ASSESSMENT
3 December 2025

Send Your Feedback

Contacts

Frank Medrisch, CFA
VP-Senior Analyst
frank.medrisch@moodys.com

Alice Presotto
Associate Lead Analyst
alice.presotto@moodys.com

Adriana Cruz Felix
SVP-Sustainable Finance
adriana.cruzfelix@moodys.com

A2A S.p.A.

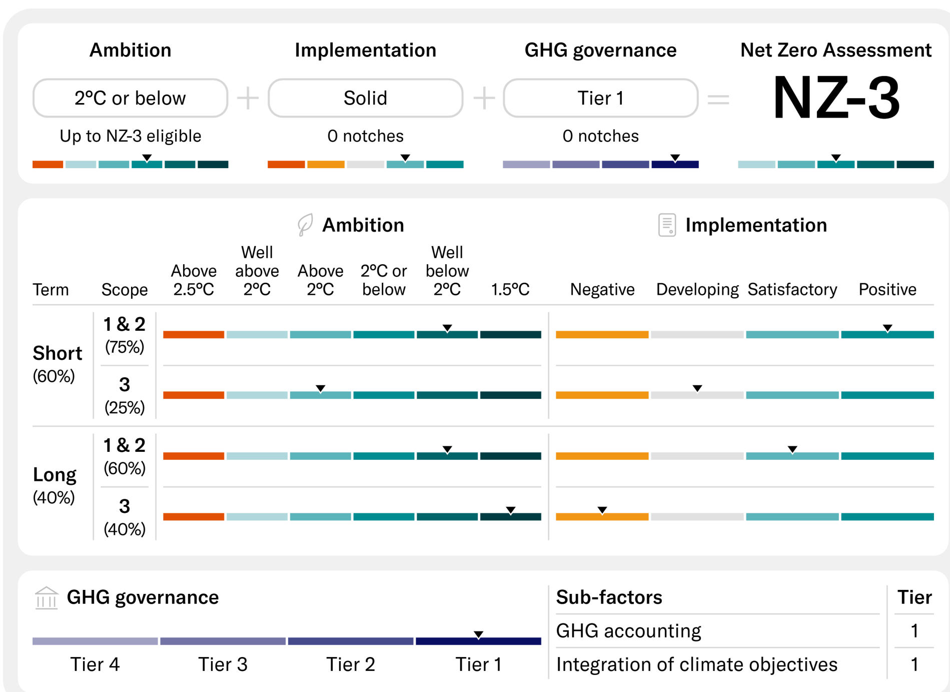
Net Zero Assessment Update - A2A S.p.A. remains NZ-3

Summary

We have mantained the NZ-3 net zero assessment (NZA) score (significant) - originally assigned in February 2025 - to A2A S.p.A.'s (A2A's) carbon transition plan. The group's emission reduction targets are consistent with an ambition to limit temperature increases to 2 degrees Celsius (C) or below on our scoring scale (i.e., within a 1.80 C to 2.05 C temperature range). A2A's implementation is solid, meaning that it is consistent with delivering such level of ambition.

A2A has eliminated coal power production since 2023, aligning its emissions reduction efforts with multiple interim targets across the organization. Over the past seven years, the group has consistently reduced the GHG intensity of its power generation. However, its growth strategy poses challenges for achieving absolute emissions reduction targets, particularly for scope 3 emissions. Additionally, long term carbon intensity reductions depend on the decarbonisation of waste-to-energy plants, which will rely heavily on somewhat uncertain carbon capture technologies.

Despite these uncertainties, our score reflects the meaningful likelihood that the company will reduce emissions levels towards those required under decarbonization pathways that limit global warming to 2 C.



NZA strengths

- Scope 1 and 2 targets aligned with 'well below 2C' pathway
- Coal-free since 2023, track record of reducing greenhouse gas intensity of power generation in the last 7 years
- Emissions reduction plan supported by multiple interim targets across the organization
- Almost zero waste-to-landfill avoids emissions of methane, a potent greenhouse gas

NZA weaknesses

- Long term reduction of scope 3 emissions depends on passive decarbonization
- Aggressive growth strategy complicates achievement of scope 3 absolute targets
- Pace of renewables installation has slowed down, needs to increase to meet targets
- Dependence on carbon capture technology to decarbonize waste-to-energy plants in the long term
- Frequent tweaks in targets complicates assessment of track record

What could strengthen or weaken the NZA?

▲ A significant reversal in the trend of increasing gas sales could improve implementation scores

▲ The ambition score could improve if the company would include a higher share of scope 3 emissions in its short-term targets.

