

asn  impact investors

Impact Report

May 2022



Inhoud

	Foreword	3
1	Selection of sustainable investment universe	4
1.1	Approach	4
1.2	Sustainable selection in 2021	6
	‘Diversity lies at the heart of sustainable progress’	16
2	Sustainable investment policy developments	19
3	SDGs	20
3.1	How we focus on the SDGs	20
3.2	The SDGs to which the investment funds contribute	21
4	Goals	24
4.1	Our mission	24
4.2	Ambitions for 2030	24
4.3	Sustainable investment objectives by fund	26
5	Impact	29
5.1	Climate	29
	‘Predictive data enables us to reach Paris targets more quickly’	40
5.2	Biodiversity	43
	‘The impact we are having is direct and tangible’	49
5.3	Human rights	51
6	Active shareholdership	57
6.1	Engagement	57
6.2	Voting	62
7	Our sustainable funds	65
	Listed company funds (UCITS structure)	65
	Listed company mixed funds (AIF structure)	67
	Unlisted investment funds (AIF structure)	67
	Contact	69



Foreword

As ambitious impact investors, we strive to improve ourselves on a continuous basis. This Impact Report shows how we are doing this and what impact this had in 2021.

We are relying more and more on data. Data creates the impetus for an even more positive and innovative impact, from the selection phase through to monitoring. This means that your money is always being put to good use. Into creating companies that, wherever they are in the world, strike to achieve a good balance between return, climate, biodiversity and human rights.

2021 again saw the discovery of some particular new game changers. Innovative companies that are transparent about the impact they are having today and want to play their role in the transition to the sustainable world of tomorrow. Companies that prove that financial return can be compatible with a richer world.

That said, figures do not always tell the whole story, the key is what you as an investor do with the figures. For us, they often lead to new questions that trigger innovation.

For example, we developed the method for measuring the impact of our investments on biodiversity. This made us realise there is still plenty of work to do in this area, which is why we launched the ASN Biodiversiteitsfonds in 2021. For the first time ever, this fund enables private investors to invest directly in the restoration and preservation of nature. This is a first of which we are extremely proud.

Another recent innovation is the impact factor, which we developed together with Achmea Investment Management for the portfolio construction of the ASN Duurzaam Aandelenfonds. This means that we can be more proactive in steering towards sustainability in the final step of our investment process. For this fund, we also switched over to a Paris-aligned benchmark. A benchmark that better matches with our objectives.

With these and other innovations, we are focussing on reducing the negative impact of our activities and increasing their positive impact as we move towards 2030.

The primary purpose of this report is to inform investors of the progress we have made and what still has to be done. However, it is also intended for our business contacts inside and outside the financial sector. If, like us, you want to raise the bar, please don't hesitate to contact us.

San Lie
Director

Mariëtta Smid
Senior Manager Sustainability



1 Selection of sustainable investment universe

ASN Impact Investors only invests in companies, governments, organisations and projects that contribute to a sustainable society and are financially sound. We are unequivocal on that.

Our investment process consists of three essential steps for all funds and fund structures. In the first two steps, the focus is on finding companies and investments that contribute to the necessary transitions, while the emphasis of step 3 lies on financial analysis. Therefore we first select companies that are truly sustainable, without looking at the financial criteria. In the final step of our process we aim to get the best possible financial and sustainable return out of this universe.

1.1 APPROACH

Everything starts with sustainability for us. From companies to green bonds, our investment commissions (ICs for short, see page 6) approve or reject investments on the basis of an extremely thorough sustainability investigation. Approved companies will be examined and assessed at least once every four years. If specific information indicates that re-examination should occur sooner, then we will bring forward the analysis and assessment.

The assessment of government bodies takes place once every two years. Green, social and sustainable bonds are assessed upon admission.

Has misconduct occurred in an entity? The IC can then decide to start an engagement process.

For ASN Impact Investors, entities comprise:

- Companies that currently belong to the ASN Investment Universe or qualify for inclusion in it; from the approved companies, we select the investments of the investment funds (ASN Duurzaam Aandelenfonds, ASN Milieu & Waterfonds, ASN Duurzaam Small & Midcapfonds and ASN Biodiversiteitsfonds);
- Governments that currently belong to the ASN Investment Universe or qualify for inclusion in it; from among the approved governments, we select the investments of the ASN Duurzaam Obligatiefonds;
- Green bonds, social bonds and sustainable bonds that qualify for investment by the ASN Duurzaam Obligatiefonds and ASN Biodiversiteitsfonds.
- Microfinance institutions that qualify for an investment and/or loan from the ASN Mikrokredietfonds.
- Investments that qualify for an investment and/or loan from the ASN Groenprojectenfonds.
- Funds that qualify for an investment by the ASN Biodiversiteitsfonds.



THE INVESTMENT PROCESS:

Step 1: IDEA GENERATION

We look for companies, projects and investments that contribute to the sustainability and return objectives of our funds.

The first step is to draw up an inventory of companies with impact potential. Within our three pillars of climate, biodiversity and human rights, each fund has its own sub-topics and specific sustainability and return objectives.

The Portfolio Management team of ASN Impact Investors initiates, guides and decides during the first phase.

Step 2: SUSTAINABILITY RESEARCH

For this step in the process, we work, depending on the investment fund in question, closely with the Expertise Centre for Sustainability (Expertise Centrum Duurzaamheid, ECD), ASN Duurzame Financieringen (ADF), Triple Jump and FMO.

We subject the selected companies and projects to an extensive sustainability test.

Suppliers of companies will also be scrutinised in great detail.

Step 3: PORTFOLIO CONSTRUCTION

Finally, we compile the portfolio based on financial analyses.

Step 3 comprises assessing the companies in the investment universe against financial criteria and compiling the portfolio. We outsource this step to carefully selected asset managers who are specialised in the investment segment concerned.

In these analyses, the emphasis is on valuations, positive prospects and specific business risks. Companies qualifying as financially attractive are eligible for inclusion in the relevant portfolios.

After compilation, the portfolios are monitored and adjusted continuously.

The Portfolio Management team of ASN Impact Investors continuously monitors the composition of the funds, the individual names in the portfolios, the services and performance of the delegated asset managers.

Investment Committee

The Investment Committee 1 has the authority to decide on investment proposals for the Impact Funds. This Investment Committee met a total of 90 times in 2021. The Investment Committee 2 has the decision-making power to approve or reject entities for the ASN Investment Universe. This universe is the collection of entities from which the investments for the funds are selected. The Investment Committee 2 prepares the approval or rejection of entities based on advice from the ECD. This Investment Committee met six times in 2021.

Changes in the ASN Investment Universe occur as a result of newly added and approved investments and investments that are rejected and removed after re-examination, acquisition or bankruptcy.

You can find more information about the current investment universe of ASN Investment Investors on the [Sustainable choices page](#) on our website.

We base our assessment of companies on the following here:

For the selection of companies, we base our assessment on information provided by the companies themselves, and by specialist research institutions, the media and non-governmental organisations. We use research by the following specialist research firms:



Sustainalytics – Collects data on companies’ sustainability performance.



Vigeo Eiris – Helps us assess whether activities meet our weapons criterion.



RepRisk – Collects news reports about companies.



MSCI - Determines the impact of business activities on the environment and climate.



1.2 SUSTAINABLE SELECTION IN 2021

Businesses

In the reporting period, we screened 174 companies because they were due for re-examination or were new. A total of 387 listed companies met our sustainability criteria as of 31 December 2021, 40 more than the previous year. Twelve companies were removed from the universe due to mergers and acquisitions, or because they had become illiquid or had grown too large for a specific investment universe.

	Newly admitted	Retained	Rejected and removed	Rejected and not admitted	Total number examined
ASN Duurzaam Aandelenfonds	19	49	5	43	116
ASN Milieu & Waterfonds	13	17	1	13	44
ASN Duurzaam Small & Midcapfonds	6	37	3	6	52
ASN Microkredietfonds	11	26			37
ASN Duurzaam Obligatiefonds	31		2		33
Total	80	129	11	62	282

EXAMPLES OF NEW COMPANIES ADMITTED IN 2021



NEL ASA – Norwegian – NEL ASA is the largest producer of hydrogen plants in the world. Its client base includes various gas station chains and transport and logistics companies. Hydrogen is viewed by many as being the energy carrier of the future, as it does not emit any CO₂ when used. NEL ASA is operational in Norway, Denmark and the United States. 50 hydrogen tank systems have been delivered to nine different countries. In terms of its activities, it is therefore a company with a positive impact. What is also important for us is that sufficient account is taken with impact on humans and the environment.



Amplifon – Italian/British – Amplifon is the world’s largest supplier of hearing aids, known in the Netherlands through the company ‘Beter Horen’.



Descartes Systems Group – Canadian – This company creates software that allows users in the shipping industry to communicate with each other. The company facilitates reports, data or documents via the Global Logistics Network. Processes are optimised as a result of these, which can lead to greater efficiency and savings in various areas. As they develop means of communication, privacy is a high risk. Descartes Systems has a sufficient policy here not just for its own company, but also for its products.



Switch – American – This company develops data centres and, like NortinLife-Stock, is a member of the Global Compact of the United Nations. Switch has been using fully sustainable energy since 2016, with diesel generators as a back-up, although use of these generators is kept to a minimum. The company is working on a sustainable internet and was awarded the top rating by Greenpeace in the #Click-Clean report of 2017.





Midsona – Swedish – Midsona focuses entirely on vegetable, vegetarian and biological food and health products. The objective of the company is that 100% of products should be vegetable and vegetarian by in 2030. Midsona does still use palm oil. We did not believe this to be a reason for rejection, but we will question them about this.



SIG Combibloc Group – German – This company specialises in packaging materials for the food industry and delivers them world-wide. Keeping food fresh for longer is important; the activities of SIG Combibloc Group can play a role in this. We of course also look at operational management. This is also very sound. If the paper and cardboard come from FSC-managed forests and sustainable forestry, which is a key prerequisite. In addition to cardboard, the packaging also often contains a thin layer of plastic, an area where steps to improve sustainability are still required. SIG Combibloc Group is currently a frontrunner in recycling thin plastic layers, and objectives have been formulated in this area. We will continue to monitor this.



Terna Energy – Greek – Terna Energy has already been operational in sustainable energy for a good 20 years. The company manages wind farms and small water-power stations. This is also contributing to innovative projects such as energy storage and environmental and waste management projects. Terna Energy has a good policy for managing sustainability risks.



Vantage Towers – German – is Europe’s largest producer of broadcast towers. The German company is a spin-off of Vodafone, which still owns more than 80% of the company. Vantage Towers has approximately 82,000 towers in ten countries, including Germany, Greece and Spain. In the communication services sector, Vantage Towers is a beacon of sustainability, which is a good reason to acquire a shareholding in the company.



Tele2 – Swedish – has been providing fixed and mobile telephony to the business and consumer markets since 1993. It also provides other communication services such as cloud services, IT networks and other IT services. The company shows good profitability and the portfolio managers thought the shares were appropriately valued. This company also has a strong sustainability profile. These three reasons explain why we acquired a stake in Tele2.



Cochlear – Australian – During the reporting period we admitted the Australian company Cochlear, among others. This company designs, produces and supplies hearing aids, and is a good fit for ASN Impact Investors.



Stericycle – American – During the reporting period, we admitted the American company Stericycle. This company processes medical waste for hospitals and other customers.



EXAMPLES OF COMPANIES REMOVED AND REJECTED IN 2021

Rinnai Corp – Japanese – Rinnai Corp has made insufficient improvements in a number of areas over the past 4 years. The most important reason for rejecting this company is its involvement in the production of equipment that runs on gas, such as hot water tanks, clothes dryers and gas appliances.

Advanced Micro Devices – American – This company had been part of our investment universe for more than 15 years. We were therefore extremely surprised to learn that Advanced Micro Devices is involved in weapons. Together with Hewlett Packard (previously rejected and removed due to its involvement in the same area), Advanced Micro Devices won a deal worth millions in 2020 for the delivery of a supercomputer that is used for the Office of Nuclear Safety of the U.S. Department of Energy. A clear involvement in the weapons industry is sufficient reason for us to reject the company and remove it from our universe. The company also makes products which allow electronics to function more efficiently and quickly. AMD develops and produces microprocessors (chips) for PCs and consumer electronics, as well as flash memories. The graphics sector focuses, among other things, on 3D image projections.

Michelin – French – We rejected Michelin because the company does not meet our weapons criterion. Rubber bands are currently made from roughly 60% synthetic rubber and 40% natural rubber. Large amounts of tropical rainforest are felled for natural rubber. The plantations also consist solely of rubber trees, which means that we can refer to a monoculture. This has a significantly negative impact on the climate and biodiversity. Clear sustainability requirements must be set for using natural rubber. Sustainable FSC-compliant management is an example of this. Significant sustainability risks are also associated with synthetic rubber. There are therefore still major challenges for the sector and also for Michelin.

A.G. Barr - British - Rejected and removed, as it appeared that A.G. Barr generates more than 4% of its revenue from the production of alcoholic beverages. We exclude the production of alcoholic beverages.

“Rinnai Corp
has made
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Selection of ASN Duurzaam Aandelenfonds

This fund invests primarily in shares of listed companies across the globe that have sound financial prospects and are committed to promoting the sustainability of society. The fund also invests to a limited extent in venture capital funds through ASN Venture Capital Fonds N.V.

Developments in the investment universe	Newly admitted	Retained	Rejected and removed	Rejected and not admitted	Total number examined
ASN Duurzaam Aandelenfonds	19	49	5	43	116

Sustainable selection

In 2021 we examined 116 companies for ASN Duurzaam Aandelenfonds. This resulted in a net increase in the investment universe of 15 companies. Dialog Semiconductor and Meredith Corp were removed for non-sustainability reasons.

We admitted 19 new companies to the ASN Investment Universe, retained 49 companies and declined to admit 43, while 5 companies were rejected and removed. Asahi Holding was removed for non-sustainability reasons.

Newly admitted	Retained	Removed
Cellnex Telecom	AAC Technologies Holdings	Advanced Micro Devices
Cochlear	Adecco	Construcciones y Auxiliar de Ferrocarriles (CAF)
Fisher & Paykel Healthcare	Alexion	Henkel
Howden Joinery Group	AstraZeneca	KDDI
Infrastrutture Wireless	Bellway	Salesforce.com
Insulet Corporation	BIC	
Millicom International Cellular	BillerudKorsnäs	
Nel ASA	Chr. Hansen Holding	
NortonLifeLock	Coloplast	
SEEK	Demant	
SIG Combibloc Group	Dexus	
Sunnova	DS Smith	
TeamViewer	Elis	
TechnoPro Holdings	Elmos Semiconductor	
Teladoc Health	Ericsson	
Tele2	Essity	
Travis Perkins	FirstGroup	
Vantage Towers	Gecina	
Warehouses De Pauw	GoPro	
	Great Portland Estates	
	Hays	
	Herman Miller	
	Holmen	
	Ibiden Co	
	Jungheinrich	
	Kesko	
	Krones	
	Landis+Gyr	
	Lassila & Tikanoja	
	LG Electronics	
	Lite-on Technology Corp	
	L'Oréal	
	Metro	
	Murata Manufacturing	
	Nemetschek	
	Netcare	
	Omron	
	Orora	
	Ramsay Health Care	
	Randstad	
	Rockwool International	
	Severn Trent	
	SIG	
	Smith & Nephew	
	Sonova Holding	
	Tarkett	
	Taylor Wimpey	
	Telenet Group Holding	
	Tupperware Brands Corp	
	Unilever	
	Wickes Group	



Selection of ASN Milieu & Waterfonds

In 2021, we assessed 44 companies for the ASN Milieu & Waterfonds. ASN Milieu & Waterfonds

Developments in the investment universe	Newly admitted	Retained	Rejected and removed	Rejected and not admitted	Total number examined
ASN Milieu & Waterfonds	13	17	1	13	44

Sustainable selection

We admitted 13 new companies to the ASN Investment Universe, retained 17 companies and declined to admit 13, while 1 company was rejected and removed. Asahi Holding was removed for non-sustainability reasons.

Newly admitted	Retained	Removed
American Water Works Co	Acuity Brands	Nemetschek
Comfort Systems USA	Belimo	Rockwool International
Descartes Systems Group	BillerudKorsnäs	Severn Trent
Equinix	Boralex Inc.	Unilever
FarmersEdge	Centrotec Sustainable	
Maytronics	Chr. Hansen Holding	
Monolithic Power Systems	DS Smith	
Stericycle	Holmen	
Sunnova	Krones	
Switch Inc	Landis+Gyr	
TeamViewer	Lassila & Tikanoja	
Terna Energy	Lenzing	
Vertiv holdings	Murata Manufacturing	

Selection of ASN Duurzaam Small & Midcapfonds

In 2021, we assessed 51 companies for the ASN Duurzaam Small & Midcapfonds.

Developments in the investment universe	Newly admitted	Retained	Rejected and removed	Rejected and not admitted	Total number examined
ASN Duurzaam Small & Midcapfonds	6	37	3	6	52

Sustainable selection

We admitted 6 new companies to the investment universe, retained 37 companies, refused 6 companies and rejected and removed 3 companies from the investment universe. Dialog Semiconductor, Diebol Nixdorf, Kcom and Opus were removed for non-sustainability reasons.



Newly admitted	Retained	Removed
Dustin	Addlife	Jungheinrich
Midsona	Barco	Kesko
Nobina	Belimo	Krones
Premier Foods plc	Bellway	Lassila & Tikanoja
Travis Perkins	BIC	Lenzing
Warehouses De Pauw	BillerudKorsnäs	Lindab International
	CEWE	Promotora de Informaciones S.A. (Prisa)
	Clas Ohlson	Rockwool International
	Computacenter	Severn Trent
	Demant	SIG
	DS Smith	Solaria Energia y Medio Ambiente
	Dunelm	Stratec
	Elmos Semiconductor	Tarkett
	FDM Holdings	Taylor Wimpey
	FirstGroup	Telenet Group Holding
	Go-Ahead Group	Wickes Group
	Great Portland Estates	Workspace Group
	Greggs	
	Holmen	
		A.G. Barr
		Construcciones y Auxiliar de Ferrocarriles (CAF)
		SABAF

Selection of ASN Duurzaam Obligatiefonds

The ASN Duurzaam Obligatiefonds, and as a result the ASN Duurzame Mixfondsen, invest in government bonds. The governments of countries play a key role in keeping society functional. For example, governments ensure basic provisions. These include, for example, housing, education and healthcare and rules to protect nature. They need money to fund all these activities. Issuing government bonds allows them to obtain capital quickly.

Governments

We rejected two countries in the reporting period and removed them from the ASN Duurzaam Obligatiefonds investment universe. During the reporting period we admitted 28 green bonds and approved 3 green bond frameworks. A green bond framework is a standard that describes the conditions that the underlying loans must meet.

COUNTRIES

We select countries to ensure that we finance governments that are implementing an ambitious climate policy and protecting biodiversity and human rights. Through extensive assessment, we also strive to ensure that we do not finance governments that have serious adverse effects on society. Specifically, this means, for example, that we look at whether a country is a signatory to the Paris Agreement, has ratified sufficient treaties or conventions in the field of controversial weapons, is not using child soldiers and had not implemented any death penalties in the past 10 years. If countries pass this first test, we assess how the country scores in a set of sustainability criteria.

The mandate for the ASN Duurzaam Obligatiefonds was broadened in 2021, as a result of which countries with a higher financial risk also qualify for investment. This means that Hungary and Bulgaria also qualified for testing.



Human rights are under pressure in both countries. We could point to press freedom and the rights of minorities, for example. There is also considerable corruption. Reasons for us not to admit either Hungary or Bulgaria to the investment universe.

Bulgaria is ranked 112, Hungary 92, on the index produced by Reporters Without Borders. A quote from the same source: “Here in Bulgaria, press conferences are held without the press being present. Prime Minister Borissov has not spoken to the media for a year.”

Green, social and sustainable bonds

For the selection of green bonds, the analysts assessed bonds against our criteria for green bonds. We admitted 28 new green bonds to our investment universe during the reporting period. We also approved three green bond frameworks.

Two examples of approved green bond frameworks

The Île de France Green & Sustainability Bond Framework 2021

The Île de France region is known for its role in promoting sustainable development. The green bond framework of Île de France has five objectives:

1. Counteracting climate change and protecting the atmosphere;
2. Protecting biodiversity and sustainable sources;
3. Enabling each and every individual to develop;
4. Ensuring social cohesion and solidarity between regions and generations;
5. Building responsible production and consumption systems.

To achieve these objectives, Île de France seeks to finance sustainable construction, clean transport, renewable energy, maintaining terrestrial and aquatic biodiversity, access to schooling, healthcare, social housing and the prevention and counteraction of unemployment. The framework also clearly states which activities are unacceptable, such as nuclear energy, fossil fuels, alcohol and tobacco.



The Italian Ferrovie dello Stato green bond framework

Ferrovie dello Stato is the holding company of the Italian railways. The company is operational in public transport with trains and buses. The green bonds framework is fully focussed on sustainable transport. This ties in with counteracting climate change, preventing and managing pollution and energy efficiency.

