



# 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> CAC 40 ESG	40	100%	40
<b>Benchmark</b> CAC Large 60	60	100%	59

# 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 6% lower than the benchmark.

**Overall Risk Rating**  
Score

Category

18.0

Low

19.0

Low



## Exposure

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Overall, the portfolio's exposure to ESG issues is 3% lower than the benchmark.

**Exposure**  
Score

Category

45.0

Medium

46.3

Medium



## Management

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Overall, the portfolio's management of ESG issues is 2% stronger than the benchmark.

**Management**  
Score

Category

64.9

Strong

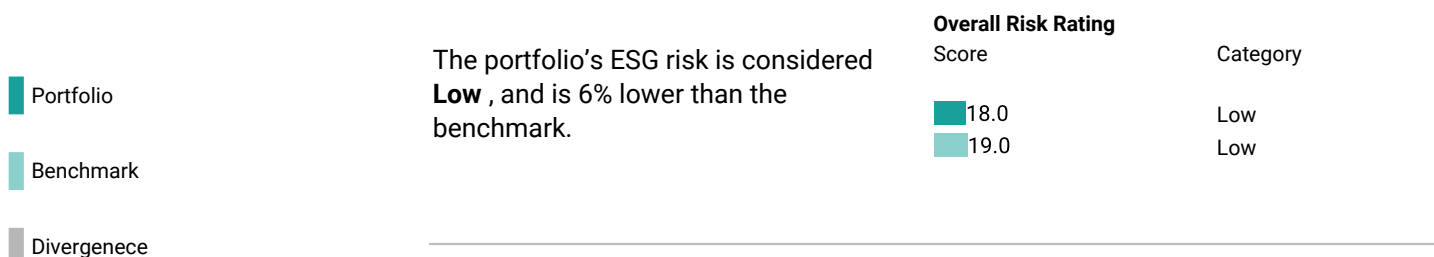
63.5

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.



### 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

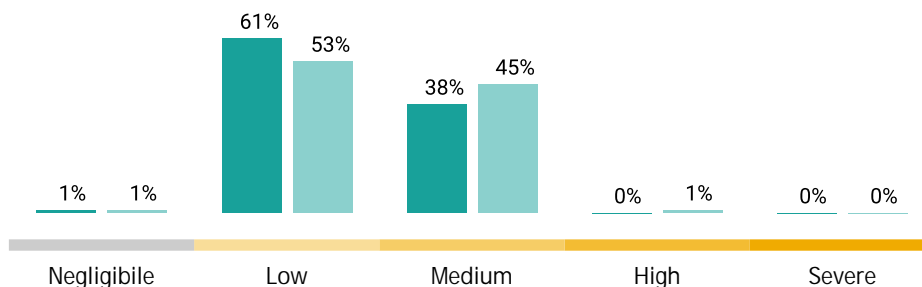
#### High: 30 - 40

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.
17.5	18.0	18.0	5.8	30.0	6.2
18.7	19.0	18.2	5.8	38.1	7.3
-1.2	-1.1	-0.2	0.0	-8.1	-1.0

Average Percentile		ESG Risk Rating Percentile*			
Arithmetic	Weighted	Median	Min.	Max.	Std. Dev.
24.0	25.0	21.4	1.0	70.0	20.0
28.0	29.0	22.1	1.0	90.0	24.0
-4.0	-3.0	-0.7	0.0	-20.0	-4.0

\*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
Air France-KLM SA	Industrials	30.0	Medium	54.5	53.9	0.1%	0.1%	0.0%
ENGIE SA	Utilities	29.6	Medium	73.4	64.0	1.9%	1.4%	0.5%
VINCI SA	Industrials	28.6	Medium	61.2	58.1	4.2%	3.2%	1.0%
Airbus SE	Industrials	25.6	Medium	63.4	66.3	6.8%	5.1%	1.6%
BNP Paribas SA	Financials	24.6	Medium	54.4	58.7	5.2%	3.9%	1.3%
Safran SA	Industrials	23.9	Medium	57.6	64.7	5.1%	3.9%	1.2%
Crédit Agricole SA	Financials	22.9	Medium	51.0	59.0	1.0%	0.7%	0.2%
Carrefour SA	Consumer Staples	22.9	Medium	48.4	56.9	0.6%	0.5%	0.1%
Orange SA	Telecommunication Services	22.7	Medium	43.8	54.1	1.4%	1.0%	0.3%
Sodexo SA	Consumer Discretionary	22.4	Medium	42.2	49.5	0.4%	0.3%	0.1%

