

ESG Risk Rating Portfolio Report

Portfolio Information		ESG Risk Rating Coverage	
Name	Number of Constituents	By Portfolio Weight	By Number of Constituents
Portfolio MBI US Equity 30 09 2023	28	100%	28
Benchmark S&P500 30 09 2023	503	100%	501

Overview

Sustainalytics' ESG Risk Ratings are designed to help investors identify and understand financially material ESG risks at the security and portfolio level and how they might affect the long-term performance for equity and fixed income investments. The ESG Risk Ratings combined with qualitative analyses, provide a differentiated risk signal and deeper insights into the materiality of certain ESG issues for a company and how effectively the company is managing these issues.

Portfolio

Benchmark



ESG Risk Rating (Unmanaged Risk)

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The ESG Risk Rating measures the degree to which a company's economic value is at risk driven by ESG factors, as assessed through Sustainalytics' calculation of the company's unmanaged ESG risks.

The portfolio's ESG risk is considered **Medium**, and is 4% lower than the benchmark.

Overall Risk Rating

Score	Category
20.8	Medium
21.6	Medium



Exposure

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Overall, the portfolio's exposure to ESG issues is 8% lower than the benchmark.

Exposure

Score	Category
37.8	Medium
41.1	Medium



Management

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Overall, the portfolio's management of ESG issues is 5% weaker than the benchmark.

Management

Score	Category
49.0	Average
51.3	Strong



Other Analysis

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ESG Risk Rating



Overall Risk Rating (Unmanaged Risk)

The ESG Risk Rating measures the degree to which a company’s economic value is at risk driven by ESG factors, as assessed through Sustainalytics’ calculation of the company’s unmanaged ESG risks. Companies are placed into one of five risk categories (negligible, low, medium, high, severe). These risk categories are absolute, meaning that a “high risk” assessment reflects a comparable degree of unmanaged ESG risk across the research universe, whether it refers to an agriculture company, a utility or any other type of company. One point of risk is the same, no matter which company or which issue it applies to, and points of risk add up across issues to create overall scores. Companies with lower Risk Ratings scores have lower ESG risk.

- Portfolio
- Benchmark
- Divergence

The portfolio’s ESG risk is considered **Medium**, and is 4% lower than the benchmark.

Overall Risk Rating

Score	Category
20.8	Medium
21.6	Medium

ESG Risk Categories

Negligible: 0 - 10

Negligible risk of material financial impacts driven by ESG factors

Low: 10 - 20

Low risk of material financial impacts driven by ESG factors

Medium: 20 - 30

Medium risk of material financial impacts driven by ESG factors

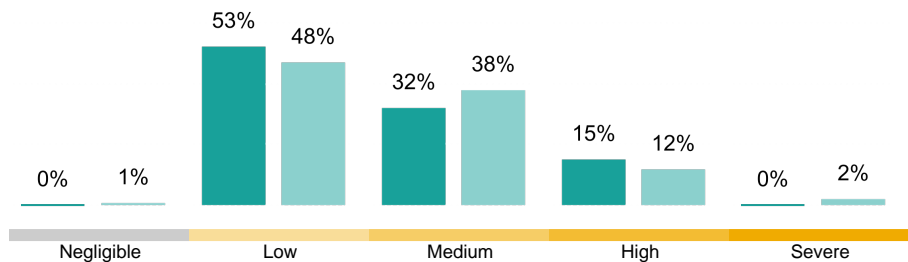
High: 30 - 40

High risk of material financial impacts driven by ESG factors

Severe: > 40 - 100

Severe risk of material financial impacts driven by ESG factors

ESG Risk Category by aggregate portfolio weight %



Average Score		ESG Risk Rating			
Arithmetic	Weighted	Median	Min.	Max.	Std. Dev.
20.9	20.8	19.1	11.9	34.1	6.1
21.6	21.6	21.0	7.1	46.0	6.9
-0.7	-0.8	-1.9	4.8	-11.9	-0.8

Average Percentile		ESG Risk Rating Percentile*			
Arithmetic	Weighted	Median	Min.	Max.	Std. Dev.
33.1	32.7	24.6	4.8	81.4	22.8
35.9	35.4	31.9	1.3	96.4	24.3
-2.8	-2.7	-7.3	3.5	-15.0	-1.5

* Percentiles are based on positioning within the full research universe. A low percentile means low risk.

