# Implenia AG

Industry: **Construction &**
Domicile: **Switzerland**
Marketcap. **658 mm. USD**
Ticker: **SWX:IMPN**
Employees **9,014**

## ESG Summary

### Overall Performance

**88** **Overall ESG Score**
Leader
Outperformer
Average Performer
Underperformer
Laggard

**1 out of 62** **Relative Position**
Leader

**100th** **Percentile**
Leader

**79** **Environment**
Outperformer

**92** **Social**
Leader

**92** **Governance**
Leader

### Relative Performance

**1 out of 62** **Relative Position**
Leader

| Top 5 Companies | Score |
|---|---|
| 1. Implenia AG | 88 |
| 2. Sacyr SA | 86 |
| 3. Arcadis NV | 85 |
| 4. Hochtief AG | 83 |
| 5. Morgan Sindall Group plc | 80 |

| Peers (Market cap $1-$1bn) | Score |
|---|---|
| Implenia AG | 88 |
| PORR AG | 75 |
| AF Gruppen ASA | 68 |
| Perenti Ltd. | 62 |
| Badger Infrastructure Solutions Ltd. | 57 |

### Historical Performance




### Qualitative Performance - Controversies

**0** **Highest Controversy**
None

**1** **Low**
None

**2** **Moderate**
None

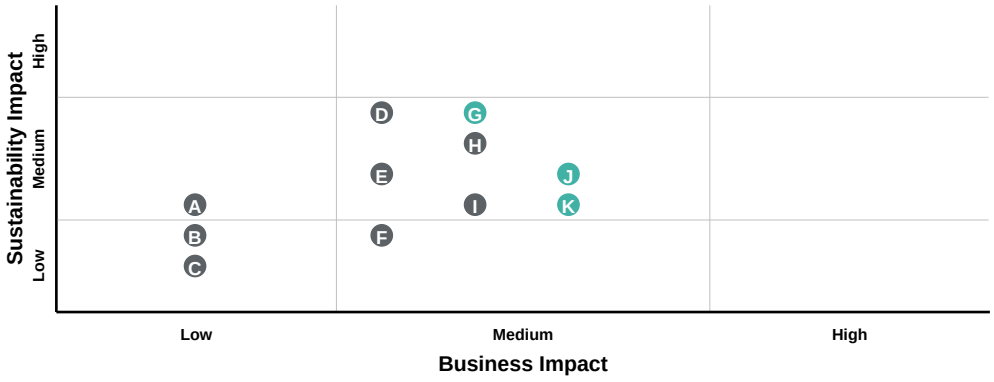
**3** **Significant**
None

**4** **High**
None

**5** **Severe**
None

# Overview of ESG Issues - Non-Residential Construction

The Materiality Matrix presents, from the perspective of the industry, the most material ESG issues from a business impact and/or environmental/social impact perspective. ESG issues can be interpreted as the most important management areas, i.e. the issues that could cause the most significant business and/or environmental/social impacts if not managed well. The location on the matrix indicates the relative importance of the ESG issue, with those located in the top right corners being the most material for the industry as a whole. The graph also highlights the 2-3 ESG issues that, for the company under consideration, our analysts have identified as the most relevant to comment on in more detail. This selection takes into account company specific factors such as business model, geographic presence, product offering, as well as important recent developments and trends (e.g. incidents, announcements of new initiatives, management changes). Analyst commentary on the latter ESG issues is provided in relevant sections further below.




- A Human Rights
- B Stakeholder Governance
- C Raw Material Use
- D Product Governance
- E Water Use - Own Operations
- F Emissions, Effluents and Waste
- G Community Relations
- H Occupational Health and Safety
- I Carbon - Own Operations
- J E&S Impact of Products and Services
- K Human Capital
- = Key ESG Issues (with Analyst Commentary)

# Analyst Commentary

The company is considered a leader on ESG issues compared to its industry peers. This stems from its leading position on social and governance issues and outperformance on environmental issues. The company has not been implicated in any ESG-related controversies.
Based in Switzerland, Implenia builds and manages homes, workplaces and infrastructure in Switzerland and Germany, in addition to tunnelling and related infrastructure projects in other countries. It is organized into four divisions: buildings (46.8% of FY2023 consolidated revenue), civil engineering (46.4%), specialties (3.9%) and real estate (2.8%). In FY2023, the company derived 48.5% of revenue from Switzerland and 51.5% from other countries.

