in maximising the magnitude of change through implemented Climate Solutions, or accelerating Managed Phaseout, and the ERP concept to measure EER is directly useful. We will get back to this in answer to question 25.
- **At entity levels,** the usefulness of the ERP concept is to be studied for the 'Aligned' and 'Aligning' cases, while entities assimilated to "pure players" with most assets or activity(ies) falling in the Climate Solutions or Managed Phaseout categories can be followed with a same (aggregated) measure as at their asset or activity levels. **We believe a difference must be made, at entity level, between cases where a net-zero pathway is or can be defined, and those where it is not possible.**
    - If a net-zero pathway can be defined or already exists, this means some clarity and consensus exists on the net-zero scenario and actions to be taken; and, thus, the introduction of a BAU scenario using the ERP concept seems unnecessary. Emission reductions can be directly monitored against the situation in the baseline years (in absolute or intensity), and the relevant measure of change generated is how close and when do these reductions meet the target situation (i.e. net-zero scenario) – not how far they are from a hypothetical future BAU scenario.

Figure 1 – EER calculation when a net-zero pathway exists

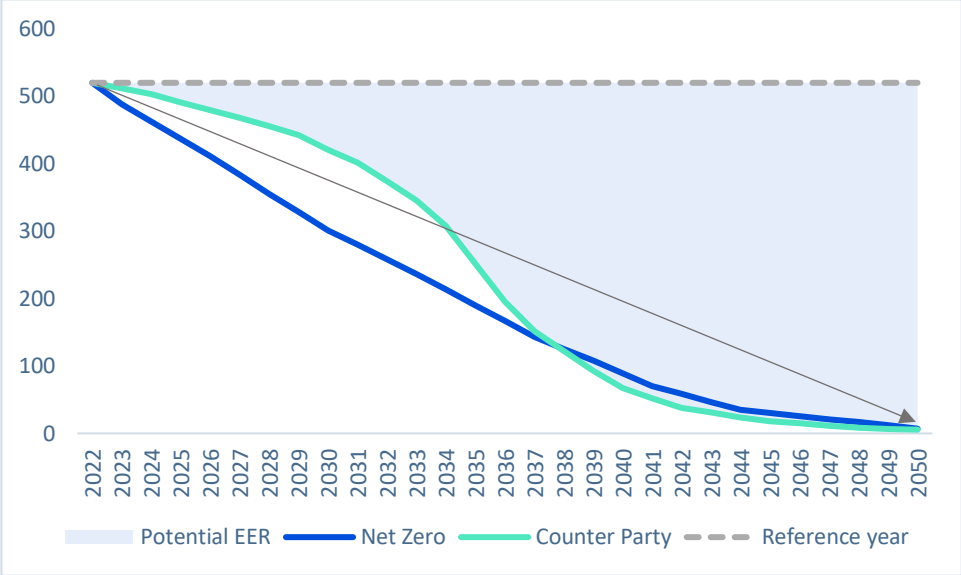
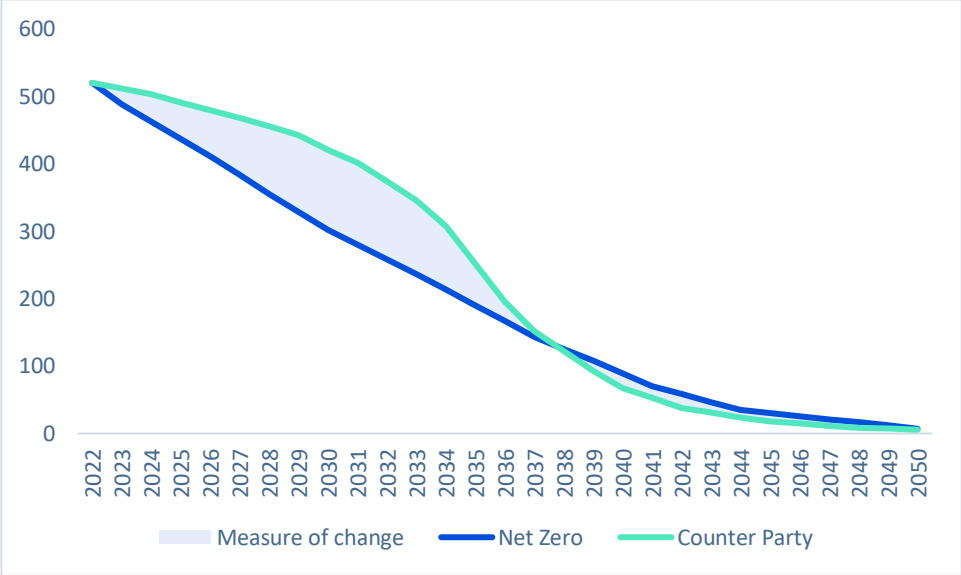
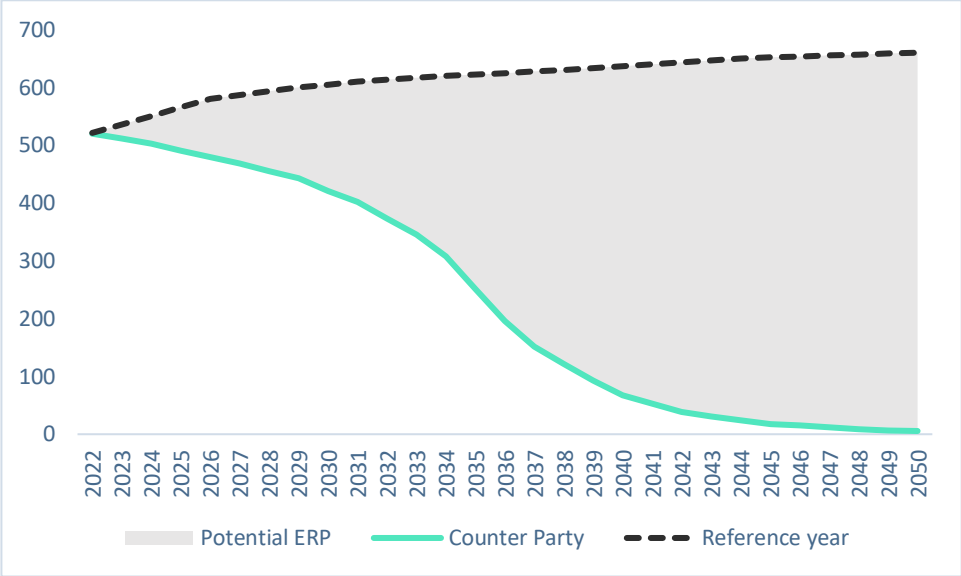


