

Energetický a Prumyslový Holding AS

Multi-Utilities Czech Republic

ESG Risk Rating

22.4

Last Full Update Oct 31, 2023

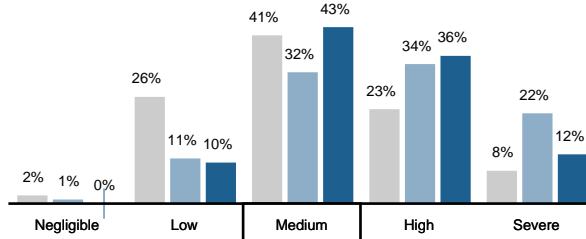
+0.2

Momentum

Medium Risk



ESG Risk Rating Distribution



ESG Risk Rating Ranking

UNIVERSE	RANK	PERCENTILE
	(1 st = lowest risk)	(1 st = Top Score)
Global Universe	5877/15708	38th
Utilities INDUSTRY	136/705	20th
Multi-Utilities SUBINDUSTRY	25/104	24th

Peers Table

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

Peers (Market cap \$0.0 - \$0.0bn)	Exposure	Management	ESG Risk Rating
1. National Grid North America, Inc.	46.6 Medium	59.4 Strong	20.9 Medium
2. Stedin Holding NV	40.0 Medium	50.1 Strong	21.2 Medium
3. Energetický a Prumyslový Holding AS	73.7 High	75.1 Strong	22.4 Medium
4. Baltimore Gas & Electric Co.	53.1 Medium	60.4 Strong	23.3 Medium
5. Fluvius System Operator CV	40.9 Medium	35.2 Average	27.4 Medium

Energetický a Průmyslový Holding AS

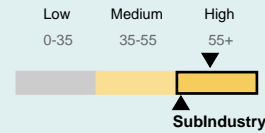
Multi-Utilities Czech Republic

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

73.7 **+13.3**
High Momentum
 Beta = 1.27



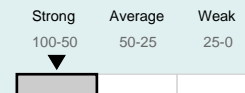
As part of its renewable energy strategy, Energetický A Průmyslový Holding As' (EPH) subsidiary Mibrag aims to construct three solar farms and two wind farms between 2023 and 2025. Still, EPH's energy generation activities still rely heavily on fossil fuels: natural gas, hard coal and lignite made up more than 91% of its 2022 energy mix. As the transition to a low-carbon economy may destabilize fuel prices, EPH could face increased operating costs and stranded assets. EPH also operates electricity transmission lines, gas pipelines and coal mines. As gas leaks and poorly maintained transmission lines can have adverse impacts on residents, it could face community protests and operational disruptions. Moreover, EPH's thermal power plants generate air pollutants, such as SO₂ and NO_x, as well as waste and effluents, mismanagement of which could expose it to significant penalties or fines.

The company's overall exposure is high and is significantly above subindustry average. Emissions, Effluents and Waste, Carbon -Own Operations 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

75.1 **+7.2**
Strong Momentum



EPH's 2022 sustainability report was prepared in accordance with GRI Standards, in line with best practice. Furthermore, health, safety and environmental committees oversee ESG issues at its subsidiaries EP Power Europe and EP Infrastructure, which together contributed 99.5% of group revenue in 2022. EPH takes ESG factors into account for executive remuneration, but does not disclose quantitative details on this. EPH prioritizes community safety, has established strong community engagement systems, and supports local development through its foundation and energy accessibility. The company has adequate waste management programmes and collaborates with external experts to manage biodiversity concerns. Furthermore, it has strong environmental commitments on carbon emissions, including net zero by 2050 and interim targets; however, the recent rise in carbon intensity is a cause for concern.

