Overview engagements H2 2022

a.s.r. asset management

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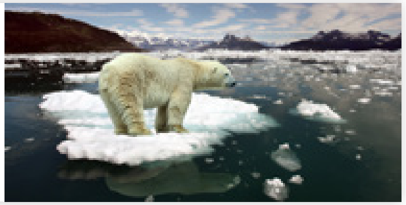
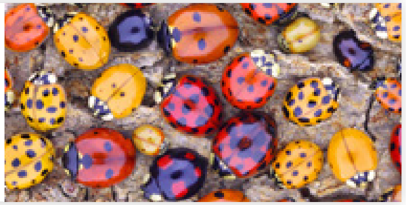
a.s.r. seeks a constructive dialogue and engagement with companies about relevant Environmental, Social and Governance (ESG) practices, in accordance with the standards outlined in the a.s.r. Socially Responsible Investment (SRI) Policy. This engagement dialogue knows three forms:

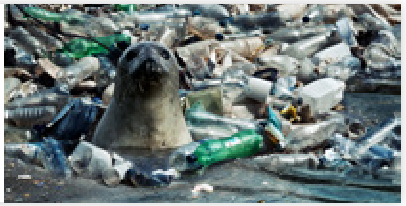
1. Engagement with the purpose of monitoring a company's on-going sustainability, which takes place regularly and especially with a.s.r.'s largest holdings;
2. Engagement with the purpose of influencing the behavior of a company or sector where ESG issues have been identified. Engagement for influencing focusses on specific and current environmental, social and governance themes. The engagement can be focused on a sector, or on individual companies. Most often these engagements are started because of violations of international standards such as Global Compact or because of high ESG risk. International guidelines such as the UN Global Compact and the UN Guiding Principles (UNGPs) therefore always form the basis of our engagements;
3. Public engagements together with policymakers, government, regulatory bodies, sector organizations and/or other stakeholders to implement and enhance sustainability practices.

In this report an overview of current engagements in the second half of 2022 is presented.

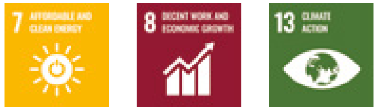
In this update







Climate Action



Climate change is one of the systemic risks facing our global economy and financial system. It is therefore one the focus themes of the a.s.r. sustainable investing policy. We aim to reduce the carbon emissions of our investment portfolio amongst others by engaging high emitting investee companies on improving their governance on climate change, reduce emissions and improve climate related disclosures. As we have committed ourselves to the Paris Agreement and thereby to becoming a net-zero emitter in 2050, we also ask companies we invest in to commit to net-zero carbon emissions.

Climate action should always go hand in hand with social inclusion. Jobs will disappear because of the low-carbon transition, and new jobs will arise because of new economic opportunities. In many cases this will impact workers who might need new, more specialized skills. Or communities because of relocation of production processes. A just transition seeks to ensure that the substantial benefits of a low-carbon transition are shared widely, while also supporting those who stand to lose economically – be they countries, regions, industries, communities, workers or consumers.
In short: making sure no one is left behind.

Dutch Climate Coalition Update

In the first quarter we participated in multiple engagement dialogues with oil & gas companies which are targeted by the Dutch Climate Coalition. These engagement procedures aim to assure these fossil fuel companies are Paris-aligned and undertake sufficient action to stimulate a low-carbon economy.

In the second half of 2022 we had engagement meetings with the following companies:

Valero Energy Corp 25-8-2022

Valero Energy is one of the largest petroleum refining companies in the world, with a total throughput capacity of approximately 3.2 million barrels per day across its 15 refineries. In our meeting we discussed the amount of allocated sources to low-carbon fuels and mitigation technologies, which is relatively low compared to the sectoral expectation to invest at least 77% in low carbon-projects. As well the heavy dependence on offsetting absolute emissions through ethanol and renewable diesel and CCS has been discussed in our meeting. Scope 3 emission reduction targets are currently lacking in Valero's reports, but we don't expect any scope 3 disclosures in the short term.

OMV 6-9-2022

OMV is an integrated international oil and gas company headquartered in Vienna, Austria. The company's core business includes the exploration and production of oil and gas, refining and marketing of petroleum products, and petrochemicals. OMV is implementing an innovative approach to transitioning to a chemicals and circularity company and the company has set a comprehensive absolute emission target for scope 3 in 2030 – one of very few energy companies to do so. Besides a net zero 2050 target, the company has targets for 2025, 2030 and 2040, which provides a clear sense of OMV's transition pathway. During the meeting we also provided some recommendations, for example disclosing a breakdown of the scope 3 target, the continuation of investing in greenfield oil and gas assets and providing a disclosure of how OMV will support customers in transitioning away from fossil fuel products.

