

Overview

COUNTRY Switzerland | ISIN CH0109674488 | INDUSTRY Electric Utilities

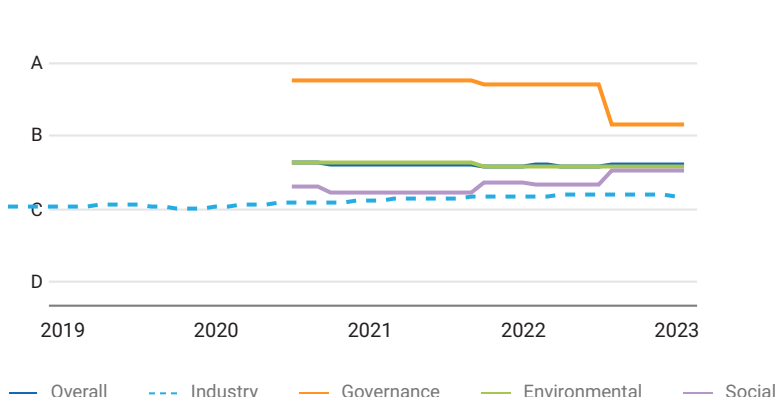
Rating Summary

Rating C+	Performance Score 48.41	Decile Rank 2	Trend ■	Transparency Level Very High	Prime Status Not Prime
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ISS ESG Sustainability Opinion

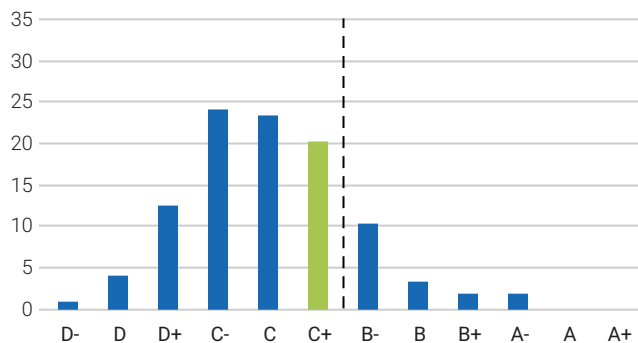
Axpo's energy generation is characterized by a comparatively low carbon intensity. In addition, the company is undertaking significant investments in the expansion of renewable energy projects. The company addresses health- and safety-related aspects and has put in place sound measures to ensure the environmentally friendly operation of its power plants. Risks remain particularly in relation to the final disposal of highly radioactive waste as a suitable storage site is yet to be identified in Switzerland.

Rating History



Distribution of Ratings

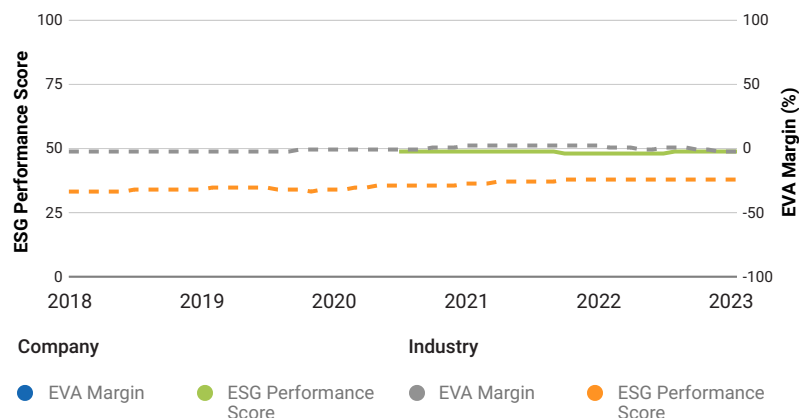
130 companies in the Industry



The Rating History indicates the company's development over the past five years in each ESG dimension as well as overall and compared to the industry.

The Distribution of Ratings indicates the company's performance relative to its industry peers.

ESG Performance and Economic Value



EVA Margin expresses a company's true economic profit margin and combines operating and capital efficiency into one metric.

Industry Leaders

Company	Grade
ERG spa	A-
Orsted A/S	A-
EDP-Energias de Portugal SA	B+
Verbund AG	B+
Vattenfall AB	B

Industry leaders are listed alphabetically by grade.

Analyst Opinion

Sustainability Opportunities

Axpo Holding owns and operates power plants and distribution grids. The company also engages in international energy trading. In the financial year 2021, Axpo derived its energy generation from nuclear power (49.4%), hydropower (26.9%), natural gas (19.1%), and other renewable energy sources such as solar power, wind power and biomass (combined 4.6%). In view of Axpo's significant reliance on renewable energies and nuclear power, the carbon intensity of energy generation amounted to a mere 87 g/kWh in 2021, which is comparatively low. The company has implemented only single measures to help ensure access to energy for vulnerable and economically disadvantaged customers.

Contribution

Relevant Objectives	Products	Revenue
Providing Basic Services	Energy supply to residential customers	12%
Contributing to Sustainable Energy Use	Energy generation based on hydropower (>10MW), energy generation based on renewables (undefined)	12%
Mitigating Climate Change	Energy generation based on hydropower (>10MW), energy generation based on nuclear power, energy generation based on renewables (undefined)	31%

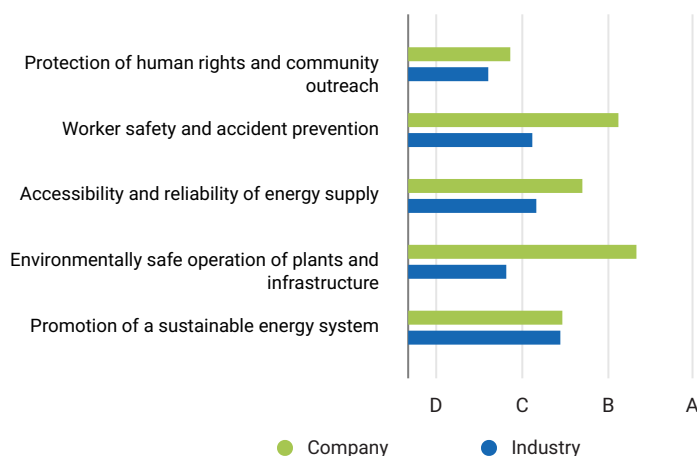
Obstruction

Relevant Objectives	Products	Revenue
Contributing to Sustainable Energy Use	Energy generation based on nuclear power	19%
Preserving Terrestrial Ecosystems	Energy generation based on nuclear power	19%

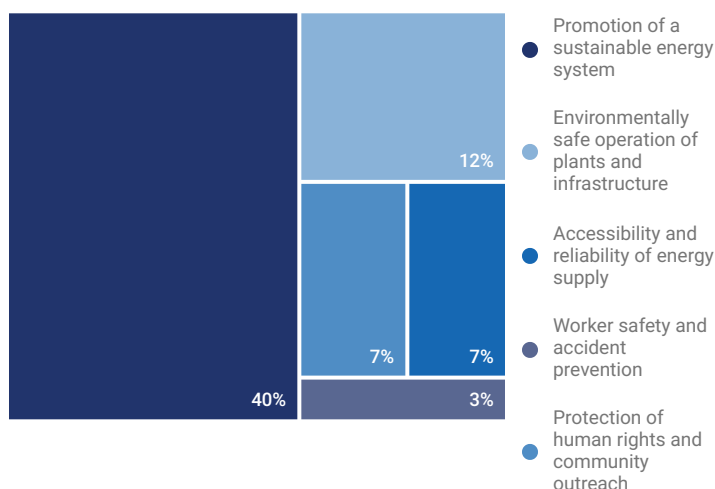
Sustainability Risks

Axpo Holding does not appear to have a specific greenhouse gas emissions reduction target in place. However, the carbon intensity of energy generation is already comparatively low and the company is making significant investments in further renewable energy projects. The safety, radioactive waste management and emergency response planning of the company's nuclear power plants are addressed in a comprehensive fashion. Questions remain related to the final disposal of highly radioactive waste as a suitable storage site is yet to be identified in Switzerland. Axpo has also implemented sound measures to ensure the environmentally friendly and safe operation of its hydropower plants and wind turbines. The company has a group-wide health and safety management system and the accident rate among staff has decreased over the past few years. In addition, there have been no fatalities in recent years. Still, the accident rate of contract workers remains unclear.

Key Issue Performance



Key Issue Materiality



Key Issue Performance - Detail

● Worker safety and accident prevention		Grade	Weight	Change Y-o-Y
		B	3.20%	
A.1.1.3.2.	Accident rate	B	0.53%	
A.1.1.3.3.	Occurrence of fatal accidents	A+	0.53%	
A.1.1.3.4.1.	Integration of contractors into the health and safety management system	B-	0.53%	
● Protection of human rights and community outreach		Grade	Weight	Change Y-o-Y
		C-	6.79%	
A.2.2.2.1.1.	Provision of information on safety risks	C	2.40%	
A.2.1.4.2.	Community outreach and consultation	A-	1.56%	
A.2.1.1.2.	Human rights due diligence procedures	D-	1.50%	
● Accessibility and reliability of energy supply		Grade	Weight	Change Y-o-Y
		B-	9.55%	
A.2.2.1.1.	Social impacts of the product portfolio	C	4.00%	
A.2.2.2.5.1.	Measures to ensure the reliable operation of the power grid	A-	2.13%	
A.2.2.2.2.	Programmes for vulnerable and economically disadvantaged customers	D	1.60%	
● Promotion of a sustainable energy system		Grade	Weight	Change Y-o-Y
		C+	35.87%	
B.2.1.1.	Environmental impacts of the product portfolio	C	10.50%	
B.2.2.1.1.	Energy generation by source	C-	6.30%	
B.1.3.3.	Greenhouse gas emission reduction targets and action plans	C	3.26%	
● Environmentally safe operation of plants and infrastructure		Grade	Weight	Change Y-o-Y
		B	13.23%	
B.2.2.2.3.3.	Radioactive waste management and disposal strategy	B	2.80%	
B.2.2.2.2.1.	Environmentally safe operation of facilities	C+	2.36%	
B.2.2.4.2.	Measures to minimise environmental impacts of electricity transmission and...	D	1.50%	

*Key Issues: the three most highly weighted indicators per key issue are displayed

Analyst Opinions Continued

Governance Opinion

Regarding Axpo's corporate governance structure, a majority of the board is independent. However, the chairman of the board of directors is not considered independent. The board has set up a fully independent Audit committee and a predominantly independent Compensation and Nomination committee (as at July 08, 2022). Compensation is publicly disclosed for members of the executive management team as a whole and the CEO individually. It is further sub-divided according to fixed amounts and variable performance-related components which can incentivize sustainability creation.

There are no indications of an independent board-level committee tasked with overseeing the company's sustainability strategy. The company states that sustainability performance objectives are considered in executive compensation schemes, but details are lacking. Axpo has a comprehensive code of business conduct that covers the most pertinent issues, including corruption, antitrust violations, and conflicts of interest. The company has also implemented relevant compliance procedures designed to help enforce the code of conduct. They include trainings and awareness-raising measures, risk assessments, and the facilitation of non-compliance reporting.

Corporate Governance Metrics

Board Independence	-
Independent Board Chair	NO
Gender Diversity: Women in Executive Management	0%
Median Employee to CEO Pay Ratio	-
Audit and Accounting Risks Identified	-

Audit and Accounting Risks comprise Financial Restatements within Past 2 Years, Non-timely Financial Disclosure within Past 2 Years, Annual Report Late Filing, Director/Officer Enforcement Action Within Past 2 Years, Enforcement Action Taken Against Company in Past 2 Years, Material Weakness in Internal Controls in Past 2 Years, Regulator Currently Investigating Director/Officer/Company.

Controversies

ISS ESG Norm-Based Research (NBR) identifies and evaluates allegations that issuers fail to abide by global norms as set out in relevant international initiatives and guidelines. The controversy assessment in the ESG Corporate Rating is based on NBR but considers only the Severity factor in the assessment. The table below lists the controversies with the highest severity levels by date.

Norm and Key Theme	Event Title	Severity	Date
Human rights: Failure to respect the right to an adequate standard of living	Under observation: Alleged failure to respect the right to an adequate standard of living at Trans Adriatic Pipeline in Italy	Moderate	08 OCT 2021
Environment: Failure to mitigate climate change impacts	Alleged failure to mitigate climate change impacts in Italy	Potential	01 OCT 2020
Environment: Failure to mitigate climate change impacts	Alleged failure to mitigate climate change impacts in Albania	Potential	01 OCT 2020
Human rights: Poor stakeholder consultation	Past involvement: Poor stakeholder consultation at Trans Adriatic Pipeline in Italy	None	08 OCT 2021

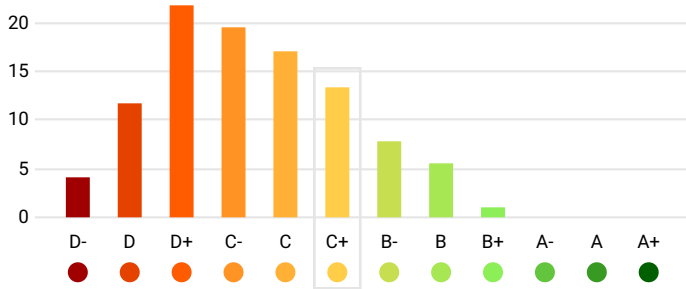
Rating Results Overview and Industry Distribution

