



# ESG Risk Rating Portfolio Report

Portfolio Information		ESG Risk Rating Coverage	
Name	Number of Constituents	By Portfolio Weight	By Number of Constituents
<b>Portfolio</b> AEX ESG	25	100%	25
<b>Benchmark</b> AEX	25	97%	24

# 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 **Low**, and is 31% lower than the benchmark.

**Overall Risk Rating**  
Score

Category



Low  
Low



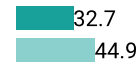
## Exposure

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Overall, the portfolio's exposure to ESG issues is 27% lower than the benchmark.

**Exposure**  
Score

Category



Low  
Medium



## Management

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Overall, the portfolio's management of ESG issues is 1% weaker than the benchmark.

**Management**  
Score

Category



Strong  
Strong

# 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.

<p><b>Portfolio</b></p> <p><b>Benchmark</b></p> <p><b>Divergence</b></p>	<p>The portfolio's ESG risk is considered <b>Low</b>, and is 31% lower than the benchmark.</p>	<p><b>Overall Risk Rating Score</b></p> <p>13.4</p> <p>19.5</p>	<p><b>Category</b></p> <p>Low</p> <p>Low</p>
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### ESG Risk Categories

**Negligible: 0 - 10**  
Negligible risk of material financial impacts driven by ESG factors

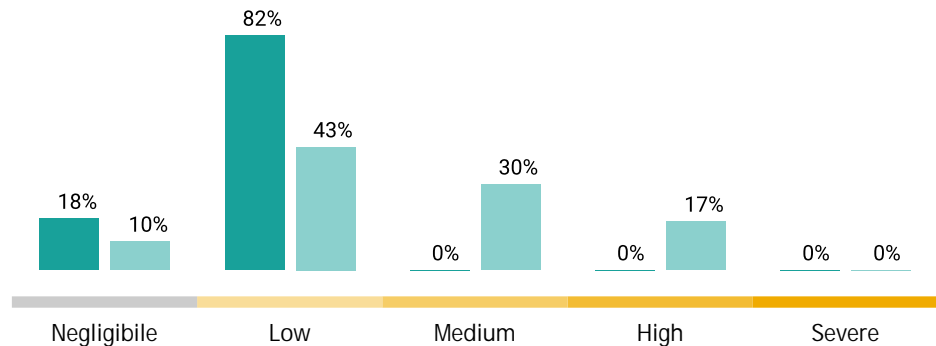
**Low: 10 - 20**  
Low risk of material financial impacts driven by ESG factors

**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.
13.8	13.4	13.7	8.6	19.2	3.1
18.1	19.5	16.6	8.6	38.1	7.5
-4.4	-6.0	-2.9	0.0	-18.9	-4.4

Average Percentile		ESG Risk Rating Percentile*			
Arithmetic	Weighted	Median	Min.	Max.	Std. Dev.
10.0	10.0	8.6	2.0	26.0	7.0
25.0	31.0	16.7	2.0	90.0	24.0
-15.0	-15.0	-8.1	0.0	-64.0	-17.0

\*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
Adyen NV	Information Technology	19.2	Low	33.2	45.5	12.0%	5.4%	6.6%
NN Group NV	Financials	18.5	Low	39.7	56.4	3.0%	1.3%	1.7%
Fugro NV	Industrials	17.9	Low	48.2	67.8	0.5%	0.0%	0.5%
InPost SA	Industrials	17.6	Low	32.4	51.8	0.6%	0.0%	0.6%
Royal KPN NV	Telecommunication Services	17.2	Low	41.0	65.0	3.5%	1.6%	2.0%
Prosus NV	Information Technology	16.1	Low	34.0	56.6	11.0%	4.9%	6.1%
Van Lanschot Kempen NV	Financials	16.0	Low	40.3	63.2	0.3%	0.0%	0.3%
Arcadis NV	Industrials	15.6	Low	51.0	75.4	1.1%	0.0%	1.1%
SBM Offshore NV	Energy	15.3	Low	45.0	73.9	0.5%	0.0%	0.5%
Aegon Ltd.	Financials	15.3	Low	43.6	68.8	2.0%	0.9%	1.1%

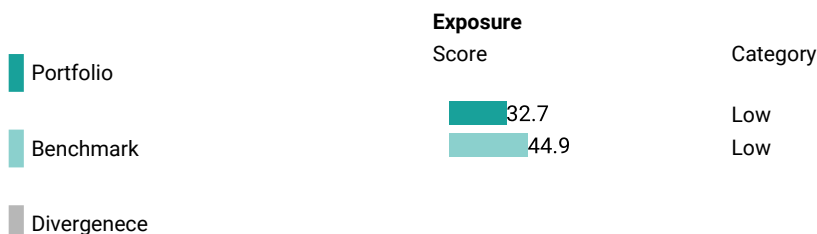
## Lowest Risk Portfolio Constituents

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
RELX Plc	Consumer Discretionary	8.6	Negligible	28.2	74.0	14.7%	8.8%	5.9%
Randstad NV	Industrials	9.2	Negligible	21.6	62.0	1.4%	0.6%	0.8%
CTP NV	Real Estate	9.5	Negligible	22.9	59.5	0.5%	0.0%	0.5%
ASR Nederland NV	Financials	9.6	Negligible	40.6	80.8	1.7%	0.8%	1.0%
ASML Holding NV	Information Technology	10.0	Low	34.5	75.3	14.8%	15.3%	-0.5%
Fagron NV	Healthcare	10.8	Low	25.2	59.9	0.3%	0.0%	0.3%
Warehouses De Pauw SA	Real Estate	11.4	Low	26.0	57.0	1.2%	0.0%	1.2%
ASM International NV	Information Technology	12.4	Low	33.0	66.3	6.9%	3.1%	3.8%
Universal Music Group NV	Consumer Discretionary	12.4	Low	22.8	48.0	5.3%	2.4%	2.9%
EXOR NV	Financials	12.7	Low	22.4	44.0	2.8%	1.3%	1.6%

