ASSESSMENT

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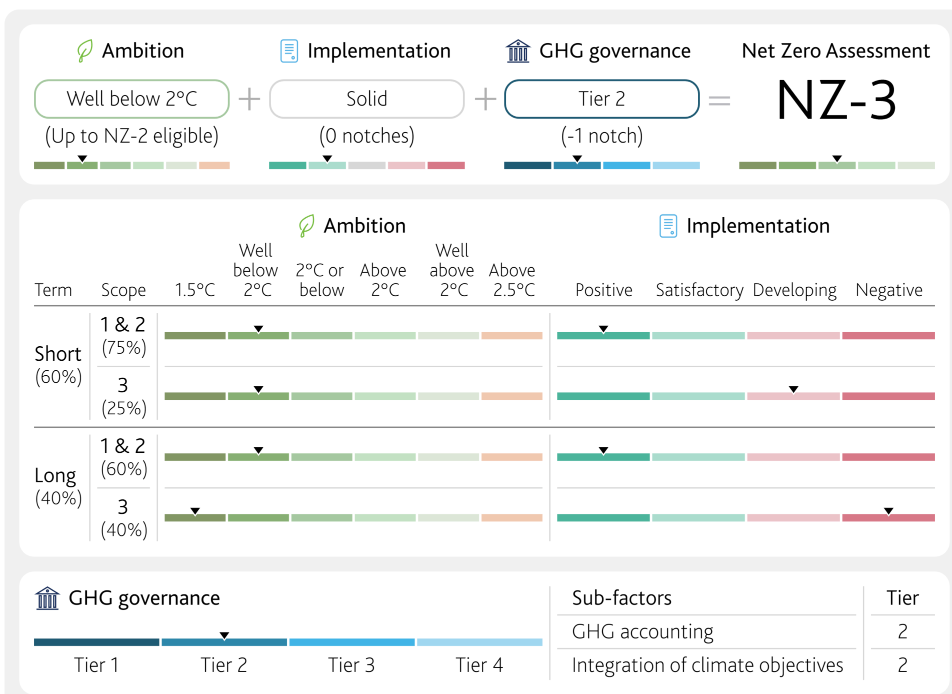
Terega SAS

Net Zero Assessment - Terega SAS assigned an NZ-3 score

Summary

We have assigned an NZ-3 net zero assessment (NZA) score (significant) to Terega SAS' (Terega) carbon transition plan. The group's ambition score is well below 2 C on our scoring scale (i.e., within a 1.55 C to 1.80 C temperature range), consistent with Paris Agreement goals. Terega's solid implementation is driven by the company's clear and credible action plan on scope 1 and 2 emissions, based on proven and easy-to-scale-up technology, partly offset by greater implementation hurdles and less developed plans for its scope 3 emissions.

Terega's assessed scope 1 to 3 emissions reduction targets and associated implementation plans do not include the natural gas transported through its pipelines on behalf of third parties. There is currently no consensus on accounting and target-setting for such gas. Although the combination of its ambition and implementation assessments warrants a higher score of NZ-2, the ultimate outcome reflects the uncertainty on the pace of reduction of Terega's exposure to the transport and storage of natural gas, its current core business, despite the policy focus on energy transition in France, and the prospect of increased biogas production in its region of operation.



NZA strengths

- Relatively low level of emissions (not including shipped gas), the majority of which can be reduced using proven and widely available technology
- Most expenditures necessary to reduce emissions will be incremental to Regulated Asset Base (RAB), and hence benefit from stable, regulated returns

NZA weaknesses

- Relative high share of residual emissions arising from harder-to-control sources, such as suppliers of capital goods or contractors
- Potential for sustained relatively high level of capex, with increased complexity, impacting emissions, should large-scale Hydrogen or CO2 transmission networks be commissioned

What could strengthen or weaken the NZA?

- ▲ A clearer path to its scope 3 implementation, clarifying the availability where needed of required low-carbon supplies and services, including timing and potential incremental costs
- ▲ A clarification of the pace and strength of development of biogas production in Terega's area of operations, strengthening the likelihood of the region becoming a net exporter of biogas by 2045
- ▼ A potential weakening of legal framework and/or regulatory support, which would make it more difficult for Terega to secure approval of its transition investments as part of its regulated asset base, prompting delays or fewer investments

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

Terega's main businesses, both regulated, are the long-distance transmission of natural gas and its storage. It owns and operates about 16% of France's gas transmission network and 27% of its underground storage capacity, both located in the southwest of the country.

