

# Sacyr SA

Non-Residential Construction Spain MCE:SCYR

## ESG Risk Rating

**18.3**

Last Full Update Nov 28, 2024

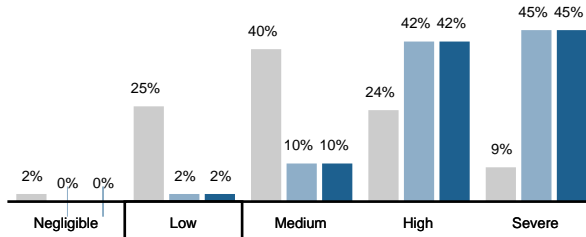
**-1.3**

Momentum

**Low Risk**



## ESG Risk Rating Distribution



## ESG Risk Rating Ranking

UNIVERSE	RANK	PERCENTILE
	(1 <sup>st</sup> = lowest risk)	(1 <sup>st</sup> = Top Score)
Global Universe	3184/15176	22nd
Construction & Engineering	7/353	3rd
Non-Residential Construction SUBINDUSTRY	7/353	3rd

## Peers Table

Peers (Market cap \$2.7 - \$2.8bn)

	Exposure	Management	ESG Risk Rating
1. Sacyr SA	62.3 High	77.7 Strong	<b>18.3 Low</b>
2. HYUNDAI ENGINEERING & CONSTRUCTION CO., LTD.	60.2 High	62.2 Strong	<b>25.8 Medium</b>
3. Balfour Beatty Plc	61.4 High	55.6 Strong	<b>30.1 High</b>
4. Samsung E&A Co., Ltd.	52.6 Medium	46.8 Average	<b>30.1 High</b>
5. Shanghai Tunnel Engineering Co., Ltd.	58.7 High	23.7 Weak	<b>45.8 Severe</b>

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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

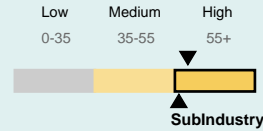
**62.3**

**-1.2**

**High**

**Momentum**

**Beta = 1.07**



Sacyr develops and constructs infrastructure projects (e.g. hydraulic, maritime, underground) and motorways, railways and airports that require it to bid for public contracts. Involvement in unethical business acts, such as offering bribes and facilitation payments, could lead to investigations, fines and indictments of company executives. Moreover, many of Sacyr's on-site operations, such as excavating, drilling and bulldozing, require a large amount of energy, which could increase its carbon footprint. Failure to adopt energy efficiency measures and renewable energy can lead to fines and reputational damage. In addition, Sacyr's success relies on a diversely skilled workforce, ranging from architects and engineers to construction workers. Failure to attract and retain qualified personnel could lead to skill shortages, delays in fulfilling contractual agreements and loss of customers.

The company's overall exposure is high and is moderately above subindustry average. Business Ethics, Carbon -Own Operations 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.

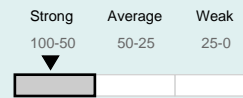
### ESG Risk Management

**77.7**

**+2.5**

**Strong**

**Momentum**



Sacyr's ESG-related issues are overseen by a board-level sustainability and corporate governance committee, suggesting that the company integrates these factors into its core business strategy. Moreover, Sacyr's ESG reporting follows best practice standards and its ESG data has received a limited external assurance. It has a very strong bribery and corruption policy and programme, as well as a whistleblower channel that is available to third parties and allows for anonymous reporting. The company also reports on initiatives to support women in management through internal development programmes and offers its workforce healthcare benefits and opportunities to develop their skills through educational programmes. Finally, the company has an overall strong environmental policy and management system that is certified to ISO 14001 standards at more than 83% of its sites.

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	6.0	Medium	71.6	Strong	2.6	Low	14.0%
E&S Impact of Products and Services	6.6	Medium	84.0	Strong	2.2	Low	11.8%
Business Ethics	6.6	Medium	71.4	Strong	2.1	Low	11.6%
Corporate Governance	6.7	Medium	70.5	Strong	2.0	Negligible	10.7%
Human Capital	6.3	Medium	74.4	Strong	1.8	Negligible	10.1%
Water Use -Own Operations	4.6	Medium	79.4	Strong	1.7	Negligible	9.2%
Community Relations	5.5	Medium	78.4	Strong	1.6	Negligible	8.8%
Product Governance	4.4	Medium	63.5	Strong	1.6	Negligible	8.8%
Raw Material Use	2.1	Low	56.9	Strong	1.1	Negligible	6.2%
Occupational Health and Safety	5.3	Medium	88.7	Strong	0.8	Negligible	4.5%
Emissions, Effluents and Waste	4.2	Medium	96.3	Strong	0.6	Negligible	3.1%
Stakeholder Governance	2.0	Low	88.5	Strong	0.2	Negligible	1.3%
Human Rights	2.1	Low	100.0	Strong	0.0	Negligible	0.0%
<b>Overall</b>	<b>62.3</b>	<b>High</b>	<b>77.7</b>	<b>Strong</b>	<b>18.3</b>	<b>Low</b>	<b>100.0%</b>

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## 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 (1)**

