

Enel Russia PJSC

24.5 Medium Risk

Electric Utilities | Russia | MIC:ENRU



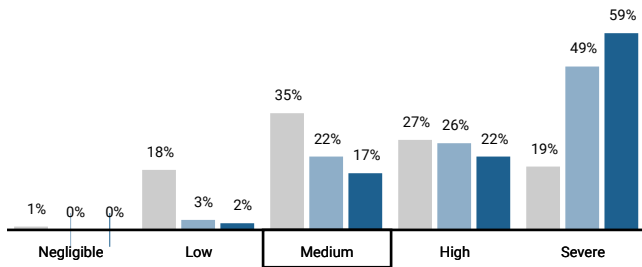
Rating Overview

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.

Momentum Score

Not available due to a lack of comparable historical information

ESG Risk Rating Distribution



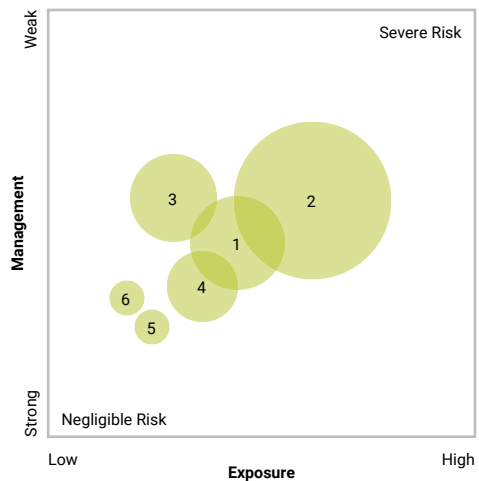
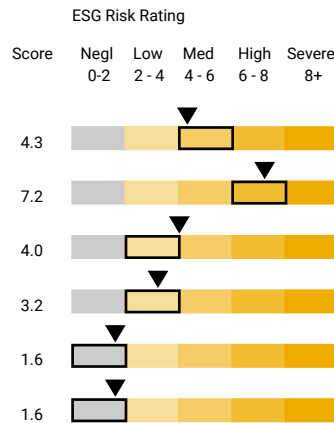
Relative Performance

	Rank (1 st = lowest risk)	Percentile (1 st = lowest risk)
Global Universe	4132 out of 12278	34th
Utilities (Industry Group)	46 out of 450	11th
Electric Utilities (Subindustry)	17 out of 189	9th

Attribution Analysis

Top Material Issues

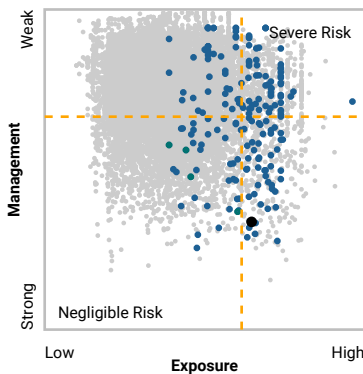
- Corporate Governance
- Carbon - Own Operations
- Resource Use
- Emissions, Effluents and Waste
- Business Ethics
- Product Governance



△ = Significant event

○ Circle size = Contribution to ESG Risk Rating

Risk Analysis



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

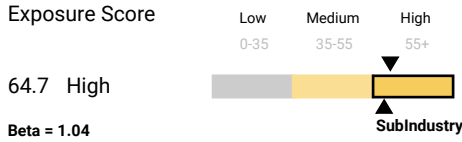
Peer	ESG Risk Rating	Exposure	Management
1. TenneT Holding B.V.	23.2 Medium	45.7 Medium	52.3 Strong
2. Ellevio AB (publ)	23.6 Medium	38.9 Medium	42.3 Average
3. Enel Russia PJSC	24.5 Medium	64.7 High	66.4 Strong
4. Vattenfall AB	24.9 Medium	60.3 High	63.1 Strong
5. Statnett SF	25.9 Medium	44.2 Medium	43.9 Average

- Global Universe
- Electric Utilities (Subindustry)
- Enel Russia PJSC
- Peers
- + SubIndustryAvg.

