

Oncor Electric Delivery Co. LLC

Electric Utilities United States of America

ESG Risk Rating

16.2

Last Full Update Dec 9, 2024

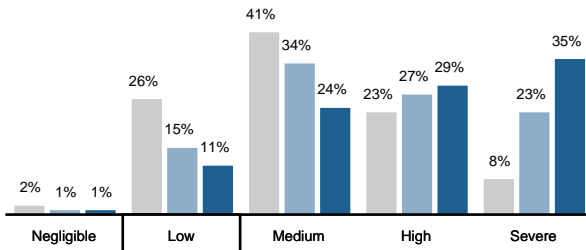
+3.0

Momentum

Low Risk



ESG Risk Rating Distribution



ESG Risk Rating Ranking

UNIVERSE	RANK	PERCENTILE
	(1 st = lowest risk) (1 st = Top Score)	
Global Universe	2259/15100	16th
Utilities Industry	50/648	8th
Electric Utilities Subindustry	11/237	5th

Peers Table

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

	Exposure	Management	ESG Risk Rating
1. Eurogrid GmbH	35.7 Medium	65.5 Strong	13.8 Low
2. Elia Transmission Belgium NV	38.1 Medium	68.1 Strong	14.0 Low
3. Oncor Electric Delivery Co. LLC	43.6 Medium	67.7 Strong	16.2 Low
4. Ausgrid Group	37.2 Medium	60.3 Strong	16.2 Low
5. Elenia Oy	36.2 Medium	57.9 Strong	16.5 Low

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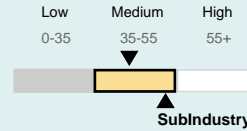
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ESG Risk Analysis

Exposure refers to the extent to which a company is exposed to different material ESG Issues. The exposure score takes into consideration subindustry and company-specific factors such as its business model.

ESG Risk Exposure

43.6 **+1.8**
Medium Momentum
 Beta = 0.82



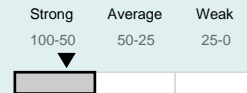
Oncor operates the largest electricity transmission and distribution grid in Texas, with a network reaching 143,000 miles as of 2023. Its operations and future projects can directly or indirectly affect adjacent areas, potentially leading to community opposition. Mishandling of community relations can lead to project delays, fines or compensation. Its employees and contractors are exposed to potential health and safety incidents related to the construction, maintenance and expansion of its energy networks. Such incidents could materially impact the company's operations through disruptions, fines and litigation. In addition, as the biggest transmission and distribution provider in Texas, Oncor is exposed to increased service reliability risks. Inadequate management of its assets could result in service interruptions and lead to customer complaints and lawsuits, as well as brand damage.

The company's overall exposure is medium and is moderately below subindustry average. Community Relations, Occupational Health and Safety and Product Governance are notable material ESG issues.

Management refers to how well a company is managing its relevant ESG issues. The management score assesses the robustness of a company's ESG programs, practices, and policies.

ESG Risk Management

67.7 **-5.4**
Strong Momentum



Oncor established a board-level governance and sustainability committee to oversee its sustainability-related strategies and activities. However, its 2023 corporate sustainability overview is not written in accordance with GRI reporting standards, lagging behind best practice. Oncor has robust environmental and occupational health and safety management systems; its asset integrity and cybersecurity management programmes are also relatively strong. Nevertheless, these are not certified to industry-leading ISO standards. On a positive note, the company has a comprehensive community involvement programme, with all elements of a best practice programme in place.

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

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Material ESG Issues

These are the Material ESG Issues driving the ESG Risk Rating.

Issue Name	ESG Risk Exposure	ESG Risk Management	ESG Risk Rating	Contribution to ESG Risk Rating
	Score Category	Score Category	Score Category	
Occupational Health and Safety	5.4 Medium	39.3 Average	3.5 Low	21.6%
Product Governance	5.5 Medium	70.7 Strong	2.0 Low	12.4%
Community Relations	6.8 Medium	82.3 Strong	1.8 Negligible	10.9%
Stakeholder Governance	5.0 Medium	67.1 Strong	1.6 Negligible	10.2%
Data Privacy and Cybersecurity	3.2 Low	61.2 Strong	1.6 Negligible	10.1%
Carbon -Own Operations	3.6 Low	57.9 Strong	1.5 Negligible	9.4%
Emissions, Effluents and Waste	2.8 Low	53.0 Strong	1.5 Negligible	9.1%
Human Capital	2.7 Low	59.4 Strong	1.2 Negligible	7.3%
Business Ethics	5.0 Medium	83.7 Strong	1.0 Negligible	6.3%
Land Use and Biodiversity	3.6 Low	87.1 Strong	0.5 Negligible	2.9%
Overall	43.6 Medium	67.7 Strong	16.2 Low	100.0%