A. Social & Governance Rating

Weight: 40%

Trend: ■

C+

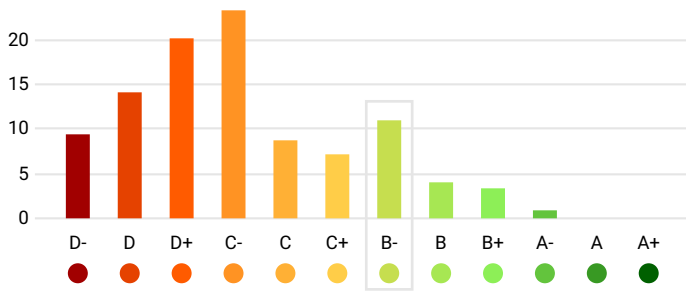


A.1 Staff & Suppliers

Weight: 8%

Trend: ■

B-

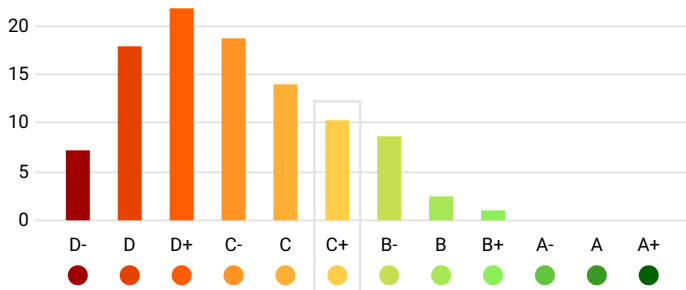


A.2 Society & Product Responsibility

Weight: 24%

Trend: ■

C+

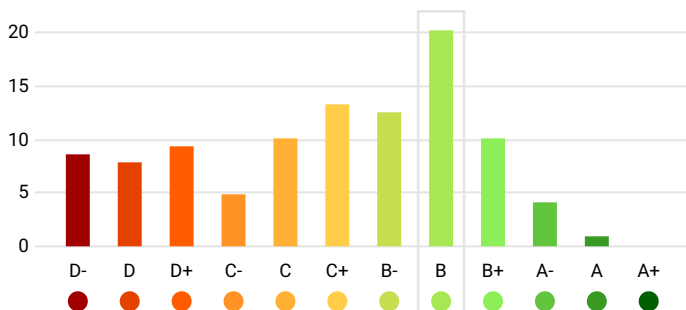


A.3 Corporate Governance and Business Ethics

Weight: 8%

Trend: ✓

B

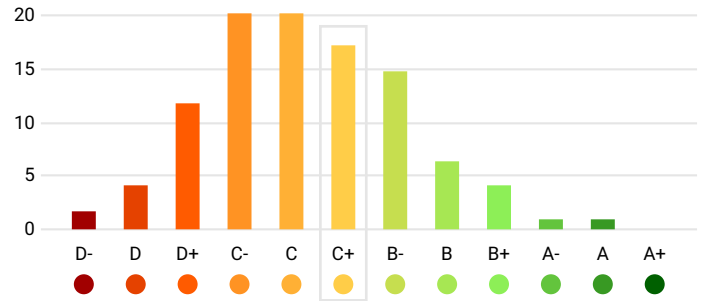


B. Environmental Rating

Weight: 60%

Trend: ■

C+

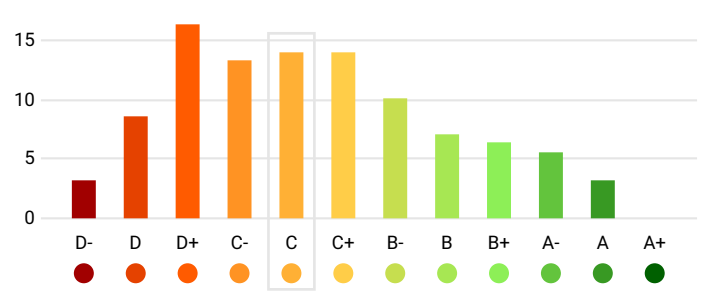


B.1 Environmental Management

Weight: 12%

Trend: ■

C

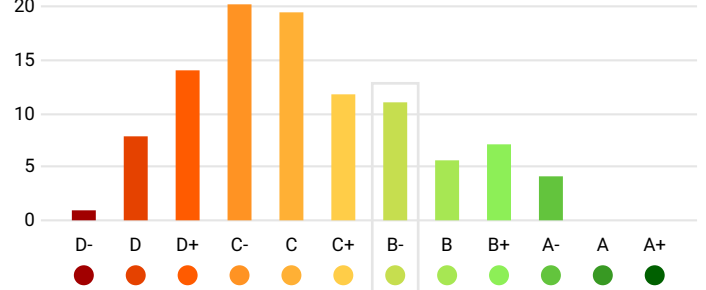


B.2 Products & Services

Weight: 42%

Trend: ■

B-

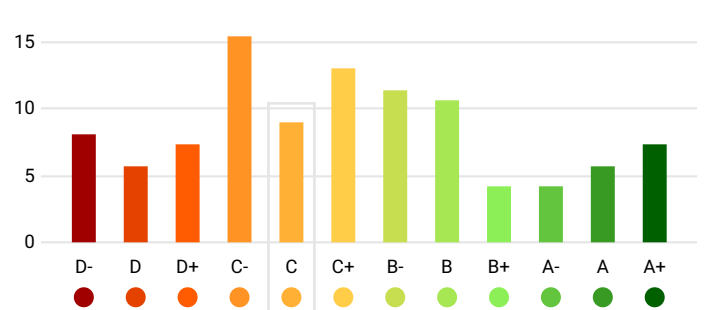


B.3 Eco-efficiency

Weight: 6%

Trend: ■

C



Rating Results Summary

		Grade	Weight
	Social Rating	C+	32.00%
A.1.	Staff and Suppliers	B-	8.00%
A.1.1.	Staff	B-	6.40%
A.1.1.1.	Freedom of association and the right to collective bargaining	D	0.64%
A.1.1.1.1.	Policy on freedom of association and collective bargaining	C-	0.21%
A.1.1.1.2.	Measures to ensure freedom of association and facilitate collective bargaining	D	0.43%
A.1.1.1.3.	Controversies relating to freedom of association		0.00%
A.1.1.2.	Equal opportunities and non-discrimination	C	0.64%
A.1.1.2.1.	Policy on non-discrimination	B	0.21%
A.1.1.2.2.	Measures to promote equal opportunities and diversity	C+	0.21%
A.1.1.2.3.	Gender distribution	D+	0.21%
A.1.1.2.4.	Controversies relating to discrimination		0.00%
A.1.1.3.	Health and safety	B	3.20%
A.1.1.3.1.	Health and safety management system	B-	0.53%
A.1.1.3.1.1.	Implementation of a health and safety management system	A+	0.18%
A.1.1.3.1.2.	Certification of the health and safety management system to an international standard	C	0.35%
A.1.1.3.2.	Accident rate	B	0.53%
A.1.1.3.3.	Occurrence of fatal accidents	A+	0.53%
A.1.1.3.4.	On-site contractor health and safety	B-	1.60%
A.1.1.3.4.1.	Integration of contractors into the health and safety management system	B-	0.53%
A.1.1.3.4.2.	Contractor accident rate	D-	0.53%
A.1.1.3.4.3.	Contractor fatalities	A+	0.53%
A.1.1.3.5.	Controversies relating to health and safety		0.00%
A.1.1.4.	Work-life balance	B+	0.64%
A.1.1.4.1.	Workplace flexibility and working time reduction	B	0.32%
A.1.1.4.2.	Dependant care and special leave	A-	0.32%
A.1.1.5.	Employment security and types of employment	C	0.64%
A.1.1.5.1.	Employment security and responsible workforce restructuring	B-	0.43%
A.1.1.5.1.1.	Policy on employment security and responsible workforce restructuring	B	0.14%
A.1.1.5.1.2.	Large-scale redundancies and significant job cuts	B-	0.28%
A.1.1.5.1.3.	Measures to ensure responsible workforce restructuring		0.00%
A.1.1.5.2.	Types of employment	D-	0.21%

A.1.1.5.2.1.	Position on non-regular employment	D-	0.07%
A.1.1.5.2.2.	Disclosure of different types of employment	D-	0.14%
A.1.1.6.	Training and education	B-	0.64%
A.1.1.6.1.	Strategic training management	B	0.48%
A.1.1.6.2.	Disclosure of average training time/expenses per employee by employee category	C+	0.16%
A.1.1.7.	Additional controversies relating to staff issues		0.00%
A.1.2.	Suppliers	C+	1.60%
A.1.2.1.	Supplier standard with regard to labour rights and working conditions	B	0.53%
A.1.2.2.	Procedures to ensure compliance with the supplier standard on labour rights and working conditions	C	1.06%
A.1.2.3.	Social controversies relating to supplier activities		0.00%
A.2.	Society and Product Responsibility	C+	24.00%
A.2.1.	Society	C	8.00%
A.2.1.1.	Human rights	D-	2.82%
A.2.1.1.1.	Human rights policies and standards	D-	0.75%
A.2.1.1.1.1.	Policy on human rights	D-	0.75%
A.2.1.1.1.2.	Supplier standard on human rights		0.00%
A.2.1.1.2.	Human rights due diligence procedures	D-	1.50%
A.2.1.1.3.	Controversies relating to human rights	D-	0.56%
A.2.1.2.	Community	C	0.47%
A.2.1.2.1.	Community involvement	C	0.47%
A.2.1.3.	Relations with governments and influence on public policy	C+	2.35%
A.2.1.3.1.	Financial relations with governments	B-	0.70%
A.2.1.3.1.1.	Tax base erosion and profit shifting	B-	0.35%
A.2.1.3.1.2.	Payments to governments and economic activity	D-	0.18%
A.2.1.3.1.2.1.	Public disclosure of payments to government	D-	0.18%
A.2.1.3.1.2.2.	Public disclosure of economic activity		0.00%
A.2.1.3.1.3.	Public disclosure of financial assistance received from governments	A+	0.18%
A.2.1.3.1.4.	Controversies relating to financial relations with governments		0.00%
A.2.1.3.2.	Political contributions	D	0.70%
A.2.1.3.3.	Transparency on participation in public policy making and lobbying activities	B+	0.94%
A.2.1.4.	Stakeholder dialogue	B+	2.35%
A.2.1.4.1.	Sustainability reporting	B	0.78%
A.2.1.4.2.	Community outreach and consultation	A-	1.56%

A.2.2.	Customer and product responsibility	C+	16.00%
A.2.2.1.	Social impact of products and services	C	4.00%
A.2.2.1.1.	Social impacts of the product portfolio	C	4.00%
A.2.2.1.2.	Strategy shift towards a more socially beneficial product portfolio		0.00%
A.2.2.2.	Social aspects along the value chain	B-	12.00%
A.2.2.2.1.	Information on safety risks	C	2.40%
A.2.2.2.1.1.	Provision of information on safety risks	C	2.40%
A.2.2.2.1.2.	Controversies relating to information on safety risks		0.00%
A.2.2.2.2.	Programmes for vulnerable and economically disadvantaged customers	D	1.60%
A.2.2.2.3.	Incentives offered to customers to increase energy and water efficiency and to promote reduction and recycling of waste	C+	3.20%
A.2.2.2.4.	Business continuity and resilience	A+	1.60%
A.2.2.2.4.1.	Implementation of a business continuity management system	A+	1.06%
A.2.2.2.4.2.	Certification of the business continuity management system to an international standard	A+	0.53%
A.2.2.2.4.3.	Controversies relating to the reliability and availability of systems		0.00%
A.2.2.2.5.	Reliability of the power grid	A-	3.20%
A.2.2.2.5.1.	Measures to ensure the reliable operation of the power grid	A-	2.13%
A.2.2.2.5.2.	Average interruption of power supply	A	1.06%
A.2.2.2.5.3.	Controversies relating to the reliability of the power grid		0.00%
A.2.2.2.6.	Other major company-specific issues related to customer and product responsibility		0.00%
A.2.2.2.7.	Additional controversies relating to customer and product responsibility		0.00%

Grade	Weight
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Environmental Rating

C+	60.00%
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B.1.	Environmental Management	C	12.00%
B.1.1.	Environmental management system	C+	2.66%
B.1.1.1.	Implementation of an environmental management system	B+	0.89%
B.1.1.2.	Certification of the environmental management system to an international standard	C	1.77%
B.1.2.	Energy management	C-	1.33%
B.1.2.1.	Implementation of an energy management system (EnMS)	B+	0.27%
B.1.2.2.	Certification of the energy management system to an international standard	C	0.53%
B.1.2.3.	Energy use reduction targets	D-	0.53%
B.1.2.4.	Energy use by source		0.00%
B.1.3.	Climate change strategy	C+	4.66%
B.1.3.1.	Position on climate change	A-	0.23%
B.1.3.2.	Greenhouse gas emission inventories	A-	0.70%

B.1.3.3.	Greenhouse gas emission reduction targets and action plans	C	3.26%
B.1.3.4.	Disclosure of climate change risks and mitigation strategy	B-	0.47%
B.1.3.5.	Controversies relating to climate change		0.00%
B.1.4.	Water risk and impact	D	2.00%
B.1.4.1.	Water risk and impact assessments	C	0.80%
B.1.4.1.1.	Identification of activities in regions with high levels of water stress	C+	0.27%
B.1.4.1.2.	Monitoring and mitigation of impacts on freshwater resources	C-	0.53%
B.1.4.2.	Freshwater use inventories	D-	0.40%
B.1.4.3.	Freshwater use reduction	D-	0.80%
B.1.4.3.1.	Freshwater use reduction targets and action plans	D-	0.80%
B.1.5.	Environmental management in the supply chain	C+	1.33%
B.1.5.1.	Environmental supplier standard	C+	0.44%
B.1.5.2.	Procedures to ensure compliance with the environmental supplier standard	C+	0.89%
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B.2.	Products and Services	B-	42.00%
B.2.1.	Environmental impact of products and services	C	10.50%
B.2.1.1.	Environmental impacts of the product portfolio	C	10.50%
B.2.1.2.	Strategy shift towards a more environmentally beneficial product portfolio		0.00%
B.2.2.	Environmental aspects along the value chain	B-	31.50%
B.2.2.1.	Sustainable energy generation	C	10.50%
B.2.2.1.1.	Energy generation by source	C-	6.30%
B.2.2.1.2.	Renewable energy sources	C	3.67%
B.2.2.1.2.1.	Share of renewable energy in energy generation	B-	0.69%
B.2.2.1.2.2.	Development of renewable energy in energy generation	A+	0.23%
B.2.2.1.2.3.	Share of renewable energy in total energy sales	C	0.46%
B.2.2.1.2.4.	Strategy to promote renewable energy	C	2.29%
B.2.2.1.3.	Development of innovative energy technologies	C	0.53%
B.2.2.2.	Environmental impacts of energy generation	B+	15.75%
B.2.2.2.1.	Climate impact of energy generation	A+	3.15%
B.2.2.2.1.1.	Carbon intensity of energy generation	A+	2.52%
B.2.2.2.1.2.	Development of the carbon intensity of energy generation	A+	0.63%
B.2.2.2.2.	Fossil-fired power plants	C+	4.72%
B.2.2.2.2.1.	Environmentally safe operation of facilities	C+	2.36%
B.2.2.2.2.2.	Thermal efficiency of fossil-fired power plants	C+	2.36%

B.2.2.2.3.	Nuclear power plants	A	6.30%
B.2.2.2.3.1.	Process and facility safety management	A+	1.40%
B.2.2.2.3.2.	Emergency response and preparedness	A+	1.40%
B.2.2.2.3.3.	Radioactive waste management and disposal strategy	B	2.80%
B.2.2.2.3.4.	Nuclear decommissioning	A+	0.70%
B.2.2.2.4.	Renewable energy power plants	B-	1.57%
B.2.2.2.4.1.	Measures to ensure the sustainable operation of hydropower plants	B-	0.94%
B.2.2.2.4.2.	Biomass procurement		0.00%
B.2.2.2.4.2.1.	Policy on sustainable sourcing of wood/fibre		0.00%
B.2.2.2.4.2.2.	Measures to ensure compliance with the policy on sustainable sourcing of wood/fibre		0.00%
B.2.2.2.4.3.	Design and operation of wind power plants	A	0.32%
B.2.2.2.4.4.	Solar power	C-	0.32%
B.2.2.2.4.4.1.	Design of solar power projects	C-	0.32%
B.2.2.2.4.4.2.	Average conversion efficiency of solar panels/modules		0.00%
B.2.2.2.4.5.	Design and operation of geothermal plants		0.00%
B.2.2.2.5.	Controversies relating to energy generation		0.00%
B.2.2.3.	Fuel extraction		0.00%
B.2.2.3.1.	Biodiversity and protected areas		0.00%
B.2.2.3.1.1.	Biodiversity management		0.00%
B.2.2.3.2.	Disposal of hazardous wastes from oil and gas exploration and production		0.00%
B.2.2.3.3.	Standards for site closure, decommissioning and reclamation		0.00%
B.2.2.3.4.	Controversies relating to fuel extraction		0.00%
B.2.2.4.	Electricity transmission and distribution	B-	5.25%
B.2.2.4.1.	Integration of renewable energy sources into the electricity grid	C	1.50%
B.2.2.4.2.	Measures to minimise environmental impacts of electricity transmission and distribution	D	1.50%
B.2.2.4.3.	Phasing-out and disposal of PCBs	A+	1.50%
B.2.2.4.4.	Transmission and distribution losses as a percentage of total energy entering the system	A	0.75%
B.2.2.4.5.	Controversies relating to electricity transmission and distribution		0.00%
B.2.2.5.	Gas transmission and distribution		0.00%
B.2.2.5.1.	Pipeline integrity and safety management		0.00%
B.2.2.5.2.	Controversies relating to gas transmission and distribution		0.00%
B.2.2.6.	Other major company-specific issues related to the integration of environmental considerations into products and services		0.00%
B.2.2.7.	Additional controversies relating to environmental issues		0.00%

B.3.	Eco-efficiency	C	6.00%
B.3.1.	Energy efficiency	D-	2.25%
B.3.1.1.	Energy intensity	D-	0.23%
B.3.1.2.	Energy intensity (energy generation)	D-	2.02%
B.3.2.	Carbon intensity	A+	1.50%
B.3.2.1.	Greenhouse gas emission intensity	A+	0.15%
B.3.2.2.	Greenhouse gas emission intensity (energy generation)	A+	1.35%
B.3.3.	Nitrogen oxide emission intensity	A+	0.75%
B.3.3.1.	NOx emission intensity	A+	0.75%
B.3.4.	Sulphur oxide emission intensity		0.00%
B.3.4.1.	SOx emission intensity		0.00%
B.3.5.	Particulate matter emission intensity		0.00%
B.3.5.1.	PM emission intensity		0.00%
B.3.6.	Water efficiency	D-	1.50%
B.3.6.1.	Freshwater use intensity	D-	1.50%
		Grade	Weight
	Governance Rating	B	8.00%
A.3.	Corporate Governance and Business Ethics	B	8.00%
A.3.1.	Corporate governance	B-	2.66%
A.3.1.1.	Independence of the board and its governance of sustainability	B-	1.33%
A.3.1.1.1.	Percentage of independent board members	A+	0.44%
A.3.1.1.2.	Independent board chair	D-	0.44%
A.3.1.1.3.	Independent committees in charge of audit, remuneration, nomination, and sustainability	B-	0.44%
A.3.1.2.	Shareholder democracy		0.00%
A.3.1.2.1.	Voting rights		0.00%
A.3.1.2.2.	Size of shareholding necessary to introduce a new resolution		0.00%
A.3.1.2.3.	Facilitation of shareholder participation		0.00%
A.3.1.3.	Remuneration of members of the executive management team	B-	1.33%
A.3.1.3.1.	Public disclosure of compensation schemes for members of the executive management team	B-	0.27%
A.3.1.3.2.	Integration of sustainability performance objectives into the variable remuneration of members of the executive management team	D+	0.53%
A.3.1.3.3.	Public disclosure of CEO to employee compensation ratio	A	0.53%
A.3.1.4.	Irregularities in audit and accounting practices		0.00%
A.3.2.	Business ethics	B+	5.33%

A.3.2.1.	Code of business ethics	C+	1.77%
A.3.2.2.	Compliance procedures	A-	3.55%
A.3.2.3.	Controversies relating to business ethics		0.00%

Social Rating

Summary

Social Rating	Weight	Trend
C+	32%	■

Assessment

		Grade	Weight	Change Y-o-Y
● A.1.	Staff and Suppliers	B-	8.00%	■
● A.1.1.	Staff	B-	6.40%	■
● A.1.1.1.	Freedom of association and the right to collective bargaining	D	0.64%	■
● A.1.1.1.1.	Policy on freedom of association and collective bargaining	C-	0.21%	■

The company is committed to ensuring freedom of association. No or only very limited information is available on a commitment to ensure the right to collective bargaining.