Figure 2 – Relevant measure of change when calculating EER when a net-zero pathway exists.



- If no net-zero pathway exist or can be defined, the measure of how close the entity is to a target situation is – by definition – not possible. Thus, another way must be defined to measure change appropriately. It can be done by measuring emissions reductions vs emissions in the baseline year (in absolute or in intensity), and/or against a hypothetical future BAU scenario (ERP method).

Figure 3 – ERP calculations against a hypothetical future BAU scenario (ERP method) when no net-zero pathway exist or can be defined



We strongly believe that the reference to a future BAU scenario should be limited to very specific cases, for multiple reasons.

- Indeed, the suggested approach to use it for all 'Aligned' and 'Aligning' strategies would create several biases or even slow down decisions, while other information exists to inform decisions.
- It also relates to deeper questions, and the way we define success and performance: should we measure the performance of entities against the future we are aiming to reach (i.e. a decarbonised sustainable future), or against a comparison to the one we are trying to move away from (a hothouse world)?

Here are some considerations on introducing the ERP method, and the very specific cases where we believe it could make sense:

- Introducing the ERP method on top of the pathway definition for all 'Aligned' and 'Aligning' strategies creates complexity, and new aspects to define and agree on, which we believe in most cases is unnecessary, as low-carbon scenarios are already developed by recognized international institutions for several sectors.
- Seeking a robust ERP approach for all 'Aligned' or 'Aligning' entity-level strategies introduces the requirement to reach a consensus around the hypotheses that make a "good" future BAU scenario and pathway, that cannot be left off to the sole appreciation of entities. An example of this is that the illustrative graphs in the consultation systematically show an *absolute decreasing emissions curve in the BAU pathway*, which is a strong hypothesis that is probably far from a "real future BAU" where entities develop without transitioning. Creating a case where defined BAU pathways would be defined by entities themselves opens the door to unexploitable information with a range of visions of what would be a hypothetical future BAU.
- We can easily imagine a selection bias and conflicting incentives in the definition of a BAU scenario and pathway, as selecting a BAU pathway with an increase of emission (if only because the entity is seeking to grow its production), would lead to "proving" higher Emission Reduction Potential – for, in fine, no change on the real impact on reaching the sought net-zero target: the

time and energy would be put in "non-productive" exchanges rather than in impact-oriented action. Such bias would be smaller when emissions are looked at in intensity, as we could imagine defining BAU as being constant, but the goal of measuring ERP would then not be met. This selection bias is also partially mitigated in the case of low-carbon scenario selection by the fact that these scenarios must respect a physically consistent carbon budget.

- These elements impair decision-making and could lead to the channelling of funding to entities that have and ERP but are not compatible with a decarbonised world. This would lead to an inappropriate vision of impact but also to an inappropriate vision of transition risks the entities are facing.
- The only case where we see a value of using an ERP method instead of using directly the comparison to climate transition pathways for an entity is when these pathways are not possible to define in a relevant way at the entity level (activities too heterogenous, …), i.e. the blue curve in the graphs does not exist, and the efforts put on emissions reductions must be compared to an alternative future reality. This solution can be envisioned as a temporary fix in most cases, as knowledge and granularity on sectoral pathways is constantly improving.
- The only reason we can envision players would prefer using EER versus a BAU pathway at entity level is the fact that the metric is a "positive" one, whereas the distance to a low-carbon pathway would potentially be seen as a "negative" one (if staying away from the target). This reason is too irrational and not sufficient in our view for the introduction of the risks associated with the use of the BAU scenario to compute EER at entity level. In all cases, the alignment to a net-zero scenario produces superior results with lower methodological complexity.

22. Concerning the timing of EER claims (see to Figure 9), do you concur with the general principles and considerations proposed?

This is typically a methodological complexity that comes from the introduction of the use of a BAU scenario, which we believe is not necessary.

23. Are you supportive of Avoided Emissions reporting standards for corporates?

We are supportive of Avoided Emissions reporting standards **at asset or solution level, typically as a mean of identification of Climate Solutions,** or other solutions supportive of the transition**.** These avoided emissions could then be aggregated at entity level but would hardly be comparable from one activity to another.

Indeed, the sole emissions reduction might not be a reliable indicator for some companies. Some companies will have to increase their absolute emissions for the global emissions of other sectors to lower. The rise of these companies' absolute emissions lead to lower emissions for other companies. For example, insulation materials manufacturers, rail transport operators, or bike manufacturers need to increase their carbon footprint (in absolute value, as markets will expand) for the transition to happen.

This is also the objective of forward-looking alignment methodology. In the example of the rail transport operator, the entity serves an end-use (transporting passengers) that is currently served by different solutions (cars, airplanes, active modes…) that have a certain average carbon intensity (gCO_2e/passenger.km). Serving this end-use with a lower carbon intensity avoids emissions at client level. This is thus a good indicator to identify Climate Solutions and constitute a decision-useful metric for financial institutions.

24. **Any additional considerations/feedback for approaches for Aligned and Aligning transition finance strategies (e.g. regarding EER/ERP allocation to the portfolio; cumulative emissions vs. intensity-based methods, etc.)?**

Not in addition to the answer to the Question 21.

