

Comparative analysis of sustainability performance

Convinced that a comparison of environmental, social and governance performance is of interest, not only to the Company itself, but also to its stakeholders, certain comparisons between Terna's results and those of other companies are included in the 2014 Sustainability Report, as was the case in previous years. For 2014, the comparisons were focused on four indicators: CO₂ emissions, SF₆ leakage incidence rate, hours of training per capita provided to employees and the turnover rate on termination. The reduction of the indicators for the comparative analysis, compared with previous years, is mainly derived from the updating of the materiality matrix which gives less relevance to the excluded issues (water consumption, waste production and the gender pay gap).

Listed below are the main criteria adopted in the analysis, as an introduction to the reading and interpretation of the comparisons of individual indicators in the Report:

- three panels of companies were identified: the first was composed of the European transmission system operators and the major non-European operators in terms of kilometres of lines managed; the second, multi-sectoral in nature, is made up of large Italian companies (the 40 listed companies of the FTSE-MIB at 21 January 2015); the third formed by the best international performers in the "Electric Utilities - ELC" sector (identified by the RobecoSAM sustainability rating agency and included in the Dow Jones Sustainability World Index of September 2014). The purpose of the three panels is to guarantee, also relative to the type of indicator reviewed, a comparison between companies with the same operational characteristics, an Italian comparison, and a comparison with top international performers in the same sector.
- the companies considered from among those in the three panels were those which publicise the information necessary for comparisons either on their websites, through the Sustainability Report (even if not prepared following the GRI guidelines) or through other documentation (HSE Report, Financial Report, etc.). This led to a reduction in the sample compared to the number of companies in the starting panel;
- the comparative analysis entails reference to 2013 data, since the comparisons were drafted when the 2014 Reports were still being prepared, as was the case for Terna.

It must be noted that, despite the exclusion of data which were explicitly not consistent, in numerous cases doubts remain as to the actual comparability between companies, especially in instances where significant discrepancies exist between the declared data of some companies and the average value of the reference Group.

In the CO₂ emissions comparison, the data are expressed as physical quantities in absolute terms and therefore show very different levels depending on the type of production activity and the size of the company. In this case, the comparison provides information on the varying significance of the environmental aspects being considered for the individual companies, but does not fulfil the task of making the performance comparable.

For further details, please see the Terna website (where the comparisons regarding water consumption, waste production and the gender pay gap are also published) and the note "Comparing sustainability performance: Terna's experience" in the study "Beyond the financial figures: companies and collective well-being", drafted by the CSR Manager Network and ISTAT, and available on their respective websites.