ASSESSMENT
8 February 2023

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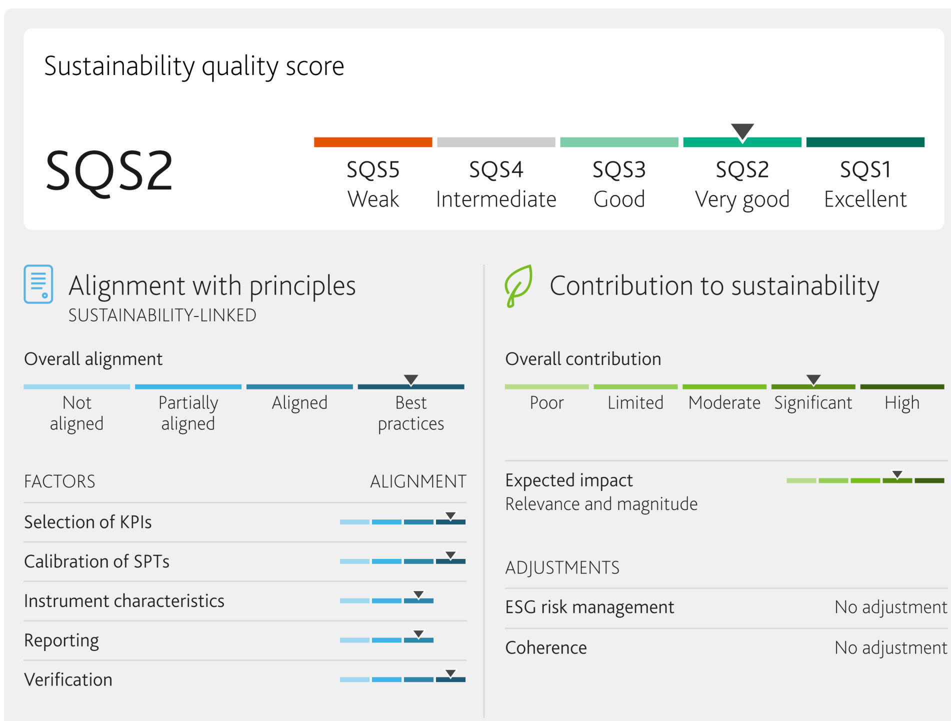
ENEL S.p.A.

Second Party Opinion – Sustainability-Linked Financing Framework Assigned SQS2 Sustainability Quality Score

Summary

We have assigned an SQS2 sustainability quality score (very good) to ENEL S.p.A.'s (Enel) sustainability-linked financing framework, dated 2 February 2023. Enel has created this sustainability-linked financing framework to issue sustainability-linked instruments to finance general corporate purposes and has selected five key performance indicators (KPIs) covering such areas as the reduction of greenhouse gas (GHG) emissions, increase in the share of renewable installed capacity and the alignment of future capital spending with the EU taxonomy. The framework is aligned with the five core components of the International Capital Market Association's Sustainability-Linked Bond Principles (SLBP) 2020 and the Loan Market Association, the Asia Pacific Loan Market Association and the Loan Syndications & Trading Association's (LMA/APLMA/LSTA) Sustainability-Linked Loan Principles (SLLP) 2022. The company also incorporates recommended practices under these principles and all identified best practices. The framework also demonstrates a significant contribution to sustainability.



Scope

We have provided a Second Party Opinion (SPO) on the sustainability credentials of Enel's sustainability-linked financing framework, including the framework's alignment with the ICMA's Sustainability-Linked Bond Principles (SLBP) 2020 and the LMA/APLMA/LSTA's Sustainability-Linked Loan Principles (SLLP) 2022. The main feature of this type of financing is the change in the instruments' financial or structural characteristics, depending on whether or not the issuer achieves predefined sustainability targets.

The company has selected five sustainability KPIs covering such areas as reduction in GHG emissions, increase in the share of renewable installed capacity and the alignment of future capital spending with the EU taxonomy, as outlined in Appendix 2 of this report.

Our assessment is based on the latest updated version of Enel's sustainability-linked financing framework, dated 2 February 2023, and our opinion reflects a point-in-time assessment of the details contained in this version of the document, and other public and non-public information provided by the company.

We produced this SPO based on our Framework to Provide Second Party Opinions on Sustainable Debt, published in October 2022.