Selection of ASN Microkredietfonds

Since a long time, the fund has become operational again in the Philippines, Armenia and Belarus. At the end of December 2021, direct investments were made in 84 MFIs (microfinance institutions) in 40 countries and 6 indirect investments were made. The average allocation was roughly € 3.6 million per MFI.

	New MFIs admitted	New loan to existing MFI	Totaal number examined
ASN Microkredietfonds	10	46	56

The distribution among regions changed little compared to the end of December 2020. The fund invests 7.0% in organisations with global operations. This includes both loans and a small equity stake in **Finca** (a network of MFIs in more than 20 countries) and a participation in the **Women’s World Banking Capital Partners (WWB Capital Partners) fund**. WWB Capital Partners invests in the shares of MFIs that strive to provide financial services to women.



New MFIs admitted:	Country:
Aviom	India
CreditAccess Philippines (One Puhunan)	Philippines
MicroSerfin	Panama
Humo	Tadzjikistan
Zuoli	China
Belaruski Narodny Bank	Belarus
FS Capital	Indonesia
Baobab Burkina Faso	Burkina Faso
SEF	Armenia
Micro Business Capital	Georgia

Selection of ASN Groenprojectenfonds

The ASN Groenprojectenfonds has been involved in financing the energy transition for 26 years. In 2021, demand continued to be high; new contracts for loans for a total of € 84 million were concluded for projects in the Netherlands. Some of the new Dutch loans had also been released for the projects by the end of the year. The remainder not yet paid out is in a building deposit (€ 42.6 million) and will continue to be paid out in instalments in 2022.

Two new investments in emerging markets were added to the portfolio in 2021. In July 2021, we added an investment in Uzbekistan to the portfolio via FMO. This was an investment in Uzbekistani Som (UZS, the currency of Uzbekistan) equivalent to USD 5 million for green lines for end clients of Hamkorbank in Uzbekistan. This facility was paid out in two instalments in August and October 2021. In August, we issued a similar green credit facility of € 3 million to QNB Finansleasing in Turkey. This facility was also paid out in two instalments in September and October 2021.

Solar energy

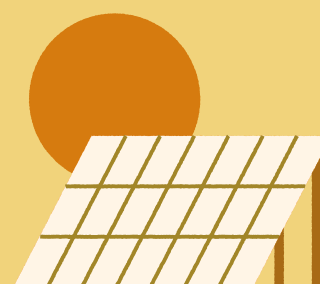
We have a long term track-record in financing the solar energy sector. The number of solar power projects in the Netherlands is growing ever larger, both on roofs and on the land, and increasingly also on water. We attach great value to the fact that sufficient attention is paid to the environment and how projects fit into the landscape, when reviewing the business plan of new projects. We also believe that it is important that the local community is involved in a project in order to secure its support. This is possible by, for example, allowing a cooperative to participate in the financing of the project. All recent investments in the fund’s portfolio contain such elements.

EXAMPLES OF NEW INVESTMENTS IN SOLAR ENERGY IN THE NETHERLANDS IN 2021:

Zonnepark Maatweg BV: A solar park with a total capacity of approximately 10 Mwp has been installed on three plots near Amersfoort and the Meander Medical Centre. That is enough to provide approximately 3500 households with electricity (9.5 GWh). Amersfoort wants to be CO₂-neutral by 2030. This will not be achieved with solar roofing projects alone. This is why solar fields are also being developed. The solar park was erected in close consultation with the community.

In addition, account was taken of proper spatial integration, such as the creation of nature-friendly banks and bee hotels. The Duurzaam Investeren crowdfunding platform is one of the three shareholders.

Emmer Compascuum solar park (H. Mensen Projectontwikkeling BV): A solar park of approximately five hectares is coming to Emmer-Compascuum. The park will have a maximum of 15,000 solar panels.



The initiative was prompted, among other things, by a resident who is keen to stress that it is a local project. “This is a project by and for the people of Emmer-Compasuum”, the initiator states. Some of the electricity generated will be used in the village itself.

The Realisatiefonds: Ever more citizens are uniting in an energy cooperative, starting a project to generate green energy and sharing the revenue among themselves. However, for smaller energy cooperatives it is sometimes difficult to get full financing for their project. This is a shame, as energy cooperatives are a key link in the energy transition in the Netherlands. The Realisatiefonds, a joint initiative of the umbrella organisation Energie Samen, the Stimuleringsfonds Volkshuisvesting Nederlandse gemeenten (SVn), the ASN Groenprojectenfonds, Rabobank Groenbank and Triodos Groenfond, has now been created especially for this group. It is anticipated that the Realisatiefonds will finance a thousand or so sustainable energy projects over the coming few years. The funding of this new national fund is particularly made available to smaller projects of energy cooperatives. The maximum share to be financed is 75% of the total project, between € 30,000 and € 1 million.

Wind energy

There is considerable capital available in the market for financing ever larger wind energy projects. The relatively constant energy price for wind energy was high in 2021, with an average of approximately €50/MWh (Megawatt hour) with peaks of up to €55/MWh. In 2020, this was €45/MWh. This price is much higher than the floor price of the Stimulation of sustainable energy production and climate transition (Stimulerend Duurzame Energieproductie en Klimaattransitie, SDE) of €25/MWh. This price must contribute to the financial feasibility of more business cases for wind projects.

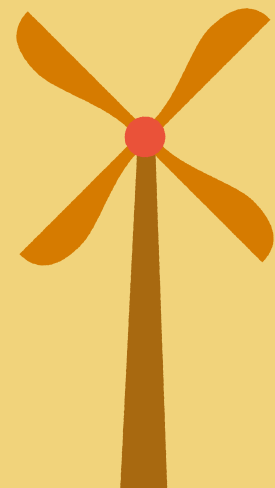
The fund invested in two larger financing projects in 2021.

EXAMPLES OF NEW INVESTMENTS IN WIND ENERGY IN THE NETHERLANDS IN 2021:

With the investments in the **Nieuwveer BV** and **De Waaienberg BV** projects, the ASN Groenprojectenfonds is financing the construction and exploitation of 2 different wind farms along the A16. A total of 28 wind turbines are being built along the A16 which together will generate sufficient energy to provide 100,000 households with electricity. A quarter of the return from the wind turbines is also being invested in local energy projects. The initiator of the Nieuwveer project is an agricultural entrepreneur who collaborates with the Brabant Development Agency (Brabantse Ontwikkelmaatschappij, BOM) as a shareholder.

The particular feature of this project is that the mains connection is implemented together with neighbouring projects. De Waaienberg BV is also largely owned by local agricultural entrepreneurs that collaborate with minority shareholder the Brabant Development Agency (BOM). Private participation is also guaranteed in this project via the Energietransitiefonds of the BOM.

Wij Windenergie Staphorst BV is set up for the construction and exploitation of 3 wind turbines of 4.3 MW, for the Bovenwind wind farm in Staphorst. The Wij Duurzaam Staphorst cooperative is made up of 70% shareholder and 30% Waterschap Drents Overijsselse Delta. Space is again explicitly left in this project for citizen participation: the ambition of the cooperative is ‘for and by the people of Staphorst’ and ‘maximum profit, minimum bother for the village’



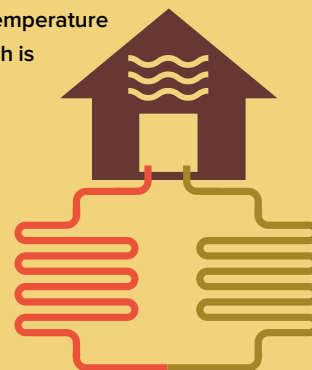
Thermal storage systems

The fund's activities in the thermal storage systems sector are growing. Three new thermal storage system investments were added to the portfolio in 2021.



Vaanster Duurzaam BV: finance for three thermal storage system installations in new building/renovation purchase/rental projects and a portfolio of individual heat pumps (IHP) spread across eight locations. Part of a thermal storage system is a heat exchanger with which cold water is stored in the cold source in the winter and in the summer the heated water is stored in a warm source. In the summer, a building can be cooled by pumping up the cold water. In the winter, a building is heated by pumping up hot water and heating it to the desired temperature with a heat pump. Solar panels on the roof of homes deliver sustainable electricity which is used to power the heat pumps.

IHPs use geothermal energy. A ground loop is placed in the ground. The ground loop extracts heat from the ground to heat the home in the winter and provide it with hot tap water all year round. In the summer, cold water is pumped through the home's floor dispensing system. This cold water is heated by the heat in the home and transports this heat to the ground loop. We call this passive cooling. The ground loop is charged by this heat and remains stable as a result. As a result of this passive cooling, the system ensures that sufficient heat is available on cold days.



Emerging countries

Together with partners, for example FMO and Symbiotics, the fund has been financing sustainable energy projects in emerging countries on a limited scale for a few years now using private means. The development of sustainable energy projects in these countries was certainly delayed by the outbreak of the Covid-19 pandemic, but fortunately not halted altogether.

Examples of new investments in emerging countries in 2021:

The ASN Groenprojectenfonds participated to the equivalent of USD 5 million in a loan of USD 100 million from FMO to Hamkorbank, the largest private bank of Uzbekistan. **Hamkorbank** offers a broad range of financial products to micro, small and medium-sized companies. The finance from the ASN Groenprojectenfonds is used exclusively for projects labelled green in the field of sustainable energy and energy efficiency. Hamkorbank can use this finance to issue loans to households and companies to purchase and/or replace solar panels or energy-saving household equipment. This investment does not qualify for a green certificate.

In August 2021, the ASN Groenprojectenfonds participated to the tune of € 3 million in a loan of € 100 million from FMO to **QNB Finansleasing**. In this case, the finance of the loan is again exclusively used for projects labelled green in the field of sustainable energy and energy efficiency. QNB gives small and medium-sized companies access to sustainable energy via leasing of ready-made solar panels and (small) wind turbines.



In addition, QNB finances companies when they replace machines or equipment with more energy-efficient versions. QNB thus stimulates the use of sustainable energy and energy-efficient solutions for companies throughout Turkey. This investment similarly does not qualify for a green certificate.

Uzbekistan and Turkey are two new countries for the ASN Groenprojectenfonds. The fund strives continuously for further geographical diversification in the foreign part of the portfolio. At the end of 2021 there were 9 different investments in 7 different emerging countries, while at the end of 2020 these investments amounted to 7 different investments in 5 different countries).

Emerging markets

The travel restrictions that were in force over the past two years have negatively impacted the long-term prospects for the acquisition and development of new projects via FMO. This is why we also want to make investments via other partners that are operational in emerging markets in 2022. We are thus working together with Symbiotics. There are also opportunities for a few fund investments that we acquire ourselves without the involvement of an investment advisor.





‘Diversity lies at the heart of sustainable progress’

As Head of Sustainability, Mariëtta Smid knows which steps need to be taken in order to reach the ambitious objectives of ASN Impact Investors. 2021 was dominated, among other things, by regulations making the impact of companies easier to measure. This helps with the dialogue ASN wants to have with companies with greater urgency than ever. ‘They will need to be more proactive in tackling sustainability.’

What is new within the impact policy of ASN Impact Investors?

‘We took a few major steps in 2021 to meet our objectives for 2030. With our total investments, we wish to overall positively impact climate and biodiversity and in addition ensure a living wage in the clothing industry. To achieve the first two objectives, we have to work assiduously on biodiversity. The fact that the Biodiversiteitsfonds now exists is therefore extremely relevant.’

What is the Biodiversiteitsfonds?

‘The ASN Biodiversiteitsfonds invests in the preservation and restoration of nature. This new fund was launched in November. As the first listed fund in the world, this fund gives private investors access to investments in companies and projects that protect and restore biodiversity. Examples of this include agroforestry, but also innovation in the field of fish farming. As far as I’m concerned, this was an extremely important outcome of 2021, the result of years of work.’

What else did you achieve in 2021?

‘We also focussed on the implications of SFDR guidelines and other European regulations in 2021. Companies are obliged to state how they handle the reporting of adverse effects they are having on sustainability and human rights. These are what are referred to as the principle adverse impacts or PAIs. As an investor we must ensure that we are able to report the PAIs for all our investments. And that is something of a task; which data are available for which investments? Data suppliers have this data from large companies, but there is still much to be done in this area in relation to smaller companies and alternative investments.’

‘In addition, Brussels has published what is referred to as the taxonomy, as part of the Sustainable Finance Action Plan. This is a list of economic activities that contribute to a climate-neutral Europe and serve as guidelines for investors.’



Think of it as kind of a green label. Projects from our Groenprojectenfonds of course fit perfectly with this, but in the case of clothing companies, for example, we have to state the extent to which their turnover fits in within the taxonomy. The same applies conversely: as a result of persistent lobbying by various parties, nuclear energy and natural gas now also come under taxonomy, but that does not mean that we will include these in our universe. We will continue to invest sustainably following our own standards and values.'

Government regulations create extra work. Are they actually achieving anything?

'Certainly they are. Ultimately they are intended to counteract greenwashing, genuinely force companies to provide greater insight into what they are actually doing for sustainability. Not merely through their policy and all their resolutions, but also in practice: what is the impact of their operations? We really need this data as an investor, as it enables us to manage and enter into a discussion as soon as we see that a company needs to start taking its commitments more seriously.'

What are the current trends to which you are responding?

'We see that, in addition to the climate, biodiversity is fortunately getting increasing attention. It was already on the agenda, but awareness of how much biodiversity is being lost each year is ever growing. In this respect, it is good that our fund is now available, so that together with the investors in the fund we can ensure that investments are made in ever greater balance with biodiversity.'

And what about human rights?

'Attention to LGBTI rights has grown worldwide, as part of the increased awareness of injustice against minorities and gender inequality. We had already been paying full attention to this. We assess business policies for discrimination and will also, for example, always vote against the appointment of a manager if this will disrupt the gender balance. This also led to a few exclusions in the past year.'

'Sustainability is not yet progressing anywhere near fast enough worldwide. We must do better. We need to change our behaviour and companies need to be more proactive in their efforts. Time is marching on.'

Can you give an example of this?

'Our bond fund invests, among other things, in government debt securities. Countries such as Hungary and Bulgaria qualified for the mandate. However, we actively excluded them because LGBTI rights are not respected in these countries, press freedom is under pressure and they score poorly on corruption. As an investor, you can objectively rank those countries in which you are investing in bonds, and these bonds can then meet the general sustainability rules. However, we must always keep a critical eye on the human rights situation. Former Amsterdam alderwoman Carolien Gehrels put it very nicely: LGBTI rights are 'the canary in a coal mine. If these rights are not being respected in a given country, this is an indicator that democracy and personal freedoms are also not in a good place in this country.'



Is Covid-19 still impacting human rights?

'We are seeing that women worldwide have been affected more financially by Covid-19 and are still experiencing the effects of the pandemic. That is a development that is still relevant today. A number of businesses in the clothing industry are closing, and this is precisely where a lot of women work. They are being dismissed without any safety net being in place for them. They are often in poor countries without trade union freedoms, resulting in extremely sad situations. The ASN Microkredietfonds, together with other investors and microfinance institutes, stepped in to offer this group the necessary flexibility during the Covid-19 pandemic. However, a lot more is of course needed to make all women worldwide financially more resilient. This is why we will continue to do everything we possibly can to achieve this.'

And what are the ambitions for 2022 in terms of engagement?

'We will be expanding our engagement further. We will enter into dialogue more often and, in the case of a number of companies in which we are already investing, into more in-depth dialogue. That is also necessary in order to meet our objectives. The more data we have, the better we can determine which companies are actually meeting their sustainability objectives. And we will engage in a conversation with them if they are not doing so.'

What is the focus of the extra engagement?

'A greater emphasis on biodiversity. To this end, together with PRé Sustainability and CREM we developed the BFFI measurement method: the Biodiversity Footprint for Financial Institutions. This maps the biodiversity footprint of companies. We then inform all companies that have our three equity funds in their portfolio about the crises that will unfold if biodiversity is lost. We really want to sit down with the companies with the greatest negative impact: do they understand the implications of the data and what is their strategy for reducing its impact? We like to see concrete targets, as they are measurable.'

Measuring biodiversity in this way sounds like new ground.

'We have to do this with the data that are available at this moment, yes. Fortunately, more and more information is becoming available and it is more and more in line with practice. There has long been plenty of talking and procrastination in our industry, but we do things differently: we start working on a subject straight away, even if not everything has been worked out in detail yet. As this is an extremely urgent matter, we do not want to wait for the initiative of others, we simply want to start. And then we preferably work on an open source basis: We work together with whoever wants to go in the same direction, because it is about making the entire economy and financial sector sustainable. We therefore share all knowledge and are transparent so that we get further together.'

To look forward with optimism: What does your ideal world look like in 2050?

'I want to see a world in which peace and safety prevail. In which people can be who they want to be and have opportunities to develop themselves. I can't stand injustice, it has been like that ever since I was a child. This also drives my professional life. And it extends to sustainability, as a clean environment in a safe and good living climate is also a human right.'



2 Sustainable investment policy developments

Our policy for each pillar – climate change, biodiversity and human rights – is set out in a separate policy document. You will find all policy documents on our website under ‘Sustainable choices’.

During the reporting period, we amended or reformulated four aspects of the sustainability policy:

Plastics

For the plastics policy we clarified the types of companies we will not invest in, such as petrochemical companies. The microplastics criterion has become a relative criterion. The policy document was also expanded to include examples clarifying the absolute and relative criteria.

Property

We have developed two new criteria and tightened up one criterion for the policy on property. Green fields – pieces of land that have never been built on – were included in our policy and assigned a criterion. We also developed a criterion for non-statutory building certifications such as BREEAM (Building Research Establishment Environmental Assessment Method) and LEED (Leadership in Energy and Environmental Design). With regard to wood purchasing, we formulated clearly how much of the purchased wood must be certified and under which certification system.

Transport

The transport policy was amended based on recent data. In addition, we provided more clarity around how we will apply the criteria.

Sustainable energy

This policy is a summary of our biomass and solar energy policies. The policy was updated with regard to investing in solar energy around the world, dams, wind, nuclear energy, geothermal energy, nuclear fusion, electricity and heating networks, energy carriers and storage, and energy from waste.

Application of the sustainability policy

ASN Impact Investors applies its sustainability policy to the investments of ASN Beleggingsfondsen UCITS N.V., ASN Biodiversiteitsfonds N.V. and ASN Beleggingsfondsen AIF N.V. We apply the sustainability policy in three ways: sustainability research and selection, engagement and voting.



3 SDGs

We endorse the importance of these and even go one step further.

The SDGs (sustainable development goals) aim to reduce global poverty, reduce inequalities, address climate change and protect natural resources by 2030. We endorse the importance of these goals. Because we have been using international standards as the basis of our sustainability policy for over a quarter of a century, there are many similarities between our policy and the SDGs.

3.1 HOW WE FOCUS ON THE SDGS

We have identified similarities and differences between the SDGs and the sustainability policy of ASN Impact Investors by examining the 17 goals and the 169 targets. Although the SDGs were developed for countries, we created a link to our investment funds. Nevertheless, our own policies remain our starting point and go even further.

1. Do no harm

We exclude all activities that, due to the nature of the activity, can be harmful to people, climate and nature. We mitigate any harmful influences in order to minimise any adverse impact. This forms the basis of our policy. After all, positive impact starts with the reduction of the negative impact.

Our sustainability policy therefore contains exclusion criteria for, among other things, the arms trade, deforestation, fossil fuels and activities that go against animal welfare.

2. Real positive impact with our long-term goals

With our long-term goals for climate, biodiversity and human rights (see also Chapter 4), we focus on a real positive impact. We measure our impact on climate and biodiversity; we strive to minimise our negative impact on climate and biodiversity, and by means of strategic engagement on a living wage in the clothing industry, we actively contribute to better human rights worldwide.

Contribution of long-term goals to SDGs

Contribution to the long-term climate goal



Contribution to the long-term biodiversity goal



Contribution to the long-term living wage goal in the clothing industry



3.2 THE SDGs TO WHICH THE INVESTMENT FUNDS CONTRIBUTE



ASN Duurzaam Aandelenfonds

The ASN Duurzaam Aandelenfonds contributes in particular to SDGs 8, 9, 12 and 15. Within these, it focuses on sub-goals 8.8, 9.4, 12.6 and 13.2. This means, among other things, that the fund:

- encourages companies to integrate sustainability information into decision-making, promote equal and safe access to a healthy working environment, and make effective use of resources and environmentally friendly technologies
- invests in listed companies that use clean and environmentally sound technologies
- excludes non-sustainable activities, such as those operated in the fossil fuel sector, waste processors that primarily dump waste or producers of combustion engines
- does invest in public transport and in telecommunications and software companies

We assess the risks, policies and performance of companies in areas such as the environment, deforestation and land use change, introduction of exotic species, overexploitation, and pollution.

We also check whether companies meet our sustainability criteria in relation to human rights: equal treatment and non-discrimination, child labour, forced labour, trade union freedom, a safe and secure working environment and a living wage. In addition, our portfolio contains relatively large positions in companies with relatively low CO₂ emissions.



