



# Principal adverse impact statement

Financial market participant ASR Vermogensbeheer N.V.

2 Statement on principal adverse impacts of investment decisions  
on sustainability factors

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## Summary

ASR Vermogensbeheer N.V. ('AVB', LEI: **724500BQCNIJ21TMGR57**) takes the principal adverse impacts of its investment decisions on sustainability factors into consideration.

This statement on the principal adverse impacts of investment decisions on sustainability factors covers the reference period from 1 January 2023 to 31 December 2023. Following the 2023 merger of ASR Nederland N.V. with Aegon Nederland N.V., a portion of AVB's investments came under the management of Aegon Asset Management. Given that AVB and Aegon Asset Management use different data providers, the data reflecting principal adverse impacts cannot be consolidated. Consequently, AVB has opted to present the principal adverse impacts of the investments managed by Aegon Asset Management in a separate table. In the future, AVB aims to consolidate all such data in a single table.

This document will be updated and, where relevant, modified according to new insights and objectives, available information, market developments and changes to legislation and regulation. This statement will also include any measures or targets planned for the subsequent reference period to prevent or mitigate the principal adverse impacts identified.

This statement is prepared under European legislation on sustainability, namely the Sustainable Finance Disclosure Regulation (SFDR). This European regulation requires that if a company takes account of the principal adverse impacts of its investment decisions on sustainability factors,

it shall prepare a statement of how it conducts a thorough policy-related analysis of these adverse impacts.

In the Socially Responsible Investment (SRI) policy, AVB takes measures to prevent or mitigate the adverse impacts of its investment decisions on the sustainability factors. These measures may include: Exclusions, ESG integration, Active ownership (engagement and/or voting) and impact investing. For a detailed explanation of these measures, see AVB's [SRI-Policy](#) and [climate strategy](#).

What the principal adverse impacts of investment decisions on sustainability factors are and how such impacts are taken into account when making an investment decision depends on several factors such as: the asset class, the type of fund, the investment strategy, the sector invested in, the impact of the investment in question on society and the availability of reliable data. For more information on this, see the prospectus or annual reports of the relevant financial product, specifically the SFDR Appendix. In this SFDR Appendix, as well as in the investment strategy, you will find more information on how we integrate sustainability and adverse impacts on sustainability factors in our financial products. This fund specific information is available at the websites of [a.s.r.](#) and [AVB](#).

In this statement, AVB provides more information on its methodology for identifying, prioritising and addressing the principal adverse impacts of its investment decisions on various sustainability factors.

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## II. Description of the principal adverse impacts on sustainability factors

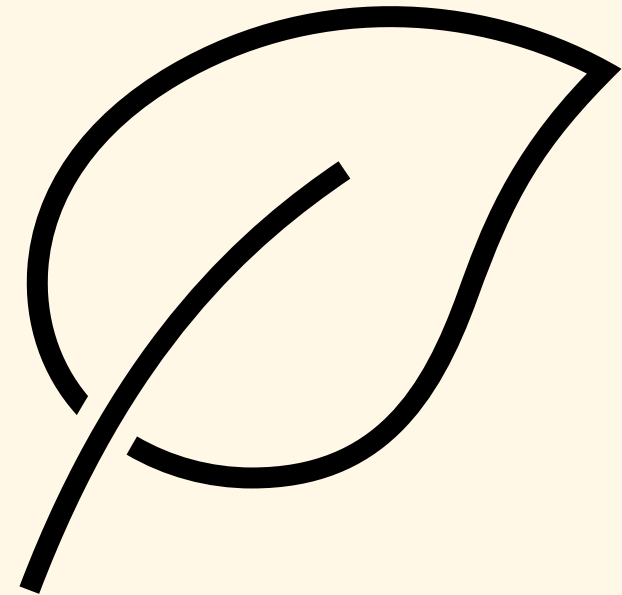
### Adverse impacts on sustainability factors – investments managed by AVB

AVB takes account of the principal adverse impacts of its investment decisions on sustainability factors as part of its Socially Responsible Investment (SRI) policy. An overview of the principal adverse impacts that AVB takes into account and the measures it takes to prevent or mitigate these adverse impacts is presented below.

This overview is categorised as follows:

- I. General approach (with a description, where relevant, of: Impact investing and ESG integration);
- II. Engagement;
- III. Voting policy, and
- IV. Planned measures.

Unless stated otherwise, the impacts relate to internally and externally managed investments.



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Indicators applicable to investments in investee companies

Adverse sustainability indicator	Metric	Impact 2023	Impact 2022	Explanation*	Actions taken, and actions planned and targets set for the next reference period**
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	594,141.83 t CO <sub>2</sub> equivalent	563,101.44 t CO <sub>2</sub> equivalent	<p>Scope 1 relates to direct emissions from investee companies. Absolute GHG emissions increased in 2023 compared to 2022. The increase is mainly due to an increase in investments in management at AVB and higher data coverage compared to 2022.</p> <p><b>General approach</b>                      ASR Nederland N.V., of which AVB is a 100% subsidiary, is a signatory to the Paris Agreement and committed to the Net Zero Asset Manager Initiative. AVB is thus committed to achieving net zero CO<sub>2</sub> emissions by 2050 or earlier with the aim of limiting the global temperature increase to 1.5 degrees Celsius. In order to achieve this, the organisation has set broad targets for reducing the carbon footprint of its investment portfolio by 65% between 2015 and 2030. AVB has also set itself the objective of having EUR 4.5 billion in impact investments in its portfolio by year-end 2024. These investments consist largely of renewable energy sources and low-carbon solutions. In addition, AVB excludes investments in companies that generate revenues from mining and coal production (0%) and has set a limit for investments in unconventional oil and gas (max. 5%) and electricity from coal (max. 5%) or nuclear energy (max. 50%).</p>

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Adverse sustainability indicator	Metric	Impact 2023	Impact 2022	Explanation*	Actions taken, and actions planned and targets set for the next reference period**
					<p><b>Engagement</b>            AVB consults intensively (engagements) with fossil and carbon-intensive companies with the aim of investing in companies that meet the criteria for climate-friendly investments, as laid down in the Paris Climate Agreement. AVB uses a clear fossil exit strategy consisting of 3 phases. See the <a href="#">climate strategy</a> for a detailed explanation. Companies that are unable to participate in the transition to net zero in accordance with the Paris Climate Agreement are excluded. In addition, AVB engages with a significant number of other parties to decarbonise and achieve the Paris goals. For more information, please refer to the <a href="#">AVB website</a>.</p> <p><b>Voting policy</b>            AVB votes in accordance with its climate strategy, which is aimed at reducing companies' CO2 emissions (decarbonisation). Where possible, AVB also uses its right to submit climate-related resolutions at shareholder meetings. For more information, please refer to the <a href="#">AVB website</a>.</p>

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Indicators applicable to investments in investee companies

Adverse sustainability indicator	Metric	Impact 2023	Impact 2022	Explanation*	Actions taken, and actions planned and targets set for the next reference period**
					<p><b>Actions planned</b>                      AVB will continue to implement its fossil strategy as outlined in its climate strategy. AVB will also continue to monitor its carbon footprint so that adjustments can be made in time to achieve its objectives by 2030. AVB remains committed to seeking collaboration and/or engagement with companies and ESG data providers to achieve these goals. In concrete terms, this means that AVB will continue discussions with oil and gas companies and engage in discussions with carbon-intensive companies. Moreover, AVB intends to increase its impact investments, with a focus on companies committed to new technologies that contribute to the energy transition and CO<sub>2</sub> reduction.                      See GHG measures, as explained in PAI 1.1</p>
	Scope 2 GHG emissions	166,704.25 t CO <sub>2</sub> equivalent	147,645.54 t CO <sub>2</sub> equivalent	Scope 2 relates to all emissions released in the production of the energy purchased.  For more information on GHG emissions, see PAI 1.1 Scope 1.	See GHG measures, as explained in PAI 1.1.