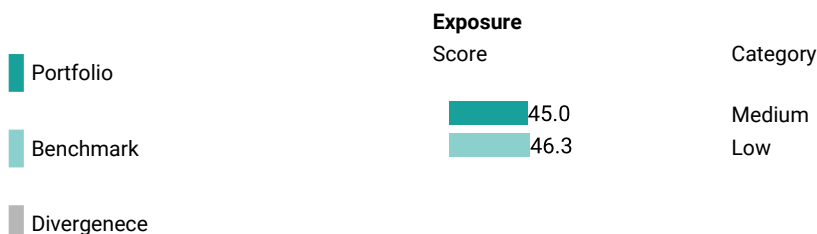
## Lowest Risk Portfolio Constituents

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
Unibail-Rodamco-Westfield SE	Real Estate	5.8	Negligible	28.6	81.0	0.6%	0.4%	0.1%
Bureau Veritas SA	Industrials	9.1	Negligible	36.3	79.1	0.6%	0.4%	0.1%
Klépierre SA	Real Estate	9.3	Negligible	26.7	66.2	0.3%	0.3%	0.1%
Valeo SE	Consumer Discretionary	10.1	Low	39.4	76.4	0.2%	0.1%	0.0%
Schneider Electric SE	Industrials	10.5	Low	40.7	77.5	8.0%	6.1%	1.9%
Publicis Groupe SA	Consumer Discretionary	10.6	Low	26.6	62.6	1.5%	1.2%	0.4%
Kering SA	Consumer Discretionary	10.6	Low	26.2	64.1	1.8%	1.4%	0.4%
Capgemini SE	Information Technology	10.7	Low	36.7	76.3	2.4%	1.8%	0.6%
Hermès International SCA	Consumer Discretionary	10.7	Low	25.4	62.4	5.0%	3.8%	1.2%
Gecina SA	Real Estate	11.1	Low	27.6	60.7	0.3%	0.2%	0.1%

## 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.



### ESG Risk Categories

#### Low: 0 - 35

Low exposure to material ESG issues

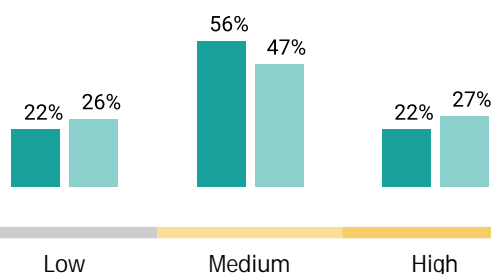
#### Medium: 35 - 55

Medium exposure to material ESG issues

#### High: 55 - 100

High exposure to material ESG issues

### Distribution of aggregated portfolio weight by Exposure categories



The prevalence of companies with high exposure to ESG issues in the portfolio is 19% lower than the benchmark.

	Average Exposure		Exposure Score			
	Arithmetic	Weighted	Median	Min.	Max.	Std. Dev.
Portfolio	44.1	45.0	44.7	25.4	73.4	12.2
Benchmark	44.4	46.3	43.8	21.2	73.6	13.2
Divergence	-0.2	-1.3	0.9	4.1	-0.1	-1.0

### Companies with the Highest Exposure in the Portfolio

Company Name	Sector	Exposure Score	Exposure Category	Port Weight	Bench Weight	Active Weight
ENGIE SA	Utilities	73.4	High	1.9%	1.4%	0.5%
Veolia Environnement SA	Utilities	69.2	High	1.2%	0.9%	0.3%
Airbus SE	Industrials	63.4	High	6.8%	5.1%	1.6%