Implenia operates in Europe (mainly Switzerland and Germany), where customers have shown increasing concern for the carbon footprint of the projects they commission. An inability to include sustainable materials and green buildings in its offering may result in a loss of business opportunities and reduction of market share. Moreover, Implenia's success relies on a workforce with vastly diverse skills, as its employees range from architects and engineers to construction workers. Failure to attract and retain qualified personnel could lead to skill shortages and delays in fulfilling contractual agreements. In addition, the company develops and constructs large-scale infrastructure projects that can have big impacts on nearby communities. Any negative effects on the surrounding community or environment can potentially lead to tensions and disrupt the smooth implementation of a project.
Based on its operations, we consider E&S Impact of Products and Services, Human Capital and Community Relations to be the company's notable ESG issues.
Implenia publishes an annual sustainability report that is written in accordance with GRI guidelines, in line with best practices. It exhibits strong management of the material ESG issues that have the highest risk exposure for the subindustry: environmental and social impact of products and services, human capital, and business ethics. Implenia demonstrates greater disclosure of some ESG issues, such as on its solid waste management, discrimination policy, and its whistleblower programme, but less on others, such as a non-GHG air emissions programme, product and service safety programmes, and conflicts of interest in its new code of conduct. There is further room for improvement in the company's community relations MEI, which could be ameliorated by stronger community development and involvement programmes.
The company's overall management of ESG issues is strong.

### E&S Impact of Products and Services

There is increasing customer demand globally for sustainable, high-performance buildings that are designed and constructed to reduce adverse impacts on the environment and human health throughout the building's life cycle. Implenia derives almost all its revenue from the European market, where demand for green buildings and energy-efficient solutions is growing, and regulations to achieve GHG reduction targets are increasingly being implemented, with building codes catching up with them. Failure to respond to these trends could lead to a loss of contracts and market share.

In FY2023, Implenia constructed around 55 projects for which sustainability certificates are pending in Switzerland and Germany, representing around 50% of its buildings' division revenue, or 26% of the group's total revenue. The company reports that this is about twice as many projects as 10 years ago. The company is also involved in key green building industry initiatives, such as the Sustainable Construction Network in Switzerland, and it contributed to the development of the Swiss Sustainable Building Construction Standard. The company manages environmental risks from its supply chain by considering suppliers' environmental performance in its decision-making process and monitoring supplier's environmental performance. The company could improve its code of conduct for suppliers by committing to engage with them to improve their environmental performance.
Considering its preparedness measures and involvement in controversies, we view the company as having Strong management of E&S Impact of Products and Services.

### Human Capital

Implenia had 9,056 full time employees as of year-end 2023. Its competitiveness relies on these employees' expertise in various areas, such as architecture, engineering or field management. As competition for qualified staff in the industry is high, the company may face difficulties in attracting and retaining such professionals. Labour shortages could lead to project delays and associated financial losses for Implenia. In addition, strained labour relations could lead to strikes, derailing project schedules and potentially leading to penalties for failure to deliver on contract deadlines.

In FY2023, Implenia reported that a collective bargaining agreement covers 62% of its employees. The company's human capital development programme is strong, with initiatives for talent recruitment, development and retention. Its skills development programme for employees is offered through its digital eCampus, where training and e-learning courses are available, and a sustainability academy, where employees learn in four modules about the company's sustainability goals. With skill shortage risks facing the construction industry, Implenia actively tries to recruit young talent by offering apprenticeships for recent graduates and aims to retain its talent base by offering health and pension programmes. There is room for improvement, particularly in its reporting on any diversity programmes that it may have in place.
Considering its preparedness measures and involvement in controversies, we view the company as having Strong management of Human Capital.

### Community Relations

Implenia derives nearly half of its revenue from its civil engineering division, which offers infrastructure and road construction, and tunnelling and special foundation services in various countries around Europe. The other half, meanwhile, is derived from its buildings division. Construction projects can typically lead to tensions with nearby communities over issues such as noise, dust, vibrations (especially in excavations), waste and environmental impact, or quality and safety issues, especially during the construction of infrastructure.

