

Majid Al Futtaim Holding LLC

Food Retail United Arab Emirates

ESG Risk Rating

15.0

Updated Sep 8, 2022

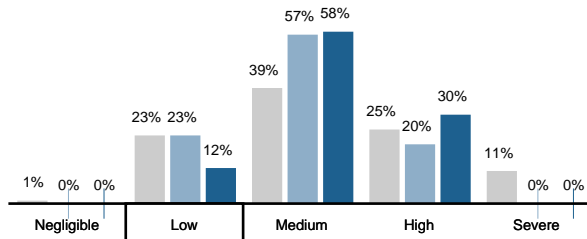
-4.6

Momentum

Low Risk



ESG Risk Rating Distribution



ESG Risk Rating Ranking

UNIVERSE	RANK	PERCENTILE
	(1 st = lowest risk)	(1 st = lowest risk)
Global Universe	1342/14637	10th
Food Retailers INDUSTRY	9/198	5th
Food Retail SUBINDUSTRY	4/127	3rd

Peers Table

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

Peers (Market cap \$0.0 - \$0.0bn)	Exposure	Management	ESG Risk Rating
1. Majid Al Futtaim Holding LLC	36.7 Medium	63.7 Strong	15.0 Low
2. Co-operative Group Ltd.	38.8 Medium	49.3 Average	20.6 Medium
3. Esselunga SpA	34.0 Low	38.9 Average	21.4 Medium
4. MAXIMA Grupe UAB	34.6 Low	40.2 Average	21.7 Medium
5. Schwarz Group	34.0 Low	39.0 Average	21.7 Medium

Majid Al Futtaim Holding LLC

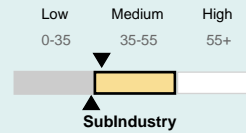
Food Retail United Arab Emirates

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

36.7 **+0.5**
Medium Momentum
 Beta = 1.08



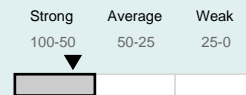
MAFH's operations are energy-intensive, with consumption stemming primarily from lighting, HVAC, refrigeration and logistics. Given the company's footprint with around 3,500,000 sqm of floor area (in FY2021), failure to become more energy efficient and increase the share of renewables in its energy mix could translate into compliance issues and higher power costs. Moreover, in 2021, MAFH relied on more than 43,000 employees representing more than 110 nationalities across 17 countries. Low wages or workplace discrimination could lead to labour disputes, ensuing operational disruptions. Moreover, MAFH also needs to make sure that its supply chains are free of unethical practices such as forced or child labour. 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 moderately above subindustry average. Human Rights -Supply Chain, Human Capital and Carbon -Own Operations 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

63.7 **+14.3**
Strong Momentum



MAFH's overall ESG-related disclosure is in accordance with GRI reporting standards, signaling strong accountability to investors and the public. The company's progress against its sustainability strategy is reviewed by the board and overseen by the Chief Sustainability Officer and the corporate sustainability team. Similarly, MAFH's environmental policy is very strong and the company provides evidence that ESG targets are used to evaluate executive performance.

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

Majid Al Futtaim Holding LLC

Food Retail United Arab Emirates

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	
Human Capital	4.2 Medium	53.4 Strong	2.1 Low	13.8%
Business Ethics	3.3 Low	44.0 Average	1.9 Negligible	12.8%
Carbon -Own Operations	4.8 Medium	62.0 Strong	1.8 Negligible	12.2%
Data Privacy and Security	2.6 Low	60.0 Strong	1.4 Negligible	9.0%
Corporate Governance	5.0 Medium	73.0 Strong	1.4 Negligible	9.0%
Product Governance	3.2 Low	60.0 Strong	1.3 Negligible	8.4%
Human Rights -Supply Chain	4.2 Medium	87.5 Strong	1.3 Negligible	8.4%
E&S Impact of Products and Services	3.2 Low	60.7 Strong	1.2 Negligible	8.3%
Land Use and Biodiversity -Supply Chain	2.1 Low	62.5 Strong	1.1 Negligible	7.0%
Emissions, Effluents and Waste	2.1 Low	56.2 Strong	0.9 Negligible	6.1%
Resource Use -Supply Chain	2.1 Low	82.0 Strong	0.7 Negligible	4.8%
Overall	36.7 Medium	63.7 Strong	15.0 Low	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 (2)

Accounting and Taxation

Business Ethics

Low (1)

Labour Relations

Majid Al Futtaim Holding LLC

Food Retail United Arab Emirates

Events Overview

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

Category (Events)

None (22)