Formality: None of the commitments are formal.

Coverage: More than 80% of employees.

● A.1.1.1.2.	Measures to ensure freedom of association and facilitate collective bargaining	D	0.43%	■
● a	<p>Communication of rights: No or only very limited information is available on the active communication of the right to associate freely and bargain collectively on the local level. However, collective bargaining agreements are implemented and/or the company cooperates with trade unions. Thus, it is assumed that employees are aware of their rights.</p> <p>Coverage: Less than 20% of employees (estimated).</p>			
● b	<p>Grievance procedures: No or only very limited information is available on confidential channels (e.g. hotlines or ombudsperson), communication of procedures to employees and regular progress reports regarding individual grievance cases. However, collective bargaining agreements are implemented and/or the company cooperates with trade unions. Thus, it is assumed that grievance procedures are in place.</p> <p>Coverage: Less than 20% of employees (estimated).</p>			
● c	Measures in countries with severe legal/factual limitations:			
● j	<p>Alternative worker participation in countries with severe legal limitations: Not applicable as the company is not active in countries with severe legal limitations to freedom of association and collective bargaining.</p> <p>Coverage: Not applicable as the company is not active in countries with severe legal limitations to freedom of association and collective bargaining.</p>			
● ii	<p>Anti-union discrimination measures in countries with severe factual limitations: No or only very limited information is available on due diligence regarding freedom of association issues (e.g. government interference, 'yellow unions' and anti-union discrimination and violence) and measures to prevent anti-union discrimination (e.g. anti-discrimination trainings, protection of workers engaged in union activities and lobbying with regard to the prosecution of anti-union activists).</p> <p>Coverage: The percentage of relevant employees covered is considered if sufficient content-related information is available to assess the indicator.</p>			

● **A.1.1.1.3. Controversies relating to freedom of association** 0.00% --

Research did not reveal relevant controversies in recent years.

Comment: The company has operations in e.g. Ukraine, Turkey and the US. There, severe legal/factual limitations exist with regard to freedom of association and the right to collective bargaining (according to a survey conducted by the International Trade Union Confederation and the Country Reports on Human Rights Practices by the US Department of State). For example, independent labour unions and collective bargaining are prohibited, the government severely restricts the rights of labour unions and interferes in their activities, or union busting, intimidation and violence against union activists are widespread. Research, however, did not disclose any relevant controversies directly related to the company's activities there. Thus, this aspect does not result in a downgrading.

● **A.1.1.2. Equal opportunities and non-discrimination** **C** 0.64%

● **A.1.1.2.1. Policy on non-discrimination** **B** 0.21%

● **a** **Prohibited grounds of discrimination:** The company prohibits and/or will not tolerate discrimination on the grounds of some personal characteristics e.g. age, disability, ethnic origin, family status, race, religion, gender, sexual orientation or social origin. Not all relevant characteristics are explicitly covered.

● **b** **Relevant aspects of employment:** The company (almost) exclusively operates in countries with high legal and/or factual standards on non-discrimination. No or only limited information is available on a company commitment on non-discrimination in different aspects of employment such as recruitment, job assignment, promotion, remuneration, training and benefits.

● **c** **Prohibition of harassment and abusive behaviour:** The company prohibits and/or will not tolerate any form of harassment and abusive behaviour. Explanations and/or examples are provided.

Formality: All commitments are formal.

Coverage: More than 80% of employees.

● **A.1.1.2.2. Measures to promote equal opportunities and diversity** **C+** 0.21%

Some measures to promote equal opportunities and diversity are implemented. In general, relevant measures include clear assignment of responsibilities, strategic targets, action plans and/or programmes, trainings, grievance procedures, and audits and evaluations.

Coverage: 100% of employees.

● **A.1.1.2.3. Gender distribution** **D+** 0.21%

● **a**

Unit	2021
Percentage of women in management positions	-
Percentage of women in the overall workforce	20.80
Percentage of women in management positions/Percentage of women in the overall workforce	-

Coverage: 100% of employees.

● **b**

Unit	2022
Women in the executive management team	1.00

Unit	2022
Number of members of the executive management team	6.00
Women in the executive management team/Number of members of the executive management team	0.17

Comment: Data as at 2022-07-01

- **A.1.1.2.4. Controversies relating to discrimination** 0.00% --

Research did not reveal relevant controversies in recent years.

- **A.1.1.3. Health and safety** **B** 3.20%

- **A.1.1.3.1. Health and safety management system** **B-** 0.53%

- **A.1.1.3.1.1. Implementation of a health and safety management system** **A+** 0.18%

	Yes	No	No information / Not applicable
Formal health and safety policy	✓		
Structure and responsibilities	✓		
Targets and objectives	✓		
Programmes to achieve targets	✓		
Training and awareness-raising	✓		
Data compilation system	✓		
Emergency response	✓		
Audits	✓		

Coverage: 100% of relevant employees.

- **A.1.1.3.1.2. Certification of the health and safety management system to an international standard** **C** 0.35%

More than 20% of relevant employees (estimated) are covered by a health and safety management system that is certified to the OHSAS 18001 or ISO 45001 standard.

- **A.1.1.3.2. Accident rate** **B** 0.53%

The work-related accident rate has decreased over the last years, but data is not provided in a way that allows for benchmarking.

	2017	2018	2019	2020	2021
Accident/incident rate	28.79	18.77	27.11	26.09	21.90

Coverage: 100% of employees.

●	A.1.1.3.3.	Occurrence of fatal accidents	A+	0.53%	■
		There have been no recent work-related fatal accidents among employees.			
●	A.1.1.3.4.	On-site contractor health and safety	B-	1.60%	■
●	A.1.1.3.4.1.	Integration of contractors into the health and safety management system	B-	0.53%	■
●	a	On-site registration: There is a system of on-site registration checking the number and status of all contractors entering the site. No or only very limited information is available on solutions (e.g. contractor registration portals) and procedures (e.g. site specific safety plans and communication with the site-manager).			
●	b	Induction training: Prior to taking up work at the company's site or premise for the first time, individual contractors receive training ensuring an adequate introduction to site health and safety procedures. Information on content (especially with regard to emergency response) and scope is available.			
●	c	Monitoring and evaluation: Integration of contractors and their health and safety and performance on-site is regularly monitored and evaluated. No or only very limited information is available on procedures (e.g. setting of contractor-specific targets, audits of contractor integration into the site health and safety management system).			
		Coverage: More than 20% of relevant contractors working on company sites or premises (estimated).			
●	A.1.1.3.4.2.	Contractor accident rate	D-	0.53%	■
		No information is available on the work-related accident rate for at least three recent consecutive years.			
		Coverage: The percentage of relevant contractors working on company sites or premises covered is considered if sufficient content-related information is available to assess the indicator.			
●	A.1.1.3.4.3.	Contractor fatalities	A+	0.53%	■
		There have been no recent work-related fatal accidents among contractors.			
●	A.1.1.3.5.	Controversies relating to health and safety		0.00%	--
		Research did not reveal relevant controversies in recent years.			
●	A.1.1.4.	Work-life balance	B+	0.64%	■
●	A.1.1.4.1.	Workplace flexibility and working time reduction	B	0.32%	■
●	a	Workplace flexibility: The company offers telecommuting and flexible working schedules. No details are available on the schedule options (e.g. flexi-time, banking of hours, compressed workweek).			
●	b	Working time reduction: The company offers alternatives to full-time employment (e.g. part-time arrangements). Yet, the range and/or scope of reduction options is limited.			
		Coverage: More than 80% of relevant employees (estimated).			

●	A.1.1.4.2.	Dependant care and special leave	A-	0.32%	■
●	a	Support for dependant care: The company supports access to childcare facilities (on-site or in cooperation with nearby facilities) and/or offers direct financial support as well as additional support (e.g. referral services).			
●	b	Special leave: The company offers short-term leave for education, family or personal reasons. No or only very limited information is available on reasonable long-term leave options (e.g. sabbaticals, elderly care, maternity and/or paternity leave beyond legal requirements). Coverage: More than 80% of relevant employees (estimated).			
●	A.1.1.5.	Employment security and types of employment	C	0.64%	■
●	A.1.1.5.1.	Employment security and responsible workforce restructuring	B-	0.43%	■
●	A.1.1.5.1.1.	Policy on employment security and responsible workforce restructuring The company (almost) exclusively operates in countries with high legal and/or factual standards on employment security and responsible workforce restructuring. No or only limited information is available on a company commitment to ensure employment security and responsible workforce restructuring covering aspects such as avoidance or minimisation of compulsory redundancies, responsible redundancy procedures and measures to mitigate the consequences for employees made redundant. Formality: Not applicable for evaluations based on high legal and/or factual country standards. Coverage: More than 80% of relevant employees.	B	0.14%	■
●	A.1.1.5.1.2.	Large-scale redundancies and significant job cuts Although research did not reveal large-scale redundancies or significant job cuts affecting more than 1,000 employees or more than 5% of the total workforce during the past three years, the implementation of large-scale redundancies or significant job cuts cannot be fully excluded due to a lack of transparency.	B-	0.28%	■
●	A.1.1.5.1.3.	Measures to ensure responsible workforce restructuring		0.00%	--
●	a	Avoidance of compulsory redundancies: Not applicable for companies without large-scale redundancies or significant job cuts among direct employees in recent years. Coverage: Not applicable for companies without large-scale redundancies or significant job cuts among direct employees in recent years.			
●	b	Assistance for employees affected by compulsory redundancies: Not applicable for companies without large-scale redundancies or significant job cuts among direct employees in recent years. Coverage: Not applicable for companies without large-scale redundancies or significant job cuts among direct employees in recent years.			
●	c	Responsible redundancy procedures: Not applicable for companies without large-scale redundancies or significant job cuts among direct employees in recent years. Coverage: Not applicable for companies without large-scale redundancies or significant job cuts among direct employees in recent years.			
●	A.1.1.5.2.	Types of employment	D-	0.21%	■
●	A.1.1.5.2.1.	Position on non-regular employment	D-	0.07%	■

No or only very limited information is available on the company's position on non-regular employment (i.e. temporary contracts and not direct employment) such as a clear commitment to non-use or at least limiting the use of non-regular employment (e.g. for specialised, non-core activities, during peak times or to an acceptable maximum percentage only) and measures to reduce possible negative effects of non-regular employment (e.g. checks on equal compensation and provision of benefits, right to permanent employment after a certain time period and priority rights in times of permanent hiring).

Coverage: The percentage of the workforce covered is considered if sufficient content-related information is available to assess the indicator.

- **A.1.1.5.2.2. Disclosure of different types of employment**

D-

0.14%



- **a Ratio of permanent to temporary contracts:**

No information is available on whether the company discloses the ratio of permanent to temporary contracts.

	2021
Percentage of employees with a permanent contract	-

	2021
Percentage of employees with a temporary contract	-

Coverage: The percentage of employees covered is considered if sufficient content-related information is available to assess the indicator.

- **b Not directly employed workforce:**

- **i Ratio of directly employed to not directly employed workforce:**

No information is available on whether the company discloses the ratio of directly to externally and not directly employed workforce (e.g. on-site contractors, temp agency workers, consultants and freelancers).

	2021
Percentage of directly employed workforce	-

	2021
Percentage of not directly employed workforce	-

Coverage: The percentage of the workforce covered is considered if sufficient content-related information is available to assess the indicator.

- **ii Types of not directly employed workforce:** Types of externally and not directly employed workforce (e.g. on-site contractors, temp agency workers, consultants and freelancers) are assessed only in case the ratio of directly employed to externally and not directly employed workforce is disclosed.

- **A.1.1.6. Training and education**

B-

0.64%



- **A.1.1.6.1. Strategic training management**

B

0.48%



- **a Needs analysis:** The company identifies strategic training needs.

- b **Individual training plans:** The company designs individual training plans together with employees.
- c **Training targets:** No or only very limited information is available on company training targets.
- d **Training evaluation and follow-up:** No or only very limited information is available on the evaluation of training programmes and results follow-up.

Coverage: 100% of employees.

- A.1.1.6.2. **Disclosure of average training time/expenses per employee by employee category** C+ 0.16% ■

The company discloses average training time per employee for two relevant employee categories.

Coverage: 100% of employees.

- A.1.1.7. **Additional controversies relating to staff issues** 0.00% --

Research did not reveal relevant controversies in recent years.

- A.1.2. **Suppliers** C+ 1.60% ■

- A.1.2.1. **Supplier standard with regard to labour rights and working conditions** B 0.53% ■

- a **Content of supplier standard:**

- i **Child labour:** The supplier standard includes a prohibition of child labour. No or only limited reference is made to the set of definitions regarding child labour established by the ILO Minimum Age Convention.

- ii **Forced labour:** The supplier standard includes a prohibition of forced labour. Details on forms of forced labour are available and/or a reference is made to the definition of forced labour in accordance with the ILO Forced Labour Convention (No. 29) and the Abolition of Forced Labour Convention (No. 105).

- iii **Freedom of association:** The supplier standard covers freedom of association and collective bargaining including a requirement to establish means to facilitate freedom of association and collective bargaining in situations where they are restricted under law (e.g. works councils).

- iv **Discrimination:** The supplier standard includes a prohibition of discrimination. Details are available on grounds of discrimination (e.g. age, gender and ethnic origin) and aspects of employment (e.g. recruitment, promotion and remuneration).

- v **Harassment and abusive behaviour:** No or only very limited information is available on a supplier standard covering the prohibition of harassment and abusive behaviour.

- vi **Health and safety:** The supplier standard refers to the implementation of some elements of a health and safety management system (e.g. policy, data collection, programmes and targets).