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### Indicators applicable to investments in investee companies

Adverse sustainability indicator	Metric	Impact 2023	Impact 2022	Explanation*	Actions taken, and actions planned and targets set for the next reference period**
	Scope 3 GHG emissions	8,534,026.09 t CO <sub>2</sub> equivalent	7,512,532.16 t CO <sub>2</sub> equivalent	Scope 3 covers all other issues in the value chain outside Scope 1 and Scope 2.  For more information on GHG emissions, see PAI 1.1 Scope 1.	See GHG actions, as explained in PAI 1.1.
	Total GHG emissions	8,905,255.84 t CO <sub>2</sub> equivalent	7,746,358.01 t CO <sub>2</sub> equivalent	For explanation of GHG emissions, see PAI 1.1 Scope 1	See GHG actions, as explained in PAI 1.1.
2. Carbon footprint	Carbon footprint	377.80 t CO <sub>2</sub> equivalent per million EUR in investments	356.61 t CO <sub>2</sub> equivalent per million EUR in investments	The increase is mainly due to higher data coverage in 2023 compared to 2022 and the launch of a new regional strategy (Asia Pacific).	See GHG actions, as explained in PAI 1.1.



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Indicators applicable to investments in investee companies

Adverse sustainability indicator	Metric	Impact 2023	Impact 2022	Explanation*	Actions taken, and actions planned and targets set for the next reference period**
3. GHG intensity of investee companies	GHG intensity of investee companies	671.69 t/EUR million in revenue (scopes 1, 2 and 3)	76.71 t/EUR million in revenue (scopes 1 and 2)	<p>Scope 1 and 2 emissions were included in the calculations in 2022. In 2023, we decided to use another data provider which uses a wider scope (Scope 1, 2 and 3 emissions). The impacts in 2022 and 2023 are therefore not comparable.</p> <p>If this indicator for scope in 2022 had included scope 3 in the calculation, the difference in impact would have improved compared to 2023.</p>	See GHG actions, as explained in PAI 1.1.
4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuels sector	3.02%	2.22%	The increase is mainly due to higher data coverage in 2023 compared to 2022 and the launch of a new regional strategy (Asia-Pacific).	See GHG actions, as explained in PAI 1.1.

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Indicators applicable to investments in investee companies

Adverse sustainability indicator	Metric	Impact 2023	Impact 2022	Explanation*	Actions taken, and actions planned and targets set for the next reference period**
5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	40.76%	56.66%	The improvement in the impact compared to 2022 can be attributed to a combination of factors: the emphasis on ESG themes in AVB's responsible investment policy, the trend whereby companies are becoming increasingly aware of ESG themes and an improvement in data coverage.	See GHG measures, as explained in PAI 1.1.
6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	<b>Agriculture, forestry and fisheries</b> 0.91 GWh per million EUR <b>Construction</b> 4.32 GWh per million EUR	0.32 GWh per million EUR	A different methodology was used for this metric in 2023 than in 2022. The results in 2022 and 2023 are therefore not comparable.	See GHG actions, as explained in PAI 1.1.

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Indicators applicable to investments in investee companies

Adverse sustainability indicator	Metric	Impact 2023	Impact 2022	Explanation*	Actions taken, and actions planned and targets set for the next reference period**
		<p>Production and distribution of electricity, gas, steam and air conditioning 0.37 GWh per million EUR</p> <p>Industry 2.35 GWh per million EUR</p> <p>Extraction of minerals 3.59 GWh per EUR million</p> <p>Operation and trading in real estate 0.16 GWh per million EUR</p> <p>Transport and storage 0.15 GWh per million EUR</p>			

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Indicators applicable to investments in investee companies

Adverse sustainability indicator	Metric	Impact 2023	Impact 2022	Explanation*	Actions taken, and actions planned and targets set for the next reference period**
		Distribution of water and sewerage management and remediation 0.62 GWh per million EUR  Large and retail trade, repair of cars and motorcycles 0.45 GWh per million EUR			

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Indicators applicable to investments in investee companies

Adverse sustainability indicator	Metric	Impact 2023	Impact 2022	Explanation*	Actions taken, and actions planned and targets set for the next reference period**
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	0.01%	0.01%		<p><b>General approach</b>            AVB recognises the importance of biodiversity and combating biodiversity loss. This is the reason why AVB has also signed the Finance Pledge for Biodiversity. In doing so, AVB has committed to set targets for combating biodiversity loss in its investment portfolio by 2024 at the latest. AVB has participated in several studies to analyse biodiversity measurements and detailed assessments of data providers and methodologies used in the market in this field. In 2023, AVB conducted an initial analysis of the impact on and exposures of biodiversity to the investments. The findings were published in the Climate and Biodiversity report prepared for the first time by a.s.r. in 2023. Biodiversity and land use are already part of a company's ESG profile (which refers to a company's environmental, social and governance performance and policy). Controversial issues in this area may be seen as risks or violations of the UN Global Compact Principles.</p> <p><b>Engagement</b>            AVB engages in several discussions (engagements) on biodiversity and nature inclusiveness, such as on deforestation (palm oil and soy), the impact of chemicals and substitutes for animal proteins. For more information, please refer to the <a href="#">AVB website</a>.</p>

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Indicators applicable to investments in investee companies

Adverse sustainability indicator	Metric	Impact 2023	Impact 2022	Explanation*	Actions taken, and actions planned and targets set for the next reference period**
					<p><b>Voting policy</b>                      AVB aims to vote at shareholder meetings in favour of resolutions that make a positive contribution to biodiversity impact. Currently, these resolutions are mostly about making the use of plastic more transparent. For more information, please refer to the <a href="#">AVB website</a>.</p> <p><b>Actions planned</b>                      AVB strives to provide insight into the biodiversity footprint (a measure of the impact of business activities on biodiversity) in a structural and periodic manner and to be able to act on and monitor this. AVB works together with various parties to make biodiversity impact more measurable and transparent. For example, AVB participates in initiatives such as PBAF, Finance for Biodiversity Pledge and the DNB Biodiversity Working Group. In addition, AVB actively engages with ESG data providers to discuss possible improvements in this area.</p>

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Indicators applicable to investments in investee companies

