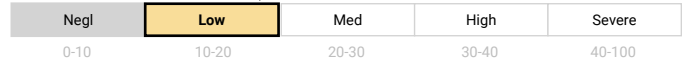


The Navigator Company, S.A.

18.6 /100 Low

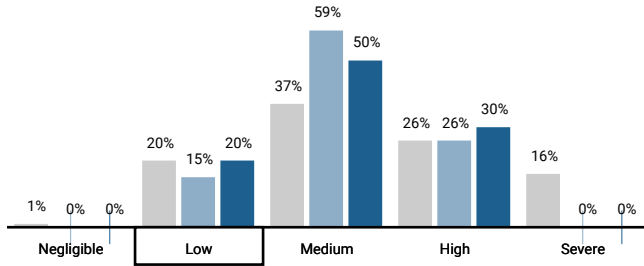
Paper and Pulp | Portugal | LIS:NVG



Rating Overview

The company is at low risk of experiencing material financial impacts from ESG factors, due to its medium exposure and strong management of material ESG issues. Furthermore, the company has not experienced significant controversies.

ESG Risk Rating Distribution

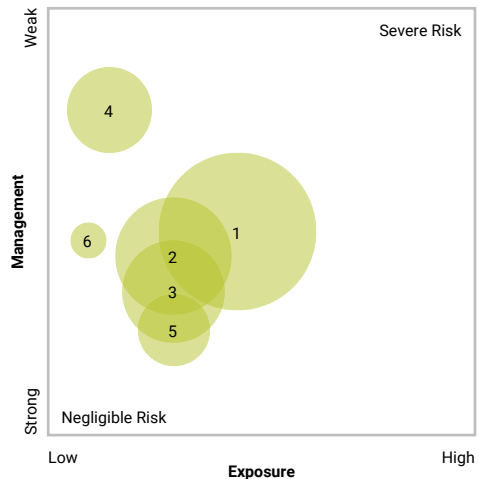
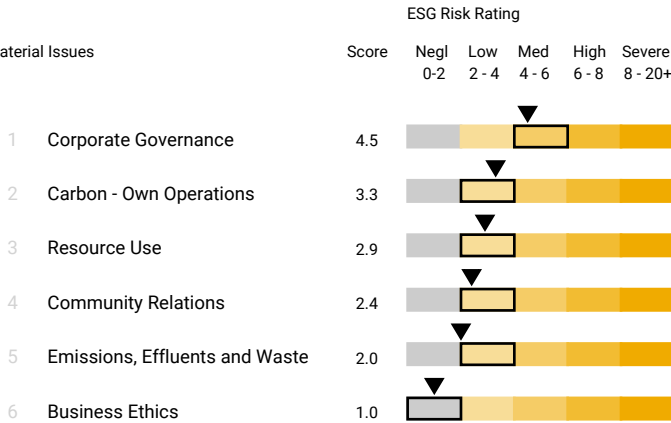


Relative Performance

	Rank (1 st = lowest risk)	Percentile (1 st = lowest risk)
Global Universe	1551 out of 9589	17th
Paper & Forestry (Industry Group)	8 out of 66	12th
Paper and Pulp (Subindustry)	8 out of 46	16th

Attribution Analysis

Top Material Issues



△ = Significant event

○ Circle size = Contribution to ESG Risk Rating

Risk Analysis

Exposure Score



41.0 / 100 Medium

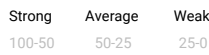
Beta = 1.00

SubIndustry

Navigator owns and runs four large-scale industrial complexes in Portugal and is developing one in Mozambique as well. Chemical and mechanical processes producing pulp and paper use up vast amounts of fresh water. Given that droughts are more frequent as climate change advances, failure to increase the water efficiency of its operations, could expose Navigator to water usage restrictions and operational disruptions. Apart from its water-intensity, the production of pulp and paper also generates liquid byproducts – such as black liquor – whose spill could pollute nearby waters triggering fines, permit suspension and clean-up costs. In addition, Navigator's industrial operations are highly-energy intensive. Increasingly stringent carbon regulations and failure to respond to these by diversifying its energy sources expose the company to high compliance costs and regulatory scrutiny.

The company's overall exposure is medium and is similar to subindustry average. Resource Use, Emissions, Effluents and Waste and Carbon - Own Operations are notable material ESG issues.

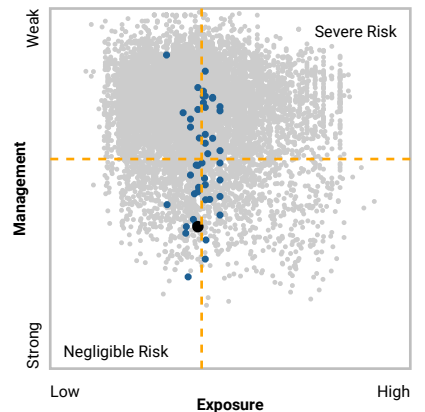
Management Score



60.6 / 100 Strong

Navigator's overall ESG-related disclosure follows best practice, signalling strong accountability to investors and the public. The company's ESG-related issues are overseen by the board or the executive team, suggesting that these are integrated in core business strategy.

