



# 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> BEL ESG	20	 100%	20
<b>Benchmark</b> BEL 20	20	 95%	19

# 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 29% lower than the benchmark.

**Overall Risk Rating**  
Score

Category

12.1

Low

17.1

Low



## Exposure

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Overall, the portfolio's exposure to ESG issues is 16% lower than the benchmark.

**Exposure**  
Score

Category

33.4

Low

39.6

Medium



## Management

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Overall, the portfolio's management of ESG issues is 8% stronger than the benchmark.

**Management**  
Score

Category

65.6

Strong

60.8

Strong



## Other Analysis

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Sector and Region

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Attribution Analysis

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Issue Performance

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Events

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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 **Low**, and is 29% lower than the benchmark.

Overall Risk Rating Score		Category
12.1	17.1	Low
		Low

### 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

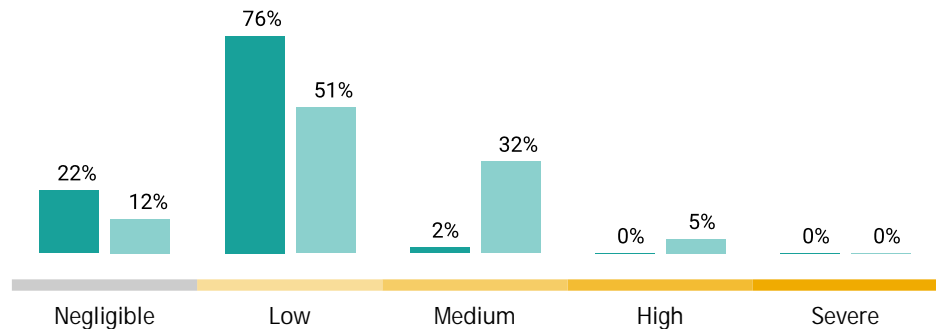
#### High: 30 - 40

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.
11.6	12.1	10.9	7.2	20.3	3.1
16.6	17.1	13.8	7.2	30.8	7.6
-5.0	-5.0	-2.9	0.0	-10.5	-4.5

Average Percentile		ESG Risk Rating Percentile*			
Arithmetic	Weighted	Median	Min.	Max.	Std. Dev.
7.0	8.0	4.4	1.0	32.0	7.0
23.0	24.0	9.7	1.0	74.0	25.0
-16.0	-15.0	-5.3	0.0	-42.0	-18.0

\*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
Proximus SA	Telecommunication Services	20.3	Medium	46.0	62.6	1.6%	0.0%	1.6%
KBC Group NV	Financials	15.8	Low	47.8	71.6	11.9%	12.5%	-0.5%
ageas SA/NV	Financials	15.2	Low	44.8	69.5	11.6%	7.1%	4.6%
Elia Group SA/NV	Utilities	13.8	Low	41.3	70.6	5.2%	3.1%	2.0%
UCB SA	Healthcare	13.7	Low	39.1	67.9	12.2%	12.7%	-0.5%
Xior Student Housing NV	Real Estate	13.4	Low	26.5	49.9	1.6%	0.0%	1.6%
VGP NV	Real Estate	11.9	Low	28.6	59.2	1.9%	0.0%	1.9%
Azelis Group NV	Industrials	11.6	Low	32.8	70.3	4.7%	2.9%	1.9%
MONTEA NV	Real Estate	11.0	Low	24.6	55.7	2.3%	0.0%	2.3%
D'leteren Group	Financials	11.0	Low	26.0	59.0	6.2%	3.8%	2.4%

## Lowest Risk Portfolio Constituents

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

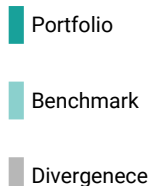
Company Name	Sector	ESG Risk				Weight		
		Score	Category	Exposure	Mgmt	Port	Bench	Active
Ackermans & van Haaren NV	Financials	7.2	Negligible	25.6	73.5	6.3%	3.8%	2.5%
Barco NV	Information Technology	7.9	Negligible	22.9	67.6	1.2%	0.0%	1.2%
Groupe Bruxelles Lambert SA	Financials	8.6	Negligible	24.8	66.8	8.6%	5.2%	3.4%
Aedifica SA	Real Estate	9.3	Negligible	26.3	65.8	4.5%	2.8%	1.8%
Fagron NV	Healthcare	9.5	Negligible	24.8	64.9	1.9%	0.0%	1.9%
Gimv NV	Financials	10.1	Low	24.1	59.5	1.2%	0.0%	1.2%
Warehouses De Pauw SA	Real Estate	10.3	Low	26.0	61.5	6.4%	3.9%	2.5%
Cofinimmo SA	Real Estate	10.5	Low	28.0	63.2	3.7%	2.2%	1.4%
Sofina SA	Financials	10.6	Low	20.2	48.7	5.3%	3.2%	2.1%
Shurgard Self Storage Ltd.	Real Estate	10.8	Low	24.9	57.9	1.9%	0.0%	1.9%

