

# Grenergy Renovables SA

Renewable Power Production Spain MCE:GRE

## ESG Risk Rating

# 9.7

Last Full Update Oct 11, 2023

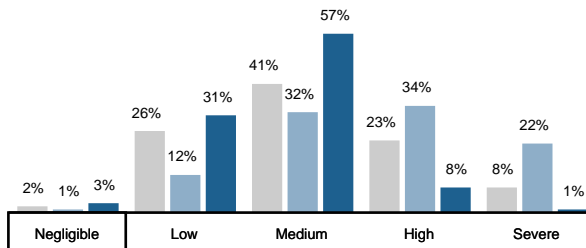
# -0.6

Momentum

## Negligible 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	239/15653	3rd
Utilities INDUSTRY	5/705	2nd
Renewable Power Production SUBINDUSTRY	3/93	3rd

## Peers Table

Peers (Market cap \$0.6 - \$0.8bn)

Peers (Market cap \$0.6 - \$0.8bn)	Exposure	Management	ESG Risk Rating
1. Grenergy Renovables SA	34.3 Low	76.0 Strong	9.7 Negligible
2. Galata Wind Enerji AS	31.5 Low	55.6 Strong	14.9 Low
3. NextEnergy Solar Fund Ltd.	27.8 Low	31.8 Average	19.5 Low
4. Concord New Energy Group Ltd.	35.7 Medium	42.0 Average	21.5 Medium
5. BCPG Public Co., Ltd.	32.2 Low	35.0 Average	21.5 Medium

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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

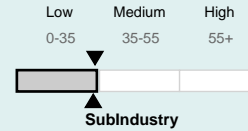
**34.3**

**-1.0**

**Low**

**Momentum**

**Beta = 1.01**



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 tracts 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 these assets could raise client complaints, while also triggering penalties and other related costs. In addition, Grenergy construction workers and technicians often operate in hazardous conditions, such as those at high altitudes or in remote areas. A poor safety record, such as 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. Community Relations, Occupational Health and Safety and Product Governance 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.

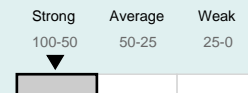
### ESG Risk Management

**76.0**

**+0.9**

**Strong**

**Momentum**



Grenergy's 2022 sustainability report was prepared in accordance with the Global Reporting Initiative (GRI) standard for sustainability reporting, in line with best practice, and it received external verification at a limited assurance level. Furthermore, the company's ESG-issues are overseen by a board committee and environmental and sustainability parameters are used to evaluate executive performance. Grenergy has strong health and safety management systems in place for its employees and contractors, with disclosures on key safety performance metrics, regular training and audits. Moreover, the company has a strong asset integrity management programme, albeit not certified to best practice standards. Finally, the company provides disclosure on its mechanisms to consult community stakeholders in all stages of the project's life cycle and has strong community development 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	ESG Risk Management	ESG Risk Rating	Contribution to ESG Risk Rating
	Score   Category	Score   Category	Score   Category	
Corporate Governance	9.0 High	58.3 Strong	3.8 Low	38.9%
Occupational Health and Safety	4.0 Medium	57.5 Strong	1.9 Negligible	20.0%
Product Governance	5.3 Medium	75.0 Strong	1.7 Negligible	17.7%
Human Capital	3.0 Low	76.9 Strong	0.8 Negligible	8.4%
Business Ethics	4.0 Medium	85.0 Strong	0.8 Negligible	8.0%
Community Relations	6.0 Medium	100.0 Strong	0.6 Negligible	6.2%
Land Use and Biodiversity	3.0 Low	97.1 Strong	0.1 Negligible	0.9%
<b>Overall</b>	<b>34.3 Low</b>	<b>76.0 Strong</b>	<b>9.7 Negligible</b>	<b>100.0%</b>

## 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 (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

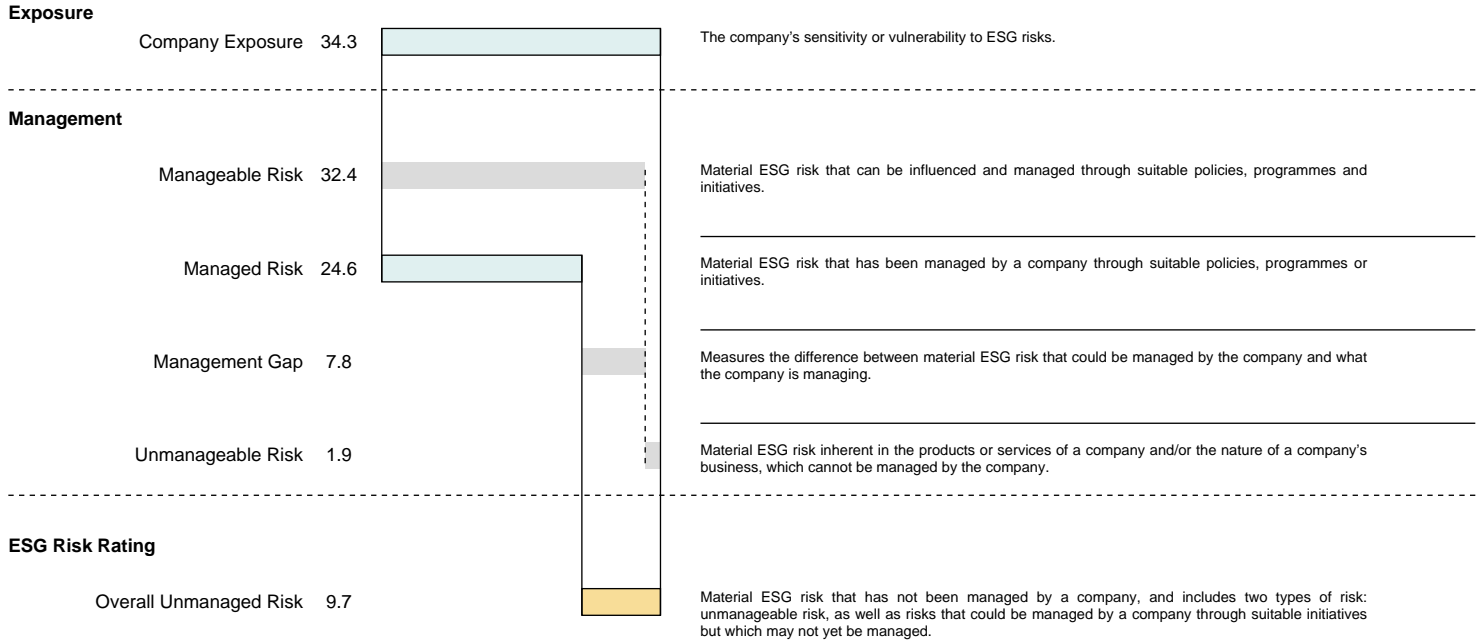
Sanctions

Society - Human Rights

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## Risk Decomposition



## Momentum Details



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## 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**).

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