Adverse sustainability indicator	Metric	Impact 2023	Impact 2022	Explanation*	Actions taken, and actions planned and targets set for the next reference period**	
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0.028 t/EUR million investments	0.017 t/EUR million investments	This increase is mainly due to the purchase of a specific investment, in line with AVB's SRI policy.	<p><b>General approach</b>            AVB evaluates the water consumption of businesses in the companies' ESG profile, to the extent that data are available. In its screening, AVB assesses, among other things, whether companies have activities in areas subject to water stress (areas where water is scarce) and the extent to which this affects local communities, as well as what measures companies take to reduce water consumption in their production. In addition, through its impact portfolio, AVB invests in new water technologies with the intention of making a positive impact.</p> <p><b>Engagement</b>            AVB engages on water consumption via various channels, for example by participating in a collective engagement process led by Ceres. AVB also enters into several engagements on water consumption via engagement providers. For more information, please refer to the <a href="#">AVB website</a>.</p>

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Indicators applicable to investments in investee companies

Adverse sustainability indicator	Metric	Impact 2023	Impact 2022	Explanation*	Actions taken, and actions planned and targets set for the next reference period**
					<p><b>Voting policy</b>                      AVB votes at shareholders' meetings in line with its SRI policy and supports resolutions aimed at more transparency regarding water consumption and reducing water stress where relevant. An important theme within these resolutions is transparency with regard to water risk exposure. For more information, please refer to the <a href="#">AVB website</a>.</p> <p><b>Actions planned</b>                      AVB will continue and expand its current engagement processes in relation to water consumption. In addition, AVB will study ways to obtain more useful data on water consumption and natural capital in order to implement the above initiatives (such as engagement and voting policy) more effectively.</p>



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Indicators applicable to investments in investee companies

Adverse sustainability indicator	Metric	Impact 2023	Impact 2022	Explanation*	Actions taken, and actions planned and targets set for the next reference period**	
Waste	9. Hazardous waste and radioactive waste	Tonnes of hazardous waste and radioactive waste ratio generated by investee companies (in tonnes) per million EUR invested, expressed as a weighted average.	2.35 t/EUR million in investments	1.28 t/EUR million in investments	This increase is mainly due to the launch of a new regional strategy (Asia-Pacific)	<p><b>General approach</b> For hazardous waste, AVB uses exclusion criteria in its SRI policy for the percentage of nuclear energy (max. 50%). Companies that derive more than 50% of their revenue from nuclear energy are excluded from the investment universe. Waste management is also part of the SRI screening of companies. This assesses the extent to which companies produce and reduce hazardous waste.</p> <p><b>Engagement</b> In the field of hazardous waste, AVB mainly engages via engagement provider Hermes EOS. For more information, please visit the AVB website.</p> <p><b>Voting policy</b> If relevant resolutions on hazardous and/or radioactive waste are submitted, AVB will endeavour to minimise these risks. At present, such resolutions are rare. For more information, please visit the AVB website.</p> <p><b>Measures planned</b> AVB continues to monitor developments in the field of hazardous waste and adjusts its limit values or exclusion criteria if it considers this to be necessary.</p>

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Indicators applicable to investments in investee companies

Adverse sustainability indicator	Metric	Impact 2023	Impact 2022	Explanation*	Actions taken, and actions planned and targets set for the next reference period**
Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters					
Social and employee matters	10. Violations of the principles of the UN Global Compact principles and the Organisation for Economic Cooperation and Development (OECD) Guidelines on Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0oJ /0	0oJ /0	<p><b>General approach</b></p> <p>The SRI policy is based on international standards and covenants such as the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights and International Labour Organisation (ILO) conventions. Companies involved in serious and repeated controversies regarding these conventions, such as human rights, labour rights, corruption and the environment, are excluded from the investment universe. AVB uses two data providers to identify violations: Moody's ESG and MSCI ESG. By combining information from two parties, the aim is to achieve the most objective analysis possible.</p> <p><b>Engagement</b></p> <p>AVB monitors its investments on the basis of these standards and for potential violations and/or controversial behaviour. This may lead to immediate exclusion. In the event that AVB sees a potential improvement, AVB will first initiate an engagement process. In principle, such a process takes 3 years. At the beginning, goals for improvement are formulated and communicated to the company. If a company shows insufficient progress after this time, the company will be excluded from the investment universe. Information on progress is published twice a year on the <a href="#">AVB website</a>.</p>

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Indicators applicable to investments in investee companies

Adverse sustainability indicator	Metric	Impact 2023	Impact 2022	Explanation*	Actions taken, and actions planned and targets set for the next reference period**
					<p><b>Voting policy</b>                      AVB votes in accordance with its SRI policy, taking account of information from data providers and engagement discussions where possible. A voting report is published annually on the website and AVB’s complete voting history is published in an <a href="#">online dashboard</a>.</p> <p><b>Actions planned</b>                      Pursuing existing objectives, monitoring companies for violations, engaging with companies in the event of violations and monitoring engagements. If there is no improvement, AVB will exclude.</p>

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Adverse sustainability indicator	Metric	Impact 2023	Impact 2022	Explanation*	Actions taken, and actions planned and targets set for the next reference period**
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and the OECD Guidelines for Multinational Enterprises.	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/ complaints handling mechanisms that can be used to address violations of the UN principles or OECD Guidelines for Multinational Enterprises	29.75%	32.51%	The improvement in the impact compared to 2022 is the result of a combination of factors: the emphasis on ESG themes in AVB's responsible investment policy, the trend whereby companies are becoming increasingly aware of ESG themes and an improvement in data coverage.	<p><b>General approach</b> The SRI policy is based on international standards and covenants such as the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights and International Labour Organisation (ILO) conventions.</p> <p><b>Engagement</b> AVB monitors companies for compliance with these standards, including the availability of complaints handling procedures. Through engagement, we engage with companies and urge them to set up or restore procedures and compliance mechanisms.</p> <p><b>Voting policy</b> AVB votes in accordance with its SRI policy, taking account of information from data providers and engagement discussions where possible. A voting report is published annually on the website and AVB's complete voting history is published in an <a href="#">online dashboard</a>.</p> <p><b>Actions planned</b> Continuation of existing policy.</p>

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Indicators applicable to investee companies

Adverse sustainability indicator	Metric	Impact 2023	Impact 2022	Explanation*	Actions taken, and actions planned and targets set for the next reference period**
12. Unadjusted gender pay gap	Average unadjusted gender pay gap in companies	5.73%	6.05%	The improvement in the impact compared to 2022 is the result of a combination of factors: the emphasis on ESG themes in AVB's responsible investment policy, the trend whereby companies are becoming increasingly aware of ESG themes and an improvement in data coverage.	<p><b>General approach</b> Good governance, equality, discrimination and equal pay are part of the SRI policy and screening of companies in the investment universe. Companies that have significant controversies on these topics can be excluded from the investment universe.</p> <p><b>Engagement</b> AVB identifies and analyses controversies in this area, which may lead to exclusion or an engagement process. AVB is currently actively involved in a number of engagements on this subject, in collaboration with Hermes EOS. For more information, please refer to the <a href="#">AVB website</a>.</p> <p><b>Voting policy</b> For this specific topic, AVB votes for resolutions at General Meetings of Shareholders with the aim of minimising wage gap differences, if relevant. For more information, please refer to the <a href="#">AVB website</a>.</p>

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### Indicators applicable to investee companies