▼ Lower-than-expected deployment of renewables or a persistent rebound in thermal electricity production could worsen the implementation score

▼ A continuation of increasing gas sales in 2025 could lower confidence in reducing scope 3 and worsen the implementation score

This assessment reflects our point-in-time opinion of the company's carbon transition plan as of the publication date of this report. Our view draws on public and non-public information provided by the company and is based on our Net Zero Assessments framework, published on 9 November 2023.

Entity profile

A2A is the largest multi-utility and the fourth-largest electricity generator in the Italian market (it produced 14 terawatt hours [TWh] of electricity in 2024, including waste-to-energy [WTE] generation). A2A's main shareholders are the city of Milan and the city of Brescia, each holding a 25% stake. The group is also listed on the Milan Stock Exchange.

The group is active in power generation, the sale and distribution of electricity and gas; waste collection and treatment; the cogeneration and sale of heat, district heating networks, and heat management services; e-mobility; integrated water services; public lighting; and energy efficiency.

A2A's revenue was €12.9 billion in 2024, and its reported EBITDA was €2.3 billion through its Generation and Trading (2024: 42% of total EBITDA), Market (20%), Waste (18%), and Smart Infrastructure (24%) business units.

The largest contributors to GHG emissions are their power generation activities, including fossil-fired and WTE plants, as well as the sale of natural gas to residential and commercial customers. Power generation activities impact scope 1 emissions, which made up around 30% of total emissions in 2023 and 25% in 2024. Gas sales impact scope 3 through the 'use of sold products' category, which represented around 33% of total emissions in 2023 and 36% in 2024.

Exhibit 1 shows A2A's GHG inventory. For our current analysis, A2A has corrected and expanded its reporting of scope 3 emissions, and has confirmed that it plans to re-state its reported scope 3 numbers for 2023 and 2024 in its next sustainability disclosures. Accurate reporting of 2023 scope 3 numbers is especially important and will remain very relevant for many years, given that this is the baseline year for their scope 3 targets.

Exhibit 1

A2A's carbon footprint derives predominantly from power and heat generation, and gas sales

A2A's GHG inventory, scope 1,2 and 3 (2023 and 2024)

Activity	Scope/Category	GHG emissions 2023	GHG emissions 2024	Track record 23-24	% of emissions 2023	Target 2030	Target 2035	Target 2050
Direct emissions from owned or controlled assets	**Scope 1**	**5,600,628**	**4,620,312**	**-17.5%**	**30%**	**See "Carbon intensity" table**		
Indirect emissions from purchased electricity and heat	**Scope 2 - market-based**	**108,261**	**92,152**	**-14.9%**	**1%**			
Other indirect emissions from the value chain	**Scope 3**	**12,908,524**	**13,506,858**	**4.6%**	**69%**			
Purchased goods and services	Category 1	549,452	632,639	15.1%	3%	-15%**	-30%**	
Upstream emissions of natural gas purchased for sale	Category 3*	1,020,571	1,169,729	14.6%	5%			
Upstream emissons from fuels used in power generation and other	Category 3	1,078,739	930,485	-13.7%	6%	-40%**	-60%**	*"Net zero" ****
Electricity purchased to be re-sold (market-based) and other	Category 3	3,141,288	3,223,024	2.6%	17%			
Waste generated in operations	Category 5	216,711	269,034	24.1%	1%			
Upstream leased assets	Category 8	431,103	445,899	3.4%	2%			
Use of sold products (gas)	Category 11	6,227,214	6,475,836	4.0%	33%	-14%**	-22%**	
Investments	Category 15	243,446	360,212	48.0%	1%			
Total		**18,617,413**	**18,219,322**	**-2.1%**	**100%**			

*The company positions this item within category 1.
**The base year of scope 3 targets is 2023.
***A2A has privately defined 'net zero' to mean at least a 90% reduction in gross emissions against a 2023 baseline. (See the 'Company GHG emissions reduction targets' section for more details)
Source: Company reports, A2A, Moody's Ratings

Since 2017, the company has added approximately 0.6 GW of solar and wind capacity, bringing total renewable generation—including hydropower—to 2.6 GW, while fully phasing out coal-fired power plants. As a result, reported carbon intensity fell by 33% between 2022 and 2024 and 39% since 2017. Exhibit 2 illustrates the evolution of carbon intensity since 2021. It shows the evolution for both the reported carbon intensity key performance indicator (KPI) and a new KPI under assessment which has a more comprehensive coverage of emissions.

