

Majid Al Futtaim Holding LLC

Food Retail United Arab Emirates

ESG Risk Rating

15.8

Last Full Update Aug 14, 2023

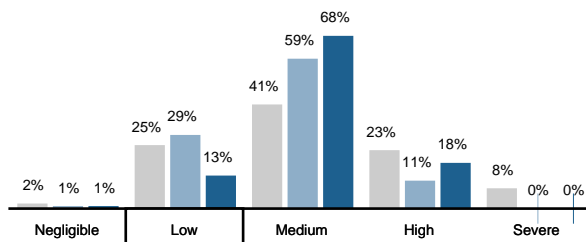
+1.0

Momentum

Low Risk



ESG Risk Rating Distribution



ESG Risk Rating Ranking

UNIVERSE	RANK	PERCENTILE
	(1 st = lowest risk)	(1 st = Top Score)
Global Universe	1943/15442	13th
Food Retailers INDUSTRY	14/192	8th
Food Retail SUBINDUSTRY	5/119	4th

Peers Table

Peers (Market cap \$0.0 - \$0.0bn)	Exposure	Management	ESG Risk Rating
1. Esselunga SpA	34.0 Low	78.2 Strong	9.0 Negligible
2. Majid Al Futtaim Holding LLC	38.2 Medium	63.5 Strong	15.8 Low
3. Co-operative Group Ltd.	38.4 Medium	58.4 Strong	17.3 Low
4. Schwarz Group	37.6 Medium	52.2 Strong	19.4 Low
5. MAXIMA Grupe UAB	34.0 Low	40.6 Average	21.1 Medium

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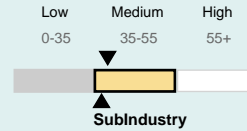
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ESG Risk Analysis

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

38.2 **+1.5**
Medium Momentum
 Beta = 1.03



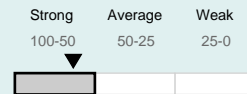
Energy costs are among the top four operating costs for food retailers. Given MAFH's international presence with 29 shopping malls, 13 hotels and approximately 1.8 million sqm of gross leasable areas of retail space, energy efficiency is primordial. Failure to do so could result in compliance issues in addition to high power costs. Moreover, with a workforce of over 46,000 employees, representing more than 120 nationalities, the company needs to invest in strong talent development opportunities and diversity programmes in order to retain its workforce and avoid high turnover rates. Lastly, MAFH should also ensure that its supply chains are free of unethical practices. The inability to properly manage these risks raises the possibility of severe reputational damage, alongside possible regulatory scrutiny.

The company's overall exposure is medium and is similar to subindustry average. Carbon -Own Operations, Human Rights -Supply Chain 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

63.5 **-0.5**
Strong Momentum



MAFH reports on its ESG performance through its "Dare Together" report, written in accordance with GRI reporting standards and supplemented with an environmental data annex. The report focuses on three main pillars, namely: rethinking resources (environment), transforming lives (social) and empowering our people (social). The company's sustainability strategy is reviewed by the board and overseen by its chief sustainability officer and corporate sustainability team. Moreover, MAFH's ESG reporting was verified by Upstream and received a moderate assurance in accordance with the AA1000AS v3 standard. The company could further improve its performance by reaching reasonable assurance by a recognized best practice standard such as AA1000AS or ISAE 3000.

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	4.0 Medium	49.8 Average	2.0 Low	12.7%
Human Rights -Supply Chain	4.0 Medium	62.5 Strong	2.0 Low	12.6%
Human Capital	4.0 Medium	55.8 Strong	1.9 Negligible	11.9%
Data Privacy and Security	5.0 Medium	80.0 Strong	1.8 Negligible	11.4%
Product Governance	3.0 Low	45.0 Average	1.7 Negligible	10.4%
Business Ethics	4.2 Medium	66.0 Strong	1.6 Negligible	9.9%
E&S Impact of Products and Services	3.0 Low	56.6 Strong	1.3 Negligible	8.2%
Corporate Governance	5.0 Medium	75.0 Strong	1.3 Negligible	7.9%
Land Use and Biodiversity -Supply Chain	2.0 Low	50.0 Strong	1.2 Negligible	7.6%
Resource Use -Supply Chain	2.0 Low	63.2 Strong	1.0 Negligible	6.2%
Emissions, Effluents and Waste	2.0 Low	90.0 Strong	0.2 Negligible	1.3%
Overall	38.2 Medium	63.5 Strong	15.8 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 (2)

Accounting and Taxation

Business Ethics

1 Low (1)

Labour Relations

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Events Overview

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

Category (Events)

⚠ None (25)

