

# LSTH Svenska Handelsfastigheter AB

Real Estate Management Sweden

## ESG Risk Rating

ESG Risk Score

# 9.4

Updated Jul 17, 2022

Not  
available

Momentum

ESG Risk Rating

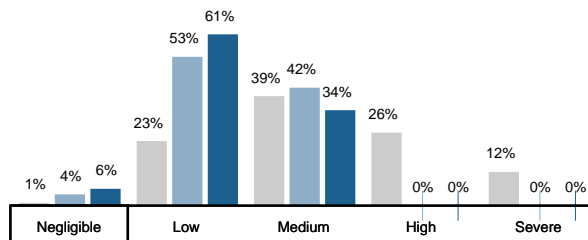
# Negligible Risk



ESG Globes Rating



## ESG Risk Rating Category Distribution



## ESG Risk Rating Ranking

UNIVERSE	RANK	PERCENTILE
	(1 <sup>st</sup> = lowest risk)	(1 <sup>st</sup> = lowest risk)
Global Universe	158/14874	2nd
Real Estate INDUSTRY	34/1051	4th
Real Estate Management SUBINDUSTRY	7/160	5th

## Peers Comparison

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

Peers (Market cap \$0.0 - \$0.0bn)	Exposure	Management	ESG Risk Rating
1. Stockland Trust Management Ltd.	23.8 Low	72.1 Strong	7.0 Negligible
2. Vesteda Groep B.V.	22.6 Low	62.4 Strong	8.8 Negligible
3. LSTH Svenska Handelsfastigheter AB	23.7 Low	61.4 Strong	9.4 Negligible
4. In'li SA	24.3 Low	59.9 Strong	10.0 Low
5. Vasakronan AB	23.3 Low	58.0 Strong	10.0 Low

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## ESG Risk Analysis

Exposure refers to the extent to which a company is exposed to different material ESG Issues. Our exposure score takes into consideration subindustry and company-specific factors such as its business model.

### Exposure

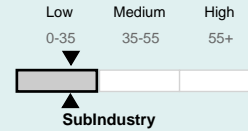
**23.7**

Not available

Low

Momentum

Beta = 0.99



Svenska Handelsfastigheter operates in Sweden, with a property portfolio mainly comprising retail facilities, serving primarily large grocery operators. As tenants in the region tend to display a strong preference for commercial units that incorporate sustainability traits, should the company fail to cater to this demand, it could face lost growth opportunities, tenant loss and poor portfolio performance. Additionally, safety features represent a key consideration for existing and prospective tenants. Incidents could lead to liability claims, tenant loss and damage the company's reputation. Furthermore, Svenska Handelsfastigheter needs employees that can skillfully pick properties and manage building-related risks. Uncompetitive compensation packages or workplace discrimination could result in skill deficit and additional recruitment and training costs.

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

Management refers to how well a company is managing its relevant ESG issues. Our management score assesses the robustness of a company's ESG programs, practices, and policies.

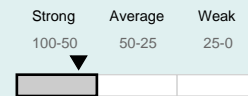
### Management

**61.4**

Not available

Strong

Momentum



The company's ESG reporting has been prepared in accordance with the GRI 2021 Universal Standard signalling strong accountability to investors and the public. In addition, Svenska Handelsfastigheter has appointed board level responsibility for overseeing ESG issues, suggesting that these are integrated in core business strategy. On another hand, ESG performance targets are not considered in establishing the company's executive compensation. On a positive note, a very strong whistleblower programme is in place.

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

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## Material ESG Issues

ESG Issues regarded material for the company.

