

# Flix SE

Internet Software and Services Germany

## ESG Risk Rating

# 20.7

Last Full Update Feb 5, 2024

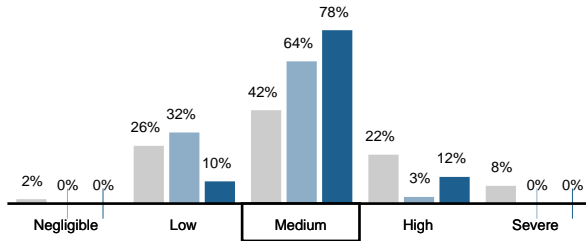
Not available

Momentum

## Medium Risk



## ESG Risk Rating Distribution



## ESG Risk Rating Ranking

UNIVERSE	RANK	PERCENTILE
	(1 <sup>st</sup> = lowest risk) (1 <sup>st</sup> = Top Score)	
Global Universe	4983/15975	32nd
Software & Services INDUSTRY	407/1091	38th
Internet Software and Services SUBINDUSTRY	30/243	13th

## Peers Table

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

Peers (Market cap \$0.0 - \$0.0bn)	Exposure	Management	ESG Risk Rating
1. Flix SE	39.2 Medium	50.1 Strong	20.7 Medium
2. SixSigma Networks México SA de CV	34.0 Low	38.8 Average	21.7 Medium
3. Cision Ltd.	34.3 Low	38.1 Average	22.2 Medium
4. Sea Ltd. (Singapore)	36.5 Medium	41.2 Average	22.5 Medium
5. Kape Technologies Plc	38.0 Medium	43.7 Average	22.5 Medium

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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

**39.2** **Medium**  
 Not available  
 Momentum  
 Beta = 1.09

Low 0-35 Medium 35-55 High 55+

Subindustry

Flix's carbon footprint is more significant than its competitors in the software and services industry given its own fleet services some of its operations. As regulations around fuel efficiency and vehicle emissions are increasingly stringent, failure to minimize its carbon footprint may negatively impact its competitive advantage and expose it to regulatory risks. Flix is highly dependent on its booking portal for its customers, and in the event of a booking system failure or technical difficulties, ticket sales could be disrupted temporarily, which may negatively impact sales. Flix also faces human capital risks, such as an inability to attract and retain employees with specialized skill sets, such as those with specific IT knowledge, who face intense competition. Moreover, labour issues related to its drivers may lead to operational disruptions and productivity losses.

The company's overall exposure is medium and is moderately above subindustry average. Data Privacy and Security, 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

**50.1** **Strong**  
 Not available  
 Momentum

Strong 100-50 Average 50-25 Weak 25-0

Flix has a board-level sustainability steering committee, which oversees its ESG strategy, risk and performance, as well as sets the ESG agenda and goals for the company. To reduce the carbon emissions of its own operations, Flix has initiatives in place such as exploring fleet transformation with alternative fuels, using 100% green energy for FlixTrain in Germany and Sweden since 2018, and enabling fuel efficiency through its smart network planning. Flix lacks disclosure across certain aspects of its data privacy and security policies and programmes. It mentions it organizes employee training on IT security and data protection, but it is unclear if employees are required to complete training annually. To address human capital risks, it has initiatives for talent development and talent retention, such as technical training and personalized career coaching.

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	
Data Privacy and Security	8.0 High	47.5 Average	<b>5.0 Medium</b>	23.9%
Corporate Governance	9.0 High	46.1 Average	<b>4.9 Medium</b>	23.4%
Human Capital	8.0 High	42.7 Average	<b>4.8 Medium</b>	22.9%
Product Governance	4.5 Medium	48.9 Average	<b>2.3 Low</b>	11.1%
Business Ethics	6.0 Medium	70.0 Strong	<b>2.0 Low</b>	9.7%
Carbon -Own Operations	3.7 Low	49.9 Average	<b>1.9 Negligible</b>	8.9%
<b>Overall</b>	<b>39.2 Medium</b>	<b>50.1 Strong</b>	<b>20.7 Medium</b>	<b>100.0%</b>

