

Enel Russia PJSC

Electric Utilities Russia MIC:ENRU

ESG Risk Rating

25.7

Updated Dec 15, 2020

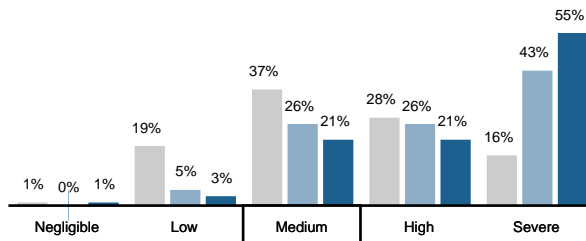
Not
available

Momentum

Medium Risk



ESG Risk Rating Distribution



ESG Risk Rating Ranking

UNIVERSE	RANK (1 st = lowest risk)	PERCENTILE (1 st = lowest risk)
Global Universe	5196/12805	41 st
Utilities INDUSTRY GROUP	85/484	18 th
Electric Utilities SUBINDUSTRY	27/199	14 th

Peers Table

Peers (Market cap \$0.3 - \$0.5bn)

	Exposure	Management	ESG Risk Rating
1. Enel Russia PJSC	70.1 High	68.2 Strong	25.7 Medium
2. Interregional Distribution Grid Co. of Centre & Volga PJSC	42.8 Medium	29.0 Average	31.2 High
3. Greenalia SA	62.0 High	35.5 Average	41.5 Severe
4. C.N.T.E.E. Transelectrica SA	62.6 High	27.2 Average	46.8 Severe
5. Territorial Generating Co No 1 PJSC	57.0 High	10.3 Weak	51.6 Severe

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ESG Risk Analysis

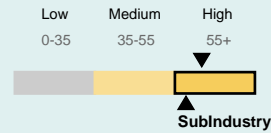
Exposure refers to the extent to which a company is exposed to different material ESG Issues. Our exposure score takes into consideration subindustry and company-specific factors such as its business model.

ESG Risk Exposure

70.1
High

Not available
Momentum

Beta = 1.13



Even though Enel Russia is constructing and developing renewable assets such as wind farms, it continues to rely only on fossil fuels for energy generation, being exposed to financial risks raised by the prospects of a low-carbon economy, volatile fossil fuels prices and investor scrutiny. Additionally, the development of wind farms and the operation of thermal plants can have significant negative impacts on local communities (e.g. through air pollution and land use). Enel Russia could face fines or delayed projects if it fails to proactively engage with local residents. Moreover, Enel Russia's power generation facilities also release negative externalities that could harm local human and non-human habitats. Failure to keep air emissions volumes within prescribed limits could expose the company to increased stakeholder scrutiny and environmental fines.

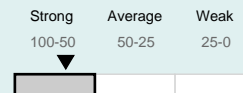
The company's overall exposure is high and is moderately above subindustry average. Carbon - Own Operations, Emissions, Effluents and Waste and Community Relations are notable material ESG issues.

Management refers to how well a company is managing its relevant ESG issues. Our management score assesses the robustness of a company's ESG programs, practices, and policies.

ESG Risk Management

68.2
Strong

Not available
Momentum



Enel Russia's overall ESG-related disclosure follows best practice, signalling strong accountability to investors and the public. Aligned with best practice, the company has a board-level Strategy Committee which oversees its sustainability matters, suggesting that these are integrated in core business strategy.

The company's overall management of material ESG issues is strong.

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Material ESG Issues

These are the Material ESG Issues driving the ESG Risk Rating.