Events Overview

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

Category (Events)

 **Severe (0)**

 **High (0)**

 **Significant (0)**

 **Moderate (0)**

 **Low (1)**

Quality and Safety

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Events Overview

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

Category (Events)

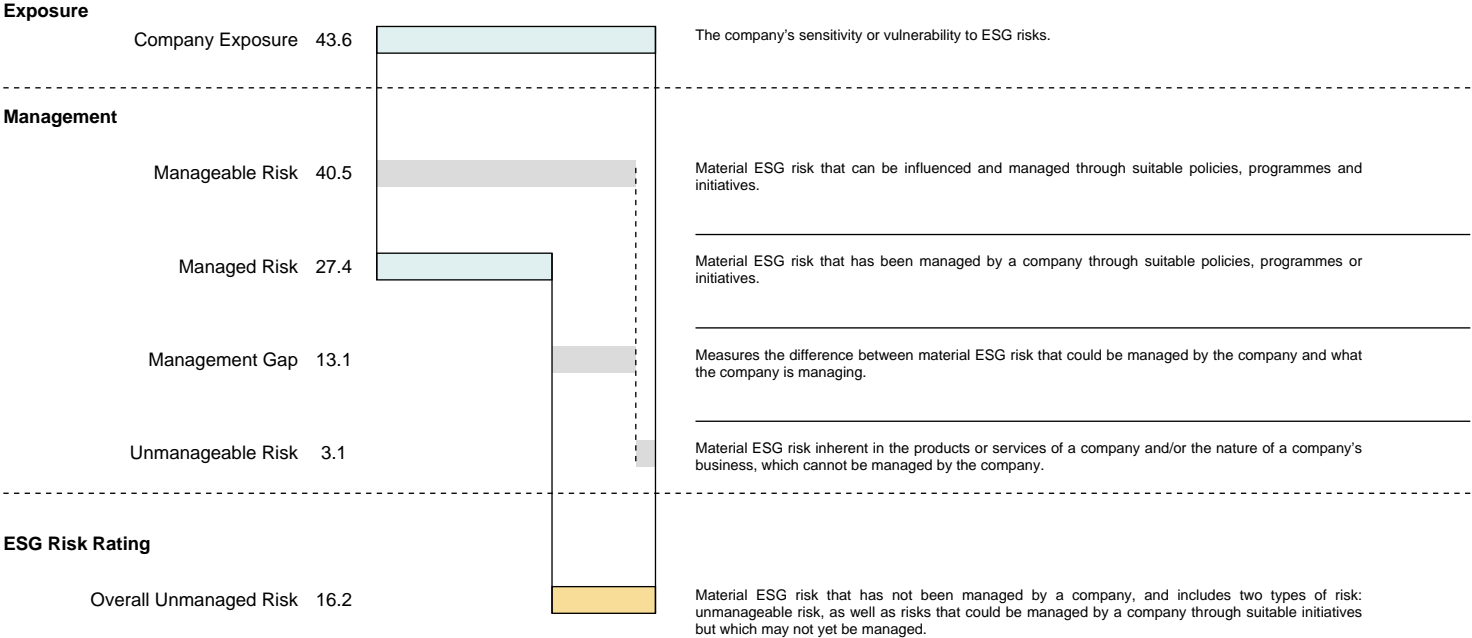
None (17)

- Access to Basic Services
- Accounting and Taxation
- Anti-Competitive Practices
- Bribery and Corruption
- Business Ethics
- Community Relations
- Data Privacy and Security
- Emissions, Effluents and Waste
- Energy Use and GHG Emissions
- Intellectual Property
- Labour Relations
- Land Use and Biodiversity
- Lobbying and Public Policy
- Marketing Practices
- Occupational Health and Safety
- Sanctions
- Society - Human Rights