Enel Russia PJSC

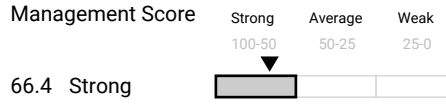
24.5 Medium Risk

Electric Utilities | Russia | MIC:ENRU



Generating energy only from fossil fuels, Enel Russia is exposed to financial risks raised by the prospects of a low-carbon economy. Failure to reduce reliance on fossil fuels may expose it to 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, waste disposal or 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 similar to subindustry average. Carbon -Own Operations, Community Relations and Emissions, Effluents and Waste are notable material ESG issues.



Enel Russia's overall ESG-related disclosure is not in accordance with GRI reporting standards, lagging behind best practice. Aligned with best practice, the company has a board level committee (Safety, Health and Environment Advisory Committee) which oversees its sustainability matters.

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

Attribution Details

Issue Name	Contribution to						ESG Risk Rating	Risk Category
	ESG Risk Rating	Subindustry Exposure	Company Exposure	Manageable Risk Factor	Management Score	Management Weight		
Corporate Governance	17.4%	9.0	9.0	100%	52.7	14.9 %	4.3	
Carbon -Own Operations	29.2%	10.0	12.5	100%	42.8	20.7 %	7.2	
Resource Use	16.2%	6.0	6.0	80%	42.2	7.9 %	4.0	
Emissions, Effluents and Waste	13.0%	7.0	7.4	90%	62.9	10.9 %	3.2	
Business Ethics	6.3%	5.0	5.0	95%	72.5	7.9 %	1.6	
Product Governance	6.3%	4.0	3.8	90%	65.6	5.7 %	1.6	
Community Relations	3.3%	8.0	8.0	90%	100.0	11.9 %	0.8	
Land Use and Biodiversity	3.1%	3.0	3.0	100%	75.0	5.0 %	0.7	
Human Capital	2.8%	4.0	4.0	95%	87.5	6.3 %	0.7	
Occupational Health and Safety	2.4%	6.0	6.0	90%	100.0	8.9 %	0.6	
Overall	100.0%	62.0	64.7	93.6 %	66.4	100.0%	24.5	Medium

