Implenia AG

Non-Residential Construction Switzerland SWX:IMPN

ESG Risk Rating

26.7

Last Full Update Aug 22, 2024

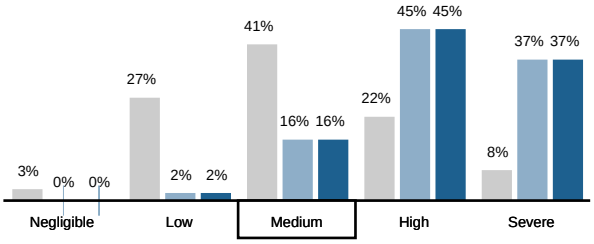
-1.4

Momentum

Medium Risk

NEGL	LOW	MED	HIGH	SEVERE
0-10	10-20	20-30	30-40	40+

ESG Risk Rating Distribution



ESG Risk Rating Ranking

UNIVERSE	RANK (1^{st} = lowest risk)	PERCENTILE (1^{st} = Top Score)
Global Universe	**9280**/16009	**58th**
Construction & Engineering	**28**/372	**8th**
Non-Residential Construction SUBINDUSTRY	**28**/372	**8th**

Peers Table

Peers (Market cap $0.6 - $0.7bn)	Exposure	Management	ESG Risk Rating
1. Implenia AG	58.8 High	60.1 Strong	**26.7 Medium**
2. Yurtec Corp.	53.0 Medium	35.5 Average	**35.5 High**
3. Raito Kogyo Co., Ltd.	47.3 Medium	23.9 Weak	**36.9 High**
4. Shikun & Binui Energy Ltd.	55.9 High	31.5 Average	**39.5 High**
5. Hainan Development Holdings Nanhai Co., Ltd.	57.0 High	22.3 Weak	**45.2 Severe**

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ESG Risk Analysis

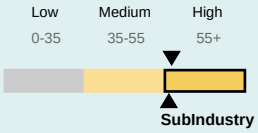
Exposure refers to the extent to which a company is exposed to different material ESG Issues. The exposure score takes into consideration subindustry and company-specific factors such as its business model.

ESG Risk Exposure

58.8 **-0.3**

High Momentum

Beta = 1.01



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.

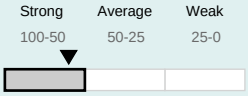
The company's overall exposure is high and is similar to subindustry average. E&S Impact of Products and Services, Human Capital and Community Relations are notable material ESG issues.

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

60.1 **+2.3**

Strong Momentum



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 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 Score | Category	ESG Risk Management Score | Category	ESG Risk Rating Score | Category	Contribution to ESG Risk Rating
Community Relations	5.8 Medium	25.0 Weak	**4.5 Medium**	16.7%
Water Use -Own Operations	4.6 Medium	20.6 Weak	**3.8 Low**	14.4%
E&S Impact of Products and Services	6.6 Medium	70.0 Strong	**2.9 Low**	10.9%
Human Capital	6.3 Medium	63.7 Strong	**2.5 Low**	9.3%
Carbon -Own Operations	5.0 Medium	69.1 Strong	**2.2 Low**	8.4%
Product Governance	4.4 Medium	58.8 Strong	**1.8 Negligible**	6.8%
Business Ethics	5.1 Medium	69.4 Strong	**1.7 Negligible**	6.5%
Raw Material Use	2.1 Low	28.2 Average	**1.6 Negligible**	6.1%
Occupational Health and Safety	4.5 Medium	70.0 Strong	**1.5 Negligible**	5.6%
Emissions, Effluents and Waste	3.6 Low	66.3 Strong	**1.5 Negligible**	5.4%
Corporate Governance	7.0 Medium	83.0 Strong	**1.2 Negligible**	4.5%
Human Rights	1.8 Low	56.0 Strong	**0.8 Negligible**	3.0%
Stakeholder Governance	2.0 Low	67.3 Strong	**0.7 Negligible**	2.5%
Overall	**58.8 High**	**60.1 Strong**	**26.7 Medium**	**100.0%**

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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 (0)

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Events Overview

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

Category (Events)

None (21)