Issuer profile

Enel is a leading European utility and the largest electric utility in Italy. It accounted for around 16% of total domestic power generation, 86% of electricity distribution and 37% of the end-customer sales market by volume in Italy in 2020. The company has a widely diversified geographical footprint outside Italy, with a particularly strong presence in Spain and Latin America through various holdings. Enel's renewable activities are operated through its global renewable energies business line, although ownership of its renewable assets may be held by the respective local market entities, such as those in Spain and Latin America.

Enel is an established issuer in the sustainable debt markets, having issued green bonds since 2017 and sustainability-linked instruments since 2019. Further issuance is likely on a significant scale, as the company has publicly communicated that it aims to achieve a 70% share of sustainable financing instruments from all funding sources by 2025. In terms of GHG emission reductions, Enel targets to become net zero across all scopes by 2040.

Strengths

» The KPIs address environmental challenges that are highly relevant for the issuer and the energy sector overall

» The sustainability performance targets (SPTs) are set in accordance with international standards and are considered ambitious in our analysis of contribution to sustainability

» The timeline, baseline, trigger events and interim targets are clearly disclosed

» KPI data will undergo external verification, which will be conducted until the maturity of the respective instruments

Challenges

» Some KPIs, if used on a standalone basis in an issuance, are relatively narrow in scope, limiting the KPIs' relevance

» Commercial paper issued under the framework will not directly link to a financial variation mechanism, although we note that Enel's approach is in line with current market expectations in the absence of formal standards

Alignment with principles

The sustainability-linked financing framework is aligned with the five core components of the SLBP 2020 and SLLP 2022, and incorporates recommended practices under these principles and all identified best practices:

- ◯ Green Bond Principles (GBP)
- ◯ Social Bond Principles (SBP)
- ◯ Green Loan Principles (GLP)
- ◯ Social Loan Principles (SLP)
- ☑ Sustainability-Linked Bond Principles (SLBP)
- ☑ Sustainability Linked Loan Principles (SLLP)

Selection of key performance indicators

Not aligned	Partially aligned	Aligned	Best practices ▼

Definition – ALIGNED

Enel has clearly defined the KPIs, including the units of measurement, the rationale and the process to select the KPIs, the calculation methodologies and coverage. These details are disclosed in Enel's sustainability-linked financing framework, which will be publicly available on the company's website, together with its annual report. The company has selected five KPIs related to reduction in GHG emissions, increase in installed renewable capacity and the alignment of capital spending with the EU taxonomy (see Appendix 2 for details).

Measurability, verifiability and benchmark – BEST PRACTICES

The KPIs selected by the company are measurable and externally verifiable by an independent auditor. The calculation methodologies are consistent and, in case of any changes in the future, the company commits to post-issuance external review of such changes. The definitions of the KPIs rely on external references, such as the GHG Protocol, which allows them to be benchmarked. Historical performance data for the KPIs or their individual components has been disclosed in Enel's public documentation for at least three years, where feasible, and for two years for KPI5 (2021 and 2022), in line with the effective date of the EU taxonomy regulation (Climate Delegated Act).

Relevance and materiality – ALIGNED

The selected KPIs are relevant, core and material to Enel's business strategy for its current and future operations, and reflect relevant sustainability challenges as identified in the company's materiality analysis and as identified by our own analysis. The scope of coverage varies for the different KPIs. Scope 1 GHG emissions from power generation, covered under KPI1, represent around 36% of the group's total carbon footprint, while Scopes 1 and 3 from integrated power emissions, captured under KPI2, make up about 57% of the total. Scope 3 gas retail emissions, covered under KPI3, represent around 20% of the group's total carbon footprint. KPIs 4 and 5 have been assessed to capture 100% of the ESG challenges they address, namely Enel's renewable installed capacity for all its electricity generation business and the alignment with the EU taxonomy of Enel's entire capital spending plan for 2023-25. The degree of relevance and magnitude of the KPIs are analysed in greater detail in the "Contribution to sustainability" section.