Exhibit 2

A2A's carbon intensity of power and heat has declined in the past few years

Carbon intensity KPIs for A2A since 2021

Activity	Scope	gCO2/kWh 2021	gCO2/kWh 2022	gCO2/kWh 2023	gCO2/kWh 2024	gCO2/kWh 2030 target	gCO2/kWh 2035 target
Reported KPI*: Carbon intensity of power and heat generation (gCO2/kWh)	Scope 1 and 2	332	385	318	258	226	NA
Assessed KPI: Carbon intensity of power and heat generation (gCO2/kWh)	Scope 1 and 2	311**	357	298	236	228	161

*Reported KPI excludes the emissions from Smart Infrastructure business unit. A2A has confirmed that it will report the track record and new data for the assessed KPI from its next sustainability statement. **Estimated based on proportionality of 2022-24 data. We do not have data from before 2022 for this KPI. For our analysis throughout the report, including in the implementation component, we have assumed proportionality to assess the historical track record of this new KPI.

Source: Company reports, A2A, Moody's Ratings

In 2023, A2A completed the phase-out of its last coal plant in Monfalcone and plans to close its remaining oil-fired power plant at San Filippo del Mela by 2027. In March 2024, the company strengthened its position in electricity distribution by acquiring major assets in Northern Italy from Enel, aiming to benefit from stable, regulated returns. A substantial share of its €23 billion investment plan for 2024–2035 is allocated to network infrastructure, which somewhat limits flexibility for accelerating renewable energy deployment. The strategy also includes expanding WTE generation by approximately 24% by 2035 and increasing overall power output by about 10% compared with the 2022–2024 average.

A2A's business strategy emphasizes growth through retail customer expansion and waste treatment services, while exploring opportunities in international markets and data centers. The company has set interim emissions reduction targets for 2025, 2027, 2030, and 2035, addressing key sources of emissions. In addition, A2A has committed to achieving net zero across all three scopes—1, 2, and 3—by 2050.

The following are A2A's main commitments with regards to GHG reduction:

» **By 2030 and 2035:**

  – Reduce carbon intensity of power and heat generation to 228 gCO2/kWh by 2030 and 161 gCO2/kWh by 2035

  – Reduce absolute scope 3 category 1 (supplier) emissions 15% by 2030 and 30% by 2035, compared to 2023

  – Reduce absolute scope 3 category 3 (upstream fuels used in power production) emissions 40% by 2030 and 60% by 2035, compared to 2023

  – Reduce absolute scope 3 category 11 (use of sold products) emissions 14% by 2030 and 22% by 2035, compared to 2023

» **By 2050:**

  – Achieve 'net zero' absolute GHG emissions.

    › The company has committed to publicly define 'net zero' to mean at least 90% gross emissions[1] reduction in absolute emissions compared to a 2023 base year, across scopes 1, 2 and 3 combined, with the remaining residual emissions being neutralized by carbon removals.

Ambition assessment — 2 C or below

Overall, we assess A2A's emissions reduction targets as aligned with limiting global temperature increases to 2°C or below, corresponding to a range of approximately 1.80°C to 2.05°C under our scoring scale.

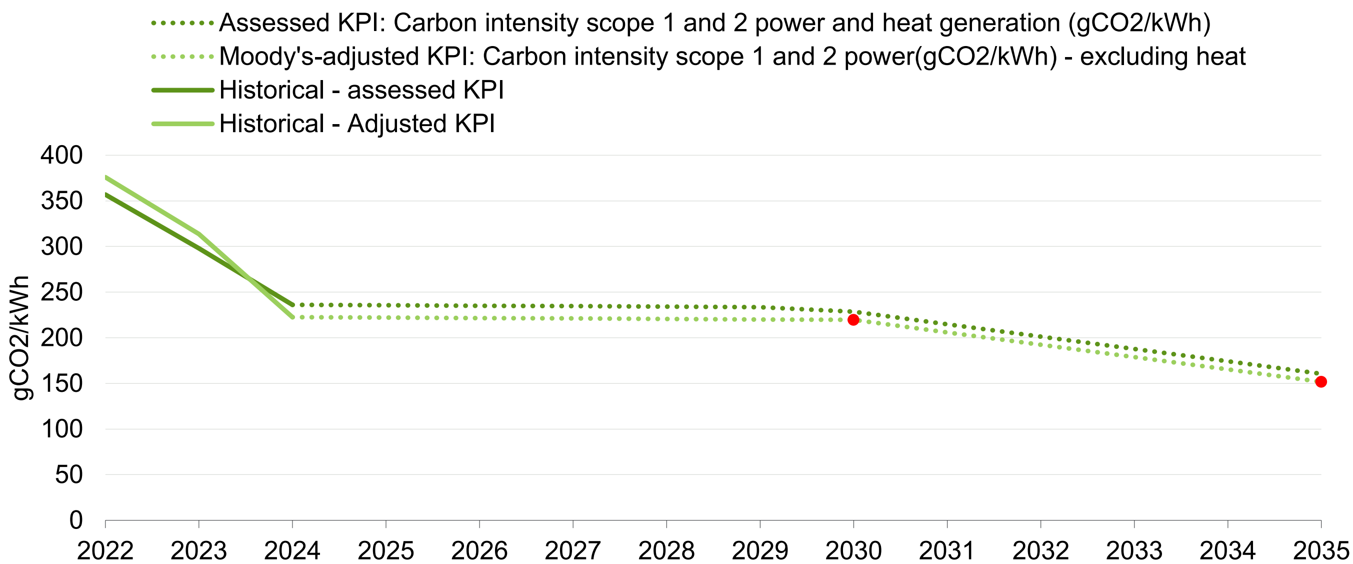
For short-term targets, A2A has set goals for 2030 and 2035. In line with our framework, we use the 2030 targets as the basis for our short-term scoring.

