

Naturgy Energy	
Sector	Oil & Gas
Latest full assessment published	July 2021
CDP Responder	Yes

6.8C+*
ACT Score (2021)

#3/100
Sector Rank (2021)



Company recommendations:

Targets: The company has set a long-term decarbonisation target. However, it has not set sufficient intermediate targets. Setting regularly spaced intermediate targets will incentivise near-term actions on its longer-term goals.

Emissions reductions and reporting: The company's emissions contrast with its 1.5°C pathway which requires it to make substantial decreases in its emissions intensity.

Low-carbon CapEx: Though the company's low-carbon CapEx spend represents a good proportion of total CapEx, its expenditure still does not align with a 1.5°C scenario.

Transition plan: The company can improve the elements of its transition plan by ensuring it includes verifiable and quantifiable key performance indicators and financial commitments for the medium and long term.

For the last full ACT assessment and more information visit: [Oil and Gas Benchmark \(worldbenchmarkingalliance.org\)](https://www.worldbenchmarkingalliance.org)

Module	Last Assessment Performance (2021)	Current Performance (2023)		Module summary	Change in performance since last full assessment
Targets		Net zero target?	Yes	Naturgy has set its first interim scope 3 target in 2021, to reduce scope 3 emissions by 20% in 2025 compared to the base year 2017. Naturgy has updated its short-term scope 1 and 2 targets to a reduction in absolute emissions by 48% and emissions intensity by 56% by 2025 compared to 2025. The target to be carbon neutral by 2050 has not changed.	 Improves
		Interim target(s)?	Yes		
		Targets cover all scopes?	Yes		
		All targets SBTi 1.5°C validated?	No		
Emissions reductions and reporting		Scope 1 and 2 emissions intensity disclosed?	Yes	Naturgy's electricity generation emissions intensity decreased by 13% between 2019 and 2021 but increased by nearly 7% in 2022. To align with its 1.5°C pathway, the company requires to return to a decreasing emissions trend.	 Improves
		Scope 1, 2 and 3 emissions intensity disclosed?	No		
Low-carbon capital expenditure		Reports low-carbon CapEx?	Yes	Naturgy invested 67% of its CapEx in low-carbon technologies that align with the EU taxonomy. This is consistent with the investment in 2019 and exceeds expenditure in 2020 which was just 38%. The company aims to increase the CapEx spending to 80% in low-carbon technologies by 2025.	 Improves
Transition Plan		Public transition plan?	Yes	Naturgy increased its renewable electricity capacity to 33% in 2022 from 27% in 2019. Naturgy's long-term plan focuses on the increased production of hydrogen and biomethane gases. The company could provide clearer details of the production methods and future growth plans for energy sources.	 Remains the same
		Relevant expertise on the board?	Yes		
		Incentives linked to emissions reductions?	Yes		
		Financial content in plan?	Yes		
		Plan informed by scenario analysis?	Yes		

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*ACT scores are constructed of three parts. The performance score out of 20, narrative score A – E and trend score + / = / -