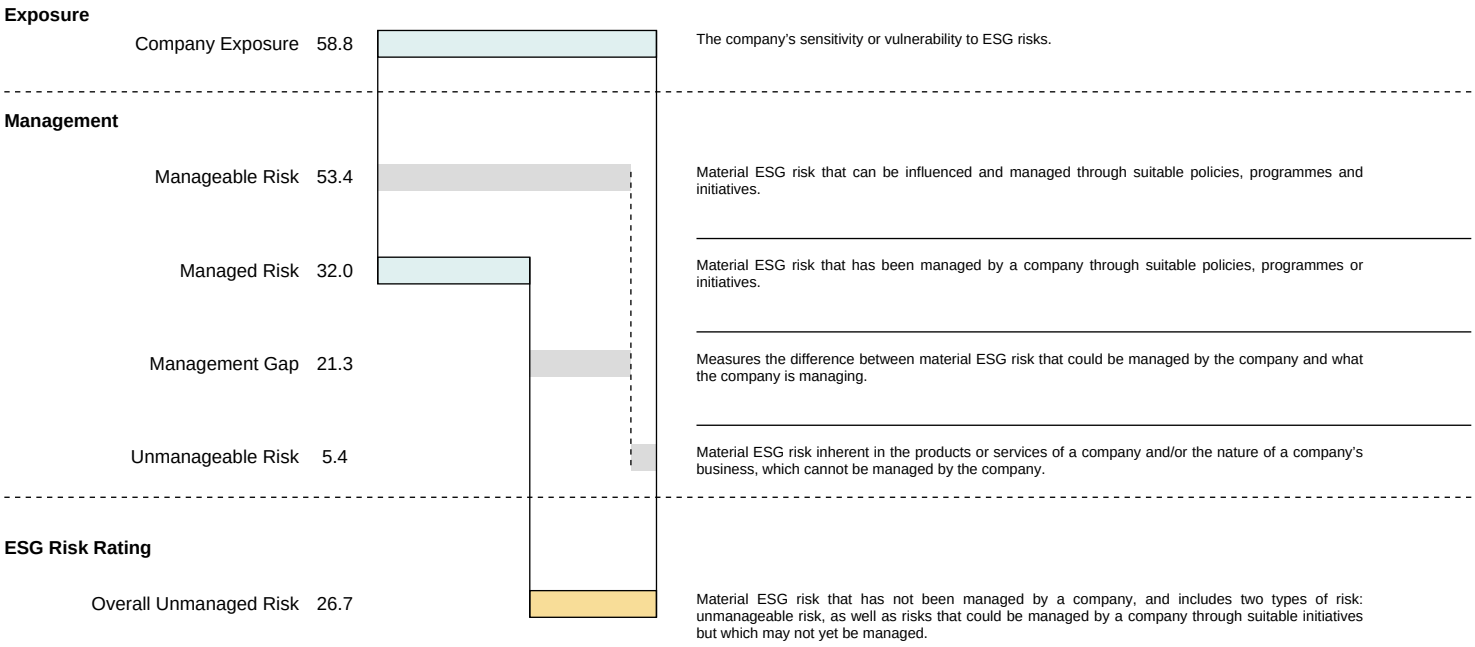
- Accounting and Taxation
- Anti-Competitive Practices
- Bribery and Corruption
- Business Ethics
- Community Relations
- Corporate Governance
- Emissions, Effluents and Waste
- Employees - Human Rights
- Energy Use and GHG Emissions
- Environmental Impact of Products
- Intellectual Property
- Labour Relations
- Lobbying and Public Policy
- Marketing Practices
- Occupational Health and Safety
- Quality and Safety
- Sanctions
- Scarce Resource Use
- Social Impact of Products
- Society - Human Rights
- Water Use

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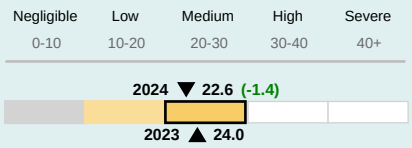
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Risk Decomposition

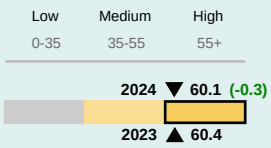


Momentum Details

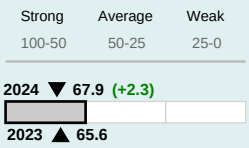
Risk Rating Momentum -1.4



Exposure Momentum -0.3



Management Momentum +2.3



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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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