The company has recently published new short-term targets for all its greenhouse gas (GHG) emissions scopes. This target update follows a re-basing of its GHG emissions because of a change in the methodology it uses to estimate methane leaks throughout its network, and the adoption of new decarbonisation actions. Its 2030 emission objectives have remained broadly unchanged in volume terms. The amount and main shares of its GHG inventory are detailed below.

These targets (as well as the GHG emissions currently reported by the group) focus only on its regulated activities of gas transmission and storage, which are its main activities. The group also owns an unregulated development subsidiary, Terega Solutions (TS). TS' currently unaccounted-for emissions are likely to be limited and negligible in the context of the group: TS is still mostly exploring the feasibility of expanding the group's business by setting up hydrogen and CO2 networks and storage, through studies. It also actively fosters biogas production in its region of operations. In emission terms, this currently translates only into participating in some pilot projects for local small-scale hydrogen ecosystems, and the commissioning of methaniser units that the company leases to farmers.

The relatively modest scale of TS' current emissions belies the ambition and scope of some of its projects: the company is part of a consortium of transmission system operators (TSOs) that intend to build part of the proposed backbone network for hydrogen in Europe. Independently from that project, it may develop its own local hydrogen and CO2 networks. The company is actively discussing and preparing for these targets but they remain currently uncertain in their extent of realisation, in Terega's share of such realisation, and in the timing of any GHG-generating investment. The implementation of those projects, even if conducted at scale, should not cause any significant GHG emissions past their construction phase. The timing and impact of such construction are unclear, and are not incorporated in Terega's current targets. Should these investments happen, our assessment will then incorporate the fact that growth in such activities would enable and facilitate opportunities for other companies to transition in an easier way.

As TS' emissions are not being reported, Terega's footprint and targets focus on the full extent of its regulated activities only. Terega aims to reduce its scopes 1 and 2 emissions by 54% by 2030, from a 2017 base, and by at least 90% by 2050. The company would then offset any remaining emission using high-quality, certified low-carbon offsets. The company's choice of a 2017 base year refers to the beginning of its efforts to reduce its environmental footprint.

Terega's other main target, which focuses on its regulated activities' overall emissions (scope 1,2 and 3) uses a 2021 base, to reference more precise scope 3 data. Terega aims to reduce its scope 1, 2 and 3 emissions by 34% by 2030, from the 2021 base, and by at least 90% by 2050. This is a combination of somewhat differentiated objectives for each scope, and reflects especially a 30% reduction target for scope 3 by 2030, from 2021. Both main targets are consistent, aiming towards similar emission volumes in 2030.

Terega's main emissions arise mostly from the planned or unplanned release of methane gas either through necessary pressure balancing and maintenance (those controlled releases are called “venting”), or through uncontrolled leaking of methane through worn-out joints or valves, a widespread occurrence in the industry. Venting and fugitive methane leaks accounted overall for 52% of the group’s total environmental footprint from regulated operations in its base year of 2021. The running of its gas transport and storage operations, through the combustion of methane necessary to power some of its compressors that move the gas, and of the reboilers, which help clean the gas out of storage, accounted for a further 17% of its total footprint in that year.

Scope 2 emissions, focusing on the electricity and heat consumed by the company, were much smaller in comparison, at about 2% of the total.

Scope 3 indirect emissions, accounting for around 26% of overall emissions in 2021, stemmed mostly from procurement (works as well as pipes) and the supply chain.

The company's scope 3 inventory does not include the impact of the gas it merely transports, but does not own or control; this refers to almost all of the gas it transports, as Terega does not produce, market, sell or own natural gas (except for technical reasons, which do not increase the overall gas consumption). We do not consider that impact in our assessment of ambition and implementation, although we reflect the implications of that activity in our GHG governance assessment.

Terega's emission pattern in 2023, the latest released year, appears unusual compared with 2021. This is because of two exceptional additions in scope 3 for 2023: Terega purchased and injected roughly 700 gigawatt hours (GWh) of natural gas in its underground storage, all accounted for under category 2 (fixed assets). This buffer gas allows for the commissioning of additional storage capacity, and is not destined to be released. Furthermore, category 1 (procurement) included for 2023 an exceptionally large order of steel pipes, which added roughly 6.000 tonnes of CO2 equivalent (TCO2eq) to the usual footprint. Excluding these exceptional items, Terega's scope 3 still shows a marginal increase in 2023 from 2021.