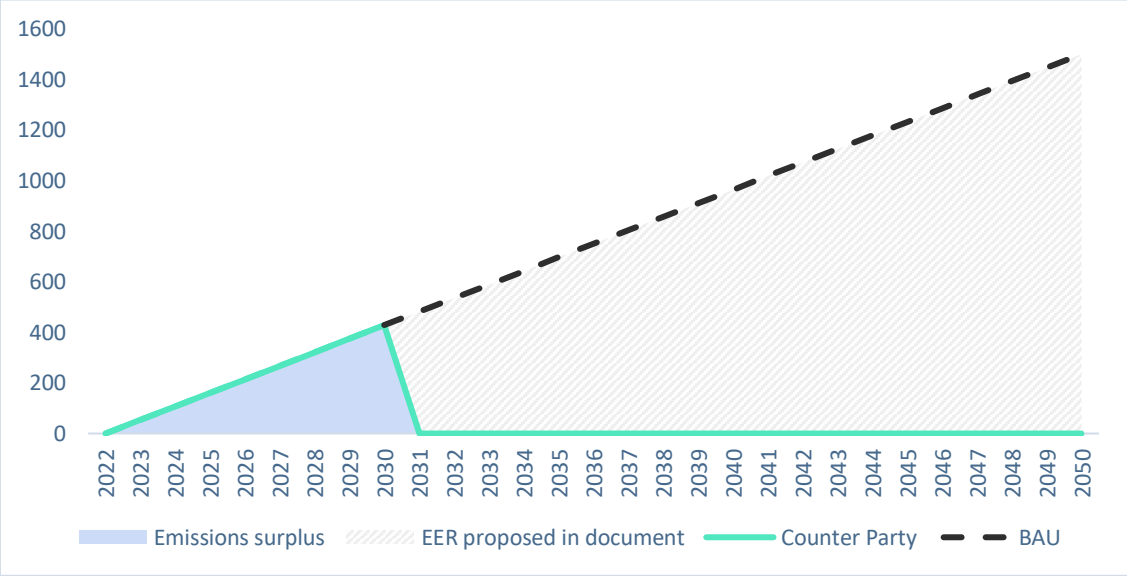
2.3 Potential approaches for Climate Solutions and Managed Phaseout finance strategies

25. Do you agree that avoided emissions approaches are well suited to measuring the impact of Climate Solutions and Managed Phaseout?

We believe that avoided emissions are a mean of identifying Climate Solutions at asset or activity level, as explained in Part I of the present consultation response, the relevant metric for impact being the change in emissions that they allow, not the magnitude of their own emissions.

For Managed Phaseout, the reasoning is also at the asset or activity level, but the reason why the avoided emissions approach seems relevant is different. The assets or activities that need Managed Phaseouts are existing, the definition of BAU for these existing assets or activity can be derived from known emissions. The key financing-related question is the timing in which to manage the Phaseout, with an incentive to be set on phasing out earlier rather than later. Thus, measuring the EER as defined seems relevant, with a goal to maximise the amount of asset- or activity-based emissions that will not occur over the remaining lifetime of the asset. This will not solve the question of how much more could have been saved by switching earlier on to a low-carbon scenario, but has the advantage of being conducive to action.

Figure 4 – EER calculations for Managed Phaseout



26. Rather than using LCA for determining emissions factors for the BAU and the low-carbon alternative, do you agree with the simpler approach of using end-use emissions for calculating avoided emissions?

Using end-use emissions instead of full LCA can bring several benefits for some activities, while not being relevant for all sectors. When relevant, it allows to efficiently resolve the challenges of obtaining high-quality value chain data and establishing suitable emissions boundaries.

- The activities for which this simpler approach is relevant are the manufacture and the operation of equipment that consume large amounts of energy. This includes the transport sector

(Road, Air, Marine, Rail), as mentioned in this consultation. It also includes the building sector. Other examples can include manufacture and operation of other energy-intensive equipment (such as ovens).

- Conversely, when end-use emissions are marginal or too low compared to LCA emissions, and main emissions are in other lifecycle steps, this approach is not relevant. This is notably the case for the telecom sector (i.e. data centres, networks and terminals), but also the healthcare sector, or the agriculture sector. This is also true for any equipment for which the energy use and GHG emissions are mostly outside their end-use phase (i.e. clothing).

