

SICIT Group SpA

Agricultural Chemicals Italy

ESG Risk Rating

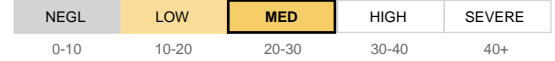
23.6

Last Full Update Feb 20, 2024

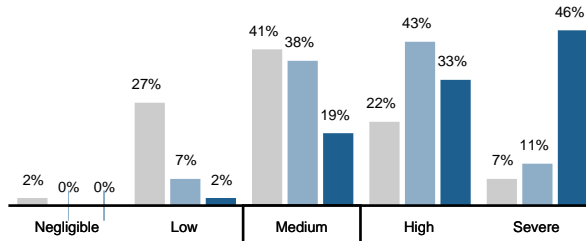
+1.5

Momentum

Medium Risk



ESG Risk Rating Distribution



ESG Risk Rating Ranking

UNIVERSE	RANK	PERCENTILE
	(1 st = lowest risk)	(1 st = Top Score)
Global Universe	7109/16063	45th
Chemicals Industry	115/610	20th
Agricultural Chemicals Subindustry	5/81	6th

Peers Table

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

Peers (Market cap \$0.0 - \$0.0bn)	Exposure	Management	ESG Risk Rating
1. OCP SA	55.8 High	83.6 Strong	14.3 Low
2. PT Pupuk Kalimantan Timur	52.9 Medium	65.9 Strong	21.9 Medium
3. SICIT Group SpA	50.0 Medium	59.4 Strong	23.6 Medium
4. Norofert SA	62.0 High	47.7 Average	35.4 High
5. Syngenta AG	58.3 High	44.1 Average	35.6 High

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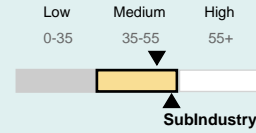
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ESG Risk Analysis

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

50.0 **+1.3**
Medium Momentum
 Beta = 0.93



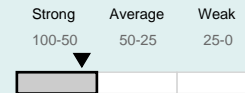
SICIT's exposure to material ESG issues differs from its agricultural chemical peers as the company utilizes residues of the leather tanning industry as its raw materials to produce biostimulants for agriculture and retardants for plaster, which is used in the gypsum industry. As such, SICIT is exposed to reduced risk, as it is less likely to be involved in cases regarding negative impacts of products on the environment or end user. Additionally, the company's production process requires a large flow of raw materials, which involves a significant use of energy. In the EU, where both of SICIT's production sites are located, carbon regulations are strengthening, exposing the company to potential operational risks and increased financial costs. Lastly, its operations generate air emissions and wastewater, which must be managed in accordance with EU limits and standards.

The company's overall exposure is medium and is moderately below subindustry average. Emissions, Effluents and Waste, Carbon -Own Operations and E&S Impact of Products and Services 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

59.4 **-1.8**
Strong Momentum



SICIT's board of directors oversees the execution of the company's sustainability strategy. As of FY2022, the company generated 77% of its revenue from products that offer significant environmental and social benefits. In addition, its agricultural products are externally certified according to EU standards. Moreover, the company has established an adequate renewable energy programme, which includes the implementation of initiatives to increase the use of renewables, such as the installation of photovoltaic systems in its Arzignano site. However, there is no evidence that SICIT has set clear targets with deadlines related to the programme. Lastly, the company has a very strong environmental management system, with both of its production facilities certified according to the ISO 1400 standard.

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	6.8 Medium	34.1 Average	4.9 Medium	20.9%
Resource Use	5.5 Medium	36.8 Average	3.9 Low	16.4%
Emissions, Effluents and Waste	6.7 Medium	54.1 Strong	3.4 Low	14.5%
Community Relations	3.3 Low	38.5 Average	2.2 Low	9.1%
E&S Impact of Products and Services	5.6 Medium	79.2 Strong	2.1 Low	8.7%
Human Capital	4.8 Medium	61.9 Strong	2.0 Negligible	8.3%
Stakeholder Governance	5.0 Medium	63.9 Strong	1.8 Negligible	7.6%
Product Governance	2.8 Low	47.5 Average	1.6 Negligible	6.9%
Occupational Health and Safety	5.7 Medium	83.8 Strong	1.2 Negligible	4.9%
Business Ethics	3.8 Low	88.8 Strong	0.6 Negligible	2.5%
Overall	50.0 Medium	59.4 Strong	23.6 Medium	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 (20)

