

Voltaia

Renewable Power Production France PAR:VLTA

ESG Risk Rating

13.8

Updated Nov 23, 2022

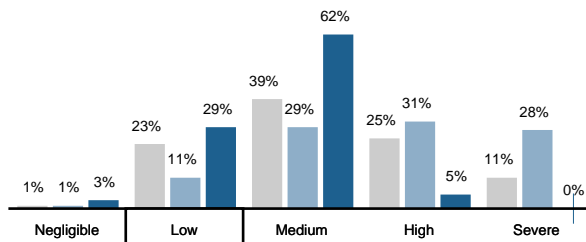
-0.3

Momentum

Low Risk



ESG Risk Rating Distribution



ESG Risk Rating Ranking

UNIVERSE	RANK	PERCENTILE
	(1 st = lowest risk)	(1 st = Top Score)
Global Universe	1040/15474	8th
Utilities INDUSTRY	16/704	3rd
Renewable Power Production SUBINDUSTRY	7/95	7th

Peers Table

Peers (Market cap \$1.7 - \$1.9bn)

Peers (Market cap \$1.7 - \$1.9bn)	Exposure	Management	ESG Risk Rating
1. Voltaia	35.8 Medium	65.2 Strong	13.8 Low
2. CESP -Companhia Energética de São Paulo	30.9 Low	42.3 Average	18.6 Low
3. Xinyi Energy Holdings Ltd.	30.5 Low	32.1 Average	21.2 Medium
4. Energix-Renewable Energies Ltd.	36.4 Medium	28.8 Average	26.4 Medium
5. Renova, Inc. (Japan)	33.3 Low	19.8 Weak	27.0 Medium

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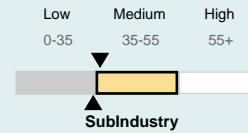
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ESG Risk Analysis

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

35.8 **+1.7**
Medium Momentum
 Beta = 1.05



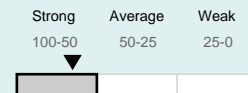
As an integrated renewable power producer, Voltaia develops and operates its own power-generating facilities and also provides development and construction services for other companies. Such activities typically involve the acquisition and repurposing of large tracts of land, which can trigger community opposition and lead to project delays. In addition, Voltaia commits to providing its utility customers with a constant supply of energy. Malfunctions at its plants or improper management of wind intermittency may hamper the quality of its services, prompting client complaints, penalties, and other related costs. Moreover, the company's operations require many employees who perform tasks in potentially hazardous conditions. Failure to maintain high safety standards could lead to employee and contractor fatalities, in turn triggering negative publicity and regulatory penalties.

The company's overall exposure is medium and is moderately above 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

65.2 **+3.1**
Strong Momentum



Voltaia disclosed ESG-related information in its sustainability report for 2021, but this disclosure is not in accordance with GRI reporting standards, which lags behind best practice. However, ESG issues are assessed by the board of directors through its audit committee, suggesting that the company fully integrates these issues into its 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	49.5 Average	4.5 Medium	33.0%
Community Relations	6.6 Medium	54.0 Strong	3.4 Low	24.6%
Product Governance	5.5 Medium	69.4 Strong	2.1 Low	15.0%
Land Use and Biodiversity	3.2 Low	56.2 Strong	1.4 Negligible	10.0%
Occupational Health and Safety	4.2 Medium	78.8 Strong	1.2 Negligible	8.9%
Human Capital	3.2 Low	76.9 Strong	0.8 Negligible	6.2%
Business Ethics	4.2 Medium	97.5 Strong	0.3 Negligible	2.3%
Overall	35.8 Medium	65.2 Strong	13.8 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 (1)

Society - Human Rights

1 Low (1)

Land Use and Biodiversity

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Events Overview

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

Category (Events)

None (14)