ENI 15-9-2022

Eni is an Italian multinational oil and gas company engaged in all aspects of the industry. The company operates in over 60 countries and is engaged in all aspects of the oil and gas industry, including exploration and production, refining and marketing, petrochemicals, power generation and the development of renewable energy sources. During our meeting we discussed how the Ukraine war impacts their projections on gas production and the medium-term strategy, their expectation of scope 3 emissions and ENI's ambitions regarding low-carbon solutions. We did recommend to increase their scope 1-3 intensity targets and cease greenfield investments. Regarding their decarbonization plan we recommended disclosures regarding their reliance on natural gas, low carbon targets and how their CAPEX links to their targets.

Repsol SA 22-9-2022

Repsol is a Spanish energy company that operates in the exploration, production, refining, and marketing of oil and gas products, as well as renewable energy sources. During our meeting we discussed how Repsol's short term energy sales will remain heavily focused on fossil fuels, using the vast majority of the carbon budget by 2030. The company also realized windfall profits and we discussed how these profits impacted the strategy and whether there will be an acceleration to low carbon solutions. Repsol elaborated on their goal to generate 20GW of renewable energy by 2030, which will mostly happen in Spain, but also the US will be an important market. The coming years Repsol guaranteed the realization of significant amounts of volumes in low-carbon fuels. Also Carbon Capture and Storage (CCS) will play an important role – especially in the US.

Galp Energia 29-9-2022

Galp Energia is a Portuguese energy company engaged in the exploration, production, refining, and distribution of petroleum products, as well as the generation of electricity from renewable sources. Topics for discussion related to the ambitious plans of the Portuguese government to produce 80% of its electricity output from renewable sources by 2026, the implementation of two separate carbon intensity targets, and Galp's expected trajectory of oil and gas production and sales over time. Galp elaborated amongst other on their target of 12GW of renewables operating capacity by 2030, which is a very promising renewable goal.

TotalEnergies 19-10-2022

TotalEnergies (formerly Total S.A.) is one of the world's largest integrated oil and gas companies, with operations in over 130 countries. The company is headquartered in Paris, France, and has a strong presence in Europe, Africa, the Middle East, Asia-Pacific, and the Americas. One of their future projects is the EACOP pipeline in Tanzania and Uganda. For this particular reason we have had a meeting to discuss the climate, biodiversity and human rights risks related to the project. During our meeting we discussed how ESG factors have been considered in selecting the route of the pipeline, how grievance mechanisms have been implemented, how the link between biodiversity impact and climate change is considered and the feasibility of the EACOP project. For more information regarding this project we also refer to our statement on the EACOP project on the next page.

Neste 21-11-2022

Neste is a Finnish company specializing in renewable fuels and sustainable chemicals with a focus on producing renewable diesel and other renewable products from waste and residue raw materials. Neste is one of the better performers in the oil and gas sector and we expressed our curiosity in setting their carbon reduction target. We also focused on their considerations regarding absolute emissions, the progress on their avoided emissions with is customers and what the energy mix is expected to be like. During the meeting we did recommend Neste to disclose the required milestones to reach their 2030 reduction target, provide disclosures regarding their capex investments and to give more insight how their carbon intensity target translates towards absolute emissions reduction.

Statement on Oil and Gas

In October a.s.r. – together with the other members of the Dutch Climate Coalition – published a statement outlining the objectives of the Oil and Gas sector:

October 20th 2022, The Netherlands – Earlier this year, we, a group of like-minded Dutch investors, published a statement outlining the objectives that oil and gas companies should pursue to be aligned with the Paris Agreement objectives. Since that time, energy prices have increased substantially and energy security has become a critical issue. Although we believe the current energy crisis emphasizes the need to diversify away from fossil fuels, we acknowledge that the path to net zero is complicated and requires a nuanced, pragmatic, yet still ambitious approach that involves both the supply- and demand-side of energy.

Although there has been commendable progress in the past few years, no oil and gas company has fully convinced us of their Paris alignment yet. Therefore, we call on oil and gas companies to prove to their investors and the wider public that their strategies will contribute to a global decline in emissions by 2030 in line with a 1.5°C warming pathway. 2 We have three recommendations to do so: Boost the availability of low-carbon solutions, explain how natural gas acts as a transition fuel, and do not use the high oil prices as a reason to increase oil investments.

1) Boost low-carbon solutions

Increased customer appetite and support from policymakers provide an opportunity to accelerate customer transition to low-carbon solutions. We stand by the need for ambitious scope 3 emissions reduction targets but acknowledge that these can only be achieved in tandem with the decarbonization of customers' businesses. Simply divesting assets and cutting production have not been proven to lead to meaningful real-world emissions reductions when fossil fuel demand is high.