Implenia reports that it is committed to engaging in dialogue with local communities, both in the planning phase and during the construction of its projects. It also reports that it offers guided tours and site visits for residents and school children. While such initiatives can help to manage community relations risks, best practices in the industry suggest more formal programmes that include, for example, community consultation guidelines, appointing responsibility to a specific officer or department for community relations, and a process for mapping stakeholders. Local initiatives can be complemented by a more formal community development programme, that includes development targets and deadlines, as well as monitoring and reporting according to specific key performance indicators.
Considering its preparedness measures and involvement in controversies, we view the company as having Weak management of Community Relations.

## Key ESG Issues For This

| Key ESG Issue | Indicator Name | Company Score (out of 100) | Peer Group Average | Leading Practice Average | Leading Practice Gap |
|---|---|---|---|---|---|
| **E&S Impact of Products and Services** | Supplier Environmental Policy | 50 | 51 | 90 | |
| | Recycled Material Use | Contact Your Client Advisor | -- | -- | |
| | Sustainable Products & Services | 90 | 43 | 93 | |
| | Green Building Memberships | 100 | 50 | 100 | |

| Key ESG Issue | Indicator Name | Company Score (out of 100) | Peer Group Average | Leading Practice Average | Leading Practice Gap |
|---|---|---|---|---|---|
| **Human Capital** | Freedom of Association Policy | Contact Your Client Advisor | -- | -- | |
| | Working Hours Policy | Contact Your Client Advisor | -- | -- | |
| | Discrimination Policy | 100 | 65 | 100 | |
| | Diversity Programmes | 25 | 55 | 88 | |
| | Collective Bargaining Agreements | Contact Your Client Advisor | -- | -- | |
| | Employee Turnover Rate | Contact Your Client Advisor | -- | -- | |
| | Percentage of Temporary Workers | Contact Your Client Advisor | -- | -- | |
| | Human Capital Development | Contact Your Client Advisor | -- | -- | |
| **Community Relations** | Community Involvement Programmes | Contact Your Client Advisor | -- | -- | |
| | Indigenous Rights Policy | Contact Your Client Advisor | -- | -- | |
| | Community Development Programmes | Contact Your Client Advisor | -- | -- | |

A negative to +25 point gap or Event Category 0-2 A 26-74 point gap or Event Category 3 A 75+ point gap or Event Category 4-5

# Environment

29 **Environment Weight**

79 **Environment Score**
Outperformer

5 out of 62 **Relative Position**

93rd **Percentile**

## Environment - Preparedness

### Environmental Policy

E.1.1

75

| | |
|---|---|
| Raw Score: | **75** |
| Weight: | **1.33%** |
| Weighted | **0.99** |

**The company has a strong policy**

- ☑ Approved by senior management or the board of directors
- ☐ Commitment to implement an environmental management system
- ☑ Commitment to monitor the company's environmental performance
- ☐ Commitment to consult with stakeholders on environmental issues
- ☐ Commitment to report regularly on environmental issues
- ☑ Commitment to use natural resources or energy more efficiently
- ☑ Commitment to environmental protection
- ☑ Commitment to create environmental awareness
- ☑ Commitment to reduce emissions, releases and waste

### Environmental Management System

E.1.2

100

| | |
|---|---|
| Raw Score: | **100** |
| Weight: | **1.86%** |
| Weighted | **1.86** |

**The company has a very strong EMS**

Implenia reports that 87% of its business units (excluding Wincasa) were ISO 14001 certified in FY2023.

- ☑ Compliance with environmental regulation
- ☑ Objectives, targets and deadlines
- ☑ Internal and external communications on environmental management issues
- ☑ Identification of products, activities and services that have significant impacts on the environment
- ☑ Assigned roles and responsibilities
- ☑ Environmental programmes
- ☑ Corrective actions to stimulate continual improvement
- ☑ Training and awareness programmes for employees
- ☑ Internal environmental audits
- ☑ Monitoring and measurement
- ☑ Managerial or board level responsibility for environmental issues
- ☑ External environmental audits
- ☑ Environmental performance records

### Hazardous Waste Management

E.1.3.2

25

| | |
|---|---|
| Raw Score: | **25** |
| Weight: | **1.86%** |
| Weighted | **0.46** |

**The company has a weak programme**

- ☐ Monitoring and measurement
- ☐ Targets and deadlines
- ☐ Commitment to reduce hazardous waste
- ☐ Initiatives to reduce hazardous waste

### Non-GHG Air Emissions Programmes

E.1.3.3

25

| | |
|---|---|
| Raw Score: | **25** |
| Weight: | **1.86%** |
| Weighted | **0.46** |

