

KBC Asset Management NV

ESG Rating Website Disclosure

JUNE 2026

KBC Country Sustainability Barometer – Annex III point 1 disclosure (Article 49 / SFDR Article 13(3))

This information is limited to the minimum disclosures to the public consistent with Annex III, point 1 of Regulation (EU) 2024/3005 and is structured in the order provided by the available regulatory technical standards (which, however, do not apply to KBC Asset Management NV).

Website disclosure information – Annex III point 1

Annex III point (f) – Objective of the ESG rating

The KBC Country Sustainability Barometer (further "Barometer") assesses the sustainability profile of countries. It evaluates both the impact of different sustainability dimensions at country level by looking at how a country's performance, institutions and policy efforts support the well-being of its current and future population in a sustainable way. The methodology identifies the following five themes: (i) general economic performance and stability, (ii) socio-economic development of the population, (iii) equality, freedom and rights of the population, (iv) environmental performance and commitment, and (v) security, peace and international relations.

Annex III point (g) – Scope of the ESG rating

The Barometer provides an aggregated country-level sustainability assessment. It combines environmental, social and governance-related dimensions into one overall country score and ranking based on the five themes considered. These five themes can be categorised as follows:

- E: environmental performance and commitment (theme 4);
- S: socio-economic development of the population (theme 2), equality, freedom and rights of the population (theme 3), security, peace and international relations (theme 5);
- G: general economic performance and stability (theme 1).

Annex III point (h) – Weighting of E, S and G categories

The Barometer is structured around the five themes mentioned above. Countries are scored on these themes, using sub indicators. Then the scores on the different themes are aggregated into the overall score, with each theme given equal weighting. In other words, no different percentage E/S/G distribution is used.

Annex III point (i) – Topics covered

Within the different themes, the scores included in the Barometer include the following topics ("sub indicators"):

- Within theme 1: economic growth, economic potential and quality of public and private institutions;
- Within theme 2: GDP per capita, poverty levels, the extent to which the population faces severe food insecurity, achievements and policy efforts concerning citizens' education and employment, the situation and policy efforts in public health;
- Within theme 3: income inequality, gender inequality regarding reproductive health, empowerment and labour market opportunities, political rights and civil liberties, and economic freedom;
- Within theme 4: environmental performance, ecological footprint and climate change aspects;
- Within theme 5: security threats to the state, fragmentation of institutions, state legitimacy, levels of displaced populations, external interventions, militarisation, human rights, existence of rule of law and incidents of homicide, terrorism and criminality, status on ratification of key international conventions (relating to fundamental human and labour rights and environmental agreements) and the extent to which countries have open borders.

Annex III point (j) – Absolute or relative value

The scores included in the Barometer are expressed as a relative score and ranking within a defined universe of countries. The Barometer is a comparative country screening tool, no absolute scores or grades are assigned to countries in relation to a particular theme.

Annex III point (o) – International agreements (E factor)

The Barometer does not explicitly take into account the targets formulated in the Paris Agreement or other relevant international agreements. However, these are implicitly taken into account by countries' scores on themes 4 and 5.

For example, in scoring for theme 4, the Barometer takes into account data related to levels and changes in CO2 emissions, energy consumption per capita and the share of renewable energy in the energy mix. The score for theme 5 takes explicitly into account the ratification of major international treaties, which include the following (under the United Nations Treaty Collection):

- Convention on biological diversity
- Cartagena protocol on biosafety to the convention on biological diversity
- United Nations framework convention on climate change
- Kyoto protocol to the framework convention on climate change
- Vienna convention for the protection of the Ozone layer
- Montreal protocol on substances that deplete the Ozone layer
- Stockholm convention on persistent organic pollutants
- Convention to combat desertification.

Annex III point (p) – International agreements (S and G factors)

The Barometer explicitly takes into account the ratification of key international conventions, including conventions relating to fundamental human and labour rights, in its score for theme 5, namely the following Human rights instruments (under the UN Office of the High Commissioner on Human Rights):