Adverse sustainability indicator	Metric	Impact 2023	Impact 2022	Explanation*	Actions taken, and actions planned and targets set for the next reference period**
13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	34.65%	33.73%	The improvement in the impact compared to 2022 is the result of a combination of factors: the emphasis on ESG themes in AVB's responsible investment policy, the trend whereby companies are becoming increasingly aware of ESG themes and an improvement in data coverage.	<p><b>General approach</b> Good governance, equality and discrimination and equal pay are part of the SRI policy and screening of companies in the investment universe. Companies that have significant controversies on these topics may be excluded from the investment universe.</p> <p><b>Engagement</b> When AVB identifies controversies in the above areas, this may lead to the initiation of engagement procedures. AVB is currently actively involved in a number of engagements on this subject, in collaboration with Hermes EOS. For more information, please refer to the <a href="#">AVB website</a>.</p>
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or sale of controversial weapons	0.00%	0.00%		<p><b>Voting policy</b> For this specific topic, AVB votes for resolutions at shareholder meetings that promote diversity, if relevant. For more information, please refer to the <a href="#">AVB website</a>.</p> <p><b>Actions planned</b> Continuation of existing policy and commitment to better availability of data to analyse and minimise differences in relation to diversity.</p>

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Indicators applicable to investments in governments and supnationals

Adverse sustainability indicator	Metric	Impact 2023	Impact 2022	Explanation*	Actions taken, and actions planned and targets set for the next reference period**
15. GHG intensity	GHG intensity of investee countries	276.02 tCO <sub>2</sub> eq/ million EUR	226.46 tCO <sub>2</sub> eq/ million EUR	The effect of 2022 is not comparable to the effect of 2023 because data from another data provider was used in 2023.	<p><b>General approach</b> ASR Nederland N.V., of which AVB is a 100% subsidiary, is a signatory to the Paris Agreement and committed to the Net Zero Asset Manager Initiative. AVB is thus committed to achieving net zero CO<sub>2</sub> emissions by 2050 or earlier with the aim of limiting the global temperature increase to 1.5 degrees Celsius. In order to achieve this, the organisation has set broad targets to reduce the carbon footprint of the investment portfolio by 65% between 2015 and 2030.</p> <p>AVB calculates the GHG footprint of the countries in the investment portfolio according to the PCAF methodology and publishes the results in the annual climate report or in the relevant fund documentation. AVB applies specific climate exclusions for countries that do not perform well on the environmental SDGs (7, 13, 14, 15). Additional climate measures are being taken for the funds managed by AVB, such as a percentage of green bonds.</p> <p><b>Engagement</b> AVB actively participates in various sector initiatives that lobby governments to reduce their greenhouse gas emissions. For more information, please refer to the <a href="#">AVB website</a>.</p> <p><b>Actions planned</b> In 2024, we are working on the Scope 3 analysis for countries, looking at the coverage and quality of data. For some</p>

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Indicators applicable to investments in governments and supranationals

Adverse sustainability indicator	Metric	Impact 2023	Impact 2022	Explanation*	Actions taken, and actions planned and targets set for the next reference period**
16. Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where appropriate, national law	0	0		<p><b>General approach</b>                      In accordance with its SRI policy, AVB excludes countries that do not respect human rights for its internally managed investments. This indicator does not include all externally managed investments. AVB uses data from Freedom House for this purpose. Countries assessed as 'not-free' are excluded from AVB's investment universe. A list of excluded countries can be found on the ASR website. In addition, AVB applies positive criteria, including the assessment of human rights based on the SDG index.</p> <p><b>Actions planned</b>                      Continuation of existing policy.</p>



## Indicators applicable to investments in real estate assets

Adverse sustainability indicator	Metric	Impact 2023	Impact 2022	Explanation*	Actions taken, and actions planned and targets set for the next reference period**
17. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	N/A	0.19%	Investments in real estate by a.s.r. real estate investment partners are no longer managed by AVB. As a result, there are no impacts to be reported for 2023.	
18. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	61.95%	61.68%	Investments in real estate by a.s.r. real estate investment partners are no longer managed by AVB. The results in 2023 relate only to investments in mortgages.	<p><b>General approach</b></p> <p>ASR Nederland N.V., of which AVB is a 100% subsidiary, is a signatory to the Paris Agreement and committed to the Net Zero Asset Manager Initiative. As a result, AVB is committed to achieving net CO<sub>2</sub> emissions of zero by 2050 or earlier, with the aim of limiting the global temperature increase to 1.5 degrees Celsius. To contribute to the reduction of CO<sub>2</sub> emissions.</p>

## Additional climate and other environment-related indicators (Table 2)

Adverse sustainability indicator	Parameter	Impact 2023	Impact 2022	Explanation*	Actions taken, and actions planned and targets set for the next reference period**	
Emissions	4. Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	23.76%	29.93%	The improvement in the impact compared to 2022 is the result of a combination of factors: the emphasis on ESG themes in AVB's responsible investment policy, the trend whereby companies are becoming increasingly aware of ESG themes and an improvement in data coverage.	<p><b>General approach</b></p> <p>ASR Nederland N.V., of which AVB is a 100% subsidiary, is a signatory to the Paris Agreement and committed to the Net Zero Asset Manager Initiative. AVB is thus committed to achieving net zero CO2 emissions by 2050 or earlier with the aim of limiting the global temperature increase to 1.5 degrees Celsius. To achieve this, the organisation has set broad targets to reduce the carbon footprint of the investment portfolio by 65% between 2015 and 2030, with specific sub-targets per asset class. AVB has also set itself the objective of having EUR 4.5 billion in impact investments in its portfolio by year-end 2024. These investments consist largely of renewable energy sources and low-carbon solutions. In addition, AVB excludes investments in companies that derive revenues from mining and production of coal (0%) and limits investments in unconventional oil and gas (max. 5%) and electricity from coal (max. 5%) or nuclear energy (max. 50%).</p>

Additional climate and other environment-related indicators (Table 2)

Adverse sustainability indicator	Parameter	Impact 2023	Impact 2022	Explanation*	Actions taken, and actions planned and targets set for the next reference period**
					<p><b>Engagement</b>                      AVB conducts intensive discussions (engagements) with fossil and carbon-intensive companies with the aim of investing in companies that meet the criteria for climate-friendly investments, as laid down in the Paris Climate Agreement. In this regard, AVB uses a clear fossil exit strategy consisting of 3 phases. See the <a href="#">climate strategy</a> for a detailed explanation. Companies that are unable to participate in the transition to net zero in accordance with the Paris Climate Agreement are excluded. In addition, in its engagement AVB is committed to decarbonisation and achieving the Paris targets via engagement providers with a significant number of other parties. For more information, please refer to the <a href="#">AVB website</a>.</p> <p><b>Actions planned</b>                      AVB will continue to implement its fossil fuel strategy as outlined in its climate strategy. AVB will also continue to monitor its carbon footprint to enable timely adjustment in line with its objectives by 2030. AVB remains committed to seeking collaboration and/or engagement with companies and ESG data providers to achieve these goals. In concrete terms, this means that AVB continues discussions with oil and gas companies and engages in discussions with carbon-intensive companies. Moreover, AVB aims to increase its impact investments, with a strong emphasis on companies that are committed to new technologies that contribute to the energy transition and CO<sub>2</sub> reduction.</p>

Additional climate and other environment-related indicators (Table 2)

