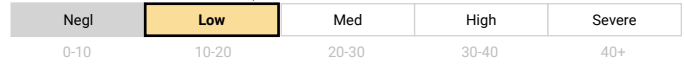


# Majid Al Futtaim Holding LLC

## 18.1 Low Risk

Food Retail | United Arab Emirates |



### Rating Overview

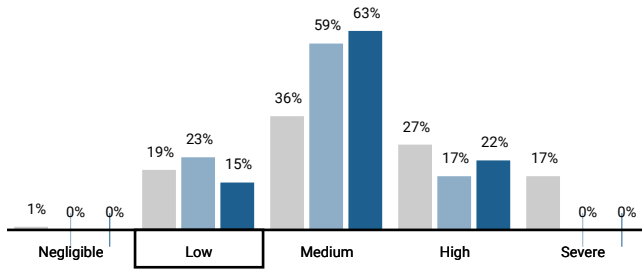
The company is at low risk of experiencing material financial impacts from ESG factors, due to its low exposure and average management of material ESG issues. The company is not publicly held, which reduces its corporate governance risk compared to its peers. Its management has not resulted in significant controversies for the company and ultimately the company's favourable risk assessment is due to its low exposure to ESG issues.

**Momentum Score: -0.8**

Stable **II** →

The company's risk score has not changed significantly in the past year, and its risk category has remained stable.

### ESG Risk Rating Distribution



### Relative Performance

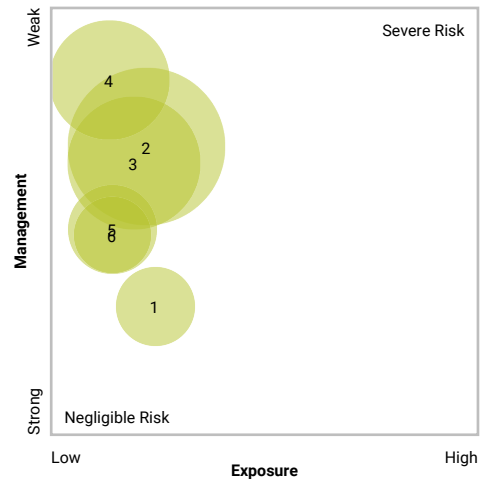
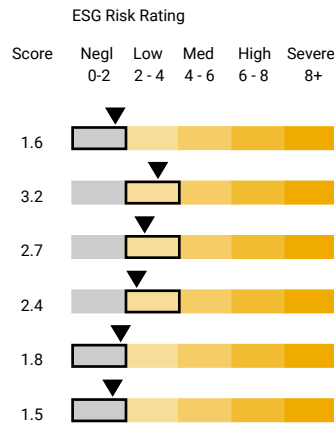
	Rank (1 <sup>st</sup> = lowest risk)	Percentile (1 <sup>st</sup> = lowest risk)
Global Universe	1639 out of 12082	14th
Food Retailers (Industry Group)	27 out of 179	15th
Food Retail (Subindustry)	10 out of 121	8th



### Attribution Analysis

Top Material Issues

- Corporate Governance
- Carbon - Own Operations
- Human Capital
- Product Governance
- Human Rights - Supply Chain
- Business Ethics

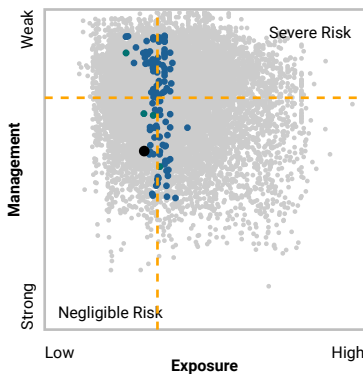


△ = Significant event

○ Circle size = Contribution to ESG Risk Rating



### Risk Analysis



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

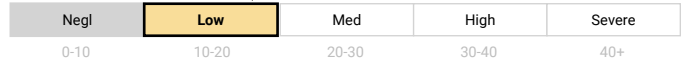
	ESG Risk Rating	Exposure	Management
1. Majid Al Futtaim Holding LLC	18.1 Low	31.1 Low	44.2 Average
2. Co-operative Group Ltd.	19.2 Low	36.0 Medium	49.1 Average
3. Esselunga S.p.A.	21.5 Medium	31.0 Low	32.5 Average
4. Coop-Gruppe Genossenschaft	22.1 Medium	25.4 Low	13.6 Weak
5. Auchan Holding SA	23.3 Medium	33.9 Low	33.1 Average

- Global Universe
- Food Retail (Subindustry)
- Majid Al Futtaim Holding LLC
- Peers
- + SubIndustryAvg.