### Companies with the Lowest Exposure in the Portfolio

Company Name	Sector	Exposure Score	Exposure Category	Port Weight	Bench Weight	Active Weight
Hermès International SCA	Consumer Discretionary	25.4	Low	5.0%	3.8%	1.2%
Kering SA	Consumer Discretionary	26.2	Low	1.8%	1.4%	0.4%
Publicis Groupe SA	Consumer Discretionary	26.6	Low	1.5%	1.2%	0.4%

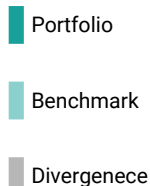


## ESG Risk Management

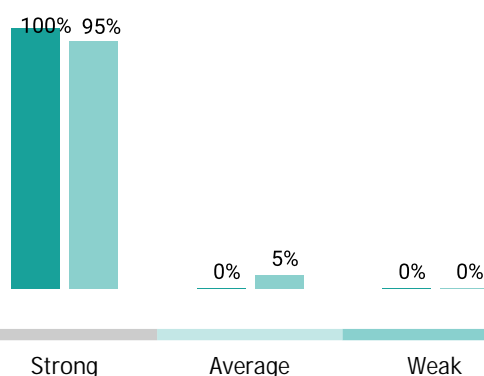
Management evaluates a company's performance on managing its exposure to ESG issues. Higher management scores indicate the constituent companies have stronger management of their exposure.

### Management

Score	Category
64.9	Strong
63.5	Strong



### 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.
65.2	64.9	64.2	49.5	81.0	7.7
62.5	63.5	62.3	35.7	81.0	9.3
2.7	1.4	2.0	13.8	0.0	-1.6

### Companies with the Weakest Management in the Portfolio

Company Name	Sector	Management Score	Management Category	Port Weight	Bench Weight	Active Weight
Sodexo SA	Consumer Discretionary	49.5	Average	0.4%	0.3%	0.1%
Air France-KLM SA	Industrials	53.9	Strong	0.1%	0.1%	0.0%
Orange SA	Telecommunication Services	54.1	Strong	1.4%	1.0%	0.3%

### Companies with the Strongest Management in the Portfolio

Company Name	Sector	Management Score	Management Category	Port Weight	Bench Weight	Active Weight
Unibail-Rodamco-Westfield SE	Real Estate	81.0	Strong	0.6%	0.4%	0.1%
Bureau Veritas SA	Industrials	79.1	Strong	0.6%	0.4%	0.1%
Schneider Electric SE	Industrials	77.5	Strong	8.0%	6.1%	1.9%

## 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	15.1%	2.7	3.3	21.0%	23.0%	6.2	7.3	12.8	13.6
Consumer Staples	13.3%	2.4	1.8	12.0%	9.0%	6.0	4.5	8.2	6.2
Energy	0.0%	0.0	2.2	0.0%	8.0%	0.0	5.9	0.0	6.0
Financials	13.7%	2.5	2.0	12.0%	10.0%	6.1	4.8	7.6	6.1
Healthcare	8.2%	1.5	2.0	7.0%	10.0%	3.5	4.0	4.3	5.0
Industrials	32.8%	5.9	5.0	30.0%	24.0%	15.4	12.7	20.2	16.3
Information Technology	3.7%	0.7	0.8	5.0%	5.0%	2.0	2.1	3.5	3.7
Materials	6.4%	1.1	1.1	7.0%	6.0%	2.7	2.5	4.5	3.8
Real Estate	0.6%	0.1	0.1	1.0%	1.0%	0.3	0.3	0.9	0.7
Telecommunication Services	1.7%	0.3	0.2	1.0%	1.0%	0.6	0.5	0.7	0.6
Utilities	4.6%	0.8	0.6	3.0%	2.0%	2.2	1.7	2.1	1.6

\*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%	18.0	19.0	45.0	46.3	64.9	63.5

## 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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