

ENERGO-PRO as

Electric Utilities Czech Republic

ESG Risk Rating

27.4

Updated Oct 14, 2021

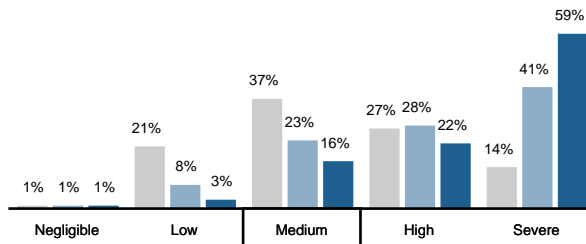
Not
available

Momentum

Medium Risk



ESG Risk Rating Distribution



ESG Risk Rating Ranking

UNIVERSE	RANK	PERCENTILE
	(1 st = lowest risk)	(1 st = lowest risk)
Global Universe	7103/14463	50th
Utilities INDUSTRY	153/635	25th
Electric Utilities SUBINDUSTRY	46/287	17th

Peers Table

Peers (Market cap \$0.0 - \$0.0bn)

Peers (Market cap \$0.0 - \$0.0bn)	Exposure	Management	ESG Risk Rating
1. DTEK B.V.	68.6 High	65.8 Strong	26.6 Medium
2. The Hongkong Electric Co., Ltd.	59.0 High	58.1 Strong	27.1 Medium
3. ENERGO-PRO as	49.9 Medium	48.5 Average	27.4 Medium
4. Jersey Central Power & Light Co.	45.4 Medium	42.0 Average	27.7 Medium
5. Fingrid Oyj	46.4 Medium	41.7 Average	28.4 Medium

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ESG Risk Analysis

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

ESG Risk Exposure

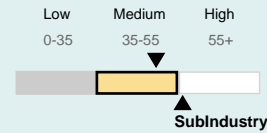
49.9

Not available

Medium

Momentum

Beta = 0.84



ENERGO-PRO is exposed to health and safety incidents related to the constructing, maintenance and expansion of its generation and distribution assets. Incidents have the potential to materially impact the company's operations through disruptions, delays, fines and lawsuits. Moreover, power generation and distribution produce negative externalities that could harm local human and non-human habitants. Mismanagement in this area could trigger environmental fines, clean-up costs and plant retrofit expenses. Additionally, the company's distribution networks (100,254 km as of FY2020) may, directly and indirectly, affect residential and adjacent areas, possibly generating community opposition. Mismanagement may lead to protests, project delays, fines or operational disruptions.

The company's overall exposure is medium and is moderately below subindustry average. Occupational Health and Safety, 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. The management score assesses the robustness of a company's ESG programs, practices, and policies.

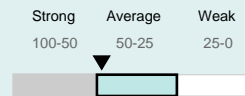
ESG Risk Management

48.5

Not available

Average

Momentum



ENERGO-PRO's overall ESG-related disclosure is not in accordance with GRI reporting standards, lagging behind best practice. The company's ESG-related issues are overseen by the board or the executive team, suggesting that these are integrated in core business strategy.

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

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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	7.0 Medium	28.9 Average	5.0 Medium	18.1%
Community Relations	8.0 High	53.8 Strong	4.1 Medium	15.1%
Resource Use	5.4 Medium	31.0 Average	4.1 Medium	14.8%
Emissions, Effluents and Waste	5.3 Medium	43.5 Average	3.2 Low	11.6%
Occupational Health and Safety	4.8 Medium	41.3 Average	3.0 Low	11.0%
Product Governance	3.0 Low	22.5 Weak	2.4 Low	8.7%
Corporate Governance	5.0 Medium	61.0 Strong	2.0 Negligible	7.1%
Human Capital	3.2 Low	51.9 Strong	1.6 Negligible	5.9%
Business Ethics	5.0 Medium	78.8 Strong	1.3 Negligible	4.6%
Land Use and Biodiversity	3.2 Low	74.2 Strong	0.8 Negligible	3.0%
Overall	49.9 Medium	48.5 Average	27.4 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)

None (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

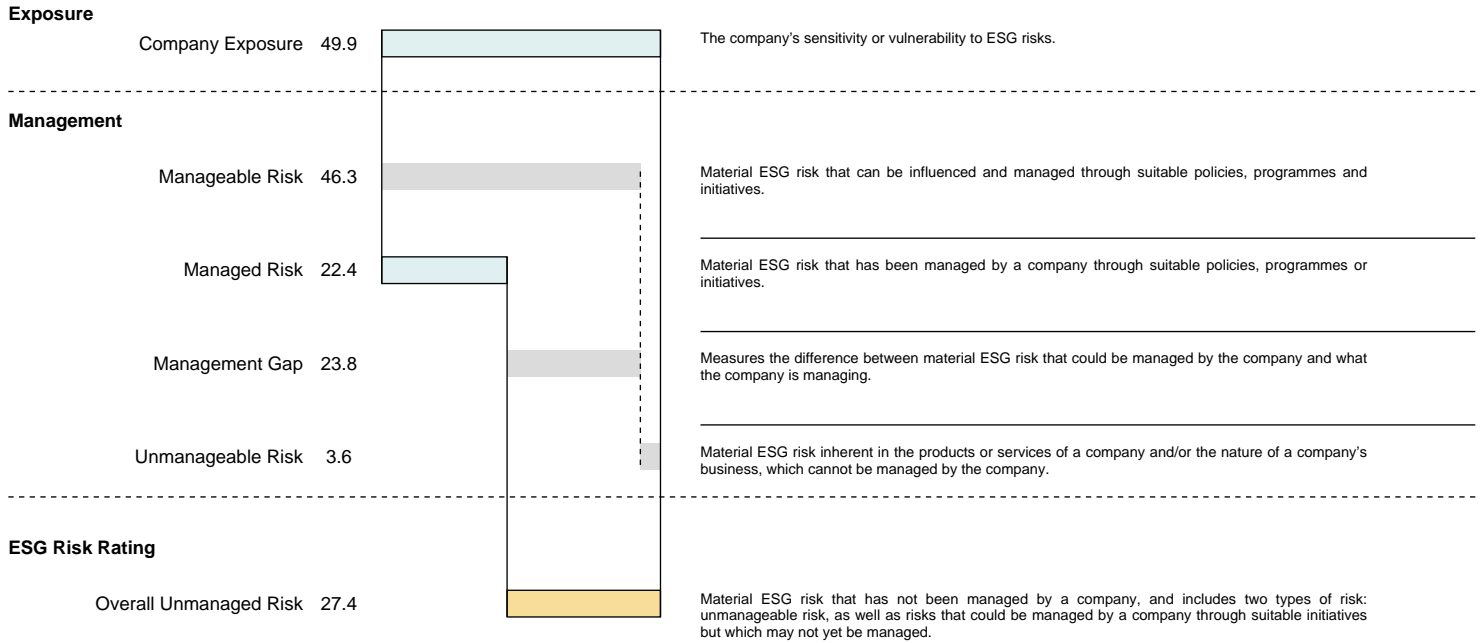
Society - Human Rights

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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