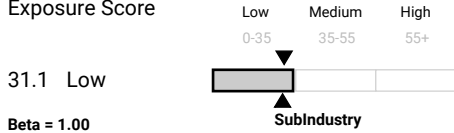
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### Exposure Score



Beta = 1.00

In 2018, MAF's carbon intensity was twice the food products industry median, with the retail segment accounting for 41% of the company's total GHG emissions. While among countries of operation only Kenya and Lebanon have issued executive plans for climate change mitigation and renewable energy targets, MAF could face increased scrutiny as a Carrefour franchisee. In addition, as of year-end 2019, MAF employed more than 42,000 people, the majority of whom in the retail segment. Low wages and a maintaining a low number of permanent employees are common cost control strategies in the sector, whose pursuit could lead to labour disputes and disruptions for MAF. Moreover, MAF's Carrefour supermarkets are exposed product safety issues through private label products. Inadequate storage and transportation could result in product spoilage, leading to mass recalls with logistic and disposal costs.

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

### Management Score



MAF's overall ESG-related disclosure is not in accordance with GRI reporting standards, lagging behind best practice. The company's ESG-related issues are overseen by the Sustainability Steering Committee, chaired by the CEO, suggesting that these are integrated in core business strategy.

The company's overall management of material ESG issues is average.

## Attribution Details

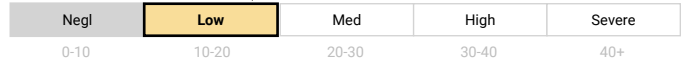
Issue Name	Contribution to							ESG Risk Rating	Risk Category
	ESG Risk Rating	Subindustry Exposure	Company Exposure	Manageable Risk Factor	Management Score	Management Weight	ESG Risk Rating		
Corporate Governance	8.8%	5.0	5.0	100%	68.0	17.0 %	1.6		
Carbon -Own Operations	17.6%	4.0	4.6	100%	30.6	15.7 %	3.2		
Human Capital	14.9%	4.0	4.0	95%	34.4	12.9 %	2.7		
Product Governance	13.4%	3.0	2.9	100%	15.0	9.7 %	2.4		
Human Rights -Supply Chain	9.9%	3.0	3.0	80%	50.0	8.2 %	1.8		
Business Ethics	8.5%	3.0	3.0	95%	51.3	9.7 %	1.5		
E&S Impact of Products and Services	8.2%	3.0	2.9	100%	47.8	9.7 %	1.5		
Data Privacy and Security	7.1%	2.0	1.9	80%	40.0	5.2 %	1.3		
Emissions, Effluents and Waste	6.8%	2.0	1.9	100%	35.6	6.5 %	1.2		
Resource Use -Supply Chain	4.7%	2.0	2.0	80%	71.5	5.4 %	0.9		
<b>Overall</b>	<b>100.0%</b>	<b>31.0</b>	<b>31.1</b>	<b>94.4 %</b>	<b>44.2</b>	<b>100.0%</b>	<b>18.1</b>	<b>Low</b>	

