

Enel Russia PJSC

28.3 /100 Medium

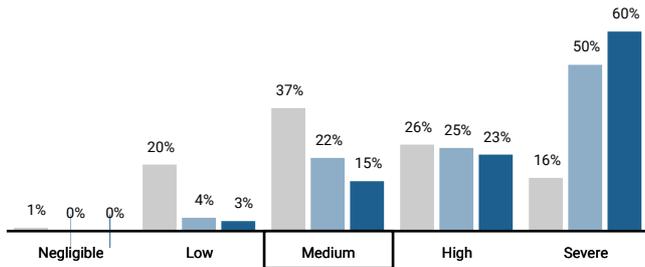
Electric Utilities | Russia | MIC:ENRU



Rating Overview

The company is at medium risk of experiencing material financial impacts from ESG factors, due to its high exposure and strong management of material ESG issues. Notably, its overall risk is higher since it is materially exposed to more ESG issues than most companies in our universe. Furthermore, the company has not experienced significant controversies.

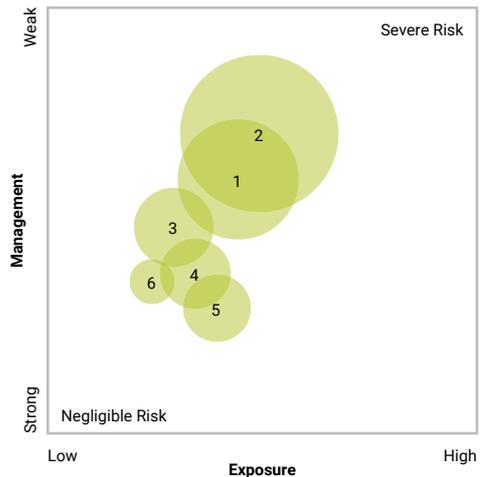
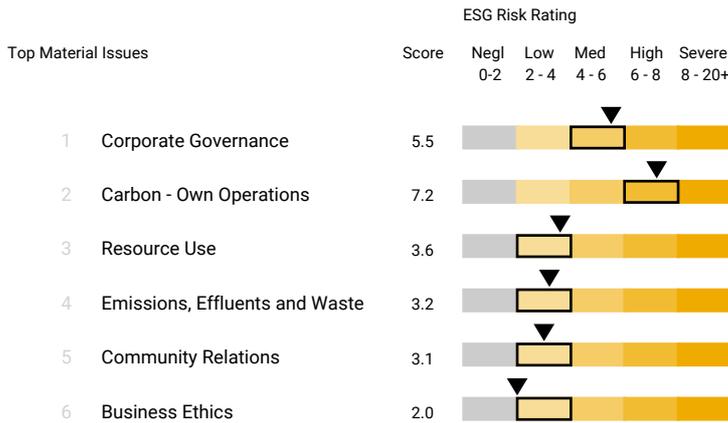
ESG Risk Rating Distribution



Relative Performance

	Rank (1 st = lowest risk)	Percentile (1 st = lowest risk)
Global Universe	4891 out of 9441	52nd
Utilities (Industry Group)	80 out of 394	21st
Electric Utilities (Subindustry)	25 out of 154	17th

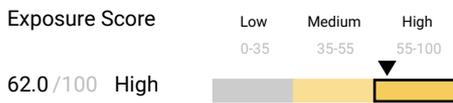
Attribution Analysis



△ = Significant event

○ Circle size = Contribution to ESG Risk Rating

Risk Analysis

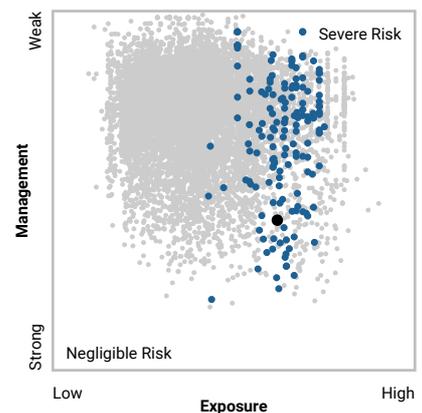


The company's carbon footprint is affected by the nature of its operations and the source of energy used to power these operations. Increasingly stringent carbon and energy regulations could lead to higher energy prices and larger associated costs for the company, as well as compliance issues. While the company's operations may contribute to local communities by creating job opportunities, they can also negatively impact the livelihoods of people in these communities. Related risks include community conflicts, protests and blockades which can disrupt or halt operations. The company's operations release negative environmental externalities such as air pollutants, hazardous substances or wastewater. Related incidents may trigger environmental fines, clean-up costs, civil lawsuits, community opposition and operational shutdowns.