- vii **Wages:** There is no supplier standard covering the following wage requirements: no wage deduction as disciplinary measure, written documentation made available to workers, and payment of overtime at a premium/higher rate.

- viii **Working time:** There is no supplier standard covering the following working time requirements: a maximum of 60 hours of work per week (48 regular hours of work per week and a maximum of 12 hours of voluntary overtime), a rest period of at least 24 hours every seven days, and no exceptions to these requirements or they are clearly defined and allowed by national laws and workers' agreements.

Bindingness of supplier standard: The supplier standard has to be signed by suppliers. The wording of the standard (or the vast majority of its requirements) is binding.

Inclusion of extended supply chain: The supplier standard requires suppliers to extend the standard further down their supply chain.

Coverage: More than 50% of suppliers (estimated).

●	A.1.2.2.	Procedures to ensure compliance with the supplier standard on labour rights and working conditions	C	1.06%	■
●	a	Supplier risk assessments: The company conducts supplier risk assessments. Details are available on the factors taken into account such as the supplier's sector, size and geographical location and the type of work performed.			
●	b	Supplier audits: The company conducts on-site audits to check compliance of key suppliers. No or only very limited information on frequency, notification and scope of the audits (e.g. topics covered, types of personnel interviewed) is available.			
●	c	Procedures in case of non-compliance: No or only very limited information is available on corrective action plans to remediate non-compliance and re-audits to check on improvements.			
●	d	Facilitation of non-compliance reporting: No or only very limited information is available on confidential and anonymous whistleblowing helplines in local languages communicated to supply chain workers and/or confidential worker interviews outside the supplier site.			
●	e	Training of employees in purchasing departments: No or only very limited information is available on training of employees in purchasing departments on the company's supplier standard on labour rights and working conditions.			
		Coverage: More than 20% of relevant operations (estimated).			
●	A.1.2.3.	Social controversies relating to supplier activities		0.00%	--
		Research did not reveal relevant controversies in recent years.			
●	A.2.	Society and Product Responsibility	C+	24.00%	■
●	A.2.1.	Society	C	8.00%	▲
●	A.2.1.1.	Human rights	D-	2.82%	■
●	A.2.1.1.1.	Human rights policies and standards	D-	0.75%	■
●	A.2.1.1.1.1.	Policy on human rights	D-	0.75%	■
●	a	Respect for internationally recognised human rights: No or only very limited information is available on a commitment to respect internationally recognised human rights (e.g. UN Universal Declaration of Human Rights, UN Guiding Principles on Business and Human Rights) and to ensure that the company is not complicit in human rights violations.			
●	b	Resettlement and compensation: No or only very limited information is available on a clear commitment to seek free, prior and informed consent (FPIC) of stakeholders affected by resettlement, offer adequate compensation and avoid complicity in forced evictions.			
●	c	Indigenous peoples and traditional livelihoods: No or only very limited information is available on a commitment to respect indigenous peoples and traditional livelihoods.			
●	d	Security issues and conflict zones: Not applicable for companies which are not active in business segments that carry relevant human rights risks.			
●	e	Right to water: Not applicable for companies which are not active in business segments that carry relevant human rights risks.			
		Formality: Formality is considered if sufficient content-related information is available to assess the indicator.			
		Coverage: The percentage of relevant activities covered is considered if sufficient content-related information is available to assess the indicator.			

•	A.2.1.1.1.2.	Supplier standard on human rights		0.00%	<input type="checkbox"/>
•	a	Content of supplier standard			
•	i	Respect for internationally recognised human rights: Not applicable for companies whose supply chain is not significantly exposed to relevant human rights risks.			
•	ii	Resettlement and compensation: Not applicable for companies whose supply chain is not significantly exposed to relevant human rights risks.			
•	iii	Indigenous peoples and traditional livelihoods: Not applicable for companies whose supply chain is not significantly exposed to relevant human rights risks.			
•	iv	Security issues and conflict zones: Not applicable for companies whose supply chain is not significantly exposed to relevant human rights risks.			
		Bindingness of supplier standard Not applicable for companies whose supply chain is not significantly exposed to relevant human rights risks.			
		Coverage: Not applicable for companies whose supply chain is not significantly exposed to relevant human rights risks.			
•	A.2.1.1.2.	Human rights due diligence procedures	D-	1.50%	<input type="checkbox"/>
•	a	General procedures			
•	i	Human rights risk and impact assessment: No information is available on whether the company assesses its potential and actual impacts on human rights on a regular basis.			
•	ii	Human rights training: No or only very limited information is available on regular training of relevant staff (e.g. contractors, procurement teams or security personnel) on human rights risks and appropriate behaviour.			
•	iii	Integration of stakeholders in human rights management: No or only very limited information is available on stakeholder engagement at various steps of the company's human rights due diligence procedures such as while assessing human rights risks and impacts, in order to prevent and mitigate adverse impacts (e.g. free prior and informed consent, FPIC), and to design effective grievance mechanisms.			
•	iv	Monitoring and auditing: No or only very limited information is available on continuous monitoring and/or auditing of the company's human rights management procedures (e.g. through internal review processes, surveys of external stakeholders).			
•	v	Grievance and remedies: No or only very limited information is available on effective grievance mechanisms and remedies (e.g. confidential hotlines, a strategy to respond to identified actual impacts, an external/internal grievance mechanism including an ombudsperson).			
		Coverage: The percentage of relevant activities covered is considered if sufficient content-related information is available to assess the indicator.			
•	b	Specific procedures for the raw materials supply chain			
•	i	Human rights compliance procedures in the raw materials supply chain: Not applicable for companies whose raw material supply chain is not significantly exposed to relevant human rights risks.			
•	ii	Transparency of raw materials supply chain composition: Not applicable for companies whose raw material supply chain is not significantly exposed to relevant human rights risks.			
		Coverage: Not applicable for companies whose raw material supply chain is not significantly exposed to relevant human rights risks.			
•	A.2.1.1.3.	Controversies relating to human rights	D-	0.56%	<input type="checkbox"/>
		2021-10: Under observation: Alleged failure to respect the right to an adequate standard of living at Trans Adriatic Pipeline in Italy Failure to respect the right to an adequate standard of living			







Moderate

In September 2021, SNAM SpA, a partner in the TAP AG joint venture (JV), shared with ISS ESG additional details regarding its efforts to consult with stakeholders and implement various projects to keep affected communities informed during the earliest development phases of the Trans Adriatic Pipeline (TAP) project located in the Lecce province of Apulia, Italy. TAP AG is jointly owned by BP Plc (20%), SNAM (20%), the State Oil Company of Azerbaijan Republic (20%), Enagas SA (16%), and Axpo Holding AG (5%). The JV has faced recurring allegations of failing to adequately conduct stakeholder consultation on potentially irreversible adverse impacts of the project on local communities' livelihood as well as the environment. In October 2018, protests erupted after the Italian government confirmed the legitimacy of the TAP Environmental Impact Assessment (ESIA) giving the green light for the project to proceed. The JV is currently on trial with the Lecce prosecutor for allegations that TAP illegally explanted olive trees, polluted groundwater and proceeded with construction work without required permits in November 2016 and July 2019. In December 2020, TAP announced that it has begun operations. In communication with ISS ESG in September 2021, SNAM shared TAP's various engagement and communications efforts, including arranging public meetings, mailing project brochures, attending public debates, and opening an information center and a toll-free number. SNAM further shared that the JV has held more than 1,000 meetings in the area since 2013. While the trial with the Lecce prosecutor has reportedly been postponed to January 2022, there have been no recent or similar allegations made against the JV regarding poor stakeholder consultation and an adequate standard of living. ISS ESG remains vigilant of developments.

2021-10: Past involvement: Poor stakeholder consultation at Trans Adriatic Pipeline in Italy
 Poor stakeholder consultation
 None

In September 2021, SNAM SpA, a partner in the TAP AG joint venture (JV), shared with ISS ESG additional details regarding its efforts to consult with stakeholders and implement various projects to keep affected communities informed during the earliest development phases of the Trans Adriatic Pipeline (TAP) project located in the Lecce province of Apulia, Italy. TAP AG is jointly owned by BP Plc (20%), SNAM (20%), the State Oil Company of Azerbaijan Republic (20%), Enagas SA (16%), and Axpo Holding AG (5%). The JV has faced recurring allegations of failing to adequately conduct stakeholder consultation on potentially irreversible adverse impacts of the project on local communities' livelihood as well as the environment. In October 2018, protests erupted after the Italian government confirmed the legitimacy of the TAP Environmental Impact Assessment (ESIA) giving the green light for the project to proceed. The JV is currently on trial with the Lecce prosecutor for allegations that TAP illegally explanted olive trees, polluted groundwater and proceeded with construction work without required permits in November 2016 and July 2019. In December 2020, TAP announced that it has begun operations. In communication with ISS ESG in September 2021, SNAM shared TAP's various engagement and communications efforts, including arranging public meetings, mailing project brochures, attending public debates, and opening an information center and a toll-free number. SNAM further shared that the JV has held more than 1,000 meetings in the area since 2013. Given that the TAP project has begun operations, ISS ESG deems the allegations of poor stakeholder consultation to be outdated, however the allegations of failure to respect the right to an adequate standard of living are ongoing and are being assessed separately.

●	A.2.1.2.	Community	C	0.47%	■
●	A.2.1.2.1.	Community involvement	C	0.47%	■
●	a	Objectives of community activities: The company has set a regional and/or thematic focus for its community involvement activities. No detailed targets are available.			
●	b	Community involvement programmes: The company runs long-term programmes (e.g. through a foundation and in cooperation with academic, non-governmental and international organisations).			
●	c	Monitoring and evaluation of community projects: No or only very limited information is available on whether the company regularly monitors and evaluates its community involvement activities.			
●	d	Disclosure of community spending: The total monetary value of community involvement activities broken down into relevant sub-categories (e.g. total cash donations, the value of both in-kind donations and time contributed by employees, management costs) is not disclosed.			
●	A.2.1.3.	Relations with governments and influence on public policy	C+	2.35%	■
●	A.2.1.3.1.	Financial relations with governments	B-	0.70%	■

•	A.2.1.3.1.1.	Tax base erosion and profit shifting	B-	0.35%	
•	a	Transfer pricing: The company strictly prohibits tax avoidance through transfer pricing. Coverage: 100% of relevant operations.			
•	b	Presence in jurisdictions enabling tax base erosion and profit shifting:			
•	i	Position on presence in jurisdictions enabling tax base erosion and profit shifting: No or only very limited information is available on a commitment not to be present in tax jurisdictions enabling tax base erosion and profit shifting. Coverage: The percentage of relevant operations covered is considered if sufficient content-related information is available to assess the indicator.			
•	A.2.1.3.1.2.	Payments to governments and economic activity	D-	0.18%	
•	A.2.1.3.1.2.1.	Public disclosure of payments to government	D-	0.18%	
•	a	Types of payments: Public disclosure of relevant types of payments to governments (e.g. income tax, customs duties, sales/value-added tax, royalties) is only assessed in case payments are available for at least one individual country.			
•	b	Payments by country: No information on relevant payments to governments of individual countries (e.g. income tax, customs duties, sales/value-added tax, royalties) is publicly disclosed. Coverage: The percentage of relevant operations covered is considered if sufficient content-related information is available to assess the indicator.			
•	A.2.1.3.1.2.2.	Public disclosure of economic activity		0.00%	
•	a	Employees by country: Not applicable as the company does not publicly disclose payments to governments of individual countries. Coverage: Not applicable as the company does not publicly disclose payments to governments of individual countries.			
•	b	Revenues by country: Not applicable as the company does not publicly disclose payments to governments of individual countries. Coverage: Not applicable as the company does not publicly disclose payments to governments of individual countries.			
•	A.2.1.3.1.3.	Public disclosure of financial assistance received from governments	A+	0.18%	
•	a	Types of financial assistance: The company publicly states that it has not received any financial assistance from governments.			
•	b	Financial assistance by country: The company publicly states that it has not received any financial assistance from governments. Coverage: 100% of relevant operations.			
•	A.2.1.3.1.4.	Controversies relating to financial relations with governments		0.00%	
		Research did not reveal relevant controversies in recent years.			

<ul style="list-style-type: none"> ● A.2.1.3.2. Political contributions D 0.70% ● a Policy on political contributions: No information is available on a prohibition of political contributions without exceptions (e.g. for Political Action Committees). Formality: Formality is considered if sufficient content-related information is available to assess the indicator. Coverage: The percentage of activities covered is considered if sufficient content-related information is available to assess the indicator. ● b Political contributions made: Although research did not reveal any major political contributions in recent years, the making of such contributions (e.g. financial donations, loans, sponsorships, retainers, support of organisations funding political campaigns/parties such as Political Action Committees or Associated Entities) cannot be fully excluded (e.g. due to a lack of transparency). ● c Public disclosure of political contributions and recipients: The company does not publicly disclose information on political contributions made in recent years, including the amounts donated to specific politicians/political parties. Coverage: The percentage of countries and activities is considered if sufficient content-related information is available to assess the indicator.

<ul style="list-style-type: none"> ● A.2.1.3.3. Transparency on participation in public policy making and lobbying activities B+ 0.94% ● a Lobbying expenditures: Expenditures for lobbying purposes (e.g. contributions to relevant business associations, administrative costs, payments to lobbying service providers) are not publicly disclosed. ● b Channels used for lobbying purposes: The company publicly discloses all relevant channels used for lobbying purposes including membership in relevant business associations and/or financing of research, company staff engaged in lobbying and external lobbying service providers. ● c Lobbying positions: The company publicly discloses its position on all relevant topics that are in the focus of its lobbying activities. In addition, original documents and position papers used for lobbying purposes are publicly disclosed.

<ul style="list-style-type: none"> ● A.2.1.4. Stakeholder dialogue B+ 2.35%

<ul style="list-style-type: none"> ● A.2.1.4.1. Sustainability reporting B 0.78%
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<ul style="list-style-type: none"> ● a Reporting topics: Reporting covers some relevant sustainability issues such as staff related topics, supply chain management, society, business ethics, customer and product responsibility, environmental management, or industry-specific environmental and social impacts in detail. ● b Reporting quality: The quality of the company's sustainability reporting in terms of balance, comparability, accuracy, timeliness and clarity is fairly good. ● c Assurance of reporting: ● i <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <tr style="background-color: #00557d; color: white;"> <th style="padding: 5px;">Not applicable / no information / no assurance</th> <th style="padding: 5px;">Limited assurance</th> <th style="padding: 5px;">Partly limited, partly reasonable assurance</th> <th style="padding: 5px;">Reasonable assurance</th> </tr> <tr> <td style="padding: 5px;">Level of assurance:</td> <td style="padding: 5px;">✓</td> <td style="padding: 5px;"></td> <td style="padding: 5px;"></td> </tr> </table> ● ii <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <tr style="background-color: #00557d; color: white;"> <th style="padding: 5px;">Not applicable / no information / no assurance</th> <th style="padding: 5px;">Some material respects</th> <th style="padding: 5px;">Various material respects</th> <th style="padding: 5px;">All material respects</th> </tr> <tr> <td style="padding: 5px;">Assurance scope:</td> <td style="padding: 5px;"></td> <td style="padding: 5px;">✓</td> <td style="padding: 5px;"></td> </tr> </table> <p>Coverage: 100% of operations.</p>	Not applicable / no information / no assurance	Limited assurance	Partly limited, partly reasonable assurance	Reasonable assurance	Level of assurance:	✓			Not applicable / no information / no assurance	Some material respects	Various material respects	All material respects	Assurance scope:		✓	
Not applicable / no information / no assurance	Limited assurance	Partly limited, partly reasonable assurance	Reasonable assurance													
Level of assurance:	✓															
Not applicable / no information / no assurance	Some material respects	Various material respects	All material respects													
Assurance scope:		✓														

- **A.2.1.4.2. Community outreach and consultation** A- 1.56%

The company informs affected communities about its operations (e.g. through the provision of regularly updated information on site-specific potential impacts and/or environmental, health and safety aspects of projects) and feedback mechanisms for public consultation are in place (e.g. dialogue platforms). No or only very limited information is available on grievance and/or dispute resolution procedures.

