

ESG RISK SMART SCORE

As investors increasingly focus on integrating Environmental, Social and Governance (ESG) into their strategies, the need for broad coverage of ESG risk signals across portfolio holdings is key.

Investors face the challenge of accessing ESG risk signals for their full portfolio - particularly for smaller companies, and companies based in emerging market jurisdictions, as they may offer limited or no ESG disclosure.

How do you ensure visibility of ESG Risks across your investment strategies?

Our Solution

Sustainalytics' ESG Risk Smart Score provides a risk signal for over 30,000 public companies, with a focus on nanocap, microcap, emerging and frontier markets. Powered by Artificial Intelligence (AI), ESG Risk Smart Score enables the integration of ESG risk exposure assessment for public companies that are not covered by our analyst driven ESG Risk Ratings. Investors can use this valuable solution as a severity flag to support their decision making and due diligence process.

With ESG Risk Smart Score, investors can compare companies across sectors, assess the potential magnitude of risks, and use the score as a starting point to make informed decisions. By combining machine learning technology, advanced data analytics, and our expertise in ESG Risk Ratings, we deliver a distinct risk signal that helps users navigate the complex landscape of ESG risks.

What is ESG Risk Smart Score?

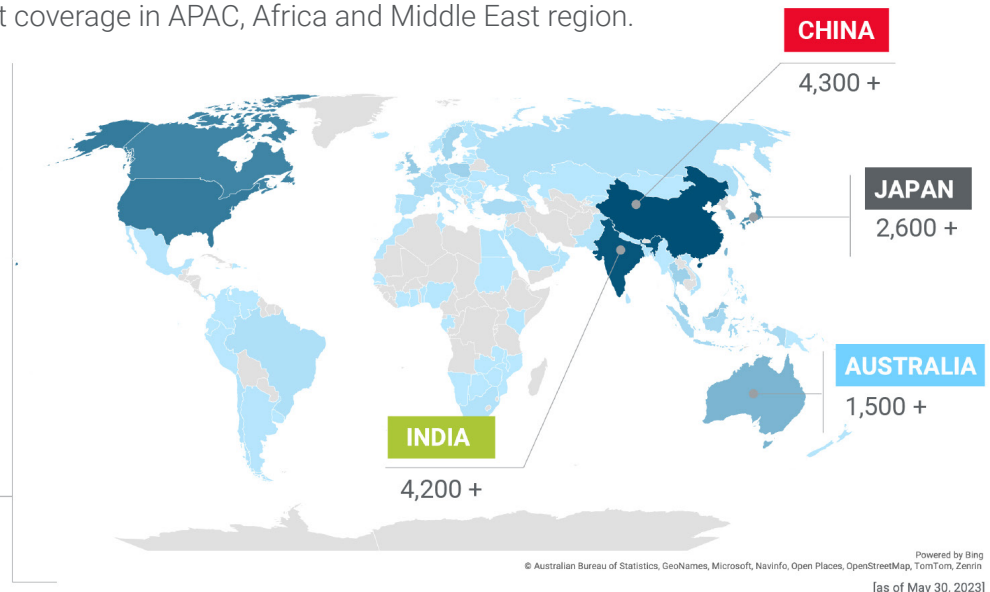
Sustainalytics' ESG Risk Smart Score provides an estimated score of a company's top level ESG risk, leveraging a quantitative AI-driven framework. Scores are provided for more than 30,000 public companies with 80%+ average risk-category accuracy based on Sustainalytics' proprietary methodology.

ESG risk signals span market caps and geographies

Signals extend across companies of all sizes across the globe, primarily nano and micro-caps with significant coverage in APAC, Africa and Middle East region.

> **20^K**

Entities covered in the APAC region



Key Features and Benefits

Identify outliers for ESG Risk



- Address data gaps for integrating ESG across decisions. Can serve as a severity flag to identify potential exposure to ESG Risk, where additional research may be needed.

Proprietary AI Model



- A quantitative model that combines machine learning technology and advanced data analytics, leveraging the strength of Sustainalytics ESG Risk Ratings.

Extensive coverage across several industries and sub-industries



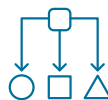
- 40 industries and over 100 sub-industries are covered with ESG Risk Smart Score.

Quarterly Updates



- Stay updated with new data delivered every quarter.

Three Delivery Options



- Choose the output that is most suitable for you - through API (JSON format), as a data feed (.txt format) or excel format.

Morningstar Sustainalytics' Approach

- The product provides an A.I. generated estimate for companies that are not part of the Sustainalytics ESG RR research universe, based on same industry/sub-industry sub-group stats as reflected by the ESG RR Research Universe. This product does not represent, nor does it substitute analyst-based research.
- Coverage is in addition to the already existing research/analyst-driven ESG Risk Rating universe.
- This product may not be offered for a research target who is already part of Sustainalytics' universe.
- A Smart Score on a research target may be replaced by an ESG Risk Rating at Sustainalytics' own discretion.

About Morningstar Sustainability

Morningstar Sustainability is a leading ESG research, ratings and data firm that supports investors around the world with the development and implementation of responsible investment strategies. For more than 30 years, the firm has been at the forefront of developing high-quality, innovative solutions to meet the evolving needs of global investors. Today, Morningstar Sustainability works with hundreds of the world's leading asset managers and pension funds who incorporate ESG and corporate governance information and assessments into their investment processes. The firm also works with hundreds of companies and their financial intermediaries to help them consider sustainability in policies, practices, and capital projects. With 17 offices globally, Morningstar Sustainability has more than 1,800 staff members, including more than 850 analysts with varied multidisciplinary expertise across more than 40 industry groups. For more information, visit www.sustainalytics.com.



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