An activity specific analysis is therefore required before employing the simpler approach of using end-use emissions for calculating avoided emissions, and a standardised approach on activities where this approach can be used would be beneficial.

27. This consultation proposes that the full EER associated with Climate Solutions could be applied to related Enablers but disclosed separately from Solutions and Nature-based solutions. Do you support this approach?

In our view, attributing EER to Enablers of Climate Solutions is logical and shall be pursued to provide decision-useful metrics for the players investing in these value chains. It is important to recall, in relation question 4, that the Enabler category would benefit from being more clearly defined.

The consultation document suggests that allocating a percentage of EER to Enablers seems to be underestimating their contribution. While we understand this position, notably for value chains that are crucial (i.e. bottlenecks) to the development of some Climate Solutions, we believe that allocating EER to Enablers in full would bring absurd limit cases where the full EER generated by the Climate Solutions are allocated to only a small part of its value chain (for instance, one electronic chip).

It also brings methodological complexities concerning the retreat of double counting which is currently a difficulty in all financial institutions' portfolio where several components of a single value chain are represented. In the same fashion that use-phase downstream induced emissions (Scope 3.11 – Use of sold products) are allocated to suppliers of equipment through an allocation rule, EER should also be allocated partially. Such rules include notably economic ones (value add of the component divided by the total value add within the value chain), but could also be physical (mass, volume…).

We believe that there is an area for further work considering the allocation of EER to the Enablers that are crucial to Climate Solutions development and deployment at scale.

28. Any additional considerations/feedback regarding impact methods for Climate Solutions, Enablers and Managed Phaseout? (e.g. alternative approaches to avoided emissions; apportioning EER to Enablers, for example using a pro-rata approach)

Standardisation of reference situations and calculation methods for Avoided Emissions must be pursued.

2.4 Allocation: Attribute the Expected Emission Reductions to the financing entity

29. Do you agree with leveraging the PCAF accounting method for EER allocation?

We are in full agreement with the use of PCAF accounting method for EER allocation. Indeed, it seems very appropriate to use the same widely used standard than the one used for allocation of induced emissions.

The consultation document acknowledges some limitations that are associated with the use of the PCAF accounting method, such as changes in the valuation of entities. We are aware of these limitations. To be more specific, one blind spot of the PCAF standard is the difference between market value and book value of both debt and equity.

For listed assets, market value data are widely available, but the equity market value can vary a lot and we observe cases where it totally crushes the market value of debt, leading to a very small allocation to debt holders, notwithstanding the contribution of the latter to the total capital structure of an entity.

For unlisted assets, market value data are hardly available and cannot be observed/tracked in real time, but only calculated through ad hoc financial valuation models based on private data. This leads to the preferred use of book values for allocation, which also has some limits. For instance, book values are reset when new financing rounds happen, which can lead to sudden changes in respective allocation to debt and equity. Furthermore, some refinancing exercises lead to very low and potentially negative book values of equity (this is an observed fact from a market practitioner).

More refined allocation rules could be established in relation with PCAF.

30. Any additional considerations/feedback regarding impact attribution methods (e.g. alternatives to the PCAF accounting method; specific considerations for employing the proposed attribution method for EER; considerations about disclosure of EER; anticipated challenges when aggregating the EER at portfolio level)?

Regarding disclosure elements, it is fundamental that EER are disclosed separately from induced or absorbed emissions, as the guidance on avoided emissions from the WBCSD suggests.

EER should also be disclosed separately from one financing/investment strategy with another, and notably when it is used for other strategies than Climate Solutions. Calculation methods and choice of reference scenarios should be disclosed accordingly, so that the financial institution can make its assessment of the quality and reliability of EER.

Every effort should be made at disclosure level to facilitate the work of double-counting retreat (this is true for both induced emissions and EER).

Finally, the disclosure of metrics regarding decarbonization contribution should be disclosed in the most granular way possible (assets, activities, geographies…).

2.5 Other for Part II

31. Any additional feedback regarding Part II of this consultation?

All feedback was voiced in previous questions.