Instead, we urge companies to boost the availability of low-carbon solutions and set production targets aligned with the projected low-carbon energy mix in a 1.5°C warming pathway (e.g., IEA's Net-Zero Emissions (NZE) by 2050 scenario). Coupled with comprehensive customer engagement strategies, these actions will help shift demand away from fossil fuels

2) Explain how natural gas acts as a transition fuel

Natural gas will play an important role as a transition fuel to replace coal and in solving intermittency issues with wind and solar power. However, it is still a fossil fuel and not a long-term solution. If an oil and gas company continues to invest in natural gas production capacity, it needs to substantiate how this fits within a Paris aligned pathway. Central to this is that it meets near-term demand and facilitates a transition to low-carbon alternatives. Such an explanation should show that the continued use of natural gas supports a global decline in emissions by 2030 aligned with Paris.

3) Do not use the high oil prices to increase oil production

Oil demand and supply must strongly decrease to hold the increase in the global average temperature to 1.5°C above pre-industrial levels. For example, the IEA's NZE scenario points to a reduction in oil supply from 30% of the energy mix in 2020 to just 8% by 2050.[3] New oil fields run the risk of becoming stranded assets since projects have an average time from access to the first production of 5-7 years.[4] We urge companies to implement targets aligned with the Paris Agreement and against using current high oil prices as a reason to ramp up oil investments. Furthermore, if oil investments are made, companies should disclose the expected cost and emissions per barrel.

To conclude, we are not yet convinced of any oil and gas company's Paris alignment. However, following our suggestions and using their own respective strategies, we are confident that it is within the capabilities of oil and gas companies to prove to us that they are actively contributing to limiting global warming to 1.5°C.

Beyond oil and gas companies Although this statement provides recommendations for oil and gas companies, we recognise that the responsibility of the energy transition does not rest solely on their shoulders. There is little chance of success without the concerted efforts of fossil fuel-consuming companies, policymakers (as urged in the latest statement by the Investor Agenda), individuals, and the financial community. Therefore, we call on all stakeholders to take responsibility, work together to fight climate change, and prove their commitment to Paris.

Biodiversity

Biodiversity loss is besides climate change one of the big challenges and systemic risks of our time. Land use change, deforestation and climate warming are all major drivers of biodiversity loss. a.s.r. has signed the Finance for Biodiversity Pledge, committing to measure the biodiversity impact of our investment portfolio and to set targets to minimize negative impact and maximize positive impact. We have entered several engagement initiatives with the aim of addressing biodiversity loss.

Bunge*

Bunge is an American agribusiness and food company and currently world's largest processor of oilseeds, such as soy beans. Engagement with Bunge therefore focuses on topics like Zero Deforestation, Biodiversity Impact Assessment, Biodiversity Restoration and Sustainability Reporting. We participated in a call with Bunge – in collaboration with other asset managers (Finance Sector Deforestation Action) - and spoke with the Chief Sustainability Officer about Bunge's goal to eliminate commodity-driven deforestation.

* Companies under engagement by Robeco on behalf of a.s.r.
** Companies under engagement by Hermes on behalf of a.s.r.

Bunge is signatory of the COP27 Agriculture Sector Roadmap laying out specific sector roadmaps to end deforestation by 2025. There has been criticism on the collaboration because of omitting conversion of non-forest ecosystems such as wetlands and savannahs. Bunge is one of the companies not having a conversion of native vegetation target. We expressed our discomfort on the lack of disclosure. We also discussed our concerns around the company's deforestation cut-off date (2025) because of the new adopted EU regulation on deforestation-free supply chains, which has 2020 as cut-off date. Currently Bunge is ahead of its peers, but there are still some important aspects where we expect to see improvements.

Progress: neutral

Mondelez*

Mondelez is a large player in the cocoa industry, one of the key commodities prone to deforestation. Deforestation in cocoa producing countries is often directly linked to farmers livelihoods. By focusing on income diversification for farmers and paying a living income, there is less need to convert forest areas in new cocoa plantations. This engagement is therefore much aligned with our work within the Platform Living Wages Financials. The engagement with Mondelez will focus on a zero deforestation commitment; biodiversity restoration and impact assessment; circular economy; social management and sustainability reporting.

We had a call to discuss their experience of their first CDP Forest questionnaire filling. Mondelez acknowledged the questionnaire gave concrete insight in the remaining gaps. The company is currently reiterating its sustainability strategy and we encouraged them to consider biodiversity conservation as a key priority of its Cacao Life program. We also discussed the challenges around conducting biodiversity impact assessments and systematically monitoring biodiversity levels.

