

Member of DJSI World, DJSI Europe

Company Information

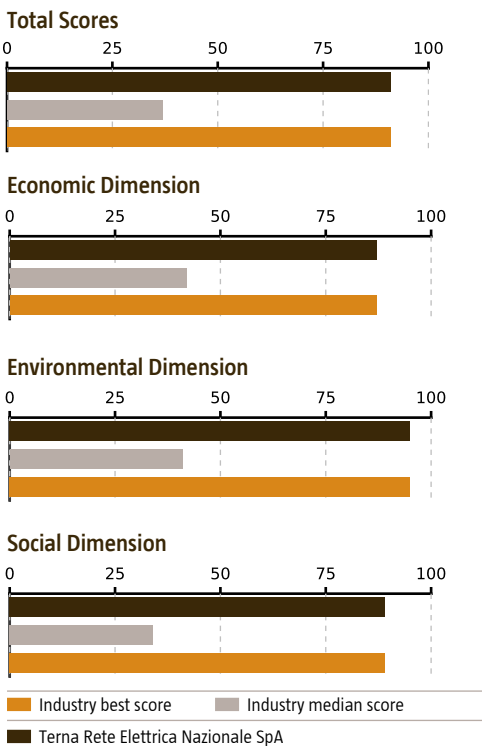
Country: Italy

Index market cap*: 7,850

*USD millions

Source: S&P Global BMI, 31 July 2018

2018 Assessment Results



Industry Overview	Maximum Score	Median Score
Total	91	37
Economic Dimension	87	42
Environmental Dimension	95	41
Social Dimension	89	34

DJSI World	Maximum Score	Median Score
Total	91	85
Economic Dimension	87	84
Environmental Dimension	95	85
Social Dimension	89	86

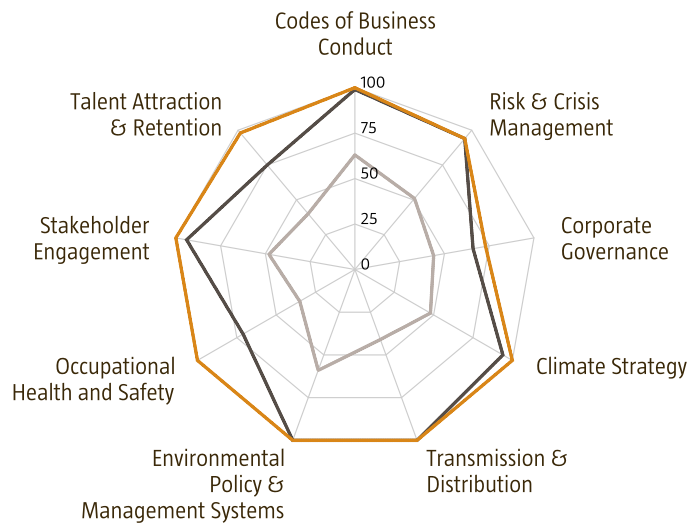
Terna Rete Elettrica Nazionale SpA leads the Electric Utilities industry in RobecoSAM’s Corporate Sustainability Assessment based on its Total Sustainability Score in 2018. This report provides a broad overview of the performance of the Electric Utilities industry and the relative positioning of Terna Rete Elettrica Nazionale SpA at the dimension and criteria level.

Industry Drivers

Electric utilities are facing fundamental challenges, including more stringent government regulations, concerns about greenhouse gas emissions, the availability of cheaper renewable alternatives and changing power grid dynamics. Once-oligopolistic utilities operators are under threat from new market entrants 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 needed to develop and replace an aging grid. While electric utilities need to cope with rising costs, sales of conventional energy products such as coal have stopped growing in developed markets and face increasing competition from decentralized power generation such as solar energy. Within emerging markets, industrialization and urbanization will 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.



Legend: Industry best score (orange), Industry average score (grey), Terna Rete Elettrica Nazionale SpA (dark brown)

Corporate Sustainability Assessment

The RobecoSAM 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.

RobecoSAM's CSA is one of the longest standing ESG rating methodologies worldwide, dating back to 1999. The CSA assesses companies on the basis of 80 – 120 industry-specific questions across 60 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 results of the CSA are used for the annual rebalancing of the iconic Dow Jones Sustainability Indices (DJSI) and are made available to investors, researchers, and non-governmental organizations through the Bloomberg Professional platform. The results of the CSA are also used for the creation of the RobecoSAM Sustainability Yearbook, one of the most comprehensive annual publications on corporate sustainability.

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.

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