

## Case study: Borregaard



**Company description:** Norway-based Borregaard ASA supplies specialty chemical companies with sustainable biochemicals which they produce from renewable raw materials. These biochemicals, which include lignin and cellulose manufactured from wood, replace harmful oil-based products and thereby reduce environmental damage.



### Impact

Borregaard has performed analyses of some of its lignin-based specialty chemical products to quantify environmental impact compared to alternative products derived from fossil raw materials. For example, the company's analysis shows that emissions from lignin-based biopolymers are 70% lower than such polymers produced from fossil materials. For Borregaard's second-generation bioethanol, emissions are 86% lower vs fossil fuel gasoline.<sup>1,2,4</sup>

The biosolutions segment represents products directly replacing oil-based alternatives and represents ~60% of total company revenue. Impax estimates that Borregaard's biosolution products, including biochemicals such as bioethanol, as well as biopolymers and biovanillin, **avoid 990,000 tCO<sub>2</sub>e in GHG emissions per year**<sup>1,2,3,4,5</sup> This compares to group-level GHG emissions (including Scope 3) of 853,000 tCO<sub>2</sub>e per year.<sup>1,2,3</sup>



### Engagement

#### Nature

##### Objectives

In line with the Taskforce on Nature-related Financial Disclosures (TNFD) framework:

- Understand Borregaard's nature-related dependencies and impacts (achieved, 2023)
- Identify nature-related risks and opportunities (in progress)
- Improve nature-related disclosures in line with the TNFD framework (in progress)
- Set science-based targets for nature (in progress)

##### Activities

Borregaard was identified as a target for engagement given the company's material dependencies and impacts on nature. The company, which is already relatively advanced in managing nature-related risks, outlined its dependencies on wood, the process of certification, and other areas in which its processes could improve. Our discussion focused on water pollution as well, and the company outlined its clear processes for waste reduction.

##### Outcomes

Borregaard is updating its 2023 reporting to comply with the Taskforce on Nature-related Financial Disclosures (TNFD) and the Taskforce on Climate-related Financial Disclosures (TCFD). It is also progressing with plans to set science-based targets for nature.

##### Next Steps

Impax will continue to monitor Borregaard's alignment with the TNFD framework and its setting of nature-based targets.

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## Case study: Generac



**Company description:** Generac Holdings Inc. manufactures automatic, stationary standby, and portable generators to serve the residential, commercial, industrial, and telecommunications markets around the world. As a leading supplier of generators in the United States, the company plays a pivotal role in climate change adaptation by providing reliable and resilient power in case of extreme climate events like hurricanes or wildfires. The company's fast-growing energy storage business also supports the transition to clean power by facilitating the integration of solar power as a source of electricity.



### Impact

Generac's PWRcell Solar + Battery Storage systems provide back-up power for grid outages. Generac calculates that as of the most recent data available, 162.4 GWh of power were produced by these units during the year, which contributed to over 116,000 metric tons of tCO<sub>2</sub>e of GHG emission avoidance.<sup>1</sup>



### Engagement

#### Climate

##### Objectives

- Collect baseline GHG emissions data (Scope 1 & 2 – Achieved, 2022; Scope 3 – In progress)
- Publicly disclose emissions data in its annual/sustainability report (Achieved, 2023)
- Set science-based emissions reduction targets (In progress)
- Develop robust net-zero transition plan (not started)

##### Activities

In 2022, Impax reached out to Generac specifically regarding climate, given the company's lack of emissions disclosures. In 2023, we followed up as part of our priority outreach on climate to discuss our voting guidelines and increasing expectations in line with our commitments under the Net Zero Asset Managers (NZAM) initiative.

##### Outcomes

Our dialogue with Generac has been constructive and the company's responses to our feedback have been positive. In 2023, the company disclosed its Scope 1 and 2 GHG emissions for the first time. Generac is currently developing ESG roadmaps by priority theme and undertook an in-depth assessment of Scope 3 emissions in 2023. The company intends to disclose the outcome of this exercise, including more detailed Scope 3 emissions data, in line with the Taskforce on Climate-Related Financial Disclosures (TCFD) framework in its 2024 reporting. While in the early stages of developing its climate risk management processes, the company is in the process of integrating climate-related considerations into its strategic planning, risk management cycles and governance structures across its products, operations and supply chain, in line with the TCFD framework. In addition, it has established board level oversight for its ESG strategy, including climate-related risks, and a new senior director has been appointed to oversee its implementation.

##### Next Steps

Generac is currently considering setting internal reduction targets, and we have encouraged use of the Science Based Targets initiative (SBTi) framework as it considers both interim and longer-term net-zero targets. We continue to engage with Generac to improve its climate risk management processes and disclosures.

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