

Grenergy Renovables SA

Renewable Power Production Spain MCE:GRE

ESG Risk Rating

13.6

Updated Feb 22, 2021

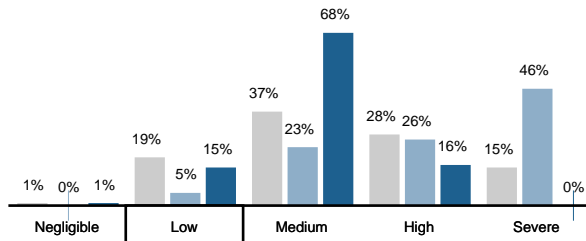
Not
available

Momentum

Low Risk



ESG Risk Rating Distribution



ESG Risk Rating Ranking

UNIVERSE	RANK	PERCENTILE
	(1 st = lowest risk)	(1 st = lowest risk)
Global Universe	559/13569	5th
Utilities INDUSTRY	5/575	2nd
Renewable Power Production SUBINDUSTRY	3/68	4th

Peers Table

Peers (Market cap \$0.9 - \$1.2bn)

	Exposure	Management	ESG Risk Rating
1. Grenergy Renovables SA	34.2 Low	63.7 Strong	13.6 Low
2. Audax Renovables SA	36.4 Medium	33.1 Average	25.1 Medium
3. Canvest Environmental Protection Group Co Ltd	36.0 Medium	29.3 Average	26.1 Medium
4. Super Energy Corp. Public Co. Ltd.	39.2 Medium	12.8 Weak	34.5 High
5. eREX Co Ltd	39.2 Medium	7.6 Weak	36.4 High

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ESG Risk Analysis

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

ESG Risk Exposure

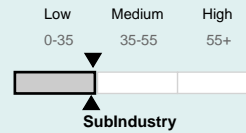
34.2

Not available

Low

Momentum

Beta = 1.00



As an integrated renewable power producer, Grenergy Renovables SA (Grenergy) develops and constructs power-generating facilities for its own business, as well as for sale to other companies. Such activities typically imply the acquisition and repurposing of large surfaces of land, which may trigger community opposition and associated potential project delays. Moreover, Grenergy relies heavily on revenue derived from the development and construction of wind farms and solar plants. Malfunctions at constructed assets may raise client complaints, while also triggering penalties and other related costs. In addition, Grenergy construction workers and technicians often operate in hazardous conditions (e.g. at high altitudes or in remote areas). A poor safety record (e.g. frequent injuries) could expose the company to fines and difficulty in attracting skilled personnel.

The company's overall exposure is low and is similar to subindustry average. Product Governance, Occupational Health and Safety and Community Relations are notable material ESG issues.

Management refers to how well a company is managing its relevant ESG issues. Our management score assesses the robustness of a company's ESG programs, practices, and policies.

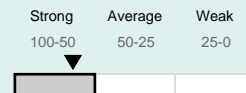
ESG Risk Management

63.7

Not available

Strong

Momentum



Grenergy's overall ESG-related disclosure is not in accordance with GRI reporting standards, lagging behind best practice. In contrast, the company's ESG-related issues are overseen by the board, suggesting that these are integrated in core business strategy. Moreover, there is evidence that ESG targets are used to evaluate executive performance.

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
Corporate Governance	9.0 High	57.1 Strong	3.9 Low	28.5%
Business Ethics	4.0 Medium	52.5 Strong	2.0 Low	14.8%
Human Capital	4.0 Medium	57.5 Strong	1.8 Negligible	13.4%
Community Relations	6.0 Medium	80.0 Strong	1.7 Negligible	12.4%
Occupational Health and Safety	4.0 Medium	64.5 Strong	1.7 Negligible	12.4%
Product Governance	4.0 Medium	70.7 Strong	1.5 Negligible	10.7%
Land Use and Biodiversity	3.2 Low	66.2 Strong	1.1 Negligible	7.8%
Overall	34.2 Low	63.7 Strong	13.6 Low	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 (0)

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Renewable Power Production Spain MCE:GRE

Events Overview

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

Category (Events)

None (16)

Access to Basic Services

Accounting and Taxation

Anti-Competitive Practices

Bribery and Corruption

Business Ethics

Community Relations

Data Privacy and Security

Intellectual Property

Labour Relations

Land Use and Biodiversity

Lobbying and Public Policy

Marketing Practices

Occupational Health and Safety

Quality and Safety

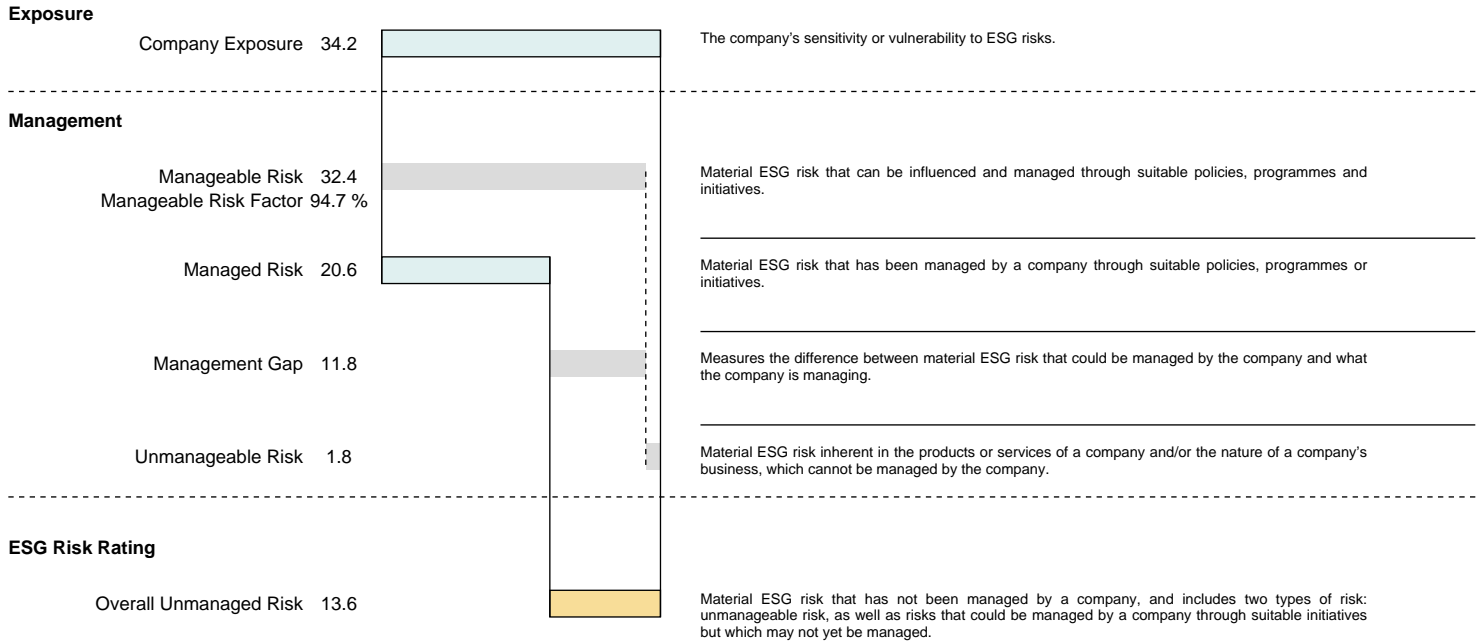
Sanctions

Society - Human Rights

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Risk Decomposition



Momentum Details

Not available due to a lack of comparable historical information.

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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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