**The company has a weak programme**

☐ Non-GHG air emission monitoring
☑ Commitment to reduce non-GHG air emissions
☐ Targets to reduce non-GHG air emissions
☐ Identification of relevant non-GHG air emissions
☐ Deadlines to reduce non-GHG air emissions
☐ Initiatives to reduce non-GHG air emissions

### GHG Reduction Programme

E.1.7.0

75

| | |
|---|---|
| Raw Score: | 75 |
| Weight: | 1.06% |
| Weighted | 0.80 |

**The company has a strong programme**

☑ Interim targets
☑ Initiatives in place to reduce emissions
☐ Demonstration of how initiatives put in place close the emissions gap between current performance and the targeted emissions reduction
☐ Initiatives are linked to wider TCFD reporting
☐ Adoption of key mitigation technologies
☑ GHG emissions monitoring and measurement
☐ Regular GHG audits or verification
☑ GHG reduction target
☑ Emissions reduction coverage
☑ Net Zero and Science Alignment

### Supplier Environmental Policy

E.2.1

50

| | |
|---|---|
| Raw Score: | 50 |
| Weight: | 4.24% |
| Weighted | 2.12 |

**The company has an adequate policy**

☐ The company's policy includes a commitment to engage with suppliers to improve their environmental performance
☐ The company has a general statement on green procurement
☑ The company's policy includes a commitment to consider suppliers' environmental performance in its procurement decision-making process
☑ The company's policy includes a commitment to monitor suppliers' environmental performance

## Environment - Quantitative Performance

### Sustainable Products & Services

E.3.1.1

90

| | |
|---|---|
| Raw Score: | 90 |
| Weight: | 5.30% |
| Weighted | 4.77 |

**Between 25% and 49.99% of the company's annual revenue is derived from sustainability-related products or services**

Implenia´s main share of revenue from sustainable products and services comes from green buildings, among others. In FY2023, Implenia's Division Buildings generated around 50% of its revenue from certified building construction projects, which constitutes almost 26% of the group´s total revenue.

## Environment - Qualitative Performance - Controversies

### Operations Incidents

E.1.12

100

| | |
|---|---|
| Raw Score: | 100 |
| Weight: | 6.11% |
| Weighted | 6.11 |

**No evidence of relevant controversies**

### Environmental Supply Chain Incidents

E.2.2

100

| | |
|---|---|
| Raw Score: | 100 |
| Weight: | 2.04% |
| Weighted | 2.04 |

**No evidence of relevant controversies**

## Product & Service Incidents

E.3.2

100

| | |
|---|---|
| Raw Score: | **100** |
| Weight: | **3.06%** |
| Weighted | **3.06** |

**No evidence of relevant controversies**

# Social

41 **Social Weight**

92 **Social Score** Leader

1 out of 62 **Relative Position**

100th **Percentile**

## Social - Preparedness

### Discrimination Policy

S.1.2

100

| | |
|---|---|
| Raw Score: | **100** |
| Weight: | **2.68%** |
| Weighted | **2.68** |

**The company has a strong policy**

- ☑ Reference to the ILO conventions
- ☑ List of the types of discrimination the company is committed to eliminate
- ☑ Commitment to ensure equal opportunity

### Diversity Programmes

S.1.3

25

| | |
|---|---|
| Raw Score: | **25** |
| Weight: | **2.17%** |
| Weighted | **0.54** |

**The company has a weak programme**

- ☐ The company has a programme that applies to less than 50% of operations
- ☑ Diversity monitoring or audits
- ☐ Initiatives to recruit from diverse talent
- ☑ Employee affinity groups, diversity councils, or networking groups
- ☐ Mentorship programmes
- ☐ Managerial or board level responsibility for diversity initiatives
- ☐ Training and guidance regarding diversity
- ☐ Initiatives supporting a diverse workforce

### Health and Safety Management System

S.1.6.2.1

100

| | |
|---|---|
| Raw Score: | **100** |
| Weight: | **4.21%** |
| Weighted | **4.21** |

**The company has a very strong management system**

- ☑ Targets to reduce health and safety incidents
- ☑ Internal or external health and safety audits conducted at least every three years
- ☑ Formal health and safety policy commitment
- ☑ Managerial responsibility for health and safety issues
- ☑ Operating guidelines or procedures that are relevant for the industry
- ☑ Performance monitoring and measurement
- ☑ Regular health and safety training programmes for employees
- ☑ Emergency preparedness procedures
- ☑ Reporting on health and safety programmes and performance
- ☑ Procedures for hazard identification and risk assessment