Animal Welfare

Animal Welfare - SC

Anti-Competitive Practices

Bribery and Corruption

Community Relations

Community Relations - SC

Data Privacy and Security

Emissions, Effluents and Waste

Employees - Human Rights

Employees - Human Rights - SC

Energy Use and GHG Emissions

Environmental Impact of Products

Intellectual Property

Labour Relations - SC

Land Use and Biodiversity - SC

Lobbying and Public Policy

Marketing Practices

Occupational Health and Safety

Occupational Health and Safety - SC

Quality and Safety

Sanctions

Social Impact of Products

Society - Human Rights

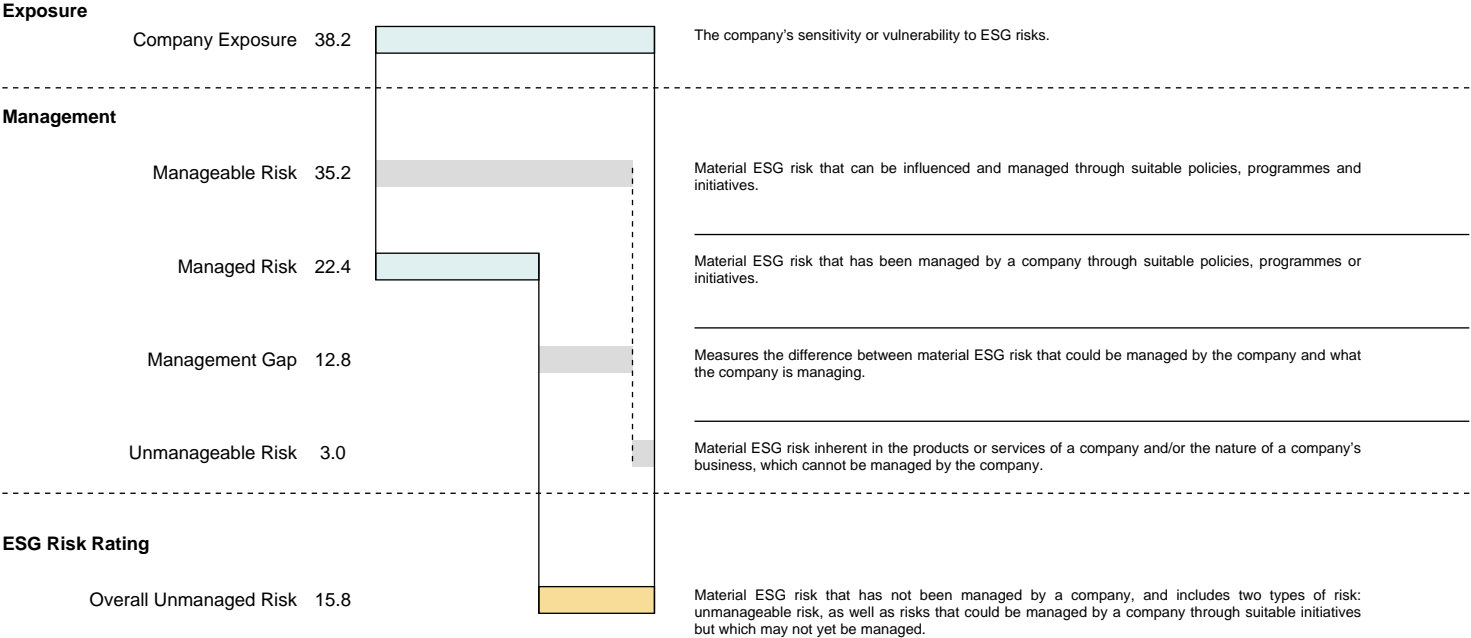
Society - Human Rights - SC

Water Use - SC

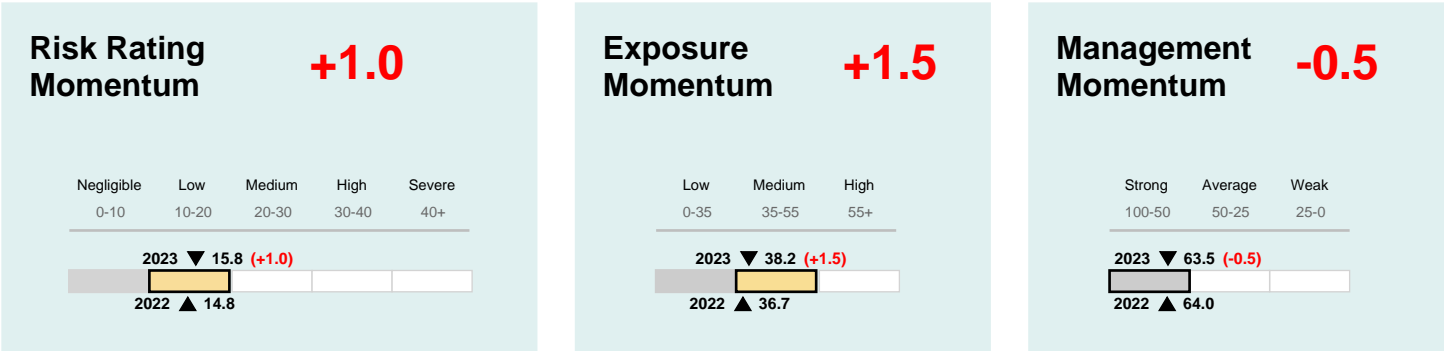
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Risk Decomposition



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.

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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