Best practices identified

- There is continuity or traceability, with independent verifiers, in case of a change in the methodology used to measure KPIs
- The calculation methodology is consistent and in case of any methodology change, the company will have an external verifier independently confirm that the proposed revision is consistent with the initial level of ambition of the relevant SPT
- The KPIs' definitions explicitly rely on external references, allowing them to be benchmarked
- Disclosure of the externally verified historical performance of KPIs; for example, covering at least the previous three years

Calibration of sustainability performance targets

Not aligned | Partially aligned | Aligned | Best practices

Consistency and ambition – BEST PRACTICES

The company's SPTs are consistent with the issuer's sustainability strategy and demonstrate a material improvement compared with the company's business as usual (BaU) scenario. The lack of three years of historical data on KPI5 does not limit our ability to conduct a BaU analysis, and SPTs indicate planned future improvements compared to the baseline. These improvements include the target to become net zero across all scopes of GHG emissions by 2040, the deployment of a renewable capacity to have a 100% renewable fleet by 2040 and the roll-out of a capital spending plan in alignment with the 2040 net zero targets.

Benchmarking against external references was possible for all KPIs, and Enel is considered among the top performers in its sector. SPTs for KPIs related to GHG emission reductions are aligned with the Science-Based Targets initiative's (SBTi) 1.5°C pathway[1]. The level of ambition of the SPTs are analysed in detail in the "Contribution to sustainability" section.

The means for achieving the SPTs have been disclosed in detail and are considered credible and transparent, including an anticipated exit from coal-based power generation by 2027, an increase in installed renewable capacity of 21 GW (including around 4 GW from Battery Energy Storage Systems) by 2025 and substantial divestments in conventional power generation technologies.

Disclosure – BEST PRACTICES

The timeline, baseline and annual trigger events have been disclosed in the framework. Relevant intermediary targets to allow for sufficient visibility into the KPIs' performance have been set in the form of SPTs for all KPIs. The selected baselines are considered relevant and reliable.

Best practices identified

- Disclosure of the means for achieving the SPTs as well as any other key factors beyond the issuer's direct control that may affect the achievement of the SPTs
- The means for achievement are credible
- Disclosure of the timeline, baseline and trigger events, including relevant intermediary targets
- The selected baselines are relevant and reliable

Instrument characteristics

Not aligned Partially aligned Aligned

Variation of structural characteristics – ALIGNED

The financial variation structure has been clearly defined and will be disclosed to investors and lenders. The exact mechanism and impacts, such as a step-up margin, for each instrument will be detailed in the corresponding documentation and is described in the framework for different types of sustainability-linked instruments. Of note, Enel has stated in their framework that the step-up may not be triggered as a result of specific circumstances outside Enel's control and that a recalculation of SPTs may occur following changes in the calculation methodology or major events having a material impact on Enel Group's structure. In addition, while the commercial paper programme is not directly linked to a financial variation mechanism in case of failure to achieve an SPT, all other types of instruments issued under this framework do possess such a feature. Because the treatment of commercial paper issued under sustainability-linked financing frameworks is still under development by ICMA, LMA and other associations, Enel's approach is in line with current market expectations and we expect a financial impact on the company in case of failure to achieve an SPT via the other instruments to be issued under this framework. The issuer has stated in internal communication that it may revisit its approach to commercial paper as and when standards emerge.

Reporting

Not aligned Partially aligned Aligned

Transparency of reporting – ALIGNED

The company has committed to disclose all relevant information in its public documentation, including information on the performance of KPIs and information enabling investors/lenders to monitor the level of ambition of the SPTs and baselines. Reporting on the KPIs will be published annually and in the event of material changes.

Verification

Not aligned Partially aligned Aligned Best practices

Verification process – BEST PRACTICES

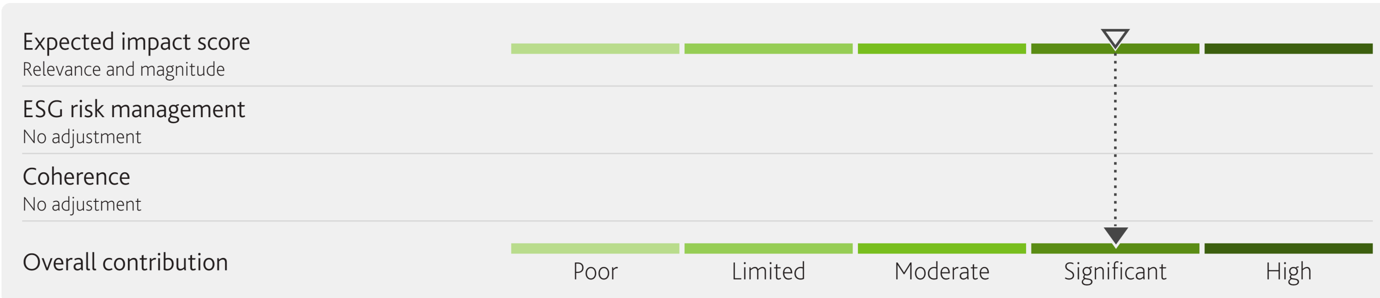
The performance of each KPI against the relevant SPTs will be externally verified on an annual basis and in the event of significant changes affecting the instrument's financial or structural characteristics until the maturity of the instrument. The verification assurance report will be publically available.

