

### Integration of sustainability risks in the investment decision-making process

Juno conducts a qualitative analysis of the main sustainability risks to which a company is exposed, and estimates the potential effects of these risks on the company's value development. Based on the analysis, it classifies its investments in one of three ESG risk categories (high / neutral / low). This category has a direct impact on the valuation of the company: a high ESG risk leads to an increase in the discount rate used for this valuation, a low ESG risk actually leads to a decrease, and for a neutral ESG risk the discount rate remains unchanged.

### Prime sustainability risks

The table below shows the 5 risks that Juno considers to be the most important ESG risks for its products, and whose likely impact on returns it assesses as high.

Risico	Beschrijving	Type
Scarcity in energy supply	More restrictive regulations nature, quantity and origin of energy, decreasing availability of energy resources and rising cost of energy.	Ecological
Increase in the tax rate	Increase in taxes, either in a general sense or more specifically related to certain activities or locations (e.g. increase in tax from a certain profit level in the energy sector).	Social
Disruptions and increasing costs within the supply chain	Decreasing availability and increasing dependence on resources and logistics processes, e.g. due to tightened supply chain requirements by legislators and/or customers (e.g. within the textile and food industry).	Social and Ecological
Weakening of the position of minority shareholders	Voting rights ratios not in line with economic ownership (e.g. 'odd' statutes or 'Golden Share').	Governance
Disproportionate increase in labor costs	Strong increase in labor costs due to changing laws and regulations, geopolitical developments and stronger position of employees.	Social