

Kew Soda Ltd.

Commodity Chemicals United Kingdom

ESG Risk Rating

16.1

Updated Jun 7, 2022

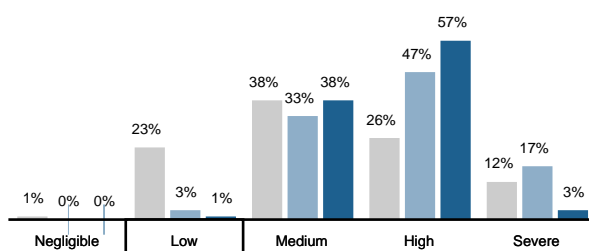
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Momentum

Low Risk



ESG Risk Rating Distribution



ESG Risk Rating Ranking

UNIVERSE	RANK	PERCENTILE
	(1 st = lowest risk)	(1 st = lowest risk)
Global Universe	1766/14755	13th
Chemicals INDUSTRY	7/463	2nd
Commodity Chemicals SUBINDUSTRY	1/227	1st

Peers Table

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

	Exposure	Management	ESG Risk Rating
1. Kew Soda Ltd.	46.7 Medium	73.3 Strong	16.1 Low
2. INEOS Group Holdings S.A.	42.2 Medium	58.8 Strong	20.4 Medium
3. INEOS Styrolution Group GmbH	41.0 Medium	49.9 Average	22.8 Medium
4. Borealis AG	42.2 Medium	45.7 Average	25.1 Medium
5. CABB GmbH	41.0 Medium	39.0 Average	26.8 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

46.7 **Medium** **Beta = 1.04**

Not available **Momentum**

Low 0-35 Medium 35-55 High 55+

SubIndustry

Kew Soda's solution mining is energy-intensive and the company relies on coal and natural gas to meet its energy requirements. Its mining operations are located in Turkey, where climate policies and regulation are expected to evolve and strengthen in order for the country to achieve its goal of net zero by 2053. Moreover, Kew Soda's manufacturing sites are located in Ankara Province where water scarcity is considered high. Its solution mining method requires a significant and continuous water supply, which can further strain the region's water resources, exposing Kew Soda to risk of operational disruption. Finally, solution mining exposes workers to increased health and safety risks (albeit to a lesser extent than underground mining operations), including risks related to vibration and prolonged noise, which could result in liabilities for the company.

The company's overall exposure is medium and is similar to subindustry average. Carbon -Own Operations, Occupational Health and Safety and Resource Use 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

73.3 **Strong**

Not available **Momentum**

Strong 100-50 Average 50-25 Weak 25-0

Kew Soda's board-level ESG committee is responsible for developing, implementing and reviewing the company's ESG strategy. As of 2022, the company does not base executive remuneration on achieving sustainability targets, which is considered best practice; however, it has announced plans for this from 2022 onwards. Regarding its notable ESG issues, Kew Soda has a strong environmental management system and its operational sites in Turkey are ISO 14001 certified. Furthermore, the company has implemented initiatives to reduce carbon emissions, such as recycling a proportion of CO2 emitted from its soda ash production for use in its sodium bicarbonate production. Finally, its production sites are accredited to both the ISO 31000 risk management standard and the ISO 45001 occupational health and safety standard, enabling the company to identify and assess any risks its employees may face.

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	
Carbon -Own Operations	8.8 High	64.1 Strong	4.3 Medium	26.6%
Corporate Governance	9.0 High	63.1 Strong	3.3 Low	20.6%
E&S Impact of Products and Services	6.0 Medium	70.0 Strong	2.6 Low	16.4%
Business Ethics	6.0 Medium	71.3 Strong	1.9 Negligible	12.0%
Occupational Health and Safety	6.6 Medium	80.0 Strong	1.6 Negligible	9.8%
Resource Use	4.0 Medium	77.2 Strong	1.5 Negligible	9.5%
Emissions, Effluents and Waste	6.3 Medium	96.4 Strong	0.8 Negligible	5.2%
Overall	46.7 Medium	73.3 Strong	16.1 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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Events Overview