Best practices identified

» Verification will be conducted until maturity of the instrument

Contribution to sustainability

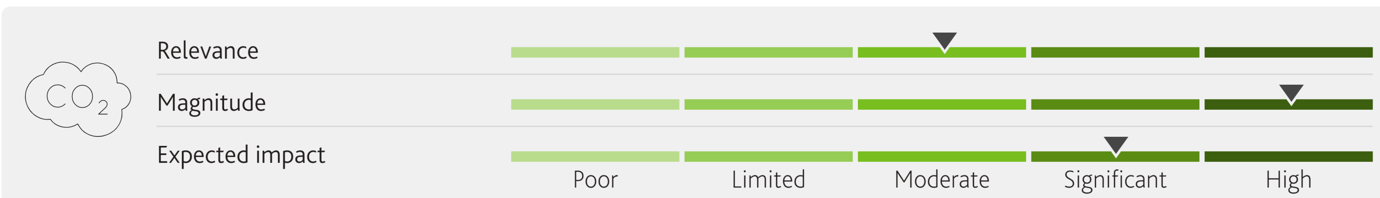
The framework demonstrates an overall significant contribution to sustainability.



Expected impact

The expected impact of the five KPIs and their SPTs on sustainability objectives is considered significant. The KPIs were weighted equally since there is no visibility into each of the issuances' financial structure. A detailed assessment is provided below.

KPI 1 - Scope 1 GHG emissions Intensity relating to Power Generation (gCO_{2eq}/kWh)



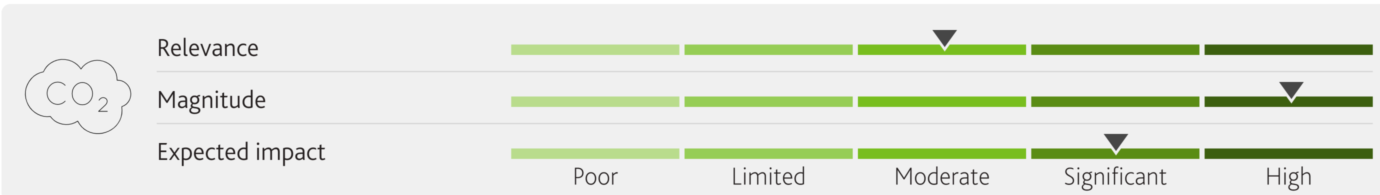
GHG emissions represent the most material issue for the utilities sector. The Intergovernmental Panel on Climate Change (IPCC) highlights that the energy sector is responsible for around two-thirds of global GHG emissions, highlighting the need for a transformation of the world's energy system with an immediate, large-scale shift to renewable energy and energy efficiency, including the dismissal of carbon-intensive power generation units like fossil-fuel-powered plants. Scope 1 emissions from the combustion of fossil fuels (coal, gas and oil) are therefore considered one of the major environmental issues in the electricity production process. However, to effectively pursue efforts to limit global warming to 1.5°C as defined in the Paris Agreement, it is important to address the entire carbon footprint across all Scope 1, 2 and 3 emissions. Scope 1 emissions from power generation accounted for about 36% of Enel's total in 2021. If used on a standalone basis, KPI1 would not address the majority of Enel's carbon footprint, which explains the moderate relevance of the KPI. The issuer has included three GHG emissions-related KPIs in the framework that together cover a significant share of Enel's carbon footprint (approximately 77% of 2021 GHG inventory). However, the issuer has not committed to use two or more KPIs together, which would increase the coverage of the company's impact due to GHG emissions.

The magnitude of the SPTs related to KPI1, which reflects their ambition, is considered high, based on a combination of benchmarking approaches. Enel has actively reduced Scope 1 emissions from power generation over recent years with an average annual reduction of 14.3% over 2017-21. Further reductions in the short term (i.e., until 2025) are likely to take place at an even higher pace to reach the targeted CO_{2eq}/kWh intensity ratios defined for the SPTs in 2023, 2024 and 2025. Although the average annual reduction rate between 2022 and 2030 is likely to be slightly below the pace observed between 2017 and 2021, it remains comfortably in the double-digit-percentage range before reaching zero by 2040, highlighting a material improvement from the BaU scenario.