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

Energetický a Průmyslový Holding AS

Multi-Utilities Czech Republic

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	
Emissions, Effluents and Waste	11.6 High	62.5 Strong	5.1 Medium	22.6%
Carbon -Own Operations	11.3 High	61.9 Strong	4.3 Medium	19.1%
Resource Use	6.8 Medium	68.8 Strong	3.0 Low	13.6%
Product Governance	7.5 Medium	78.3 Strong	2.2 Low	9.9%
Community Relations	9.6 High	86.7 Strong	2.1 Low	9.4%
Occupational Health and Safety	7.8 Medium	90.8 Strong	1.4 Negligible	6.4%
Human Capital	3.6 Low	66.3 Strong	1.3 Negligible	6.0%
Land Use and Biodiversity	5.6 Medium	77.5 Strong	1.3 Negligible	5.6%
Corporate Governance	5.0 Medium	82.0 Strong	0.9 Negligible	4.0%
Business Ethics	5.0 Medium	89.1 Strong	0.8 Negligible	3.4%
Overall	73.7 High	75.1 Strong	22.4 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 (3)

Business Ethics

Community Relations

Emissions, Effluents and Waste

Energetický a Průmyslový Holding AS

Multi-Utilities Czech Republic

Events Overview

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

Category (Events)

None (16)