### Health and Safety Certifications

S.1.6.4

100

| | |
|---|---|
| Raw Score: | **100** |
| Weight: | **3.70%** |
| Weighted | **3.70** |

**The company's percentage of operational locations that have received health and safety certifications is very high**

### Scope of Social Supplier Standards

S.2.1

75

| | |
|---|---|
| Raw Score: | **75** |
| Weight: | **1.11%** |
| Weighted | **0.83** |

**The company has strong social supply chain standards**

☐ Addresses maximum working hours
☑ Addresses non-discrimination
☑ Addresses child labour
☑ Addresses corporal punishment/disciplinary practices
☑ Addresses minimum living wages
☑ Addresses health and safety
☑ Addresses freedom of association and the right to collective bargaining
☑ Addresses forced labour
☐ Addresses acceptable living conditions

### Supply Chain Monitoring

S.2.2

100

Raw Score: **100**
Weight: **3.19%**
Weighted **3.19**

**The company has a system to monitor supplier compliance with social standards**

### QMS Certifications

S.3.2.1

100

Raw Score: **100**
Weight: **3.19%**
Weighted **3.19**

**90% or more of the company's sites has received external certification**

Implenia reported that almost 100% of all business units (excluding the recent Wincasa purchase) were subjected to the ISO 9001 continuous improvement process in FY2023.

### Human Rights Policy

S.4.2.1

70

Raw Score: **70**
Weight: **4.21%**
Weighted **2.94**

**The company has an adequate policy**

☑ Commitment to monitor and report on human rights impacts
☐ Commitment to communicate the policy to personnel and external stakeholders
☑ Commitment to apply human rights due diligence or conduct risk assessments
☐ Commitment to adopt programmes to address industry-specific human rights exposure
☑ Stipulation of the company's human rights expectations of third parties
☐ Approved at the most senior level of the business enterprise
☑ Stipulation of the company's human rights expectations of personnel
☑ Commitment to adopt grievance mechanisms
☑ Commitment to respect human rights following international standards
☑ Commitment to provide remedy to correct negative impacts

## Social - Qualitative Performance - Controversies

### Employee Incidents

S.1.7

100

Raw Score: **100**
Weight: **6.11%**
Weighted **6.11**

**No evidence of relevant controversies**

### Social Supply Chain Incidents

S.2.3

100

Raw Score: **100**
Weight: **3.06%**
Weighted **3.06**

**No evidence of relevant controversies**

### Customer Incidents

S.3.3

100

Raw Score: **100**
Weight: **3.05%**
Weighted **3.05**

**No evidence of relevant controversies**

## Society & Community Incidents

100

| | |
|---|---|
| Raw Score: | **100** |
| Weight: | **4.07%** |
| Weighted | **4.07** |

**No evidence of relevant controversies**

# Governance

| 31 | 92 | 1 out of 62 | 100th |
|---|---|---|---|
| Governance Weight | Governance Score: Leader | Relative Position | Percentile |

## Governance - Preparedness

### Bribery & Corruption Policy

G.1.1

50

| | |
|---|---|
| Raw Score: | 50 |
| Weight: | 1.53% |
| Weighted | 0.76 |

**The company has an adequate policy**

- ☑ Prohibition of bribery
- ☑ Definition and prohibition of facilitation payments
- ☐ There is no evidence of a formal policy but the company has a general statement addressing the issue
- ☐ Definition of conflicts of interest and commitment to minimize these
- ☑ Guidelines of what is considered acceptable behaviour
- ☑ Definition of bribery or corruption

### Bribery & Corruption Programmes

G.1.1.1

75

| | |
|---|---|
| Raw Score: | 75 |
| Weight: | 3.06% |
| Weighted | 2.29 |

**The company has a strong programme**

- ☑ Managerial responsibility for bribery and corruption
- ☐ Regular training on bribery and corruption
- ☑ Internal monitoring system to detect corruption
- ☐ Annual signoff of the policy on bribery and corruption by employees
- ☑ Regular bribery and corruption risk assessments
- ☑ Operating guidelines addressing record keeping, approval procedures and appropriate behaviour
- ☑ Mechanisms for employees to consult on ethical issues