Coverage: 100% of relevant activities.

- **A.2.2. Customer and product responsibility** C+ 16.00%

- **A.2.2.1. Social impact of products and services** C 4.00%

- **A.2.2.1.1. Social impacts of the product portfolio** C 4.00%

a	Alleviating poverty:	Share of net sales	2021
	Contribution: no products or services with a direct and substantial impact		0%
	Obstruction: no products or services with a direct and substantial impact		0%
b	Combating hunger and malnutrition:	Share of net sales	2021
	Contribution: no products or services with a direct and substantial impact		0%
	Obstruction: no products or services with a direct and substantial impact		0%
c	Ensuring health:	Share of net sales	2021
	Contribution: no products or services with a direct and substantial impact		0%
	Obstruction: no products or services with a direct and substantial impact		0%
d	Delivering education:	Share of net sales	2021
	Contribution: no products or services with a direct and substantial impact		0%
	Obstruction: no products or services with a direct and substantial impact		0%
e	Attaining gender equality:	Share of net sales	2021
	Contribution: no products or services with a direct and substantial impact		0%
	Obstruction: no products or services with a direct and substantial impact		0%
f	Providing basic services:	Share of net sales	2021
	Contribution: energy supply to residential customers		12%
	Obstruction: no products or services with a direct and substantial impact		0%
g	Safeguarding peace:	Share of net sales	2021

Safeguarding peace:	Share of net sales	2021
Contribution: no products or services with a direct and substantial impact		0%
Obstruction: no products or services with a direct and substantial impact		0%


h

Other (Social):	Share of net sales	2021
Contribution: no products or services with a direct and substantial impact		0%
Obstruction: no products or services with a direct and substantial impact		0%



•	A.2.2.1.2.	Strategy shift towards a more socially beneficial product portfolio		0.00%	■
		Not applicable as the company does not exhibit a clear and substantial strategy to shift its portfolio towards socially (more) beneficial products and/or services.			
•	A.2.2.2.	Social aspects along the value chain	B-	12.00%	▲
•	A.2.2.2.1.	Information on safety risks	C	2.40%	■
•	A.2.2.2.1.1.	Provision of information on safety risks	C	2.40%	■
•	a	<p>Power plants and other industrial sites: The company informs residents about safety risks (e.g. with regard to hazardous emissions or explosions). No information is available on whether residents are informed about emergency plans including worst-case scenarios and about the appropriate behaviour in case of emergencies.</p> <p>Coverage: More than 20% of relevant sites (estimated).</p>			
•	b	<p>Network operation: The company informs residents about electrical safety (e.g. with regard to electric shocks). No information is available on whether residents are informed about gas safety (e.g. with regard to explosions and carbon monoxide poisoning) and about the appropriate behaviour in case gas leaks or other relevant safety risks have been observed.</p> <p>Coverage: More than 20% of networks (estimated).</p>			
•	A.2.2.2.1.2.	Controversies relating to information on safety risks		0.00%	--
		Research did not reveal relevant controversies in recent years.			
•	A.2.2.2.2.	Programmes for vulnerable and economically disadvantaged customers	D	1.60%	■
•	a	<p>Vulnerable customers: No or only very limited information is available on measures to support vulnerable customers that are highly dependent on a continuous energy supply (e.g. for medical reasons) such as a special customer database or a non-disconnection policy.</p> <p>Coverage: The percentage of relevant operations covered is considered if sufficient content-related information is available to assess the indicator.</p>			
•	b	<p>Economically disadvantaged customers: The company has taken single measures to ensure access to energy for economically disadvantaged customers including different payment options and support to reduce energy consumption. No or only very limited information is available on further measures such as social tariffs, financial assistance, counselling, and referral services to social or government</p>			

organisations. In addition, there is no information on a policy to disconnect customers only as a last resort.

Coverage: 100% of relevant operations (estimated).


- **A.2.2.2.3. Incentives offered to customers to increase energy and water efficiency and to promote reduction and recycling of waste** **C+** 3.20% 


 - **a** **Efficient use of energy:** The company offers various incentives to customers to achieve energy savings including energy contracting, energy efficiency advice, energy consumption tracking and energy efficiency consulting. No or only very limited information is available with regard to quantitative targets.
Coverage: More than 20% of customers (estimated).
 - **b** **Efficient use of water:** Not applicable for companies that are not engaged in water supply.
Coverage: Not applicable for companies that are not engaged in water supply.
 - **c** **Reduction and recycling of waste:** Not applicable for companies that are not engaged in the provision of waste services.
Coverage: Not applicable for companies that are not engaged in the provision of waste services.

- **A.2.2.2.4. Business continuity and resilience** **A+** 1.60% 
- **A.2.2.2.4.1. Implementation of a business continuity management system** **A+** 1.06% 

	Yes	No	No information / Not applicable
Targets and objectives	✓		
Impact analysis and risk assessments	✓		
Business continuity procedures	✓		
Exercise and testing	✓		
Monitoring and corrective action plans	✓		
Training and awareness-raising	✓		
Documentation and data compilation	✓		
Standards for data centres and servers	✓		

Coverage: 100% of relevant operations (estimated).

- **A.2.2.2.4.2. Certification of the business continuity management system to an international standard** **A+** 0.53% 
- 100% of relevant operations are covered by a business continuity management system that is certified to an international standard (e.g. ISO22301-2012).

- **A.2.2.2.4.3. Controversies relating to the reliability and availability of systems** 0.00% 
- Research did not reveal relevant controversies in recent years.

•	A.2.2.2.5.	Reliability of the power grid	A-	3.20%	<input type="checkbox"/>				
•	A.2.2.2.5.1.	Measures to ensure the reliable operation of the power grid	A-	2.13%	<input type="checkbox"/>				
•	a	Risk assessments: Risk assessments are conducted. Details are available on methods applied. No or only very limited information is available on threats taken into account.							
•	b	Inspections and maintenance: Inspections are conducted on a regular basis and details on inspection methods used and the maintenance planning process are available.							
•	c	Investment programmes: The company publishes total network investments. No or only very limited information is available on how these investments contribute to improving reliability.							
		Coverage: 100% of relevant operations.							
•	A.2.2.2.5.2.	Average interruption of power supply	A	1.06%	<input type="checkbox"/>				
•	a	<table border="1"> <thead> <tr> <th></th> <th>2021</th> </tr> </thead> <tbody> <tr> <td>Average interruption time (AIT, minutes)</td> <td>-</td> </tr> </tbody> </table> <p>Coverage: Not applicable as the average interruption of power supply is assessed elsewhere.</p>		2021	Average interruption time (AIT, minutes)	-			
	2021								
Average interruption time (AIT, minutes)	-								
•	b	<table border="1"> <thead> <tr> <th></th> <th>2021</th> </tr> </thead> <tbody> <tr> <td>System average interruption duration index (SAIDI, minutes)</td> <td>15.74</td> </tr> </tbody> </table> <p>Coverage: More than 50% of distribution networks (estimated).</p>		2021	System average interruption duration index (SAIDI, minutes)	15.74			
	2021								
System average interruption duration index (SAIDI, minutes)	15.74								
•	A.2.2.2.5.3.	Controversies relating to the reliability of the power grid		0.00%	<input type="checkbox"/>				
		Research did not reveal relevant controversies in recent years.							
•	A.2.2.2.6.	Other major company-specific issues related to customer and product responsibility		0.00%	<input type="checkbox"/>				
		Not applicable as the company does not generate a significant sales volume through activities entailing other major customer and product responsibility issues than those already evaluated.							
•	A.2.2.2.7.	Additional controversies relating to customer and product responsibility		0.00%	<input type="checkbox"/>				
		Research did not reveal relevant controversies in recent years.							

Environmental Rating

Summary

Environmental Rating

C+

Weight

60%

Trend



Assessment

		Grade	Weight	Change Y-o-Y
● B.1.	Environmental Management	C	12.00%	
● B.1.1.	Environmental management system	C+	2.66%	
● B.1.1.1.	Implementation of an environmental management system	B+	0.89%	

	Yes	No	No information / Not applicable
Formal environmental management policy	✓		
Structure and responsibilities	✓		
Environmental programmes	✓		
Targets and objectives	✓		
Environmental training and awareness	✓		
Data compilation system	✓		
Environmental audits	✓		

Coverage: More than 20% of relevant operations (estimated).

● B.1.1.2.	Certification of the environmental management system to an international standard	C	1.77%	
	More than 20% of relevant operations (estimated) are covered by an environmental management system that is certified to the ISO 14001 standard.			

● B.1.2.	Energy management	C-	1.33%	
● B.1.2.1.	Implementation of an energy management system (EnMS)	B+	0.27%	

	Yes	Part of ISO 14001	No	No information / Not applicable
Energy policy	✓			
Structure and responsibilities	✓			
Action plans	✓			

	Yes	Part of ISO 14001	No	No information / Not applicable
Targets and objectives	✓			
Training and awareness	✓			
Data compilation system	✓			
Audits	✓			

Coverage: More than 20% of relevant operations (estimated).

- B.1.2.2. Certification of the energy management system to an international standard** **C** 0.53%

More than 20% of relevant operations (estimated) are covered by an EnMS that is certified to the ISO 50001 standard.

- B.1.2.3. Energy use reduction targets** **D-** 0.53%

No information is available on whether the company has set any energy use reduction targets.

Target specification	Unit	Base year	Target year	Reduction from base year in %
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a

Coverage: The percentage of relevant energy use covered is considered if sufficient content-related information is available to assess the indicator.

- B.1.2.4. Energy use by source** 0.00%

	2021
Renewable energy sources	-
Natural gas	-
Natural gas, waste-to-energy and/or biomass	-
Waste-to-energy	-
Biomass	-
Unclear	-
Coal, nuclear, petroleum fuels and/or other similar energy sources	-

Coverage: Not applicable for electric utilities.

- B.1.3. Climate change strategy** **C+** 4.66%

● **B.1.3.1. Position on climate change** A- 0.23%

The company clearly acknowledges climate change and states its commitment to reduce greenhouse gas emissions. The company does not refer to its own responsibility in this context.

Coverage: 100% of operations.

● **B.1.3.2. Greenhouse gas emission inventories** A- 0.70%

a **Scopes covered by inventories:** The company's greenhouse gas emission inventories cover the majority of its total greenhouse gas emissions, including direct emissions (scope 1), indirect emissions from purchased electricity (scope 2) and some greenhouse gas emissions in the corporate value chain (scope 3). The inventories do not include further relevant greenhouse gas emissions in the corporate value chain (scope 3).

b **Greenhouse gases included:** The company's emission inventories cover all relevant greenhouse gases (methane (CH4), carbon dioxide (CO2) and sulphur hexafluoride (SF6)).

c **Disclosure of calculation method:** Comprehensive information is available on the methodology used to calculate greenhouse gas emission inventories.

d **External verification:**

	Not applicable / no information	Not verified	Less than 20% of relevant emissions verified	More than 20% of relevant emissions verified	More than 80% of relevant emissions verified
Scope of verification:					✓

	Not applicable / no information	No assurance	Limited assurance	Partly limited, partly reasonable	Reasonable assurance
Level of assurance:			✓		

Coverage: 100% of operations.

● **B.1.3.3. Greenhouse gas emission reduction targets and action plans** C 3.26%

a **Greenhouse gas emission reduction targets:** No information is available on whether the company has set greenhouse gas emission reduction targets in line with the emission reductions required to limit the global temperature increase to well below 2°C compared to pre-industrial levels. However, the carbon intensity of electricity generation is comparatively low.

Reference	Target specification	Unit	Base year	Target year	Reduction from base year in %	Scope
n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a

Coverage: 100% of operations.

b **Action plans to achieve reduction targets:** As the company has not set any greenhouse gas emission reduction targets, an action plan to achieve these targets cannot be assessed. However, the company has planned measures to achieve greenhouse gas emission reductions (e.g. energy efficiency, use of renewable energy sources).

Coverage: 100% of operations.

● B.1.3.4.	Disclosure of climate change risks and mitigation strategy	B-	0.47%	■
● a	Exposure to climate change risks: Information on several risks is provided. Some relevant risks are not referred to (e.g. physical, regulatory, market, cost or legal risks related to climate change).			
● b	Mitigation/adaptation strategies: The company reports on some mitigation/adaptation measures with regard to climate change risks. No detailed information is provided and/or the mitigation/adaptation measures do not cover all relevant risks.			
Comment: Relevant risks include damages to production and infrastructure through extreme weather events, decreased availability of resources such as water and fuels, environmental damages through flooding, tightening of greenhouse gas emissions regulations (e.g. cap and trade schemes, carbon tax), tightening of regulatory requirements concerning energy efficiency and/or renewable energies, rising fuel prices, rising insurance costs, reputational and liability risks, and changes in customer behaviour and expectations.				
● B.1.3.5.	Controversies relating to climate change		0.00%	--
2020-10: Alleged failure to mitigate climate change impacts in Italy Failure to mitigate climate change impacts Potential				
In January 2018 the Southern Gas Corridor pipeline (SGCP) project, currently developed by State Oil Company of Azerbaijan Republic (SOCAR), Southern Gas Corridor CJSC, BP Plc, Petroliam Nasional Bhd., SNAM SpA, Enagás SA, Oil Co. LUKOIL PJSC, and Axpo Holding AG, was criticized by the NGO CEE Bankwatch Network over its climate change impacts and potentially being as emissions-intensive as coal power. In March 2018, the same NGO relayed allegations that the European Investment Bank (EIB) had approved loans to the project without conducting a proper climate assessment, which is at odds with the goals of the Paris Agreement. The NGO also criticized the Project's carbon footprint assessment as "weak and inadequate", allegedly omitting certain emissions and using out-of-date data sets. The NGO Friends of the Earth Europe officially filed a complaint with EIB in February 2019 alleging the bank had underestimated the greenhouse gas emissions associated with the project when it approved the loans in 2018. In August 2020 the complaint was reportedly dismissed, drawing criticism that the bank was denying the impact of the project. In September 2020 a trial reportedly started in Italy over alleged environmental crimes of the Trans Adriatic Pipeline (TAP), a section of SGCP. ISS ESG remains vigilant of developments.				
2020-10: Alleged failure to mitigate climate change impacts in Greece Failure to mitigate climate change impacts Potential				
In January 2018 the Southern Gas Corridor pipeline (SGCP) project, currently developed by State Oil Company of Azerbaijan Republic (SOCAR), Southern Gas Corridor CJSC, BP Plc, Petroliam Nasional Bhd., SNAM SpA, Enagás SA, Oil Co. LUKOIL PJSC, and Axpo Holding AG, was criticized by the NGO CEE Bankwatch Network over its climate change impacts and potentially being as emissions-intensive as coal power. In March 2018, the same NGO relayed allegations that the European Investment Bank (EIB) had approved loans to the project without conducting a proper climate assessment, which is at odds with the goals of the Paris Agreement. The NGO also criticized the Project's carbon footprint assessment as "weak and inadequate", allegedly omitting certain emissions and using out-of-date data sets. The NGO Friends of the Earth Europe officially filed a complaint with EIB in February 2019 alleging the bank had underestimated the greenhouse gas emissions associated with the project when it approved the loans in 2018. In August 2020 the complaint was reportedly dismissed, drawing criticism that the bank was denying the impact of the project. ISS ESG remains vigilant of developments.				
2020-10: Alleged failure to mitigate climate change impacts in Albania Failure to mitigate climate change impacts Potential				
In January 2018 the Southern Gas Corridor pipeline (SGCP) project, currently developed by State Oil Company of Azerbaijan Republic (SOCAR), Southern Gas Corridor CJSC, BP Plc, Petroliam Nasional Bhd., SNAM SpA, Enagás SA, Oil Co. LUKOIL PJSC, and Axpo Holding AG, was criticized by the NGO CEE Bankwatch Network over its climate change impacts and potentially being as emissions-intensive as coal power. In March 2018, the same NGO relayed allegations that the European Investment Bank (EIB) had approved loans to the project without conducting a proper climate assessment, which is at odds with the goals of the Paris Agreement. The NGO also criticized the Project's carbon footprint assessment as "weak and inadequate", allegedly omitting certain emissions and using out-of-date data sets. The NGO Friends of the Earth Europe officially filed a complaint with EIB in February 2019 alleging the bank had underestimated the greenhouse gas emissions associated with the project when it approved the loans in 2018. In August 2020 the complaint was reportedly dismissed, drawing criticism that the bank was denying the impact of the project. ISS ESG remains vigilant of developments.				