Highest Risk Portfolio Constituents

Identifies the 10 constituents with the highest ESG Risk score in the portfolio

Company Name	Sector	ESG Risk				Weight		
		Score	Category	Exposure	Mgmt	Port	Bench	Active
Meta Platforms, Inc.	Information Technology	34.1	High	47.8	31.2	3.5%	1.9%	1.6%
Valero Energy Corp.	Energy	32.6	High	59.1	53.5	4.7%	0.1%	4.6%
Envista Holdings Corp.	Healthcare	30.7	High	46.7	37.1	1.2%	0.0%	1.2%
Amazon.com, Inc.	Consumer Discretionary	30.6	High	41.5	28.3	5.5%	3.2%	2.2%
Cullen/Frost Bankers, Inc.	Financials	26.8	Medium	38.5	31.6	2.2%	0.0%	2.2%
Lamb Weston Holdings, Inc.	Consumer Staples	25.9	Medium	52.7	54.6	1.1%	0.0%	1.0%
Walmart, Inc.	Consumer Staples	25.3	Medium	43.8	45.6	5.8%	0.6%	5.1%
Nordson Corp.	Industrials	24.9	Medium	44.9	46.4	1.7%	0.0%	1.7%
Alphabet, Inc.	Information Technology	24.0	Medium	40.5	43.9	5.6%	4.0%	1.6%
Amgen, Inc.	Healthcare	22.0	Medium	38.6	44.9	5.2%	0.4%	4.8%

Lowest Risk Portfolio Constituents

Identifies the 10 constituents with the lowest ESG Risk score in the portfolio

Company Name	Sector	ESG Risk				Weight		
		Score	Category	Exposure	Mgmt	Port	Bench	Active
Danaher Corp.	Healthcare	11.9	Low	29.9	63.5	3.5%	0.5%	3.0%
Public Storage	Real Estate	13.0	Low	26.1	50.8	2.5%	0.1%	2.4%
Adobe, Inc.	Information Technology	13.1	Low	32.4	64.3	4.6%	0.6%	4.0%
NVIDIA Corp.	Information Technology	13.6	Low	32.6	62.4	2.1%	3.0%	-0.9%
The TJX Cos., Inc.	Consumer Discretionary	14.4	Low	24.7	45.6	2.0%	0.3%	1.7%
Microsoft Corp.	Information Technology	15.1	Low	34.1	60.0	9.0%	6.5%	2.5%
Mastercard, Inc.	Information Technology	17.1	Low	39.8	62.0	4.3%	0.9%	3.4%
Apple, Inc.	Information Technology	17.2	Low	33.9	52.6	5.9%	7.0%	-1.1%
Workday, Inc.	Information Technology	17.3	Low	35.5	55.1	3.8%	0.0%	3.8%
CME Group, Inc.	Financials	17.4	Low	33.7	50.7	4.0%	0.2%	3.8%



ESG Risk Exposure

Exposure considers a company's sensitivity or vulnerability to ESG risks. Lower exposure scores indicate that the constituent companies face less ESG risk.

Portfolio

Benchmark

Divergence

Exposure

Score	Category
37.8	Medium
41.1	Medium

ESG Risk Categories

Low: 0 - 35

Low exposure to material ESG issues

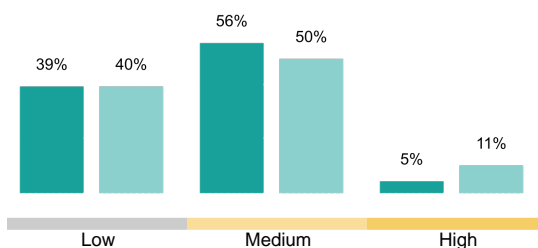
Medium: 35 - 55

Medium exposure to material ESG issues

High: 55 - 100

High exposure to material ESG issues

Distribution of aggregated portfolio weight by Exposure categories



The prevalence of companies with high exposure to ESG issues in the portfolio is 55% lower than the benchmark.