### Whistleblower Programmes

G.1.2

100

| | |
|---|---|
| Raw Score: | 100 |
| Weight: | 2.55% |
| Weighted | 2.55 |

**The company has a very strong programme**

- ☑ Possibility for anonymous reporting and reports are treated confidentially
- ☑ An independent, reporting hotline available 24/7
- ☑ Available to suppliers, customers and other third parties
- ☑ Proactively communicated to employees
- ☑ Available in local languages
- ☑ Non-retaliation policy
- ☑ Structures in place to process whistleblower reports
- ☑ Disclosure on the number of reports received, the types of misconduct and measures taken

### Global Compact Signatory

G.1.3

0

| | |
|---|---|
| Raw Score: | 0 |
| Weight: | 1.02% |
| Weighted | 0.00 |

**The company is not a signatory to the UN Global Compact**

### Green Building Memberships

G.1.3.4

100

| | |
|---|---|
| Raw Score: | 100 |
| Weight: | 1.02% |
| Weighted | 1.02 |

**The company is a member of key industry initiatives**

### Board Effectiveness

G.2.8.5

100

| | |
|---|---|
| Raw Score: | 100 |
| Weight: | 2.29% |
| Weighted | 2.29 |

**The company has a very strong level of board effectiveness**

- ☑ The company has appointed a chairperson of the board
- ☑ The chair and CEO roles are separate
- ☑ The chair does not concurrently hold any executive role
- ☑ The chair is independent
- ☑ The chair has relevant financial and/or industry experience and is independent
- ☐ A senior or lead independent director or an independent vice-chair has been appointed in conjunction with the non-independent chair
- ☑ No more than one non-executive director serves on an excessive number of outside boards
- ☑ None of the non-executive directors serves on an excessive number of outside boards

### Board Independence

G.2.9.2

100

| | |
|---|---|
| Raw Score: | 100 |
| Weight: | 2.80% |
| Weighted | 2.80 |

**The company has a strong level of board independence**

## Governance - Disclosure

### ESG Reporting Standards

G.2.1

100

| | |
|---|---|
| Raw Score: | 100 |
| Weight: | 2.80% |
| Weighted | 2.80 |

**The company's ESG reporting is very strong**

Implenia´s Sustainability Report 2023 is written in accordance with the GRI Standards (Foundation 2021).

- ☑ The company reports on ESG information as part of an integrated report or a standalone ESG or sustainability report
- ☑ The company's ESG reporting is fully aligned with best practice standards
- ☐ The company's ESG reporting is partially aligned with best practice standards
- ☑ The company reports on ESG information, as part of an integrated or standalone report on an annual basis
- ☐ The company discloses ESG information on its website or in other publicly available materials, but not as an integrated or standalone report
- ☐ The company's ESG reporting is limited in scope or its scope cannot be determined
- ☐ The company's ESG reporting follows standards other than best practice standards

## Governance - Qualitative Performance - Controversies

### Business Ethics Incidents

G.1.5

100

| | |
|---|---|
| Raw Score: | 100 |
| Weight: | 4.07% |
| Weighted | 4.07 |

**No evidence of relevant controversies**

### Governance Incidents

G.2.13

100

| | |
|---|---|
| Raw Score: | 100 |
| Weight: | 3.31% |
| Weighted | 3.31 |

**No evidence of relevant controversies**

## Public Policy Incidents



100

| | |
|---|---|
| Raw Score: | **100** |
| Weight: | **6.11%** |
| Weighted | **6.11** |

**No evidence of relevant controversies**

# Sources

All data in this report is based on information found in the following sources.
Events have their sources referenced where they appear in the report.

