

# ENERGO-PRO as

Electric Utilities Czech Republic

## ESG Risk Rating

**19.4**

Last Full Update Mar 15, 2024

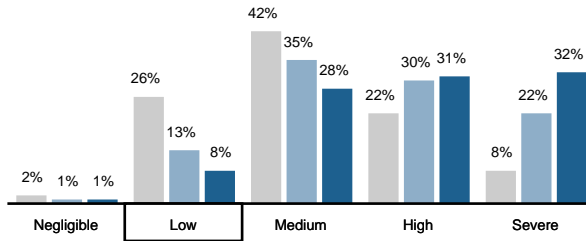
**-5.5**

Momentum

**Low Risk**



## ESG Risk Rating Distribution



## ESG Risk Rating Ranking

UNIVERSE	RANK	PERCENTILE
	(1 <sup>st</sup> = lowest risk) (1 <sup>st</sup> = Top Score)	
Global Universe	4167/15975	27th
Utilities INDUSTRY	85/710	13th
Electric Utilities SUBINDUSTRY	22/266	9th

## Peers Table

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

Peers (Market cap \$0.0 - \$0.0bn)	Exposure	Management	ESG Risk Rating
1. India Clean Energy Holdings	57.2 High	73.2 Strong	18.3 Low
2. Consorcio Transmataro SA	40.1 Medium	55.9 Strong	19.3 Low
3. ENERGO-PRO as	53.5 Medium	69.0 Strong	19.4 Low
4. Ellevio AB	36.6 Medium	48.2 Average	20.2 Medium
5. NSTAR Electric Co.	47.8 Medium	61.9 Strong	20.3 Medium

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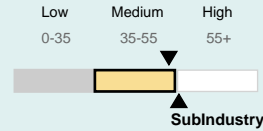
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## ESG Risk Analysis

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

**53.5** **+0.2**  
**Medium** Momentum  
 Beta = 0.92



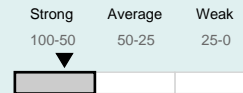
Energo-Pro's distribution networks (about 101,400 km as of FY2021) may, directly and indirectly, affect residential and adjacent areas, possibly generating community opposition. Mismanagement may lead to protests, project delays, fines or operational disruptions. Furthermore, Energo-Pro's employees (9,204 as of FY2021) are exposed to health and safety incidents related to the construction, maintenance and expansion of generation and distribution assets. Incidents have the potential to materially impact the company's operations through disruptions, delays, fines and lawsuits. Moreover, mismanagement in Energo-Pro's asset management programme at the hydropower and gas turbine power plants could lead to dam ruptures and potential explosion incidents that can endanger local communities. If material, such situations could lead to lawsuits, fines, penalties and reputational damage.

The company's overall exposure is medium and is moderately below subindustry average. Product Governance, Community Relations and Occupational Health and Safety 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

**69.0** **+11.4**  
**Strong** Momentum



Energo-Pro has strong ESG reporting practices. Part of the board of directors and management-level ESG committee, the company's CEO and CFO are responsible for managing ESG issues along with the committee. Additionally, the company has adopted very strong environmental and whistleblower policies. However, Energo-Pro does not disclose information about its remuneration policy.

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	
Community Relations	8.0 High	64.8 Strong	3.3 Low	17.2%
Product Governance	6.3 Medium	53.2 Strong	3.3 Low	17.0%
Emissions, Effluents and Waste	5.6 Medium	55.5 Strong	2.8 Low	14.5%
Occupational Health and Safety	6.3 Medium	65.0 Strong	2.6 Low	13.5%
Resource Use	5.0 Medium	63.2 Strong	2.5 Low	12.8%
Human Capital	3.2 Low	66.3 Strong	1.2 Negligible	6.0%
Carbon -Own Operations	4.5 Medium	75.1 Strong	1.1 Negligible	5.8%
Corporate Governance	5.0 Medium	79.0 Strong	1.1 Negligible	5.4%
Land Use and Biodiversity	4.6 Medium	81.5 Strong	0.9 Negligible	4.4%
Business Ethics	5.0 Medium	91.3 Strong	0.7 Negligible	3.4%
<b>Overall</b>	<b>53.5 Medium</b>	<b>69.0 Strong</b>	<b>19.4 Low</b>	<b>100.0%</b>

