

Verbund AG

23.8 /100 Medium

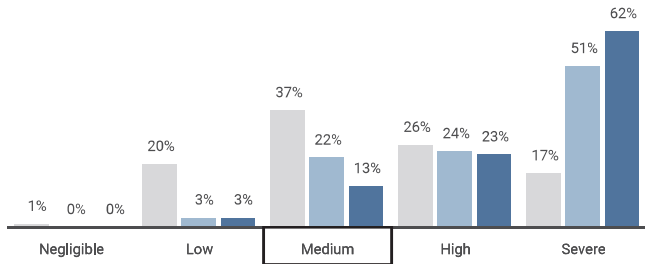
Electric Utilities | Austria | WBO:VER



Rating Overview

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

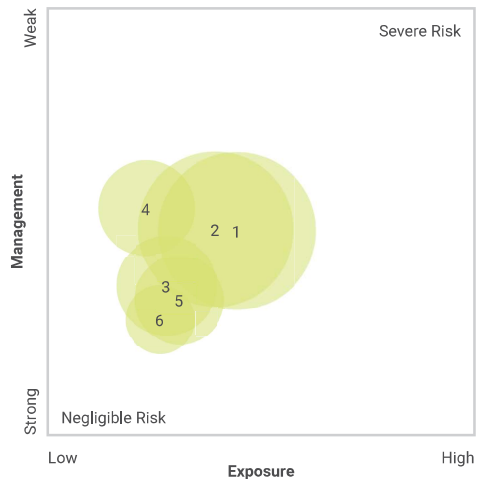
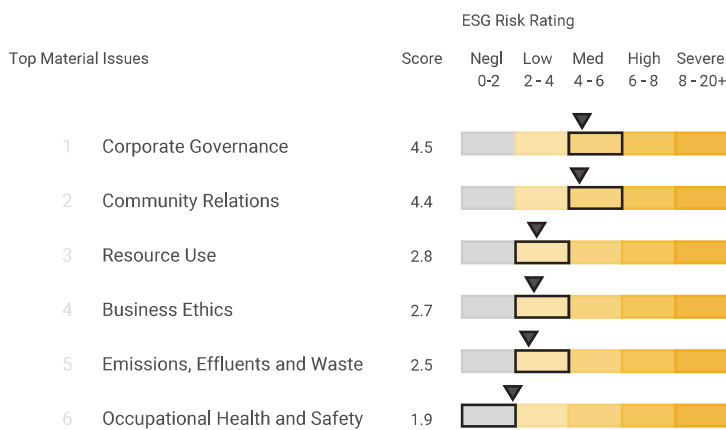
ESG Risk Rating Distribution



Relative Performance

	Position (1st = lowest risk)	Percentile (0th = lowest risk)
Global Universe	3150 out of 9400	34th
Utilities (Industry)	34 out of 397	8th
Electric Utilities (Subindustry)	10 out of 151	6th

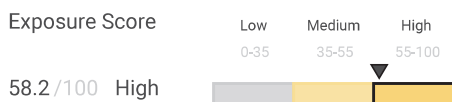
Attribution Analysis



△ = Significant event

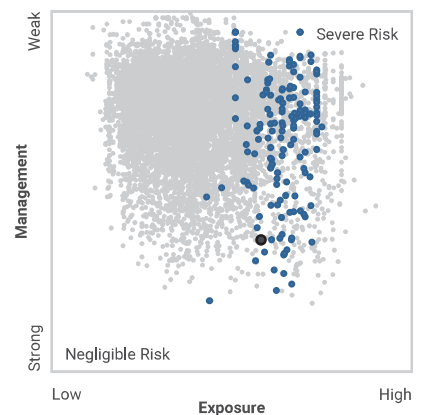
○ Circle size = Contribution to ESG Risk Rating

Risk Analysis



Although Verbund's generation activities have a low carbon footprint due to its low reliance on natural gas and coal, the electricity transport has a high carbon footprint due to grid losses and the usage of SF6, a gas with a huge impact on climate change. This exposes Verbund to risks associated with more stringent regulations aimed at mitigating climate change. Moreover, the development of hydro and wind installations could have significant negative impacts on local communities in their proximity because of water and land usage. This may trigger operational disruptions, project delays or shutdowns due to conflicts with residents. In addition, Verbund's employees are exposed to health and safety risks given the dangerous nature of operations with high voltage lines or at high-altitude. Too frequent incidents or fatalities could trigger operational disruptions and lawsuits. The company's overall exposure is high and is moderately below subindustry average. Occupational Health and Safety, Carbon - Own Operations and Community Relations are notable material ESG issues.

Verbund's overall ESG-related disclosure follows best practice, signalling strong accountability to investors and the public. The company's ESG-related issues are overseen by the board or the executive team, suggesting that these are integrated in core business strategy. The company's overall management of material ESG issues is strong.



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Attribution Details

Issue Name	Contribution to						ESG Risk Rating	Risk Category
	ESG Risk Rating	Subindustry Exposure	Company Exposure	Excess Exposure	Manageable Risk Factor	Management Score		
Corporate Governance	18.8%	9.0	9.0	-	100%	50.2	4.5	
Community Relations	18.5%	8.0	8.0	-	90%	49.9	4.4	
Resource Use	11.9%	6.0	5.7	-0.3	80%	63.1	2.8	
Business Ethics	11.4%	5.0	4.8	-0.3	95%	45.0	2.7	
Emissions, Effluents and Waste	10.7%	7.0	6.3	-0.7	90%	66.4	2.5	
Occupational Health and Safety	8.2%	6.0	5.4	-0.6	90%	71.0	1.9	
Human Capital	7.4%	4.0	3.8	-0.2	95%	56.3	1.8	
Product Governance	7.0%	4.0	4.0	-	90%	65.0	1.7	
Carbon - Own Operations	3.8%	10.0	8.5	-1.5	100%	89.4	0.9	
Land Use and Biodiversity	2.3%	3.0	2.7	-0.3	100%	80.0	0.5	
Overall	100.0%	-	58.2	-	-	63.4	23.8	Medium

△ =Significant event

Risk Details