Average Exposure		Exposure Score			
Arith.	Weighted	Median	Minimum	Maximum	Std. Dev.
38.0	37.8	36.4	24.7	59.1	8.0
41.5	41.1	39.8	16.6	81.1	12.0
-3.5	-3.2	-3.4	8.1	-22.0	-4.0

Companies with the Highest Exposure in the Portfolio

Company Name	Sector	Exposure Score	Exposure Category	Port Weight	Bench Weight	Active Weight
Valero Energy Corp.	Energy	59.1	High	4.7%	0.1%	4.6%
Lamb Weston Holdings, Inc.	Consumer Staples	52.7	Medium	1.1%	0.0%	1.0%
Meta Platforms, Inc.	Information Technology	47.8	Medium	3.5%	1.9%	1.6%

Companies with the Lowest Exposure in the Portfolio

Company Name	Sector	Exposure Score	Exposure Category	Port Weight	Bench Weight	Active Weight
The TJX Cos., Inc.	Consumer Discretionary	24.7	Low	2.0%	0.3%	1.7%
Public Storage	Real Estate	26.1	Low	2.5%	0.1%	2.4%
Five Below, Inc.	Consumer Discretionary	26.3	Low	3.4%	0.0%	3.4%



ESG Risk Management

Management evaluates a company's performance on managing its exposure to ESG issues. Higher management scores indicate the constituent companies have stronger management of their exposure.

Portfolio

Benchmark

Divergence

Management

Score	Category
49.0	Average
51.3	Strong

ESG Risk Categories

Strong: 100 - 50

Strong management of material issues

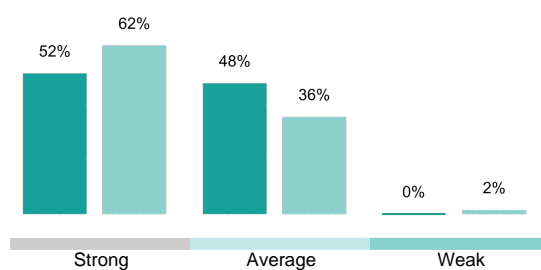
Average: 50 - 25

Average management of material issues

Weak: 25 - 0

Weak management of material issues

Distribution of aggregated portfolio weight by Management categories



Average Management		Management Score			
Arith.	Weighted	Median	Min	Max	Std. Dev.
48.5	49.0	50.0	28.3	64.3	10.4
51.2	51.3	51.6	20.7	77.2	9.7
-2.7	-2.3	-1.6	7.5	-12.9	0.7

Companies with the Weakest Management in the Portfolio

Company Name	Sector	Management Score	Management Category	Port Weight	Bench Weight	Active Weight
Amazon.com, Inc.	Consumer Discretionary	28.3	Average	5.5%	3.2%	2.2%
Meta Platforms, Inc.	Information Technology	31.2	Average	3.5%	1.9%	1.6%
Five Below, Inc.	Consumer Discretionary	31.6	Average	3.4%	0.0%	3.4%

Companies with the Strongest Management in the Portfolio

Company Name	Sector	Management Score	Management Category	Port Weight	Bench Weight	Active Weight
Adobe, Inc.	Information Technology	64.3	Strong	4.6%	0.6%	4.0%
Danaher Corp.	Healthcare	63.5	Strong	3.5%	0.5%	3.0%
NVIDIA Corp.	Information Technology	62.4	Strong	2.1%	3.0%	-0.9%

Sector ESG Risk

Looks at the active weight and ESG Risk Rating score across sectors in the Portfolio. Lower scores equal lower risk.

Sector	ESG Risk			Weight		Exposure		Management	
	Portfolio Contribution*	Port	Bench	Port	Bench	Port	Bench	Port	Bench
Consumer Discretionary	12.5%	2.6	2.6	10.8%	11.5%	3.6	4.1	3.5	4.6
Consumer Staples	8.4%	1.7	1.6	6.9%	6.2%	3.1	3.0	3.2	3.2
Energy	7.4%	1.5	1.7	4.7%	4.7%	2.8	3.2	2.5	2.7
Financials	9.0%	1.9	2.3	8.9%	10.2%	3.2	4.2	3.9	4.7
Healthcare	12.7%	2.6	2.8	13.7%	13.4%	4.8	5.5	6.6	7.0
Industrials	9.0%	1.9	2.0	8.5%	7.9%	3.2	3.7	3.8	3.8
Information Technology	37.4%	7.8	6.7	41.7%	37.4%	15.6	13.5	22.8	20.5
Materials	2.2%	0.5	0.6	2.4%	2.5%	0.9	1.2	1.2	1.4
Real Estate	1.6%	0.3	0.3	2.5%	2.2%	0.6	0.6	1.3	1.2
Telecommunication Services	0.0%	0.0	0.3	0.0%	1.5%	0.0	0.7	0.0	0.8
Utilities	0.0%	0.0	0.6	0.0%	2.4%	0.0	1.4	0.0	1.4

*Sector contribution to overall ESG Risk calculated as the weighted sum of sector risk scores divided by the total portfolio weighted risk score.