Progress: positive

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** Companies under engagement by Hermes on behalf of a.s.r.

SDG Engagement

Alphabet, Apple, Amazon, Rio Tinto and Facebook*
In 2015 the United Nations adopted 17 Sustainable Development Goals, which should be the layout to achieve a better and more sustainable world for all by 2030. a.s.r. has identified five Sustainable Development Goals (SDGs) in connection to its integrated business strategy, to which it has most to contribute as a sustainable insurer, investor, employer and socially engaged business partner. Our activities are not only focused on the 5 different SDG's below.

Financial self reliance and inclusiveness

Economic growth must be inclusive to provide sustainable jobs and promote equality

Promote inclusive and sustainable economic growth, employment and decent work for all

Vitality and (sustainable) employment

Ensure healthy lives and promote wellbeing at all ages

Promote inclusive and sustainable economic growth, employment and decent work for all

Climate change and energy transitions

Ensure access to affordable, reliable, sustainable and modern energy

Take urgent action to combat climate change and its impacts

We believe it is important that companies improve their measurement procedures regarding their SDG contribution. Therefore we are discussing their SDG contribution, which needs to be improved in the following three to five years. This engagement program focuses on encouraging companies to align their business strategy with the SDGs. Different milestones are drafted to monitor the progress of the companies Alphabet, Apple, Amazon, Rio Tinto and Facebook*.

1. Impact Plan: Companies are encouraged to define their priorities based on an assessment of their positive and negative, current and potential impact on the SDGs across their value chains.
2. SDG Mapping: Companies need to report relevant impact indicator metrics on the SDGs that can be assessed and quantified, whilst mapping their offerings to the goals they support.
3. Target Setting: Concrete time-bound milestones should be defined to ensure that their products and services make a clear contribution to relevant SDGs.
4. Stakeholder Management: Companies should establish a formal procedure to convene with these stakeholders and incorporate insights from these interactions in their decision-making process.

* Companies under engagement by Robeco on behalf of a.s.r.
** Companies under engagement by Hermes on behalf of a.s.r.

Topics we discussed with these companies:

Alphabet*
- Approach to misinformation and disinformation
- Human rights impact assessments
- Content moderation

Status: neutral

Amazon*
- Human rights due diligence
- Transparency regarding AI principles
- Customer privacy

Status: neutral

Apple*
- Responsible artificial intelligence
- Human rights policies

Status: neutral

Facebook*
- Artificial Intelligence and associated risks
- Human rights impact assessments and human rights report

Status: neutral

Rio Tinto*
- UN Environment Programme World Conservation
- Socio-economic nature-based benefits
- Biodiversity targets

Status: positive

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Net zero Carbon Emissions

Reaching net-zero carbon emissions by 2050 is vital to halt climate change and avoid irreversible consequences. Following an increased societal focus on mitigating climate change, the impact of transition is materializing. Consumer preferences are changing, regulation is tightening, technologies are advancing and stakeholders call on companies to take climate change action. Climate change poses systematic risks to the global economy and financial system and companies play a key role in mitigating these risks. At the same time, companies can reap the opportunities that arise from transition and mitigation. As investors, it is important to understand how key emitters are integrating climate change-related risks and opportunities in their commercial planning as well as to inform companies of our expectations for them. Berkshire Hathaway, Enel and Rio Tinto fall under this engagement program.

The following topics are essential in this specific engagement program:

1) Net-zero ambition: the commitment to be net-zero in 2050 should me made public, including scope 1, 2 and 3.
2) Net-zero targets: companies are expected to have quantitative GHG reduction targets for scope 1, 2 and 3. We also want companies to set targets on the short term (2025), medium term (2030) and long term (2050).

3) Decarbonization strategy: this plan should lay out a comprehensive strategy outlining how the company plans to achieve their GHG emissions reduction targets. Important components like the product mix, supply change management and research and development spending are required in this plan.
4) Capital alignment: capital expenditures should be aligned with their Paris Agreement aligned GHG emissions reduction target.
5) Climate change policy advocacy: companies should support relevant climate policy dealing. Therefore lobbying, advocacy and promotion activities should be disclosed with the company's intention.
6) Climate change governance: companies should set clear and sound governance structures around climate change, with a focus on board oversight.
7) Just transition: companies should establish and disclose a Just Transition Plan.
8) TCFD disclosures: companies should be consistent with the recommendations of the TCFD and to implement them in their public reporting.

For a company, achieving net zero carbon emissions means that they have reduced their emissions as much as possible within their operations and value chain, and have offset any remaining emissions to achieve a net zero balance.