As one of the few electric utilities that have set science-based net zero targets (certified by the SBTi), Enel is considered to be in line with top performers of its sector in terms of GHG emission reduction targets. This holds true for the SPTs defined under KPI1. Enel's medium-term target of an 80% decrease in Scope 1 emissions from power generation by 2030 from a 2017 baseline is roughly on par with Iberdrola SA's (Iberdrola) medium-term target of an 83% reduction by 2030 from the 2021 baseline, although we note that Iberdrola's target includes Scope 2 emissions in addition to Scope 1 emissions from power generation. However, Enel's long-term target of achieving 0 gCO_{2eq}/kWh by 2040 (i.e., a 100% reduction) is considered more ambitious than that of Iberdrola to reduce Scope 1 emissions from power generation and Scope 2 emissions by 84% by 2039 from a 2020 baseline. EDP – Energias de Portugal S.A. (EDP) and Ørsted both target reductions in their Scope 1 and 2 emissions of 98% by 2030 (from a 2015 baseline) and 2025 (from a 2006 baseline), respectively. These medium-term targets are considered to be more ambitious than those of Enel. Ørsted's long-term target to reduce Scope 1 and 2 emissions by 99.8% by 2040 is considered to be in line with Enel's long-term target of a 100% reduction given its broader scope.

As for international standards, Enel's mid- and long-term SPTs for 2030 (72gCO_{2eq}/kWh) and 2040 (0gCO_{2eq}/kWh) have been certified by the SBTi as being in line with the 1.5°C pathway trajectory, which implies alignment with the most ambitious Paris Agreement goals. Furthermore, the company's short-term SPTs for 2023, 2024 and 2025 are considered aligned with SBTi's 1.5°C pathway based on IPCC scenarios and tailored to the applicable KPI baseline, providing further evidence of the high level of ambition of KPI1.

KPI2 - Scope 1 and 3 GHG emissions Intensity relating to Integrated Power (gCO_{2eq}/kWh)



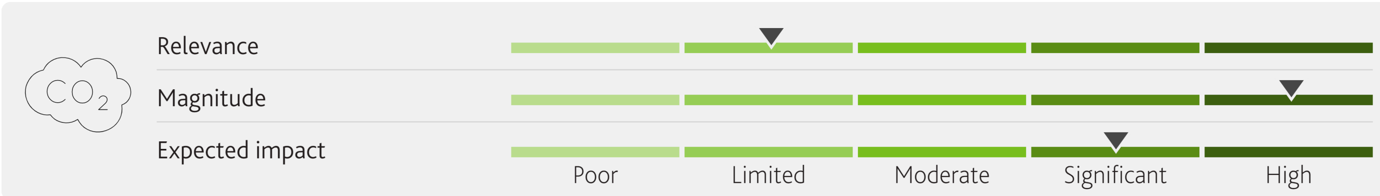
The relevance of KPI2 – Scope 1 and 3 GHG emissions intensity relating to integrated power, covering Scope 1 emissions from power generation and Scope 3 emissions from end consumers of the purchased electricity, is moderate. As established under KPI1, GHG emissions are a highly relevant issue for both Enel and the utilities sector overall. The share of the emissions covered under this KPI represented about 57% of Enel's carbon footprint in 2021. If used on a standalone basis, KPI2 has the capacity to address a material share of Enel's carbon footprint but not most of it, which explains the moderate relevance of the KPI.

The magnitude of the SPTs related to KPI2, reflecting their ambition, is considered high, based on a combination of benchmarking approaches. Enel has actively reduced Scope 1 emissions from power generation and Scope 3 emissions from end consumers of the purchased electricity over recent years, with an average annual reduction rate of 13.6% between 2017 and 2021. Although this pace is not likely to be sustained for the short- and medium-term SPTs in 2025 and 2030, average annual reductions in the double-digit-percentage range are likely, ultimately leading to 0gCO_{2eq}/kWh by 2040. We consider this a material improvement from a BaU scenario, which would not entail reduction rates for Scope 1 and 3 integrated power emissions observed over recent years.