For Scope 1 and 2, both short- and long-term targets are evaluated against our *global power sector carbon intensity benchmark*, which reflects expected sector-wide decarbonization trends. To ensure comparability with the benchmarks, we have adjusted A2A's trajectory by excluding emissions and energy from heat production. This adjustment results in a slightly different pathway, as illustrated in Exhibit 3.

Exhibit 3

Trajectory has been adjusted to exclude heat

Historical and targeted carbon intensity trajectories, actual and Moody's-adjusted



Source: A2A, Moody's ratings

For A2A's short-term targets covering different Scope 3 sources, we assessed each individually against the most relevant benchmarks and then calculated a weighted average of the results:

» Supplier emissions: Evaluated against our *whole-economy absolute emissions benchmark*, which is appropriate for diversified sources of emissions.

» Upstream fuel emissions: Compared to our *oil and gas absolute upstream emissions benchmark*, reflecting emissions from fossil fuel extraction.

» End use of sold products (largest contributor): Assessed using our *oil and gas absolute downstream emissions benchmark*, which captures emissions from the combustion phase of fossil fuels.

For the combined 'net zero' target across Scopes 1, 2, and 3—a 90% reduction by 2050, compared with 2023—we relied on company-provided estimates to allocate reductions between scopes:

» Scope 1 and 2 emissions are projected to decline by 98.2% vs 2023.

» Scope 3 emissions are projected to fall by 86.4% vs 2023.

We compared the estimated long-term Scope 3 decline against our *global oil and gas absolute upstream and downstream emissions benchmark*, which incorporates expected trajectories for both extraction and combustion of fossil fuels. This benchmark was chosen because A2A's Scope 3 emissions are primarily driven by gas-related extraction and combustion.

For Scope 1 and 2, we converted the 2050 absolute emissions projection into a carbon intensity trajectory and compared it against our *global power sector carbon intensity benchmark*.

Short-term scope 1 and 2 — Well-below 2 C
A2A's target of reducing the carbon intensity of power generation to 228 gCO2e/kWh (220 gCO2/kWh as adjusted by Moody's) in 2030 is in line with a global well-below 2 C trajectory (see exhibit 4)