Enel Russia's overall ESG-related disclosure is not in accordance with GRI reporting standards, lagging behind best practice. The company has a board committee overseeing governance issues, but not environmental and social ones, suggesting that these are not integrated in core business strategy.

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

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



● Global Universe
● Electric Utilities (Subindustry)
● Enel Russia PJSC

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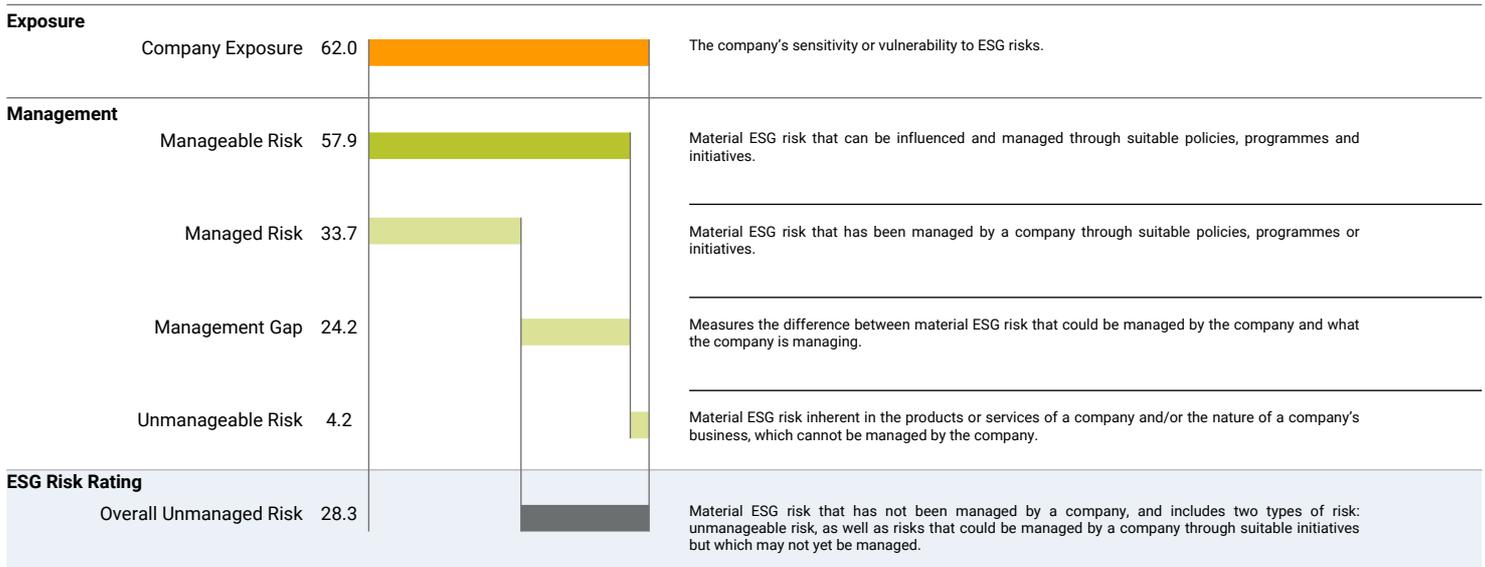
Attribution Details

Issue Name	Contribution to						ESG Risk Rating	Risk Category
	ESG Risk Rating	Subindustry Exposure	Company Exposure	Excess Exposure	Manageable Risk Factor	Management Score		
Corporate Governance	19.5%	9.0	9.0	-	100%	38.5	5.5	
Carbon - Own Operations	25.5%	10.0	10.0	-	100%	27.8	7.2	
Resource Use	12.8%	6.0	6.0	-	80%	49.7	3.6	
Emissions, Effluents and Waste	11.2%	7.0	7.0	-	90%	60.6	3.2	
Community Relations	10.8%	8.0	8.0	-	90%	68.8	3.1	
Business Ethics	7.2%	5.0	5.0	-	95%	62.5	2.0	
Product Governance	5.2%	4.0	4.0	-	90%	70.0	1.5	
Human Capital	3.6%	4.0	4.0	-	95%	78.8	1.0	
Land Use and Biodiversity	2.1%	3.0	3.0	-	100%	80.0	0.6	
Occupational Health and Safety	2.1%	6.0	6.0	-	90%	100.0	0.6	
Overall	100.0%	-	62.0	-	-	58.2	28.3	Medium

△ =Significant event



Risk Details



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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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