## 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 (1)**

Quality and Safety

**1 Low (2)**

Data Privacy and Security

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 (13)**

Accounting and Taxation

Anti-Competitive Practices

Bribery and Corruption

Business Ethics

Employees - Human Rights

Energy Use and GHG Emissions

Intellectual Property

Lobbying and Public Policy

Marketing Practices

Media Ethics

Sanctions

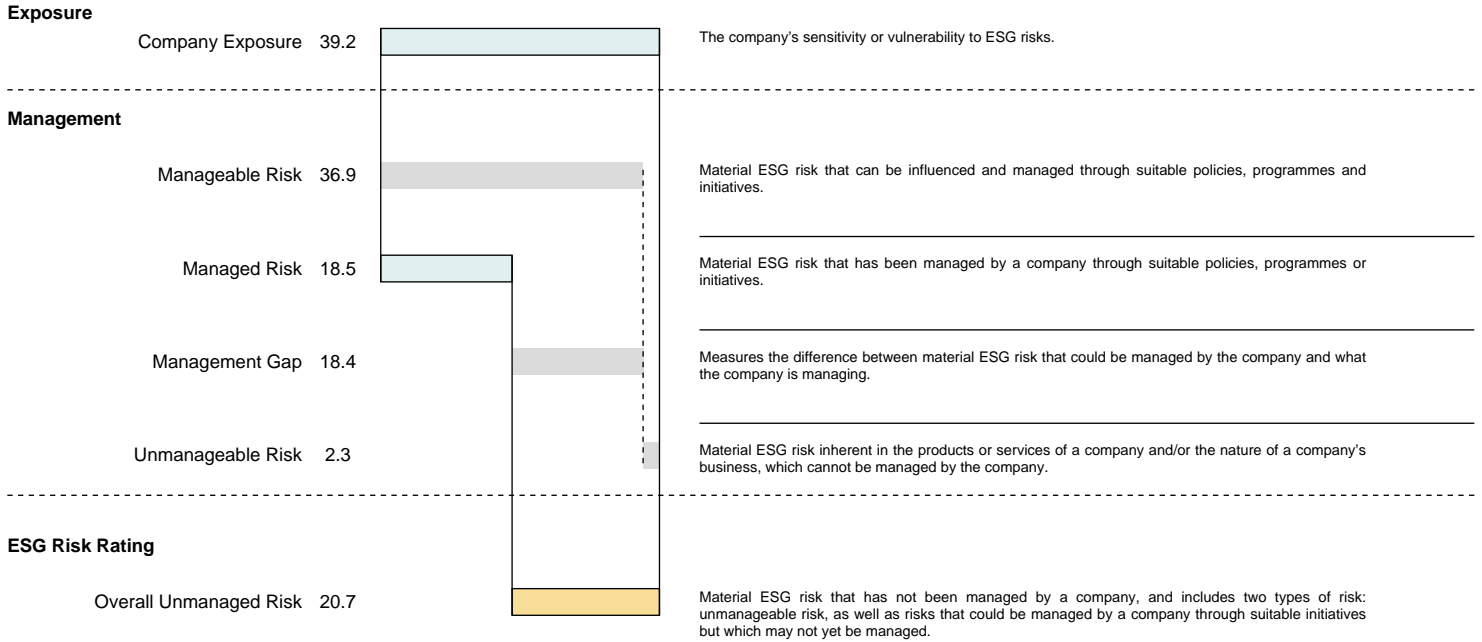
Society - Human Rights

Weapons

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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**).

## Guidelines on Sustainalytics' Corporate ESG Assessment for Flix SE

Flix SE has been provided with an indicative Corporate ESG Assessment by Sustainalytics, a Morningstar company and a globally recognized provider of ESG research, ratings and data, who provides research based on its independent methodology, and publicly available or non-confidential information from issuers.

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