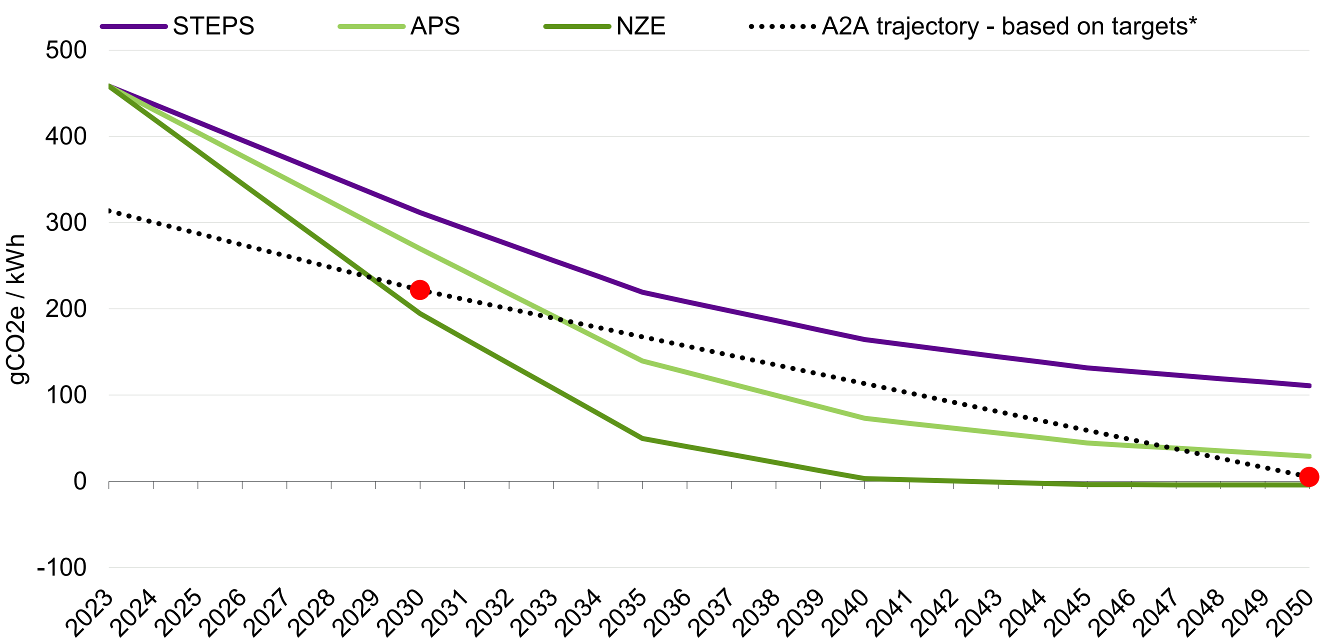
Short-term scope 3 — Above 2 C
The company's 2030 targets to reduce supplier emissions by 15%, upstream energy emissions by 40% and use of sold products emissions by 14%, compared to 2023, are together aligned with a well-below 2C global pathway.

However, the score has been adjusted down by two notches given that the amount of emissions covered by the target as of the base year 2023 represents less than 65% of scope 3 emissions. This two-notch adjustment results in an ambition score of above 2 C.

Long-term scope 1 and 2
We assess the long-term scope 1 and 2 target as being aligned with a global well-below 2C trajectory, as shown in exhibit 4.

Long-term scope 3
We assess the long-term scope 3 target as being aligned with a global 1.5C trajectory.

Exhibit 4
A2A's scope 1 and 2 targets are aligned with a global well-below 2 C trajectory
Scope 1 and 2 trajectory implied by A2A's targets compared with the power generation carbon intensity benchmark, in gCO2e/kWh



*Trajectory adjusted to exclude heat.
Source: A2A S.p.A. and Moody's Ratings

Implementation assessment — Solid

We assess A2A's overall implementation quality as solid. The company aims to play a key role in advancing EU competitiveness objectives through investments in innovation, decarbonization, and resource autonomy. For A2A, this means deploying new decarbonization technologies, strengthening and expanding electricity infrastructure to support clean electrification, and continuing investments in recycling and material recovery.

The 2024–2035 strategic plan allocates €23 billion in combined capital expenditure, including €16 billion for projects which A2A identifies as related to the energy transition and €7 billion for projects identified as related to circular economy. Within the energy transition category, significant investments will focus on electricity networks and the development of wind and solar projects, supporting Italy's clean electrification. While network upgrades are critical enablers of the energy transition, they do not directly reduce A2A's reported carbon emissions or contribute to its carbon targets. Other initiatives include energy storage and charging infrastructure.

In the circular economy category, A2A plans to increase waste treatment capacity in its operating regions, including WTE. The company has set supportive targets to boost recycling and sorting rates, mitigating environmental impacts from rising waste levels. Investments also include biogas and biomethane production. Additionally, A2A's new data center vertical will offer design, development, and operational services, incorporating heat recovery to reduce emissions in residential and industrial processes that would otherwise rely on carbon-intensive sources.

However, the company expects to increase WTE power and heat production, which is a carbon-intensive activity. Positively, A2A intends to maintain negligible landfill disposal, partly due to higher energy recovery. Landfilling is generally more harmful because of methane emissions, although methane capture could reduce this impact.

The strategic plan also targets significant market share growth and an expanded operating footprint, including more retail and commercial customers, additional WTE facilities, and district heating plants. This growth strategy may complicate the achievement of certain goals, particularly Scope 3 targets based on absolute emissions.

