



Carbon Portfolio Report

Portfolio Information		Carbon Risk Rating Coverage	
Name	Number of Constituents	By Portfolio Weight	By Number of Constituents
Portfolio AEX ESG	25	100%	25
Benchmark AEX	25	97%	24

Overview

The Carbon Portfolio Report provides a deeper understanding of a portfolio's position with regards to the transition towards a low-carbon economy. It compares the portfolio with a benchmark across four carbon assessments: Carbon Risk Rating, Carbon Intensity, Fossil Fuel Involvement and Carbon Solutions Involvement. The combination of these assessments provides a multi-dimensional view of the portfolio's performance versus the benchmark and provide useful insights about the portfolio holdings.

- Portfolio
- Benchmark



Carbon Risk Rating

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The Carbon Risk Rating quantifies the company's exposure and management of material carbon issues in its own operations as well as its products and services.

Overall, the portfolio falls into the Low carbon risk category, and has 80% lower carbon risk than the benchmark.

Score
1.4
6.7

Category
Low
Low



Carbon Risk Rating

- Portfolio
- Benchmark

The Carbon Risk Rating quantifies the company’s exposure and management of material carbon issues in its own operations as well as its products and services. At each value chain stage, a company’s vulnerability to carbon risks is assessed. This is followed by an assessment of how much of this risk is manageable as opposed to systemic, with a final step of evaluating the degree to which management policies are already in place.

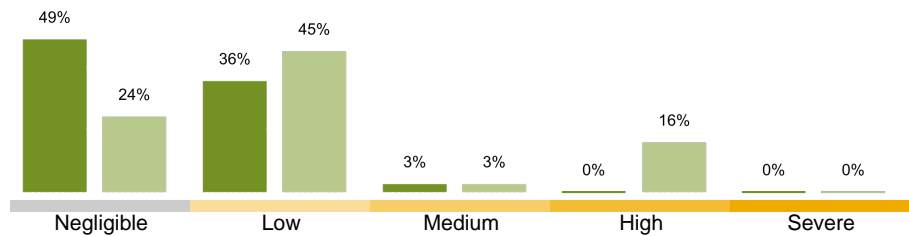
Overall, the portfolio falls into the **Low** carbon risk category, and has 80% lower carbon risk than the benchmark.

Overall Carbon Risk	
Score	Category
1.4	Low
6.7	Low

Carbon Risk Categories

- Negligible: 0**
The portfolio has little to no material carbon risk
- Low: 0 - 10**
The portfolio has carbon risk that could have material impact
- Medium: 10 - 30**
The portfolio has carbon risk that is material
- High: 30 - 50**
The portfolio has carbon risk that is highly material
- Severe: > 50**
The portfolio has severe carbon risk

Carbon Risk category by aggregate portfolio weight



Carbon Exposure

Exposure considers a company’s sensitivity or vulnerability to carbon risks. Very low exposure suggests that an issue is not material to a company; higher exposure suggests that the issue is material.

Overall, the portfolio has 70% less exposure to carbon risk factors than the benchmark, and falls into the Low exposure category.

Overall Exposure	
Score	Category
5.1	Low
17.1	Low

Carbon Management

Management considers a company’s commitments and actions to determine how a company approaches and handles carbon issue through policies, programmes, quantitative performance and involvement in controversies. Higher scores indicate stronger management.

Overall, the portfolio has 41% weaker management of carbon risk than the benchmark, and falls into the Average management category.

Overall Management	
Score	Category
31.3	Average
52.8	Strong

Operations

Operations

Score	Category
0.5	Low
2.6	Low

Overall, the portfolio falls into the Low operations carbon risk category, and has 80% lower operations carbon risk than the benchmark.

Exposure

Score	Category
3.1	Low
10.3	Low

Overall, the portfolio has 70% less exposure to carbon risk factors in operations than the benchmark.

Management

Score	Category
22.8	Weak
51.8	Strong

Overall, the portfolio has 56% weaker management of carbon risk in operations than the benchmark.

■ Portfolio
■ Benchmark

Products & Services

Products & Services

Score	Category
0.1	Low
3.8	Low

Overall, the portfolio falls into the Low product and services carbon risk category, and has 99% lower products and services carbon risk than the benchmark.