Issue Name	ESG Risk Exposure	ESG Risk Management	ESG Risk Rating	Contribution to ESG Risk Rating
	Score Category	Score Category	Score Category	
Carbon -Own Operations	12.0 High	46.9 Average	6.4 High	24.8%
Resource Use	8.4 High	35.3 Average	6.0 High	23.4%
Emissions, Effluents and Waste	10.9 High	71.5 Strong	3.9 Low	15.0%
Corporate Governance	9.0 High	59.0 Strong	3.7 Low	14.3%
Occupational Health and Safety	6.0 Medium	82.5 Strong	1.5 Negligible	6.0%
Business Ethics	5.0 Medium	78.7 Strong	1.3 Negligible	4.9%
Product Governance	3.8 Low	78.0 Strong	1.1 Negligible	4.4%
Community Relations	8.0 High	100.0 Strong	0.8 Negligible	3.1%
Human Capital	4.0 Medium	87.5 Strong	0.7 Negligible	2.6%
Land Use and Biodiversity	3.0 Low	88.7 Strong	0.3 Negligible	1.3%
Overall	70.1 High	68.2 Strong	25.7 Medium	100.0%

Events Overview

Identify events that may negatively impact stakeholders, the environment, or the company's operations.

Category (Events)

 **Severe (0)**

 **High (0)**

 **Significant (0)**

 **Moderate (0)**

 **Low (0)**

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Events Overview

Identify events that may negatively impact stakeholders, the environment, or the company's operations.

Category (Events)

Negligible (19)

