

# Galata Wind Enerji AS

Renewable Power Production Turkey IST:GWIND.E

## ESG Risk Rating

# 14.9

Last Full Update Jul 25, 2023

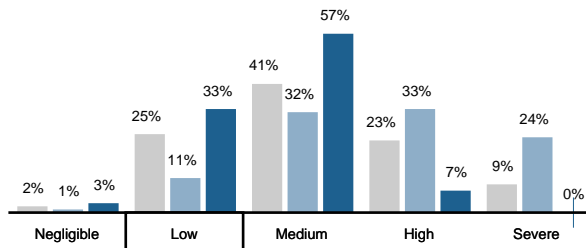
# -5.0

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	1556/15673	11th
Utilities INDUSTRY	32/710	5th
Renewable Power Production SUBINDUSTRY	13/90	14th

## Peers Table

Peers (Market cap \$0.4 - \$0.5bn)

Peers (Market cap \$0.4 - \$0.5bn)	Exposure	Management	ESG Risk Rating
1. Galata Wind Enerji AS	31.5 Low	55.6 Strong	14.9 Low
2. Aydem Yenilenebilir Enerji AS	34.0 Low	58.0 Strong	15.5 Low
3. Absolute Clean Energy PCL	31.2 Low	38.9 Average	19.7 Low
4. Super Energy Corp. Public Co. Ltd.	34.7 Low	31.7 Average	24.2 Medium
5. eREX Co., Ltd.	34.7 Low	14.5 Weak	29.9 Medium

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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

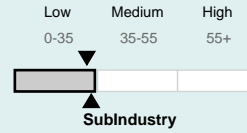
**31.5**

**-3.5**

**Low**

**Momentum**

**Beta = 0.93**



Galata Wind operates three wind farms and two solar farms in Turkey. These assets are vulnerable to extreme weather events and increasingly common cyberattacks. Damage to assets can lead to safety issues and increases the risks of operational disruptions and reputational damage. Galata Wind plans to expand its installed capacity from 269 MW in 2022 to 550 MW in 2025. The construction of wind and solar farms requires large tracts of land, which could lead to opposition from local communities. In addition, the company needs experienced administrative staff and qualified technical workers to build and operate its plants. According to Turkey's National Energy Plan for 2021-2035, new capacity requirements for solar and wind power respectively average 3.1 GW and 1.4 GW annually. This increases competition for talent; failure to recruit and retain workers could hinder Galata Wind's growth.

The company's overall exposure is low and is moderately below subindustry average. Human Capital, Community Relations 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.

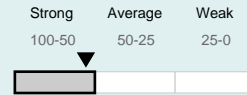
### ESG Risk Management

**55.6**

**+10.0**

**Strong**

**Momentum**



Galata Wind's head office and all its plants are certified to various standards, including ISO 14001 for environmental management, ISO 45001 for occupational health and safety, ISO 27001 for cybersecurity, and ISO 9001 for quality management, which is considered best practice. The company has a board-level sustainability committee that is responsible for ESG issues, and its 2022 sustainability report was prepared in accordance with GRI 2021 standards. However, it does not tie executive compensation to sustainability targets, and its sustainability report is not externally verified, suggesting room for improvement. In addition, although the company has not been implicated in any controversies, it could further strengthen its ability to manage ESG risks by implementing improvements in community relations, diversity, and its asset integrity programme.

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	50.1 Average	<b>4.5 Medium</b>	30.1%
Community Relations	5.4 Medium	25.0 Average	<b>4.2 Medium</b>	28.1%
Business Ethics	3.6 Low	47.5 Average	<b>2.0 Negligible</b>	13.2%
Product Governance	4.5 Medium	75.3 Strong	<b>1.5 Negligible</b>	9.7%
Human Capital	2.7 Low	50.0 Strong	<b>1.4 Negligible</b>	9.5%
Land Use and Biodiversity	2.7 Low	70.6 Strong	<b>0.8 Negligible</b>	5.3%
Occupational Health and Safety	3.6 Low	92.5 Strong	<b>0.6 Negligible</b>	4.0%
<b>Overall</b>	<b>31.5 Low</b>	<b>55.6 Strong</b>	<b>14.9 Low</b>	<b>100.0%</b>

## 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 (0)**

**1 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 (16)**

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

Land Use and Biodiversity

Lobbying and Public Policy

Marketing Practices

Occupational Health and Safety

Quality and Safety

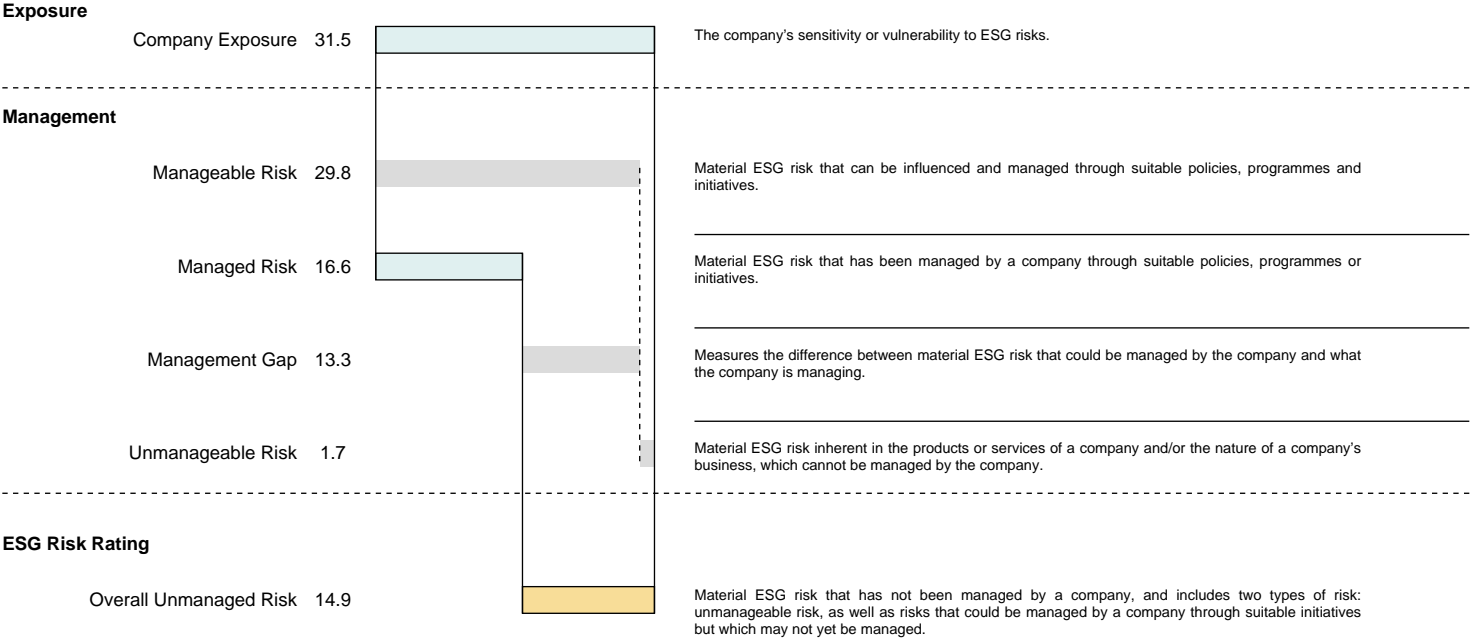
Sanctions

Society - Human Rights

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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.

### 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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