Overall, Terega's footprint is relatively modest for a TSO: its scope 1 emissions, as a proportion of the gas it ships, are well below those of its main peers. This lighter footprint stems especially from its larger share of electric compressors, which Terega started installing earlier than most peers: the majority (58%) of its compressors are currently electric.

Exhibit 1

GHG inventory and main emission reduction targets

Terega's GHG emissions, in CO2eq T	Base year	Base year		Latest		Emissions targets (Current Regulated operations)	
(Only Regulated operations are accounted for)	2017	2021		2023		Short Term (2030)	Long Term (2050)
Scopes 1+2, of which:	**110,110**	**78,079**	**74%**	**70,383**	**55%**	Sc 1+2 emissions (vs 2017) -54%	-90% emissions (vs.2017)
CO2 from Combustion	40,460	18,334	17%	21,210	16%		
CO2eq from CH4 venting and fugitive CH4	66,668	55,228	52%	45,437	35%		
other SC1	2,073	2,169	2%	1,206	1%		
Scope 2	909	2,348	2%	2,530	2%		
Scope 3, of which:	**n/a**	**27,898**	**26%**	**58,323**	**45%**	Sc 3 emissions (vs 2021) -30%	-90% emissions
Cat 1 Procurement		19,303	18%	29,802	23%		
Cat 2 Fixed assets		-	0%	19,810	15%		
Cat 3 + 4 Upstream Fuel and transport		7,045	7%	7,026	5%		
Cat 5 Waste		920	1%	990	1%		
Cat 6 + 7 Bsnss travel + Commuting		630	1%	695	1%		
		105,977	100%	128,706	100%	Sc 1+2+3 emissions (vs 2021) -34%	-90% emissions

Source: Terega and Moody's Ratings

Ambition assessment — Well below 2 C

We assess Terega's ambition score at Well below 2 C. Its operational aims are consistent with science-based pathways that limit temperature rises overall to such levels, when considering all three scopes.

For Terega's scope 1 and 2 targets, we have used in our temperature alignment calculations our oil and gas global benchmark: although Terega is not active in the exploration and production of gas, its main sources of emissions, including venting, fugitive methane or the use of methane to power compressors, are similar to those encountered by oil and gas companies, both upstream and midstream.
For scope 3 targets, we have selected our sector-agnostic rate of reduction benchmark, which addresses the wider diversity of those emissions.

None of the target assessments required any adjustment: we agreed that TS' unreported GHG emissions were likely negligible, and hence the targets each address 100% of their respective scopes (putting aside the consideration of the gas shipped but not owned).

Short-term scope 1 and 2 — Well below 2 C

The 54% absolute reduction in scope 1 and 2 emissions by 2030 from 2017 is in line with a Well below 2 C trajectory under our oil and gas reference benchmark (see Exhibit 2).

Short-term scope 3 — Well below 2 C

Terega's short-term scope 3 ambition of a 30% reduction from the 2021 level is aligned with a well-below 2 C trajectory (see Exhibit 3) under our sector-agnostic reference benchmark.

Long-term scope 1 and 2 — Well below 2 C

As mentioned, Terega's carbon-neutral objective for scope 1 and 2 by 2050 translates, according to the company, into a minimum 90% reduction in emissions by 2050 (from the 2017 base year), without the use of offsets. This would be consistent with a well-below 2 C trajectory.