To achieve this goal, companies may implement various strategies, such as improving energy efficiency, increasing the use of renewable energy sources, investing in low-carbon technologies, and reducing the carbon footprint of their supply chains.

Companies that commit to achieving net zero emissions are sending a signal to their stakeholders, customers, and investors that they are taking their environmental responsibilities seriously and are committed to reducing their impact on the planet. It can also help companies stay ahead of regulatory requirements and position themselves as leaders in a low-carbon economy.

However, it's important to note that achieving net zero emissions can be challenging, and requires significant investments and changes in business operations. Companies need to consider both the short and long-term costs and benefits of transitioning to a low-carbon business model.

Topics we discussed with these companies:

Berkshire Hathaway*
- The lack of greenhouse gas targets at the organizational level;
- The creation of a voluntary sustainability committee;
- Shareholder resolutions relating the Climate Action 100+ assessment.

Status: neutral.

* Companies under engagement by Robeco on behalf of a.s.r.
** Companies under engagement by Hermes on behalf of a.s.r.

Enel*
- Climate and sustainability as key component of the Board's skill matrix;
- Enel's membership in industry associations that are not (fully) aligned with Enel's climate goals;
- Climate-related performance indicators in the executive compensation plan.

Status: neutral.

Rio Tinto*
- Strong emphasis on decarbonization on Capital Markets Day;
- Initiatives to assess and target-setting for scope 3;
- The increase in production of minerals that are essential to the energy transition;
- Cooperation with governments regarding climate policies.

Status: positive.

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Ceres Valuing Finance Water Initiative

In June 2022 a.s.r. signed the Valuing Water Finance Initiative, which is a new global investor-led effort to engage corporate water users and polluters to value and act on water as a financial risk and drive the necessary large-scale change to better protect water systems . The initiative will call on companies to better protect water systems. The initiative will call in companies to meet a set of soon-to-be released Corporate Expectations for Valuing Water that align with the United Nation's 2030 Sustainable Development Goal for Water (SDG 6) and the actions laid out in the Ceres Roadmap 2030.

We are facing an existential and multi-faceted threat to our freshwater resources, even in the Netherlands – which is also known as 'Netherlands Waterland' - we are confronted with shortages of drinking water . In addition to the danger this poses to human and ecosystem health, the global water crisis is also a systemic, far-reaching, financial risk to nearly all economies. The water crisis is exacerbated by climate change, making it even more urgent to drive capital market actors – including large institutional investors and major corporations – to address water issues.

The Valuing Water Finance Initiative will drive large-scale change in c orporate water practices via key partnerships, first-of-its-kind research, and institutional investor engagement. Using new research and analysis as a foundation, Ceres co-developed— with members of the Valuing Water Finance Task Force, and other investor and NGO partners — a set of clear action steps that companies should take to improve water stewardship.
In 2022, the Valuing Water Finance Initiative will launch an investor-led campaign shaped by these action steps to move companies on their water use via investor engagement. a.s.r. will take the lead on the engagement of two companies out of a targeting group of 100 companies.

Constellation Brands

In cooperation with a consortium of other investees we have spoken with Constellation about the relevant topics among the Ceres Water Finance Initiative. The engagement focuses on water quantity, water quality, eco-system protection, access to water and sanitation, board and management oversight and public policy engagement.

With Constellation Brands we have spoken about their global operations and we identified 3 wineries in California and 1 brewery in Mexico experiencing water stress. The company confirmed they spend approximately $5 million USD on water-related CAPEX projects focusing on water efficiency to reduce water consumption.

The company also has targets for all facilities to improve water efficiency by 10% per liter of product produced by 2022, against a 2016 baseline. In its CDP report over 2022, the company disclosed that 60% of the target has been realized. Constellation does expect that water withdrawal and consumption may increase in 2023 because of the recovery of the economy.

Another important topic we discussed is the fact Constellation secured water rights for a new $1.3bn plant in eastern Mexico. A pre-acquisition water assessment process is undertaken for acquisitions or new operations and water rights are a consideration when evaluating plans for potential company growth.

Toxic emissions and waste

Mercedes-Benz**

Mercedes-Benz faced penalties and class action settlements in Canada, South Korea and the United States over alleged diesel emissions fraud and civil class actions are pending in Germany, the United States and the United Kingdom. We spoke several times with the company about this topic and also had some detailed discussions around Paris-aligned accounts and the rationale of investors to request additional transparency on accounting assumptions.