As established before, Enel is among the few electric utilities that have set science-based net zero targets (certified by the SBTi) and therefore is considered to be among the top performers in terms of GHG emission reduction targets in its sector. More specifically, Enel's SPTs for 2030 and 2040 target 78% and 100% reductions in Scope 1 and 3 emissions from fuel- and energy-related activities covering all sold electricity from a 2017 baseline, respectively. These are comparable to the targets formulated by Iberdrola, targeting a reduction of 85% in such emissions by 2030 and of 95% by 2039, from a 2020 baseline.

Enel's medium- and long-term SPTs for 2030 (73gCO_{2eq}/kWh) and 2040 (0gCO_{2eq}/kWh) have been certified by the SBTi as being in line with a 1.5°C pathway trajectory, which implies alignment with the most ambitious Paris Agreement goals. The short-term SPT for 2025 is considered aligned with SBTi's 1.5°C pathway based on IPCC scenarios and tailored to the applicable KPI baseline, providing further evidence of the high level of ambition of KPI2. To date, the SBTi does not classify Scope 3 targets by temperature. However, the SBTi mentions that they review scope 3 ambition to ensure it meets the temperature alignment or supplier engagement specifications outlined in the SBTi criteria. In addition, Moody's Analytics temperature alignment research, which covers Scope 1, 2 and 3 emissions using sector decarbonisation approach, considers the company's targets are in line with a 1.5°C scenario.

KPI3 - Absolute Scope 3 GHG emissions relating to Gas Retail ($MtCO_{2eq}$)



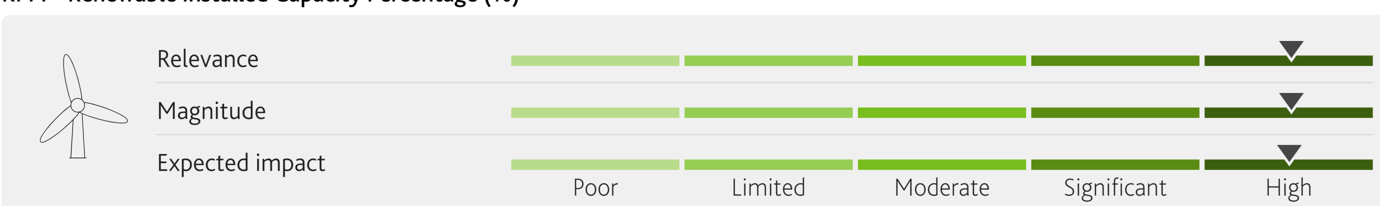
The relevance of KPI3 – Absolute Scope 3 GHG emissions relating to gas retail, covering emissions from end consumers of the purchase gas, is limited. As established under KPI1, GHG emissions are a highly relevant issue for both Enel and the utilities sector overall. The emissions covered under this KPI represented around 20% of Enel's carbon footprint in 2021 and do not include Scope 1 and Scope 2 emissions, and material parts of the company's Scope 3 emissions. If used on a standalone basis, KPI3 has the capacity to address a limited share of Enel's carbon footprint, which explains the limited relevance of the KPI.

The magnitude of the SPTs related to KPI3, reflecting their ambition, is considered high, based on a combination of benchmarking approaches. Enel has actively reduced Scope 3 gas retail emissions over recent years with an average annual reduction rate of 3.1% between 2017 and 2021. Enel is likely to accelerate the reduction in such emissions with higher and materially higher average annual reduction rates for its short- and medium-term SPTs in 2025 and 2030, respectively. The company's long-term target is to reduce Scope 3 gas retail emissions to zero by 2040. We consider this a material improvement from a BaU scenario.

As established before, Enel is among the few electric utilities that have set science-based net zero targets (certified by the SBTi) and therefore is considered to be among the top performers in terms of GHG emission reduction targets in its sector. More specifically, Enel's SPT for 2030 and 2040, targeting 55% and 100% reductions in Scope 3 emissions from the use of sold products from a 2017 baseline, respectively, compare favourably with the targets formulated by Iberdrola, targeting a reduction of 42% in such emissions by 2030 and of 90% by 2039, from a 2020 baseline. Similarly, Ørsted has committed to a 90% reduction in Scope 3 emissions from the use of sold products by 2040 from a 2018 baseline, somewhat below the levels targeted in Enel's long-term SPT.

