

## Information on Sustainalytics Corporate ESG Assessment for Epta SpA

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To learn more about Sustainalytics ESG Risk Rating framework, please visit: <https://www.sustainalytics.com/esg-data#framework>.

# Epta SpA

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## ESG Risk Rating

# 19.8

Updated Feb 25, 2022

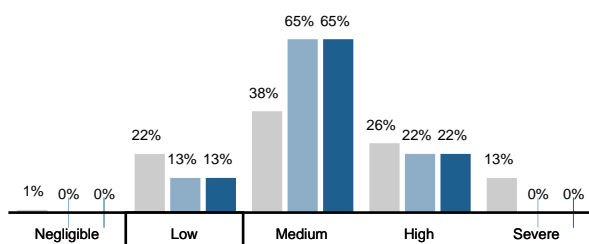
Not  
available

Momentum

## Low Risk



## ESG Risk Rating Distribution



## ESG Risk Rating Ranking

UNIVERSE	RANK	PERCENTILE
	(1 <sup>st</sup> = lowest risk)	(1 <sup>st</sup> = lowest risk)
Global Universe	3339/14765	23rd
Building Products INDUSTRY	17/134	13th
Building Products SUBINDUSTRY	17/134	13th

## Peers Table

Peers (Market cap \$0.0 - \$0.0bn)

Peers (Market cap \$0.0 - \$0.0bn)	Exposure	Management	ESG Risk Rating
1. Sport Group Hol GmbH	32.7 Low	71.0 Strong	11.2 Low
2. Etex NV	35.7 Medium	52.8 Strong	18.1 Low
3. Epta SpA	39.7 Medium	53.6 Strong	19.8 Low
4. Trakya Cam Sanayii A.S.	33.5 Low	38.5 Average	21.5 Medium
5. CeramTec Holding GmbH	33.0 Low	29.4 Average	24.0 Medium

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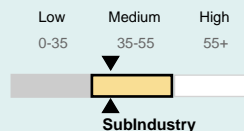
## ESG Risk Analysis

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

**39.7**  
**Medium**  
 Beta = 0.99

**Not available**  
 Momentum



Epta counts the hospitality industry among its clients. Given the rising importance of sustainability matters for hotels and restaurants and the fact that refrigeration equipment is energy-intensive, failure to continuously innovate its products with more eco-friendly traits could lead to a loss of business to better prepared rivals. Moreover, energy usage is also relevant for the company's own manufacturing operations. If Epta is unable to properly manage and minimize its GHG emissions, it could face higher costs due to carbon taxes or other regulatory developments. In addition, failure to conduct business in an ethical manner (e.g. through tax violations or involvement in anti-competitive practices) could result in significant financial penalties.

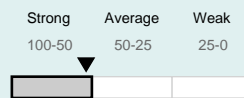
The company's overall exposure is medium and is similar to subindustry average. Carbon -Own Operations, Business Ethics and E&S Impact of Products and Services are notable material ESG issues.

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

**53.6**  
**Strong**

**Not available**  
 Momentum



The company's ESG reporting is in accordance with the Core option of the GRI Standards, in line with best practices. However, the company has a board committee overseeing governance issues, but not environmental and social ones, suggesting that these are not 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	
Corporate Governance	9.0 High	47.7 Average	<b>4.7 Medium</b>	23.7%
Business Ethics	4.0 Medium	31.3 Average	<b>2.8 Low</b>	14.2%
E&S Impact of Products and Services	6.0 Medium	69.5 Strong	<b>2.7 Low</b>	13.4%
Carbon -Own Operations	5.4 Medium	55.4 Strong	<b>2.4 Low</b>	12.2%
Resource Use	3.0 Low	34.3 Average	<b>2.2 Low</b>	11.0%
Emissions, Effluents and Waste	3.2 Low	43.1 Average	<b>1.9 Negligible</b>	9.7%
Human Capital	3.0 Low	38.1 Average	<b>1.9 Negligible</b>	9.6%
Product Governance	3.0 Low	72.5 Strong	<b>0.8 Negligible</b>	4.2%
Occupational Health and Safety	3.2 Low	92.0 Strong	<b>0.4 Negligible</b>	2.0%
<b>Overall</b>	<b>39.7 Medium</b>	<b>53.6 Strong</b>	<b>19.8 Low</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 (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)

Accounting and Taxation

Anti-Competitive Practices

Bribery and Corruption

Business Ethics

Emissions, Effluents and Waste

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

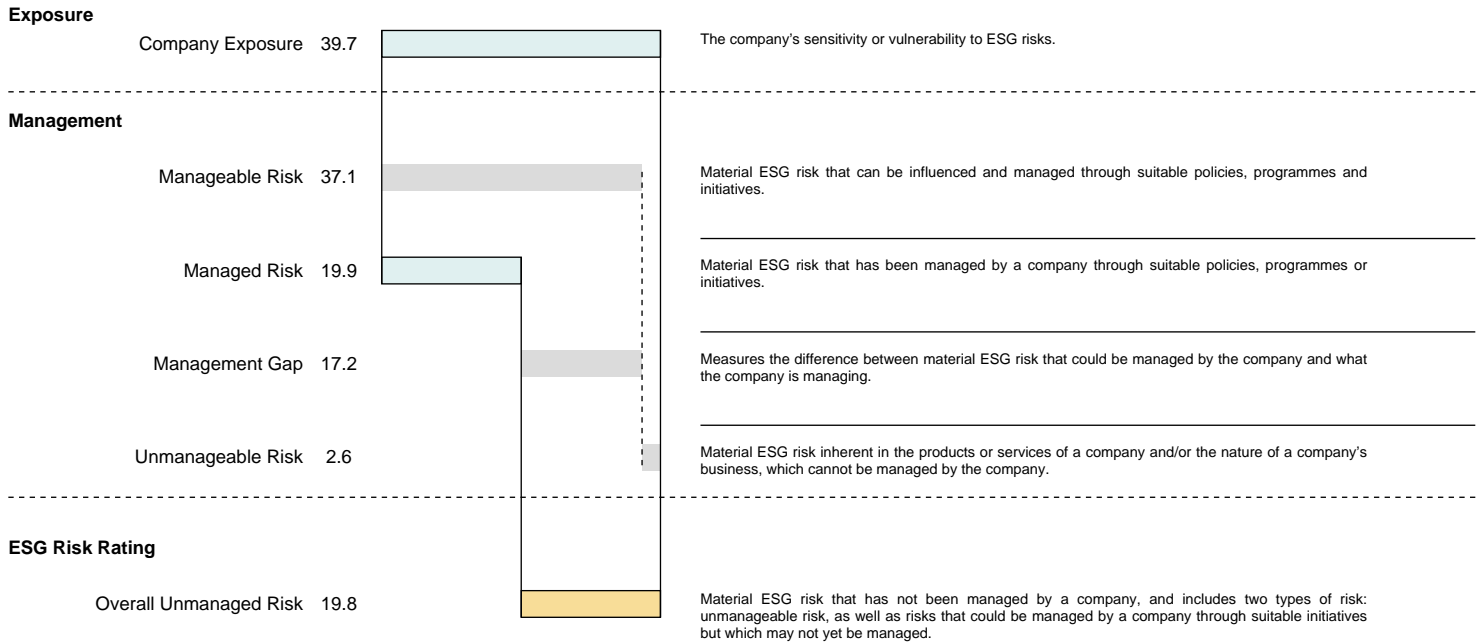
Social Impact of Products

Water Use

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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, $\beta$ )






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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