

# Whitney Geostrategic Risk Ratings

THE WHITNEY GEOSTRATEGIC RISK RATINGS (GRR) PROVIDE INVESTORS AND RISK MANAGERS WITH A MEANS TO ASSESS – AT BOTH THE PORTFOLIO AND INDIVIDUAL COMPANY LEVEL – THE RELATIVE SIZE OF POTENTIAL ECONOMIC IMPACT FROM GEOSTRATEGIC EVENTS.

The system assigns companies a GRR score using a proprietary model that quantifies the relative level of risk that companies may face due to geopolitical activities that may impact a company's business operations, including:

- economic sanctions
- national industrial policy actions
- national regulatory actions, and
- other economic strategic competition actions

To assess an entity's vulnerability to geostrategic risk, The rating system uses publicly available company reported and government data to measure thresholds, entanglement, or dependency across geopolitical borders.

Geostrategic Risk analysis can enhance existing Environmental Social Governance (ESG) analysis to capture risks not otherwise considered to an individual company or an entire portfolio.

## Rating Scale



## Key Features

### 1. Multi-Dimensional View

The GRR incorporates corporate governance, ownership, asset deployment, and operational relationships.

### 2. Comprehensive Model

The GRR utilizes a ten-factor model to broadly incorporate corporate reported information and provide a balanced view.

### 3. Dynamic Model

The GRR utilizes a country lens system that can be tailored to reflect the specific geostrategic risk environment a user wishes to assess.

### 4. Comparability

The GRR quantitative approach allows users to easily compare individual companies to entire portfolios or industries.

### 5. Transparent Approach

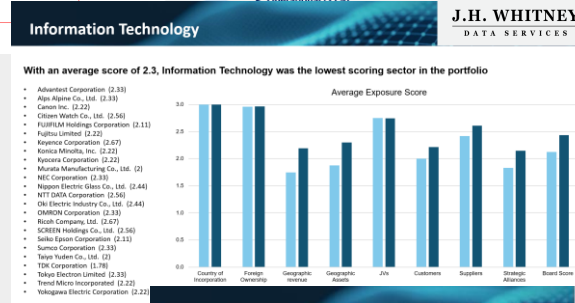
The GRR utilizes only company reported data subject to regulatory requirements. This limits false signals from unverified reporting.

# Risk Ratings Output & Use Cases

1. Company-specific profile reports highlighting low scoring components of the Geostrategic Risk Rating



2. Portfolio breakdown by sector and comparative analysis



3. Individual company analysis against an overall portfolio to identify outliers and higher risk entities



4. Comparison of company scores to index of companies and GRR screen for index construction



## Investments & Corporate use cases



### Investment Analysis

Support equity analysts in their overall assessment of a company's business outlook



### Portfolio Management

Enable Portfolio Managers to deliver alpha and reduce volatility across their portfolio by limiting exposure to geostrategic risk



### Investment Risk Management

Enable risk managers to set exposure guidelines for portfolio managers that limit exposure to geopolitical conflict



### Enterprise Risk Management

Material geopolitical events can be modeled into pre-existing enterprise risk tools to quantify exposures to events



### ESG Analysis & Reporting

integrates into existing (ESG) models enhancing governance review or exposure to countries with poor ESG history



### Supply Chain Risk Management

Highlight potential disruptions to suppliers and distributors as a result of geopolitical actions