Short-term scope 1 and 2 — Positive

We assess A2A's implementation of scope 1 and 2 targets in the short term as positive, meaning we expect that the company will meet at least 90% of its targeted reduction compared to baseline (2017). Our positive assessment reflects the company's progress in reducing emissions from power generation, particularly coal-related. Carbon intensity has fallen by 34% over the past two years to 236 gCO_2/kWh, achieving over 90% of the 2030 target (228 gCO_2/kWh) compared with the 2017 baseline. While 2024 benefited from unusually favorable hydro conditions, performance between 2017 and 2023 was also strong, with roughly 64% of the target achieved (from ~425 gCO_2/kWh in 2017).

Looking ahead, carbon intensity is expected to rebound through 2027 as hydro conditions normalize and the converted Monfalcone combined cycle gas turbine (CCGT) plant (formerly coal) comes online. However, intensity should decline again in the latter part of the decade, supported by the planned closure of the San Filippo del Mela oil plant in 2027, growing wind and solar capacity, and lower natural gas load factors.

The positive score also reflects A2A's strategic plan, which allocates €3.7 billion to renewables through 2035. Although renewable deployment has slowed in the past two years due to permitting delays, weaker incentives, and higher costs, A2A maintains a robust pipeline of over 2 GW—well above the 1.2 GW needed to reach its 2030 target of 3.8 GW (including hydro).

While gas capacity will increase, we expect utilisation to remain limited as Italy's grid integrates more renewables and strengthens interconnections. By 2030, CCGT and WTE output by A2A may increase to 11.7 TWh from around 10 TWh in the last three years. Nevertheless, with coal and oil phased out and renewables expanding, A2A is on track to achieve at least 90% of its targeted reduction in carbon intensity (from 425 gCO_2/kWh in 2017 to 228 gCO_2/kWh in 2030) for Scope 1 and 2 emissions.

Short-term scope 3 — Developing

We assess A2A's implementation of scope 3 targets in the short term as developing, meaning we expect that the company will meet between 66% and 75% of its targeted reduction compared to the baseline (2023). The developing score is primarily based on the uncertainties regarding the evolution of gas sales, which represents over three quarters of targeted emissions. Positively, the company provides significant public guidance and targets to support this objective, but we view the implementation of its plan as largely beyond its control.

While baseline 2030 scenarios for Italy's energy system anticipate a decrease in the use of gas broadly in line with A2A's stated objectives, the company intends to achieve this level of reductions while increasing its market share, meaning that its absolute emissions reductions may not decrease in line with the market use of gas. In addition, aggregate gas sales by A2A in Italy have almost tripled since 2014. They have consistently increased almost every year in the last 10 years. We have limited visibility regarding how this trend can reverse so materially.

A2A plans to increase its customer base to 5 million customers by 2035, up from 3.6 million in 2025. While the company is planning to have a larger share of customers that are electricity customers as compared to gas customers, gas customers are still expected to increase by around 8% by 2030 compared to 2025.

On the other hand, the company intends to help commercial and industrial customers use less gas through supporting their electrification, replacing this with revenues from power sales and other services. However, the degree to which the company can affect business customer behavior remains uncertain.

Another target within scope 3 is a 40% reduction in upstream emissions from fuel and energy related activities, a smaller category covering only around 14% of targeted emissions. We view implementation of this target more positively, as a large share of the emissions are related to the extraction of fossil fuels for its power plants, including coal, oil and natural gas. As the company discontinues use of coal and oil, an important part of these emissions will naturally fade away. However, gas-fired generation is not expected to decrease and is likely to increase from 7.6 TWh to above 10 TWh by 2030 compared to the base year of 2023, which will counterbalance some of these gains.

Long-term scope 1 and 2 — Satisfactory

We assess A2A's implementation of its long-term Scope 1 and 2 carbon intensity reduction target as satisfactory, projecting that the company will achieve between 75% and 90% of its goal relative to the baseline (2023). This assessment reflects both the strengths and challenges A2A faces in delivering substantial emissions reductions by 2050.

For the non-WTE power generation segment, A2A's strategy avoids major expansion of its power generation business unit, enabling a smoother transition of its non-WTE portfolio over the long term. Once coal and oil are fully phased out, further reductions will depend on significant investments in renewable energy and storage solutions to reduce reliance on CCGT plants for grid stability. EU policies strongly favor electrification and clean energy, prioritizing competitiveness and energy security. As a result, reducing gas consumption is a strategic priority for regional policymakers, which could accelerate renewable deployment. We expect that improvements in permitting processes over time will help ease current bottlenecks.

