EUROFIMA European Co for Financing of Railroad Rolling

Development Banks   Switzerland

ESG Risk Rating

5.2

Updated Jun 18, 2021

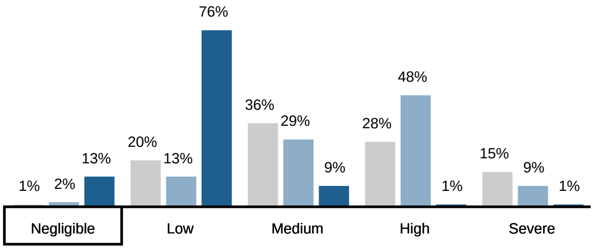
Not available

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 (1st = lowest risk)	PERCENTILE (1st = lowest risk)
Global Universe	**4**/14181	**1st**
Banks INDUSTRY	**3**/1063	**1st**
Development Banks SUBINDUSTRY	**3**/112	**3rd**

Peers Table

Peers (Market cap $0.0 - $0.0bn)	Exposure	Management	ESG Risk Rating
1. Oesterreichische Kontrollbank Aktiengesellschaft	20.7 Low	88.2 Strong	**2.9 Negligible**
2. Nederlandse Financierings-Maatschappij Ontwikkelingslanden NV	21.0 Low	82.4 Strong	**4.0 Negligible**
3. EUROFIMA European Co for Financing of Railroad Rolling Stock	21.7 Low	77.8 Strong	**5.2 Negligible**
4. European Investment Bank	21.0 Low	76.4 Strong	**5.3 Negligible**
5. Council of Europe Development Bank	20.7 Low	74.7 Strong	**5.6 Negligible**

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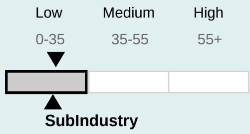
ESG Risk Analysis

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

21.7
Low
Beta = 1.03

Not available
Momentum



EUROFIMA finances railroad rolling stock for public passenger transport across 25 European member states, which may make it challenging to mitigate business ethics risks across all of its operations. The company could thus face ethical issues related to corruption, money laundering or conflicts of interests. Furthermore, to perform its operations, EUROFIMA requires highly skilled professionals with expertise in both finance and railroad industry. Failure to hire, motivate and retain such employees could lead to skill shortage and operational inefficiencies. Additionally, financing controversial projects that may adversely impact the environment or communities either through loans or through investments could expose EUROFIMA to reputational damage.

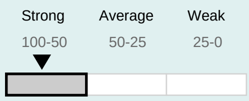
The company's overall exposure is low and is similar to subindustry average. ESG Integration - Financials, Business Ethics and Human Capital are notable material ESG issues.

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

77.8
Strong

Not available
Momentum



EUROFIMA's overall ESG-related disclosure is weak and not in accordance with GRI reporting standards, signalling inadequate accountability to investors and the public. The company's ESG-related issues are overseen by the executive-level Sustainability Committee, suggesting that these are 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 Score | Category	ESG Risk Management Score | Category	ESG Risk Rating Score | Category	Contribution to ESG Risk Rating
Human Capital	5.5 Medium	63.8 Strong	**2.2 Low**	41.3%
Business Ethics	5.5 Medium	78.1 Strong	**1.4 Negligible**	27.0%
Corporate Governance	5.0 Medium	81.0 Strong	**1.0 Negligible**	18.1%
ESG Integration -Financials	5.7 Medium	87.5 Strong	**0.7 Negligible**	13.6%
Overall	**21.7 Low**	**77.8 Strong**	**5.2 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)

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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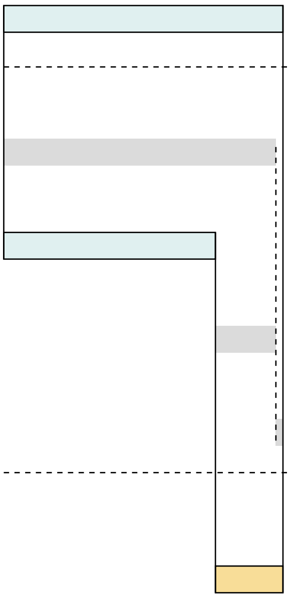
Risk Decomposition



Exposure		
Company Exposure	21.7	The company's sensitivity or vulnerability to ESG risks.
Management		
Manageable Risk	21.2	Material ESG risk that can be influenced and managed through suitable policies, programmes and initiatives.
Managed Risk	16.5	Material ESG risk that has been managed by a company through suitable policies, programmes or initiatives.
Management Gap	4.7	Measures the difference between material ESG risk that could be managed by the company and what the company is managing.
Unmanageable Risk	0.5	Material ESG risk inherent in the products or services of a company and/or the nature of a company's business, which cannot be managed by the company.
ESG Risk Rating		
Overall Unmanaged Risk	5.2	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.

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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DISCLAIMER