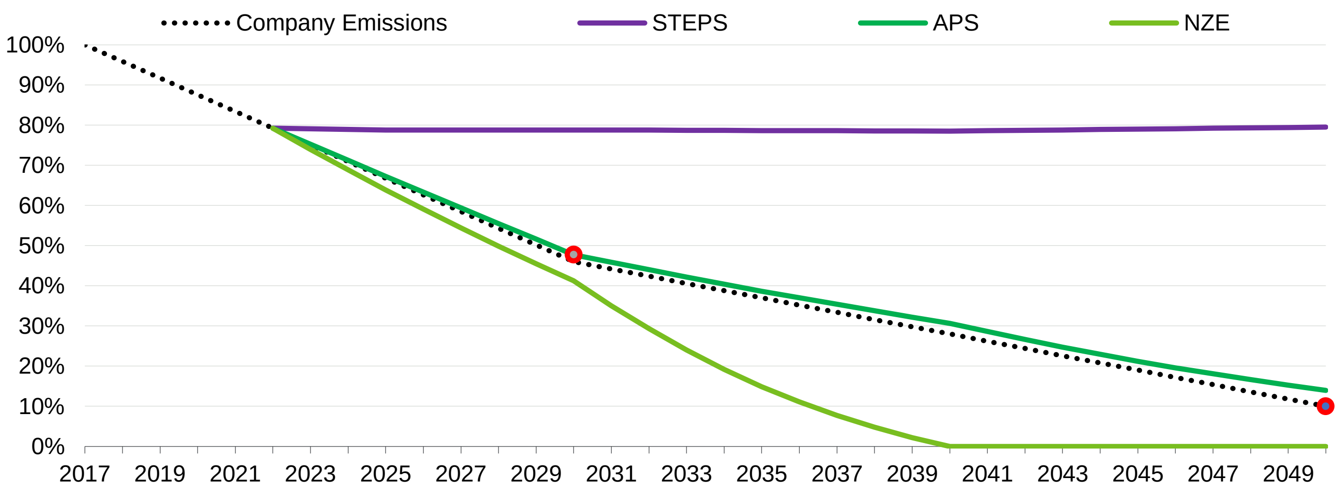
Long-term scope 3 — 1.5 C

Similar to scopes 1 and 2, Terega's long-term carbon-neutral scope 3 emission reduction target for 2050 would also mean at least a 90% reduction from 2021 without the use of offsets. The different benchmark used for the assessment of scope 3 implies that this decrease is compatible with a 1.5 C-aligned scenario.

Exhibit 2

Scope 1 and 2 targets compared with the oil and gas absolute rate of reduction benchmark

Terega's scope 1 and 2 targets are aligned with a well-below 2 C trajectory in the short and long terms



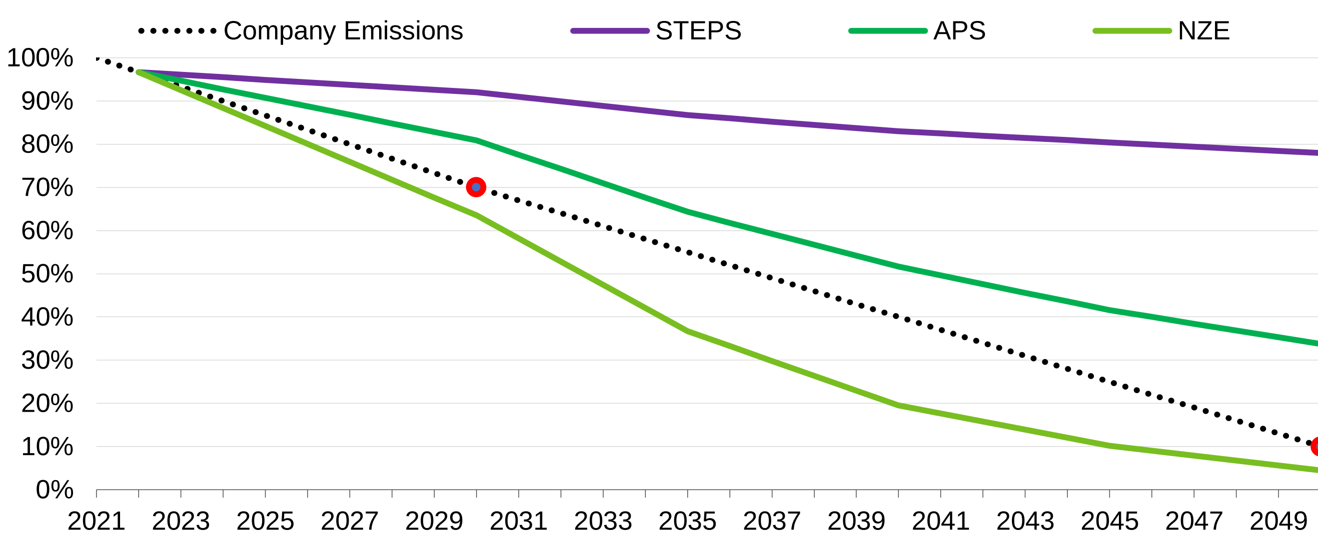
NZE = International Energy Agency (IEA) Net Zero Emissions by 2050 Scenario; APS = IEA Announced Pledges Scenario; STEPS = IEA Stated Policies Scenario

Source: Moody's Ratings

Exhibit 3

Scope 3 targets compared with the sector-agnostic absolute rate of reduction benchmark

Scope 3 targets are aligned with well-below 2 C and 1.5 C trajectories, respectively, in the short and long terms



NZE = International Energy Agency (IEA) Net Zero Emissions by 2050 Scenario; APS = IEA Announced Pledges Scenario; STEPS = IEA Stated Policies Scenario.

