

# Implenia AG

Non-Residential Construction Switzerland SWX:IMPN

## ESG Risk Rating

# 24.7

Last Full Update Jun 22, 2023

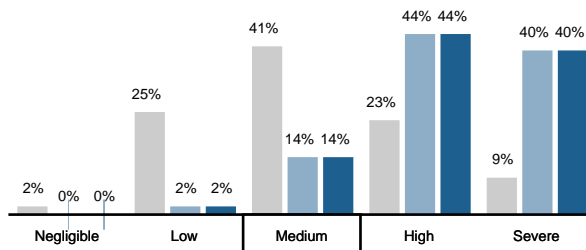
## +0.3

Momentum

## Medium Risk



## ESG Risk Rating Distribution



## ESG Risk Rating Ranking

UNIVERSE	RANK	PERCENTILE
	(1 <sup>st</sup> = lowest risk)	(1 <sup>st</sup> = Top Score)
Global Universe	7217/15595	47th
Construction & Engineering	19/352	6th
Non-Residential Construction SUBINDUSTRY	19/352	6th

## Peers Table

Peers (Market cap \$0.9 - \$0.9bn)

	Exposure	Management	ESG Risk Rating
1. Implenia AG	61.3 High	65.1 Strong	24.7 Medium
2. CH. Karnchang Public Co. Ltd.	61.6 High	42.7 Average	37.1 High
3. NBCC (India) Ltd.	59.3 High	36.7 Average	39.0 High
4. IRCON International Ltd.	54.1 Medium	21.8 Weak	43.1 Severe
5. JTOWER, Inc.	55.9 High	15.0 Weak	48.1 Severe

# Implenia AG

Non-Residential Construction Switzerland SWX:IMPN

## ESG Risk Analysis

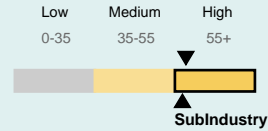
Exposure refers to the extent to which a company is exposed to different material ESG Issues. The exposure score takes into consideration subindustry and company-specific factors such as its business model.

### ESG Risk Exposure

**61.3**  
**High**

**+1.5**  
**Momentum**

Beta = 1.02



Implenia 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 a loss of business opportunities and reduction of market share. Moreover, Implenia's success relies on a vast and diversely skilled workforce with employees ranging 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 surrounding communities. Any negative effects on the surrounding community or environment can potentially lead to tensions and disrupt the smooth implementation of the project.

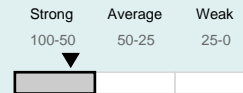
The company's overall exposure is high and is similar to subindustry average. Human Capital, Community Relations and E&S Impact of Products and Services are notable material ESG issues.

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

**65.1**  
**Strong**

**+1.1**  
**Momentum**



Implenia publishes an annual Sustainability Report, written in accordance with GRI guidelines, in line with best practices, demonstrating strong accountability to investors and the public with respect to ESG issues. The company also has a sustainability committee chaired by a member of the executive committee, suggesting that ESG matters are integrated into its core business strategy. Implenia exhibits strong management of nine out of 11 of its material ESG issues, including those with the highest risk exposure for the subindustry, which are environmental and social impact of products and services, human capital, and bribery and corruption, thus allowing it to sit among the industry's top performers. It demonstrates average management for only two issues out of 11, community relations and resource use, with these two issues being the highest contributors to its overall risk rating.

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

# Implenia AG

Non-Residential Construction Switzerland SWX:IMPN

## 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	5.3 Medium	25.0 Average	4.1 Medium	16.5%
Corporate Governance	9.0 High	62.9 Strong	3.3 Low	13.6%
Resource Use	3.6 Low	28.4 Average	2.8 Low	11.3%
E&S Impact of Products and Services	6.9 Medium	78.0 Strong	2.6 Low	10.5%
Human Capital	6.3 Medium	64.8 Strong	2.4 Low	9.8%
Carbon -Own Operations	5.0 Medium	68.9 Strong	2.2 Low	9.1%
Emissions, Effluents and Waste	3.8 Low	60.0 Strong	1.7 Negligible	7.1%
Product Governance	4.6 Medium	68.9 Strong	1.4 Negligible	5.8%
Bribery and Corruption	6.0 Medium	80.0 Strong	1.4 Negligible	5.8%
Business Ethics	4.2 Medium	77.5 Strong	1.1 Negligible	4.5%
Occupational Health and Safety	4.8 Medium	87.5 Strong	0.8 Negligible	3.3%
Human Rights	1.9 Low	64.5 Strong	0.7 Negligible	2.7%
<b>Overall</b>	<b>61.3 High</b>	<b>65.1 Strong</b>	<b>24.7 Medium</b>	<b>100.0%</b>