Anti-Competitive Practices

**Low (1)**

Community Relations

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

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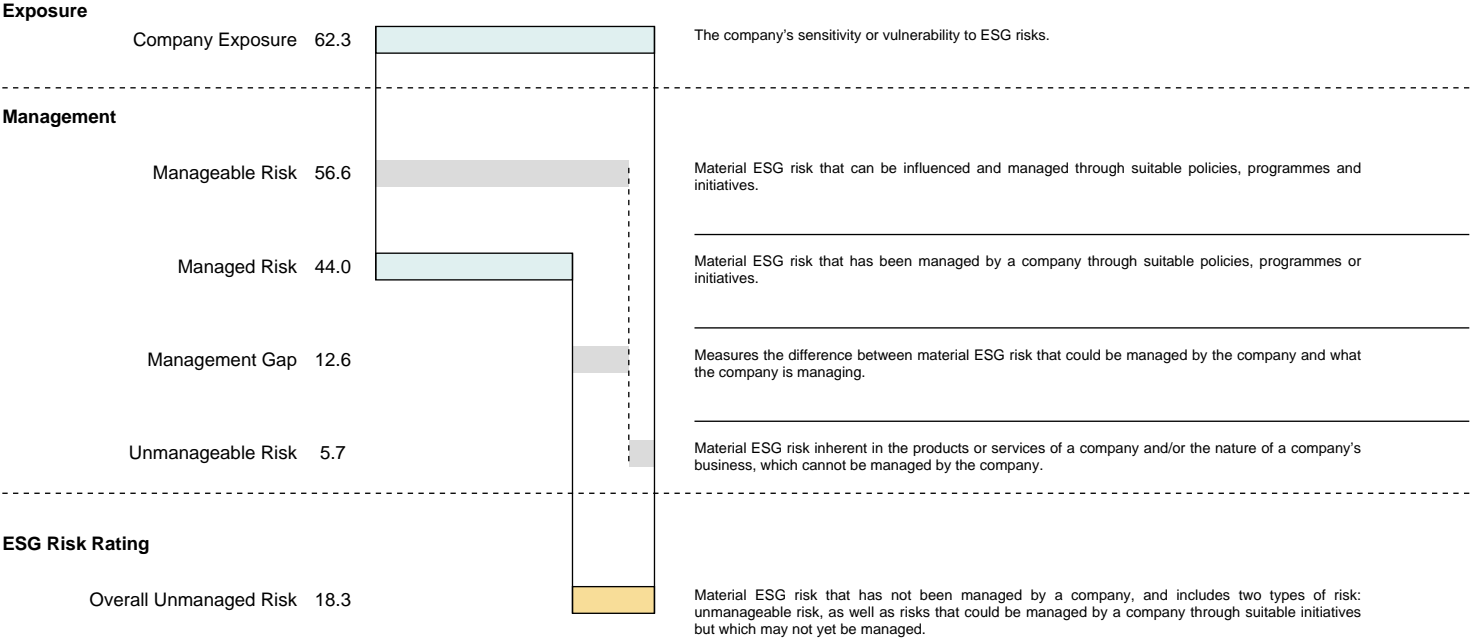
**None (19)**

- Accounting and Taxation
- Bribery and Corruption
- Business Ethics
- Corporate Governance
- Emissions, Effluents and Waste
- Employees - Human Rights
- 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
- Scarce Resource Use
- Social Impact of Products
- Society - Human Rights
- Water Use

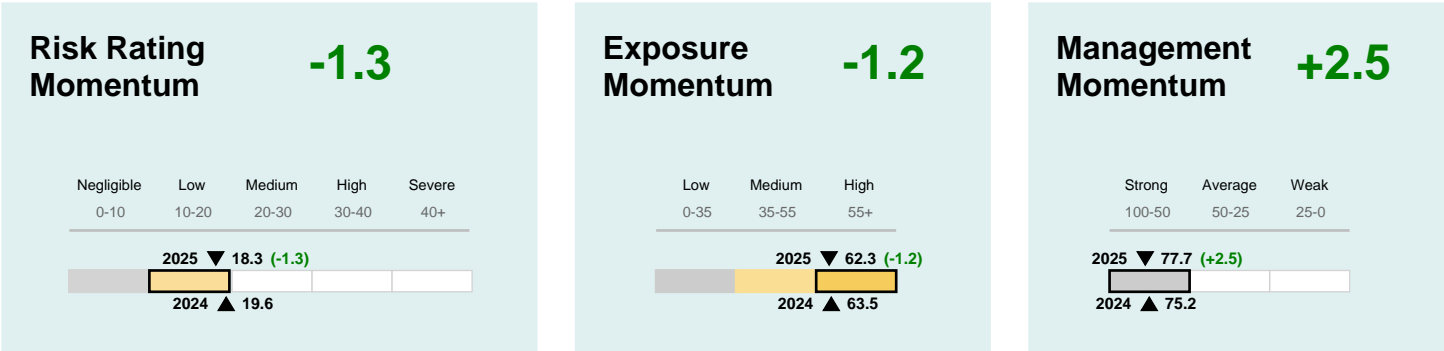
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## Risk Decomposition



## Momentum Details



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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.

### ESG Risk Category

Companies' **ESG Risk Rating scores** are assigned to five ESG risk categories in the **ESG Risk Rating**:

	<b>Negligible risk:</b> enterprise value is considered to have a negligible risk of material financial impacts driven by ESG factors
	<b>Low risk:</b> enterprise value is considered to have a low risk of material financial impacts driven by ESG factors
	<b>Medium risk:</b> enterprise value is considered to have a medium risk of material financial impacts driven by ESG factors
	<b>High risk:</b> enterprise value is considered to have a high risk of material financial impacts driven by ESG factors
	<b>Severe risk:</b> 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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