

Disclosure Requirements

Sustainability Profiles

Minimum disclosures to the public

In accordance with Article 23 of [Regulation EU 2024/3005](#), ESG rating providers shall, at a minimum, disclose to the public on their website and through the European single access point (ESAP) the following:

(a) **an overview of the rating methodologies used and changes thereto, including whether analysis is backward-looking or forward-looking and the time horizon covered;**

The sustainability profiles are a proprietary classification based on extra-financial information provided by ESG rating providers. The methodology is intended to synthesise three analytical dimensions that form the backbone of the investment process: compliance with fundamental rights through norms screening based on Global Standards, assessment of controversial behaviour through the analysis of controversies, and promotion of environmental, social and governance best practices through the ESG score. Based on combined performance across these three dimensions, companies are classified into five categories:

- 1. Laggards: are companies that are not respecting minimum fundamental values. They refer to companies that are classified as non-compliant with recognised Global Standards or that have been found to be implicated in the most severe ESG controversies (level 5 on a scale of 1 to 5).**
- 2. Subpars: are companies that have an ESG score that is situated in the fourth (worst) quartile of their industry or that are facing serious allegations of controversial behaviour (level 4 on a scale of 1 to 5). Both classifications are treated as equally severe, as controversies reveal information about the effectiveness of a company's potentially high ESG score and the linked policies and programmes.**
- 3. Followers: are companies with a below average ESG score (situated in the third quartile of their industry) but that do not face serious allegations of controversial behaviour (maximum level 3 on a scale of 1 to 5).**
- 4. Explorers: are either: companies with a good ESG profile (between the 50th and 75th percentile of their category) that do not face any severe allegations of controversial behaviour (level lower than 4 on a scale of 1 to 5), or companies with a superior ESG profile (between the 75th and 100th percentile of their category) but which face moderate allegations of controversial behaviour (level 3 on a scale of 1 to 5).**
- 5. Champions: are companies with a superior ESG profile (between the 75th and 100th percentile of their category) which do not face any moderate or severe allegations of controversial behaviour (below level 3 on a scale of 1 to 5).**

The data are compiled from the external provider Morningstar Sustainalytics and are therefore subject to the ESG Ratings Directive. For more information on Morningstar Sustainalytics methodology, please refer to their transparency page:

<https://www.sustainalytics.com/morningstar-sustainalytics-ratings-transparency>

(b) the industry classification used;

The industry classification applied is the one used by the external data provider, Morningstar Sustainalytics. No reworking or modification of that industry classification is carried out in the context of the sustainability profiles.

For more information on Morningstar Sustainalytics methodology, please refer to their transparency page: <https://www.sustainalytics.com/morningstar-sustainalytics-ratings-transparency>

(c) an overview of data sources, including whether data is sourced from sustainability statements required under Directive 2013/34/EU or from information disclosed under Regulation (EU) 2019/2088 and whether sources are public or non-public, and an overview of data processes, estimation of input data in case of unavailability and frequency of data updates;

The data consist exclusively of numeric data sourced from Morningstar Sustainalytics. Our role is limited to combining the three dimensions - Global Standards, controversies level and ESG score - in order to classify issuers into the relevant categories according to the defined thresholds. The data are computed on a quarterly basis.

For more information on Morningstar Sustainalytics methodology, please refer to their transparency page: <https://www.sustainalytics.com/morningstar-sustainalytics-ratings-transparency>.

(d) the ownership structure of the ESG rating provider;

The data are computed by DPAM.

DPAM is a Belgian asset management company fully owned by Bank Degroof Petercam SA.

Since June 2024, DPAM has been part of the Indosuez Group, following the acquisition of its parent company, Bank Degroof Petercam, by CA Indosuez SA (a subsidiary of the Crédit Agricole Group). As of today, CA Indosuez holds 79.28% of the shares in Bank Degroof Petercam, making it the principal shareholder.