Source: Moody's Ratings

Implementation assessment — Solid

Terega's implementation quality is solidly supportive of its ambition.

Scope 1: In the short term, the company, which has been most active recently in tackling emissions from combustion and venting, is increasing its efforts towards the latter, both through changes in equipment and processes. It also intends to increase its focus on methane leakage through improved detection and repair schedules, together with some changes in equipment.

In the long term, in addition to a more systematic rollout of its efforts on venting and leaks, Terega intends to eventually substitute all its gas-powered compressors and reboilers with electric equipment. The company has already made good progress on electrifying most of its compressors. Furthermore, a dedicated software optimises the use of the network's compressors to give precedence to the electric ones.

The techniques used or considered for scope 1 reductions are well proven and easily deployable. These are standard actions that have proved efficient in similar networks, and will not impact significantly the company's operations.

There is a high likelihood that the capital spending necessary to reduce emissions will be approved by the regulator as part of the company's regulated asset base (RAB), hence guaranteeing its profitability and adding to the certainty of implementation. In fact, the bulk of the investment requirements necessary for the short-term projects has already been approved by the regulator.

Scope 2: Although the group will increase its consumption of electricity, the main component of this scope, Terega has since 2018 covered all its electricity consumption from renewable and decarbonised sources through short-term supply contracts, and will continue to do so. It commissioned a small solar facility to power its main storage site in 2023, although there are no plans to increase such self-consumption.

Scope 3: Some of Terega's efforts for scope 1 and 2 will benefit its scope 3 targets, but the bulk of its progress will depend on its ability to influence suppliers and contractors to get access to decarbonised products and services that would address its indirect emissions. Although levels of service and procurement will likely eventually align towards the standards required for Terega's transition, the timing is hard to predict.

Short-term scope 1 and 2 — Positive

We assess Terega's short-term scope 1 and 2 plans as positive (meaning we expect more than 90% implementation of the targeted progress), based on its track record to date, the good level of preparation of its plans, and the relative ease of implementation of well-proven solutions. Progress to 2023 amounted to more than two-thirds of the improvement expected by 2030, from the 2017 base year.

The company does not rely in the short term on further electrification, apart for a couple of reboilers and a new version of its optimisation software. It will however curtail venting through new equipment, including recompressors to re-inject the gas into the network. It also plans to improve the cleanup of its post-storage gases, thereby ending the need for flaring. Increased frequency of and lesser delays in repair should also contribute to reductions. The main uncertainty, however, lies in the potential for volatility in the flow in its network, both in terms of volume and direction, which may affect compressor activity. But all other planned actions are within Terega's reach, and should yield their projected impact in full.

Short-term scope 3 — Developing

Our overall assessment is developing for this scope in the short term (indicating an expectation of implementation of more than 66% of the targeted progress).

Efforts on this scope are still nascent. Even stripping out exceptional elements recorded in 2023, emissions have been increasing. While the plan is credible for the actions controlled by Terega, it relies for about 60% of the implementation of the progress on suppliers and other external entities.

Although the actions considered by Terega appear realistic in their definition and expected impacts, its suppliers or contractors are yet to confirm the availability of the low-carbon products or services it will require to achieve those aims in full. Especially important would be the timing of the local availability of electricity or bio-diesel-powered heavy machinery for works and trucks for transport.

Terega would meet the rest of the projected progress in part through its own actions: the redesigning of some elements of its networks or processes to save on works and materials, the reduction and better treatment of its waste (mostly consisting of liquid post-storage effluents), and the implementation of a new travel policy. Terega's scope 3 footprint will also benefit from the consequence of its actions taken to alleviate scope 1 and 2 emissions (for example, the replacement of gas-fired equipment by electric equipment will lower the upstream footprint of the energy it uses).