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

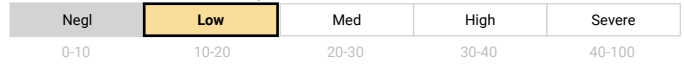


● Global Universe
● Paper and Pulp (Subindustry)
● The Navigator Company, S.A.
+ SubIndustryAvg.

The Navigator Company, S.A.

18.6 /100 Low

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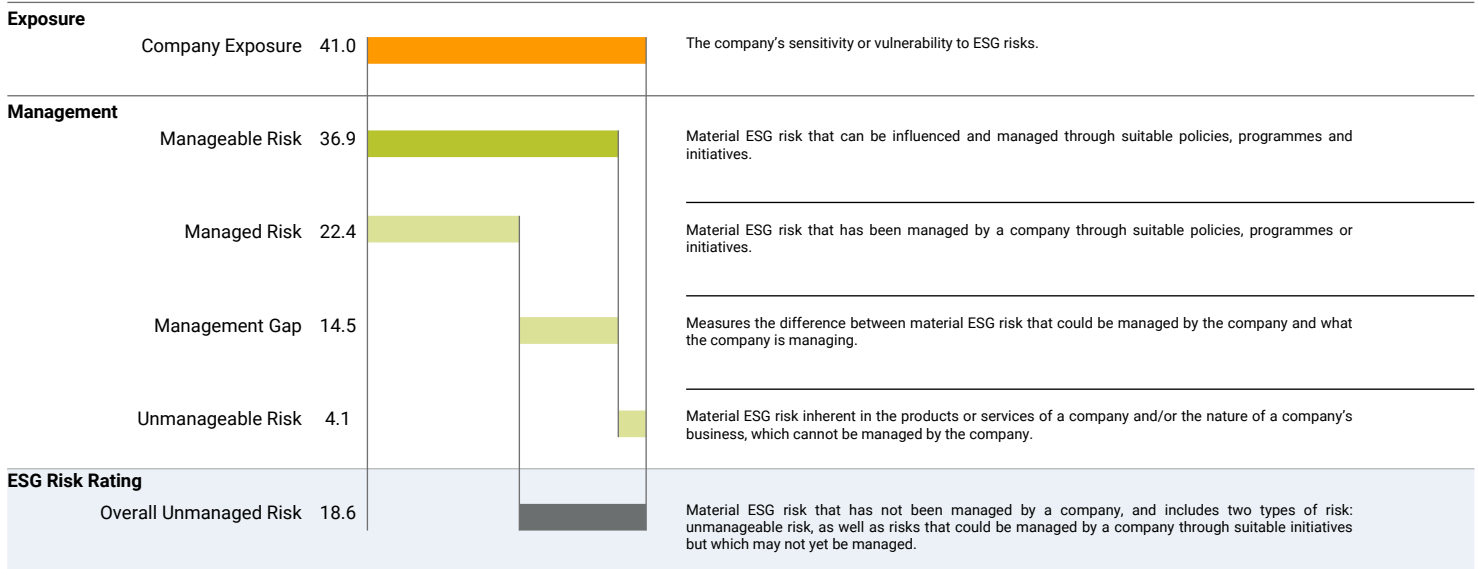
Attribution Details

Issue Name	Contribution to						ESG Risk Rating	Risk Category
	ESG Risk Rating	Subindustry Exposure	Company Exposure	Excess Exposure	Manageable Risk Factor	Management Score		
Corporate Governance	23.9%	9.0	9.0	-	100%	50.5	4.5	
Carbon - Own Operations	17.7%	6.0	6.0	-	80%	56.1	3.3	
Resource Use	15.6%	6.0	6.0	-	80%	64.5	2.9	
Community Relations	12.9%	3.0	3.0	-	90%	21.9	2.4	
Emissions, Effluents and Waste	10.9%	6.0	6.0	-	90%	73.5	2.0	
Business Ethics	5.4%	2.0	2.0	-	95%	52.5	1.0	
Land Use and Biodiversity - Supply Chain	4.3%	2.0	2.0	-	80%	75.0	0.8	
E&S Impact of Products and Services	4.2%	2.0	2.0	-	100%	60.8	0.8	
Occupational Health and Safety	3.3%	3.0	3.0	-	90%	88.0	0.6	
Land Use and Biodiversity	1.7%	2.0	2.0	-	100%	83.8	0.3	
Overall	100.0%	41.0	41.0	0.0	-	60.6	18.6	Low

△ =Significant event



Risk Details



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GLOSSARY OF TERMS

Beta (Beta, β)






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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