

EUROFIMA European Co for Financing of Railroad Rolling

Development Banks Switzerland

ESG Risk Rating

4.9

Updated Jun 27, 2022

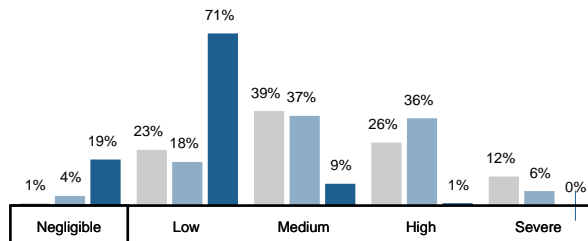
-0.4

Momentum

Negligible Risk

NEGL	LOW	MED	HIGH	SEVERE
0-10	10-20	20-30	30-40	40+

ESG Risk Rating Distribution



ESG Risk Rating Ranking

UNIVERSE	RANK	PERCENTILE
	(1 st = lowest risk)	(1 st = lowest risk)
Global Universe	8/14842	1 st
Banks INDUSTRY	5/1003	1 st
Development Banks SUBINDUSTRY	4/114	4 th

Peers Table

Peers (Market cap \$0.0 - \$0.0bn)	Exposure	Management	ESG Risk Rating
1. Nederlandse Financierings-Maatschappij Ontwikkelingslanden NV	21.0 Low	82.4 Strong	4.0 Negligible
2. KfW	21.3 Low	80.5 Strong	4.6 Negligible
3. EUROFIMA European Co for Financing of Railroad Rolling Stock	21.4 Low	79.3 Strong	4.9 Negligible
4. Council of Europe Development Bank	22.0 Low	77.7 Strong	5.3 Negligible
5. European Investment Bank	21.8 Low	76.3 Strong	5.6 Negligible

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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

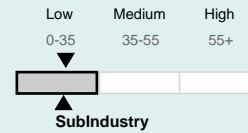
21.4

-0.3

Low

Momentum

Beta = 1.02



While EUROFIMA has an average exposure to material ESG issues, its exposure to Human Capital and Business Ethics issues is slightly higher than the subindustry average. Its operations in various jurisdictions and proximity to state counterparts, such as state railways and national and regional governments, could expose the company to investigations and penalties over ethical infractions in case of non-compliance with specific country regulations. Regarding human capital issues, EUROFIMA could face scrutiny over its diversity programmes. Deficiencies attracting and retaining high-skill professionals with specific knowledge also expose the company to high operational costs. Finally, EUROFIMA'S financing of companies or operations with adverse ESG impacts could expose it to reputational, legal and regulatory risks.

The company's overall exposure is low and is similar to subindustry average. Business Ethics, Human Capital and ESG Integration -Financials 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.

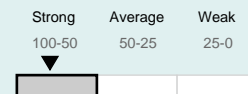
ESG Risk Management

79.3

+1.5

Strong

Momentum



EUROFIMA's management of human capital issues is assessed as strong. The company has adequate initiatives to promote diversity and inclusion within its workforce and reports strong remuneration and human capital development programmes that align with the market best practices. Regarding the management of business ethics issues, EUROFIMA has in place strong programmes to prevent ethical misconduct such as bribery, conflict of interest and corruption. Yet, its policy to prevent money laundering scored below the industry best practices. EUROFIMA reports strong initiatives to implement its environmental and social commitments within its financing and investment activities. The company discloses managerial oversight of ESG factors within investments activities and enhanced due diligence and monitoring of ESG risks before and after the financing assessment of railway projects.

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
Human Capital	5.5 Medium	71.3 Strong	1.8 Negligible	36.5%
Business Ethics	5.5 Medium	78.1 Strong	1.4 Negligible	29.1%
Corporate Governance	5.0 Medium	80.0 Strong	1.0 Negligible	20.5%
ESG Integration -Financials	5.4 Medium	87.5 Strong	0.7 Negligible	13.9%
Overall	21.4 Low	79.3 Strong	4.9 Negligible	100.0%

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 (11)

Accounting and Taxation

Anti-Competitive Practices

Bribery and Corruption

Business Ethics

Carbon Impact of Products

Environmental Impact of Products

Labour Relations

Lobbying and Public Policy

Sanctions

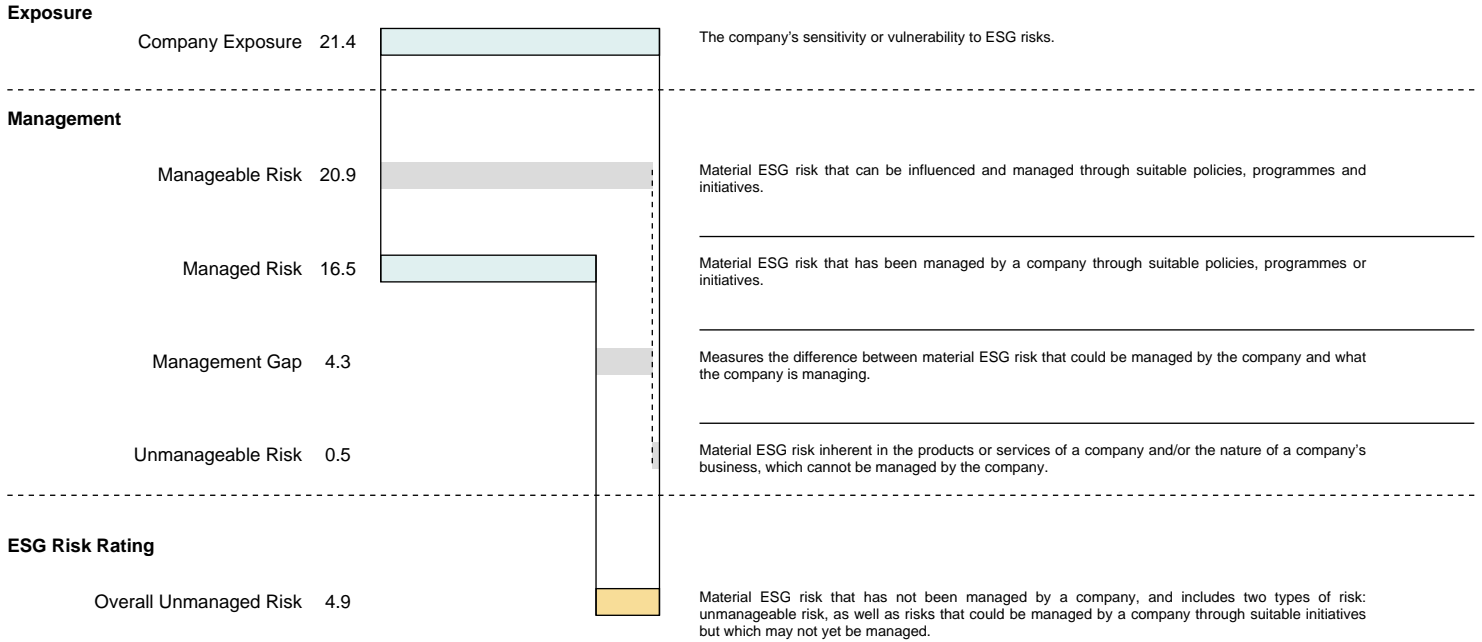
Social Impact of Products

Society - Human Rights

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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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