ASN Duurzaam Obligatiefonds

The ASN Duurzaam Obligatiefonds contributes in particular to SDGs 10, 13, 15 and 16 and within these focuses on sub-goals 10.4, 13.2, 15.5 and 16.10. This means, among other things, that:

- the fund assesses, selects and weighs countries in terms of income inequality, the risk of corruption, the share in development funds, the risk of discrimination, greenhouse gas emissions, the share of sustainably generated electricity, the amount of nuclear energy produced, the areas set aside for nature conservation, sulphur oxide emissions and the amount of landfill
- when selecting countries, we apply the following exclusion criteria in relation to human rights: crimes against humanity, genocide, capital punishment and war crimes, ratification of the Paris Agreement, and non-endorsement of international conventions that contribute to the protection of biodiversity
- the sustainability score of the countries in the fund also depends on the risk of forced labour and child labour, freedom of speech and freedom of association
- the fund also invests in social bonds that focus on projects in social housing and microloans to reduce inequality
- the fund invests in green bonds that finance projects in renewable energy and energy saving in particular and thus counteract climate change

Even though the impact of the fund on biodiversity is small, the green bonds in which it invests do contribute to the preservation of biodiversity (see Chapter 5.2).





ASN Milieu & Waterfonds:

The ASN Milieu & Waterfonds contributes in particular to SDGs 6, 7, 9 and 12. Within these, it focuses on sub-goals 6.3, 7.2 and 12.5. This means, among other things, that the fund:



- increases the share of renewable energy
- improves water quality by reducing pollution
- counteracts discharge
- reduces waste production
- promotes effective environmentally friendly technologies in industrial processes, sustainable food and agriculture



ASN Duurzaam Small & Midcapfonds

The ASN Duurzaam Small & Midcapfonds contributes in particular to SDGs 8, 9, 12 and 13. Within these, it focuses on sub-goals 8.8, 9.4, 12.6 and 13.2. This means, among other things, that the fund:



- encourages companies to integrate sustainability information into decision-making, promote equal and safe access to a healthy working environment, and make effective use of resources and environmentally friendly technologies
- invests in listed companies that use clean and environmentally sound technologies
- excludes non-sustainable activities, such as those operated in the fossil fuel sector, waste processors that primarily dump waste or producers of combustion engines
- avoids sectors with a high risk of poor labour conditions, such as agriculture, mining and the sex industry
- does invest in public transport and in telecommunications and software companies
- also includes relatively large positions in companies with relatively low CO₂ emissions in its portfolio

We assess the risks, policies and performance of companies in areas such as the environment, deforestation and land use change, introduction of exotic species, overexploitation, and pollution.

We also check whether companies meet our sustainability criteria concerning human rights in general: equal treatment and non-discrimination, child labour, forced labour, freedom to belong to a trade union, a safe and secure working environment and a living wage.



ASN Groenprojectenfonds

The ASN Groenprojectenfonds contributes in particular to SDGs 7, 11 and 13. Within these, it focuses on sub-goals 7.2, 11.6 and 13.2. This means that the fund:



- contributes to increasing the share of renewable energy and decentralised energy supplies
- reduces adverse environmental impacts for city dwellers
- integrates measures relating to climate change into national and international policies, strategies and planning





ASN Microkredietfonds

The ASN Microkredietfonds contributes in particular to SDGs 1, 5, 8 and 10. Within these, it focuses on sub-goals 1.4, 5.a, 8.3 and 10.b. This means, among other things, that the fund:



- encourages equal rights for men and women and especially those who live in poverty
- promotes growth in vulnerable areas
- reduces inequality between countries
- stimulates financial flows where the need is greatest



ASN Biodiversiteitsfonds

The ASN Biodiversiteitsfonds contributes to SDGs 8, 13, 14 and 15 in particular. This means that the fund focuses, among other things, on:



- protecting and restoring pristine marine ecosystem areas
- protecting and restoring a positive change in the biodiversity of land use in hectares
- protecting and restoring the net number of hectares of new forest, monoculture forest plantations, forest cover
- protecting and restoring net area in hectares where threatened species are present and preserving and improving their habitat
- positive impact in tons of CO₂ equivalent
- contributing to the development and promotion of sustainable tourism that creates jobs and promotes the local culture and products
- creating direct and indirect 'green' jobs

ASN Duurzaam Mixfonds Zeer Defensief to Zeer Offensief

These ASN Duurzame Mixfondsen contribute to the same SDGs as the ASN funds in which they invest. These are the SDGs of the ASN Duurzaam Aandelenfonds, ASN Duurzaam Obligatiefonds, ASN Duurzaam Small & Midcapfonds, ASN Milieu & Waterfonds and ASN Microkredietfonds.

- ASN Duurzaam Mixfonds Zeer Defensief
- ASN Duurzaam Mixfonds Defensief
- ASN Duurzaam Mixfonds Neutraal
- ASN Duurzaam Mixfonds Offensief
- ASN Duurzaam Mixfonds Zeer Offensief



4 Goals

4.1 OUR MISSION

Our economic conduct is aimed at promoting sustainability in society. Our world is currently going through processes whose harmful effects are being postponed to future generations or are foisted onto the environment, nature or vulnerable communities.

We are cooperating on changes intended to put an end to these processes. However, this does not mean that we have not always got one eye on the long-term need for a good financial return.

4.2 AMBITIONS FOR 2030

We will only be satisfied if we have achieved a number of sustainable goals by 2030. We want to extract more CO₂ from the climate than we are emitting, structurally improve the living conditions and working rights of employees everywhere in the world and ensure that animal and plant species return rather than disappear. In addition, we of course want to achieve a healthy financial return. Climate, biodiversity and human rights are our pillars. In addition, we believe that good governance and animal welfare are also important. Together, they form the core of our goals and thus our way of working.



PILLAR:	LONG-TERM GOAL
Climate:	Climate positive by 2030
Biodiversity:	Positive impact on biodiversity by 2030
Human rights:	By 2030, the clothing sector will have implemented the necessary processes to enable a living wage to be paid to the workers in its value chain

Our mission, way of working and goals are based on:

Globally recognised reports, treaties and conventions

We define 'sustainability' in accordance with the 1987 Brundtland report 'Our Common Future': 'Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.' Our selection process departs from international treaties and conventions, such as the Paris Agreement and the Universal Declaration of Human Rights. We also align our vision, mission and goals with the United Nations Sustainable Development Goals (SDGs) as described in Chapter 3.

Norms and values

We endorse norms and values such as justice, the precautionary principle, transparency and science as guidelines. These have shaped our history and will define our future. In addition, we have made some fundamental ethical choices, such as not investing in fur and weapons.

Basic human needs

Food and water are part of the basic necessities of life. Housing, education and energy come under the need for safety and security. Transport, waste processing and clothing are also important for a good life. The companies, projects and institutions that we finance and in which we invest play a major role in meeting these needs.



Goals per pillar

Climate

A climate-positive impact means that, on balance, the total of our investments extracts more greenhouse gases from the atmosphere than our investments emit.

With equity investments, we expect to still have emissions in 2030 so we want to offset those with negative emissions. We achieve the climate-positive goal by:

- Putting less money into activities that emit greenhouse gases
- Investing more in renewable energy and energy saving
- Financing projects that ensure that CO₂ is removed from the atmosphere and stored

Biodiversity

Biodiversity is declining dramatically and continuously almost everywhere in the world. We want to stop this. Therefore, the objective is that the investment funds should have a positive impact on biodiversity in 2030.

Our underlying objective is to preserve the life support systems of nature. This means that nature continues to perform its basic functions, such as CO₂ sequestration, food production, energy supply and a stable climate, for example. There is a clear dependency and influence between biodiversity and climate, especially with our long-term goal of being climate-positive.

A definition of biodiversity: the variety of living organisms and the variety of relationships they have with one another in ecosystems

Many people and companies do not realise, or have insufficient cognisance of the fact that with the loss of biodiversity, basic functions such as food production, clean water and energy can be lost. The consequences of this biodiversity loss are likely to have the greatest impact on people from non-Western countries, while at the same time they have the least resources to protect themselves from the consequences. Fortunately, international interest in the protection of biodiversity is growing, for example in the **Natural Capital Investment Alliance**, of which we have been a member since 2021.

Human rights

Climate change and the loss of biodiversity also contribute to growing inequality. We include human rights criteria in all our investments and actively pursue a living wage in the clothing industry.

The clothing companies in our investment universe meet our sustainability criteria, but unfortunately many abuses still occur. Many are related to paying a living wage to the people who make the clothes. A living wage is what is known as an enabling right; it makes people more resilient, the step to forming a trade union is smaller and it helps the fight against child labour. We therefore participate in the Platform Living Wage Financials (PLWF), which ASN Bank established together with Triodos IM and MN. This platform now has 19 members with combined invested assets of €4,800 billion.

“Biodiversity is declining worldwide. It is estimated that 50% of the money we earn globally is dependent on nature. There is a clear link to nature. Loss of biodiversity can indeed accelerate climate change.”

Mariëtta Smid, Senior Manager
Sustainability



Our KPIs for a living wage in the clothing industry

The Platform Living Wage Financials divides companies in the clothing sector into categories based on their status in relation to a living wage.

Embryonic	0 to 10 points
Developing	11 to 20 points
Maturing	21 to 30 points
Advanced	31 to 35 points
Leader	36 to 40 points

Our ambition is for all companies in our universe to score at least 35 points by 2030:



- As of 2021, the clothing companies in the universe are at least in the Developing phase. Or in other words, we estimate the feasibility for companies to meet our 2030 target to be lower if they are in the Embryonic phase at this moment.
- As of 2024, the clothing companies in the universe are at least in the Maturing phase. Or in other words, we estimate the feasibility for companies to meet the 2030 target to be lower if they are in the Developing phase at this moment.
- As of 2027, the clothing companies in the universe are at least in the Advanced phase. Or in other words, we estimate the feasibility for companies to meet the 2030 target to be lower if they are in the Maturing phase at this moment.
- As of 2030, all clothing companies in the universe should be in the Leader category.

The results of the assessment of the clothing companies in our universe in 2021 are given in Chapter 5.3.

4.3 SUSTAINABLE INVESTMENT OBJECTIVES BY FUND

For nearly thirty years, we have employed an investment process that focuses on achieving sustainable goals and minimising adverse environmental and social impacts of investments. By means of positive selection, we look for companies and projects with future-proof business activities and good financial prospects.

In accordance with the SFDR regulations, the investment funds of ASN Impact Investors come under the dark green category: Article 9. This means that these funds are in the highest category and encourage sustainable progress.

SFDR

Since March 10 2021, we have been communicating the sustainable investment objectives and the category under which our investment funds fall in accordance with the Sustainable Finance Disclosure Regulation (SFDR). This regulation, which is part of the Sustainable Finance Action Plan (SFAP), encourages EU countries to invest sustainably in order to help achieve the climate goals of the Paris Agreement and the European Green Deal. We wholeheartedly embrace both. They encourage long-term thinking in everyone and increase transparency.

The SFDR in particular should make the sustainability aspects of financial products clearer and more transparent. This way, investors have a better understanding of how sustainable their investments are and it is also easier for them to compare investment products in this area.



The sustainable investment objectives by fund:**ASN Duurzaam Aandelenfonds**

- 1) Minimising annual CO₂ emissions in line with the Paris Agreement (expressed in the fund's contribution to the 1.5 - degrees economy);
- 2) Minimising the negative impact on biodiversity per euro invested (compared to baseline year 2019);
- 3) The implementation of all the necessary processes to make a living wage accessible to factory workers in the chains of the clothing industry by 2030.

ASN Milieu & Waterfonds

- 1) Minimising annual CO₂ emissions in line with the Paris Agreement (expressed in the fund's contribution to the 1.5 - degrees economy);
- 2) Minimising the negative impact on biodiversity per euro invested (compared to baseline year 2019).

ASN Duurzaam Small & Midcapfonds

- 1) Minimising annual CO₂ emissions in line with the Paris Agreement (expressed in the fund's contribution to the 1.5 - degrees economy);
- 2) Minimising the negative impact on biodiversity per euro invested (compared to baseline year 2019).

ASN Duurzaam Obligatiefonds

- 1) Financing government and semi-public bodies pursuing an ambitious climate policy and protecting and promoting biodiversity and human rights;
- 2) Minimising CO₂ emissions (measured in tons CO₂ per million euros of invested capital).

ASN Microkredietfonds

- 1) Improving access to financial services for people with low incomes and micro and small enterprises (financial inclusion) so that they can earn (more) income and strengthen their financial resilience.

ASN Groenprojectenfonds

- 1) Avoiding and/or minimising CO₂ emissions by generating energy using sustainable energy sources, such as wind or solar energy.

ASN Biodiversiteitsfonds

- 1) To restore, protect and enrich biodiversity (expressed as the number of hectares of protected and restored nature on land and at sea).

ASN Duurzame Mixfondsen

The sustainable mixed funds have sustainable investment objectives that differ from the underlying investment funds, namely: the ASN Duurzaam Aandelenfonds, ASN Duurzaam Obligatiefonds, ASN Milieu & Waterfonds, ASN Duurzaam Small & Midcapfonds and the ASN Microkredietfonds.



A combination of three of the following objectives apply to these funds:

1. Minimising annual CO₂ emissions in line with the Paris Agreement (expressed in the fund's contribution to the 1.5 - degrees economy);
2. Improving access to financial services for people with low incomes and micro and small enterprises (financial inclusion) so that they can earn (more) income and strengthen their financial resilience;
3. Minimising the negative impact on biodiversity per euro invested (compared to baseline year 2019).
4. The implementation of all the necessary processes to make a living wage accessible to factory workers in the chains of the clothing industry by 2030.



5 Impact

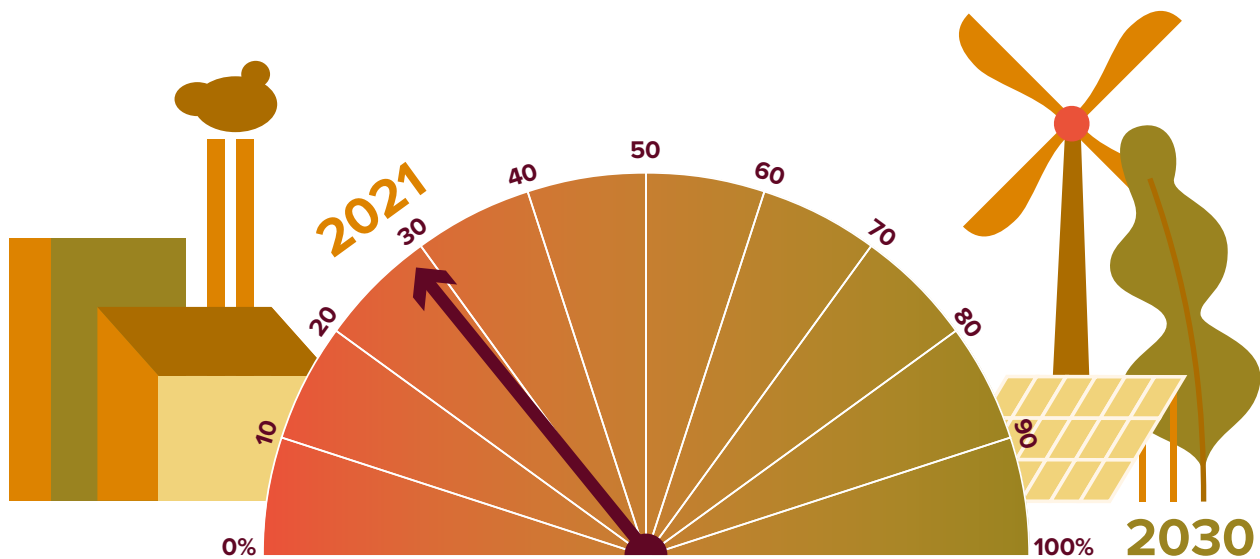
5.1 CLIMATE

It is our objective for the totality of our investments to be climate-positive overall by 2030. This means that we will remove more greenhouse gases from the atmosphere than are generated by our investments.

We monitor the development of the CO₂ performance on a quarterly basis. By doing so, we make CO₂ performance a guiding factor in achieving our objective.

We have calculated the emissions and/or avoided emissions for all our investments, with the exception of the new ASN Biodiversiteitsfonds. This fund will report its figures for the first time in the interim report on 30 June 2022. From that date onwards, we will integrate the climate figures for the ASN Biodiversiteitsfonds into the figures for ASN Impact Investors.

At the end of 2021, our climate-neutral percentage was 29%. This means that we still have a further 71% to go before we are climate-neutral. But it also means that we booked a considerable improvement compared to 2020: from 19% to 29%. One of the reasons for this is the development of the impact factor for the ASN Duurzaam Aandelenfonds. This resulted in a significant decrease of our emissions. However, there were further developments. We explain these and other aspects in relation to CO₂ emissions below.



Reporting of scope 1, 2 and 3 emissions

CO₂ emissions are divided into scope 1, 2 and 3. This division is based on the Green House Gas Protocol, the international standard for quantifying greenhouse gas emissions:

- **Scope 1** relates to a company’s direct CO₂ emissions, caused by sources within the organisation. Examples include heating installations and employees’ cars.
- **Scope 2** addresses the indirect CO₂ emissions resulting from the generation of electricity or heat that the company purchased and consumed itself.
- **Scope 3** refers to the CO₂ emissions during the entire life cycle of the products a company buys, produces and/or sells. These are the indirect emissions caused by the business activities of the other organisations/companies in the production chain.

Reporting on scope 1 and 2 emissions is mandatory, but we have voluntarily opted to include scope 3 in our calculations as well. This gives a more realistic picture of a company’s total CO₂ impact.



Reporting on scope 1 and 2 emissions is mandatory, but we have voluntarily opted to include scope 3 in our calculations as well. This gives a more realistic picture of a company’s total CO₂ impact. Scope 3 is often significantly higher than scopes 1 and 2. As there is little to no reporting yet on the scope 3 data, these figures are mostly estimates.

ASN Impact Investors still has insufficient data to monitor the minimisation of CO₂ emissions in line with the Paris Agreement. As a proxy, ASN Impact Investors measures the carbon footprint (scope 1, 2 and 3 emissions) for this using the PCAF method.

<p>ABOUT THE PCAF</p> <p>In 2015, a small delegation from ASN Bank, to which ASN Impact Investors is affiliated, had made a promise on its way to the Paris Climate Summit: a promise on behalf of 14 financial institutions to develop a calculation method and define climate targets, and thus help slow down global warming. These 14 institutions called themselves the Partnership for Carbon Accounting Financials (PCAF). 95 financial institutions were part of this partner-</p>	<p>ship at the start of 2021; by April 2022 this had risen to 250.</p> <p>All these financial institutions have promised to make their activities climate-neutral by 2050. The ultimate goal of the methodology developed by the PCAF is to create portfolios with a negligible CO₂ impact, in accordance with the Paris Agreement. ASN has set itself the target of being climate-neutral by 2030.</p> <p>The PCAF methodology is a standard that is widely supported by the Dutch</p>	<p>financial sector. It is in line with the reporting requirements that will apply on the basis of European legislation. Use of the PCAF methodology makes the CO₂ results transparent, and therefore comparable with the CO₂ results of other investment managers. A detailed description of the PCAF methodology can be found on www.carbonaccountingfinancials.com.</p>
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CO₂ emissions and avoided CO₂ emissions

We report the total CO₂ emissions and total avoided CO₂ emissions. This is because it is not possible to offset actual emissions against avoided emissions. We base our calculations on the enterprise value instead of the market capitalisation of companies. The enterprise value also includes a company’s debt. This method ensures a better allocation of CO₂ emissions among shareholders and creditors.

Total CO₂ emissions for ASN Impact Investors

The ASN investment funds are contained in three legal entities: ASN Beleggingsfondsen AIF N.V., which covers the AIF funds, ASN Beleggingsfondsen UCITS N.V., which covers the UCITS funds, and ASN Biodiversiteitsfondsen N.V. The following table shows the achievement of the objective for all ASN investment funds. There were considerable changes among the UCITS funds in the 2020/2021 period.

In total, the CO₂ emissions decreased by more than 11% from 2020 to 2021, and the avoided CO₂ emissions increased by more than 34%.

CO ₂ emissions for AIF and UCITS funds in tonnes per year	Emissions as at 31-12-2021	Avoided emissions as at 31-12-2021	Emissions as at 31-12-2020	Avoided emissions as at 31-12-2020
ASN Beleggingsfondsen UCITS N.V.	694,963	-18,829	839,406	-14,310
ASN Beleggingsfondsen AIF N.V.	49,593	-194,970	1,417	-144,727
Total for ASN Impact Investors	744,556	-213,799	840,823	-159,037
Percentage climate neutral	29%		19%	



Changes in CO₂ reporting in 2021 compared with 2020

The way CO₂ emissions are reported in this Impact Report has changed in three ways from the previous Impact Report:

1. CO₂ reporting for listed companies has changed.
2. The CO₂ emissions for the ASN Microkredietpool have been added.
3. CO₂ reporting for loans has changed.

We outline these changes below.

