

Member of DJSI World, DJSI Europe

Company Information

Country: Italy

Index market cap*: 8,807

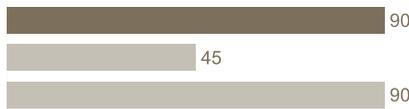
*USD millions

Source: S&P Global BMI, 30 August 2019

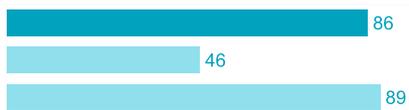
2019 Assessment Results

Source: SAM CSA, 13 September 2019

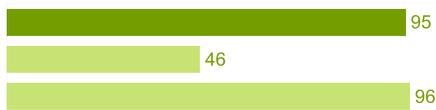
Total Scores



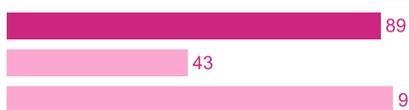
Economic



Environmental



Social



■ Terna Rete Elettrica Nazionale SpA
■ Industry Average Score
■ Industry Best Score

Industry Overview	Maximum Score	Average Score
Total	90	45
Economic Dimension	89	46
Environmental Dimension	96	46
Social Dimension	92	43

DJSI World	Maximum Score	Average Score
Total	90	86
Economic Dimension	89	84
Environmental Dimension	95	87
Social Dimension	92	87

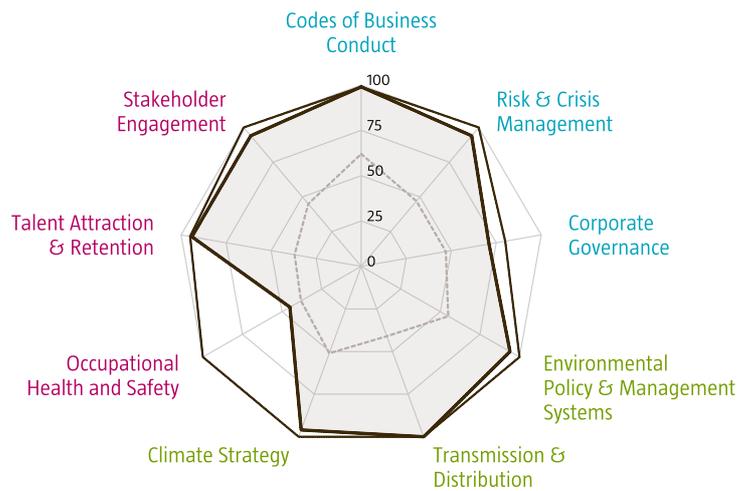
Terna Rete Elettrica Nazionale SpA leads the Electric Utilities industry in SAM Corporate Sustainability Assessment based on its Total Sustainability Score in 2019. This report provides a broad overview of the performance of the Electric Utilities industry and the relative positioning of Terna Rete Elettrica Nazionale SpA at the dimension and criteria level.

Industry Drivers

Electric utilities are facing fundamental challenges, from the need to decarbonize generation to the decentralization of the grid and digitalization. This also includes changing regulation as well as market and power grid dynamics due to the rise of cheap renewable electricity generation. One-time oligopolistic utilities operators are now under threat from new market entrants (eg. from the traditional oil and gas sector moving into renewables) offering energy along with other conveniently bundled technologies and services. The increasing integration of renewable energies into the energy mix requires flexible power management and smart, integrated energy solutions. Enormous efforts are also needed to develop and replace an aging grid to prepare for new requirements like expanding EV charging infrastructure. In emerging markets, industrialization and urbanization require large investments to create sustainable generation capacity. In addition, an uncertain and changing regulatory backdrop increases the risks inherent in some of the long-term financing approaches typical in the industry.

Company Performance

RobecoSAM has selected the most relevant criteria in each sustainability dimension based on their weight in the assessment and their current or expected significance for the industry. The spider chart below visualizes the performance of the industry leader against the best score achieved in each criterion and the median industry score.



— Industry best score - - - - Industry average score ■ Terna Rete Elettrica Nazionale SpA

Corporate Sustainability Assessment

The SAM Corporate Sustainability Assessment (CSA) is a comprehensive annual evaluation of companies' sustainability practices and performance. Every March, RobecoSAM extends invitations to over 3,500 of the largest, listed companies globally to participate in the assessment by completing an in-depth questionnaire. Assessment results are published in September, following the analysis of companies' submissions complemented by additional research performed by RobecoSAM.

The CSA is one of the longest standing ESG rating methodologies worldwide, dating back to 1999. It assesses companies on the basis of 80 – 120 industry-specific questions across 61 industries focusing on financially material economic, environmental, and social factors that are relevant to companies' success, but that are under-researched in conventional financial analysis. Every year, the CSA undergoes rigorous methodological review in order to ensure that the most current material sustainability topics, as well as emerging, long-term sustainability themes often of interest to investors are reflected, and companies are challenged on topics that lack disclosure today. The ESG Ratings derived from the CSA are used for the annual rebalancing of the iconic Dow Jones Sustainability Indices (DJSI), as well as the S&P Dow Jones Indices (S&P DJI) ESG Index family and are made available to investors, researchers, and non-governmental organizations through the S&P DJI and Bloomberg data platforms. The results of the CSA are also used for the creation of the SAM Sustainability Yearbook, one of the most comprehensive annual publications on corporate sustainability. Selected ratings are made available to the general public through the Sustainability Yearbook website: <http://yearbook.robecosam.com>

Additional Resources

For more information on the CSA and a complete list of all Dow Jones Sustainability Indices constituents visit www.robecosam.com/CSA

Assessed companies can access their own results and benchmark themselves against their peers directly through the online assessment portal.

Contact

RobecoSAM AG
Josefstrasse 218
CH-8005 Zürich Switzerland
Tel +41 44 653 10 10
assessments@robecosam.com

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