

Dubai Aerospace Enterprise (DAE) Ltd.

Trading and Distribution United Arab Emirates

ESG Risk Rating

12.3

Last Full Update Nov 24, 2023

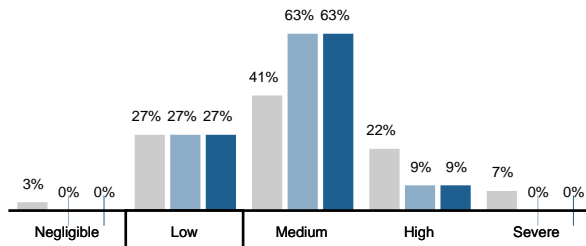
-2.3

Momentum

Low Risk



ESG Risk Rating Distribution



ESG Risk Rating Ranking

UNIVERSE	RANK	PERCENTILE
	(1 st = lowest risk)	(1 st = Top Score)
Global Universe	916/16215	7th
Traders & Distributors INDUSTRY	6/204	3rd
Trading and Distribution SUBINDUSTRY	6/204	3rd

Peers Table

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

Peers (Market cap \$0.0 - \$0.0bn)	Exposure	Management	ESG Risk Rating
1. Amadys Belgium NV	33.8 Low	73.4 Strong	11.2 Low
2. LOXAM SAS	28.0 Low	66.4 Strong	11.2 Low
3. Dubai Aerospace Enterprise (DAE) Ltd.	27.6 Low	61.4 Strong	12.3 Low
4. Veritiv Corp.	41.0 Medium	73.4 Strong	13.3 Low
5. Cramo Oy	26.3 Low	46.1 Average	15.3 Low

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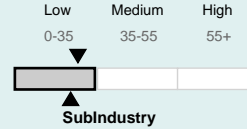
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ESG Risk Analysis

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

27.6 **0.0**
Low **Momentum**
 Beta = 1.10



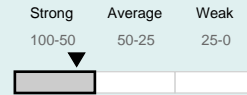
Dubai Aerospace Enterprise (DAE) states that decarbonization is at the centre of its business strategy. The company also relies on highly qualified employees with skillsets in high demand in other industries, such as banks and aircraft manufacturers. Failure to attract and retain a skilled workforce may expose DAE to high turnover rates, which may affect hiring and training costs. As a lessor, DAE is not directly responsible for the operational risks faced by its lessees; however, any incidents resulting from poor aircraft maintenance could reflect negatively on its reputation, leading to a loss of prospective clients and contracts. Lastly, DAE operates in 59 countries and is exposed to compliance risks, especially in areas where compliance regulations are lax. Failure to comply with regulations in each region can lead to investigations and, potentially, to significant fines.

The company's overall exposure is low and is moderately above subindustry average. Human Capital, Business Ethics and Product Governance 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

61.4 **+9.2**
Strong **Momentum**



DAE discloses a strong human capital development programme, underpinned by detailed talent recruitment, development and retention initiatives. However, the company could improve its diversity programme, especially considering the critical ongoing debate on DEI integration within the aircraft industry. All DAE's sites where product safety is a material issue are certified to ISO 9001. The company discloses a best practice product and service safety programme, which captures DAE's efforts to ensure that leased aircraft comply with all safety requirements. In addition to quality, DAE's commitment to the Fly Net Zero pledge shows its efforts to offer fuel-efficient aircraft and support its customers' decarbonization paths as well. Lastly, DAE discloses strong bribery and corruption and business ethics programmes, and prohibits political involvement of any kind on the company's behalf.

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	
Human Capital	6.0 Medium	50.5 Strong	3.1 Low	25.4%
Carbon -Own Operations	3.6 Low	54.5 Strong	2.0 Low	16.5%
Stakeholder Governance	5.0 Medium	66.3 Strong	1.7 Negligible	13.7%
Resource Use -Supply Chain	2.0 Low	31.0 Average	1.5 Negligible	12.2%
Resource Use	2.0 Low	37.6 Average	1.4 Negligible	11.4%
Human Rights -Supply Chain	2.0 Low	50.0 Strong	1.2 Negligible	9.8%
Business Ethics	5.0 Medium	81.3 Strong	1.1 Negligible	9.3%
Product Governance	2.0 Low	100.0 Strong	0.2 Negligible	1.6%
Overall	27.6 Low	61.4 Strong	12.3 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 (17)