Enel's medium- and long-term SPTs for 2030 ($11.4MtCO_{2eq}$) and 2040 ($0MtCO_{2eq}$) have been certified by the SBTi as being in line with a 1.5°C pathway trajectory, which implies alignment with the most ambitious Paris Agreement goals underlining the high level of ambition of KPI3. To date, the SBTi does not classify Scope 3 targets by temperature. However, the SBTi mentions that they review scope 3 ambition to ensure it meets the temperature alignment or supplier engagement specifications outlined in the SBTi criteria. In addition, Moody's Analytics temperature alignment research, which covers Scope 1, 2 and 3 emissions using the sector decarbonisation approach, considers the company's targets are in line with a 1.5°C scenario.

KPI4 - Renewable Installed Capacity Percentage (%)



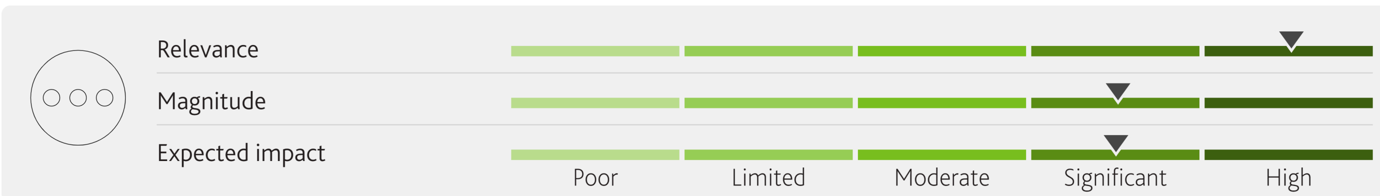
The relevance of KPI4 is considered high. The transition towards renewable energy represents the most material challenge for the company and its sector. This KPI covers the whole electricity generation business activity of the group (covering conventional generation and renewables through Enel Green Power), whose revenue accounted for 43.9% of the group's revenue in 2020. Enel has set a corporate commitment to not only sell electricity produced 100% from renewable sources by 2040, but also to exit the gas sales business by the same year and gradually phase out coal-fired generation by 2027 – addressing both sides of the challenge to achieve full decarbonisation.

The magnitude of the SPTs related to KPI4, which reflects their ambition, is also considered high. The issuer's SPTs represent a consistent and material improvement compared to the company's BaU scenario, despite a lower average annual reduction from 2021 to 2040 (3.2%) compared to the past performance during 2017-21 (5.9%).

Peer benchmarking shows that Enel's SPT4 aligns with the sector's top performers. Enel has increased its 2030 SPTs to 85%, which seems slightly less ambitious than EDP's renewable installed capacity target to reach 100% by the same year. However, most peers only commit to increase renewable capacity in absolute terms of GW, without a percentage against their total capacity generation, which limits full visibility. Furthermore, few companies have a renewable installed capacity target linked to a reduction in fossil-fuel-based electricity generation, like Enel's commitments, which we find to be more ambitious than absolute increases in renewable GW capacity.

The SPTs go beyond sector standards. The International Renewable Energy Agency (IRENA) estimates that to meet the objectives of the Paris Agreement, the share of renewable energy in the power sector would need to increase from 25% in 2017 to 86% in 2050. Meanwhile, according to International Energy Agency's (IEA) Net Zero Scenario, the share of renewables worldwide in electricity and heat sectors will reach 43% in 2030 and 77% by 2050[2]. Enel's target to achieve 65% of its power generation from renewables by 2023 and 100% by 2040 is therefore much higher than the IEA's Net Zero Scenario.

KPI5 - Proportion of CAPEX aligned to the EU Taxonomy (%)



The relevance of this KPI is considered high since it reflects 100% of Enel's capital spending plan for 2023-25, and the EU taxonomy alignment is a necessary tool to support companies in their transition to climate neutrality and a sustainable economy.

The magnitude of the SPTs related to KPI5, which reflects their ambition, is considered significant, due to a combination of benchmarks. Given the adoption of the EU Taxonomy Regulation (2020/852) in June 2020, and the publication of the Climate Delegated Act in 2021, the availability of Enel's audited historical data in 2021 (84.7%; in 2022: 84.6%) is considered above peers' reporting disclosures. Still, the SPT5 ambition to reach a minimum of 80% in 2023-25 would demonstrate a trend aligned with the issuer's BaU scenario.