## 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

# Implenia AG

Non-Residential Construction Switzerland SWX:IMPN

## Events Overview

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

## Category (Events)

**None (18)**

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

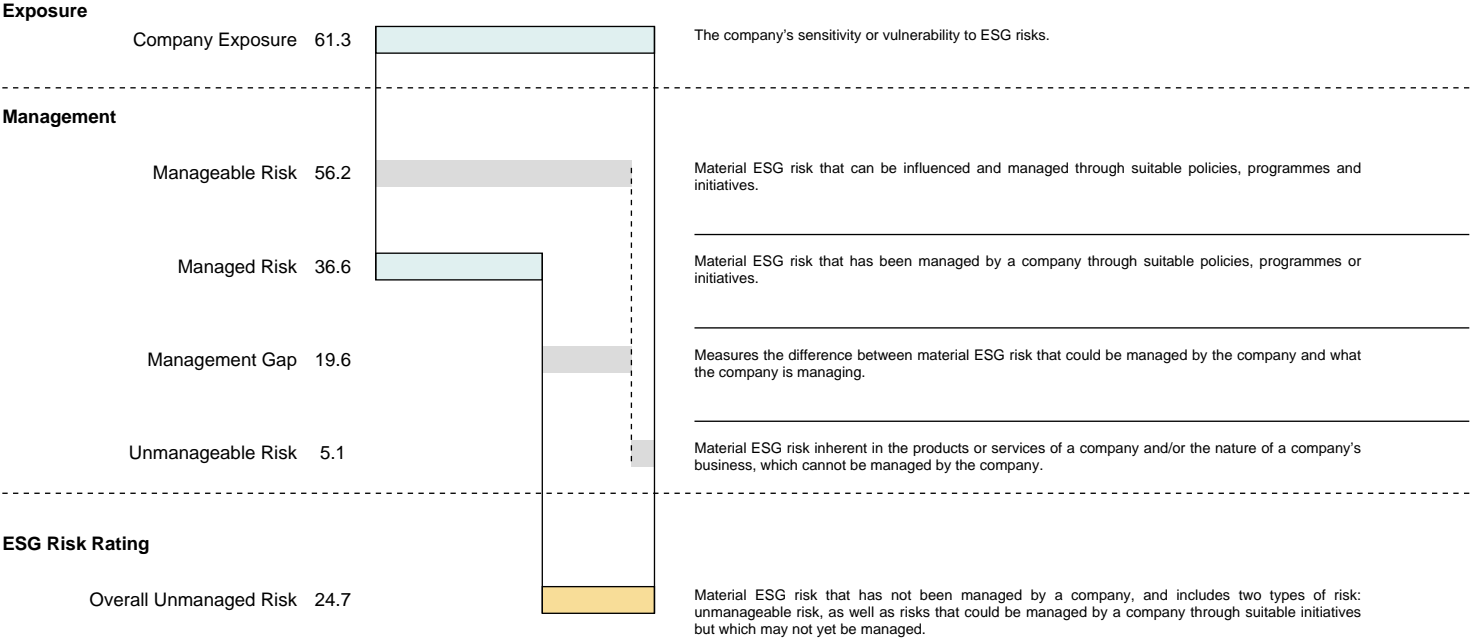
Society - Human Rights

Water Use

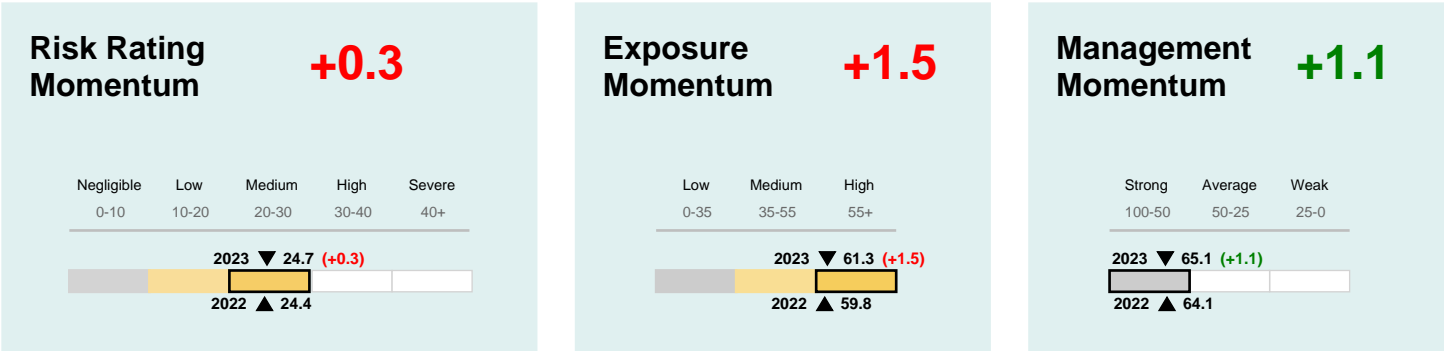
# Implenia AG

Non-Residential Construction Switzerland SWX:IMPN

## Risk Decomposition



## Momentum Details



# Implenia AG

Non-Residential Construction Switzerland SWX:IMPN

## GLOSSARY OF TERMS

### Beta (Beta, $\beta$ )

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**).

# Implenia AG

Non-Residential Construction Switzerland SWX:IMPN

## DISCLAIMER

**Copyright © 2023 Sustainalytics. All rights reserved.**

The information, methodologies, data and opinions contained or reflected herein are proprietary of Sustainalytics and/or its third parties suppliers (Third Party Data), intended for internal, non-commercial use, and may not be copied, distributed or used in any way, including via citation, unless otherwise explicitly agreed in writing. They are provided for informational purposes only and (1) do not constitute investment advice; (2) cannot be interpreted as an offer or indication to buy or sell securities, to select a project or make any kind of business transactions; (3) do not represent an assessment of the issuer's economic performance, financial obligations nor of its creditworthiness.

These are based on information made available by third parties, subject to continuous change and therefore are not warranted as to their merchantability, completeness, accuracy or fitness for a particular purpose. The information and data are provided "as is" and reflect Sustainalytics' opinion at the date of their elaboration and publication. Sustainalytics nor any of its third-party suppliers accept any liability for damage arising from the use of the information, data or opinions contained herein, in any manner whatsoever, except where explicitly required by law. Any reference to third party names or Third Party Data is for appropriate acknowledgement of their ownership and does not constitute a sponsorship or endorsement by such owner. A list of our third-party data providers and their respective terms of use is available on our website. For more information, visit <http://www.sustainalytics.com/legal-disclaimers>.