△ =Significant event

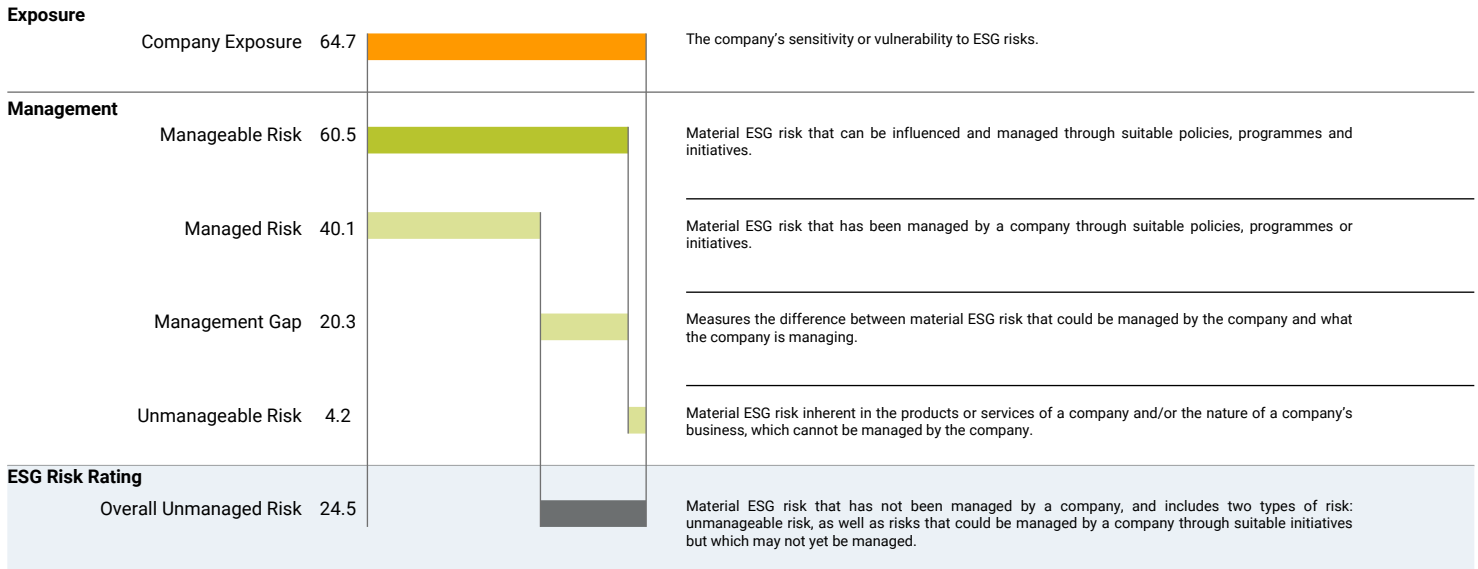
Enel Russia PJSC

24.5 Medium Risk

Electric Utilities | Russia | MIC:ENRU



Risk Details



Momentum Details

Not available due to a lack of comparable historical information

Enel Russia PJSC

Electric Utilities | Russia | MIC:ENRU

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**).

Enel Russia PJSC

Electric Utilities | Russia | MIC:ENRU

DISCLAIMER

Copyright © 2019 Sustainalytics. All rights reserved.

The ownership and all intellectual property rights to this publication/report and the information contained herein are vested exclusively in Sustainalytics and/or its suppliers. Unless otherwise expressly agreed in writing between you and Sustainalytics, you will not be permitted to use this information otherwise than for internal use, nor will you be permitted to reproduce, disseminate, comingle, create derivative works, furnish in any manner, make available to third parties or publish this publication/report, parts hereof or the information contained herein in any form or in any manner, be it electronically, mechanically, through photocopies, recordings. The information on which this publication/report is based on reflects the situation as on the date of its elaboration. Such information has – fully or partially – been derived from third parties and is therefore subject to continuous modification. THE INFORMATION HEREIN IS PROVIDED SOLELY FOR INFORMATIONAL PURPOSES AND THEREFORE ARE NOT AN OFFER TO BUY OR SELL A SECURITY. NEITHER SUSTAINALYTICS NOR ALL ITS THIRD-PARTY SUPPLIERS PROVIDE INVESTMENT ADVICE (AS DEFINED IN THE APPLICABLE JURISDICTION) OR ANY OTHER FORM OF (FINANCIAL) ADVICE AND NOTHING WITHIN THIS PUBLICATION/REPORT CONSTITUTES SUCH ADVICE. SUSTAINALYTICS OBSERVES THE GREATEST POSSIBLE CARE IN USING INFORMATION, HOWEVER THE INFORMATION IS PROVIDED "AS IS" AND NEITHER SUSTAINALYTICS NOR ITS SUPPLIERS ACCEPT ANY LIABILITY FOR DAMAGE ARISING FROM THE USE OF THIS PUBLICATION/REPORT OR INFORMATION CONTAINED HEREIN IN ANY MANNER WHATSOEVER. MOREOVER, SUSTAINALYTICS AND ALL ITS THIRD-PARTY SUPPLIERS DISCLAIM ANY AND ALL WARRANTIES AND REPRESENTATIONS, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTIES OF MERCHANTABILITY, COMPLETENESS, ACCURACY OR FITNESS FOR A PARTICULAR PURPOSE.

This publication/report may contain proprietary information from third parties (Third Party Data) and here you can find additional terms and conditions imposed by the following Third Party Data providers regarding the use of their data:

www.sustainalytics.com/legal-disclaimers