

# Air Liquide SA (AI)

## Climate Transition Analysis

### Recommended Questions

**Q.1** *What are Air Liquide's plans to set Scope 3 targets and extend its emissions trajectory beyond 2035?*

**Background:** Between 2020 and 2024, upstream Scope 3 emissions (driven mainly by a 130% rise in purchased goods) expanded sharply, offsetting reductions in Scopes 1, 2, and downstream Scope 3. The Climate Transition Plan sets a “well below 2°C” 2035 target only for Scopes 1 and 2, with Scope 3 ambitions described qualitatively and no interim milestones beyond 2035.

**Best Practice:** Set science based, time bound Scope 3 reduction targets covering key categories (purchased goods, fuel and energy, use of sold products) and publish a full footprint trajectory with interim targets to demonstrate a credible route to Net Zero.

**Q.2** *How will Air Liquide improve transparency on the carbon effectiveness of its transition investments?*

**Background:** Air Liquide has committed EUR 16 billion of investments over 2022–2025, and has issued three EUR 500 million green bonds for low-carbon hydrogen, CO<sub>2</sub> capture and low-carbon air gases. However, its Climate Transition Plan provides only high-level impact ranges by lever (e.g., CCUS, zero-carbon power) and does not link individual projects to CO<sub>2</sub>e abated.

**Best Practice:** Disclose a consistent “capital to carbon” framework that connects major projects and green bond allocations to expected and realised emission reductions.

**Q.3** *Can Air Liquide provide a quantified view of climate related financial risks?*

**Background:** Air Liquide screens 670 assets for physical hazards under SSP2-4.5 and SSP5-8.5 and applies at least EUR 100/tCO<sub>2</sub> price in investment tests, but discloses no aggregate financial impact from either transition or physical risks.

**Best Practice:** Publish scenario based quantitative estimates (ranges) of potential earnings, asset and capex impacts under higher carbon prices and severe physical risk pathways, including sensitivities where pass through may weaken or infrastructure deployment (renewables, CO<sub>2</sub> storage) lags expectations.

### Report Key Takeaways

- Air Liquide’s operational emissions (Scopes 1 and 2, market-based) have fallen 11.1% since 2020, supporting its 33% reduction target by 2035, but total emissions are down only 2.7% as upstream Scope 3 rose 65.8%, leaving 40% of its footprint without a quantified medium term target and supporting a 2°C rather than 1.5°C pathway.
- Capital deployment is accelerating, with EUR 4.4 billion of investment decisions in 2024, and EUR 8 billion earmarked for low carbon hydrogen by 2035, yet investors still lack project level abatement metrics to verify whether these commitments close the gap to the 33% 2035 target.
- Risk and governance frameworks have matured (e.g., dedicated Environment & Society Committee, CO<sub>2</sub> budgets, EUR 100/t internal price and physical risk screening of 670 assets) but climate metrics still account for only 6.9% of variable pay and climate related financial impacts (transition and physical) remain largely unquantified.

Click to view the report online



**Disclaimer:** [click here](#)