Compared to peers, few top performers in the sector (such as EDP) have corporate commitments to have their capital spending EU taxonomy aligned, which limits the ability to benchmark but also demonstrates per se that Enel's targets are more ambitious than those of most competitors.

Since January 2023, large financial and non-financial companies that fall under the scope of the Non-Financial Reporting Directive need to report their company KPIs (turnover, capital spending and operating expenses) and not just their taxonomy-eligible activities. Therefore, Enel's SPT5 seems to go beyond the EU taxonomy regulation, one of the most stringent in the sector.

ESG risk management

We have not applied a negative adjustment for ESG risk management to the expected impact score. The KPIs defined in the framework are unlikely to lead to any associated environmental or social negative externalities.

Coherence

We have not applied a negative adjustment for coherence to the expected impact score, as the company's strategy is well aligned with the targets under this framework.

Appendix 1 - Mapping eligible categories to the United Nations' Sustainable Development Goals

The KPIs included in Enel's sustainability-linked financing framework are likely to contribute to two of the United Nations' (UN) Sustainable Development Goals (SDGs), namely:

UN SDG 17 Goals	KPI	SDG Targets
GOAL 7: Affordable and Clean Energy	Renewable Installed Capacity Percentage (%)	7.2: Increase substantially the share of renewable energy in the global energy mix
GOAL 7: Affordable and Clean Energy		7.3: Double the global rate of improvement in energy efficiency
GOAL 13: Climate Action	Scope 1 GHG emissions Intesity relating to Power Generation (gCO2eq/kWh) Scope 1 and 3 GHG emissions Intensity relating to Integrated Power (gCO2/kWh) Absolute Scope 3 GHG emissions relating to Gas Retail (MtCO2eq) Proportion of CAPEX aligned to the EU Taxonomy (%)	13.3: Improve awareness and human and institutional capacity on climate change mitigation, adaptation and impact reduction

The UN's SDGs mapped in this SPO consider the key performance indicators and associated sustainability objectives/benefits documented in the company's sustainability-linked financing framework, as well as resources and guidelines from public institutions, such as the ICMA SDG Mapping Guidance and the UN SDG targets and indicators.

Appendix 2 - Summary of KPIs in Enel's sustainability-linked financing framework

KPI	SPTs	Sustainability Objectives	Unit
Scope 1 GHG emissions Intensity relating to Power Generation (gCO2eq/kWh)	2023: 148gCO2eq/kWh 2024: 140gCO2eq/kWh 2025: 130gCO2eq/kWh 2030: 72gCO2eq/kWh 2040: 0gCO2eq/kWh	Climate change mitigation	gCO2eq/kWh
Scope 1 and 3 GHG emissions Intensity relating to Integrated Power (gCO2eq/kWh)	2025: 135gCO2eq/kWh 2030: 73gCO2eq/kWh 2040: 0gCO2eq/kWh	Climate change mitigation	gCO2eq/kWh
Absolute Scope 3 GHG emissions relating to Gas Retail (MtCO2eq)	2025: 20.9MtCO2eq 2030: 11.4MtCO2eq 2040: 0MtCO2eq	Climate change mitigation	MtCO2eq
Renewable Installed Capacity Percentage (%)	2023: 65% 2024: 66% 2025: 76% 2030: 85% 2040: 100%	Climate change mitigation	%
Proportion of CAPEX aligned to the EU Taxonomy (%)	2023-2025: 80%	Climate change mitigation	%

Moody's related publications

Second Party Opinion analytical framework:

» Framework to Provide Second Party Opinions on Sustainable Debt, October 2022

Topic page:

» ESG Credit and Sustainable Finance

Endnotes

1 The SBTi's framework to assess company targets on their consistency with the Paris Agreement and limiting warming to 1.5°C

2 https://iea.blob.core.windows.net/assets/830fe099-5530-48f2-a7c1-11f35d510983/WorldEnergyOutlook2022.pdf

Moody's assigns SPOs in alignment with the main tenets of the ICMA Guidelines for Green, Social, Sustainability and Sustainability-Linked Bonds External Reviews and the LSTA/LMA/APLMA Guidance for Green, Social and Sustainability-Linked Loans External Reviews, as applicable; Moody's practices may however diverge in some respects from the practices recommended in those documents. Moody's approach to assigning SPOs is described in its Assessment Framework, and is subject to the ethical and professional principles set forth in the Moody's Investors Service Code of Professional Conduct.

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REPORT NUMBER 1355238