Volkswagen

Volkswagen AG is a company with multiple controversies because of the Dieselgate scandal, although this scandal happened 7 years ago. In Europe the repair work consisted of updating the software, where in America VW had to buy back the cars. During our engagement meeting we discussed the agreement to pay 52 USD million civil penalty and to mitigate 10.000 tons of NOx emissions in a consent decree to resolve alleged violations of the Clean Air Act. The Environmental Protection Agency (EPA) found Traton illegally introduced highway heavy-duty diesel engines that were not covered by EPA certificates of conformity, thereby violating emissions standards. We discussed the company culture and also their progress made to eliminate such scandals to happening again.

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Hazardous Substance Management

3M**

PFAS, short for per- and polyfluoroalkyl substances – are a large group of chemicals that make certain products nonstick or stain resistant. 3M, producer of industrial, safety and consumer products is one of the users of PFAS and recently multiple allegations (amongst others Zwijndrecht and Decatur) have been made against the company for the contamination of groundwater. PFAS chemicals have been around for decades, but the mentioning of the impact on groundwater has never been mentioned, until recently. PFAS is also called as 'forever chemicals' because their carbon-fluorine chains are among the strongest chemical bonds in nature and break down very slowly. Several researches have proven that PFAS accumulates in soil, rivers and drinking water[1]. We are currently in dialogue with 3M where we are supporting the transition to safer chemicals, which will also be part of the EUs Green Deal.

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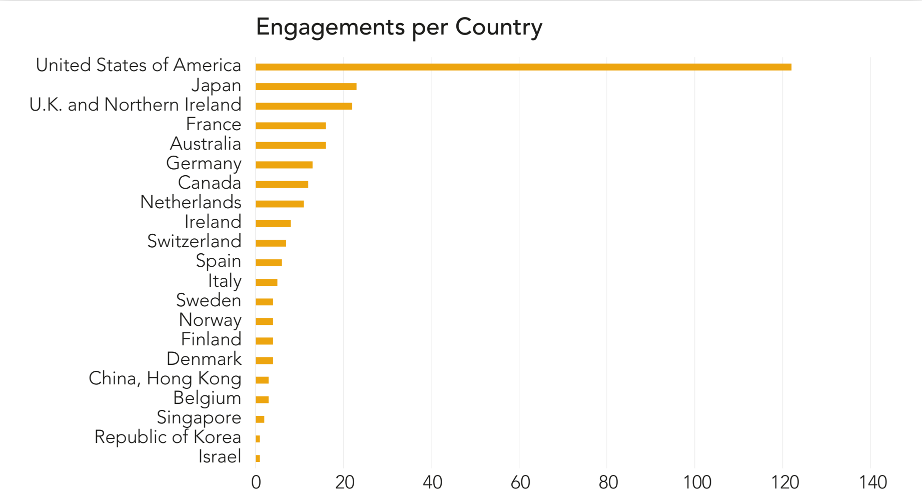
1 https://www.bloomberg.com/graphics/2022-3m-pfas-toxic-forever-chemicals-europe/?leadSource=uverify%20wall

EOS Hermes

Our engagement supplier has a significant number of companies under companies, discussing a variety of topics and controversies. During the second half of 2022 Hermes has performed engagements with 287 different companies, discussing 2469 topics. We included a few examples of the engagements that have been performed by EOS.



BMW**

Last year, the European Commission's proposal to ban the sale of new cars with internal combustion engine ears from 2035 was approved by the European member states. This makes the plan final. Bayerische Motororen Werke AG, or BMW, has already spoken negatively in public about this ban several times. According to BMW, the ban on internal combustion engines is "too early" and "ill-considered". We continued our dialogue with BMW on climate lobbying after the company published its first lobbing report in early 2022. We challenged the company on some statements against more stringent EU targets, in particular the ban on new internal combustion engine vehicles from 2035. This, we explained, is a key sign the that company should continue to review its direct and indirect lobbying activities and provide investors with greater transparency on how it ensures this is aligned with its climate strategy. We continue to monitor the company's sustainability performance and remain in dialogue with BMW as we believe that this company can play an important role in the energy transition.

Akzo Nobel**

AkzoNobel is a Dutch multinational with activities in the chemical industry in the field of paints and coatings. In collaboration with our stewardship service provider - EOS at Federated Hermes - we spoke with AkzoNobel about the number of hazardous chemicals the company currently uses. The company emphasized that it is gradually replacing these chemicals with non-hazardous ones, but that customers should be sure the product is equivalent before switching. During these conversations, we pushed for a time-bound commitment to stop using these hazardous chemicals. However, AkzoNobel has not yet completed its risk assessment in order to do so. The company's climate objectives and indirect CO_2 emissions were also discussed. AkzoNobel is talking to its 200 largest suppliers to investigate how customers use the products and gain more insight into their indirect CO_2 emissions.