Adverse sustainability indicator		Parameter	Impact 2023	Impact 2022	Explanation*	Actions taken, and actions planned and targets set for the next reference period**
Greenhouse gas emissions	18. GHG emissions	Scope 1 GHG emissions caused by real estate assets	143,055 tonnes CO <sub>2</sub> eq. scope 3	148,244 tonnes CO <sub>2</sub> eq. scope 1+2	Investments in real estate by a.s.r. real estate investment partners are no longer managed by AVB. The results for 2023 relate only to the investments in mortgages.	<p><b>General approach</b></p> <p>ASR Nederland N.V., of which AVB is a 100% subsidiary, is a signatory to the Paris Agreement and committed to the Net Zero Asset Manager Initiative. AVB is thus committed to achieving net zero CO<sub>2</sub> emissions by 2050 or earlier with the aim of limiting the global temperature increase to 1.5 degrees Celsius. AVB and a.s.r. take this indicator into account by working on improving the energy efficiency and sustainability of housing, by proactively providing sustainability finance to both new and existing customers and by developing a methodology to measure the implicit improvement in energy efficiency.</p> <p>With the <u>WelThuis verduurzamingshypotheek</u> a.s.r. and AVB offer borrowers accessible and attractive finance to improve the sustainability of their homes, thereby contributing to climate change mitigation. Existing borrowers can also take out a sustainability mortgage to improve the sustainability of their current homes.</p> <p><b>Actions planned</b></p> <p>Continuation of existing policy.</p>
		Scope 2 GHG emissions caused by real estate assets		2,2252 tonnes CO <sub>2</sub> eq.		
		Scope 3 GHG emissions caused by real estate assets		150,496 tonnes CO <sub>2</sub> eq.		
		Total GHG emissions caused by real estate assets				

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters (Table 3)

Adverse sustainability indicator	Parameter	Impact 2023	Impact 2022	Explanation*	Actions taken, and actions planned and targets set for the next reference period**	
Social	19. Average freedom of expression score	Measuring the extent to which political and civil society organisations can operate freely including a quantitative indicator explained in the explanation column	89.06	81.02	The improvement in the impact compared to 2022 is the result of a combination of factors: the emphasis on ESG themes in AVB's responsible investment policy, the trend whereby companies are becoming increasingly aware of ESG themes and an improvement in data coverage.	<p><b>General approach</b> AVB adheres to the investment restrictions arising from the sanctions lists of international organisations such as the United Nations and the European Union and sanctions lists drawn up by the United States. In accordance with its SRI policy, AVB excludes countries that do not respect human rights. AVB uses data from Freedom House for this purpose. Countries assessed as 'not-free' are excluded from AVB's investment universe. A list of excluded countries can be found on the <a href="#">AVB website</a>. In addition, AVB applies positive criteria, including the assessment of human rights based on the Sustainable Development Goals index.</p> <p><b>Actions planned</b> Continuation of existing policy.</p>
Governance	21. Average corruption score	Measure of the perceived level of public sector corruption, using a quantitative indicator explained in the explanation column.	72.55	64.16	The improvement in the impact compared to 2022 is the result of a combination of factors: the emphasis on ESG themes in AVB's responsible investment policy, the trend whereby companies are becoming increasingly aware of ESG themes and an improvement in data coverage.	<p><b>General approach</b> AVB adheres to the investment restrictions arising from the sanctions lists of international organisations such as the United Nations and the European Union and sanctions lists drawn up by the United States. AVB's SRI policy excludes countries with a high level of corruption. AVB uses data from Transparency International, which publishes the Corruption Perception Index (CPI). Countries with a score below 30 in the CPI are excluded from the investment universe of AVB.</p> <p><b>Actions planned</b> Continuation of existing policy.</p>

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\* An explanation of a difference in effect compared to 2022 is given in the explanation column. This difference may be due to various elements. For example, a difference in the availability of data ('data coverage') and/or new insights that led to the choice of a different data provider, calculation method or data point.

\*\* For more information on the planned measures and targets set, please refer to the updated Policy for Responsible Investments (formerly SRI Policy) and the most recent identified impact and emission targets as published on the [AVB website](#).

AVB strives to continuously improve data quality on the basis of new insights, available information and changes in legislation and regulation.

AVB may outsource asset management by using external asset managers. If it decides to do so, AVB wishes external asset managers to invest as much as possible in accordance with its sustainability policy (see the SRI policy). However, certain investments made by external asset managers may deviate from AVB's sustainability policy. This could have a material impact on the quantitative results of the adverse impacts on sustainability factors (PAI indicators).

### **Adverse sustainability impacts – investments managed by Aegon Asset Management**

As a result of the merger of Aegon Nederland N.V. with ASR Nederland N.V. in 2023, some of AVB's investments are now managed by Aegon Asset Management. Aegon Asset Management and AVB use different data providers for establishing the principal adverse impacts of investment decisions on sustainability factors. As these data providers use different methodologies in the assessment of the PAI indicators, the findings differ. The results of the PAI indicators cannot therefore be added together. AVB has therefore chosen to include the principal adverse impacts on sustainability factors of the investments managed by Aegon Asset Management in a separate table, see below:

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Indicators applicable to investee companies

Adverse sustainability indicator		Metric	Impact 2023	Impact 2022	Explanation*	Actions taken, and actions planned and targets set for the next reference period
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	240,542.98 t CO <sub>2</sub> equivalent	*	**	***
		Scope 2 GHG emissions	70,059.94 t CO <sub>2</sub> equivalent	*	**	***
		Scope 3 GHG emissions	3.457.082,48 t CO <sub>2</sub> equivalent	*	**	***
		Total GHG emissions	3.767.685,40 t CO <sub>2</sub> equivalent	*	**	***
	2. Carbon footprint	Carbon footprint	877.10 t CO <sub>2</sub> equivalent per million EUR of investments	*	**	***
	3. GHG intensity at investee companies	GHG intensity of investee companies	2,525.51 t/EUR million revenue	*	**	***
	4. Exposure to companies active in the fossil fuels sector	Share of investments in companies active in the fossil fuels sector	1.69%	*	**	***

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Indicators applicable to investee companies

Adverse sustainability indicator	Metric	Impact 2023	Impact 2022	Explanation*	Actions taken, and actions planned and targets set for the next reference period	
	5. Share of non-renewable	Percentage of consumption of non-renewable energy and non-renewable energy generation at investee companies, from non-renewable energy sources, compared to renewable energy sources, expressed as a percentage of the total energy sources	9.18% (consumption) 0.34% (generation)	*	**	***



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Indicators applicable to investee companies

Adverse sustainability indicator	Metric	Impact 2023	Impact 2022	Explanation*	Actions taken, and actions planned and targets set for the next reference period
6. Intensity of energy consumption by sector with major climate impacts	Energy consumption in GWh per EUR million of income of investee companies, by sector with large climate impacts	<p><b>Agriculture, forestry and fisheries</b> 0,00 GWh per million EUR</p> <p><b>Construction</b> 0.01 GWh per million EUR</p> <p><b>Electricity, gas, steam and air conditioning production and distribution</b> 0.01 Industry 0.05 GWh per million EUR</p> <p><b>Industry</b> 0.05 GWh per million EUR</p> <p><b>Mining of minerals</b> 0.01 GWh per million EUR</p>	*	**	***

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Indicators applicable to investee companies