△ =Significant event

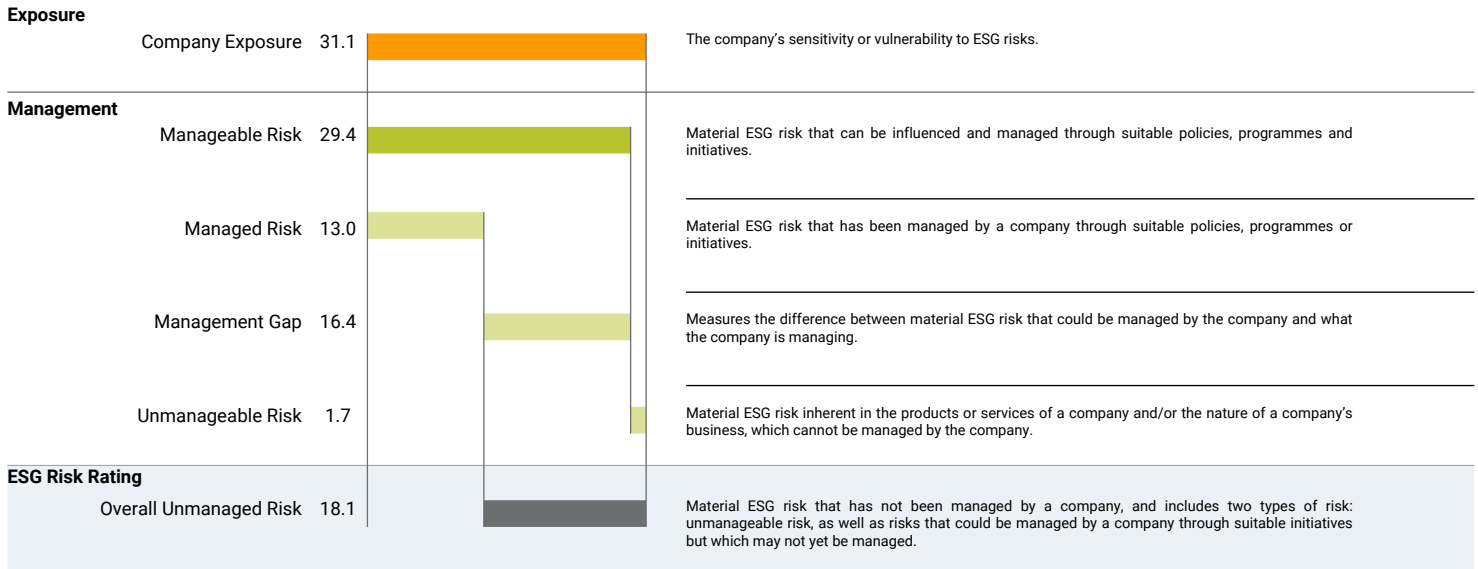
# Majid Al Futtaim Holding LLC

## 18.1 Low Risk

Food Retail | United Arab Emirates |



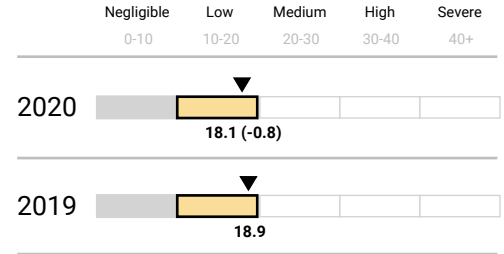
### Risk Details



### Momentum Details

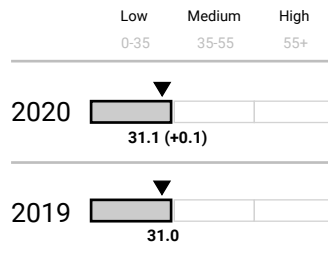
ESG Risk Rating Momentum Score: -0.8

Stable  $\Rightarrow$  The company's risk score has not changed significantly in the past year, and its risk category has remained stable.



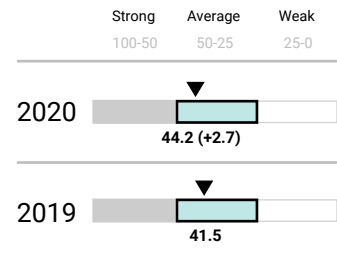
Exposure Momentum Score: +0.1

Stable  $\Rightarrow$  The company's exposure score has not changed significantly in the past year, and its exposure category has remained stable.



Management Momentum Score: +2.7

Stable  $\Rightarrow$  The company's management score has increased in the past year, but its management category has remained stable.



# Majid Al Futtaim Holding LLC

Food Retail | United Arab Emirates |

## 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**).

# Majid Al Futtaim Holding LLC

Food Retail | United Arab Emirates |

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