Animal Welfare

Animal Welfare - SC

Anti-Competitive Practices

Bribery and Corruption

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

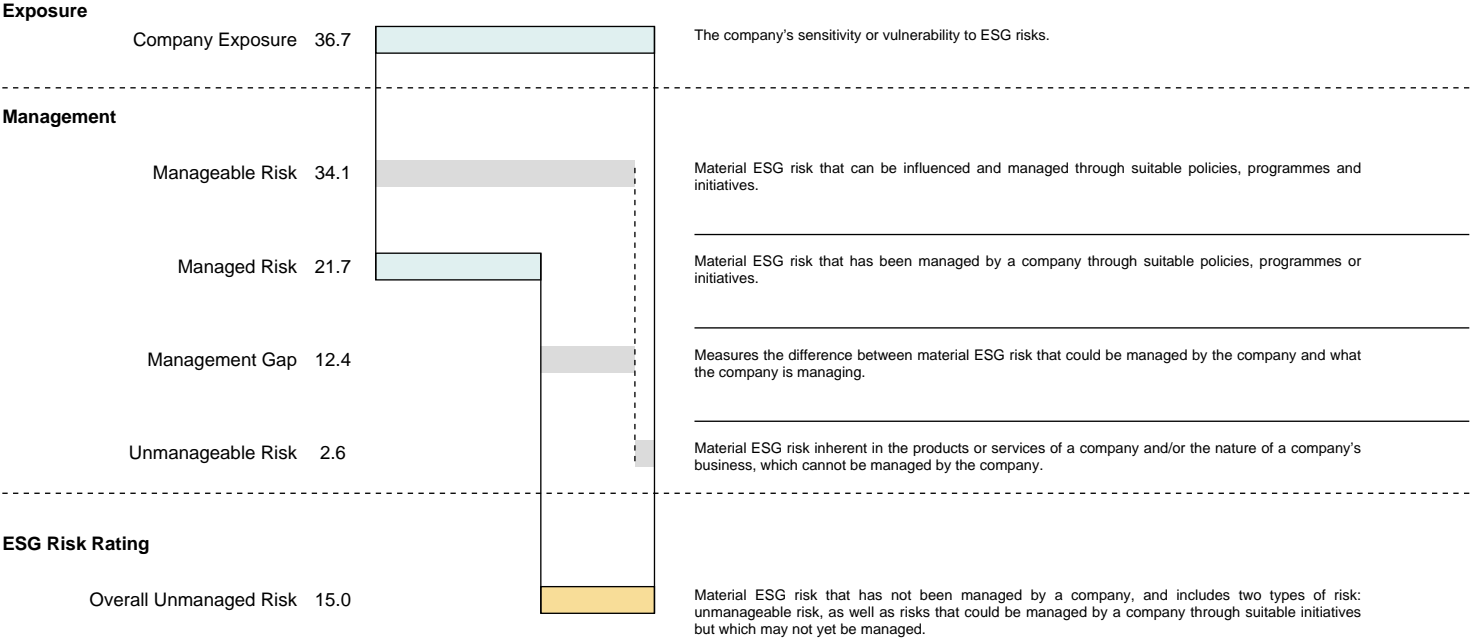
Society - Human Rights - SC

Water Use - SC

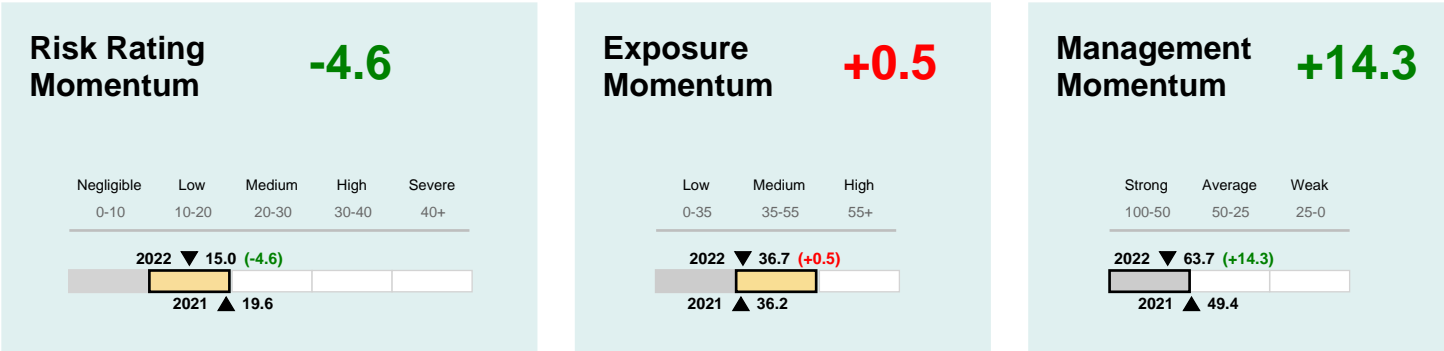
Majid Al Futtaim Holding LLC

Food Retail United Arab Emirates

Risk Decomposition



Momentum Details



Majid Al Futtaim Holding LLC

Food Retail United Arab Emirates

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**).

Majid Al Futtaim Holding LLC

Food Retail United Arab Emirates

DISCLAIMER

Copyright © 2022 Sustainalytics. All rights reserved.

The information, methodologies, data and opinions contained or reflected herein are proprietary of Sustainalytics and/or its third parties suppliers (Third Party Data), intended for internal, non-commercial use, and may not be copied, distributed or used in any way, including via citation, unless otherwise explicitly agreed in writing. They are provided for informational purposes only and (1) do not constitute investment advice; (2) cannot be interpreted as an offer or indication to buy or sell securities, to select a project or make any kind of business transactions; (3) do not represent an assessment of the issuer's economic performance, financial obligations nor of its creditworthiness.

These are based on information made available by third parties, subject to continuous change and therefore are not warranted as to their merchantability, completeness, accuracy or fitness for a particular purpose. The information and data are provided "as is" and reflect Sustainalytics' opinion at the date of their elaboration and publication. Sustainalytics nor any of its third-party suppliers accept any liability for damage arising from the use of the information, data or opinions contained herein, in any manner whatsoever, except where explicitly required by law. Any reference to third party names or Third Party Data is for appropriate acknowledgement of their ownership and does not constitute a sponsorship or endorsement by such owner. A list of our third-party data providers and their respective terms of use is available on our website. For more information, visit <http://www.sustainalytics.com/legal-disclaimers>.