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

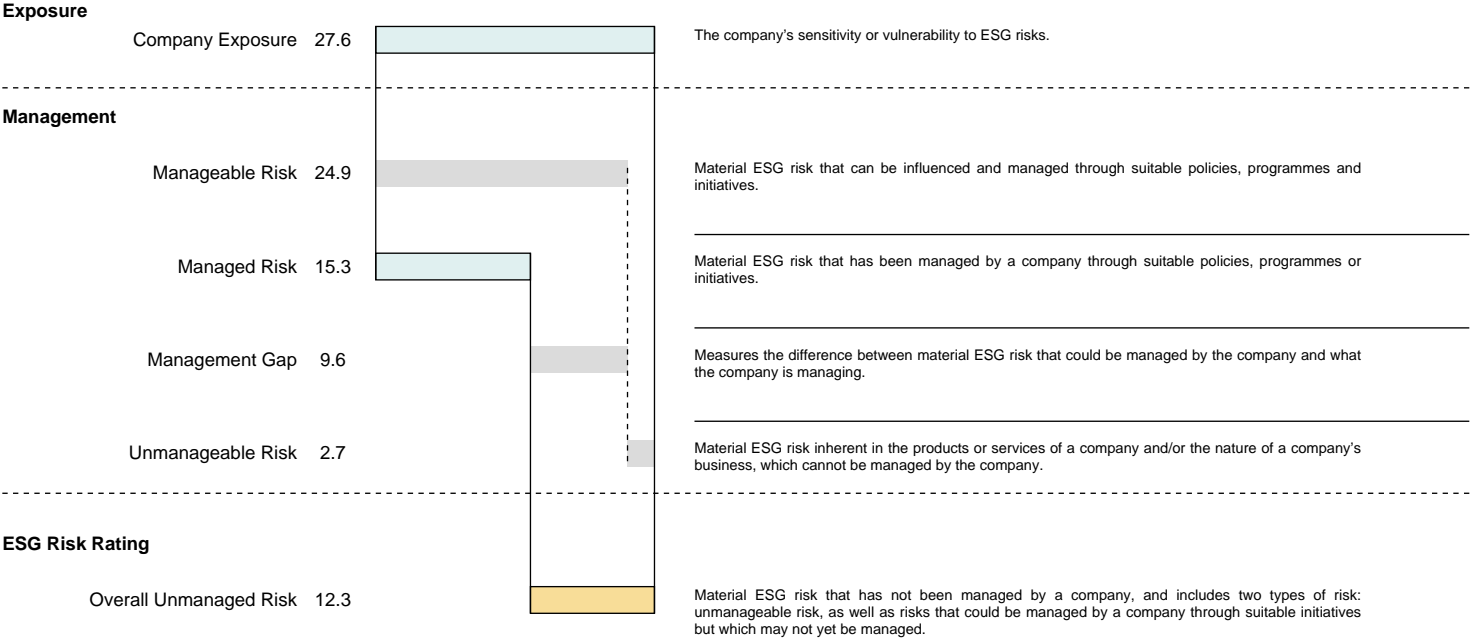
Water Use

Water Use - SC

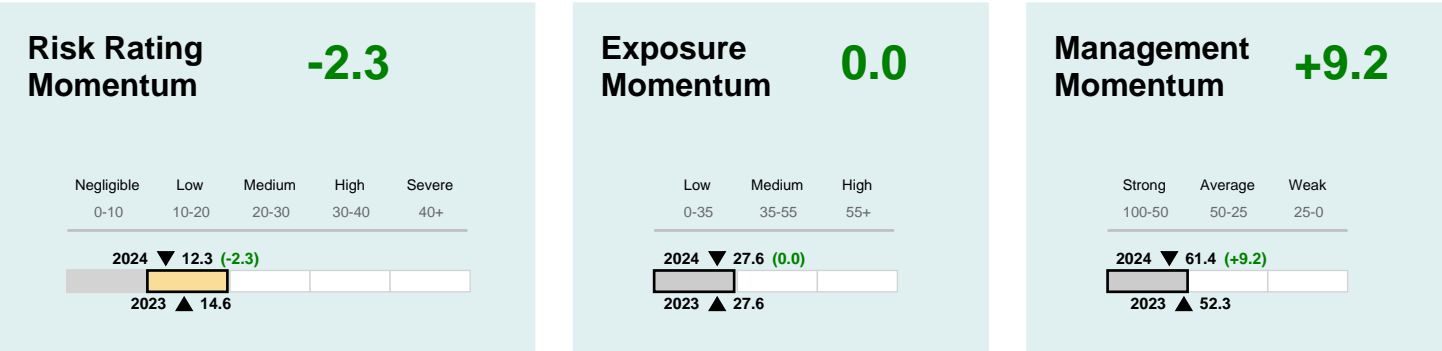
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Risk Decomposition



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.

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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