Adverse sustainability indicator	Metric	Impact 2023	Impact 2022	Explanation*	Actions taken, and actions planned and targets set for the next reference period	
		Operation of and trade in real estate 0.02 GWh per million EUR  Transport and storage 0.00 GWh per million EUR  Distribution of water and waste water management and remediation 0.00 GWh per million EUR  Wholesale and retail trade, repair of cars and motorcycles 0.00 GWh per million EUR	*	**	***	
Biodiversity	7. Activities with negative impact on biodiversity-sensitive areas	Percentage of investments in companies with establishments/activities in or near to biodiversity-sensitive areas where the activities of these companies have a negative impact on these areas	0.01%	*	**	***

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Indicators applicable to investee companies

Adverse sustainability indicator		Metric	Impact 2023	Impact 2022	Explanation*	Actions taken, and actions planned and targets set for the next reference period
Water content	8. Emissions to water	Emissions to water (in tonnes) per EUR million in investments by investee companies, expressed as a weighted average	0.00 t/EUR million in investments	*	**	***
Waste	9. Percentage of hazardous waste and radioactive waste	Hazardous waste generated and radioactive waste (in tonnes) per EUR million in investments by investee companies, expressed as a weighted average	0.29 t/EUR million in investments	*	**	***
<b>Indicators on social issues and working conditions, respect for human rights, and anti-corruption and bribery</b>						
Social themes and working conditions	10. Violations of the principles of the UN Global Compact or of the guidelines for multinational enterprises of the Organisation for Economic Cooperation and Development (OECD)	Percentage of investments in companies involved in violations of the principles of the UN Global Compact or of the OECD guidelines for multinational enterprises	0.47%	*	**	***

## Indicators applicable to investee companies

Adverse sustainability indicator	Metric	Impact 2023	Impact 2022	Explanation*	Actions taken, and actions planned and targets set for the next reference period
11. Absence of procedures and compliance mechanisms for monitoring compliance with the principles of the UN Global Compact and the OECD establish guidelines for multinational enterprises.	Percentage of investments in companies without a policy for monitoring compliance with the principles of the UN Global Compact and the OECD guidelines for multinational companies or without arrangements for handling complaints that can be used to address violations of those UN principles or OECD guidelines	6.38%	*	**	***
12. Unadjusted gender pay gap	Average unadjusted gender pay gap in investee companies	0.19%	*	**	***
13. Gender diversity on board of directors	Average ratio between the number of female and male members on the board of directors of investee companies, expressed as a percentage of all members of the board of directors	6.63%	*	**	***
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Percentage of investments in companies involved in the production or sale of controversial weapons	0.00%	*	**	***

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Indicators applicable to investments in governments and supranationals

Adverse sustainability indicator	Metric	Impacts 2023	Impacts 2022	Explanation*	Measures taken and measures planned and targets set for the next reference period
15. GHG intensity at investee companies	GHG intensity in investee countries	49.71 t CO2 eq/million EUR	*	**	***
16. Investee countries with violations of social rights	Number of countries invested with violations of social rights (absolute number and relative number divided by all investee countries), as referred to in international conventions and agreements, United Nations principles and, where appropriate, national law		*	Due to Aegon Asset Management's use of a different data provider that uses different definitions and criteria with effect from 2023, it is not possible to report an effect for this indicator for 2023.	***

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Climate and other environmental

Adverse sustainability indicator		Metric	Impacts 2023	Impacts 2022	Explanation*	Measures taken and measures planned and targets set for the next reference period
Emissions	4. Investments in companies without carbon emission reduction initiatives	Percentage of investments in companies without carbon emission reduction initiatives which aim to comply with the Paris agreement	11.12%	*	**	***
Human rights	9. Lack of a human rights policy	Percentage of investments in entities without a human rights policy	11.9%	*	**	***
<b>Other state indicators for the main negative impact</b>						
	Average score for income inequality	Average score for income inequality	0.46%	*	**	***

\* This column does not apply as Q3 and Q4 of 2023 is the first reporting period in which the quantitative elements relating to the adverse impact indicators on sustainability factors of AAM are reported.

\*\* This column does not apply. This column explains how the specific indicator for the principal adverse impacts on sustainability factors (PAI indicator) has developed compared to different reference periods, and how this relates to the measures taken.

\*\*\* AVB may outsource asset management by using external asset managers. Aegon Asset Management is one of the external asset managers to which AVB has outsourced the management of investments. AVB wishes Aegon Asset Management to invest as far as possible in accordance with its sustainability policy (see the SRI policy). However, certain investments made by external asset managers may deviate from AVB's sustainability policy. This could have a material impact on the quantitative results of the adverse impacts on sustainability factors (PAI indicators).

### III. Description of policies to identify and prioritise principal adverse impacts on sustainability factors

#### Methodology and approach for identification and assessment of adverse impacts on sustainability factors

When screening the investment portfolio, the principal adverse impacts of investment decisions on sustainability factors are analysed, determined and ranked, with the aim of subsequently preventing and reducing these impacts. As indicated in its SRI policy, AVB periodically screens companies for violation of international standards, such as the UN Global Compact, the OECD guidelines and the UN Guiding Principles on Business and Human Rights. This involves a check of the investment universe in which AVB may invest for companies that may violate human rights, labour standards, environmental standards and/or anti-corruption rules or are involved in activities that are otherwise controversial. This process is known as due diligence (DD). For assessment purposes, DD looks at the influence (impact) of a company's behaviour on society and/or the environment and the seriousness, scale and irreversibility of the consequences of that behaviour and the likelihood of violation occurring. AVB uses information from two independent ESG data providers, Moody's ESG and MSCI ESG.

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If this due diligence process identifies companies that have controversial activities and/or violation of international standards, these companies will be excluded. AVB also uses its influence in certain cases when it appears that companies in the investment portfolio cause or threaten to cause a negative impact or potential negative impact. It uses its influence, for example, through engagement and/or by voting at shareholder meetings, in order to prevent and/or mitigate a negative impact by a company. For more information on the measures taken by AVB to limit principal adverse impacts, see the section 'Description of the principal adverse impacts on the sustainability factors' above.

This statement was approved by the management of ASR Vermogensbeheer N.V. on 27 June 2024.

### Choice of non-mandatory indicators

In addition to the 18 mandatory indicators that AVB has included in this statement, 4 additional non-mandatory indicators are shown. These are:

1. Investments in companies without carbon emission reduction initiatives (PAI 2.4);
2. GHG emissions (PAI 2.18);
3. Average score for freedom of speech (PAI 3.19); and
4. Average corruption score (PAI 3.21).

AVB has opted to include these indicators by taking account of certain criteria in its investments,

such as the likelihood that principal adverse impacts will occur and the expected degree of their severity, including their potential for irreparability. These additional indicators are also in line with the main themes of the SRI policy.

### Governance, responsibility for implementation

AVB is a 100% subsidiary of ASR Nederland N.V. and aims to manage investment institutions and provide investment services for group companies and third parties. Within ASR Nederland N.V., responsibility for sustainability has been assigned to the Chair of the Board of Directors. An ESG (Environmental, Social, Governance) committee was formed by members of the Supervisory Board (SB) in 2021. This committee advises and supports the SB in its supervisory role with regard to developments in ESG and the results of the sustainable corporate strategy.

