

Dubai Aerospace Enterprise (DAE) Ltd

Trading and Distribution United Arab Emirates

ESG Risk Rating

14.1

Updated Sep 8, 2021

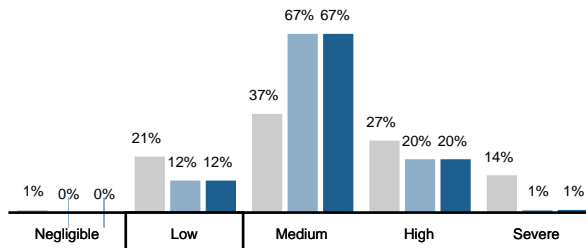
Not available

Momentum

Low Risk



ESG Risk Rating Distribution



ESG Risk Rating Ranking

UNIVERSE	RANK	PERCENTILE
	(1 st = lowest risk)	(1 st = lowest risk)
Global Universe	878/13655	7th
Traders & Distributors INDUSTRY	2/169	2nd
Trading and Distribution SUBINDUSTRY	2/169	2nd

Peers Table

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

Peers (Market cap \$0.0 - \$0.0bn)	Exposure	Management	ESG Risk Rating
1. LOXAM SAS	27.7 Low	55.3 Strong	13.8 Low
2. Dubai Aerospace Enterprise (DAE) Ltd	25.6 Low	49.2 Average	14.1 Low
3. Cramo Oyj	25.5 Low	47.6 Average	14.4 Low
4. Adolf Würth GmbH & Co. KG	25.0 Low	30.1 Average	18.1 Low
5. Sarens Bestuur NV	32.0 Low	45.2 Average	18.7 Low

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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

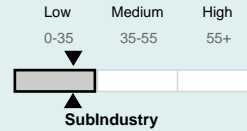
25.6

Not available

Low

Momentum

Beta = 0.98



The company relies on skilled personnel to provide stable leasing services and ensure adequate customer support. Failure to hire and retain workers could alter DAE's relationship with key partners and affect its competitive edge. Additionally, DAE's global operations as well as its involvement in emerging economies exposes the company to the possibility of ethical breaches such as bribery and corruption, which could lead to lawsuits and penalties. Moreover, aircraft management is energy- and fuel-intensive. In light of tightening environmental legislation, failure on the part of the company to reduce its GHG emissions could lead to increased costs, fines and stakeholder scrutiny.

The company's overall exposure is low and is similar to subindustry average. Carbon -Own Operations, Human Capital and Business Ethics 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.

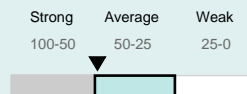
ESG Risk Management

49.2

Not available

Average

Momentum



DAE's 2021 ESG report was prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core Option. However, the company has a board committee overseeing governance issues only, and no executive or board leadership structure is disclosed for environmental and social ones, suggesting that these are not integrated in core business strategy.

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

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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	5.0 Medium	33.0 Weak	3.4 Low	23.7%
Human Capital	6.0 Medium	52.6 Strong	3.0 Low	21.2%
Carbon -Own Operations	3.6 Low	60.1 Strong	1.9 Negligible	13.2%
Human Rights -Supply Chain	2.0 Low	12.5 Weak	1.8 Negligible	12.7%
Business Ethics	5.0 Medium	67.5 Strong	1.8 Negligible	12.7%
Resource Use	2.0 Low	35.4 Average	1.4 Negligible	10.2%
Product Governance	2.0 Low	62.5 Strong	0.9 Negligible	6.2%
Overall	25.6 Low	49.2 Average	14.1 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)

Accounting and Taxation

Anti-Competitive Practices

Bribery and Corruption

Business Ethics

Employees - Human Rights - SC

Energy Use and GHG Emissions

Intellectual Property

Labour Relations

Labour Relations - SC

Lobbying and Public Policy

Marketing Practices

Occupational Health and Safety - SC

Quality and Safety

Sanctions

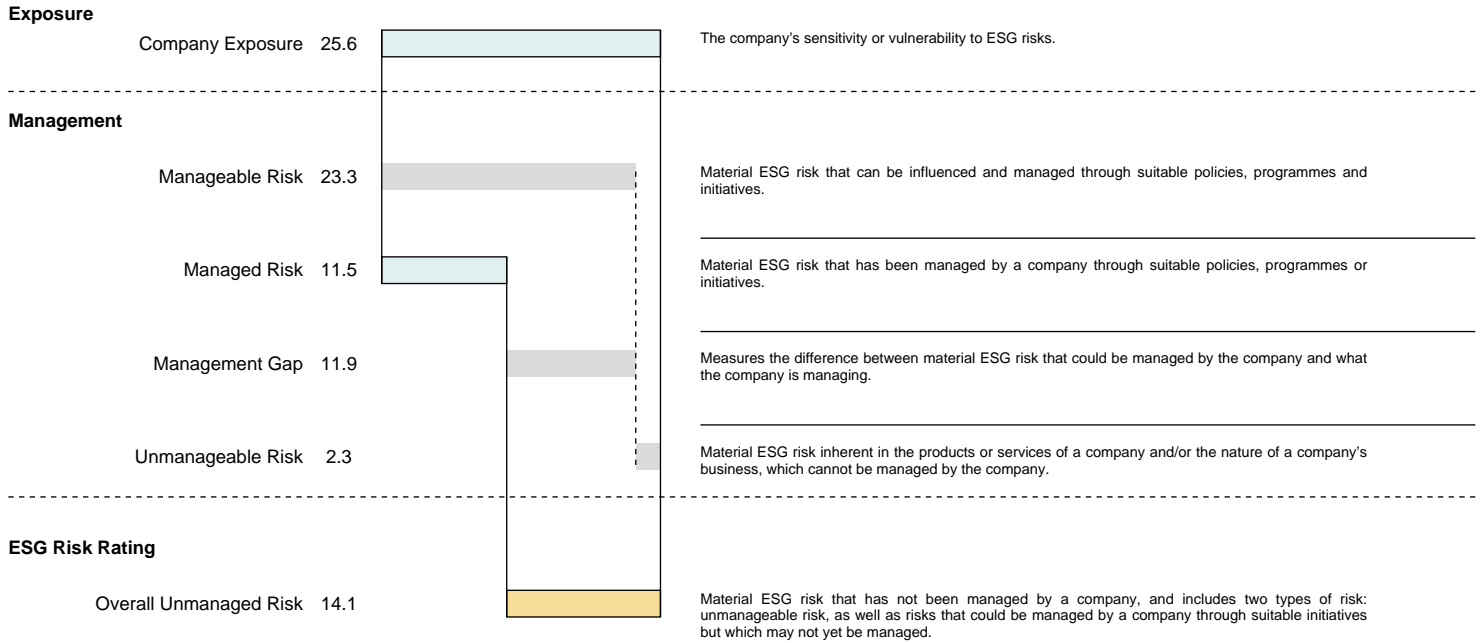
Society - Human Rights - SC

Water Use

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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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