1. Change in CO₂ reporting for listed companies

a) Addition of downstream scope 3 data

Scope 3 is subdivided into upstream CO₂ and downstream CO₂. Upstream CO₂ is the CO₂ emissions from purchased products and services; downstream CO₂ is the CO₂ emissions from products and services sold. In the 2020 annual report we only presented upstream scope 3 CO₂ emissions. In this annual report we have also included downstream CO₂ emissions in our calculations. Below you can see the impact of adding downstream CO₂ data.

	Trucost data excl. downstream scope 3 CO ₂	Trucost data incl. downstream scope 3 CO ₂
Scope 1	69,751	69,751
Scope 2	53,288	53,288
Scope 3	266,125	3,935,579
Total	389,164	4,058,618

b) New data supplier

The Sustainable Finance Disclosure Regulation (SFDR) requires us to report on our social impact based on various sustainability indicators, including climate impact. To this end, we again assessed a number of different data suppliers in 2021. We primarily looked at coverage of the investment universe, coverage of the different impact indicators, the methodology for calculating scope 3 CO₂ emissions and the supply of data to measure sustainability risks. We concluded that MSCI would do the best job of supplying us with the required impact data, which meant parting ways with Trucost. From 2021 onwards, we are reporting CO₂ data based on MSCI figures. In order to be able to make an effective comparison, we also calculated the 2020 data again in this report on the basis of the MSCI data.

Not all companies report CO₂ emissions, which means data suppliers' models are based on assumptions and estimates. The model used by MSCI produces different data to Trucost's model.

Below you can see the impact of switching from Trucost to MSCI. This concerns the CO₂ impact of the ASN Beleggingsfondsen, excluding the investments in ASN Duurzaam Obligatiefonds. MSCI only provides data about companies, not about countries, in which ASN Duurzaam Obligatiefonds invests.

	Trucost	MSCI
Scope 1	69,751	48,598
Scope 2	53,288	44,927
Scope 3	3,935,579	739,570
Total	4,058,618	833,095



There are big differences between the climate impact data provided by Trucost and by MSCI, particularly when it comes to scope 3 data. This difference did not play a role in the decision to switch from Trucost to MSCI. Many companies do not report comprehensive, reliable CO₂ data for their business operations, and only a few companies report on scope 3 emissions. The scope 3 data in this report is mainly derived from estimates based on assumptions; reporting by companies and analysis by data suppliers are indeed still very much in development.

2. Addition of the CO₂ emissions for the ASN Microkredietpool

In 2021 we started reporting our calculation of the CO₂ impact of investments by the ASN Microkredietpool. These figures also fall within the scope of the climate ambitions of ASN Impact Investors. The reporting of these figures is based on the **Joint Impact Model**, which was developed by a group of international financial institutions to calculate CO₂ impact. This will make it easier for us to provide insights into and report on the environmental impact of these investments.

The data for calculating 2020 CO₂ emissions for the ASN Microkredietfonds are not available. The comparative figures as of 31 December 2020 therefore do not include ASN Microkredietfonds.

3. Change in CO₂ reporting for loans

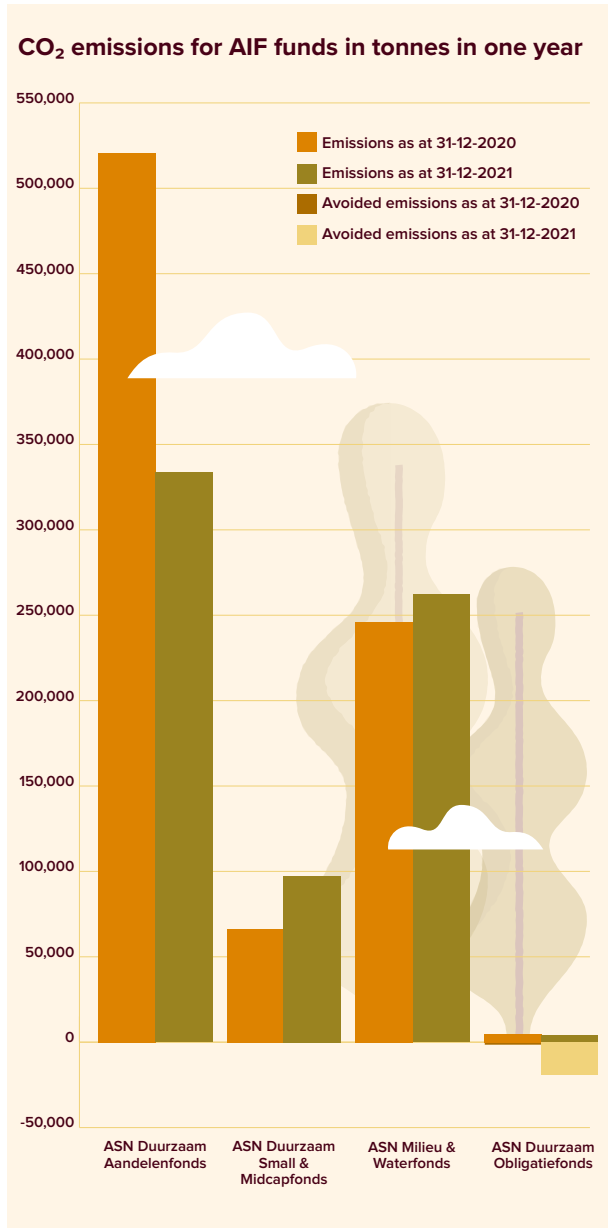
In the 2020 annual report we stated that, for the loans from ASN Groenprojectenfonds, we intended to report entirely on the basis of P50 energy production, starting in 2021. The P50 value is the production that will be statistically realised with a probability of at least 50 percent. PCAF prescribes a preference for P50 because this data is generally more readily available.

We always report on the basis of the P90 value for FMO loans and on the basis of the P50 value for loans via ASN Duurzame Financieringen. We eventually decided to continue with the current methodology in 2021. The energy production of the FMO loans continues to be reported on the basis of the P90 value, as this will statistically achieve a probability of at least 90%.

The methodology for measuring the CO₂ impact of investments and loans is constantly evolving. The quality of the data used is therefore improving all the time. ASN Impact Investors is also constantly focused on improving the methodology used to measure the climate impact of our investments and on ensuring the quality of the data used for this. As a result, the calculated CO₂ impact may be adjusted in the future (with retroactive effect) should better data become available.



Climate developments per fund



Explanation of developments by fund

Changes in the CO₂ emissions were caused by:

1. Changes in the composition of the investment portfolio. These may occur when other approved companies are added to the investment portfolio or rejected companies are removed. This may happen for sustainability reasons or for financial reasons. In addition, we may increase or reduce our shareholding in companies.
2. Changes in the CO₂ data. CO₂ data are improving all the time. An increasing number of companies report on their CO₂ emissions. The models used by data suppliers are improving as well. This also changes the data input we use to calculate the actual and avoided CO₂ emissions of our funds.
3. Changes in the size of the fund.



ASN Duurzaam Aandelenfonds

The CO₂ emissions as at the 2021 year-end were as follows:

CO ₂ emissions in tonnes per year	2020			2021		
	Scope 1 and 2	Scope 3	Scope 1, 2 and 3	Scope 1 and 2	Scope 3	Scope 1,2 and 3
ASN Duurzaam Aandelenfonds	42,672	478,064	520,736	19,415	312,106	331,520

CO ₂ emissions in tonnes per year	2020 compared to 2021		
	Development of scope 1 and 2	Development of scope 3	Development of total of scopes 1,2 and 3
ASN Duurzaam Aandelenfonds	-54.5%	-34.7%	-36.3%

Absolute CO₂ emissions in tonnes

In 2021, the total absolute CO₂ emissions of the ASN Duurzaam Aandelenfonds amounted to 331,520 tonnes for scopes 1, 2 and 3, a reduction of 36.3% compared to 2020.

Explanation of development of CO ₂ emissions of the ASN Duurzaam Aandelenfonds		
1 CHANGES IN THE COMPOSITION OF THE INVESTMENT PORTFOLIO	2 CHANGES IN THE CO ₂ DATA	3 CHANGES IN THE SIZE OF THE FUND
<ul style="list-style-type: none"> The removal of Lear Corp, Wistron Corp and Lite-On Technology Corp was responsible for a reduction in CO₂ emissions of 115,000 tonnes. The newly purchased shares in Electrolux, Vestas Wind Systems and Kronos are the biggest factor in the increase in CO₂ emissions. Together, they accounted for an increase of more than 36,000 tonnes. 	<ul style="list-style-type: none"> As a result of the switch from Trucost to MSCI, we were unable to establish any changes in the data for 2021. 	<ul style="list-style-type: none"> The number of outstanding shares increased by 1.8% in 2021. Total CO₂ emissions fell by 36.3%. This means that the absolute CO₂ emissions figure per share went down.

ASN Milieu & Waterfonds

The companies in the ASN Milieu & Waterfonds make a significant contribution to increasing the sustainability of society, but generate relatively high CO₂ emissions. This is partly due to the decision to invest in companies that process waste and companies that produce more sustainable packaging materials.

The contribution of products and services during their useful life which particularly ensure significant avoidance of CO₂ emissions was not included. The CO₂ emissions as at the 2021 year-end were as follows:

CO ₂ emissions in tonnes per year	2020			2021		
	Scope 1 and 2	Scope 3	Scope 1, 2 and 3	Scope 1 and 2	Scope 3	Scope 1,2 and 3
ASN Milieu & Waterfonds	46,933	199,099	246,032	57,325	204,853	262,178

CO ₂ emissions in tonnes per year	2020 compared to 2021		
	Development of scope 1 and 2	Development of scope 3	Development of total of scopes 1,2 and 3
ASN Milieu & Waterfonds	22.1%	2.9%	6.6%



Absolute CO₂ emissions in tonnes

In 2021, the total absolute CO₂ emissions of the ASN Milieu & Waterfonds amounted to 262,178 tonnes for scopes 1, 2 and 3 and therefore rose by 6.6% compared to 2020. This increase is less than the increase in assets invested in this fund.

Explanation of development of CO ₂ emissions of the ASN Milieu & Waterfonds		
1 CHANGES IN THE COMPOSITION OF THE INVESTMENT PORTFOLIO	2 CHANGES IN THE CO ₂ DATA	3 CHANGES IN THE SIZE OF THE FUND
<ul style="list-style-type: none"> The removal of Landis+Gyr Group, Rinnai and Kingspan was responsible for a reduction in CO₂ emissions of 13,000 tonnes. The newly purchased holdings in Renewi, Stericycle and Vestas Wind Systems collectively accounted for an increase of more than 13,000 tonnes of carbon emissions. 	<ul style="list-style-type: none"> As a result of the switch from Trucost to MSCI, we were unable to establish any changes in the data for 2021. 	<ul style="list-style-type: none"> The number of outstanding shares increased by 8.9% in 2021. Total CO₂ emissions rose by more than 6%. This means that the absolute CO₂ emissions figure per share went down.

ASN Duurzaam Small & Midcapfonds

The CO₂ emissions as at the 2021 year-end were as follows:

CO ₂ emissions in tonnes per year	2020			2021		
	Scope 1 and 2	Scope 3	Scope 1, 2 and 3	Scope 1 and 2	Scope 3	Scope 1,2 and 3
ASN Duurzaam Small & Midcap Fonds	3,920	62,408	66,328	9,678	87,594	97,272

CO ₂ emissions in tonnes per year	2020 compared to 2021		
	Development of scope 1 and 2	Development of scope 3	Development of total of scopes 1,2 and 3
ASN Duurzaam Small & Midcap Fonds	146.9%	40.4%	46.7%

Evolution of absolute CO₂ emissions in tonnes

In 2021, the total absolute CO₂ emissions of the ASN Duurzaam Small & Midcapfonds amounted to 97,272 tonnes for scopes 1, 2 and 3 and therefore rose by 46.7% compared to 2020. This increase is considerably greater than the increase in assets invested in this fund.

Explanation of development of CO ₂ emissions of the ASN Duurzaam Small & Midcapfonds		
1 CHANGES IN THE COMPOSITION OF THE INVESTMENT PORTFOLIO	2 CHANGES IN THE CO ₂ DATA	3 CHANGES IN THE SIZE OF THE FUND
<ul style="list-style-type: none"> The newly acquired companies Bekaert, Premier Foods and Travis Perkins together caused an increase of nearly 27,000 tonnes. Changes in the interests in Signify, Jost Werke and Coats Group helped reduce emissions by more than 5,000 tonnes. 	<ul style="list-style-type: none"> As a result of the switch from Trucost to MSCI, we were unable to establish any changes in the data for 2021. 	<ul style="list-style-type: none"> The number of outstanding shares increased by 14.6% in 2021. Total CO₂ emissions rose by nearly 47%. This means that the absolute CO₂ emissions figure per share went up.



ASN Duurzaam Obligatiefonds

For the ASN Duurzaam Obligatiefonds, we monitor progress towards the sustainable investment objectives using a methodology developed in house, based on 15 indicators for countries' efforts in the area of sustainability (ESG analysis). The benchmark for the ASN Duurzaam Obligatiefonds is consistent with this ESG analysis, which precedes the creation of the investment universe. The benchmark for the ASN Duurzaam Obligatiefonds can thus be seen as a reference benchmark in line with the SFDR. In addition, the CO₂ emissions are monitored using data from external data suppliers.

The countries in which the ASN Duurzaam Obligatiefonds invests, emit CO₂. When selecting countries, we assess the CO₂ emissions of individual countries. This involves scope 1, 2 and 3 emissions from the goods and services purchased by governments. In our methodology, we measure emissions using the most recent available data. The fund also invests in green bonds. The institutions issuing these bonds can use them to invest in projects that avoid CO₂. In our methodology, we calculate the CO₂ emissions reported and the CO₂ emissions avoided for each green bond.

CO ₂ emissions in tonnes per year	2020			2021		
	Scope 1 and 2	Scope 3	Scope 1, 2 and 3	Scope 1 and 2	Scope 3	Scope 1,2 and 3
ASN Duurzaam Obligatiefonds*			4,893	2,259	1,734	3,992

In 2020, the CO₂ emissions of bonds were not yet being broken down by scope 1, 2 and 3

Avoided CO ₂ emissions in tonnes in one year	Avoided emissions as at 31-12-2020	Avoided emissions as at 31-12-2021
ASN Duurzaam Obligatiefonds	-14,310	-18,829

Evolution of absolute CO₂ emissions in tonnes

The total CO₂ emissions of the ASN Duurzaam Obligatiefonds amount to 3,992 tonnes. Green bonds accounted for 18,829 tonnes of avoided CO₂ emissions. The changes in the CO₂ emissions were caused by:

1. Changes in the investment portfolio. These may occur when approved countries and green bonds are added to the investment universe or rejected countries and green bonds are removed. In addition, the manager may increase or reduce investments in certain countries and green bonds.
2. Changes in the CO₂ data.
3. Changes in the size of the fund.

Changes in the composition of the investment portfolio

In 2021, we did not remove any countries from the country universe. The decline in the fund's CO₂ emissions was largely caused by the sale of German, Dutch and Slovakian bonds. We purchased three new green bonds from KfW in 2021. Together, they accounted for an increase in avoided emissions of more than 4,000 tonnes.

Changes in the CO₂ data

There was no significant change in countries' CO₂ emissions in 2021. However, we received better data on two bonds. As a result, the avoided CO₂ emissions increased by nearly 5,500 tonnes.

Changes in the size of the fund

The number of shares in the fund rose by 8.3% in 2021. At the same time, CO₂ emissions rose by 18.4% and avoided emissions rose by 31.6%. For each share, absolute emissions fell and avoided emissions rose.



ASN Duurzame Mixfondsen

The total CO₂ emissions and avoided CO₂ emissions for each ASN Duurzame Mixfonds were as follows at the end of 2020 and 2021:

CO ₂ emissions for ASN Duurzame Mixfondsen in tonnes per year*	Emissions as at 31-12-2020	Avoided emissions as at 31-12-2020	Emissions as at 31-12-2021	Avoided emissions as at 31-12-2021
ASN Duurzame Mixfonds Zeer Defensief	2,134	-855	2,907	-1,116
ASN Duurzame Mixfonds Defensief	7,885	-1,175	8,929	-1,937
ASN Duurzame Mixfonds Neutraal	105,408	-7,546	86,613	-9,596
ASN Duurzame Mixfonds Offensief	46,244	-1,016	42,459	-1,823
ASN Duurzame Mixfonds Zeer Offensief	94,436	-517	71,148	-756

*The CO₂ impact for 2021 includes the ASN Microkredietfonds, while the CO₂ impact for 2020 excludes the ASN Microkredietfonds.

In 2021, absolute CO₂ emissions fell for three of the five sustainable mixed funds; the other two sustainable mixed funds saw an increase. If this change in absolute CO₂ emissions is compared against the change in the assets invested, as shown in the table below, then it is immediately noticeable that for four of the five funds the emissions per euro invested fell. The assets invested rose considerably more than the absolute CO₂ emissions for these four funds, a good development. Only for the ASN Duurzame Mixfonds Zeer Defensief, CO₂ emissions rose by a higher percentage than the assets invested, which means that there was an absolute increase per euro invested. On the other hand, the CO₂ emissions avoided with this fund also rose over 25% more than the assets invested in this fund. For all other sustainable mixed funds, the absolute CO₂ emissions rose less sharply than the assets invested, and in the case of three sustainable mixed funds they even fell against a significant increase in the assets invested.

Growth in invested assets per mixed fund in 2021 in addition to the change in the absolute CO₂ emissions and avoided CO₂ emissions

	Growth in invested assets in 2021	Change in absolute CO ₂ emissions	Change in absolute avoided CO ₂ emissions
ASN Duurzame Mixfonds Zeer Defensief	4.7%	36.2%	30.5%
ASN Duurzame Mixfonds Defensief	31.7%	13.2%	64.9%
ASN Duurzame Mixfonds Neutraal	90.7%	-17.8%	27.2%
ASN Duurzame Mixfonds Offensief	42.1%	-8.2%	79.4%
ASN Duurzame Mixfonds Zeer Offensief	22.2%	-24.7%	46.2%

For an explanation of the changes in CO₂ emissions and avoided CO₂ emissions, please refer to the explanation for the CO₂ emissions and avoided CO₂ emissions of the underlying funds on the previous pages, namely: The ASN Duurzame Aandelenfondsen, the ASN Duurzame Obligatiefondsen, the ASN Milieu & Waterfondsen, the ASN Duurzame Small & Midcapfondsen. This more in-depth analysis is not yet possible for the underlying ASN Microkredietfondsen.



The ASN Groenprojectenfonds

CO ₂ emissions of ASN Groenprojectenfonds*	Year-end 2020	Year-end 2021	Difference compared to 2020
CO ₂ emissions in tonnes	1,417	802	-43.3%
Avoided CO ₂ emissions in tonnes	-144,727	-194,970	34.7%

* The methodology for measuring the CO₂ impact of investments and loans is constantly evolving. The data used are improved regularly. As a result, the calculated CO₂ impact may be adjusted in the future should better data become available.

Evolution of absolute CO₂ emissions in tonnes

The absolute CO₂ emissions of the ASN Groenprojectenfonds declined by 92.3% in 2021. The avoided CO₂ emissions increased by 27.1%.

Explanation of development of CO ₂ emissions of the ASN Groenprojectenfonds		
1 CHANGES IN THE COMPOSITION OF THE INVESTMENT PORTFOLIO	2 CHANGES IN THE CO ₂ DATA	3 CHANGES IN THE SIZE OF THE FUND
<ul style="list-style-type: none"> In 2021, new loans contributed 53,152 tonnes to the increase in avoided CO₂ emissions. The new commitments via ADF contributed significantly to this. Via FMO, payments from ongoing commitments not yet fully paid to the Lakeside Energy Limited project in Pakistan, the Cedate Limited and Selenkei Investment Limited projects in Kenya and the Al Husainiyah Power Generation Company PSC project in orдания contributed to the increase in avoided CO₂ emissions. 	<ul style="list-style-type: none"> As a result of the decision to report loans via FMO after all based on P90, the CO₂ emissions increased by 6%. In conformity with the PCAF methodology, we switched over to a different source of emissions factors to determine the avoided emissions for our portfolio. As of 2021, we switched to the list of harmonised emissions factors produced by the United Nations Framework Convention on Climate Change instead of the emissions factor only valid in the Netherlands, as produced by CO₂emissiefactoren.nl. Consequently, the avoided CO₂ emissions for our portfolio are estimated to have fallen by 34%. 	<ul style="list-style-type: none"> The assets invested in the fund rose by 12.6% in 2021. Meanwhile, CO₂ emissions fell by 43.3% and avoided CO₂ emissions rose by 34.7%. Per share, absolute CO₂ emissions were therefore down and avoided CO₂ emissions were up.

ASN Microkredietfonds

A group of international financial institutions developed the Joint Impact Model in 2021 to measure the CO₂ impact of investments of MFIs as accurately as possible. We were able to use this methodology at the end of 2021. The methodology is fully compliant with the methodology of the Platform Carbon Accounting Financials (PCAF), which ASN Impact Investors uses to measure the CO₂ impact of its funds. We do take account of the fact that this relates to the first development in the measurement of the CO₂ impact of microcredit. For our part, we still see it as a rough estimate, but we want to help ensure that the measurement of the CO₂ impact of this fund is also further improved through active promotion.