Long-term scope 1 and 2 — Positive

Our positive outcome of the long-term scope 1 and 2 transition plan is very much in keeping with our short-term assessment.

Although the target is more ambitious, aiming for at least 90% of reductions by 2050 from 2017, Teresa could reach it through the full rollout of its well-proven solutions already being deployed or considered for the short-term target, together with a full use of decarbonised energy to power its network requirements. Terega does not face any significant external dependency, or changes to its business model, in reaching that target.

The full electrification of all its compressors and reboilers, planned over 2030-50 to ensure approval from the regulator as the former equipment would have reached its end of life, will eliminate all combustion-related issues. Venting should be tackled by further equipment, and design and process changes. Leaks are by definition more difficult to fully eliminate, but a focus on upgrading valves and taps, as well as new techniques to insulate joints, should drive significant progress.

Long-term scope 3 — Negative

Our negative assessment beyond 2030 (meaning a less than 66% progress on its target by 2050) is in keeping with a still informal and vague long-term transition plan for scope 3 emissions, which continues to rely heavily on external dependencies.

Although the company will continue its efforts, centred on the efficiency of procurement and use of low-carbon services, uncertainty around their local availability and costs persist. Furthermore, progress will become increasingly difficult toward the 90% reduction rate.

The volume and composition of procurement are likely to reduce substantially by 2050, irrespective of the outcomes on the hydrogen and CO2 networks, as construction should have been completed by then, lending credibility to the target. However, these aspects remain speculative so far.

GHG governance assessment — Tier 2

We score Terega's transition-related governance practices as tier 2 (see Appendix for scorecard), the second-highest possible outcome.

Although the group's practices reflect a superior performance on most aspects of our governance analysis, its corporate climate conduct score is impacted by the inconsistency we perceive between Terega's stated emissions targets and its business being an essential part of the fossil value chain.

Its GHG-related accounting and disclosure practices for reported scopes are satisfactory, although they include some uncertainties around the reporting of the impact of the gas Terega transports, but does not own, and also exclude the (admittedly low-emission) activities of TS. The overall volume of gas transported is disclosed, although its impact is neither detailed nor added to the GHG inventory.

The integration of climate objectives includes strong scores on most factors. The group has clear board-level reporting and scrutiny for its sustainability objectives. Its board appears competent on environmental matters, and includes several specialists on sustainability and transition. Its senior executives are incentivised to achieve climate-related targets, although this constitutes a relatively small part of their overall remuneration.

The inconsistency we highlight under “integration of climate objectives” refers to the company's business model, not any specific inconsistent action or behaviour. There is no evidence of strategic objectives or goals at executive committee level contradicting its stated environmental commitments. The score for coherence between the entity's activity and its stated environmental objectives is weakened by the business' reliance on the transportation of large amounts of third-party natural gas.

Notching for exposure to third-party gas transportation

We have lowered the overall NZA score given by the conjunction of the company's ambition and implementation results by one notch to reflect its exposure to the third-party natural gas that it ships and the uncertainties it faces in managing down that exposure. This decision was also taken in the context of the specific ambition and implementation levels achieved by the company.

There is currently no consensus on accounting and target-setting for natural gas owned by a third party that an operator transports. Terega, like all TSOs, does not own that gas, has no control on its sources and uses, and is legally obliged to transport it as a regulated monopoly operator. Likewise, it is prevented by law from producing gas. Like most TSOs in Europe, it also facilitates (through new connections to producers) alternative gas production (especially biogas), and advocates the development of new hydrogen networks, for example.

We believe that Terega's exposure to unabated natural gas is likely to reduce and end significantly before 2050, ahead of most peers. This is because of the national regulation as well as the physical context of the area it operates in: France has banned by law the sale of unabated natural gas after 2050, and is actively modifying its energy policy to implement that ban. Terega is also likely to benefit from a favourable balance of supply and demand of biogas in its region: official French scenarios highlight a likely rapid rise in local biogas production, supported by the availability of agricultural waste in that rather rural region and incentives for farmers to produce such biogas. Under those projections, biogas volumes would rise to meet the declining overall demand for gas running through Terega's network from around 2045. Past that date, the region in which Terega operates may become, through its network, a net exporter of biogas. We look forward to the consolidation of those expectations through actual volume increase in biogas in the region. The pace of growth, and the importance of the volumes produced and shipped through Terega's network may eventually lead to us reconsidering the current notch-down, should they materialise.