## Source Name

| | |
|---|---|
| EQS Group AG , www.implenia.integrityline.io; accessed 09 July 2024 | G.1.2 |
| Implenia Annual Report 2023 (FY2023) | G.1.2.1, G.1.1.1, G.1.4 |
| Implenia Code of Conduct for External Business Partners, released September 2023 | E.2.1, S.2.1, S.4.2.1, S.2.2.5 |
| Implenia Code of Conduct, released October 2023 | G.1.1.1, G.1.2, G.1.2.1, S.1.1, S.1.2, G.1.1, E.1.1, E.1.2.6.1 |
| Implenia Corporate Website, Benefits, www.implenia.com; accessed 08 July 2024 | S.1.5.2 |
| Implenia Diversity, Equity, Inclusion Policy, released May 2023 | S.1.2 |
| Implenia HSEQ Directive, released October 2019 | S.2.2.5, S.3.1.9.1 |
| Implenia Our Environmental Standard, released January 2024 | E.1.1, E.1.3.3 |
| Implenia Policy Declaration on the Human Rights Strategy, released December 2023 | S.1.1, S.1.2, S.4.2.1 |
| Implenia Risk Heatmap Report, released April 2022 | S.4.2.1.2 |
| Implenia Sustainability Indicators 2023 (FY2023) | E.1.11 |
| Implenia Sustainability Report 2023 (FY2023) | S.3.2.1, G.1.1.1, E.1.7.0, E.1.6.1, G.1.2, E.1.6.2, E.1.8, S.1.3, E.1.11, E.2.1.7, E.1.3.2, S.1.4, S.1.5.2, E.1.2.6.1, G.2.1, G.2.2, E.1.3, G.2.5, S.2.2.5, S.1.6.2.1, S.2.2, E.1.2, E.3.1.1, S.4.2.11, G.1.2.1, E.1.6, S.4.2.2 |
| Non-public documentation shared with Sustainalytics on 08 Apr 2022 | G.1.2 |
| Non-public documentation shared with Sustainalytics on 13 Apr 2016 | S.2.2.5 |
| Non-public documentation shared with Sustainalytics on 14 Oct 2015 | G.1.1.1, G.3.1, G.1.1, G.1.2.1 |
| Non-public documentation shared with Sustainalytics on 16 Nov 2020 | S.3.1.9.1 |
| Non-public documentation shared with Sustainalytics on 23 Mar 2023 | S.1.1.1 |
| On Friday, July 26, 2024, Sustainalytics sent Implenia AG the Sustainalytics ESG Feedback Report | G.1.1 |
| Prior to research start, the company sent documents on 10 May 2023 | S.1.6.5, S.3.2.1 |
| Sustainable Construction Network Switzerland, www.nnbs.ch; accessed 09 July 2024 | G.1.3.4 |
| The company provided feedback on 08 June 2023 | G.1.1.1, E.1.6.2, S.4.2.1.2, G.1.2.1 |
| The company provided feedback on 14 June 2023 | S.2.2.6, S.4.2.2 |
| The company provided feedback on 15 April 2021 | S.3.1.9.1 |
| The company provided feedback on 17 May 2022 | E.1.6.1, E.1.6.2 |
| The company provided feedback on 19 May 2022 | E.1.6.1 |
| United Nations Global Compact, www.unglobalcompact.org; accessed 09 July 2024 | G.1.3 |

# Report Parameters

## Settings

The relative performance data in this report is based on the following settings:

| | |
|---|---|
| Weight Matrix: | Default Weight Matrix |
| Comparative group: | Peer Group |
| Reference Universe: | Default |
| Company type: | Public |
| Company type selection: | Combined |
| Template type: | Type B |
| Template type selection: | Combined |

## Profile Log

| | |
|---|---|
| Annual Report: | 2023 |
| CSR Report: | 2023 |
| Latest Feedback Request: | Jul 2024 |
| Company Response: | Aug 2024 |
| Last Analyst Review: | Aug 2024 |

# Glossary of Terms

## Business Impact

The magnitude of the potential impact that a key ESG issue may have on the financial performance of companies within an industry.

## Controversy

An event or aggregation of events relating to an environmental, social and governance topic.

## Disclosure

A company's transparency on its ESG preparedness and performance via sustainability reporting and its utilization of key reporting and verification standards.

## Event

A series of incidents which pertain to a common theme. An event assessment is based on the highest impact or risk score assigned to the related incidents, alongside a broader assessment of event trend and company preparedness and response.

| | |
|---|---|
| Category 5 – Severe (raw score of 0): | The event has a severe impact on the environment and society, posing serious risks to the company. This category represents the most egregious corporate behavior. |
| Category 4 – High (raw score of 20): | The event has a high impact on the environment and society, posing significant risks to the company. This category often reflects structural problems in the company. |
| Category 3 – Significant (raw score of 50): | The event has a significant impact on the environment and society, posing moderate risks to the company. |
| Category 2 – Moderate (raw score of 80): | The event has a moderate impact on the environment and society, posing minimal risks to the company. |
| Category 1 – Low (raw score of 99): | The event has a low impact on the environment and society, posing negligible risks to the company. |

## Historical ESG Performance

Historical scoring data over a rolling 36-month period. Note that the industry leader and industry average are based on Sustainalytics' full research universe and default weight matrix rather than customized portfolio settings or weights.