## 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.

### Exposure

Score	Category
33.4	Low
39.6	Low



### Distribution of aggregated portfolio weight by Exposure categories

#### ESG Risk Categories

##### Low: 0 - 35

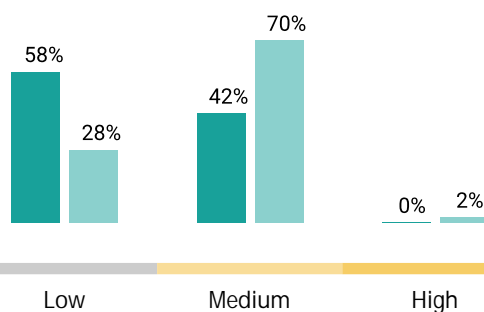
Low exposure to material ESG issues

##### 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.
30.2	33.4	26.2	20.2	47.8	8.5
37.8	39.6	40.9	20.2	56.2	11.3
-7.6	-6.2	-14.8	0.0	-8.4	-2.8

### Companies with the Highest Exposure in the Portfolio

Company Name	Sector	Exposure Score	Exposure Category	Port Weight	Bench Weight	Active Weight
KBC Group NV	Financials	47.8	Medium	11.9%	12.5%	-0.5%
Proximus SA	Telecommunication Services	46.0	Medium	1.6%	0.0%	1.6%
ageas SA/NV	Financials	44.8	Medium	11.6%	7.1%	4.6%

### Companies with the Lowest Exposure in the Portfolio

Company Name	Sector	Exposure Score	Exposure Category	Port Weight	Bench Weight	Active Weight
Sofina SA	Financials	20.2	Low	5.3%	3.2%	2.1%
Barco NV	Information Technology	22.9	Low	1.2%	0.0%	1.2%
Gimv NV	Financials	24.1	Low	1.2%	0.0%	1.2%



## ESG Risk Management

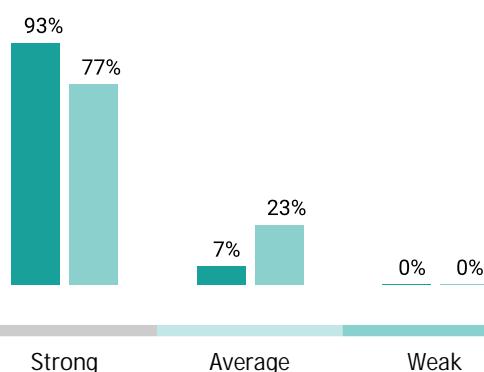
Management evaluates a company's performance on managing its exposure to ESG issues. Higher management scores indicate the constituent companies have stronger management of their exposure.

### Management

Score	Category
65.6	Strong
60.8	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.
63.3	65.6	64.1	48.7	73.5	6.9
60.0	60.8	65.8	29.8	73.5	12.8
3.3	4.8	-1.8	18.9	0.0	-5.9

### Companies with the Weakest Management in the Portfolio

Company Name	Sector	Management Score	Management Category	Port Weight	Bench Weight	Active Weight
Sofina SA	Financials	48.7	Average	5.3%	3.2%	2.1%
Xior Student Housing NV	Real Estate	49.9	Average	1.6%	0.0%	1.6%
MONTEA NV	Real Estate	55.7	Strong	2.3%	0.0%	2.3%

### Companies with the Strongest Management in the Portfolio

Company Name	Sector	Management Score	Management Category	Port Weight	Bench Weight	Active Weight
Ackermans & van Haaren NV	Financials	73.5	Strong	6.3%	3.8%	2.5%
KBC Group NV	Financials	71.6	Strong	11.9%	12.5%	-0.5%
Elia Group SA/NV	Utilities	70.6	Strong	5.2%	3.1%	2.0%

## 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 Staples	0.0%	0.0	4.2	0.0%	17.0%	0.0	8.4	0.0	9.7
Financials	51.3%	6.2	4.5	51.0%	35.0%	17.6	13.0	33.9	23.9
Healthcare	15.2%	1.8	5.4	14.0%	26.0%	5.2	10.6	9.5	13.8
Industrials	4.6%	0.5	0.3	5.0%	3.0%	1.6	0.9	3.3	2.0
Information Technology	0.8%	0.1	0.4	1.0%	1.0%	0.3	0.6	0.8	0.6
Materials	0.0%	0.0	0.9	0.0%	4.0%	0.0	2.4	0.0	3.0
Real Estate	19.5%	2.4	0.9	22.0%	9.0%	5.9	2.4	13.5	5.6
Telecommunication Services	2.7%	0.3	0.0	2.0%	0.0%	0.7	0.0	1.0	0.0
Utilities	5.9%	0.7	0.4	5.0%	3.0%	2.1	1.3	3.6	2.2

\*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%	12.1	17.1	33.4	39.6	65.6	60.8

## 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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