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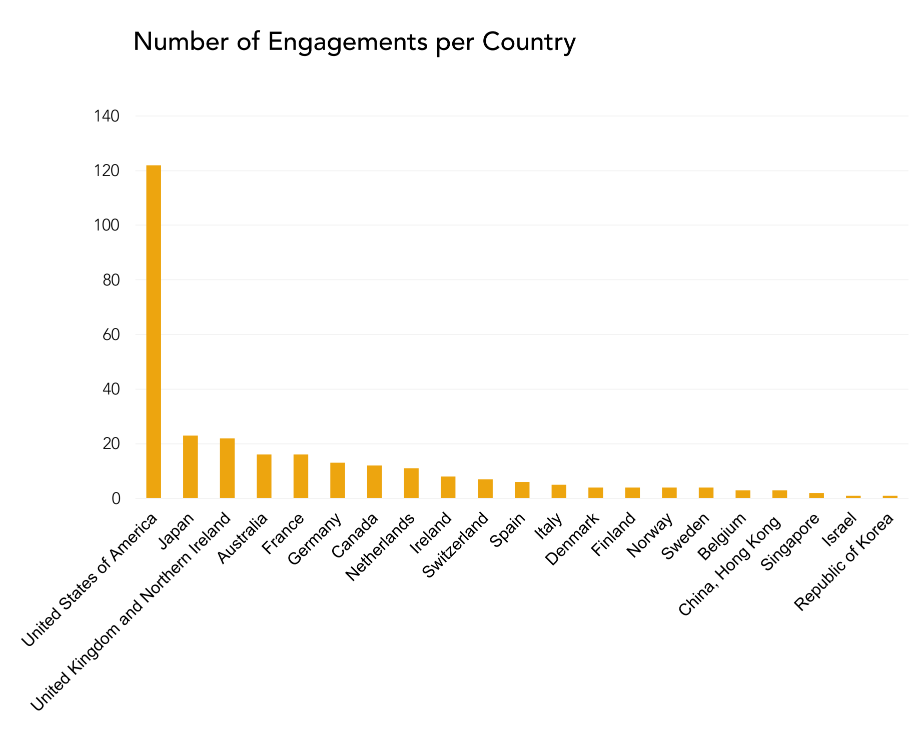
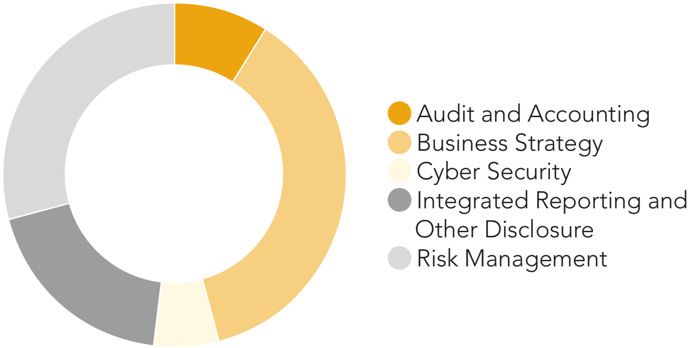


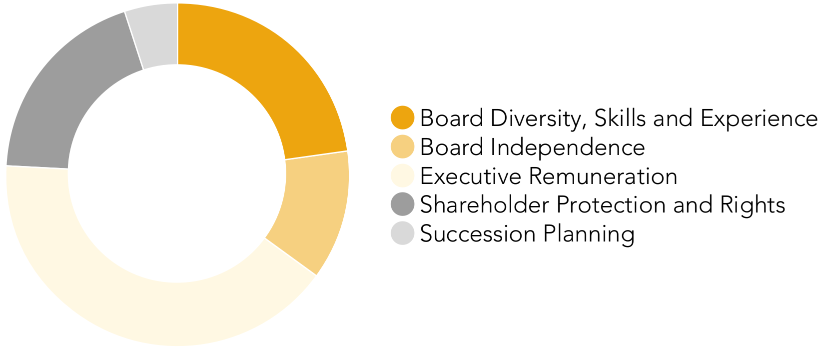
Apple**

Apple recently warned of a shortage of new iPhones and production delays. This alert is caused by problems at the main iPhone factory complex in Zhengzou, China. The Zhengzhou campus has been plagued by closures and employee unrest for some time now. A letter was sent to Apple to express our concerns about the situation at the manufacturing complex, from a financial as well as a labor- and potential human rights perspective. Among other things, our concerns about the ongoing health and safety issues caused by covid lockdowns and different reward practices for newer versus existing employees and worker protests were emphasized, along with their links to negative financial impacts by contributing to a pre-holiday iPhone production shortfall and potential brand issues. We believe that Apple, as the main client of the manufacturing complex, can make a positive impact by advocating for the human rights in its supply chain and for greater transparency. In collaboration with our stewardship service provider, EOS at Federated Hermes, we therefore urged the company to do so.