## Incident

Company operations and/or products and services that have a negative impact on the environment, society and external stakeholders.

## Indicator Performance

How a company performs on the indicators on which it has been assessed.

| | |
|---|---|
| Key Indicator | Indicators that relate to an industry key ESG issue, provide considerable insight into a company's ESG preparedness/performance, and/or distinguish between leaders and laggards. |
| Raw Score | A score out of 100 assigned to an indicator based on a set of internal criteria. |
| Indicator Weight | The percentage of weight assigned to each indicator in an industry.<br>Note: weight matrices are customizable. |
| Weighted score | The raw score multiplied by the weight assigned per indicator. |
| Trend Icons<br> | Indicates if the raw score of an indicator improved, declined or remained unchanged over the last 12 months. |

## Key ESG issue

Key ESG issues identify the most important areas in which a company has potential to cause significant sustainability impacts or experience significant ESG-related business impacts, and that must therefore be managed effectively. To determine the most relevant ESG issues per industry, lead analysts assessed potential of each industry to cause significant sustainability impacts and, separately, the potential for these to impact corporate financial performance.

| | |
|---|---|
| E&S Impact of Products and Services | Environmental and Social Impact of Products and Services covers how a company manages impacts ranging from product and service design choices to disposal, addressing both inherent risks (e.g. tobacco) and those created by use (e.g. packaging waste). |
| Human Capital | Human Capital encompasses a company's management of its human resources, from acquiring and retaining top talent, to providing advancement opportunities in a diverse and equal work environment, and adopting an inclusive corporate culture. |
| Community Relations | Community Relations focuses on how companies engage with communities by assessing how they involve local communities in business decisions, minimize adverse impacts on their wellbeing and foster sustainable community development over the long term. |

## Leader

The score of the best performing company in the industry or any selected subset of companies.

## Leading Practice

Leading Practice Average: For each indicator, the Leading Practice Average is the top quartile mean score among industry peers.

Leading Practice Gap: The Leading Practice Gap is the difference between the Leading Practice Average and the company's score for that particular indicator. The size of the gap is indicated by a colored dot.

## Outlook

A forecast of how a controversy rating will change over the next 12 months.

| | |
|---|---|
| Negative | The event is likely to deteriorate within 12 months, leading to a downgraded rating of the corresponding indicator. |
| Positive | The event is likely to improve within the next 12 months, leading to an upgraded rating of the corresponding indicator. |
| Neutral | The event is unlikely to change significantly within the next 12 months, and is not expected to undergo a change in rating of the corresponding indicator. |

## Overall ESG Score

Assessment of a company's overall ESG preparedness and performance. These scores are dynamic, depending on the weight matrix, comparison group and reference universe selected.

## Percentile

The company's percentile rank within its industry or within another client-selected reference group.

## Preparedness

A company's systems and policies to manage potential ESG impacts and risks. Key indicators of a company's ESG preparedness include policies, management systems, programs and targets.

## Qualitative Performance

A company’s ESG performance based on qualitative information relating to events and incidents that have resulted in negative ESG impacts.

| | |
|---|---|
| Category 5 – Severe (raw score of 0): | The event has a severe impact on the environment and society, posing serious risks to the company. This category represents the most egregious corporate behavior. |
| Category 4 – High (raw score of 20): | The event has a high impact on the environment and society, posing significant risks to the company. This category often reflects structural problems in the company. |
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## Quantitative Performance

A company’s ESG performance based on quantitative social and environmental metrics such as carbon intensity, number of fatalities, etc.

## Relative Position

The company's performance classification is relative to its global industry peers, based on the company's absolute ESG score. Each industry has a fixed band of scores that links to a relative position range. Companies can fall in five categories: laggards, underperformers, average performers, outperformers and leaders. The industry specific bands are based on the rating scores of approximately 4,000 companies that are assessed under the Sustainalytics comprehensive ESG Ratings framework. The bands are reviewed and updated annually.

## Sustainability Impact

The magnitude of potential sustainability impacts (measured in terms of depth, breadth, and duration) that may be caused by an industry’s activities if not managed effectively.

## Tag

A key word associated with a key ESG issue and linked to incidences to facilitate search functionalities.

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