Accounting and Taxation

Animal Welfare

Anti-Competitive Practices

Bribery and Corruption

Business Ethics

Community Relations

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

Social Impact of Products

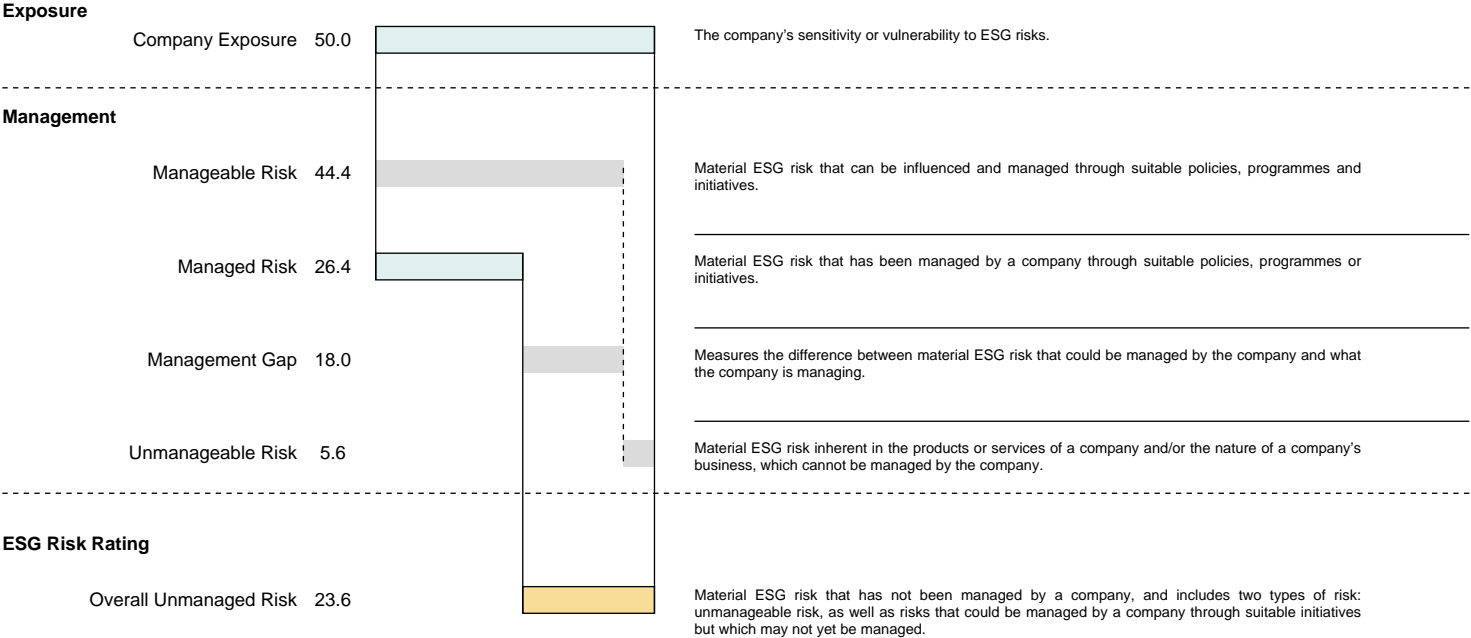
Society - Human Rights

Water Use

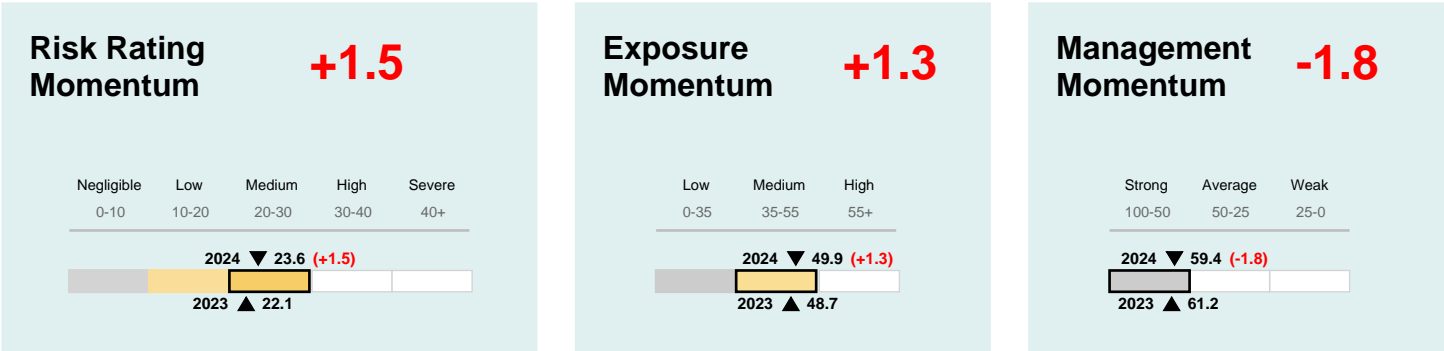
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Risk Decomposition



Momentum Details



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GLOSSARY OF TERMS

Beta (Beta, 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.

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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