	2021		
Absolute CO ₂ emissions in tonnes per year	Scope 1 and 2	Scope 3	Scope 1,2 and 3
ASN Microkredietfonds	6.972	20.667	27.639
ASN Microkredietpool 2021	12.308	36.484	48.792



PARIS-ALIGNED BENCHMARK

We want to contribute to the ambitions of the Paris Agreement and thereby limit the average temperature rise to a maximum of 1.5 °C. As greenhouse gas emissions are one of the main causes of climate change, limiting those emissions is a crucial step. In 2021, we therefore implemented the first Paris-aligned benchmark (PAB), for the ASN Duurzaam Aandelenfonds. This is an index in which the underlying investments have been selected in such a way as to be in line with the Paris targets. In general, this means that a portfolio must generate 7% less CO₂ each year in order to achieve the targets of the Paris Climate Agreement. By comparing the CO₂ emissions of our investments with the Paris-aligned benchmark, we can easily determine to what extent the reduction in our CO₂ emissions is in line with this agreement.





‘Predictive data enable us to reach Paris targets more quickly’

‘For us, the sustainability performance of companies is the key to identifying more opportunities for improving and innovating.’

If society wants to meet the Paris targets, then companies must drastically limit their CO₂ emissions each year. Fund manager Stephan Langen is therefore happy with two innovations that have enabled him to focus the ASN Duurzaam Aandelenfonds even more sharply on reducing emissions and therefore to focus on the impact targets.

In the management of the sustainable equity funds, Stephan Langen can draw on the sustainable investment universe of ASN Impact Investors. This is a group of listed companies that meet the ASN sustainability criteria and have been approved following a thorough analysis - in 2021 there were 387 companies in this group. Langen has therefore already been investing in the companies with the best assessments in the areas of climate, biodiversity and human rights. Nevertheless, he has taken new steps last year that should help bring about further improvements in sustainable investment objectives.

One example of this is the target of restricting CO₂ emissions such that global warming is kept within 1.5 degrees. As of 1 October 2021, the ASN Duurzaam Aandelenfonds has therefore been following a new benchmark: the MSCI ACWI Climate Paris Aligned Total Return Index. A second innovation is the development of the impact factor for the stock selection.

What is the impact factor?

‘In essence, the impact factor is a new way of using sustainable data to rank those companies in which we can invest for the purposes of constructing a portfolio.’

But isn't there already a sustainable universe?

‘Indeed, in the past, companies were admitted to or excluded from this universe on the basis of data and information that only gave a snapshot of a company and did not really provide a good picture of the actual sustainable performance. In recent years, the availability of data has increased, partly through regulations such as the Sustainable Finance Disclosure Regulation (SFDR), which specifies for example that we must include sustainability information in our prospectuses. Countries and also companies are increasingly specifying targets, for example for reducing their



emissions as they move towards reaching the targets agreed under the Paris Agreement. Targets and plans help us to look forward at a company level on the basis of data points: What is the anticipated performance in sustainability? That was impossible five years ago. Then we had to use carbon footprint as it was reported retrospectively, once it had already happened.'

How does the impact factor work?

'Until recently, we mainly performed financial analyses for the portfolio composition of companies for our ASN Duurzaam Aandelenfonds from the sustainable universe. We used various financial factors to produce these analyses. We looked at the 'quality' of the companies, such as profitability and good governance, and at their relative value in relation to the market. We now work with less financial factors and have added the impact factor to the quality factor and value factor. We developed the impact factor, which focuses on sustainability, together with Achmea Investment Management. As part of this, we factor in climate, biodiversity and human rights in a proportion of 50% climate, 25% biodiversity and 25% human rights. The companies receive scores on each item. This in turn results in a total score for each company, which is taken together with the financial scores to produce a total score for each company. The ranking of the total scores then produces the final portfolio.'

'We want to invest in the transition, and in companies that are engaged in this transition. However, we will not ignore the companies that are already doing well. And we simply won't touch oil or gas. Period.'

And are you already seeing results?

'Definitely! Adding the impact factor to the ranking in this way has had quite an impact on the fund over the past year, which at EUR 1.7 billion is the largest fund of ASN Impact Investors. It is great to see that the emissions of the portfolio have already dropped significantly. And this was exactly our intention: improving our portfolio further with sustainable, predictive data.'

The primary aim of the impact factor is to contribute to the sustainable objectives of the fund. We of course perform financial analyses on an ongoing basis, but it is still too soon to give any assessment on the change in return. What is paramount is our conviction that it is precisely those companies that are taking steps in the area of sustainability, that will outperform in the longer term.

And then there is the Paris-aligned benchmark. What does this represent?

'This new index was compiled by MSCI from large and medium-sized listed companies worldwide that are on course, as the name suggests, to meet the objectives of the Paris Climate Agreement. To this end, they will have to 'decarbonise'; they will have to reduce their CO₂ emissions by an average of 7 per cent each year between now and 2050. The index even assumes an annual reduction of 10 per cent between now and 2030.'

And how did this change come about?

'Last year, we set the specific objective for the fund that, in terms of CO₂ emissions, it must meet the Paris Agreement as a minimum. For that reason, we viewed the new index as a positive development. Until 1 October 2021, we were following the general MSCI All Country Weighted Index.'



This was actually not the right benchmark against which to measure the performance of our equity fund, as we make much more sustainable selections. The new Paris-aligned index fits better with our sustainable objectives and ensures that a comparison can easily be made of our financial performance.'

Does steering towards decarbonisation not create an incentive to choose companies that can and must make huge strides?

'It may well be that we are now including a company with relatively high emissions that is nevertheless on the same path we are pursuing. If we do not persuade the 'big polluters' to reduce their emissions, then none of us will get there. We want to invest in the transition, and in companies that are engaged in this transition. However, we will not ignore the companies that are already doing well. And we simply won't touch oil or gas. Period.'

Will 2022 be a year of recovery?

'We are proud of what we have implemented and that after six months we can be cautiously confident that it is working. However, that does not mean that we will not have to continue improving the selection process further in 2022 and that we will not continue to look for further sustainability data to integrate into our processes. For us, the sustainability performance of companies is the key to identifying more opportunities for improving and innovating.'



5.2 BIODIVERSITY

Collecting data about the biodiversity impact and calculating the biodiversity footprint currently takes more time than, for example, gathering data in relation to CO₂ emissions. That is why we published our biodiversity footprint for 2019 in last year's impact report and our footprint for 2020 in this report.

An analysis performed by DNB showed that Dutch financial institutions worldwide have a total of € 510 billion of financing outstanding with companies with a (very) high dependency on biodiversity. This means that an increasing loss of biodiversity affects these investments directly, which means that investors are running a financial risk.

Through our investments we can limit the damage to ecosystems and help protect and restore nature. This means that asset managers are going to have to measure their impact on biodiversity. Figures on the negative impact of investments are decisive in determining what is needed to restore biodiversity. With ASN Impact Investors we are now doing this every year. As a result, we know how many hectares of nature we are going to have to restore in order to restore the balance to zero and ultimately even achieve a positive balance.

In 2014, we were the first asset manager to start developing a methodology for measuring our biodiversity footprint while we were still part of ASN Bank. Last year we were also the first asset manager to publish the biodiversity footprint of all our investment funds. We not only believe it is important to be transparent, but we also want to share our knowledge and information about the measuring methodology with as many parties as possible and develop it further. We thus hope to also help other parties in the financial sector to follow our example.

BIODIVERSITY: DEFINITION AND IMPORTANCE

Biodiversity is the variety of living organisms and the variety of relationships they have with one another in ecosystems. It is a source of prosperity that can only be partially expressed in monetary terms. For many, biodiversity has an intrinsic value sufficient to legitimise its protection. Biodiversity, through ecosystems, provides services that have economic, aesthetic, religious and cultural values for people, such as the production of oxygen, water purification, food, fuels, raw materials, medicine, protection and recreation. In the ecosystems that provide these services, a fragile balance exists between the various animal, plant and microorganisms. Protecting biodiversity and ecosystems is therefore not only desirable from a moral point of view, but also necessary from an economic point of view, given that many services and products rely heavily on biodiversity.



The biodiversity footprint is calculated in accordance with the Biodiversity Footprint for Financial Institutions (BFFI) and reflects the number of hectares where biodiversity has been lost. The measuring method provides insight into the negative and avoided negative impact of our investments and financing on biodiversity: our biodiversity footprint.

The biodiversity footprint can either be calculated on the basis of actual observations of the changes in the biodiversity levels in a particular area, or on the basis of expected impact. The latter is determined on the basis of the economic activities that result in an increase or decline in biodiversity.

To give an example: if we invest in a solar farm on a plot of land, this may lead to a decrease in biodiversity if the solar farm largely prevents the growth of plants and trees on that plot of land. On the other hand, given that the solar farm generates renewable energy, there is no need to use polluting sources such as a coal-fired power station to generate the energy. There are also some fine examples of new solar farms where biodiversity preservation is taken into account in the design and the realisation. This must then be deliberately managed. The floating Zonnepark Bomhofsplas solar park, in which the ASN Groenprojectenfonds invests, is a good example of such a project.



CALCULATING THE BIODIVERSITY FOOTPRINT

In order to be able to calculate the biodiversity footprint, it is necessary for each investment to get an insight into the impact of the company and its economic activities on biodiversity. Life Cycle Assessments (LCA) provide clarity on the exact input and output of a production process, and on the extent to which the production process of a product is harmful to the environment. In this way, we can obtain an overall picture of all the raw materials used and the emissions generated. As part of this process we also need to understand how these emissions affect 17 different impact categories. The main impact categories that can lead to a loss of diversity are the following:

- a. Land use: human land use has the greatest impact on biodiversity loss worldwide;
- b. Climate change: greenhouse gas emissions cause a change in temperature and in the habitat of animal species;

- c. Acidification: too much nitrogen in the soil is an important cause of the decline in rare species;
- d. Eutrophication: because of an abundance of nutrients such as phosphates, only species that can absorb large quantities of nutrients survive;
- e. Smog: an increased level of ozone in the air;
- f. Water consumption: in areas affected by water scarcity, water extraction is harmful to nature;
- g. Ecotoxicity: the emission of toxic substances also has a detrimental effect on the functioning of ecosystems.

We can then make the transition to the potential biodiversity loss in ecosystems on land, in fresh water and in salt water. We express this as the potential loss fraction of species in an area (in hectares) over a particular period.

It is important to stress that actually measuring biodiversity is impossible, which is why our calculations are based on background data. For instance, we work with available country-specific data rather than actual data from specific companies. Nevertheless, we will continue to make every effort to keep reducing the biodiversity footprint further, for example by including factors such as investment criteria and certificates in the calculation in the future.

Mitigation hierarchy: avoid, minimise, restore

We perform our biodiversity evaluation using what is known as the ‘mitigation hierarchy’. The first step in limiting the negative impact on biodiversity is the avoidance of impactful activities, followed by minimisation and restoration. These actions – in this order – could prevent the loss of biodiversity. Achieving a biodiversity gain will require offsetting, however, for instance by creating extra nature conservation areas or improving ecosystem services, as well as with investments from the new ASN Biodiversiteitsfonds, which is committed to protecting and restoring biodiversity.

Biodiversity footprint of ASN Impact Investors

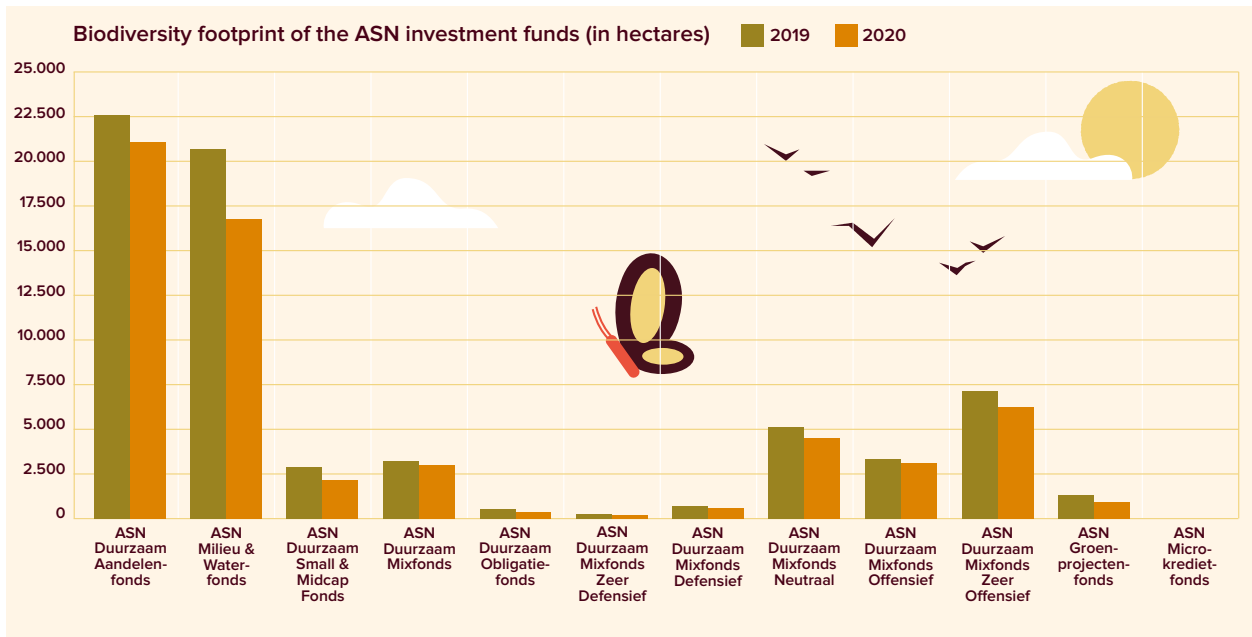
The number of hectares of negative impact, and therefore our biodiversity footprint, fell by 9,046 hectares. This tallies with a fall of 13%, despite the growth in invested assets of almost 6%. The avoided impact fell by 277 hectares (5% of the avoided impact in 2019).

	2020	2019	Change between 2019 and 2020
Biodiversity footprint (in hectares)	58,839	67,885	- 13%
Total avoided negative impact (in hectares)	5,176	5,453	- 5%

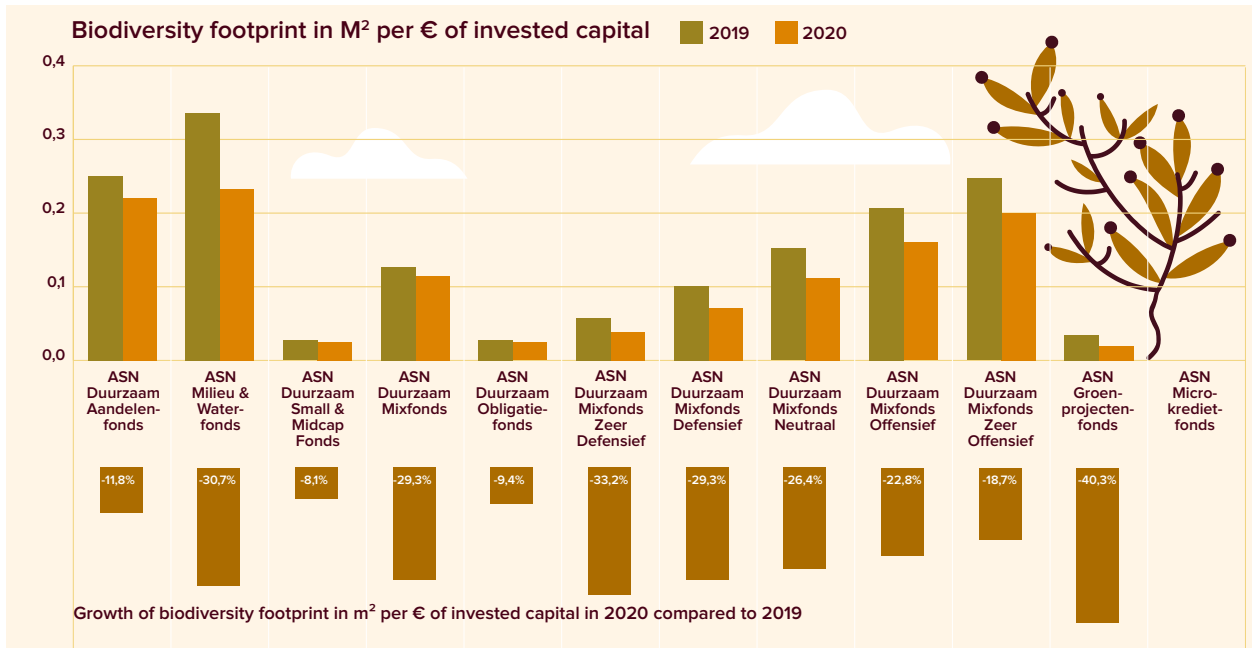
The unit ‘hectare’ should not be taken literally. Nowhere can a specific area be pointed to where 100 per cent of all biodiversity has been lost in the last year. In reality, the concern is about a much larger area in which a part of biodiversity has been affected for a shorter or longer period.

The avoided impact on biodiversity is primarily achieved through avoided CO₂ emissions from energy production with fossil fuels. Given that climate change is one of the main causes of the loss of biodiversity, avoided CO₂ emissions also result in an avoided (negative) impact on biodiversity.





The ASN Duurzaam Aandelenfondsen and the ASN Milieu & Waterfondsen together are responsible for more than 60% of the negative impact of all funds. There is therefore a strategic focus on these funds to mitigate negative effects, for example via our strategic engagement in biodiversity, more on which to come in Chapter 6.



Impact categories ASN investment portfolio

When we look at the total impact of our own portfolio and we make the transition to the 17 impact categories (see the box on page 44), we see that land use has the largest share in the loss of biodiversity: 54% (2019: 58%) of the loss is attributable to the disappearance of land developed for industry.

After land use, acidification plays an important role. This is a result, among other things, of emissions of nitrogen, ammonia and sulphur dioxide. 15% of our biodiversity footprint is attributable to this, in 2019 this was still 16%. After this, climate change 13% (in 2019: 10%), the use of water 12% (in 2019: 9%) and damage to the ozone layer 5% (in 2019: 7%) play important roles. The contribution of our portfolio to freshwater and saltwater pollution, toxic substances and eutrophication is low.

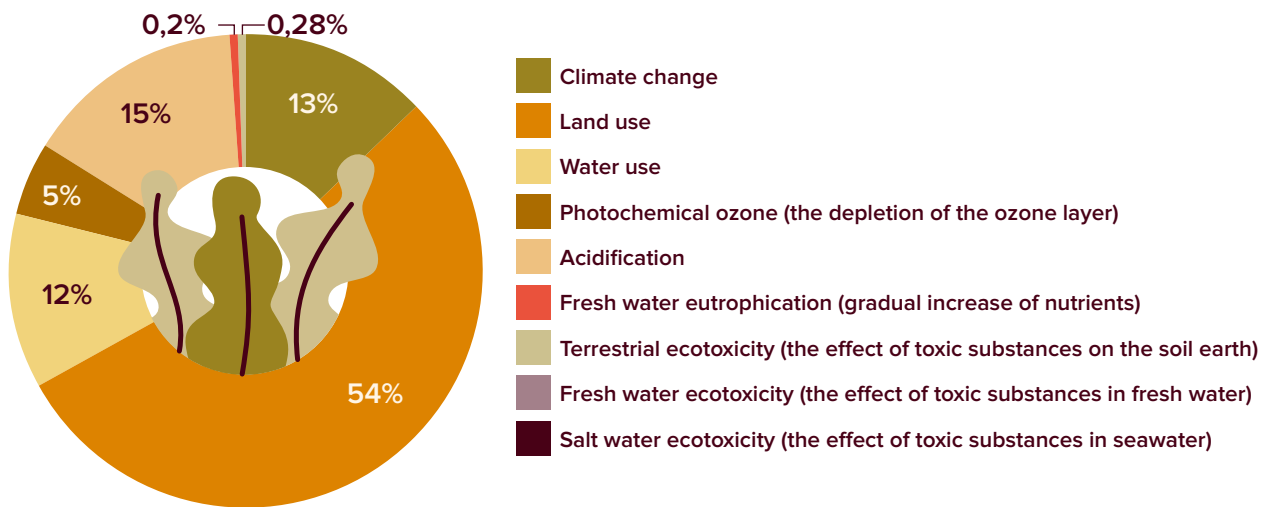


Partnership for Biodiversity Accounting Financials

PBAF

The Partnership for **Biodiversity Accounting Financials (PBAF)** was set up on the initiative of ASN Bank in collaboration with Triodos, Triple Jump, ACTIAM, Robeco and FMO. Interest for the impact on biodiversity has grown more and more in recent years, which is why it is good that companies can provide insight into their impact on biodiversity in a transparent and comparable manner. The purpose of this collaboration is to identify opportunities and possibilities for reporting on biodiversity – and obviously also to make this a guiding factor in investment decisions. As of February 2022, PBAF has 30 financial institutes as partners.

Causes of biodiversity loss in hectares



Differences between ASN investment funds

The two funds with the largest financial value, the ASN Duurzaam Aandelenfonds and the ASN Milieu & Waterfonden, also make up the largest share of the negative impact on biodiversity, at 36% and 28% respectively (in 2019: 34% and 31%). However, significant differences in impact were found between funds, between investments within funds and between the individual shares.