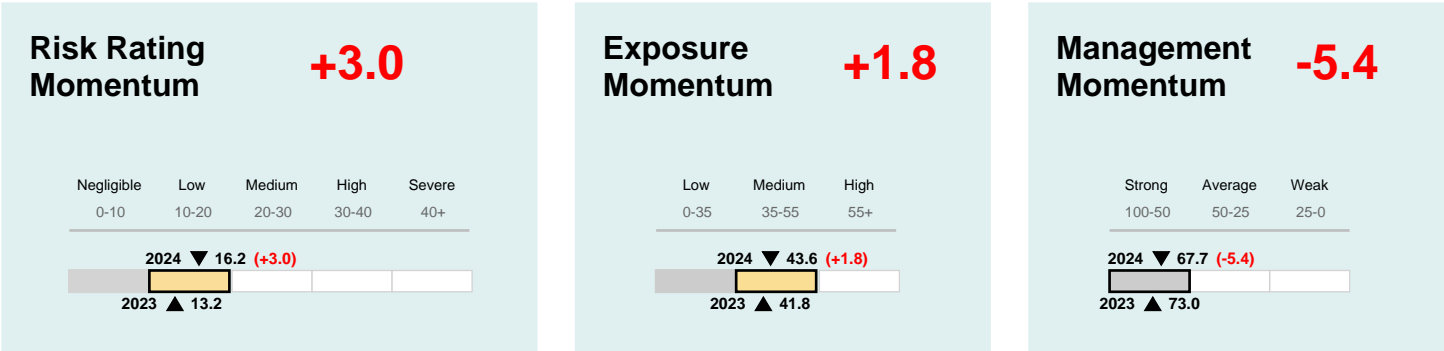
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Risk Decomposition



Momentum Details



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GLOSSARY OF TERMS

Beta (Beta, β)

A factor that assesses the degree to which a company's exposure deviates from its **subindustry's** exposure on a **material ESG issue**. It is used to derive a company-specific issue exposure score for a material ESG issue. It ranges from 0 to 10, with 0 indicating no exposure, 1 indicating the subindustry average, and 10 indicating exposure that is ten times the subindustry average.

ESG Risk Category

Companies' **ESG Risk Rating scores** are assigned to five ESG risk categories in the **ESG Risk Rating**:

	Negligible risk: enterprise value is considered to have a negligible risk of material financial impacts driven by ESG factors
	Low risk: enterprise value is considered to have a low risk of material financial impacts driven by ESG factors
	Medium risk: enterprise value is considered to have a medium risk of material financial impacts driven by ESG factors
	High risk: enterprise value is considered to have a high risk of material financial impacts driven by ESG factors
	Severe risk: enterprise value is considered to have a severe risk of material financial impacts driven by ESG factors

Note that because ESG risks materialize at an unknown time in the future and depend on a variety of unpredictable conditions, no predictions on financial or share price impacts, or on the time horizon of such impacts, are intended or implied by these risk categories.

ESG Risk Rating Score (Unmanaged Risk Score)

The company's final score in the **ESG Risk Rating**; it applies the concept of **risk decomposition** to derive the level of **unmanaged risk** for a company.

Event Category

Sustainalytics categorizes events that have resulted in negative ESG impacts into five event categories: Category 1 (low impact); Category 2 (moderate impact); Category 3 (significant impact); Category 4 (high impact); and Category 5 (severe impact).

Event Indicator

An indicator that provides a signal about a potential failure of management through involvement in controversies.

Excess Exposure

The difference between the company's **exposure** and its **subindustry** exposure.

Exposure

A company or **subindustry's** sensitivity or vulnerability to ESG risks.

Idiosyncratic Issue

An issue that was not deemed material at the **subindustry** level during the **consultation process** but becomes a **material ESG issue** for a company based on the occurrence of a Category 4 or 5 event.

Manageable Risk

Material ESG Risk that can be influenced and managed through suitable policies, programmes and initiatives.

Managed Risk

Material ESG Risk that has been managed by a company through suitable policies, programmes and initiatives.

Management

A company's handling of ESG risks.

Management Gap

Refers to the difference between what a company has managed and what a company could possibly manage. It indicates how far the company's performance is from best practice.

Management Indicator

An indicator that provides a signal about a company's management of an ESG issue through policies, programmes or quantitative performance.

Material ESG Issue

A core building block of the **ESG Risk Rating**. An ESG issue is considered to be material within the rating if it is likely to have a significant effect on the enterprise value of a typical company within a given **subindustry**.

Subindustry

Subindustries are defined as part of Sustainalytics' own classification system.

Unmanageable Risk

Material ESG Risk inherent from the intrinsic nature of the products or services of a company and/or the nature of a company's business, which cannot be managed by the company if the company continues to offer the same type of products or services and remains in the same line of business.

Unmanaged Risk

Material ESG risk that has not been managed by a company, and includes two types of risk: **unmanageable risk**, as well as risks that could be managed by a company through suitable initiatives, but which may not yet be managed (**management gap**).

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