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

Lobbying and Public Policy

Marketing Practices

Occupational Health and Safety

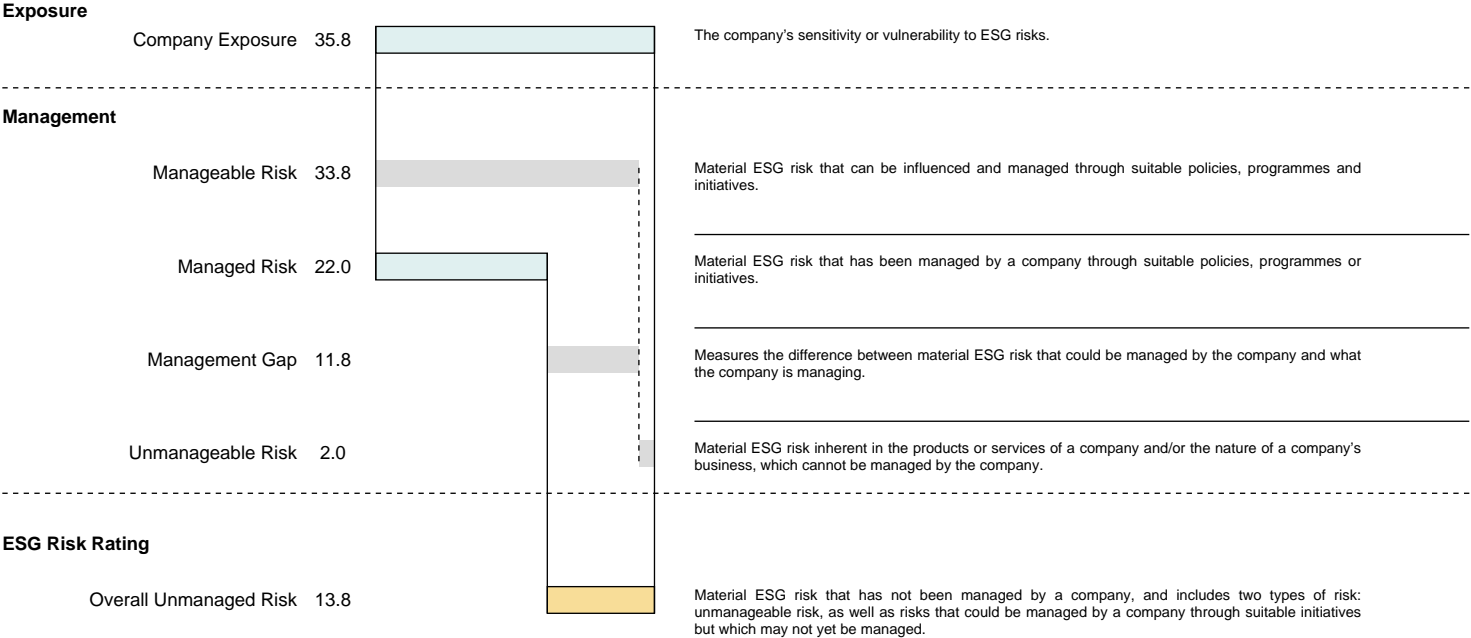
Quality and Safety

Sanctions

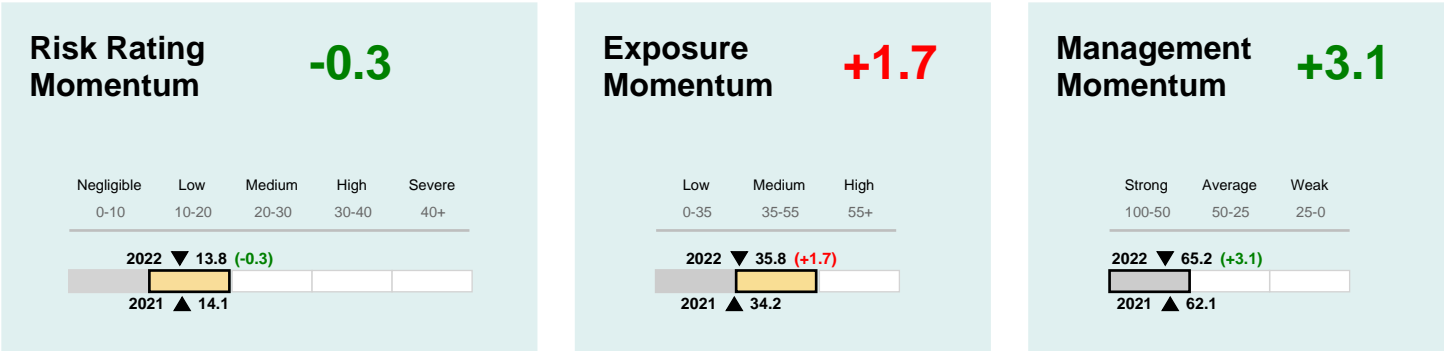
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Risk Decomposition



Momentum Details



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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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