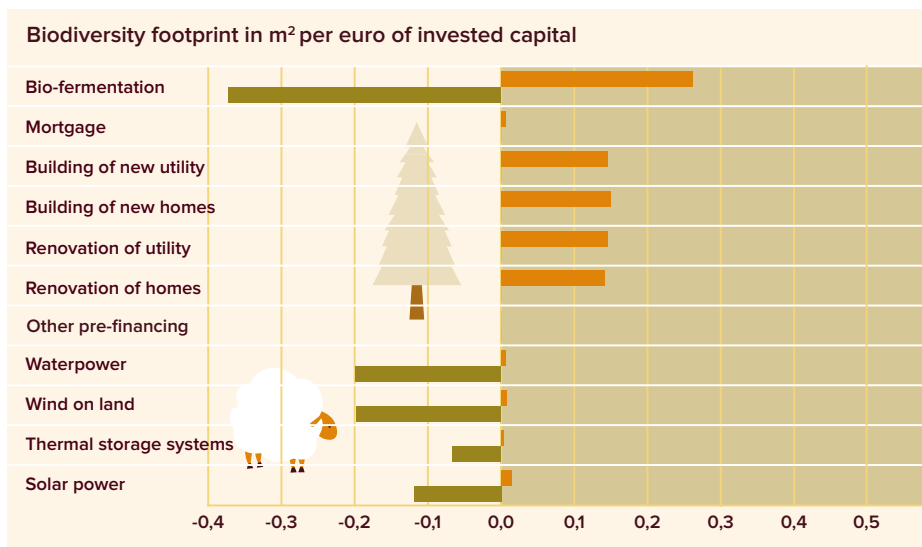
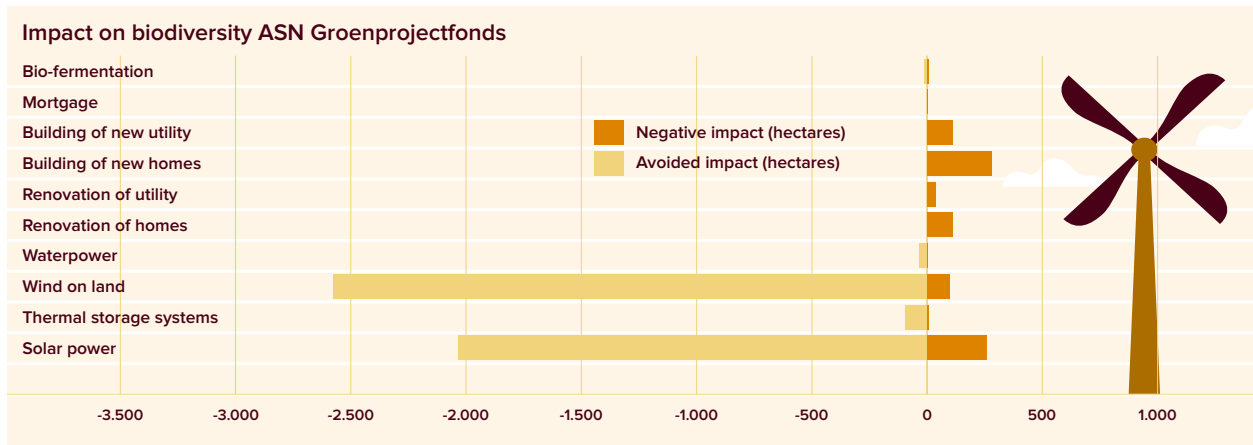
If we look at the absolute impact, we see that the five companies of the ASN Duurzaam Aandelenfonds and the ASN Milieu & Waterfonden with the largest biodiversity footprint, jointly cause 29% of the total biodiversity footprint. These 10 companies account for only 3.5% of the total invested assets of ASN Impact Investors.



	Percentage of the invested assets of the funds	Percentage of the biodiversity footprint of the fund	Sum of absolute biodiversity footprint	Percentage of the total biodiversity of ASN Impact Investors
The five companies with the largest biodiversity footprint in the ASN Duurzaam Aandelenfonds	3%	26.2%	8,927	15.2%
The five companies with the largest biodiversity footprint in the ASN Milieu & Waterfonds	11%	41.0%	7,966	13.5%
Total			16,893	28.7%

These are companies in sectors with a significant impact on land use. For example, packaging companies in particular use a lot of paper and cardboard, which comes from forests. Naturally, we already apply strict requirements in relation to companies engaged in paper production, and we focus on recycling. We also already set requirements for sustainable forest management, we test where companies are managing forests or purchasing wood, and we check the percentage of certification and the type of certification, such as the Forest Stewardship Council. For us, the high share of the top five of these funds means that we will analyse this further and want to focus even more on it in the future in order to achieve our 2030 target.

The ASN Groenprojectenfonds contributes more to avoiding the loss of biodiversity (4,742 hectares) than to negative impact (905 hectares). The chart below shows in what way the various types of investments of this fund make a positive and/or negative contribution to biodiversity.



Most avoided impact is achieved through investments in sustainable energy in the Groenprojectenfonds.



Dependencies of ecosystem services

For the investments of ASN Impact Investors in listed equity, the dependencies of ecosystem services are determined. An investigation by De Nederlandsche Bank (DNB) and the Netherlands Environmental Assessment Agency (PBL) has revealed that the dependency of ecosystem services such as pollination can constitute a major risk for the Dutch financial sector.

The dependencies of ecosystem services are also analysed for the investments of ASN Impact Investors in listed companies. For each company, an investment amount is assigned to heavily and very heavily dependent ecosystem services on the basis of the sector in which the company is operating. From this, it emerged that the total investment in heavily and very heavily dependent companies in 2020 amounted to € 469 million of the total investment in listed companies of € 3.3 billion.

LIMITATIONS OF THE METHODOLOGY IN MEASURING THE BIODIVERSITY FOOTPRINT

The calculation method as it currently stands that we use for measuring the biodiversity footprint, still has limitations from a methodological perspective and also from a data-perspective:

- The introduction of invasive species is regarded as a major cause of the loss of biodiversity, but cannot yet be included in the footprint calculations.
- A significant part of the footprint calculation is based on 'background information'. In many cases, this is country-specific sector-average environmental data from databases. It is therefore not the actual environmental data of an individual company. In order to zoom into the footprint of an individual company, it is therefore important to first undertake a detailed analysis, which we will now do, for example, for the top 5 companies with the largest footprint of the two largest equity funds.

These limitations mean that care must be exercised when interpreting the footprint. Nevertheless, we will continue to make every effort to keep improving the biodiversity footprint, for example by including factors such as investment criteria and certificates in the calculation in the future.





‘The impact we are having is direct and tangible’

The new ASN Biodiversiteitsfonds became an important new product in 2021, both for individual investors and for ASN Impact Investors itself. Fund manager Karin van Dijk fully focuses on projects that help to protect and restore biodiversity. ‘We must find a radically different way of addressing biodiversity.’

What makes the Biodiversiteitsfonds such a breakthrough?

‘I believe that we can claim to be the first fund in Europe that gives individuals direct access to projects that make a positive contribution to biodiversity. Starting from as little as € 20. We are truly unique in this.’

Is it an important addition to the ASN investment funds?

‘First and foremost, it is of course important to be able to offer this new opportunity to clients, as there is extremely high demand for investments in biodiversity. But the fund will also be extremely important for our organisation itself over the coming years. By 2030, our objective is to make more positive than negative impact on, amongst other things, biodiversity, with the totality of our activities. We have already been measuring this impact since 2015. And what is clear is that sustainability is high for all funds, but on balance our impact is still negative. We must find a radically different way of compensating this impact in order to meet our objective. And we are going to have to do this with the positive impact that we wish to achieve with the Biodiversiteitsfonds.’

What do you invest in to restore or protect nature?

‘We determined in advance which investments we would achieve the most positive impact with. We focus primarily on economic activities that have a relatively large influence on natural capital through land use. Or to put it more precisely: through soil use, as soil use starts with the soil. That includes agriculture and agroforestry, forestry and sustainable seas and fisheries. This negative impact can be counteracted with investments in sustainable agriculture and forestry and aquaculture, which reduces the pressure on oceans. We have added ecotourism to this, due to the opportunities to use this to link local prosperity to concern for nature. For it is also important that we pay attention to the social aspect of all this. We want to create green jobs, as these are an important incentive, particularly in developing countries, for enabling local communities to earn money from nature. They therefore have an economic reason to preserve nature and preferably restore it.’



Is it not quite a task to find suitable companies or projects?

‘We can now only invest in funds and, if possible, in listed companies. There are not yet many listed companies that are contributing positively to biodiversity, but we have invested in the fast-growing Wide Open Agriculture. This company from Australia markets products originating from regenerative agricultural entrepreneurs, farmers that work on restoring the land.

‘However, there are more than enough investment funds specialising in preserving or restoring nature that we are really happy with. Many come to us through our own network. We can therefore be really critical and selective. Through these funds, we are now investing in nature in the Amazon and sub-Saharan Africa and also in sustainable aquaculture.’

Can you give a few examples of investments?

‘In the Amazon, we are now involved in local companies that are developing a market for indigenous herbs and fruits that up to now were not traded for money. In Africa we are helping coffee farmers to make their farms sustainable through short-term loans to the parties whom they are supplying. And when it comes to the oceans, Aqua-Spark is a great example of a fund that invests in companies that are developing sustainable fish feed, as well as in technologies that will make fish farming sustainable. It is important to remember that a large share of the biodiversity of our planet can be found in the oceans.’

‘The impact that we are having with this fund is so direct and so tangible that I truly experience this to be the best fund to manage.’

How do you measure the positive impact?

‘Together with international partners, we have developed a standard for measuring and reporting the impact on biodiversity (as described in Chapter 5.2). We ask the funds to verify their progress on the basis of data. As the funds in turn also reach strict agreements with the parties on the basis of which they issue loans and investments, we want to have a good overview of these agreements.

However, our way of investing has only been in existence for a few years, so the measurement of impact is still very much work in progress. You can measure and calculate something like CO₂ more easily, but with biodiversity it is more complicated. And to be honest, I see data as a tool for showing something that really matters: your impact on the ground. However, we are working as quickly as possible towards the phase in which we can prove that we are achieving a restoration of the land and green jobs with every euro of assets invested. Our KPIs are also all about the number of square metres of land and sea that are protected or restored, the number of green jobs and the CO₂ emissions saved or captured.’

How large does the fund actually need to get to meet the targets for 2030?

‘We have drawn up scenarios that take account of the fact that our other funds are growing while their relative impact euro invested remains the same. This then comes down to € 500 million to € 700 million in 2030.’

Will you achieve this?

‘I do not want to raise expectations, but the interest has been enormous right from the start, and the fund is growing well. There will be no shortage of investment opportunities either: let’s just say that we are on course to grow in the order of tens of millions in our first full year alone. I’m a huge nature lover, the impact that we are having with this fund is so direct and so tangible that I truly experience this to be the best fund to manage.’

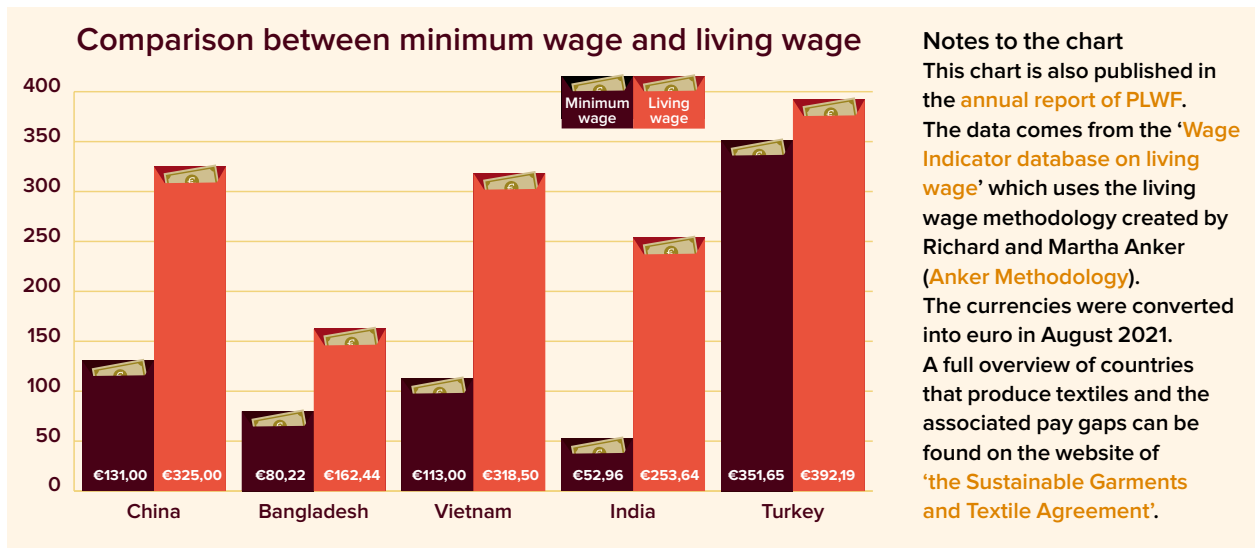


5.3 HUMAN RIGHTS

Living wage at clothing companies

ASN Duurzaam Aandelenfonds and ASN Duurzaam Small & Midcapfonds invest in clothing companies. By doing so we are able to influence the policies and practices of these companies. The clothing companies in the ASN Investment Universe meet our sustainability criteria, but they do not yet ensure that their own textile workers and those of their suppliers receive a living wage.

There is still a huge gap between the minimum wage and a living wage in the clothing sector.



We not only want clothing companies to become more aware of the structural underpayment of the people who make clothes. We particularly also want them to address this underpayment and work with other stakeholders, such as trade unions and governments, to find solutions. This is not a simple matter, given that clothing companies do not actually pay the wages themselves; the suppliers do that. These factories want to remain competitive in a competitive market, with one factor also being that consumers are now accustomed to cheap clothing.

Companies that pay a living wage enable their employees to meet their basic needs. A living wage for employees is not an impediment to the company's performance, but increases employee satisfaction and improves productivity, which in turn ultimately leads to greater customer satisfaction. A living wage also promotes economic development at a macro-economic level. A living wage is therefore also a catalyst for achieving the UN's Sustainable Development Goals.

The objective of ASN Impact Investors of a living wage affects the following 15 companies:

Adidas 	Asos 	Gildan 	H&M 	Coats Group 	Marks & Spencer 	VF Corp 	Kontoor
Asics 	Esprit 	Hanesbrands 	Inditex 	Lojas Renner 	Puma 	Next Retail 	



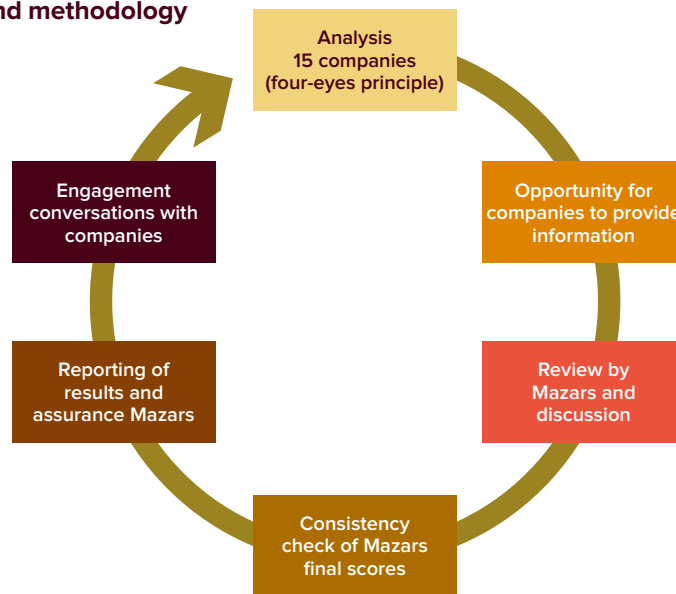
Annual assessment of the clothing companies in our universe

Each year, ASN examines from the Platform for Living Wage Financials whether the 15 clothing companies in our universe are paying a living wage.

As of 2020, the companies are divided into five categories yearly based on the assessment. Since then, the methodology has also been more in line with the United Nations Guiding Principles for Business and Human Rights and its associated Reporting Framework. Mazars provides annual independent assurance in which it determines whether the methodology has been carefully applied. This assurance was also given in 2021.

Our ambition is that all companies with which we engage will achieve ‘leader’ status by 2030.

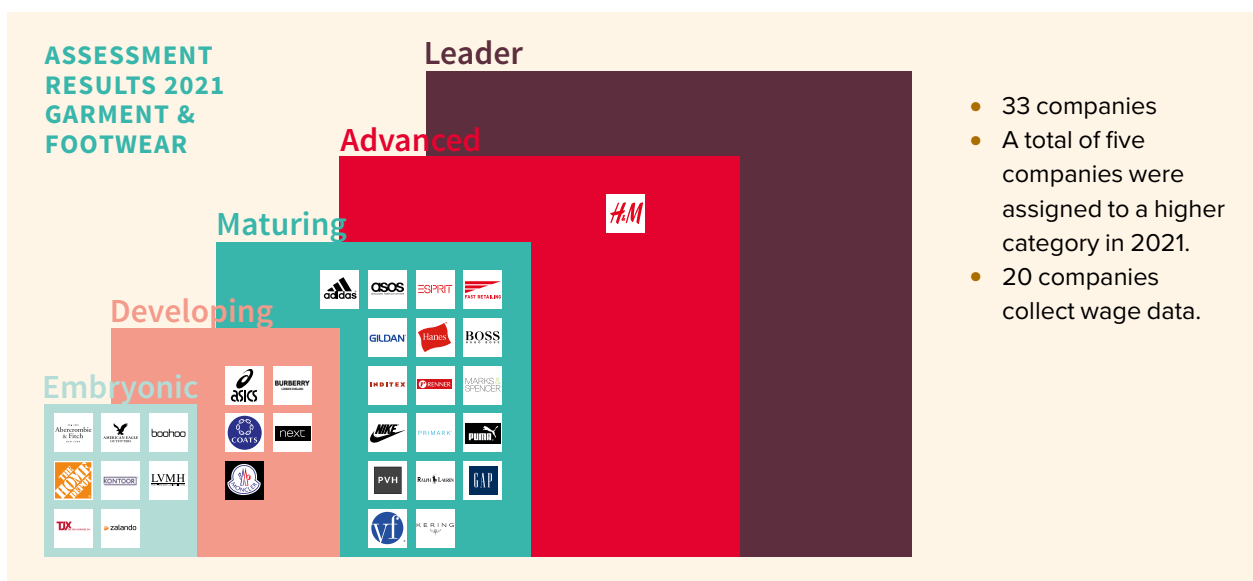
Assessment process and methodology



2021 assessment

The ‘Garment and footwear’ working group of PLWF assessed a total of 33 clothing and shoe brands in 2021.

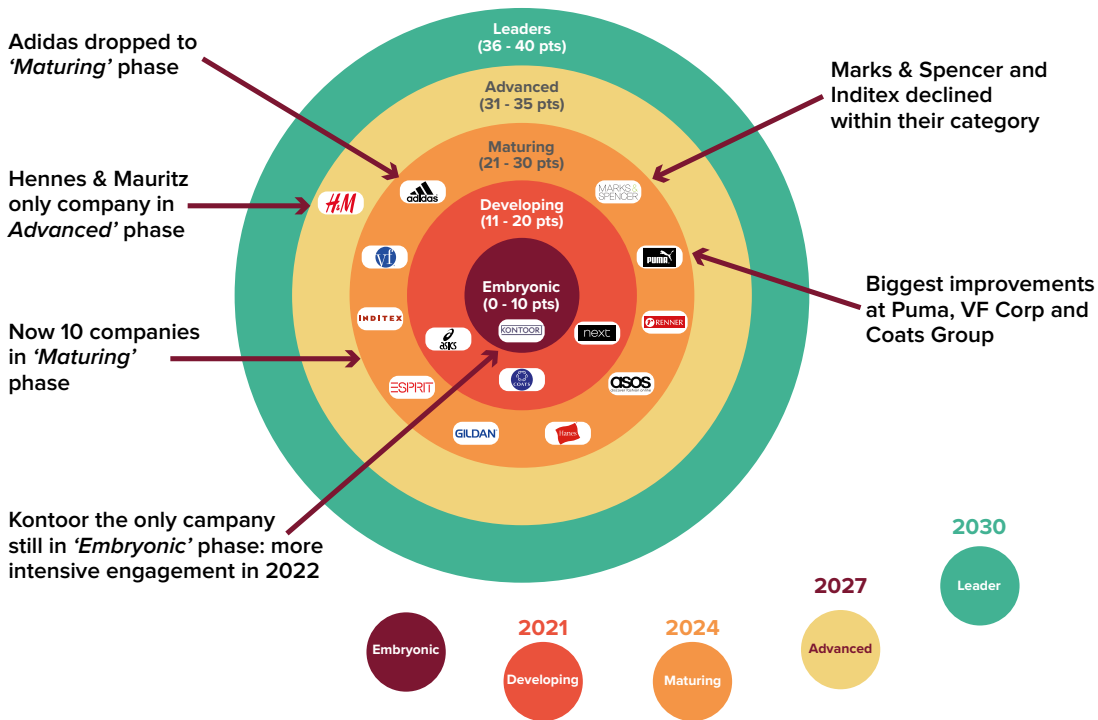
Results of assessment of the 33 clothing companies within the PLWF



- Overall, the assessment showed limited progress in 2021.
- For example, we are still seeing little progress in collaboration with (local) trade unions and representatives of employees and multi-stakeholder initiatives. This is exactly what helps generate more knowledge and concrete solutions to problems throughout the chain.
- Of the 33 companies assessed, as many as 20 are now collecting wage data, either as part of a pilot project or as part of a wider effort to assess the living wage gap in their activities. We regard this as tangible progress, as solving a problem starts with measuring said problem.
- Only 8 of the companies assessed scored better this year, with 6 of them scoring better by 3 or more points.
- A total of 5 companies (PUMA, H&M, Hugo Boss, Ralph Lauren and VF Corp) progressed to a higher category.
- If we zoom into the policy and the definition of a living wage, their scores differ.