In contrast, WTE activities represent a key driver of uncertainty due to their carbon-intensive nature and anticipated growth from a relatively low base. By 2050, WTE could account for more than 25% of A2A's power generation, compared with an average of 12% over the past four years. To address this, A2A has publicly committed to equipping one WTE plant with carbon capture and storage (CCS) by 2035. The company is planning a €500 million investment in one of its largest facilities. Although the budget has not yet been publicly announced, the company intends to disclose details in upcoming communications.

The performance and commercial viability of CCS in WTE applications remain uncertain, and our assessment does not assume full deployment or high capture rates. We project that roughly two-thirds of WTE facilities will incorporate CCS by 2050, with an average capture rate of 50%. A notable advantage of CCS in WTE is the potential for negative emissions from the biogenic fraction of waste, a concept known as bioenergy with carbon capture and storage (BECCS). Deployment of BECCS could materially reduce overall emissions, even at modest capture rates. In our projections, absolute emissions from WTE decline only slightly—by less than 20%—by 2050, while power output from this source doubles between 2024 and 2050, resulting in a sharper reduction in WTE emissions intensity of around 60%.

Overall, when combining projections across the power generation portfolio, we expect A2A to achieve a carbon intensity reduction of approximately 74% to 89% between 2023 and 2050. This corresponds to meeting 75% to 90% of its carbon intensity target, supporting our satisfactory evaluation.

Long-term scope 3 — Negative

We assess A2A's implementation of its long-term Scope 3 target as negative, with expectations that the company will achieve less than 66% of its targeted reduction in absolute emissions by 2050, compared to the baseline (2023). While projections for Italy and the EU indicate a gradual decline in gas consumption over the long term, A2A's strategy to expand its customer base—including gas customers —over the next decade suggests potential underperformance relative to regional and national trends. In this context, only a reduction in gas use per customer could enable meaningful emissions cuts in the medium term. Although A2A is promoting the transition to electrified consumption through ancillary services, its ability to influence this shift remains limited.

In the longer term, the integration of biomethane into Italy's energy system could provide some relief. However, the scale of biomethane production and deployment is highly uncertain. A2A's own projections range from 30% to 60% integration, underscoring this uncertainty.

At the same time, we anticipate significant growth in power demand from A2A's customers, outpacing the company's renewable generation capacity. This dynamic will exert upward pressure on scope 3 emissions, which currently account for about one-third of total emissions. While A2A plans to mitigate this exposure through guarantees of origin (GOs), its approach does not prioritize matching the time and location of electricity consumption with the GOs purchased, which in our view limits their effectiveness. We therefore discount the efficiency of these instruments in our assessment. Despite this limitation, these emissions are projected to decline by just under two-thirds, supported by reductions in the carbon intensity of the broader power grid.

GHG governance assessment — Tier 1

We score A2A's GHG governance as tier 1. Overall, the company's governance practices related to its decarbonisation plan are adequate considering its level of ambition (see appendix).

The company's greenhouse gas (GHG) accounting practices are evaluated as tier 1, showcasing mostly strengths. A notable strength is the third-party verification of its scope 1, 2, and 3 emissions conducted by EY, accompanied by a limited assurance statement. Furthermore, the company adheres to GHG Protocol standards by distinctly separating the reporting of gross emissions from any purchased carbon credits. One key area of improvement relates to the tracking and reporting of targets, with frequent tweaks in the ambition and definition of company targets, depending on the specific company publication.

The "integration of climate objectives" subfactor receives a tier 1 score, which is the best on our four-point scale. There is evidence of robust governance processes ensuring the alignment of interests from the top down, including buy-in and frequent feedback from the board of directors. A2A has a board-level ESG Committee that monitors the group's sustainability plan and designs the Net Zero strategy. The board includes members that have notable expertise with respect to managing climate risks, including individuals involved in renewable energy research centres and environmental physics academic research. The compensation of the CEO and other senior executives is linked to the achievement of certain climate-related objectives such as renewable energy deployment and bioenergy development. Finally, target and transition plan approval does not go beyond the management and the board to include a vote by shareholders.