● B.1.4.	Water risk and impact	D	2.00%	<input type="checkbox"/>
● B.1.4.1.	Water risk and impact assessments	C	0.80%	<input type="checkbox"/>
● B.1.4.1.1.	Identification of activities in regions with high levels of water stress	C+	0.27%	<input type="checkbox"/>

The company only operates in countries where the percentage of the population without access to improved drinking water sources is low (<2%) according to WRI Aqueduct. No information is available on whether the company identifies activities in regions with high levels of water stress with respect to water quantity / availability and quality.

Coverage: 100% of relevant operations.

● B.1.4.1.2.	Monitoring and mitigation of impacts on freshwater resources	C-	0.53%	<input type="checkbox"/>
● a	Identification and monitoring of impacts: The company has implemented measures to identify the impact of its activities on freshwater resources and provides information on aspects covered. No or only very limited information is available on continuous monitoring of impacts. Coverage: More than 20% of relevant operations (estimated).			
● b	Stakeholder engagement: The company engages with relevant stakeholders before and/or during construction of new sites. No information is available on the tools and approaches used in engagement activities and on how the company engages with stakeholders at existing sites. Coverage: More than 20% of relevant operations (estimated).			
● c	Mitigation of impacts: The company has implemented precautionary measures to mitigate (potential) impacts and provides information on management procedures. No information is available on structural/technical measures. Coverage: More than 20% of relevant operations (estimated).			
● d	Differentiated approach in water-stressed regions: No or only very limited information is available on location-specific action plans, strategies to monitor and mitigate impacts on freshwater resources from operations in water-stressed regions and/or stakeholder engagement activities. Coverage: The percentage of relevant operations covered is considered if sufficient content-related information is available to assess the indicator.			

● B.1.4.2.	Freshwater use inventories	D-	0.40%	<input type="checkbox"/>
● a	Total freshwater use: No or only very limited information is available on the total freshwater use broken down by source and relevant geographical level (e.g. site or region). Coverage: The percentage of operations covered is considered if sufficient content-related information is available to assess the indicator.			
● b	Freshwater use in regions with high levels of water stress: It remains unclear whether or not the company has activities in regions with high levels of water stress. No or only very limited information is available on the total freshwater use in regions with high levels of water stress broken down by site and by source. Coverage: The percentage of relevant operations covered is considered if sufficient content-related information is available to assess the indicator.			

● B.1.4.3.	Freshwater use reduction	D-	0.80%	<input type="checkbox"/>
● B.1.4.3.1.	Freshwater use reduction targets and action plans	D-	0.80%	<input type="checkbox"/>
● a	Freshwater use reduction targets: No information is available on whether the company has set any			

water use reduction targets.

Target specification	Unit	Base year	Target year	Reduction from base year in %
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a

Coverage: The percentage of relevant water use covered is considered if sufficient content-related information is available to assess the indicator.

- b **Action plans to achieve reduction targets:** No or only very limited information is available on an action plan to reduce water use comprising subgoals, planned measures to achieve water use reductions (e.g. changes in processes and technologies) and progress reports.

Coverage: The percentage of relevant water use covered is considered if sufficient content-related information is available to assess the indicator.

● B.1.5.	Environmental management in the supply chain	C+	1.33%	<input type="checkbox"/>
● B.1.5.1.	Environmental supplier standard	C+	0.44%	<input type="checkbox"/>
● a	Content of environmental supplier standard:			
● i	Environmental management system: The supplier standard refers to the implementation of an environmental management system.			
● ii	Pollution prevention: The supplier standard includes general requirements with regard to pollution prevention.			
● iii	Biodiversity management: No or only very limited information is available on a supplier standard including specific biodiversity requirements.			
	Bindingness of environmental supplier standard: The standard has to be signed by suppliers. The wording of the supplier standard (or the vast majority of its requirements) is binding.			
	Inclusion of extended supply chain: The supplier standard requires suppliers to extend the standard further down their supply chain.			
	Coverage: More than 50% of suppliers (estimated).			
● B.1.5.2.	Procedures to ensure compliance with the environmental supplier standard	C+	0.89%	<input type="checkbox"/>
● a	Assessment of environmental risks in the supply chain: The company conducts risk assessments with regard to the environmental performance of suppliers. Details are available on the factors taken into account such as the supplier's sector, size and geographical location and the type of work performed.			
● b	Environmental supplier audits: The company conducts audits to check compliance of key suppliers. It remains unclear whether they are conducted on- or off-site.			
● c	Procedures in case of environmental non-compliance: No or only very limited information is available on corrective action plans to remediate non-compliance and re-audits to check on improvements.			
	Coverage: More than 20% of relevant operations (estimated).			
● B.2.	Products and Services	B-	42.00%	<input type="checkbox"/>

● B.2.1.	Environmental impact of products and services	C	10.50%	<input type="checkbox"/>
● B.2.1.1.	Environmental impacts of the product portfolio	C	10.50%	<input type="checkbox"/>
• a	Achieving sustainable agriculture and forestry:	Share of net sales	2021	
	Contribution: no products or services with a direct and substantial impact		0%	
	Obstruction: no products or services with a direct and substantial impact		0%	
• b	Conserving water:	Share of net sales	2021	
	Contribution: no products or services with a direct and substantial impact		0%	
	Obstruction: no products or services with a direct and substantial impact		0%	
• c	Contributing to sustainable energy use:	Share of net sales	2021	
	Contribution: energy generation based on hydropower (>10MW), energy generation based on renewables (undefined)		12.1%	
	Obstruction: energy generation based on nuclear power		18.9%	
• d	Promoting sustainable buildings:	Share of net sales	2021	
	Contribution: no products or services with a direct and substantial impact		0%	
	Obstruction: no products or services with a direct and substantial impact		0%	
• e	Optimising material use:	Share of net sales	2021	
	Contribution: no products or services with a direct and substantial impact		0%	
	Obstruction: no products or services with a direct and substantial impact		0%	
• f	Mitigating climate change:	Share of net sales	2021	
	Contribution: energy generation based on hydropower (>10MW), energy generation based on nuclear power, energy generation based on renewables (undefined)		31%	
	Obstruction: no products or services with a direct and substantial impact		0%	
• g	Preserving marine ecosystems:	Share of net sales	2021	
	Contribution: no products or services with a direct and substantial impact		0%	
	Obstruction: no products or services with a direct and substantial impact		0%	
• h	Preserving terrestrial ecosystems:	Share of net sales	2021	
	Contribution: no products or services with a direct and substantial impact		0%	
	Obstruction: energy generation based on nuclear power		18.9%	
• i				

Other (Environmental):	Share of net sales	2021
Contribution: no products or services with a direct and substantial impact		0%
Obstruction: no products or services with a direct and substantial impact		0%

- **B.2.1.2.** **Strategy shift towards a more environmentally beneficial product portfolio** 0.00%

Not applicable as the company does not exhibit a clear and substantial strategy to shift its portfolio towards environmentally (more) beneficial products and/or services.

- **B.2.2.** **Environmental aspects along the value chain** **B-** 31.50%

- **B.2.2.1.** **Sustainable energy generation** **C** 10.50%

- **B.2.2.1.1.** **Energy generation by source** **C-** 6.30%

	2021
Large-scale hydropower	26.94
Renewables (unspecified)	4.63
Natural gas	19.07
Nuclear power	49.37

- **B.2.2.1.2.** **Renewable energy sources** **C** 3.67%

- **B.2.2.1.2.1.** **Share of renewable energy in energy generation** **B-** 0.69%

The share of renewable energy in energy generation is between 30% and 40%.

	2017	2018	2019	2020	2021
Share of renewable energy in electricity generation (%)	27.10	29.60	28.10	30.90	31.57

- **B.2.2.1.2.2.** **Development of renewable energy in energy generation** **A+** 0.23%

The share of renewable energy in energy generation has increased in recent years.

- **B.2.2.1.2.3.** **Share of renewable energy in total energy sales** **C** 0.46%

No information is available on the share of renewable energy in total energy sales. Based on the company's energy generation and sales data, it was estimated to be between 20% and 30%.

- **B.2.2.1.2.4. Strategy to promote renewable energy** C 2.29%
 - **a** **Quantitative targets:** No or only very limited information is available on quantitative targets with regard to renewable energy sources.
 - **b** **Planned investments:** The company plans significant investments in renewable energy sources. However, no information is available on their relative importance, e.g. compared to investments in conventional energy sources.

Comment: The company is making significant investments in the expansion of renewable energy. Company plans to develop plants with a total capacity of more than 3,000 megawatts in the pipeline. Additionally, the recently acquired subsidiary Urbasolar had 1,000 MW of solar power projects under development.

- **B.2.2.1.3. Development of innovative energy technologies** C 0.53%

The company conducts some projects to develop innovative energy generation technologies (e.g. fuel cells, wave/tidal power, second generation biofuels, microgeneration), to develop/deploy relevant energy storage technologies (e.g. batteries, hydrogen) or to promote e-mobility. No or only very limited information is available on investment volumes dedicated to such technologies.

Comment: The company makes investments in various innovative energy technologies such as battery storage solutions and artificial intelligence in wind power plants.

- **B.2.2.2. Environmental impacts of energy generation** B+ 15.75%

- **B.2.2.2.1. Climate impact of energy generation** A+ 3.15%

- **B.2.2.2.1.1. Carbon intensity of energy generation** A+ 2.52%

The carbon intensity of energy generation is lower than 100 g/kWh.

	2017	2018	2019	2020	2021
Carbon intensity of electricity generation (g/kWh)	103.00	83.00	97.00	79.00	87.00

Coverage: 100% of relevant operations.

- **B.2.2.2.1.2. Development of the carbon intensity of energy generation** A+ 0.63%

The carbon intensity of energy generation has constantly remained at a very low level in recent years.

Coverage: 100% of relevant operations.

- **B.2.2.2.2. Fossil-fired power plants** C+ 4.72%

- **B.2.2.2.2.1. Environmentally safe operation of facilities** C+ 2.36%

- **a** **Air emissions:** Air emission prevention and control systems are implemented. No or only very limited information is available on technologies and processes used.

Coverage: 100% of relevant operations.

- **b** **Hazardous waste management**

- **i** **Wastewater treatment:** Not applicable as the company does not operate any coal-fired power plants.

- ii **Disposal of other hazardous wastes:** Not applicable as the company does not operate any coal-fired power plants.

Coverage: Not applicable as the company does not operate any coal-fired power plants.

- **B.2.2.2.2.2. Thermal efficiency of fossil-fired power plants** C+ 2.36%

- a **Coal-fired generation plants**

- i **Efficiency:** Not applicable as the company does not operate any coal-fired power plants.

- ii **Trend:**

Not applicable as the company does not operate any coal-fired power plants.

Coverage: Not applicable as the company does not operate any coal-fired power plants.

- b **Lignite-fired generation plants**

- i **Efficiency:** Not applicable as the company does not operate any lignite-fired power plants.

- ii **Trend:**

Not applicable as the company does not operate any lignite-fired power plants.

Coverage: Not applicable as the company does not operate any lignite-fired power plants.

- c **Natural-gas fired generation plants**

- i **Efficiency:** The thermal efficiency of natural gas-fired power plants is between 45% and 55%.

- ii **Trend:**

The thermal efficiency of natural gas-fired power plants has remained stable in recent years.

Coverage: More than 50% of relevant operations (estimated).

- d **Fossil-fuelled generation plants**

- i **Efficiency:** Not applicable due to disaggregated reporting and assessment of the thermal efficiency of fossil-fired power plants.

- ii **Trend:**

Not applicable due to disaggregated reporting and assessment of the thermal efficiency of fossil-fired power plants.

Coverage: Not applicable due to disaggregated reporting and assessment of the thermal efficiency of fossil-fired power plants.

- **B.2.2.2.3. Nuclear power plants** A 6.30%

- **B.2.2.2.3.1. Process and facility safety management** A+ 1.40%

- a **Responsibilities and training:** Clear responsibilities have been defined and the company conducts training programmes to ensure the implementation of facility safety management.

- b **Risk assessments:** The company conducts comprehensive risk assessments.

- c **Performance monitoring and incident investigation:** The company monitors safety performance (e.g. loss of containment incidents, process safety incidents) and investigates incidents.

- d **Inspections and maintenance:** The company performs regular inspections and has maintenance procedures in place.

Coverage: 100% of relevant operations.

•	B.2.2.2.3.2.	Emergency response and preparedness	A+	1.40%	<input type="checkbox"/>
•	a	Emergency response plan: A detailed emergency response plan is in place (including responsibilities, training, communication of the ERP to its employees).			
•	b	Emergency drills: The company conducts regular emergency drills.			
•	c	Emergency cooperation: The company aligns its emergency response plan with surrounding communities and shares information relating to emergency response planning and drills.			
•	d	Crisis communication: The company has clear procedures relating to crisis communication with surrounding communities during emergency situations.			
		Coverage: 100% of relevant operations.			
•	B.2.2.2.3.3.	Radioactive waste management and disposal strategy	B	2.80%	<input type="checkbox"/>
•	a	Radioactive waste management: The company refers to the management of different types of radioactive waste, measures to reduce radioactive waste volumes, the safety of temporary storage facilities and the safety of radioactive waste transport.			
•	b	Disposal strategy: No or only limited information is available on a long-term strategy for the permanent disposal of highly radioactive waste and financial provisions to ensure safe storage in the long-term. However, the company clearly acknowledges its responsibility in this regard and discusses related issues.			
		Coverage: 100% of nuclear power stations.			
•	B.2.2.2.3.4.	Nuclear decommissioning	A+	0.70%	<input type="checkbox"/>
•	a	Financial provisions: Detailed information is provided on financial provisions for decommissioning including the planned shut-down of individual plants, aspects considered in cost calculations and assumptions made.			
•	b	Environmental considerations: Not applicable for companies that do not own or operate nuclear power plants that are currently in the process of being decommissioned or will be decommissioned in the medium-term.			
		Coverage: 100% of relevant operations.			
•	B.2.2.2.4.	Renewable energy power plants	B-	1.57%	<input type="checkbox"/>
•	B.2.2.2.4.1.	Measures to ensure the sustainable operation of hydropower plants	B-	0.94%	<input type="checkbox"/>
•	a	Environmental impact assessments: The company conducts environmental impact assessments that consider (almost) all relevant aspects, e.g. upstream and downstream impacts, life-cycle and cumulative impacts, sedimentation, erosion, water quality, greenhouse gas emissions, biodiversity impacts (e.g. on vulnerable and endangered species).			
•	b	Fish facilities: The company has established fish passages that are adapted to different species and monitors their effectiveness. No information is available on whether the company engages in fish stocking to compensate population loss.			
•	c	Environmental flow requirements: The company refers to environmental flow requirements to maintain downstream species and ecosystems in general terms. However, no details are available.			
•	d	Sedimentation management: The company refers to sedimentation management in general terms. However, no details are available.			

e	<p>Dam safety: The company refers to some measures to ensure dam safety. However, no details are available.</p> <p>Coverage: More than 20% of hydropower stations (estimated).</p>		
B.2.2.2.4.2.	Biomass procurement		0.00%
B.2.2.2.4.2.1.	Policy on sustainable sourcing of wood/fibre		0.00%
a	Legality: Not applicable for companies which do not source a significant volume of wood/fibre.		
b	High Conservation Value: Not applicable for companies which do not source a significant volume of wood/fibre.		
c	Forest conversion: Not applicable for companies which do not source a significant volume of wood/fibre.		
d	Genetic modification: Not applicable for companies which do not source a significant volume of wood/fibre.		
e	Traceability: Not applicable for companies which do not source a significant volume of wood/fibre.		
f	Certification: Not applicable for companies which do not source a significant volume of wood/fibre.		
g	Carbon balance: Not applicable for companies which do not source a significant volume of wood/fibre.		
	Formality: Not applicable for companies which do not source a significant volume of wood/fibre.		
	Coverage: Not applicable for companies which do not source a significant volume of wood/fibre.		
B.2.2.2.4.2.2.	Measures to ensure compliance with the policy on sustainable sourcing of wood/fibre		0.00%
a	Risk assessments: Not applicable for companies that do not source a significant volume of wood/fibre.		
	Coverage: Not applicable for companies that do not source a significant volume of wood/fibre.		
b	Traceability: Not applicable for companies that do not source a significant volume of wood/fibre.		
	Coverage: Not applicable for companies that do not source a significant volume of wood/fibre.		
c	Monitoring of suppliers: Not applicable for companies that do not source a significant volume of wood/fibre.		
	Coverage: Not applicable for companies that do not source a significant volume of wood/fibre.		
d	Support of suppliers: Not applicable for companies that do not source a significant volume of wood/fibre.		
	Coverage: Not applicable for companies that do not source a significant volume of wood/fibre.		
B.2.2.2.4.3.	Design and operation of wind power plants	A	0.32%
a	Planning of wind power plants		
i	Responsible site selection: The company is committed to making use of brownfield sites instead of greenfields to the largest extent possible. No or only very limited information is available on a commitment to refrain from site selection in protected areas and areas of high biodiversity value.		
	Coverage: 100% of relevant operations.		
ii	Environmental impact assessments: The company conducts comprehensive environmental impact assessments that cover relevant biodiversity aspects.		

