

Convergent Energy and Power LP

Renewable Power Production United States

ESG Risk Rating

13.9

Updated Feb 18, 2021

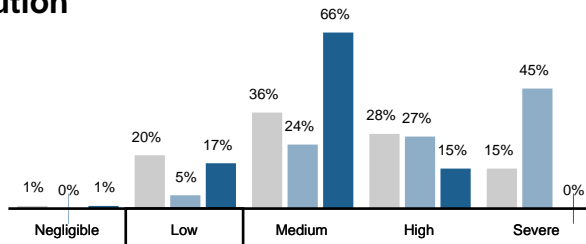
Not
available

Momentum

Low Risk



ESG Risk Rating Category Distribution



ESG Risk Rating Ranking

UNIVERSE	RANK	PERCENTILE
	(1 st = lowest risk)	(1 st = lowest risk)
Global Universe	686/13707	6th
Utilities INDUSTRY	8/597	2nd
Renewable Power Production SUBINDUSTRY	5/71	7th

Peers Comparison

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

Peers (Market cap \$0.0 - \$0.0bn)	Exposure	Management	ESG Risk Rating
1. Convergent Energy and Power LP	30.2 Low	57.4 Strong	13.9 Low
2. Statkraft AS	27.3 Low	44.2 Average	15.9 Low
3. Star Energy Geothermal (Wayang Windu) Ltd.	32.0 Low	53.3 Strong	16.0 Low
4. Korea East-West Power Co., Ltd.	32.0 Low	42.7 Average	19.1 Low
5. Korea Western Power Co., Ltd.	34.8 Low	46.8 Average	19.5 Low

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ESG Risk Analysis

Exposure refers to the extent to which a company is exposed to different material ESG Issues. Our exposure score takes into consideration subindustry and company-specific factors such as its business model.

Exposure

30.2 **Not available**
Low **Momentum**
Beta = 1.01

Low 0-35 Medium 35-55 High 55+

Subindustry

To run successful operations, Convergent relies on a workforce of skilled project and business developers, as well as talented asset managers. Poor hiring and retention schemes, or failure to support a diverse workforce may expose the company to skill shortage, business disruptions and failure to meet project deadlines. Similar to its peers, Convergent might also face ethical risks stemming from its business relations with government officials, suppliers and utility customers. Ethical breaches such as bribery, bid rigging or conflicts of interest could trigger regulatory investigations and costly fines. In addition, any potential shortcomings in energy storage systems might result in quality and safety issues such as fires or service interruptions. Incidents could prompt operational disruptions, repair costs and notable brand damages.

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

Management refers to how well a company is managing its relevant ESG issues. Our management score assesses the robustness of a company's ESG programs, practices, and policies.

Management

57.4 **Not available**
Strong **Momentum**

Strong 100-50 Average 50-25 Weak 25-0

Convergent's overall ESG-related disclosure is weak and not in accordance with GRI reporting standards. The company's ESG-related issues are overseen by the board, 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

ESG Issues regarded material for the company.

Issue Name	Exposure	Management	ESG Risk Rating	Contribution to ESG Risk Rating
	Score Category	Score Category	Score Category	
Community Relations	6.0 Medium	48.0 Average	3.4 Low	24.5%
Human Capital	4.0 Medium	24.4 Weak	3.1 Low	22.1%
Corporate Governance	5.0 Medium	56.0 Strong	2.2 Low	15.8%
Product Governance	4.0 Medium	65.0 Strong	1.7 Negligible	12.0%
Business Ethics	4.0 Medium	67.5 Strong	1.4 Negligible	10.3%
Land Use and Biodiversity	3.2 Low	63.0 Strong	1.2 Negligible	8.4%
Occupational Health and Safety	4.0 Medium	85.0 Strong	0.9 Negligible	6.8%
Overall	30.2 Low	57.4 Strong	13.9 Low	100.0%

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

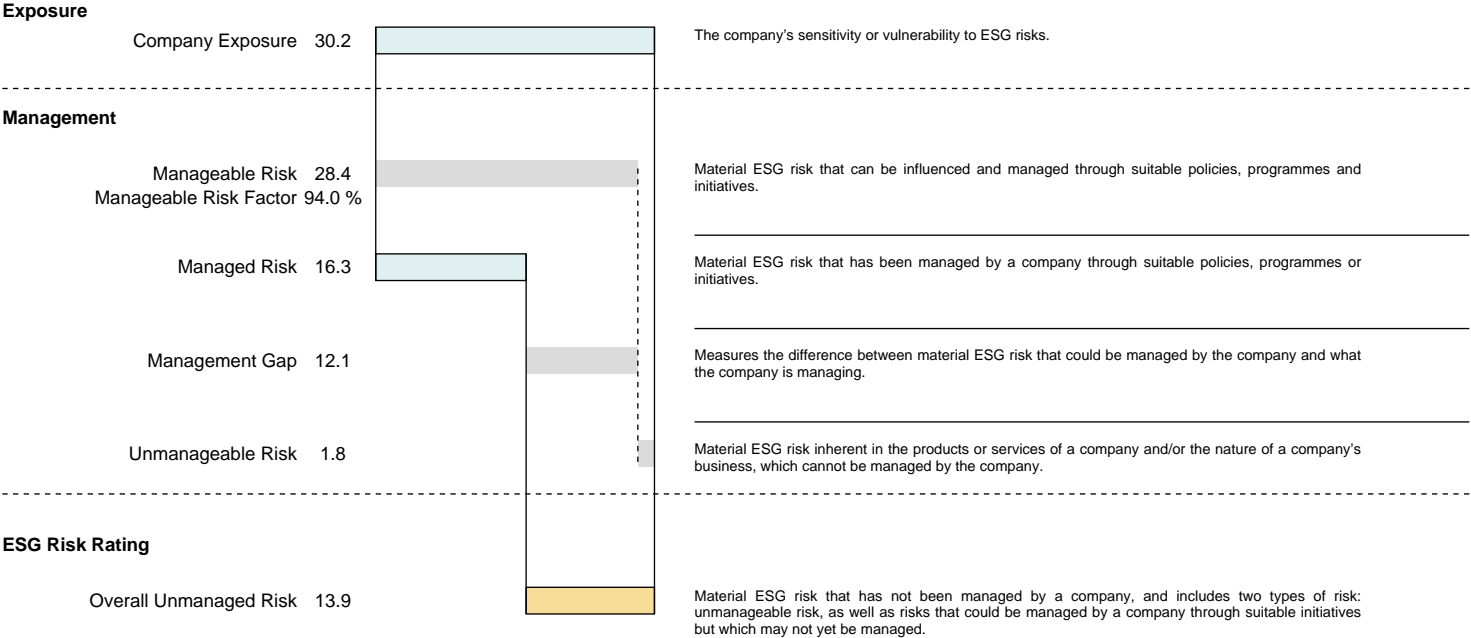
Sanctions

Society - Human Rights

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Risk Decomposition



Momentum Details

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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