## 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.



### Distribution of aggregated portfolio weight by Exposure categories

#### ESG Risk Categories

##### Low: 0 - 35

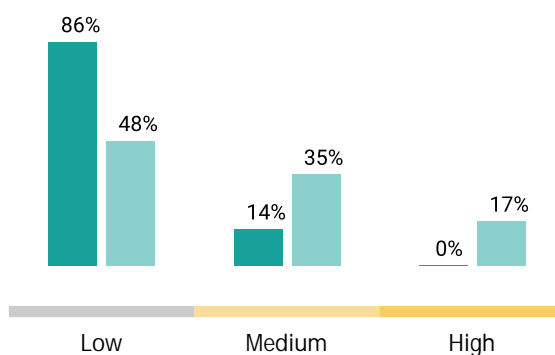
Low exposure to material ESG issues

##### Medium: 35 - 55

Medium exposure to material ESG issues

##### High: 55 - 100

High exposure to material ESG issues



Average Exposure		Exposure Score			
Arithmetic	Weighted	Median	Min.	Max.	Std. Dev.
34.0	32.7	33.2	21.6	51.0	8.4
40.9	44.9	40.1	21.6	75.4	13.8
-6.9	-12.3	-6.9	0.0	-24.4	-5.3

### Companies with the Highest Exposure in the Portfolio

Company Name	Sector	Exposure Score	Exposure Category	Port Weight	Bench Weight	Active Weight
Arcadis NV	Industrials	51.0	Medium	1.1%	0.0%	1.1%
Fugro NV	Industrials	48.2	Medium	0.5%	0.0%	0.5%
SBM Offshore NV	Energy	45.0	Medium	0.5%	0.0%	0.5%

### Companies with the Lowest Exposure in the Portfolio

Company Name	Sector	Exposure Score	Exposure Category	Port Weight	Bench Weight	Active Weight
Randstad NV	Industrials	21.6	Low	1.4%	0.6%	0.8%
EXOR NV	Financials	22.4	Low	2.8%	1.3%	1.6%
Universal Music Group NV	Consumer Discretionary	22.8	Low	5.3%	2.4%	2.9%



## ESG Risk Management

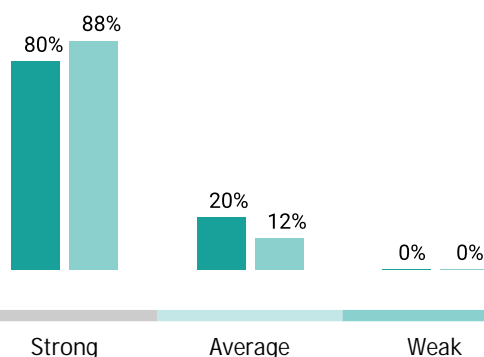
Management evaluates a company's performance on managing its exposure to ESG issues. Higher management scores indicate the constituent companies have stronger management of their exposure.

### Management

Score	Category
62.5	Strong
63.1	Strong

Portfolio
Benchmark
Divergence

### Distribution of aggregated portfolio weight by Management categories



### 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

Average Management		Management Score			
Arithmetic	Weighted	Median	Min.	Max.	Std. Dev.
62.0	62.5	61.1	44.0	80.8	9.8
60.3	63.1	59.3	44.0	80.8	9.4
1.7	-0.6	1.7	0.0	0.0	0.4

### Companies with the Weakest Management in the Portfolio

Company Name	Sector	Management Score	Management Category	Port Weight	Bench Weight	Active Weight
EXOR NV	Financials	44.0	Average	2.8%	1.3%	1.6%
Adyen NV	Information Technology	45.5	Average	12.0%	5.4%	6.6%
Universal Music Group NV	Consumer Discretionary	48.0	Average	5.3%	2.4%	2.9%

### Companies with the Strongest Management in the Portfolio

Company Name	Sector	Management Score	Management Category	Port Weight	Bench Weight	Active Weight
ASR Nederland NV	Financials	80.8	Strong	1.7%	0.8%	1.0%
Arcadis NV	Industrials	75.4	Strong	1.1%	0.0%	1.1%
ASML Holding NV	Information Technology	75.3	Strong	14.8%	15.3%	-0.5%

## 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	14.3%	1.9	1.0	20.0%	11.0%	5.3	3.0	13.4	7.6
Consumer Staples	0.0%	0.0	4.9	0.0%	20.0%	0.0	9.8	0.0	11.5
Energy	0.6%	0.1	5.3	0.0%	16.0%	0.2	11.8	0.4	10.2
Financials	10.7%	1.4	2.0	10.0%	11.0%	3.5	5.1	5.9	6.9
Healthcare	0.2%	0.0	0.4	0.0%	2.0%	0.1	0.8	0.2	1.0
Industrials	7.2%	1.0	0.2	7.0%	2.0%	2.4	0.4	4.4	1.0
Information Technology	60.9%	8.2	4.5	57.0%	34.0%	19.2	11.6	34.9	22.1
Materials	0.0%	0.0	0.9	0.0%	3.0%	0.0	1.8	0.0	1.7
Real Estate	1.6%	0.2	0.0	2.0%	0.0%	0.5	0.0	1.1	0.0
Telecommunication Services	4.5%	0.6	0.3	4.0%	2.0%	1.5	0.7	2.3	1.0

\*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
Europe	100.0%	13.4	19.5	32.7	44.9	62.5	63.1

## 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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