Access to Basic Services

Accounting and Taxation

Anti-Competitive Practices

Bribery and Corruption

Business Ethics

Community Relations

Data Privacy and Security

Emissions, Effluents and Waste

Energy Use and GHG Emissions

Intellectual Property

Labour Relations

Land Use and Biodiversity

Lobbying and Public Policy

Marketing Practices

Occupational Health and Safety

Quality and Safety

Sanctions

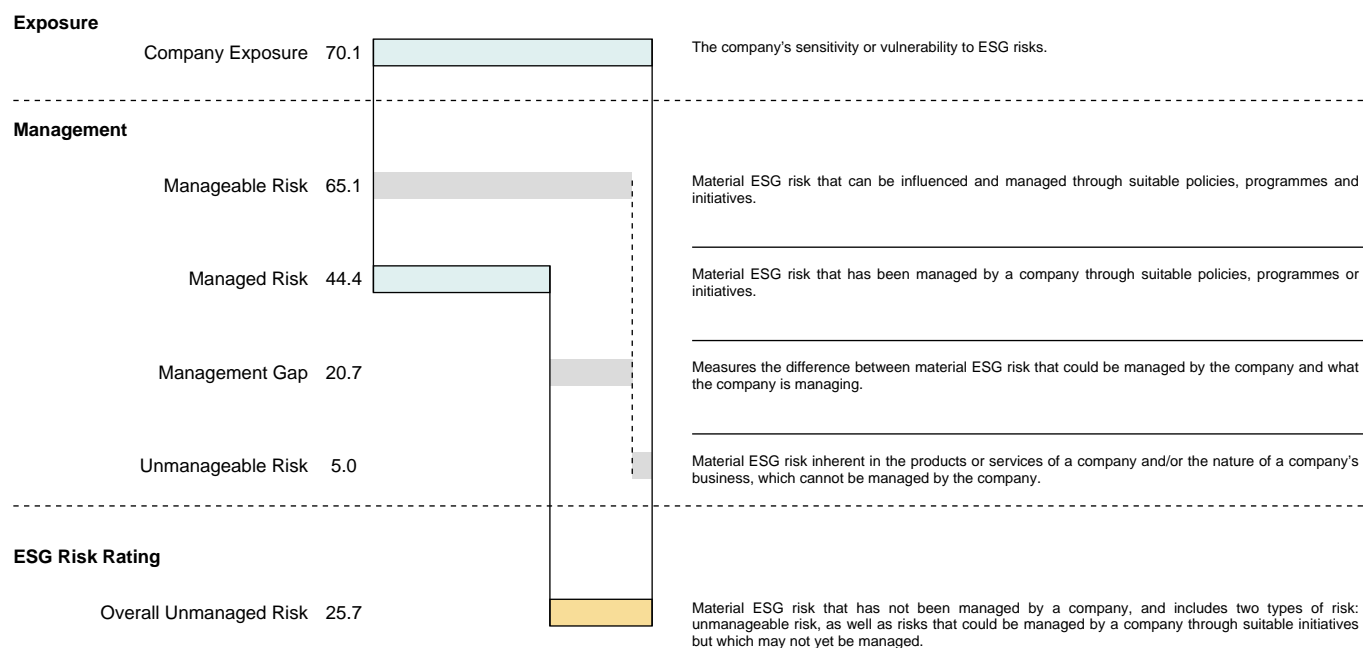
Society - Human Rights

Water Use

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Risk Decomposition



Momentum Details

Not available due to a lack of comparable historical information.

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GLOSSARY OF TERMS

Beta (Beta, β)






A factor that assesses the degree to which a company's exposure deviates from its **subindustry's** exposure on a **material ESG issue**. It is used to derive a company-specific issue exposure score for a material ESG issue. It ranges from 0 to 10, with 0 indicating no exposure, 1 indicating the subindustry average, and 10 indicating exposure that is ten times the subindustry average.

Corporate Governance Pillar

A pillar provides a signal about a company's management of a specific Corporate Governance issue.

ESG Risk Category

Companies' **ESG Risk Rating scores** are assigned to five ESG risk categories in the **ESG Risk Rating**:

	Negligible risk: enterprise value is considered to have a negligible risk of material financial impacts driven by ESG factors
	Low risk: enterprise value is considered to have a low risk of material financial impacts driven by ESG factors
	Medium risk: enterprise value is considered to have a medium risk of material financial impacts driven by ESG factors
	High risk: enterprise value is considered to have a high risk of material financial impacts driven by ESG factors
	Severe risk: enterprise value is considered to have a severe risk of material financial impacts driven by ESG factors

Note that because ESG risks materialize at an unknown time in the future and depend on a variety of unpredictable conditions, no predictions on financial or share price impacts, or on the time horizon of such impacts, are intended or implied by these risk categories.

ESG Risk Rating Score (Unmanaged Risk Score)

The company's final score in the **ESG Risk Rating**; it applies the concept of **risk decomposition** to derive the level of **unmanaged risk** for a company.

Event Category

Sustainalytics categorizes events that have resulted in negative ESG impacts into five event categories: Category 1 (low impact); Category 2 (moderate impact); Category 3 (significant impact); Category 4 (high impact); and Category 5 (severe impact).

Event Indicator

An indicator that provides a signal about a potential failure of management through involvement in controversies.

Excess Exposure

The difference between the company's **exposure** and its **subindustry** exposure.

Exposure

A company or **subindustry's** sensitivity or vulnerability to ESG risks.

Idiosyncratic Issue

An issue that was not deemed material at the **subindustry** level during the **consultation process** but becomes a **material ESG issue** for a company based on the occurrence of a Category 4 or 5 event.

Manageable Risk

Material ESG risk that can be influenced and managed through suitable policies, programmes and initiatives.

Managed Risk

Material ESG Risk that has been managed by a company through suitable policies, programmes and initiatives.

Management

A company's handling of ESG risks.

Management Gap

Refers to the difference between what a company has managed and what a company could possibly manage. It indicates how far the company's performance is from best practice.

Management Indicator

An indicator that provides a signal about a company's management of an ESG issue through policies, programmes or quantitative performance.

Material ESG Issue

A core building block of the **ESG Risk Rating**. An ESG issue is considered to be material within the rating if it is likely to have a significant effect on the enterprise value of a typical company within a given **subindustry**.

Subindustry

Subindustries are defined as part of Sustainalytics' own classification system.

Unmanageable Risk

Material ESG Risk inherent from the intrinsic nature of the products or services of a company and/or the nature of a company's business, which cannot be managed by the company if the company continues to offer the same type of products or services and remains in the same line of business.

Unmanaged Risk

Material ESG risk that has not been managed by a company, and includes two types of risk: **unmanageable risk**, as well as risks that could be managed by a company through suitable initiatives, but which may not yet be managed (**management gap**).

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