Appendix – Detailed governance scorecard

Exhibit 4

Sub-factors	Aspect	Score	Comment
GHG Accounting	Emissions reported comprehensively for all scopes	2	Overall volume of gas transported by Terega is reported, but it impact is not added to Scope 3, nor mentioned anywhere in its carbon footprint. No distinction between gas owned or not (relatively marginal, though). Beside this issue, reporting is satisfactory (CDP questionnaire completing an otherwise relatively sparse public disclosure), albeit not including the (currently likely negligible) emissions from Terega Solutions.
	The entity separately reports the carbon offsets, carbon removals and avoided emissions in its key metrics and targets	4	Offsets are not accounted for in targets nor emissions. Terega has implemented since 2020 a voluntary carbon offset policy. Initially to cover 100% of scope 1+2 emissions (for communication and philantropic purposes), investing in projects in emerging markets. Since mid-2023, that strategy was changed to a set spend (0.1% t/o), directed in majority towards local projects labelled "Low Carbon".
	GHG disclosures for Scope 1&2 are third-party verified	4	Yes, limited assurance through an independent local assessor. On-going assessment from EY to better assess methane emissions on a current and historic basis (data to be re-based from 2021).
	GHG disclosures for Scope 3 are third-party verified	2	Limited assurance expected to be provided in 2024 (based on 2023 emissions). Didn't have any so far.
	Targets are formulated based on absolute emissions	4	First target was intensity-based (on emissions per gas transported), but has been completed since by absolute targets on all scopes.
	Progress against key material targets is tracked and reported (inc. for Scope 3)	4	Annual reporting.
	Total GHG Accounting score	**20**	**Tier 2**
Integration of Climate Objectives	The entity’s behaviour is coherent with its stated environmental commitments	0	Despite its environmental objectives, Terega operates an infrastructure that currently facilitates the use of fossil fuel. That current exposure to natural gas is however due to decrease over the medium term, with a legal obligation to cease by 2050. Credible plans are in place to enforce that transition away from natural gas, even without the development of CO2 or Hydrogen networks.
	Environmental and social risks associated with the implementation of transition plans are identified and managed	4	Low exposure to Just Transition, as the company does not produce any fossil fuel. Processes in place for on-going assessment of transition risks and opportunities.
	The entity discloses evidence of board or board committee oversight of the management of climate change	4	Sustainability has been added to the remit of one of the two main Board committees at Terega SAS level since July 2023. That 4-member committee, headed by an independant director, meets quarterly. All Board meetings start with report on environmental and saftety KPIs. Formal environment-focused presentation at least annually. Director of Finance, in charge of CSR, is not a Board member, although she attends every Board meeting. In 2022, 25% of the topics presented to the Board of Directors were related to CSR, including climate-related issues.
	The board demonstrates experience with respect to managing climate risks	4	Board includes several members with solid sustainability experience: Dominique Mockly, the company's CEO and Chairman, is the author of a book on gas transition; One shareholder representative also sits on the Board of a transition-enabler electrochemical company, and another is a former adviser to the French President of the Republic on environmental matters. Climate training provided to all employees, and separately to the Board and Management team.
	Climate-related Key Performance Indicators (KPIs) are tied to CEO or other senior executive compensation plans	4	Management: 5% of short term incentive plan linked to methane emissions, and 10% of long-term linked to Scope 1+2 emissions. The overall company's bonus scheme ("Interessement") is also linked, for 15% of all employees's bonus, to employees' travel and commute emissions. For employees involved in methane operations, methane emissions drive a further portion of the bonus.
	Targets are subject to approval and oversight by owners or public authorities	3	French law prohibits the transport of unabated natural gas beyond 2050, forcing transition at Terega level. Snam and EDF, accounting for 58% of shareholders, have a vested interest in Terega achieving its transition, as they report their share in their own scope 3. But Terega emissions are very small in the context of those organisations.
	Integration of Climate Objectives score	**19**	**Tier 2**

Source: Moody's Ratings

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. We compare the entity's emissions targets with sector-specific decarbonisation pathways derived from scenario modelling 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 C.

We assign a score to each target based on the implied global warming, known as the Implied Temperature Rise (ITR). To determine the ITR, we project the entity's 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. We examine 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

We assess governance 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 NZA 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, published on 9 November 2023.

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