### AVB's services:

AVB's services consist of:

- Collective asset management (offering units of participation in investment institutions);
- Individual asset management (asset management based on a mandate) and receiving and transmitting orders.

AVB provides its services within the framework of its SRI policy. Additional sustainability restrictions and targets may be added by investment institutions (collective asset management) and by clients (individual asset management). These are restrictions and objectives established in the investment institution's asset management mandate or client agreement.



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When executing investment transactions, AVB is guided by its SRI policy, the recommendations and exclusions as determined by the ESG committee and the agreements with the client or investment institution concerned.

The AVB Executive Board regularly evaluates the AVB SRI policy and re-establishes it on a regular basis. In this evaluation, management is supported by the ESG committee.

This committee is in turn supported by an ESG department within AVB.

The duties of this department are:

- Monitoring market developments;
- Identifying emerging ESG risks (and opportunities);
- Making proposals for the SRI policy (improvements and/or additions);
- Implementing the active shareholder policy;
- Training internal and external stakeholders (including clients) and creating support for AVB's SRI policy; and
- Formulating proposals for clients with the portfolio managers and investment institutions.

### Structure of AVB

In accordance with Article 15 of the AIFM Directive, Section 4:14(1) and (2) and Sections 23 and 24b of the Dutch Financial Supervision Act (the Wft), AVB has set up an appropriate risk management system to adequately identify, measure, manage and monitor all relevant risks associated with the investment firm's activities, processes and systems.

AVB uses the three lines of defence model for its risk management. The 2nd and 3rd lines of the risk management organisation are provided by the Compliance (2nd line) and Internal Audit (3rd line) departments.

The portfolio managers (1st line) execute transactions for the investment portfolios within the framework of the SRI policy. In doing so, the preset limits and ESG exclusions (as determined by the ESG committee), among other things, have to be observed. These are recorded automatically in the Simcorp Dimension (SCD) investment administration system for daily pre-trade and post-trade audits.

### Data, the information used by AVB and its best efforts obligation

order to gain a good understanding of the relevant most important adverse impacts, AVB screens the investments it manages twice a year. AVB uses information from two independent ESG data suppliers, Moody's ESG and MSCI ESG, for this. These data providers screen potential and actual investments for, among other things, controversial activities and violations of human rights, labour standards, environmental standards and/or anti-corruption rules. They also look at the influence (impact) of a company's behaviour on society and/or the environment and the seriousness, scale and irreversibility of the consequences of that behaviour and the chances of violation occurring. For instance, exclusions, a ranking of 'best in class' companies and ESG scores per company are determined on this basis.

For the results of the quantitative elements for the period from 1 January 2023 to 31 December 2023 (the 'impacts 2023' column), AVB mainly used the methodology drawn up by MSCI (MSCI SFDR Aggregation

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Methodology). The methodology used by MSCI is based on the applicable legislation and regulation. However, since the methodology used is still under development and there are various approaches to this in the market, appropriate caution is advised. AVB strives to continuously refine this methodology and the results it generates on the basis of new insights, available information and changes to legislation and regulation.

AVB has developed its own method to identify differences between the screening of ESG data providers and to ensure consistency in its assessment. For some indicators in certain asset categories, such as private markets, the necessary information is not always available. AVB tries to obtain as much information as possible from data providers or from the companies/projects/asset managers concerned. AVB also tries to conduct additional research in order to formulate reasonable assumptions, if possible.

In addition, AVB uses the services of ESG engagement providers, in addition to its own direct engagement processes, to influence the companies in which AVB invests in order to prevent or reduce adverse impacts on sustainability factors.

For investments not made directly by AVB, ESG reporting takes place on the basis of the 'look-through' principle (meaning that the investment funds concerned assess the underlying investments).

### Error margin methodologies

The methodology to identify the principal adverse impacts of investment decisions on sustainability factors depends on the availability and quality of data and/or other information. The identification and prioritisation of the principal adverse impacts on sustainability factors of both mandatory and optional indicators are based on various sources of information, such as data providers, publicly available information and engagement providers.

It may be the case that this information is not (or not yet) accurate.

There are many different ways to weigh and aggregate data in the form of ESG scores. As regards the availability of information, information on large companies is more readily available and large companies are also more likely to be exposed to controversies because the scope of their activities and value chain is broader. As a result, for smaller companies or for underexposed asset classes, there has so far been a lack of disclosure of certain significant adverse impacts in publicly available information. And as a result, insufficient account is taken of these assets when making investment decisions.

AVB expects the availability of reliable data to continue to improve in the coming years.

## IV. Engagement policies

As an asset manager, AVB is involved in the companies in which it invests. This means that AVB calls on companies to fulfil their responsibility to create long-term value for all stakeholders. In this way, AVB contributes to corporate social responsibility and good corporate governance. AVB's engagement policy and voting policy form an integral part of this, in line with the requirements of the revised Shareholder Rights Directive (2017/828/EU).

### Dialogue and cooperation

AVB strives for constructive dialogue and engagement with the companies in which it invests for its clients with the aim of increasing long-term social returns. AVB meets regularly with the managements of these companies to discuss their sustainability policy. If there are controversial activities and this dialogue does not lead to a positive result, companies will be excluded from the investment portfolio. This dialogue takes three forms:

1. Involvement with the aim of monitoring the continuous sustainability of a company occurs regularly, depending on the size of the investment managed by AVB;
2. Engagement for the purpose of influencing the behaviour of a company or sector where ESG issues have been identified; and
3. Public engagement with policymakers, government, regulators, industry organisations and/or other stakeholders to implement and improve sustainability.

The initial dialogue is usually conducted by AVB alone. Secondary and tertiary dialogues often involve cooperation with other shareholders or relevant stakeholders of the companies concerned. AVB also works with specialist parties in the field of sustainability, such as CERES with regard to water engagement and VBDO with regard to plastics engagement. In addition, AVB works with engagement-specialist parties such as Robeco and Hermes EOS in order to exert more influence. This cooperation is aimed at various themes, such as addressing violations of the UN Global Compact (UNGC) standards relating to human rights, labour rights, environmental issues and ethical behaviour, but also, for example, to tackle biodiversity or to close the gender pay gap.

AVB seeks to influence all topics included in the above table by means of dialogue in order to prevent and reduce principal adverse impacts on sustainability factors.

### Voting policy

The voting rights of shareholders are essential for the proper functioning of a corporate governance system. AVB's voting policy has been developed in accordance with the Dutch Corporate Governance Code and AVB's Socially Responsible Investment (SRI) policy. As a shareholder, AVB will exert its influence in the interests of its customers by making use of its voting rights, with careful consideration in all cases of whether AVB should use its voting rights itself or by means of a power of attorney.

AVB seeks to influence all topics included in the above table by voting for prevention and reduction of the principal adverse impacts on sustainability factors. For more information about the engagement and voting policy, please refer to the [website](#).

#### **Escalation strategy when major adverse impacts are not reduced**

If there is insufficient progress in an engagement process with a certain company, AVB will initiate an escalation strategy.

The escalation strategy provides the following tools:

- Voting against certain agenda items in case of insufficient openness and progress on engagement;
- Asking questions at shareholders' meetings;
- Placing shareholders' resolutions either independently or in concert on the agenda of the shareholders' meeting; and
- Issuing investor statements.