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

Category (Events)

⚠ None (15)

Accounting and Taxation

Animal Welfare

Anti-Competitive Practices

Bribery and Corruption

Business Ethics

Emissions, Effluents and Waste

Energy Use and GHG Emissions

Environmental Impact of Products

Intellectual Property

Lobbying and Public Policy

Occupational Health and Safety

Sanctions

Social Impact of Products

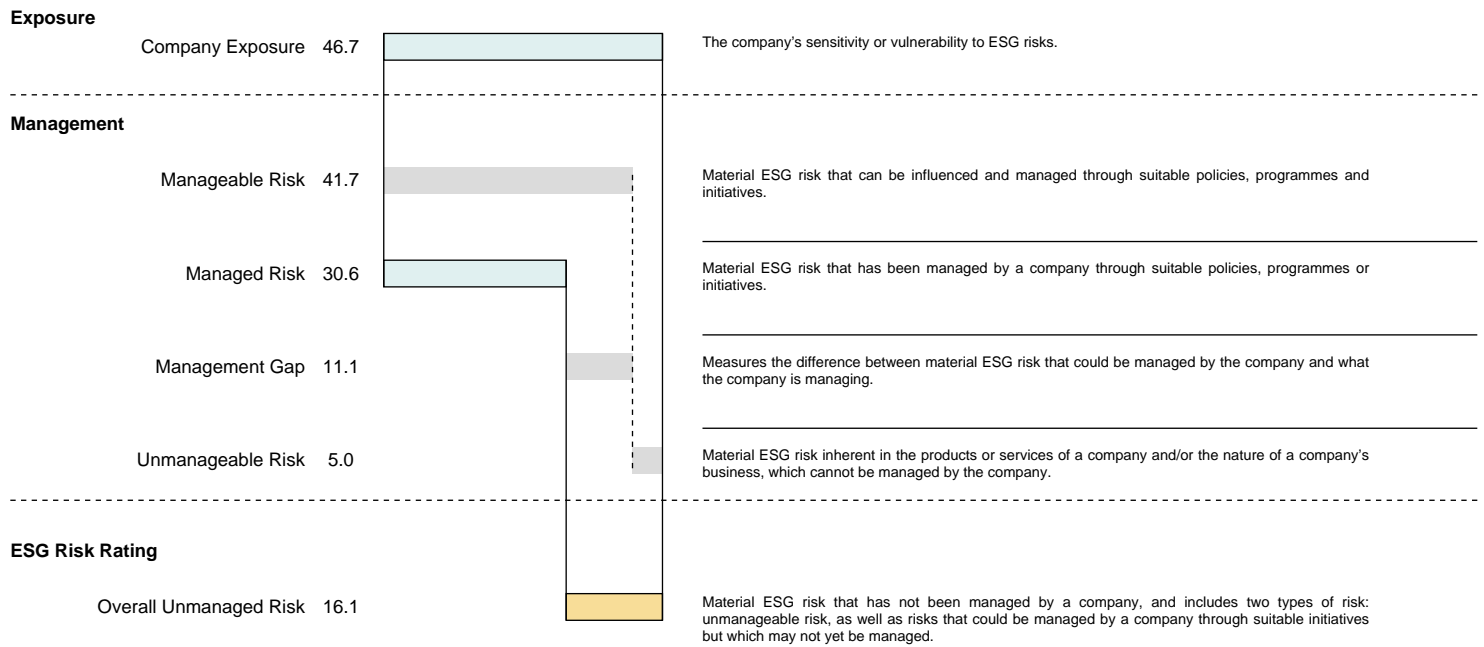
Society - Human Rights

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

Information on Sustainalytics Corporate ESG Assessment for Kew Soda Ltd.

Kew Soda Ltd. has been provided with an indicative Corporate ESG Assessment by Sustainalytics, a Morningstar company and a globally recognized provider of ESG research, ratings, and data, who provides research based on its independent methodology, and publicly available information from issuers.

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