Access to Basic Services

Accounting and Taxation

Anti-Competitive Practices

Bribery and Corruption

Data Privacy and Security

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

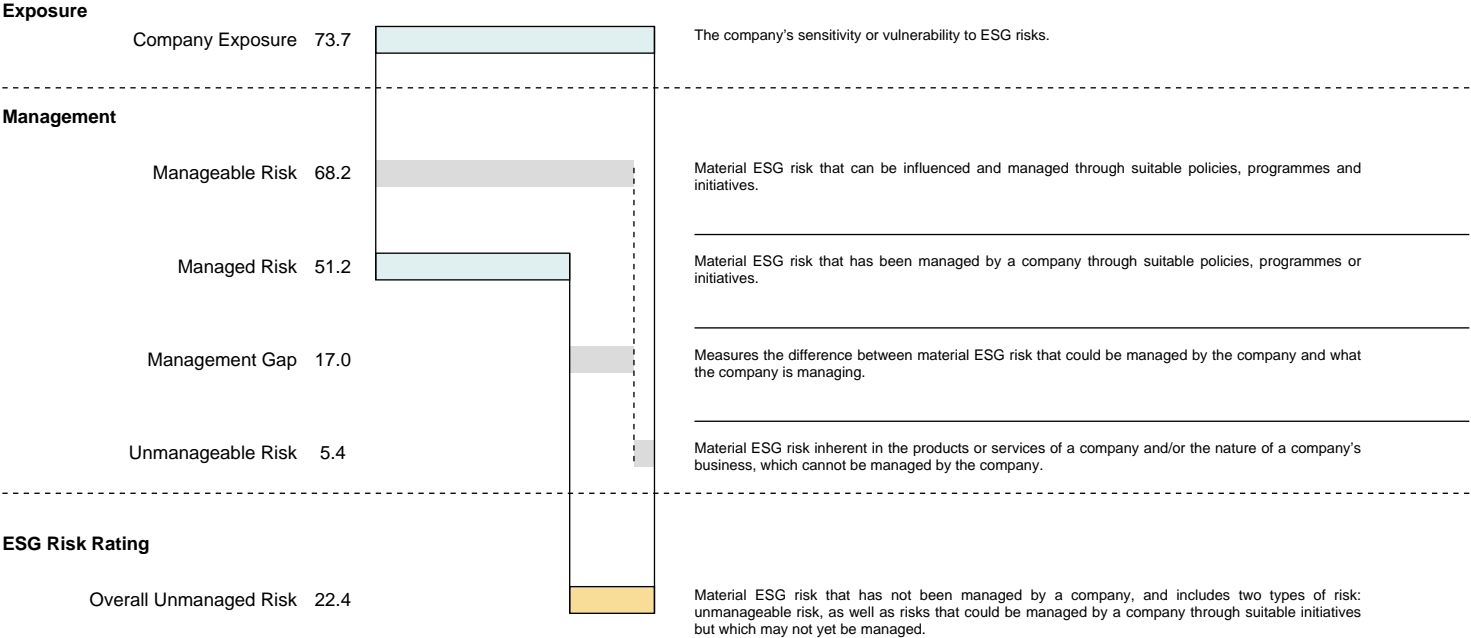
Society - Human Rights

Water Use

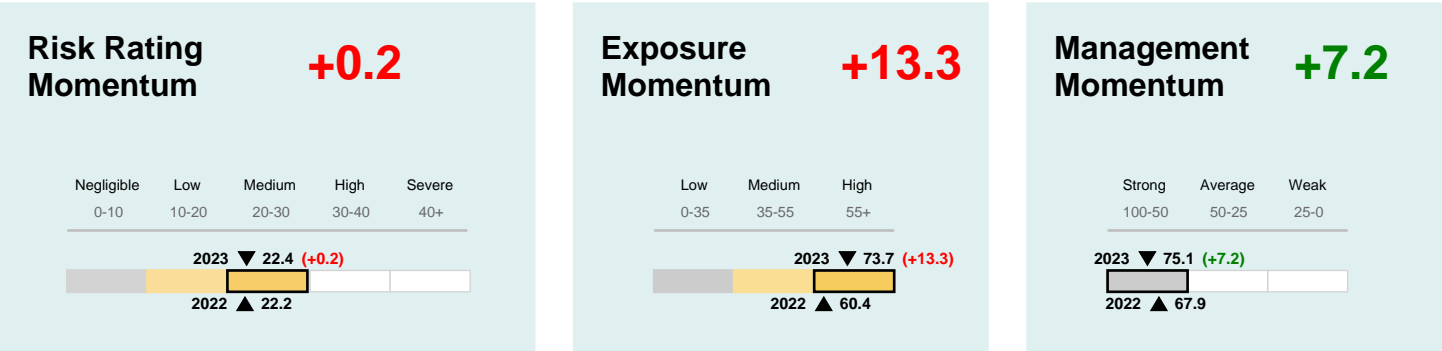
Energetický a Průmyslový Holding AS

Multi-Utilities Czech Republic

Risk Decomposition



Momentum Details



Energetický a Průmyslový Holding AS

Multi-Utilities Czech Republic

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**).

Energetický a Průmyslový Holding AS

Multi-Utilities Czech Republic

DISCLAIMER

Copyright ©2023 Sustainalytics. All rights reserved.

The information, methodologies, data and opinions contained or reflected herein are proprietary of Sustainalytics and/or content providers, intended for internal, non-commercial use and may not be copied, distributed or used in any other way, including via citation, unless otherwise explicitly agreed in writing.

They are provided for informational purposes only and (1) do not constitute an endorsement of any product, project, investment strategy or consideration of any particular environmental, social or governance related issues as part of any investment strategy; (2) do not constitute investment advice, nor represent an expert opinion or negative assurance letter; (3) are not part of any offering and do not constitute an offer or indication to buy or sell securities, to select a project or make any kind of business transactions; (4) are not an assessment of the issuer's economic performance, financial obligations nor of its creditworthiness; (5) are not a substitute for professional advice; (6) past performance is no guarantee of future results; (7) have not been submitted to, nor received approval from, any relevant regulatory bodies.

These are based on information made available by third parties, subject to continuous change and therefore are not warranted as to their merchantability, completeness, accuracy, up-to-datedness or fitness for a particular purpose. The information and data are provided "as is" and reflects Sustainalytics' opinion at the date of its elaboration and publication.

Neither Sustainalytics nor any of its content providers accept any liability for damage arising from the use of the information, data or opinions contained herein, or from the use of information resulting from the application of the methodology, in any manner whatsoever, except where explicitly required by law.

Any reference to content providers' names is for appropriate acknowledgement of their ownership and does not constitute a sponsorship or endorsement by such owner. A list of our content providers and their respective terms of use is available on our website. For more information visit <http://www.sustainalytics.com/legal-disclaimers>.

Sustainalytics may receive compensation for its ratings, opinions and other deliverables, from, among others, issuers, insurers, guarantors and/or underwriters of debt securities, or investors, via different business units. Sustainalytics believes it has put in place appropriate measures designed to safeguard the objectivity and independence of its opinions. For more information visit [Governance Documents](#) or contact compliance@sustainalytics.com.