- International convention on the elimination of all forms of racial discrimination
- International covenant on civil and political rights
- Optional protocol to the international covenant on civil and political rights
- Second optional protocol to the international covenant on civil and political rights, aiming at the abolition of the death penalty
- International covenant on economic, social and cultural rights
- Optional protocol to the international covenant on economic, social and cultural rights
- Convention on the elimination of all forms of discrimination against women
- Optional protocol to the convention on the elimination of all forms of discrimination against women
- Convention against torture and other cruel, inhuman or degrading treatment or punishment
- Optional protocol to the convention against torture and other cruel, inhuman or degrading treatment or punishment
- Convention of the rights of the child
- Optional Protocol to the convention on the rights of the child
- Optional protocol to the convention of the rights of the child on the involvement of children in armed conflict
- Optional protocol to the convention of the rights of the child on the sale of children, child prostitution and child pornography
- International convention on the protection of the rights of all migrant workers and members of their families
- International convention for the protection of all persons from enforced disappearance
- Convention on the rights of persons with disabilities
- Optional protocol to the convention on the rights of persons with disabilities
- Moreover, the following fundamental labour rights conventions (under the International Labour Organization) are taken into account:
 - Freedom of association and collective bargaining
 - Elimination of forced and compulsory labour
 - Elimination of discrimination in respect of employment and occupation
 - Abolishment of child labour

Annex III point (a) – Methodology overview and changes thereto

The KBC Country Sustainability Barometer examines both developed and emerging economies, starting from the 196 UN-recognised countries and observer states. It additionally states that, to be included in the Barometer, data must be available for at least 80% of the 15 sub-indicators (under the five different themes). This excluded 33 countries from the Barometer in 2025, leaving a total of 163 countries in the analysis.

We begin at the sub-indicator level, for the remaining countries, specifically for sub-indicators comprised of various data series. Each series is standardised so that the best performing country gets a standardised score of one and the worst performing country gets a score of zero. The series are then averaged together, giving equal weight to each series, and thus providing us with a score for that sub-indicator (the exception is sub-indicator 1.1 (macroeconomic performance and absence of disequilibria), where 'disequilibria', which is made up of several data points is given a 50% weighting compared to 25% each for 'GDP growth' and 'volatility of economic growth'. Sub-indicators based on a single data series are simply standardised from zero to one.

The second stage then moves to the theme level. The values for each sub-indicator, calculated in the previous step, are averaged together (again with equal weighting) and then standardised to a value between zero and one. The best performing country again gets a value of one and the worst performing a value of zero. If a value for one of the sub-indicators is missing, the raw theme score is calculated without that sub-indicator. If a country has data for less than 80% of sub-indicators (i.e., if three or more of the fifteen sub-indicators are missing) the country is excluded from the calculations. In the final third stage, we calculate the average of the standardised scores for the five themes (again with equal weighting). By standardising that average between zero and one, we obtain the KBC Country Sustainability Barometer.

Annex III point (b) – Industry classification used

Not applicable. The Barometer applies to countries and not to sectors or industries.

Annex III point (c) – Overview of data sources and data processes

All data on which the Barometer is based are obtained from Macrobond (a provider of macroeconomic data), as well as the data on the ratification of treaties, the UN and IMF data on countries' Nationally Determined Contributions and Business as Usual GHG emissions. The data comes from international institutions, such as the United Nations, IMF and World Bank, or other reputable bodies.

Annex III point (e) – Scientific evidence

All figures on which the Barometer is based are obtained from Macrobond (a provider of macroeconomic data) and come from international institutions, such as the United Nations, IMF and World Bank, or other reputable bodies.

Annex III point (k) – Use of artificial intelligence

No artificial intelligence is used in the data collection or rating process.

Annex III point (m) – Limitations in data sources and methodologies

The Barometer depends on the availability and consistency of public international datasets. The methodology standardises and aggregates heterogeneous indicators into a single score, which necessarily involves assumptions on comparability and weighting. Countries are excluded from the model when insufficient data is available.

Annex III point (q) – Limitations in available information

Potential limitations of the Barometer include reliance on external data providers and their assessment of ESG characteristics and alignment with the UN Sustainable Development Goals, as well as the delay in incorporating new data points as assessments reflect past events. This is considered an inherent limitation, as there is no universal definition of ESG characteristics and judgement is needed to interpret, for example, the severity of ESG controversies, and the integration of issuers' future plans will lead to potential forecasting errors.

KBC Asset Management NV annually reviews the Barometer and data providers to monitor evolutions and closely align with the chosen principles which are transparently communicated to clients.

Annex III point (d) – Ownership structure

KBC Asset Management NV is part of the KBC Group. More information regarding the KBC Group can be found here: <https://www.kbc.com/onze-structuur>

Annex III point (l) – Fees and business / payment model

The Barometer is only used by KBC Asset Management NV and is not offered to third parties for a fee.

Annex III point (n) – Main risks of conflicts of interest and mitigating steps

Conflicts of interest may arise from the integration of ESG scoring into internal investment processes. These risks are mitigated through internal governance, control frameworks and an organisational separation between the preparation/review of the Barometer, as well as the calculation of scores, and the final investment decisions.