Appendix – Detailed governance scorecard

Exhibit 5

Sub-factors	Aspect	Score	Comment
GHG Accounting	Emissions reported comprehensively for all scopes	4	Although the company has had problems with incomplete reporting of scope 3 in the past, we consider it is now disclosing its GHG inventory with limited or no exclusions.
	The entity separately reports the carbon offsets, carbon removals and avoided emissions in its key metrics and targets	4	No offsets currently used, but they would be reported separately in the future. Targets and metrics are gross of offsets and other beyond-value-chain contributions.
	GHG disclosures for Scope 1&2 are third-party verified	4	Limited assurance from EY.
	GHG disclosures for Scope 3 are third-party verified	4	Limited assurance from EY.
	Targets are formulated based on absolute emissions	3	There are no absolute targets for Scope 1 and 2 until 2050.
	Progress against key material targets is tracked and reported (inc. for Scope 3)	2	Frequent adjustments to targets complicate efforts to assess track record.
	Total GHG Accounting score	**21**	**Tier 1**
Integration of Climate Objectives	The entity's behaviour is coherent with its stated environmental commitments	4	A2A's actions do not appear to contradict environmental commitments, despite no comprehensive reporting of lobbying activities.
	Environmental and social risks associated with the implementation of transition plans are identified and managed	4	We do not identify strong environmental or social issues linked to transition plans.
	The entity discloses evidence of board or board committee oversight of the management of climate change	4	ESG and Local Relations Committeee meets at least 3 times per year and has the task of deciding on sustainability and GHG reduction issues. In addition, A2A has a board level ESG committee with board members sitting in it. The ESG Committee, among other activities, in 2024 contributed to the Sustainability Development Plan through the definition of the Climate Transition Plans of the Group's Business Units.
	The board demonstrates experience with respect to managing climate risks	4	At least two board members have salient experience in sustainability, being part of IEA working groups on Renewable Energy, being professors of environmental physics, being Director of RE research centers, among other activities.
	Climate-related Key Performance Indicators (KPIs) are tied to CEO or other senior executive compensation plans	3	CEO and General manager pay is linked to ESG objectives (in particular, among others, to the renewable capacity pipeline development and the bioenergy development).
	Targets are subject to approval and oversight by owners or public authorities	2	No shareholder vote on climate strategy. Targets approval does not go beyond the management and the board of directors.
	Integration of Climate Objectives score	**21**	**Tier 1**

Source: Moody's Ratings, A2A

Moody's Net Zero Assessment: Summary of scoring approach

The Moody's Net Zero Assessment provides an independent and comparable evaluation of an entity's carbon transition plan, consisting of the Ambition score and the Implementation score.

Ambition score

The Ambition score assesses the level of ambition in an entity's emissions reduction targets. Moody's compares the entity's emissions targets with sector-specific decarbonisation pathways derived from scenario modeling conducted by the International Energy Agency (IEA). The most ambitious pathway considered aims to achieve global net zero emissions by 2050 and limit global temperature increases to 1.5 degrees Celsius.

Moody's assigns a score to each target based on the implied global warming, known as the Implied Temperature Rise (ITR). To determine the ITR, Moody's projects the entity's greenhouse gas (GHG) emissions using reported emissions and targets, comparing them with emissions estimates from three benchmarks (corresponding to three IEA scenarios: Net Zero Emissions by 2050, Announced Pledges Scenario and Stated Policies Scenario) in the target year. Linear interpolation is used between these three benchmarks (that imply different levels of global warming) and the entity's projected emissions in the target year, to determine the implied level of global warming in the entity's targets (the ITR).

The Ambition score is expressed on a six-point temperature scale, ranging from 1.5 C to Above 2.5 C.

Implementation score

The Implementation score evaluates the quality of an entity's transition plan implementation. Moody's examines the actions, assumptions, and strategic coherence of the entity's emissions transition plan. A higher Implementation score indicates a higher likelihood of achieving targeted emission reductions. This score is expressed on a five-point scale.

Implementation is evaluated by scoring the same four subfactors as Ambition: Short-term Scopes 1 and 2, Short-term Scope 3, Long-term Scopes 1 and 2, and Long-term Scope 3. Each subfactor is scored on a four-point scale (positive, satisfactory, developing, negative) based on the strengths and areas requiring further development along technical, business, and financial considerations.

GHG Governance score

Governance is assessed using a predefined list of questions, assigning points for each and mapping them to a final factor score along a four point scale of Tier 1-4.

Arriving at the final Net Zero Assessment score

The Ambition and Implementation scores are combined to generate the final NZA score, which represents the overall assessment of an entity's carbon transition plan. The Ambition score determines the maximum NZA that a company may receive, which may be lowered on account of implementation or governance risks. The NZA is expressed on a five-point scale, ranging from NZ-1 (Leading) to NZ-5 (Limited).

For more details, please see the Net Zero Assessments framework, 9 November 2023.

Endnotes

1 'Gross' emissions is defined as emissions within the value chain, before contributions from external carbon offsets or credits.

REPORT NUMBER 1467011