Coverage: 100% of relevant operations.

- b **Environmental impacts of wind power plants**
- i **Onshore wind power plants:** The company has taken measures to protect birds and/or bats, and engages in monitoring of the environmental impacts of wind power plants.
- ii **Offshore wind power plants:** Not applicable as the company is not involved in the construction and/or operation of offshore wind power plant projects.

Coverage: 100% of relevant operations.

• B.2.2.2.4.4. **Solar power** C- 0.32%

• B.2.2.2.4.4.1. **Design of solar power projects** C- 0.32%

- a **Responsible site selection:** No or only very limited information is available on a commitment to refrain from site selection in protected areas and areas of high biodiversity value and to make use of brownfield sites instead of greenfields to the largest extent possible.

Coverage: The percentage of relevant operations covered is considered if sufficient content-related information is available to assess the indicator.

- b **Environmental impact assessments:** The company conducts environmental impact assessments. No detailed information is available on the aspects covered (e.g. land use, biodiversity impacts).

Coverage: 100% of relevant operations.

• B.2.2.2.4.4.2. **Average conversion efficiency of solar panels/modules** 0.00% --

Not applicable as the company is not or to a very limited extent involved in the design, construction and/or operation of solar power projects.

Coverage: Not applicable as the company is not or to a very limited extent involved in the design, construction and/or operation of solar power projects.

• B.2.2.2.4.5. **Design and operation of geothermal plants** 0.00% --

Not applicable as the company is not involved in the design and operation of geothermal plant projects.

Coverage: Not applicable as the company is not involved in the design and operation of geothermal plant projects.

• B.2.2.2.5. **Controversies relating to energy generation** 0.00% --

Research did not reveal relevant controversies in recent years.

• B.2.2.3. **Fuel extraction** 0.00%

• B.2.2.3.1. **Biodiversity and protected areas** 0.00%

• B.2.2.3.1.1. **Biodiversity management** 0.00%

- a **Risk and impact assessments:** Not applicable for companies that are not engaged in fuel extraction.

- b **Consultation with biodiversity experts:** Not applicable for companies that are not engaged in fuel extraction.
 - c **Targets and objectives:** Not applicable for companies that are not engaged in fuel extraction.
 - d **Mitigation measures:** Not applicable for companies that are not engaged in fuel extraction.
 - e **Monitoring and evaluation:** Not applicable for companies that are not engaged in fuel extraction.
- Coverage:** Not applicable for companies that are not engaged in fuel extraction.

• B.2.2.3.2.	Disposal of hazardous wastes from oil and gas exploration and production		0.00%	
• a	Drilling muds and cuttings: Not applicable for companies that are not engaged in oil and gas exploration and production.			
• b	Produced water: Not applicable for companies that are not engaged in oil and gas exploration and production.			
	Coverage: Not applicable for companies that are not engaged in oil and gas exploration and production.			
• c	Dispersed oil concentration in discharged water:			
	Not applicable for companies that are not engaged in oil and gas exploration and production.			
	Coverage: Not applicable for companies that are not engaged in oil and gas exploration and production.			
• B.2.2.3.3.	Standards for site closure, decommissioning and reclamation		0.00%	
• a	Multi-stakeholder approach: Not applicable for companies that are not engaged in fuel extraction.			
• b	Financial provisions: Not applicable for companies that are not engaged in fuel extraction.			
• c	Environmental considerations: Not applicable for companies that are not engaged in fuel extraction.			
	Coverage: Not applicable for companies that are not engaged in fuel extraction.			
• B.2.2.3.4.	Controversies relating to fuel extraction		0.00%	
	Research did not reveal relevant controversies in recent years.			
• B.2.2.4.	Electricity transmission and distribution	B-	5.25%	
• B.2.2.4.1.	Integration of renewable energy sources into the electricity grid	C	1.50%	
• a	Strategy to integrate renewable energy sources into the grid: No information is available with regard to a strategy to integrate renewable energy sources into the grid (e.g. as part of grid development plans or in the form of concrete targets). However, the company has taken some measures to integrate renewable energy sources into the grid including demand management programmes and the identification of suitable storage solutions. No or only very limited information is available on further measures such as investment programmes, special solutions to transport or integrate renewable energy sources, dedicated research projects, and cooperation with industry partners.			
• b	Smart meters: The company has set a target for the rollout of smart meters or is covered by corresponding legal requirements. No or only very limited information is available on the percentage of customers that are equipped with a smart meter.			

• B.2.2.4.2.	Measures to minimise environmental impacts of electricity transmission and distribution	D	1.50%	<input checked="" type="checkbox"/>
• a	Planning and construction: No or only very limited information is available on the consideration of environmental impacts in the planning and construction of power grids such as environmental impact assessments, exclusion criteria for sensitive areas (e.g. bird protection areas), route optimisation in cooperation with environmental experts, the use of underground cables or the optimisation of mast heights and gaps between lines to reduce the risk of bird collision.			
• b	Operation phase: The company has taken some measures to reduce environmental impacts of operating power grids including retrofitting of older lines with more effective protection measures. No or only very limited information is available on further measures such as the ecological management of line corridors, the installation of bird protection devices, monitoring of the effectiveness of existing bird protection devices, and the use of underground cables.			
	Coverage: The percentage of the power grid covered is not specified.			
• B.2.2.4.3.	Phasing-out and disposal of PCBs	A+	1.50%	<input checked="" type="checkbox"/>
• a	PCBs still in use: PCBs in equipment at a concentration level of over 50 ppm have already been phased out.			
• b	Strategy to phase out PCBs: Not applicable for companies that have already phased out PCBs in equipment at a low concentration level (> 50 ppm).			
• c	PCB removal and disposal: Not applicable for companies that have already phased out PCBs in equipment at a low concentration level (>50 ppm).			
	Coverage: 100% of the power grid.			
• B.2.2.4.4.	Transmission and distribution losses as a percentage of total energy entering the system	A	0.75%	<input checked="" type="checkbox"/>
	Annual transmission and distribution losses are at a comparatively low level and have decreased in recent years.			
	Coverage: More than 50% of electricity transmission and distribution systems (estimated).			
	Comment: Data above refers to the company's CKW grids.			
• B.2.2.4.5.	Controversies relating to electricity transmission and distribution		0.00%	<input type="checkbox"/>
	Research did not reveal relevant controversies in recent years.			
• B.2.2.5.	Gas transmission and distribution		0.00%	<input checked="" type="checkbox"/>
• B.2.2.5.1.	Pipeline integrity and safety management		0.00%	<input type="checkbox"/>
• a	Guidelines for design and construction: Not applicable for companies that are not active in the operation of pipelines.			
• b	Risk assessments: Not applicable for companies that are not active in the operation of pipelines.			
• c	Inspections and maintenance: Not applicable for companies that are not active in the operation of pipelines.			
• d	Fugitive methane emissions: Not applicable for companies that are not active in the operation of pipelines.			
• e	Prevention of third-party damage: Not applicable for companies that are not active in the operation of pipelines.			
	Replacement programmes: Not applicable for companies that are not active in the operation of			

f pipelines.

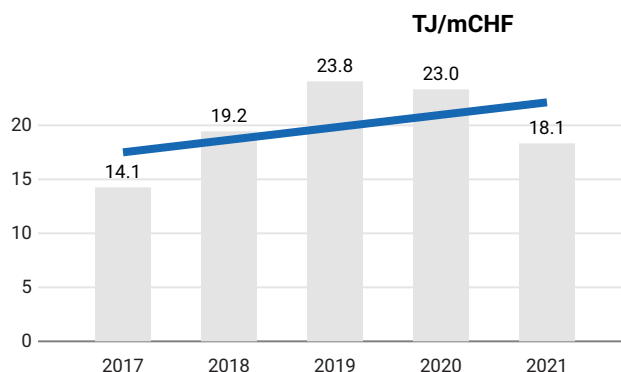
g **Emergency response and preparedness:** Not applicable for companies that are not active in the operation of pipelines.

Coverage: Not applicable for companies that are not active in the operation of pipelines.

● B.2.2.5.2.	Controversies relating to gas transmission and distribution		0.00%	--
	Research did not reveal relevant controversies in recent years.			
● B.2.2.6.	Other major company-specific issues related to the integration of environmental considerations into products and services		0.00%	■
	Not applicable as the company does not generate a significant sales volume through activities entailing other major environmental issues than those already evaluated.			
● B.2.2.7.	Additional controversies relating to environmental issues		0.00%	--
	Research did not reveal relevant controversies in recent years.			
● B.3.	Eco-efficiency	C	6.00%	■
● B.3.1.	Energy efficiency	D-	2.25%	■
● B.3.1.1.	Energy intensity	D-	0.23%	■

The energy intensity has increased in recent years.

	UNIT	2017	2018	2019	2020	2021
Energy use	TJ	79 k	93 k	116 k	111 k	110 k
Net sales	mCHF	5567.00	4850.00	4856.00	4808.00	6056.00
Energy use per Net sales	TJ/mCHF	14.12	19.22	23.79	23.04	18.14



Coverage: 100% of relevant operations.

● B.3.1.2. **Energy intensity (energy generation)** D- 2.02%

As no suitable normalisation factor is available, energy data could not be assessed.

	UNIT	2021
Energy use	kWh	-
Energy generated	GWh	37 k
Energy use per Energy generated	kWh/EUR	-

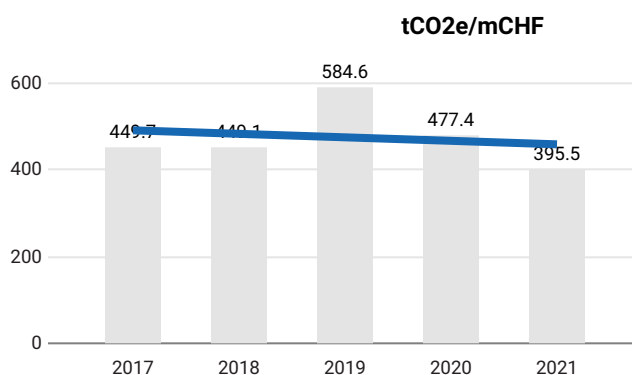
Coverage: The percentage of relevant operations covered is considered if sufficient content-related information is available to assess the indicator.

● B.3.2. **Carbon intensity** A+ 1.50%

● B.3.2.1. **Greenhouse gas emission intensity** A+ 0.15%

The greenhouse gas emission intensity has decreased in recent years.

	UNIT	2017	2018	2019	2020	2021
GHG emissions	tCO2e	3 M	2 M	3 M	2 M	2 M
Net sales	mCHF	5567.00	4850.00	4856.00	4808.00	6056.00
GHG emissions per Net sales	tCO2e/mCHF	449.70	449.13	584.55	477.45	395.54



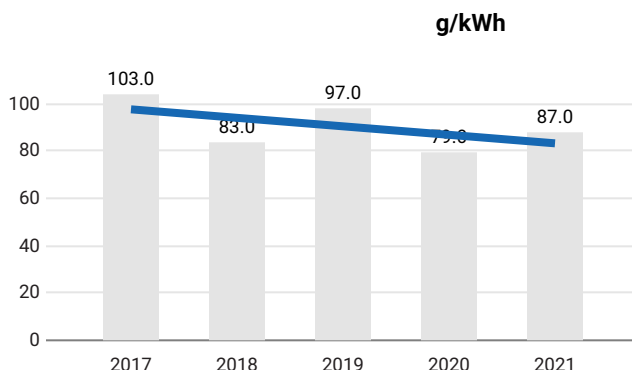
Coverage: 100% of relevant operations.

● B.3.2.2. **Greenhouse gas emission intensity (energy generation)** A+ 1.35%

The carbon intensity of energy generation is lower than 100 g/kWh.

	UNIT	2017	2018	2019	2020	2021
GHG emissions	t	-	-	-	-	-
Energy generated	GWh	33 k	36 k	39 k	37 k	37 k

	UNIT	2017	2018	2019	2020	2021
GHG emissions per Energy generated	g/kWh	103.00	83.00	97.00	79.00	87.00

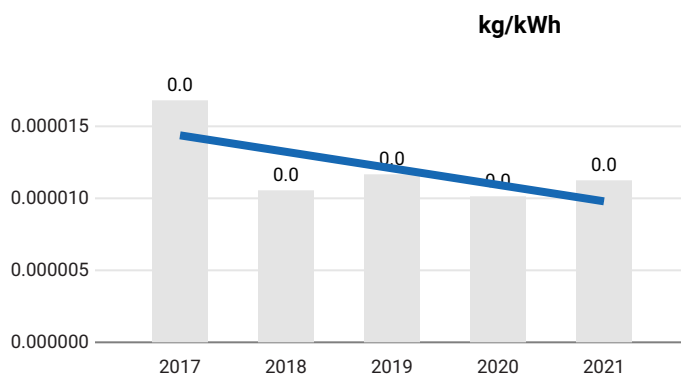


Coverage: 100% of relevant operations.

- **B.3.3.** Nitrogen oxide emission intensity **A+** 0.75%
- **B.3.3.1.** NOx emission intensity **A+** 0.75%

The NOx emission intensity has decreased in recent years.

	UNIT	2017	2018	2019	2020	2021
NOx emissions	t	546.00	373.00	450.00	369.00	407.00
Energy generated	GWh	33 k	36 k	39 k	37 k	37 k
NOx emissions per Energy generated	kg/kWh	0.00	0.00	0.00	0.00	0.00



Coverage: 100% of relevant operations.

- **B.3.4.** Sulphur oxide emission intensity 0.00%
- **B.3.4.1.** SOx emission intensity 0.00%

Not applicable for companies that do not operate fossil-fired plants other than gas-fired plants.

	UNIT	2021
SOx emissions	t	-
Energy generated	GWh	37 k
SOx emissions per Energy generated	kg/EUR	-

Coverage: Not applicable for companies that do not operate fossil-fired plants other than gas-fired plants.

● B.3.5.	Particulate matter emission intensity		0.00%	
● B.3.5.1.	PM emission intensity		0.00%	

Not applicable for companies that do not operate fossil-fired plants other than gas-fired plants.