Regional ESG Risk

Looks at the active weight and ESG Risk Rating score across regions in the Portfolio. Lower scores equal lower risk.

Region	ESG Risk			Exposure		Management	
	Portfolio Contribution	Portfolio	Benchmark	Port	Bench	Port	Bench
Africa / Middle East	0.0%	0.0	0.0	0.0	0.0	0.0	0.0
Europe	2.2%	0.5	0.5	0.9	1.1	1.2	1.7
Latin America and Caribbean	0.0%	0.0	0.0	0.0	0.1	0.0	0.1
United States and Canada	97.8%	20.3	21.0	37.0	39.9	47.8	49.5

Attribution Analysis - ESG Risk Rating

Looks at the attribution of ESG Risk across sectors. Lower scores equal lower risk.

Sector	Weight		ESG Risk*		Active Score	Effect			
	Port	Bench	Port	Bench		Sector Allocation	Stock Selection	Interaction	Total
Consumer Discretionary	10.8%	11.5%	23.9	22.6	1.2	-0.01	0.14	-0.01	0.13
Consumer Staples	6.9%	6.2%	25.4	25.6	-0.2	0.03	-0.01	0.00	0.01
Energy	4.7%	4.7%	32.6	34.9	-2.4	0.00	-0.11	0.00	-0.11
Financials	8.9%	10.2%	20.9	22.8	-1.9	-0.02	-0.20	0.02	-0.19
Healthcare	13.7%	13.4%	19.3	20.9	-1.7	0.00	-0.22	0.00	-0.23
Industrials	8.5%	7.9%	21.9	25.9	-4.0	0.02	-0.32	-0.02	-0.31
Information Technology	41.7%	37.4%	18.6	17.8	0.8	-0.16	0.30	0.03	0.18
Materials	2.4%	2.5%	19.2	23.7	-4.5	0.00	-0.11	0.01	-0.11
Real Estate	2.5%	2.2%	13.0	12.5	0.5	-0.02	0.01	0.00	-0.01
Telecommunication Services	0.0%	1.5%	0.0	22.5	-22.5	-0.01	-0.34	0.34	-0.01
Utilities	0.0%	2.4%	0.0	26.8	-26.8	-0.13	-0.65	0.65	-0.13
Totals	100%	100%	20.8	21.6	-0.8	-0.3	-1.5	1.0	-0.8

* By aggregated weighted score (normalized)

Effect**:

. **Sector Allocation Effect:** Captures the effect on the portfolio's total ESG risk from the portfolio's sector weighting decisions relative to the benchmark's sector weights. A negative allocation effect indicates that the portfolio either overweights a sector that has a lower risk than the total ESG risk of the benchmark or underweights a sector with higher risk than the total ESG risk of the benchmark.

. **Selection Effect:** Captures the effect on the portfolio's total ESG risk from the portfolio's stock selection decisions relative to the benchmark's stock selections. A negative selection effect indicates that the portfolio, relative to the benchmark, overweights companies with lower ESG risks.

. **Total Effect:** Is the sum of the sector allocation effect, the stock selection effect, and the residual effect that results from the interaction between the sector allocation effect and the stock selection effect. A negative total effect indicates that the portfolio has lower ESG risk than the benchmark.

Companies that Increase Active ESG Risk

Identifies up to 10 companies in the portfolio that contribute the most to increasing overall risk for the portfolio relative to the benchmark, for example by under-weighting low risk companies or over-weighting high risk companies.

Company Name	Sector	ESG Risk Score	ESG Risk Category	Contribution to Active Risk	Port Weight	Bench Weight	Active Weight
Valero Energy Corp.	Energy	32.6	High	0.51	4.7%	0.1%	4.6%
Amazon.com, Inc.	Consumer Discretionary	30.6	High	0.20	5.5%	3.2%	2.2%
Meta Platforms, Inc.	Information Technology	34.1	High	0.20	3.5%	1.9%	1.6%
Walmart, Inc.	Consumer Staples	25.3	Medium	0.19	5.8%	0.6%	5.1%
Cullen/Frost Bankers, Inc.	Financials	26.8	Medium	0.12	2.2%	0.0%	2.2%
Envista Holdings Corp.	Healthcare	30.7	High	0.11	1.2%	0.0%	1.2%
NVIDIA Corp.	Information Technology	13.6	Low	0.07	2.1%	3.0%	-0.9%
Nordson Corp.	Industrials	24.9	Medium	0.06	1.7%	0.0%	1.7%
Apple, Inc.	Information Technology	17.2	Low	0.05	5.9%	7.0%	-1.1%
Lamb Weston Holdings, Inc.	Consumer Staples	25.9	Medium	0.05	1.1%	0.0%	1.0%

Companies that Decrease Active ESG Risk

Identifies up to 10 companies in the portfolio that contribute the most to reducing overall risk for the portfolio relative to the benchmark, for example by under-weighting high risk companies or over-weighting low risk companies.

