
AIR LIQUIDE – JOINT AGM QUESTION: 30 APRIL 2024

Background

Air Liquide is an industrial gases company held within the Quantitative Strategies (QS) Portfolio. We identified Air Liquide as a key emitter through our Net Zero Engagement Plan. Consequently, we became a contributing investor of the Climate Action 100+ group that has been in dialogue with the Company for five years. Engagement topics have included climate target setting, the incorporation of climate-related risks within financial accounts, and the disclosure of lobbying activities.

As part of this dialogue, the lead investors raised the following questions on behalf of the group at the 2024 AGM. In alignment with the group, Railpen became a signatory to the joint questions.

As shared in advance and raised in the meeting

Dear Chairman, Dear members of the Board,

Like many of you here, as shareholders and their representatives, we are proud of Air Liquide. But we are also members of the Climate Action 100+, a broader coalition of institutional investors who are working for the climate and with whom you have been in dialogue for many years. We would like to testify to the quality of the dialogue, which has been invaluable and exemplary, and provides proof of the importance you attach to your shareholders.

Since our first statement at your 2018 Annual General Meeting, you have come a long way! We would therefore like to congratulate you on the major steps you have taken in recent years, including the following:

- Initial climate targets in 2018.
- A commitment to carbon neutrality across the entire value chain by 2050 in 2022.
- The inclusion of climate risk in the accounts in 2023.
- Greater transparency on scope 3 categories and lobbying in 2024.

We recognise that you are part of a complex value chain, an ecosystem where you cannot act alone. However, you are among those who will make change happen. The ambition and credibility of your transition plan will therefore be critical in getting your stakeholders moving. That's why we need to make sure that these commitments are at a level of ambition in line with a 1.5°C trajectory.

Hence our three questions:

1. As an investor, we need a common standard. Can Air Liquide commit to having Scope 3 objectives verified by Science Based Targets initiative when the methodology is published later this year? If you find the methodology does not fit your business, will you be setting separate targets before the 2025 AGM?
2. We would like to have more details on the implementation of the transition plan. Will you provide a more precise quantification of the decarbonisation levers, in particular on Scope 3 and the investments needed on existing assets?
3. Finally, how are you tracking against your 2025 and 2035 objectives? Given the leadership you are demonstrating, is it time to set more ambitious goals? According to the Intergovernmental Panel on

Climate Change report, limiting global warming to 1.5°C requires a 43% reduction by 2030, while you are currently targeting 33% by 2035.