	UNIT	2021
Particulate matter emissions	t	-
Energy generated	GWh	37 k
Particulate matter emissions per Energy generated	kg/EUR	-

Coverage: Not applicable for companies that do not operate fossil-fired plants other than gas-fired plants.

● B.3.6.	Water efficiency	D-	1.50%	
● B.3.6.1.	Freshwater use intensity	D-	1.50%	

No information is available on the freshwater use intensity for at least three recent consecutive years.

	UNIT	2021
Freshwater use	m3	-
Energy generated	GWh	37 k
Freshwater use per Energy generated	kg/kWh	-

Coverage: The percentage of relevant operations covered is considered if sufficient content-related information is available to assess the indicator.

Governance Rating

Summary

Governance Rating

B

Weight

8%

Trend



Assessment

		Grade	Weight	Change Y-o-Y
● A.3.	Corporate Governance and Business Ethics	B	8.00%	
● A.3.1.	Corporate governance	B-	2.66%	
● A.3.1.1.	Independence of the board and its governance of sustainability	B-	1.33%	
● A.3.1.1.1.	Percentage of independent board members	A+	0.44%	

	2022
Percentage of independent board members	88.90

Percentage of independent board members 88.90

Comment: Data as at 2022-07-08

● A.3.1.1.2.	Independent board chair	D-	0.44%	
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The chair of the board is not independent.

Comment: Data as at 2022-07-08

● A.3.1.1.3.	Independent committees in charge of audit, remuneration, nomination, and sustainability	B-	0.44%	
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a	2022
Percentage of independent board members in the audit committee	100.00

Percentage of independent board members in the audit committee 100.00

Comment: Data as at 2022-07-08

b	2022
Percentage of independent board members in the remuneration committee	75.00

Percentage of independent board members in the remuneration committee 75.00

Comment: Data as at 2022-07-08

c	2022
Percentage of independent board members in the nomination committee	75.00

Percentage of independent board members in the nomination committee 75.00

Comment: Data as at 2022-07-08

d				2022	
	Percentage of independent board members in the sustainability committee			-	
	Comment: Data as at 2022-07-08				
A.3.1.2.	Shareholder democracy			0.00%	<input type="checkbox"/>
A.3.1.2.1.	Voting rights			0.00%	<input type="checkbox"/>
a	Voting rights for common shares: Not applicable for companies with a free-float close to 0%.				
b	Restrictions on voting rights: Not applicable for companies with a free-float close to 0%.				
A.3.1.2.2.	Size of shareholding necessary to introduce a new resolution			0.00%	<input type="checkbox"/>
	Not applicable for companies with a free-float close to 0%.				
A.3.1.2.3.	Facilitation of shareholder participation			0.00%	<input type="checkbox"/>
		Yes	No	No information / Not applicable	
	Voting on proxy resolutions via internet or phone				✓
	Live broadcast of all parts of the AGM				✓
	Access to company appointed proxies during the AGM				✓
	Comment: Not applicable for companies with a free-float close to 0%.				
A.3.1.3.	Remuneration of members of the executive management team		B-	1.33%	<input type="checkbox"/>
A.3.1.3.1.	Public disclosure of compensation schemes for members of the executive management team		B-	0.27%	<input type="checkbox"/>
	Compensation for some members of the executive management team is publicly disclosed on an individual basis and sub-divided according to fixed amounts, variable performance-related components and long-term incentive components.				
A.3.1.3.2.	Integration of sustainability performance objectives into the variable remuneration of members of the executive management team		D+	0.53%	<input type="checkbox"/>
	Sustainability performance objectives are integrated into the variable remuneration of members of the executive management team. No detailed information is available.				
A.3.1.3.3.	Public disclosure of CEO to employee compensation ratio		A	0.53%	<input checked="" type="checkbox"/>
	The company publicly discloses the ratio of highest compensation to median employee compensation.				
	Coverage: More than 50% of employees.				

●	A.3.1.4.	Irregularities in audit and accounting practices		0.00%	--
		No data has been collected on whether the company has been involved in audit and accounting irregularities in recent years.			
●	A.3.2.	Business ethics	B+	5.33%	✓
●	A.3.2.1.	Code of business ethics	C+	1.77%	✗
●	a	Corruption: The company commitments refer in detail to the prohibition of corruption. No or only very limited information is available on the prohibition of facilitation payments.			
●	b	Antitrust violations: The company commitments refer to the prohibition of anti-competitive practices in general terms.			
●	c	Insider dealings: The company commitments refer to insider dealings in general terms.			
●	d	Gifts, favours and entertainment: The company commitments set out rules regarding gifts, favours and entertainment but they do not include moderate maximum amounts.			
●	e	Conflicts of interest: The company clearly defines procedures to deal with conflicts of interest. However (potential) conflicts of interest are not sufficiently defined.			
●	f	Validity of financial information: No or only very limited information is available on company commitments requiring financial information to be accurate, valid, reliable, timely, relevant and complete.			
		Formality: (Almost) all commitments are formal.			
		Coverage: 100% of relevant operations.			
●	A.3.2.2.	Compliance procedures	A-	3.55%	■
●	a	Business ethics awareness: The code is published in local languages and employees are required to confirm in written form that they have read and understood the code.			
●	b	Compliance training: The company conducts comprehensive compliance training on (almost) all relevant aspects of business ethics. Details (e.g. on frequency and methods) are available.			
●	c	Compliance risk assessments and audits: The company conducts compliance risk assessments. No or only very limited information is available on whether the company conducts compliance audits.			
●	d	Third party anti-corruption due diligence: The company conducts elements of due diligence on third parties it works with (e.g. agents, consultants, advisors, joint venture partners). Relevant elements include regular screenings, risk assessments, compliance health checks, identification of red flags, structured approval processes and documentation, as well as checks on necessity and proper retention, expertise, integrity, and method of payment. However, not all elements are covered.			
●	e	Facilitation of non-compliance reporting: Anonymous and confidential reporting channels are provided for employees.			
●	f	Whistleblower protection: There is a statement on non-retaliation against whistleblowers. No or only very limited information is available on procedures to ensure protection of whistleblowers' employment status as well as protection of whistleblowers from harassment in the workplace.			
		Coverage: 100% of relevant operations.			
●	A.3.2.3.	Controversies relating to business ethics		0.00%	--
		Research did not reveal relevant controversies in recent years.			

ESG Corporate Rating Methodology 1 of 2

Introduction

The ESG Corporate Rating provides relevant and forward-looking environmental, social and governance (ESG) and performance assessments. Drawing on an overall pool of about 700 standard and industry-specific indicators, ISS ESG applies approximately 100 environmental, social and governance-related indicators per rating. Differentiated weighting scenarios ensure adequate reflection of most material topics for each business model. All indicators are evaluated independently based on clearly defined performance expectations and the results are aggregated, taking into account the respective weight, to yield an overall score (rating).

Glossary

Analyst Opinion – Qualitative summary and explanation of the central rating results:

- (1) Sustainability Opportunities – assessment of the quality and the current and future share of sales of a company's products and services, which positively or negatively contribute to environmental and social objectives derived from the UN Sustainable Development Goals .
- (2) Sustainability Risks – assessment of how proactively and successfully the company addresses material sustainability challenges in its own business activities and value chain, thus reducing its individual risks, in particular regarding its industry's key issues.
- (3) Governance Opinion – overview of the company's governance structures and measures as well as of the quality and efficacy of policies regarding its ethical business conduct.

Controversies

ISS ESG Norm-Based Research (NBR) identifies corporate controversies and assesses how companies manage these controversies. The scope covers controversial practices that have adverse impacts on society and the environment in line with established expectations for Responsible Business Conduct. The core normative framework consists of the Principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights, and is embedded in the Sustainable Development Goals. The ESG Corporate Rating leverages the NBR Severity indicator, a measure of the reported impact on society or the environment, taking into account corporate responsibility, on a scale of Potential, Moderate, Severe and Very Severe. Controversies are fully integrated in the ESG Corporate Rating. The degree of downgrading of affected rating topics reflects the severity of the most severe controversy.

Decile Rank

The Decile Rank indicates in which decile (tenth part of total) the individual Corporate Rating ranks within its industry from 1 (best – company's rating is in the first decile within its industry) to 10 (lowest – company's rating is in the tenth decile within its industry). The Decile Rank is determined based on the underlying numerical score of the rating. If the total number of companies within an industry cannot be evenly divided by ten, the surplus company ratings are distributed from the top (1 decile) to the bottom. If there are Corporate Ratings with identical absolute scores that span a division in decile ranks, all ratings with an equal decile score are classified in the higher decile, resulting in a smaller number of Corporate Ratings in the decile below.

ESG Performance and Economic Value

Development of the ESG Performance Score (see below) and EVA margin expressing a company's true economic profit margin according to ISS ESG proprietary EVA methodology over time. The EVA margin does not constitute an integral element of the ESG Corporate Rating assessment.

Industry

The ESG Corporate Rating applies a proprietary industry classification based on business models and related ESG risks and opportunities.

Industry Leaders

List (in alphabetical order) of the top five companies in an industry from the ESG Corporate Rating universe at the time of generation of this report.

ISS ESG Sustainability Opinion

High-level summary of the Analyst Opinion.

ESG Corporate Rating Methodology 2 of 2

Key Issue Performance

Overview of the company's performance regarding the key social and environmental issues in the industry, compared to the industry average, on the twelve-level letter scale.

Key Issue Performance - Detail

Display of detailed information regarding the three most highly weighted indicators for each key issue: Enumeration, indicator name, letter grade, indicator weight, trend year-on-year.

Key Issue Materiality

Graphic representation of the relative ESG materiality and weight of the individual Key Issues.

Performance Score

The ESG Performance Score is the normalized numerical representation of the alphabetic ratings (D- to A+) on a scale of 0 to 100. A Performance Score of 50 represents the Prime threshold across all industries:

≥50: Prime

<50: Not Prime

Prime Status & Threshold

Companies are awarded Prime Status if the overall ESG Corporate Rating letter grade meets or exceeds the industry-specific Prime threshold defined by ISS ESG's Industry Classification Matrix. The Prime threshold reflects the overall magnitude of an industry's risk exposure and footprint, and is C+ for the majority of industries, B- for high ESG risk industries and C for industries with a lower ESG risk profile.

Rating

Companies are rated on a twelve-point scale from A+ to D-:

A+: the company shows excellent performance.

D-: the company shows poor performance (or fails to demonstrate any commitment to appropriately address the topic).

Underlying these letter grades, there is a numerical scale ranging from 1 to 4 (best rating score). The letter grades are thus equivalent to intervals of 0.25:

D-	D	D+	C-	C	C+	B-	B	B+	A-	A	A+
1.00 -	1.25 -	1.50 -	1.75 -	2.00 -	2.25 -	2.50 -	2.75 -	3.00 -	3.25 -	3.50 -	3.75 -
<1.25	<1.50	<1.75	<2.00	<2.25	<2.50	<2.75	<3.00	<3.25	<3.50	<3.75	<4.00

Transparency Level

The Transparency Level indicates the materiality-adjusted extent to which the ESG Corporate Rating bases on available information in the form of company disclosures, information shared during company dialogues, and alternative data sources. The calculated percentage is classified in five transparency levels following the scale below.

0% - < 20%: very low

20% - < 40%: low

40% - < 60%: medium

60% - < 80%: high

80% - < 100%: very high

A company's failure to disclose, or lack of transparency, will impact a company's ESG Transparency Level and performance rating negatively.

Trend

The trend indicates the year-on-year change in five categories: significantly improving (improvement by two letter grades), improving (improvement by one letter grade), stable, deteriorating (deterioration by one letter grade), significantly deteriorating (deterioration by two letter grades). The field is blank if no historical rating is available.

Methodology - Additional Company Scores and Metrics

SDG Impact Rating and SDG Solutions Assessment

The SDG Impact Rating provides a holistic metric of impact using the United Nations (UN) Sustainable Development Goals (SDGs) as a reference framework. The rating measures the extent to which companies are managing negative externalities in their operations across the entire value chain to minimize negative impacts, while at the same time making use of existing and emerging opportunities in their products and services to contribute to the achievement of the Sustainable Development Goals. A company's impact is measured thematically, following the SDG framework, as well as at an aggregate level. For each of the 17 SDGs, a company's impact is determined by three pillars: (1) the company's products and services; (2) the company's operational management; (3) the involvement in and responsiveness to controversies.

Products and Services Score

Based on the SDG Solutions Assessment, the Products and Services Score assesses the overall impact of a company's product portfolio on the achievement of a given SDG. Scores are calculated by multiplying the (estimated) net sales shares generated with relevant products/services with the numeric scores assigned to them (-10, -5, 0, 5, 10). All scores range on a scale from -10.0 (i.e. 100% of net sales are generated with products/services classified as having a significant obstructing impact) to 10.0 (i.e. 100% of net sales are generated with products/services classified as having a significant contributing impact).

Operations Score

The assessment of a company's operational impact is based on standard and industry-specific indicators from the ISS ESG Corporate Rating that are mapped based on their thematic relevance to the individual SDGs. For each industry, a certain subset of indicators is selected and assessed. This assessment takes into account the industry's particular exposure to negative externalities. As the absolute impact of a company's operations varies strongly by sector and SDG, scores will range on a scale from 0 to +5, -5 to +5, or -10 to +10 depending on an impact sector classification (low, medium, high) assigned to each sector and each SDG.

Controversy Score

Leveraging Norm-Based Research (NBR), the Controversy Score accounts for situations in which companies may act in conflict with established norms on responsible business conduct and through their actions may impede or obstruct the goals set under the SDG framework. A negative score is derived based on the NBR signal and score and whether remediation measures have been adopted by the company to address and mitigate the negative impacts generated through the controversial behavior. If a company is involved in multiple controversies affecting one SDG, negative scores are cumulated up to a minimum score of -10.

Scoring and Aggregation Model

At the goal level, the three pillar scores (products and services, operations, and controversies) are combined in a two-step approach to measure a company's holistic impact on a specific SDG. In a first step, the company's Operations Score and Controversy Score are added. In a second step, the Goal Rating is determined by evaluating the Combined Operations and Controversy Score against the Products and Services Score following a 'most distinct' logic (i.e. the highest positive and/or the lowest negative score). For companies with both contributing and obstructing impacts in the different pillars, the Goal Rating is calculated as the sum of the positive and the negative scores.

At the aggregate level, the SDG Impact Rating is determined by the the most distinct Goal Rating (i.e. the highest and/or the lowest Goal Rating). For companies with both and negative Goal Ratings, the SDG Impact Rating is calculated as the sum of the highest positive and the lowest negative Goal Rating.

Annex

Company Profile

Axpo Holding AG engages in the trading and the marketing of solar and wind power. It provides electricity-related products and services, and grids and telecommunication services. The firm offers services in the areas of finance and controlling, corporate insurance, development and communications, information technology and risk management, taxes, legal services and human resources to its subsidiaries. The company was founded in 2001 and is headquartered in Baden, Switzerland.

Company Sources

Publicly available company documentation, such as online reporting and corporate filings (Annual reports, Sustainability reports, Integrated reports), company policies as well as company ESG disclosures to national authorities (e.g., modern slavery statement required under Section 54 of the United Kingdom Modern Slavery Act 2015) or recognized initiatives (e.g., the Science Based Targets initiative). ISS ESG accepts and uses supplementary non-public information which is considered non-material but is relevant for ESG performance assessments.

Alternative Sources

ISS ESG carries out data mining, through the use of frontier technology (AI/Machine Learning), for ESG controversies from a wide range of alternative sources, including the following: media sources (international, local), social media, NGOs, government agencies, inter-governmental agencies. Data from these sources triggers and feeds into in-depth analysis under ISS ESG's Norm-Based Research which in turn feeds into ISS ESG's Corporate Rating.

Participation in Rating Process

The company used the opportunity to review the rating report, actively participated in the rating process, and received the final report for consideration.

Date of last modification

12-07-2022

Contact ISS ESG

Industry Specialist: François Barbé

For questions, please visit the [ISS Help Center](#).



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