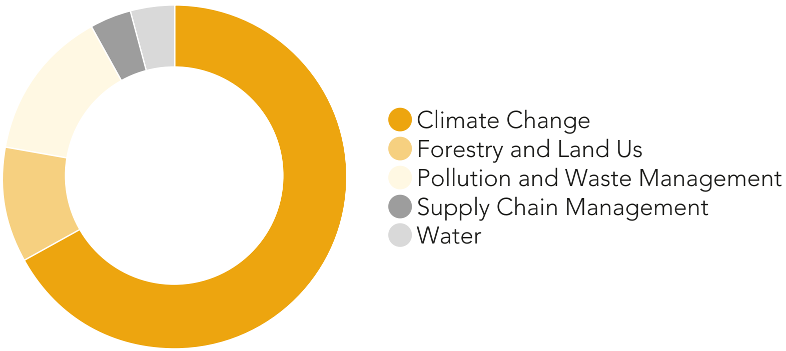
Strategy, Risk and Communication



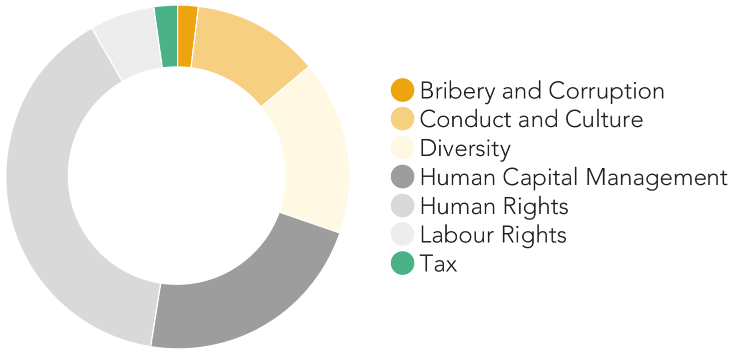
Governance Topics



Environmental Topics



Social Topics



Living wages

As recognized by, amongst others, the ILO and OECD, living wage is a fundamental human right. Under the Platform Living Wage Financials (PLWF) a.s.r., together with other financials assesses and engages investee companies on the topic of living wage and living income. The methodology for assessment (developed by Mazars) focusses on policies and mitigation measures in place to identify and act on living wage gaps in the supply and production chain.

What is a living wage and living income? It is a wage that allows workers to afford a decent standard of living for him- or herself and his or her family. It is not the same as a statutory minimum wage. The concept knows many definitions (such as the widely accepted one by the Global Wage Coalition) but all agree that a living wage should be enough to provide for food, water, housing, education health care, transportation, clothing and other essential needs, including provision for unexpected events. A living wage is locally specific as it depends on the costs of living in a particular place and should be earned in a regular work week. The concept of living wage applies to hired workers (for example in the garment industry) and the concept of living income applies to self-employed workers (for example smallholder farmers).

A full overview of companies under engagement by PLWF is given below:

Platform Living Wages Financials			
Garment and Footwear			
Adidas	The GAP	Gildan	ABF/Primark
M&S	Esprit	Asos	Anta
H&M	Puma	Asics	PVH
Nike	Lojas Renner	Abercombie & Fitch	VF Corp
Inditex	Zalando	Burberry	Hanesbrands
LVMH	Home Depot	TJX Companies	Boohoo
Hugo Boss	Ralph Lauren	Moncler	American Eagle
Coats Group	Kering	Fast Retailing	Next Retail
Kontoor			
Retail			
Ahold Delhaize	Casino Gui-chard- Perrachon	Dollar General	Carrefour
Tesco	Walmart		
Food & Agri			
Barry Callebaut	Nestle	Mondelez	The Coca Cola Company
Unilever	Olam	The Hershey Company	Starbucks
J.M Schmucker Co	Lindt & Spruengli	Kraft Heinz	Orkla
Bonsucro			

Overview of previously closed engagements

Closed engagements		
Novartis*	Corruption	Successfully closed H1 2020
Enel*	Environment	Successfully closed H1 2021
BASF*	Environment	Successfully closed H1 2021
PepsiCo*	Health	Successfully closed H1 2021
Vodafone	Cybersecurity	Successfully closed H2 2021
PepsiCo*	Use of Plastic	Successfully closed H1 2022

* Companies under engagement by Robeco on behalf of a.s.r.

More information?

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