Company Name	Sector	ESG Risk Score	ESG Risk Category	Contribution to Active Risk	Port Weight	Bench Weight	Active Weight
Adobe, Inc.	Information Technology	13.1	Low	-0.34	4.6%	0.6%	4.0%
Danaher Corp.	Healthcare	11.9	Low	-0.29	3.5%	0.5%	3.0%
Public Storage	Real Estate	13.0	Low	-0.20	2.5%	0.1%	2.4%
Workday, Inc.	Information Technology	17.3	Low	-0.16	3.8%	0.0%	3.8%
Microsoft Corp.	Information Technology	15.1	Low	-0.16	9.0%	6.5%	2.5%
CME Group, Inc.	Financials	17.4	Low	-0.16	4.0%	0.2%	3.8%
Mastercard, Inc.	Information Technology	17.1	Low	-0.15	4.3%	0.9%	3.4%
The TJX Cos., Inc.	Consumer Discretionary	14.4	Low	-0.12	2.0%	0.3%	1.7%
Five Below, Inc.	Consumer Discretionary	18.6	Low	-0.10	3.4%	0.0%	3.4%
Charles River Laboratories International, Inc.	Healthcare	18.9	Low	-0.07	2.5%	0.0%	2.5%

Relative Issue Performance

Evaluates ESG Risk, Exposure and Management at the individual material ESG Issue (MEI) level

Issue	Prevalence of Issue		Risk Score			Exposure			Management		
	Port	Bench	Port	Bench	Div	Port	Bench	Div	Port	Bench	Div
Corporate Governance	100.0%	100.0%	4.0	3.9	0.1	9.0	9.0	0.0	55.7	57.0	-1.3
Human Capital	92.2%	98.1%	2.9	2.8	0.0	5.6	5.6	-0.1	45.1	50.1	-5.0
Carbon - Own Operations	78.5%	74.1%	1.2	1.0	0.1	2.5	2.6	-0.1	47.3	49.9	-2.6
Emissions, Effluents and Waste	29.7%	28.3%	0.7	0.7	0.0	1.2	1.3	-0.1	14.5	14.5	0.1
Bribery and Corruption	2.5%	13.6%	0.0	0.3	-0.2	0.1	0.7	-0.6	1.6	9.2	-7.7
Data Privacy and Security	62.4%	57.7%	2.1	2.0	0.1	4.3	3.8	0.5	38.5	34.2	4.4
Land Use and Biodiversity	5.5%	7.6%	0.1	0.1	0.0	0.1	0.2	-0.1	2.2	4.3	-2.1
Community Relations	10.2%	8.0%	0.3	0.3	0.0	0.5	0.6	0.0	4.5	4.2	0.2
Resilience	0.0%	3.4%	0.0	0.1	-0.1	0.0	0.2	-0.2	0.0	2.9	-2.9
Business Ethics	92.2%	96.1%	3.2	3.4	-0.2	4.8	5.2	-0.4	34.1	36.6	-2.5
Human Rights	0.0%	0.2%	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	-0.2
E&S Impact of Products and Services	29.7%	22.2%	0.7	0.6	0.1	1.0	1.0	0.1	9.6	9.2	0.4
Occupational Health and Safety	25.4%	25.6%	0.6	0.5	0.0	1.1	1.1	0.0	12.4	13.8	-1.5
Resource Use	41.8%	41.0%	0.6	0.7	-0.1	1.1	1.4	-0.3	22.8	24.0	-1.2
Resource Use - Supply Chain	11.7%	14.4%	0.1	0.2	-0.1	0.3	0.4	-0.1	9.7	10.6	-0.8
Product Governance	84.4%	89.6%	2.5	3.1	-0.6	3.9	4.8	-0.9	30.9	33.4	-2.6
Access to Basic Services	6.4%	11.3%	0.3	0.3	-0.1	0.3	0.6	-0.3	1.4	5.1	-3.7
Human Rights - Supply Chain	31.5%	36.0%	0.6	0.5	0.1	0.9	0.9	0.0	12.7	19.7	-7.0
Land Use and Biodiversity - Supply Chain	6.9%	7.7%	0.1	0.1	-0.1	0.2	0.3	-0.1	4.2	4.5	-0.3
ESG Integration - Financials	8.7%	11.3%	0.3	0.4	-0.1	0.4	0.7	-0.3	3.0	4.9	-1.9
Carbon - Products and Services	10.1%	12.4%	0.5	0.5	0.0	0.7	0.7	-0.1	4.1	6.3	-2.3
Idiosyncratic	0.0%	0.4%	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Issues marked in gray are idiosyncratic issues. An idiosyncratic issue is an issue that was not initially deemed material at the subindustry level but becomes a material ESG issue for a company based on the occurrence of a Category 4 or 5 event.