Morningstar Sustainalytics discloses its own ownership structure on its transparency page: <https://www.sustainalytics.com/morningstar-sustainalytics-ratings-transparency>

(e) information on whether and how the rating methodologies are based on scientific evidence;

The computation has not been scientifically validated. Its sole purpose is to classify issuers into five main sustainability profiles. The underlying data are defined in accordance with the methodology of the external data provider, which is subject to the ESG Ratings Regulation (Regulation (EU) 2024/3005)

(f) information on the ESG rating’s clearly defined objective and marking whether the rating is assessing risks, impacts, or both, according to the double materiality principle, or any other dimensions, and in the case of double materiality the proportion of the risk and impact materiality;

The methodology on the underlying data applies the double materiality principle in assessing Global Compact compliance, controversies level and ESG score.

For more information on Morningstar Sustainalytics methodology, please refer to their transparency page: <https://www.sustainalytics.com/morningstar-sustainalytics-ratings-transparency>.

(g) the ESG rating’s scope, namely, whether it covers an individual E, S, or G factor or whether it is an aggregated rating aggregating E, S and G factors, or whether it covers specific issues such as transition risks;

The computation is based on three elements, as described above. The third element consists of ESG rating data, which covers the three standard dimensions of Environment, Social and Governance. Transition risks are included within these three pillars.

For more information on Morningstar Sustainalytics methodology, please refer to their transparency page: <https://www.sustainalytics.com/morningstar-sustainalytics-ratings-transparency>.

(h) in the case of an aggregated ESG rating, the weighting of the three overarching E, S and G categories of factors (for example 33% for the E factor, 33% for the S factor, 33% for the G factor), and the explanation of the weighting method, including weight per individual E, S and G category;

The computation does not constitute an aggregated ESG rating. Rather, it serves as an internal label used to group and filter issuers. Each group is defined by a specific combination of rules across the three analytical dimensions, with the relevant definitions and thresholds set out in point (a).

(i) within the E, S or G factors, specification of the topics covered by the ESG rating, and whether they correspond to the topics from the sustainability reporting standards developed pursuant to Article 29b of Directive 2013/34/EU;

Not applicable at the level of this computation. The ESG rating used is sourced directly from the external data provider and is subject to the ESG Ratings Regulation (Regulation (EU) 2024/3005).

(j) information on whether the rating is expressed in absolute or relative value;

The computation is based exclusively on relative performance. The resulting group label is not, in itself, expressed as either an absolute or relative value, but is used as an internal classification for issuers.

(k) where applicable, reference to the use of artificial intelligence in the data collection or rating process including information about current limitations and risks of using artificial intelligence;

There is no use of artificial intelligence in data collection nor in the rating process.

(l) general information on criteria used for establishing fees charged to clients, specifying the various elements taken into consideration, and general information on the business/payment model;

Not applicable. The sustainability profiles are designed solely to simplify and communicate ESG characteristics for reporting purposes. No fees are associated with them.

(m) any limitation in data sources and methodologies used for the construction of ESG ratings;

Any limitations arise strictly from the underlying data. This does not constitute ESG rating information as such, but rather a computation based on external data.

(n) the main risks of conflicts of interest and the steps taken to mitigate them;

Not applicable

(o) if an ESG rating of a rated item covers the E factor, information on whether that rating takes into account the targets and objectives of the Paris Agreement or any other relevant international agreements;

The ESG rating used is sourced directly from the external data provider and is subject to the ESG Ratings Regulation (Regulation (EU) 2024/3005).

(p) if an ESG rating of a rated item covers the S and G factors, information on whether that rating takes into account any relevant international agreements;

The ESG rating used is sourced directly from the external data provider and is subject to the ESG Ratings Regulation (Regulation (EU) 2024/3005).

(q) any limitation on the information available to ESG rating providers.

The ESG rating used is sourced directly from the external data provider and is subject to the ESG Ratings Regulation (Regulation (EU) 2024/3005).

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Disclaimer

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