The PLWF welcomes companies being transparent about the type of complaints that they are getting, particularly complaints about human rights and a living wage. An example of best practice in this area is Adidas. This company is open about the complaints, the solutions implemented and the status of these complaints. The brands will also be encouraged by the PLWF to introduce complaints procedures throughout their entire supply chains, instead of in a select few production processes.

Change in living wage in companies in the clothing sector in 2021 compared to 2020



PUMA has successfully collaborated with a factory in Vietnam to increase wages for factory workers. In its report "Reaching Living Wage for Garment Workers", the Fair Labour Association (FLA) states that using data has had a positive impact. In three years, the factory, its workers and PUMA have, by working together, closed the living wage gap. PUMA will continue to invest in the scalability of its programme for a fair wage and is actively using the FLA's Fair Compensation Dashboard to monitor wages and to ensure progress towards a living wage.

Financial resilience and financial inclusivity

Impact of ASN Microkredietfonds

The ASN Microkredietfonds invests in microfinance institution (MFIs) and other financial institutions and companies through the ASN Microkredietpool. The pool invests exclusively in MFIs that meet our selection criteria. The main criteria are the social performance and the creditworthiness of MFIs.

The ASN Microkredietfonds invests in MFIs in order to offer more people in more countries access to a loan and/or a safe payment or savings product. This allows these people to earn (more) income and strengthen their financial resilience. In the context of the social impact, we pay particular attention to improving the position of women entrepreneurs and the disbursement of loans in rural areas.

One of the objectives of the fund is to achieve a fair distribution of wealth. This fair distribution is promoted by providing people worldwide with access to financial services. To achieve this, the MFIs are important, as is a versatile financial sector. The ASN Microkredietfonds contributes to this, partly also by funding MFIs whose systems and processes are less well developed. These MFIs represent only a small percentage of the portfolio, however. What is important is that these MFIs do meet minimum requirements and that they are able to improve their systems and processes.



Number of countries in which the ASN Microkredietfonds was investing in microfinance institutions (MFIs) at the end of December 2021 through private loans and equity investments.

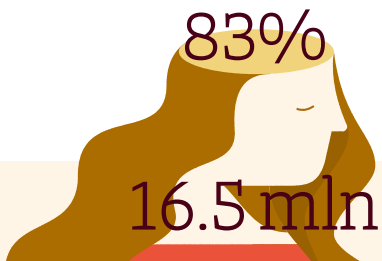
The number of microfinance institutions (MFIs) in which the ASN Microkredietfonds had direct investments at the end of December 2021.

As of the end of December 2021, the pool had 6 indirect investments.

Average financing per MFI.

69%

The percentage of microcredits issued in rural areas where access to financial services is limited.



The percentage of microcredits granted to women. It is important to reach women borrowers as the benefits produced by the loans to women are usually shared by the whole family.

Number of borrowers who received a loan from the MFIs.



The percentage of the invested portfolio that is invested in micro-entrepreneurs. 24% of the invested portfolio is invested in small and medium-sized enterprises.

The average sum that MFIs lend to individual borrowers.



The distribution among regions changed little in 2021 compared to the end of December 2020.

Investments in the various regions as a percentage of the investment portfolio	31-12-2021	31-12-2020
Caucasus, Eastern Europe and (Central) Asia	31.2%	26.4%
Southeast Asia	28.4%	30.8%
Latin America	26.5%	26.7%
Worldwide	7.0%	7.7%
Africa	6.9%	8.4%
Total	100.0%	100.0%

DEVELOPMENTS IN RELATION TO THE COVID-19 PANDEMIC IN 2021

Since the outbreak of the Covid-19 pandemic, we have been intensively monitoring the possible effects of the pandemic on the MFIs together with our advisor Triple Jump. According to our analyses, the impact of the pandemic on the fund portfolio varies by country and by MFI. Customers in rural areas who are active in agriculture, for example, are less affected than customers in urban areas who are active in commerce.

Entrepreneurs who were unable to repay their loans as a result of lockdowns were granted a temporary deferral of payment by many MFIs. In addition, employees of MFIs were unable to go to their customers to receive repayments. In response, we decided, in consultation with other lenders, to grant various MFIs a deferral on the repayment of their loan early on in the pandemic in 2020. This involved an amount of some €16.6 million. This in turn gave MFIs space to allow local entrepreneurs more time to repay their loans. Local entrepreneurs were able to use that time to possibly develop another income-generating activity.



In 2021, it seemed that the strategy of initially focusing on supporting the liquidity of the MFIs had turned out well. Most MFIs were quite capable – partly with the support of the fund – of generating sufficient liquidity to continue to properly support their clients.

MFI data	Latin America	Europe and Central Asia	Asia	Africa and the Middle East	Total portfolio
Average SPM score*	80%	84%	75%	78%	80%
Number of financed institutes**	29	25	20	10	84
Number of borrowers that reach MFIs (in millions)***	3,1	1,5	11	0,8	16,5
Percentage of female borrowers	66%	43%	91%	72%	83%
Percentage of borrowers in rural areas	61%	55%	74%	42%	69%
Average sum loaned to borrowers (€)	2.118	2.552	300	984	738

* SPM = social performance management

** The ASN Microkredietpool has financed a total of 86 MFIs. 2 MFIs are operational worldwide. No underlying data is available for these MFIs.

*** This is the total number of active borrowers that are estimated to be in receipt of finance from the MFIs in the fund portfolio (rounded off), including investments in funds and institutions with global operations.

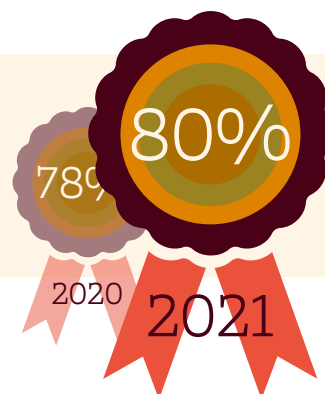


Assessment of social performance

The assessment of social performance (SPM or social performance management) is an integral part of the investment process of the ASN Microkredietfonds. A social performance scorecard maintained for us by Triple Jump allows us to verify that the fund is investing in MFIs that deal responsibly with their stakeholders and have a positive impact on their borrowers in socio-economic terms. The scorecard is a tool that allows us to analyse the MFIs’ social mission. We can use it to assess the processes and systems they have in place to ensure that their activities are an extension of their mission. The scorecard consists of 68 indicators. The score is prepared at the selection stage of the investment and again when the loan is renewed.

The data used to calculate the SPM scores come (in part) from the countries where the MFIs are located. These data have not been audited by the local auditors.

At the end of 2021, the average score for the social performance of the portfolio of the ASN Microkredietfonds was 80%. At the end of 2020, this score was 78%.



This slight improvement is the result of the following changes to the portfolio during the past year:

- **10 MFIs** were admitted to the portfolio, with an average SPM score of 81%.
- **15 MFIs** improved their score during the reporting period and now have an average SPM score of 84%.
- **9 MFIs** received a lower score during the reporting period. Their average score was 75%.
- The other MFIs in the portfolio maintained the same score as we saw no significant changes during the reporting period.

Distribution of SPM scores across categories	2021 percentage	2020 percentage
Excellent (> 80%)	53%	49%
Good (61 - 80%)	45%	49%
Minimum required (51 - 60%)	2%	3%
Inadequate <-50%	0%	0%



6 Active shareholdership

With active shareholdership in the form of engagement and voting, we encourage listed companies to make their policies and activities more sustainable, to be more transparent and to provide clarification when misconduct occurs. Both are tools to achieve our goals.

6.1 ENGAGEMENT

We engage in a dialogue with companies and institutions for the purpose of making them more aware of their sustainability performance and to urge them to improve it.

Reasons for engagement

The decision to engage is taken in the following cases:

1. The company has been included in the investment universe, but a review reveals that its policy no longer meets our sustainability criteria. The company's activities are still in line with our criteria, so it is not active in activities to be excluded or avoided. We maintain the company in the investment universe, but initiate engagement.
2. Misconduct has been identified, revealing that the company does not meet our sustainability criteria.
3. As a means of making progress with the sustainable investment objectives of the equity funds, by calling companies to account with regard to their contribution to achieving these objectives.

Manner of engagement

We conduct our engagement in different ways:

1. **Engagement and voting** We conduct engagement with a company: actively, passively or strategically. We inform the companies in advance of the shareholders' meeting about our voting behaviour and highlight our engagement again.
2. **Active engagement** The company is no longer meeting the sustainability criteria of ASN Impact Investors. This may be due to the policy or to specific misconduct. Active engagement never lasts longer than one year.
3. **Passive engagement** This involves companies that no longer come under the category of small companies and fall into the category of large companies. We therefore conduct engagement if the policy of a company does not meet, or no longer meets the sustainability criteria of ASN Impact Investors. We inform the company once. We expect to see an improvement when we conduct the next test after four years.
4. **Strategic engagement** If there is a lot going wrong in a sector we do not exclude, we engage with all approved companies in that sector. The aim is to achieve improvements in consultation with the company. The duration of this engagement will be determined for each engagement strategy.
5. **Collective engagement** Occasionally we engage with another investor or with an individual company, for example via a network such as the UN PRI.
6. **Extra engagement by manager** This primarily concerns companies from the ASN Duurzaam Small & Midcap-fonds and the ASN Milieu & Waterfonds where there has not been any direct misconduct. We conduct conversations with these companies about the next sustainable step.



When is misconduct serious?

‘Serious misconduct’ is determined on the basis of the following questions:

- Are human and labour rights being violated?
- Is there any major misconduct in the field of ethics, biodiversity or climate change?
- What is the scope of the violations?
- Are they occurring consistently or on a large scale?
- Are they consciously perpetrated or tolerated?
- What is the nature of the violation? (Sometimes an incident may be so serious that the scale is irrelevant.)
- How does the company respond?

If any misconduct is found to be serious, it is submitted to the Investment Committee. The seriousness of the misconduct may lead to:

1. A company being rejected if it has not been included in the investment universe at that time.
2. Engagement being pursued with the company.
3. A company being removed from the investment universe.

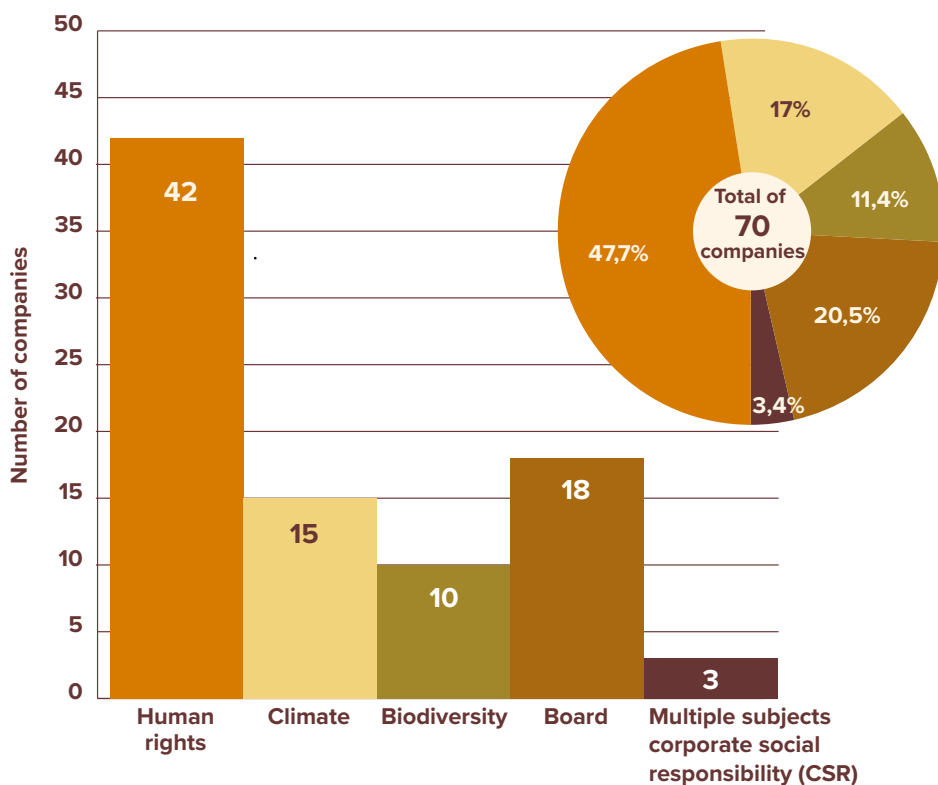
Possible outcomes and follow-up actions

When we engage with a company, there are three options:

1. The company denies there is a problem. If so, we would like to see evidence of this.
2. The company itself does not yet know exactly what the problem is. In this case, we expect a thorough investigation and set a deadline for the investigation.
3. The company admits its involvement in this misconduct. If so, we expect a plan of action, with compensation for the victims where relevant and a deadline.

Topics on which we engaged in 2021:

Total worldwide by subject



18% The percentage of all companies in our investment universe with which we engaged in 2021.



ENGAGEMENT ON BIODIVERSITY

Once we have approved companies for investment, we use engagement and voting and push for mitigation, restoration and compensation of the negative impact on biodiversity.

Almost all listed companies still have a negative impact on biodiversity. Only one listed company in which the ASN Biodiversiteitsfonds invested in 2021 did not have a negative impact on biodiversity (the Wide Open Agriculture company in Australia).

As part of the engagement, we highlight the importance of biodiversity. We focus on making companies aware of the impact they are having on biodiversity and their high dependence on biodiversity. What we specifically do in the first step:

- Estimation of the importance of biodiversity for the company itself and for ASN Impact Investors as an investor;
- Explanation of how loss of biodiversity is caused;
- Setting out of expectations in relation to the reporting of data and the establishment of objectives;

We issue information to all companies in our investment universe. We let them know as soon as new companies are admitted to the universe. We engage in an intensive process with those companies in the ASN Duurzaam Aandelenfonds, ASN Milieu & Waterfonds and ASN Duurzaam Small & Midcapfonds that are having the greatest negative impact. We tell the companies what, according to our analysis, is the primary cause of the negative impact and discuss this with them. Our engagement is now particularly focused on informing, setting out an agenda and monitoring progress. We also encourage companies to measure and report more biodiversity data themselves. Where possible, we also exercise our voting right and we can submit shareholder proposals. We will actively continue with this in 2022.

Engagement per fund

Engagement per fund	Human rights	Climate	Biodiversity	Governance	Multiple subjects under corporate social responsibility (CSR)	Number of companies
ASN Duurzaam Aandelenfonds	32	6	5	8	1	47
ASN Milieu & Waterfonds	14	10	5	11	2	29
ASN Duurzaam Small & Midcapfonds	10	7	7	11	1	26

ASN Duurzaam Aandelenfonds

In 2021, we entered into dialogue with 47 companies from the ASN Duurzaam Aandelenfonds investment universe. 5 companies in the pharmaceutical sector, 10 companies in the clothing sector and 32 in other sectors.

SALESFORCE

Salesforce, a designer and developer of software, became involved in a serious case of misconduct. The company was sued by 50 women. They complained that the company was helping a client to design a website facilitating sex trafficking. An extremely serious matter and a form of misconduct that we take very seriously. We therefore attempted to contact Salesforce to get their reaction. Despite a number of requests, the company failed to respond. In a process such as this, we also look to see if the company has issued a public statement. The company has not done this either. The engagement was therefore not successful. We therefore had no other choice than to reject the company and remove it from the investment universe.

KDDI

In 2020, we started engagement with the Japanese telecommunications operator KDDI, which was associated with freedom of speech violations in Myanmar. The engagement continued in 2021, but did not achieve the desired outcome. We therefore rejected KDDI and removed it from our investment universe.



ASN Milieu & Waterfonds

In 2021, we entered into dialogue with 29 companies from the ASN Milieu & Waterfonds investment universe. This involved additional engagement in particular, to encourage the companies to develop further in the area of sustainability. For the remaining companies, our discussions were prompted by the discovery of misconduct, or because a review had revealed that the companies no longer met our criteria.

ASN Duurzaam Small & Midcapfonds

In 2021, we entered into dialogue with 26 companies from the ASN Duurzaam Small & Midcapfonds universe, 2 of which are in the clothing sector.

EVOQUA

One of the companies with which we engaged in 2021 is Evoqua Water Technologies, which is not yet reporting on its CO₂ emissions and water consumption. Impax, the executive manager, discussed this matter with the company. Evoqua indicated that it intends to start reporting on these indicators and is aiming to improve communications on sustainability matters more broadly. As a key stakeholder, Impax shared its thoughts with Evoqua on the ESG strategy (the environment, labour and governance) and reporting methods.

BEFESA

In 2021, we engaged with Befesa. We requested that the company provide more climate data about scopes 1 and 2, and asked what its plans were to manage the scope 3 emissions. We also asked how the company links its climate targets to remuneration. The engagement with Befesa will be followed up in 2022.

Strategic engagement in 2021:

In 2021, we pursued strategic engagement with companies in the pharmaceutical and clothing sectors.

Dialogue with the pharmaceutical sector

Pharmaceutical companies produce medicines and are consequently indispensable to people's health and well-being. We therefore like to see this sector represented in the ASN Investment Universe. Many pharmaceutical companies have sustainability policies that meet our sustainability criteria. Unfortunately, we also have identified structural malpractices at these companies. The sector is so important that we continue to invest in it, but feel that it is necessary to address the malpractices.

Since 2015, we have engaged intensively with pharmaceutical companies. ASN Impact Investors commissioned Sustainalytics to investigate the 15 largest pharmaceutical companies in the world. This investigation found that these companies do not adequately monitor or are not sufficiently transparent about the research and development, production, marketing and sale of medicines. Most companies have policies in place, but do not sufficiently apply them.

We conducted engagement with the pharmaceutical companies in our investment universe: Astellas Pharma, AstraZeneca, GlaxoSmithKline, Novo Nordisk, Merck KGaA and Orion. As in previous years, we worked together with Sustainalytics to create a scorecard to measure the progress of these six companies. We shared our scorecards with the companies, and also published them.

Collective engagement in response to the Covid-19 pandemic

On the initiative of Achmea Investment Management, in 2020 we drew up an investor statement in conjunction with a large group of Dutch and international investors. In the statement we urged pharmaceutical companies to work closely together in the fight against the COVID-19 virus. In this statement, we reminded companies of their great responsibility in the development and global distribution of coronavirus vaccines, medicines and tests. Enforcing patents, excessive price setting, not disclosing relevant research findings or securing market exclusivity should not run counter to this responsibility. In 2021, we followed up on this statement. Along with other investors who had signed the investor statement, we attended a meeting of AstraZeneca shareholders and drew attention to this issue.



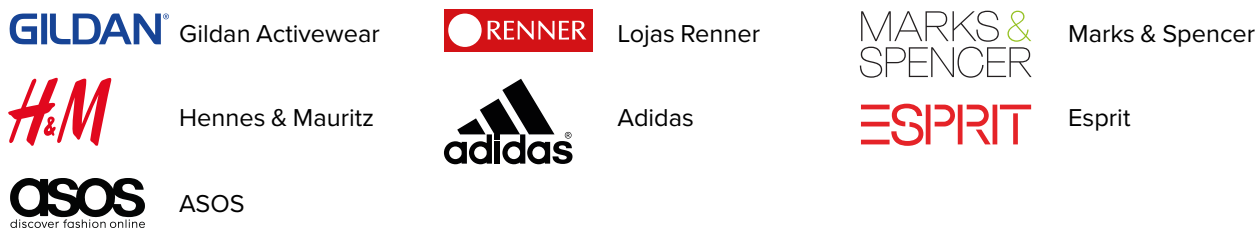
Dialogue with the clothing sector: Living wage

We also engaged with the clothing sector in response to the Covid-19 pandemic and the lockdowns. Together with the members of the Platform Living Wage Financials, we requested the clothing brands to manage the Covid-19 crisis and its impact in a responsible manner. Among other things, we asked the clothing brands to exercise prudent financial management and also to continue to adhere to high labour standards (including striving to provide a living wage) for the factory workers who find themselves in an exceptionally vulnerable position at this time. Low wages mean these workers generally have little, if any, savings, and in many clothing and textile-producing countries there is virtually no social safety net.