Issue Name	Exposure	Management	ESG Risk Rating	Contribution to ESG Risk Rating
	Score   Category	Score   Category	Score   Category	
ESG Integration -Financials	5.7 Medium	50.5 Strong	2.8 Low	29.9%
Human Capital	5.0 Medium	56.0 Strong	2.3 Low	24.8%
Product Governance	4.0 Medium	53.7 Strong	1.9 Negligible	19.6%
Business Ethics	4.0 Medium	73.1 Strong	1.2 Negligible	12.9%
Corporate Governance	5.0 Medium	76.0 Strong	1.2 Negligible	12.7%
<b>Overall</b>	<b>23.7 Low</b>	<b>61.4 Strong</b>	<b>9.4 Negligible</b>	<b>100.0%</b>

## 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 (0)**

 **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 (13)

Accounting and Taxation

Anti-Competitive Practices

Bribery and Corruption

Business Ethics

Carbon Impact of Products

Environmental Impact of Products

Labour Relations

Lobbying and Public Policy

Marketing Practices

Quality and Safety

Sanctions

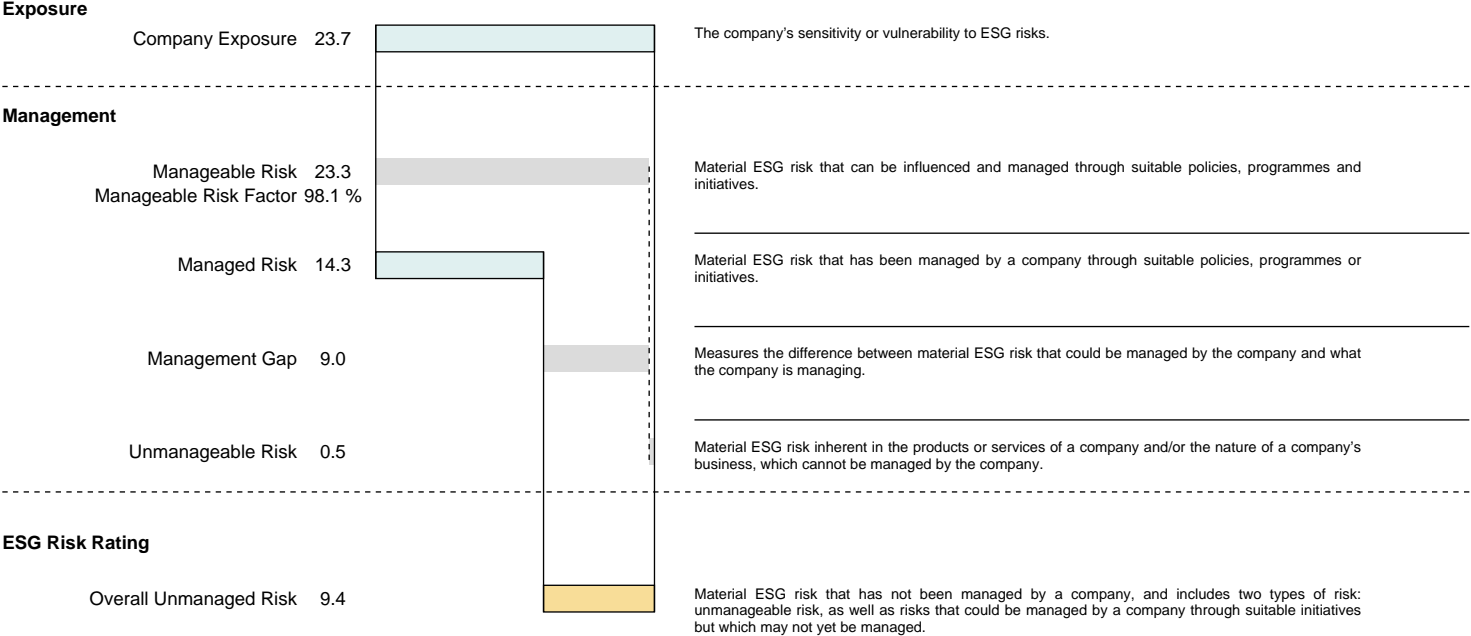
Social Impact of Products

Society - Human Rights

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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, $\beta$ )

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**).

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