Overall Risk Score		Total Issue Risk		Unallocated risk	
Portfolio	Bench	Portfolio	Bench	Portfolio	Bench
20.8	21.6	20.8	21.6	0.0	0.0

Events

Event indicators signal a failure of management to adequately address its exposure to ESG issues. Events provide a signal that a company has not yet managed risks on an issue. 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).

Most Significant Events in the Portfolio

Identifies the 10 most significant Events with the highest constituent weight in the portfolio

Company Name	Sector	Event Name	Event Category	Port Weight	Bench Weight	Active Weight
Alphabet, Inc.	Information Technology	Anti-Competitive Practices	Category 4	5.6%	4.0%	1.6%
Mastercard, Inc.	Information Technology	Anti-Competitive Practices	Category 4	4.3%	0.9%	3.4%
Meta Platforms, Inc.	Information Technology	Data Privacy and Security	Category 4	3.5%	1.9%	1.6%
Meta Platforms, Inc.	Information Technology	Quality and Safety	Category 4	3.5%	1.9%	1.6%
Microsoft Corp.	Information Technology	Data Privacy and Security	Category 3	9.0%	6.5%	2.5%
Apple, Inc.	Information Technology	Accounting and Taxation	Category 3	5.9%	7.0%	-1.1%
Apple, Inc.	Information Technology	Anti-Competitive Practices	Category 3	5.9%	7.0%	-1.1%
Apple, Inc.	Information Technology	Intellectual Property	Category 3	5.9%	7.0%	-1.1%
Apple, Inc.	Information Technology	Labour Relations - SC	Category 3	5.9%	7.0%	-1.1%
Apple, Inc.	Information Technology	Quality and Safety	Category 3	5.9%	7.0%	-1.1%

Most Significant Events in the Benchmark

Identifies the 10 most significant Events with the highest constituent weight in the benchmark

Company Name	Sector	Event Name	Event Category	Port Weight	Bench Weight	Active Weight
Wells Fargo & Co.	Financials	Business Ethics	Category 5	0.0%	0.4%	-0.4%
3M Co.	Industrials	Emissions, Effluents and Waste	Category 5	0.0%	0.1%	-0.1%
Alphabet, Inc.	Information Technology	Anti-Competitive Practices	Category 4	5.6%	4.0%	1.6%
Meta Platforms, Inc.	Information Technology	Data Privacy and Security	Category 4	3.5%	1.9%	1.6%
Meta Platforms, Inc.	Information Technology	Quality and Safety	Category 4	3.5%	1.9%	1.6%
Johnson & Johnson	Healthcare	Quality and Safety	Category 4	0.0%	1.0%	-1.0%
Mastercard, Inc.	Information Technology	Anti-Competitive Practices	Category 4	4.3%	0.9%	3.4%
Caterpillar, Inc.	Industrials	Society - Human Rights	Category 4	0.0%	0.4%	-0.4%
The Boeing Co.	Industrials	Quality and Safety	Category 4	0.0%	0.3%	-0.3%
Citigroup, Inc.	Financials	Business Ethics	Category 4	0.0%	0.2%	-0.2%

Glossary of Terms

ESG Risk Category

Companies' ESG Risk Rating scores are assigned to five ESG risk categories in the ESG Risk Rating. 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.

Exposure

A company's sensitivity or vulnerability to ESG risks.

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.

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.

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.

Weighted Scores

Sustainalytics normalizes the security weights of the matched security results within the selected portfolio and benchmark to equal 100% of the total portfolio weight, by evenly redistributing unmatched security weights. If there are no security weights available, Sustainalytics will assign equal weights to all securities. Weighted Scores are calculated by aggregating normalized security weighted scores.

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