In addition, we requested the clothing brands to work together with stakeholders, such as the International Labour Organization (ILO), and organisations that strive for better working conditions specifically in the clothing industry. It is only by working together that effective measures can be taken to protect the vulnerable position of factory workers from the consequences of the Covid-19 pandemic.

ASN Duurzaam Aandelenfonds and ASN Duurzaam Small & Midcapfonds invest in clothing companies. None of the 15 clothing companies in the ASN Investment Universe can currently guarantee that factory workers receive a living wage.

In response to the assessment of the 15 clothing companies in our investment universe, we contacted 7 companies to discuss the results of the assessment. We will be speaking to the other companies in 2022.



ENGAGEMENT IN RESPONSE TO REPORTS OF FORCED LABOUR BY UYGHURS IN THE PRODUCTION OF SOLAR PANELS

Last year, disturbing reports regularly appeared in the media about serious human rights violations in the Chinese province of Xinjiang. There are strong indications that Uyghurs are being forced by the Chinese authorities to work in factories that manufacture solar panels. This follows similar reports about forced labour in the clothing and electronics industries.

We have investigated all of the companies in the equity fund investment universes which produce solar panels, for involvement in forced labour by Uyghurs. We also approached the companies to discuss the issue. We found no indications that any of the companies are directly involved in forced labour by Uyghurs.

We also investigated whether we might be involved in this abuse via the solar farms financed by the ASN Groenprojectenfonds. This could have happened if, for example, the supplier has a production location in Xinjiang, purchases raw materials from Xinjiang and/or works with suppliers involved in the abuse. For several manufacturers, indications were found that they were involved in this controversy. In a number of cases, hearing from both sides did not produce enough information. This was assessed as involvement in serious misconduct. As a result, several solar panel producers were rejected for project financing. This means that the ASN Groenprojectenfonds will no longer finance solar farms using solar panels produced by these suppliers. In addition, we encourage all parties involved in solar projects to discuss this controversy with solar panel manufacturers. We hope that if these companies face questions from many sides, they will put an end to this misconduct.



6.2 VOTING

We have the right to vote at the shareholders’ meetings of the companies in which our investment funds invest. We use this right to encourage companies to adopt more sustainable policies and practices. By voting, we can influence the policies and management of those companies. We exercise this voting right based on our mission and sustainability criteria. The principles underpinning our votes are set out in the ASN Impact Investors sustainable voting policy.

We voted against on the following subjects in particular

1. We usually voted against the remuneration of directors. We believe it is important for companies to assess their directors not only on the basis of financial criteria, but also on sustainability criteria. By voting against remuneration proposals without sustainability criteria, we put pressure on companies to review their remuneration packages. In this way, we encourage sustainable behaviour.
2. In second place was the topic of executive appointments. We voted against appointments where the diversity and independence of the board were not sufficiently assured. This mainly concerned European and Asian companies.
3. The third category of motions we voted against was capital increases. For example, we voted against the issuing of new shares where this would have a negative impact on the interests of employees, consumers or communities.

We also voted in favour of a better gender balance

We again structurally voted against new directors if they did not contribute to a better gender balance. If more than 60% of the directors are of the same gender and a new director nominee is as well, we will vote against. After the appointments, we examine the balance. A better gender balance is in line with the SDG ‘equal treatment of men and women’. Furthermore, a company with a better gender balance tends to be better managed, so this is also important from a financial perspective.



In the reporting period we voted at **220** shareholders’ meetings of **189** companies across the globe.

2.845

We voted on **2,845** proposals. We voted in favour of **2,578** motions, against **256** motions and abstained from voting **11** times.



All our votes in 2021 were exercised remotely by means of **proxy voting**.

22

In 2021 we gave our voting advice, together with our recommendations, to **22** companies in advance of their General Meeting of Shareholders.

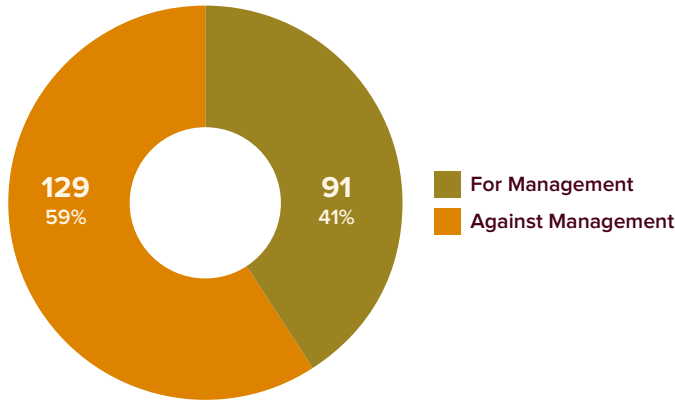


We receive **voting reports** every quarter and **audit reports** every year.

You can find the principles underpinning our votes in our sustainable voting policy on our Sustainable Choices page on our website.

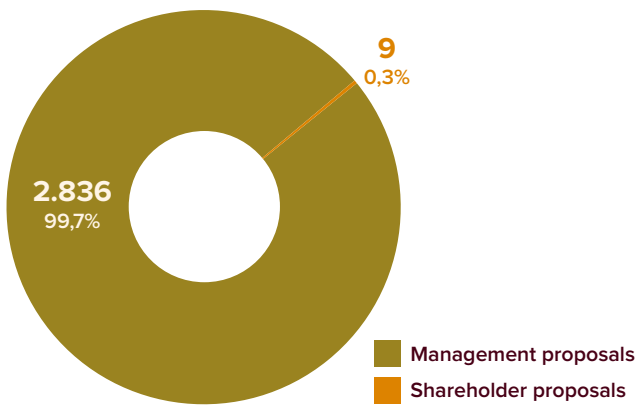


Number of votes for/against management

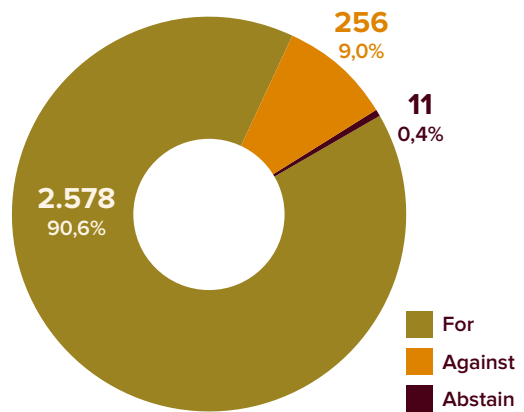


A total of 2,845 proposals were reviewed, after which a vote was taken. This concerned 2,836 management proposals and 9 shareholder proposals. As illustrated in the second chart below, we did not support 9 percent of all proposals, and abstained on 0.4 percent.

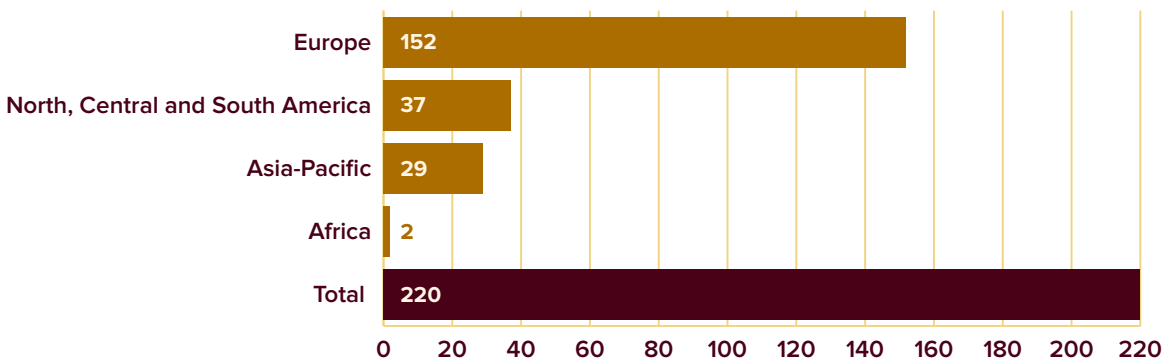
Proposals by management versus shareholders:



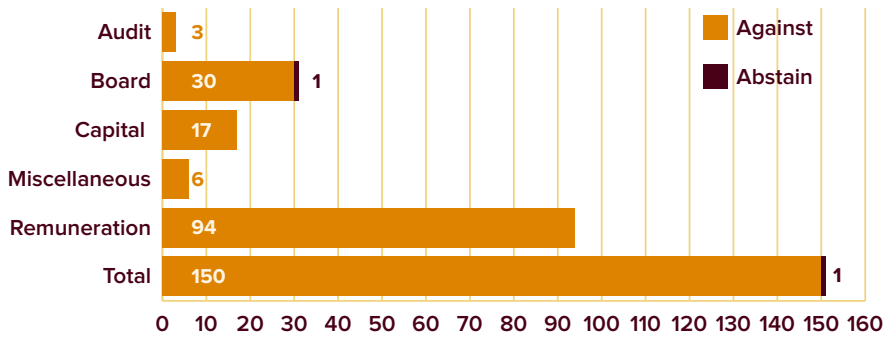
Distribution of votes:



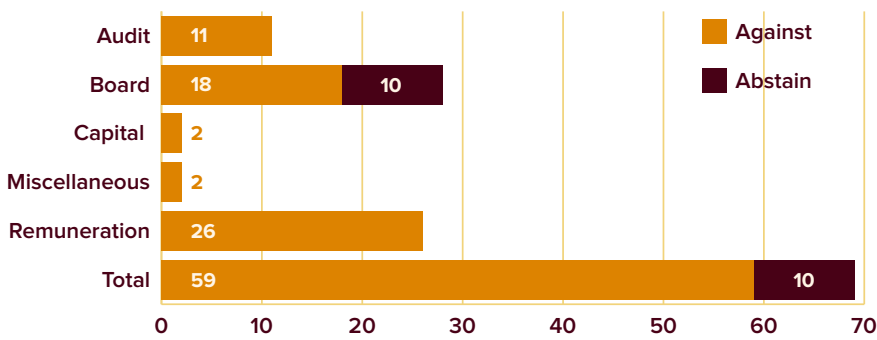
Regional distribution of shareholders' meetings at which we voted



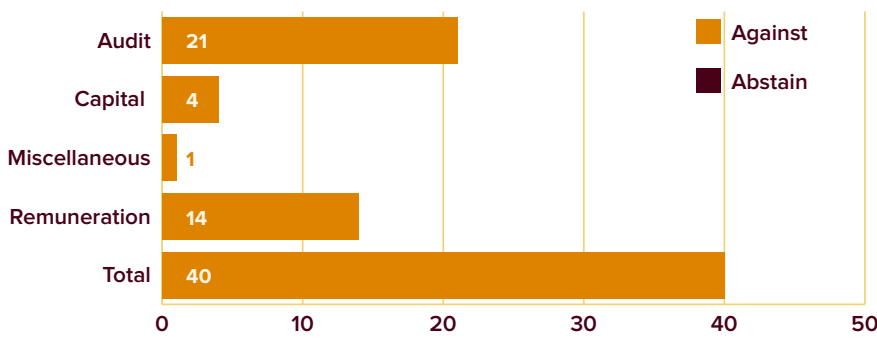
Distribution of votes against in Europe



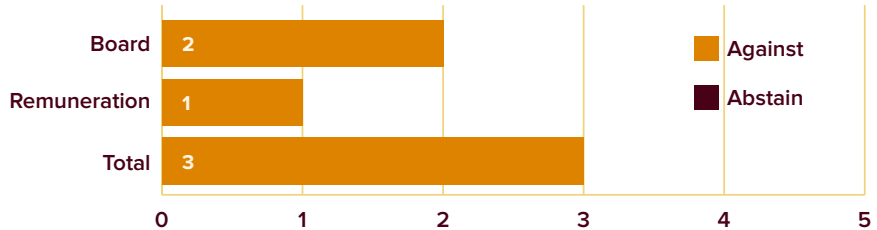
Distribution of votes in North, Central and South America



Distribution of votes against in Asia-Pacific



Distribution of votes against in Africa*



*In 2021 the only country on the continent of Africa where we engaged in voting was South Africa.

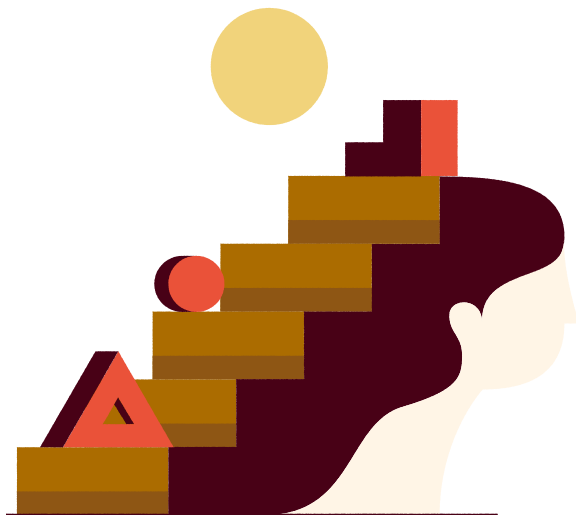
7 Our sustainable funds

ASN Impact Investors manages 12 sustainable investment funds:

- 4 funds that invest in listed companies, government bonds and green and social bonds according to the UCITS structure
- 5 sustainable mixed funds that invest according to the AIF structure
- 3 impact funds that invest in unlisted investments according to the AIF structure

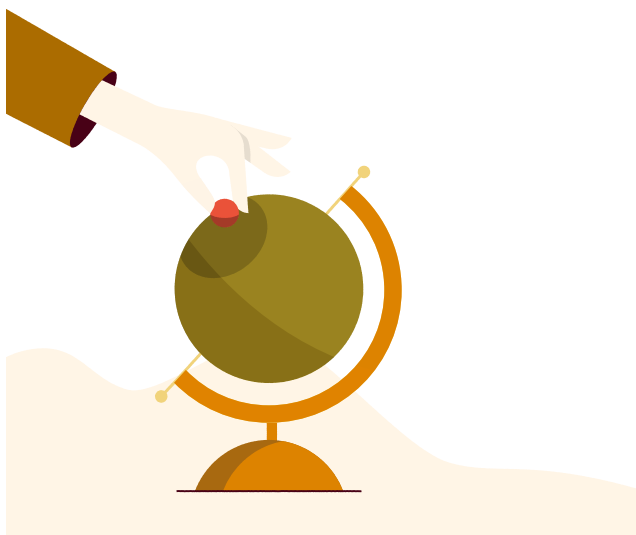
All selected companies and investments in the funds’ portfolios meet the sustainability criteria of ASN Impact Investors.

LISTED COMPANY FUNDS (UCITS STRUCTURE)



ASN Duurzaam Aandelenfonds

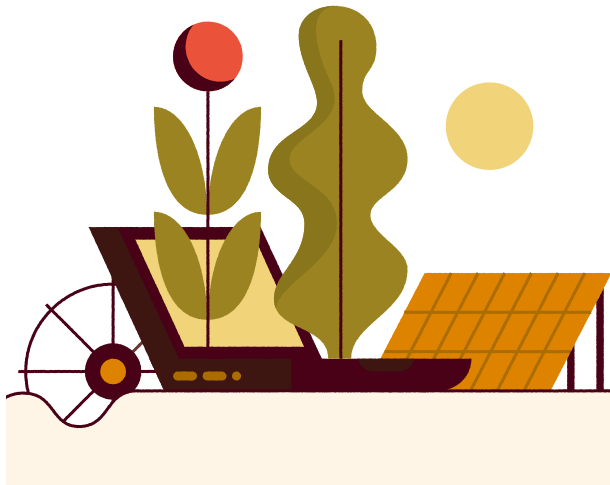
The ASN Duurzaam Aandelenfonds was established in 1993, making it one of the oldest sustainable investment funds in the Netherlands. The fund invests primarily in shares of listed companies across the globe that have sound financial prospects and that are committed to promoting the sustainability of society.



ASN Duurzaam Obligatiefonds

The objectives of the ASN Duurzaam Obligatiefonds are the financing of government and semi-public bodies pursuing an ambitious climate policy and protecting and promoting biodiversity and human. To achieve the sustainable investment objectives, a minimum of 70% is invested in government bonds and a maximum of 30% in green and social bonds. Green and social bonds are loans issued by governments and semi-public bodies used to finance climate-friendly or social projects. All countries in which the fund invests are reassessed for their sustainability every 2 years.





ASN Milieu & Waterfonds

The ASN Milieu & Waterfonds is a sector fund investing worldwide in equities of listed companies that offer what are primarily technologically advanced solutions to environmental problems. The selected companies operate in the water, waste and renewable energy, sustainable food, and agriculture and forestry sectors. The mostly young companies in the fund usually invest their profits in the development of new technologies and therefore pay no or only minimal dividends, which is why ASN Milieu & Waterfonds often distributes no dividend either. The fund offers opportunities for a high return as a result of price increases, at a high risk.

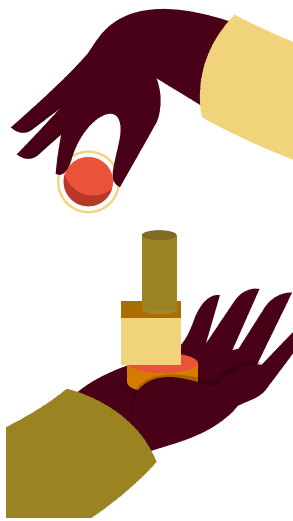


ASN Duurzaam Small & Midcapfonds

The ASN Duurzaam Small & Midcapfonds invests in small to medium-sized listed European companies that are committed to promoting the sustainability of society and meeting our sustainability criteria. The fund invests for the longer term: the manager aims to keep the companies in the portfolio for at least three years. The fund offers an opportunity for reasonably high returns, but this is counterbalanced by a high risk.



LISTED COMPANY MIXED FUNDS (AIF STRUCTURE)



ASN Duurzame Mixfondsen

The investment policy of the five mixed funds is to achieve long-term capital growth through diversification across three different investment categories:

- Eurozone government bonds and green and social bonds
- Microfinance institutions
- Global equities

The ASN Duurzame Mixfondsen invest in the various investment funds of ASN Impact Investors: the ASN Duurzaam Aandelenfonds, the ASN Duurzaam Small & Midcapfonds, the ASN Milieu & Waterfonds, the ASN Duurzaam Obligatiefonds and the ASN Microkredietfonds.

The ratio between investment categories depends on the fund’s risk profile and may fluctuate due to price changes. At least once a month, the fund manager assesses whether adjustment to the original percentages is required.



ASN Duurzaam Mixfonds Zeer Defensief



ASN Duurzaam Mixfonds Defensief



ASN Duurzaam Mixfonds Neutraal

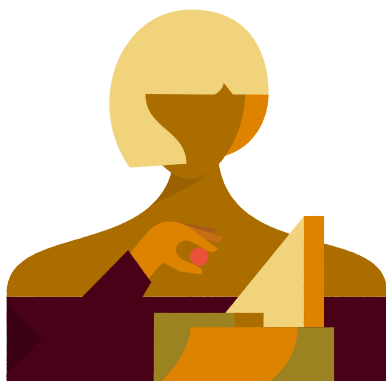


ASN Duurzaam Mixfonds Offensief



ASN Duurzaam Mixfonds Zeer Offensief

UNLISTED INVESTMENT FUNDS (AIF STRUCTURE)



ASN Microkredietfondsen

The ASN Microkredietfondsen helps private investors from low-income countries to finance their own company and build up financial resilience.



The fund focuses particularly on improving the position of women entrepreneurs and the disbursement of loans in rural areas. The fund invests in private loans and in approximately 85 microfinance institutes (MFIs) throughout the world which together were issuing 16,5 million microcredits a year in 2021. In the 25 years of its existence, the fund has helped reduce poverty, increase employment opportunities and develop local economies.



ASN Groenprojectenfonds

The ASN Groenprojectenfonds invests mainly in green projects. The fund therefore contributes to the preservation and improvement of the climate, environment and nature. The fund supports green initiatives and finances projects in areas such as sustainable construction, sustainable energy and decentralised energy supplies. The fund invests in projects through private loans to companies, (local) authorities, institutions and non-profit organisations in the Netherlands and abroad. The loans are issued in euros. Private investors may have a tax advantage when investing in this fund.



ASN Biodiversiteitsfonds

The ASN Biodiversiteitsfonds invests in projects, funds and listed companies worldwide with the aim of contributing to the retention, protection and restoration of biodiversity. This is measured as the total area (in hectares) in which biodiversity is restored with a healthy ecological balance. The fund concentrates on four sectors: sustainable forestry, sustainable agroforestry, sustainable seas and fisheries and ecotourism. At the same time, the ASN Biodiversiteitsfonds supports new 'green' employment that does not harm nature and contributes to local prosperity.



Do you need more information about one or more of the funds? We will be happy to provide you with this. You can reach us using the contact details on our contact page.



Contact

ASN Impact Investors has an open and transparent culture. This is also reflected in how we deal with our business contacts. We will be happy to help you.



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