## 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 (1)**

Quality and Safety

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## Events Overview

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

## Category (Events)

**None (18)**

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

Sanctions

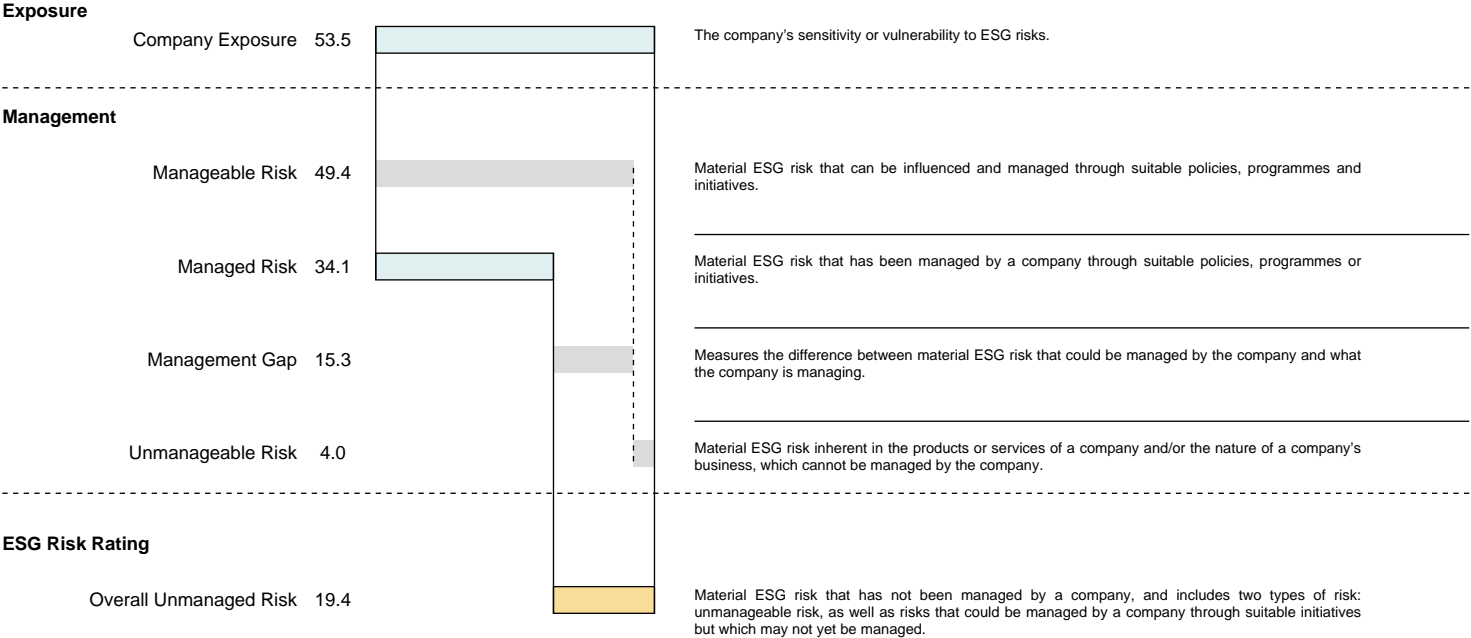
Society - Human Rights

Water Use

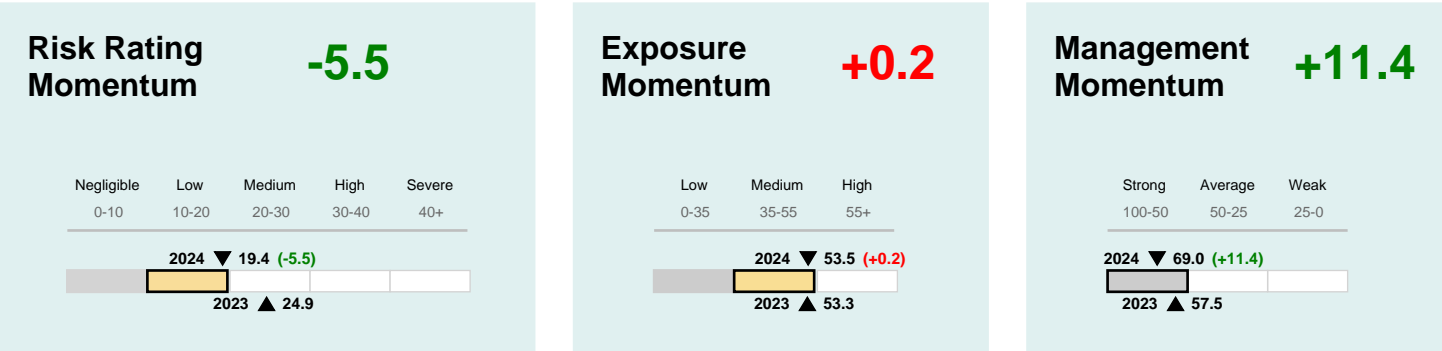
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## Risk Decomposition



## Momentum Details



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## GLOSSARY OF TERMS

### Beta (Beta, $\beta$ )

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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