Exposure

Score	Category
0.2	Low
6.1	Low

Overall, the portfolio has 97% less exposure to carbon risk factors in products and services than the benchmark.

Management

Score	Category
1.2	Weak
9.9	Weak

Overall, the portfolio has 88% weaker management of carbon risk in products and services than the benchmark.

Sector Contribution

Looks at the Carbon Risk Rating score across sectors. Lower scores equal lower risk.

Sector	Score	Contribution	
		Portfolio Weight	Carbon Risk Contribution
Consumer Discretionary	0.0	19.7%	0.0%
Energy	0.0	0.4%	2.5%
Financials	0.7	10.4%	49.3%
Healthcare	0.0	0.3%	2.2%
Industrials	0.3	6.0%	18.7%
Information Technology	0.1	55.1%	7.8%
Materials		3.4%	
Real Estate	0.1	1.9%	7.2%
Telecommunication Services	0.2	2.7%	12.3%

Companies with the Highest Carbon Risk in the Portfolio

Identifies the 10 companies with the highest carbon risk score.

Company Name	Sector	Portfolio Weight	Carbon Risk				
			Score	Weighted Score	Category	Exposure	Mngmt
EXOR NV	Financials	2.3%	17.7	0.4	Medium Risk	26.4	33.1
Fagron NV	Healthcare	0.3%	10.1	0.0	Medium Risk	16.8	40.1
SBM Offshore NV	Energy	0.4%	8.3	0.0	Low Risk	24.0	82.0
CTP NV	Real Estate	0.5%	7.3	0.0	Low Risk	15.3	52.2
IMCD NV	Industrials	2.4%	6.3	0.1	Low Risk	13.6	67.0
Royal KPN NV	Telecommunication Services	2.7%	6.2	0.2	Low Risk	19.0	84.5
Signify NV	Industrials	1.0%	6.1	0.1	Low Risk	24.0	74.5
ABN AMRO Bank NV	Financials	1.6%	5.2	0.1	Low Risk	18.9	72.4
Eurocommercial Properties NV	Real Estate	0.3%	4.5	0.0	Low Risk	16.2	72.4
Arcadis NV	Industrials	0.9%	4.3	0.0	Low Risk	18.0	94.9

Companies with the Lowest Carbon Risk in the Portfolio

Identifies the 10 companies with the lowest carbon risk score.

Company Name	Sector	Portfolio Weight	Carbon Risk				
			Score	Weighted Score	Category	Exposure	Mngmt
RELX Plc	Consumer Discretionary	14.6%	0.0	0.0	Negligible Risk	0.0	0.0
Prosus NV	Information Technology	12.5%	0.0	0.0	Negligible Risk	0.0	0.0
Adyen NV	Information Technology	9.3%	0.0	0.0	Negligible Risk	0.0	0.0
ASM International NV	Information Technology	6.0%	0.0	0.0	Negligible Risk	0.0	0.0
Universal Music Group NV	Consumer Discretionary	5.1%	0.0	0.0	Negligible Risk	0.0	0.0
Randstad NV	Industrials	1.7%	0.0	0.0	Negligible Risk	0.0	0.0
ASML Holding NV	Information Technology	15.3%	0.3	0.0	Low Risk	10.2	96.9
ASR Nederland NV	Financials	1.7%	1.1	0.0	Low Risk	9.0	88.2
BE Semiconductor Industries NV	Information Technology	3.0%	1.9	0.1	Low Risk	10.2	81.3
Aegon Ltd.	Financials	2.0%	2.1	0.0	Low Risk	10.5	79.9

About This Report

Sustainalytics' Carbon Risk Ratings are designed to help investors identify and understand financially material carbon risks at the security and portfolio level and how they might affect the long-term performance for equity and fixed income investments. The Carbon Risk Ratings combined with qualitative analyses, provide clients with a differentiated risk signal and deeper insights into the materiality of certain carbon issues for a company and what the company is or is not doing to manage them effectively. 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 and by combining the weights of securities matched to the same company. If there are no security weights available, Sustainalytics will assign equal weights to all securities.

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