

Implenia AG

Non-Residential Construction Switzerland SWX:IMPN

ESG Risk Rating

24.4

Updated Jun 1, 2022

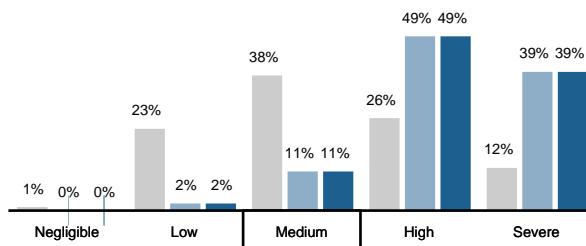
+1.7

Momentum

Medium Risk



ESG Risk Rating Distribution



ESG Risk Rating Ranking

UNIVERSE	RANK	PERCENTILE
	(1 st = lowest risk)	(1 st = lowest risk)
Global Universe	5954/14736	41 st
Construction & Engineering	14/308	5 th
Non-Residential Construction SUBINDUSTRY	14/308	5 th

Peers Table

Peers (Market cap \$0.4 - \$0.4bn)

Peers (Market cap \$0.4 - \$0.4bn)	Exposure	Management	ESG Risk Rating
1. Implenia AG	59.8 High	64.1 Strong	24.4 Medium
2. Cloudberry Clean Energy ASA	53.0 Medium	26.8 Average	39.8 High
3. Atlas Technical Consultants, Inc.	53.0 Medium	23.7 Weak	41.3 Severe
4. Mota-Engil SGPS SA	61.5 High	34.3 Average	41.9 Severe
5. Oranjewoud NV	57.2 High	15.7 Weak	48.9 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

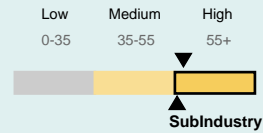
59.8

+3.7

High

Momentum

Beta = 1.05



The company operates in Europe, where customers demonstrate 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 loss of business opportunities and reduction of market share. Moreover, Implenia's success relies on a vast and diversely skilled workforce (7,653 FTEs as of year-end 2021), with employees ranging from architects and engineers to construction workers. Failure to attract and retain qualified personnel could lead to skill shortages, delays in fulfilling contractual agreements and customer losses. In addition, the company develops and constructs large-scale infrastructure projects that require bidding for public contracts. Potential involvement in unethical business acts such as kickbacks may lead to investigations, fines and indictment of company executives.

The company's overall exposure is high and is similar to subindustry average. E&S Impact of Products and Services, Human Capital and Bribery and Corruption 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.

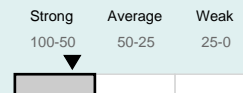
ESG Risk Management

64.1

-0.1

Strong

Momentum



Implenia publishes a Sustainability Report written in accordance with the GRI Standards, Core option, demonstrating strong accountability to investors and the public with respect to ESG issues. The company has a Sustainability Committee, chaired by a member of the Executive Committee, suggesting that ESG matters are integrated in core business strategy.

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	
Community Relations	5.5 Medium	9.4 Weak	5.0 Medium	20.7%
Corporate Governance	9.0 High	60.7 Strong	3.5 Low	14.5%
Human Capital	6.6 Medium	62.9 Strong	2.7 Low	10.9%
Carbon -Own Operations	5.0 Medium	65.1 Strong	2.4 Low	9.8%
E&S Impact of Products and Services	7.2 Medium	86.0 Strong	2.2 Low	9.2%
Bribery and Corruption	6.3 Medium	73.8 Strong	1.9 Negligible	7.7%
Emissions, Effluents and Waste	4.0 Medium	60.0 Strong	1.8 Negligible	7.6%
Business Ethics	4.4 Medium	68.7 Strong	1.5 Negligible	6.3%
Occupational Health and Safety	5.0 Medium	77.5 Strong	1.3 Negligible	5.4%
Human Rights	2.0 Low	47.0 Average	1.1 Negligible	4.3%
Product Governance	4.8 Medium	81.9 Strong	0.9 Negligible	3.6%
Overall	59.8 High	64.1 Strong	24.4 Medium	100.0%

Events Overview

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

Category (Events)

5 Severe (0)

4 High (0)

3 Significant (0)

2 Moderate (0)

1 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)