Deployment of these tools is considered on a case-by-case basis. If these tools do not have the desired effect, AVB may exclude the company.

## **V. References to international standards**

With respect to due diligence procedures and reporting, AVB acts in accordance with the following international conventions, recommendations, frameworks and guidelines: UN Global Compact Principles, UN Guiding Principles on Business and Human Rights, Principles for Responsible Investment (PRI), OECD Guidelines for Multinational Enterprises, the Covenant of International Corporate Social Responsibility (ICSR), the Paris Agreement, the Dutch Climate Agreement and the Dutch Stewardship Code. A brief explanation of these standards is given below. Furthermore, AVB's SRI policy is based on and in line with other international conventions, recommendations, frameworks and guidelines.

#### **UN Global Compact Principles**

AVB expects companies and funds in which it invests to act in line with the United Nations Global Compact (UNGC). The UNGC consists of ten principles in the areas of human rights, labour rights, the environment and the fight against corruption. In 2016, these were translated into 17 sustainable development goals, the United Nations Sustainable Development Goals (SDGs).

#### **UN Guiding Principles on Business and Human Rights**

AVB endorses the UN Guiding Principles on Business and Human Rights. These standards concern human rights, such as the right to life, freedom of speech, labour rights and non-discrimination which states and companies

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should respect and comply with. This set of guidelines was adopted by the United Nations Human Rights Council in 2011.

### **Principles for Responsible Investment (UN PRI)**

AVB is committed to the United Nations Principles for Responsible Investment (UN PRI). The principles for responsible investment were developed by an international group of institutional investors and reflect the increasing relevance of environmental, social and governance issues to investment practice.

### **OECD Guidelines for Multinational Enterprises**

By means of its SRI policy, AVB commits to the OECD Guidelines for Multinational Enterprises. The OECD Guidelines for Multinational Enterprises are designed to help companies worldwide organise their operations in a socially responsible manner. The guidelines deal with issues such as human rights, child labour, the environment, corruption, working conditions and responsible taxation. The OECD Guidelines for Multinational Enterprises state that, for the purposes of the guidelines, due diligence is seen as the process by which institutional investors can identify, prioritise, prevent and/or mitigate the actual and potential negative impact of their investments on stakeholders in the investment chain and give account of this. AVB has implemented the six steps of the due diligence process as described in the OECD guidelines in its investment process.

### **International Corporate Social Responsibility (ICSR)**

AVB, through ASR Nederland N.V./the Dutch Association of Insurers, is a signatory to the ICSR Covenant and complies with the agreements of the Covenant. The ICSR Covenant has now been terminated, and was aimed at gaining increased insight as a sector and achieving a positive impact on the environment, social conditions and corporate governance. The agreements in the covenant are based on the OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business and Human Rights. After termination, a group of insurers, including a.s.r., committed to a follow-up initiative known as ICSR 2.0.

### **Paris Climate Agreement**

AVB supports the Paris Climate Agreement, which is why AVB wishes to bring its investment portfolio into line with the agreements it contains as far as possible. AVB sets itself two main objectives:

- Reduce the CO<sub>2</sub> footprint of its investment portfolio (listed shares, corporate bonds, government bonds, real estate investments and the mortgage portfolio) by 65% between 2015 (Paris Agreement) and 2030. By 2050, AVB aims to have net zero CO<sub>2</sub> emissions; and
- at least EUR 4.5 billion in impact of investments on its balance sheet in 2024. A large proportion of the impact investments made by a.s.r. are related to promoting the energy transition. For more information on the definition of investment impact and the policy in this regard, please refer to the [website](#).

### Dutch Climate Agreement

AVB, via ASR Nederland N.V., is a signatory to the Dutch commitment to the Climate Agreement (Dutch Financial Sector contribution). The commitment has to contribute to the implementation of the national Climate Agreement, which aims to reduce CO<sub>2</sub> emissions by 49% compared to 1990 by 2030.

AVB has been reporting on the CO<sub>2</sub> impact of its investment portfolio since 2018. In addition, AVB invests in companies and initiatives that have an impact in the context of the energy transition.

### Dutch Stewardship Code

AVB complies with the Dutch Stewardship Code. This code of conduct adopted by pension funds, life insurers and asset managers states 11 principles expressing the increasing importance of engaged and responsible share ownership and the role that institutional investors play in promoting long-term value creation of the Dutch listed companies in which they invest.

The indicators used for the principal adverse impacts are used to measure how we meet the above international standards and frameworks.

These include, but are not limited to:

- PAI 1.1: GHG emissions;
- PAI 1.4: Exposure to companies active in the fossil fuels sector;
- PAI 1.10: Violations of the UN Global Compact Principles or the guidelines for multinational enterprises of the Organisation for Economic Cooperation and Development (OECD);

- PAI 1.11: Lack of procedures and compliance mechanisms for monitoring compliance with the principles of the UN Global Compact and the OECD guidelines for multinational enterprises; and
- PAI 1.14: Exposure to controversial weapons such as anti-personnel mines, cluster munitions, chemical weapons and biological weapons (Cluster Munitions Convention).

### Forward-looking climate scenario

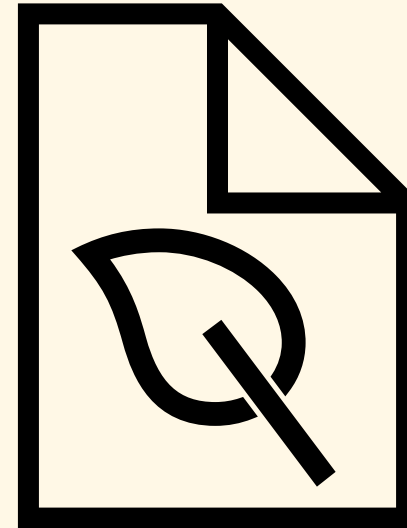
AVB takes forward-looking climate scenarios into account in its policy in various ways. We use climate scenarios for our portfolio construction. AVB includes the goals in the Paris climate agreement in both its due diligence policy and its CO<sub>2</sub> reduction strategy. When analysing the future impact of climate change on invested assets in its entirety, AVB uses three scenarios:

- In an orderly scenario, we assume a timely and effective climate policy which succeeds in halting global warming. In this scenario, investments in clean energy sources contribute to economic growth. Climate risks remain limited;
- In a disorderly scenario, measures are first postponed and then introduced in haste. This leads to more transition risks and higher economic and financial costs; and
- In a failing or greenhouse gas scenario, no action or too little action is taken to combat global warming. This scenario is accompanied by a sharp increase in physical climate risks and general economic disruption.

The provider of these scenarios is Ortec Finance B.V. and the scenarios were formulated in 2019.

## VI. Historical comparison

2023 is the second year in which AVB discloses how it addresses the principal adverse impacts of its investment decisions on sustainability factors based on the SFDR Regulation. This means that a comparison can be made for some impacts for the first time in 2023. In some cases however, this is not the case. The explanation of the difference in effect between 2022 and 2023 can be found in the 'Notes' column.



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**a.s.r.**

Archimedeslaan 10

3584 BA Utrecht

[www.asr.nl](http://www.asr.nl)

ASR Vermogensbeheer N.V. - KvK 30227237 Utrecht

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