Accounting and Taxation

Anti-Competitive Practices

Bribery and Corruption

Business Ethics

Community Relations

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

Sanctions

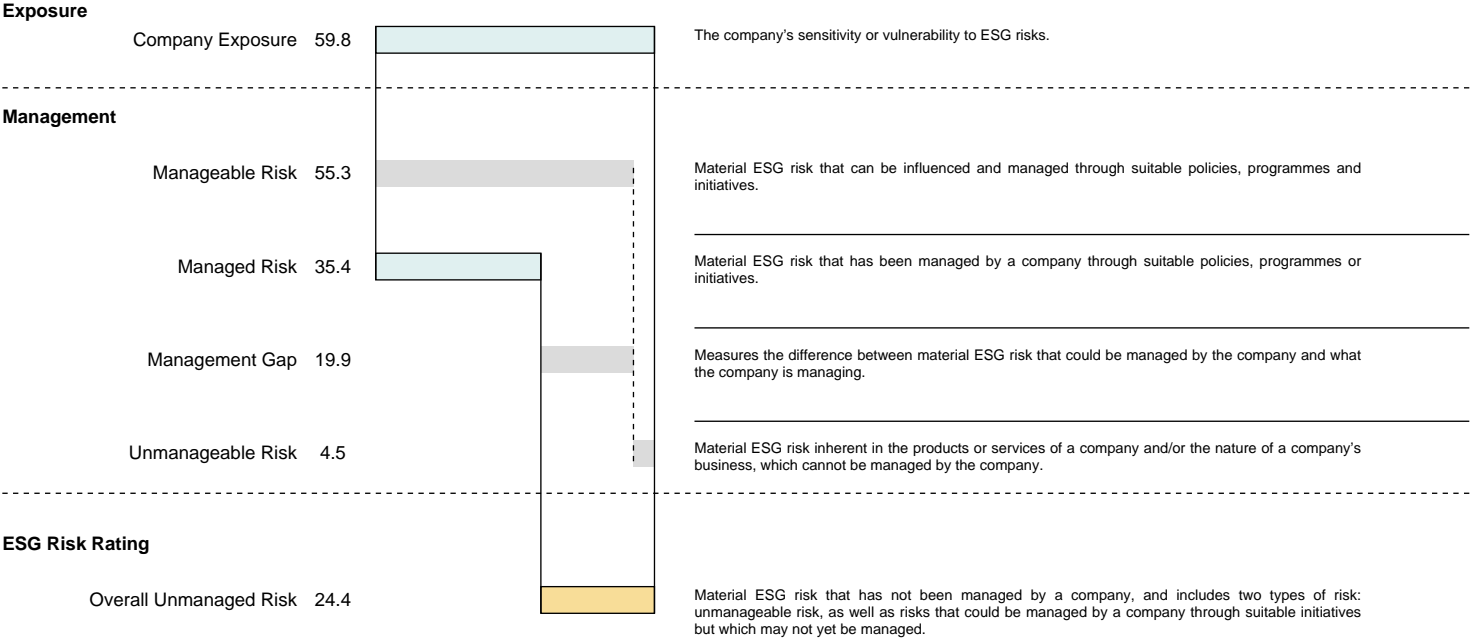
Social Impact of Products

Society - Human Rights

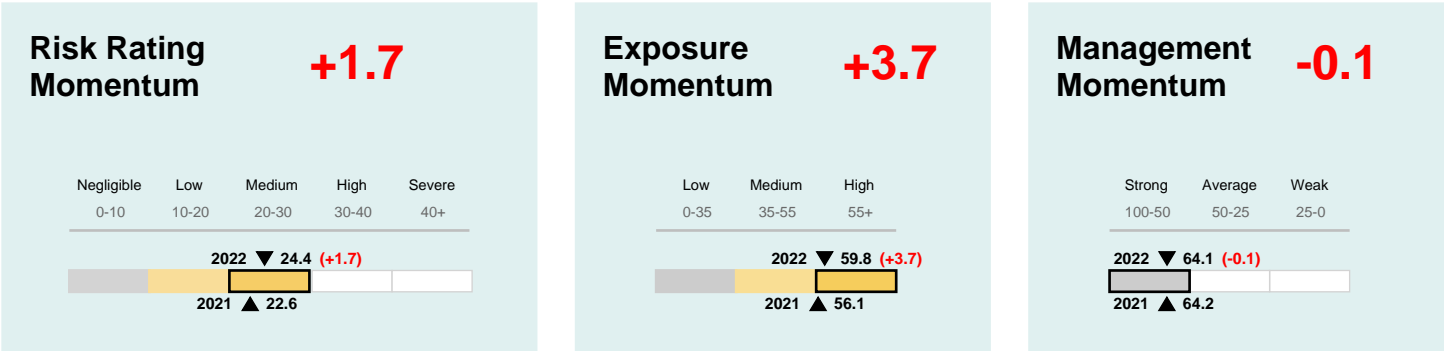
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Risk Decomposition



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.

Corporate Governance Pillar

A pillar provides a signal about a company's management of a specific Corporate Governance issue.

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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