



ASN Beleggingsfondsen UCITS N.V. 2022 Annual Report

The original financial statements were drafted in Dutch. This document is an English translation of the original.
In the case of any discrepancies between the English and the Dutch text, the latter will prevail.

asn  impact investors

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Foreword by the Board of Directors

As you will have noticed, 2022 was a turbulent year.

Just as the COVID-19 pandemic was coming to an end, war broke out in Ukraine. It was a humanitarian disaster that, at the time of writing, is sadly still ongoing. It was also a disaster that had consequences for economies and financial markets all over the world. Energy prices and inflation reached record levels, central banks increased interest rates, and share and bond markets were hit hard.

Our investment funds were not immune to these turbulent times. Following strong returns in 2021, they produced negative returns in 2022.

During 2022, there was once again an increased urgency to combat climate change and stop biodiversity loss. Climate change jeopardises access to healthy food and shelter – two important human rights – for millions of people. In many parts of the world, biodiversity is threatened by extreme weather, forest fires and human activities such as logging, intensive agriculture, environmental pollution and poaching.

In our view, the financial sector must take responsibility and help turn the tide. Ideally, it would do so out of intrinsic motivation, but where that is lacking, laws and regulations must provide an impetus. In this context, it is good that, as of this year, the European Sustainable Finance Disclosure Regulation (SFDR) imposes additional reporting requirements on investment funds that claim to be sustainable. This should make it easier to compare funds and help to combat greenwashing.

We are well prepared for the new rules. All our funds qualify for the strongest sustainability category (Article 9), as you can see from the evidence set out in the new documentation for all our funds. This documentation is also appended to this report.

In late 2022, we published our Climate Action Plan. This document describes the steps we will take to realise our 'Beyond Net Zero' ambition for 2030: overall, we are aiming for our total package of investments to be climate positive.

The EU Taxonomy – the EU's list of sustainable economic activities – has the potential to be an important tool for determining which investments are sustainable. However, we cannot agree to the inclusion of nuclear energy and fossil gas as sustainable investments under the current EU Taxonomy. This is inconsistent with our convictions, vision and mission.

We hope that greater transparency around truly sustainable investing will be an incentive for investors and companies to take bigger steps in the field of sustainability. After all, this is a global challenge that we can overcome only if the financial sector, governments, the companies we invest in and consumers all collectively take responsibility.

Together with you, we choose to pursue sustainable acceleration. We are working towards a world where people live in balance with nature and in harmony with each other.

San Lie, Chair of the Board of Directors/ Sales & Portfolio Management Director

Ro Dielbandhosing, Risk Management & Compliance Director

Dirk-Jan Stam, Reporting & Product Management Director

Key figures

2022 performance

We have compared the performance of each fund with that of its benchmark. The benchmarks allow us to compare the performance of investments with that of similar investments. The funds' performance relative to the benchmark is shown in the tables below. Section 2 contains information on how the returns of the various funds were achieved.

Performance is based on the net asset value, including reinvested dividends. In previous annual reports, up to and including the 2020 report, we presented performance on the basis of the quoted stock market price, including reinvested dividends. We have now decided to present performance differently, to enable a better comparison to be made with the benchmark performance. The difference between the net asset value and the quoted stock market price lies in the surcharges and deductions applied. No surcharges and deductions are applied to the benchmark.

Key figures from the last five years

Until 18 June 2020, ASN Duurzaam Aandelenfonds, ASN Duurzaam Obligatiefonds, ASN Milieu & Waterfonds and ASN Duurzaam Small & Midcapfonds were part of ASN Beleggingsfondsen N.V. On 18 June 2020, ASN Beleggingsfondsen N.V. was divided into two new companies: ASN Beleggingsfondsen AIF N.V. and ASN Beleggingsfondsen UCITS N.V. The funds listed above are now part of ASN Beleggingsfondsen UCITS N.V. and are referred to in this report as 'the UCITS funds'.

Effective 18 June 2020, the ASN Duurzaam Mixfonds, ASN Duurzaam Mixfonds Zeer Defensief, ASN Duurzaam Mixfonds Defensief, ASN Duurzaam Mixfonds Neutraal, ASN Duurzaam Mixfonds Offensief and ASN Duurzaam Mixfonds Zeer Offensief became shareholders in the UCITS funds. These funds had previously invested in the investment pools of ASN Beleggingsfondsen N.V.; their change in shareholding saw the capital of the UCITS funds grow in 2020. The ASN Duurzaam Mixfonds was wound up and merged with the ASN Duurzaam Mixfonds Neutraal on 15 September 2021.

ASN Duurzaam Aandelenfonds

Year	Growth		Performance			
	Amount of capital (in thousands of euros) at the end of the reporting period	Number of shares outstanding at the end of the reporting period	Listed price at the end of the reporting period (€)	Dividend distribution (€)	Performance including reinvestment (%) ¹	Benchmark performance (%)
2022	1,498,937	11,505,265	131.45	2.00	-20.42	-15.67
2021	1,875,019	11,290,696	166.99	1.80	20.76	27.92
2020	1,543,572	11,091,282	139.19	2.85	10.03	5.23
2019	1,487,553	11,463,400	130.06	2.95	32.33	27.44
2018 ²	767,710	7,627,250	100.26	2.50	-8.69	-7.80

¹ Performance is based on the issued net asset value at the end of the reporting period, including reinvested dividends. For 2020, 2019 and 2018, performance was reported on the basis of the quoted stock market price, including reinvested dividends.

² The comparative figures of 2018 were not adjusted as a result of the division.

ASN Duurzaam Obligatiefonds

Growth		Performance				
Year	Amount of capital (in thousands of euros) at the end of the reporting period	Number of shares outstanding at the end of the reporting period	Listed price at the end of the reporting period (€)	Dividend distribution (€)	Performance including reinvestment (%) ¹	Benchmark performance (%)
2022	514,943	21,899,148	23.61	0.30	-13.30	-13.14
2021	605,611	22,066,024	27.47	0.30	-2.04	-1.64
2020	576,826	20,366,907	28.34	1.00	1.46	2.12
2019	644,273	22,275,347	28.95	0.60	2.00	3.12
2018 ²	221,812	7,665,071	28.98	0.75	0.49	0.41

¹ Performance is based on the issued net asset value at the end of the reporting period, including reinvested dividends. For 2020, 2019 and 2018, performance was reported on the basis of the quoted stock market price, including reinvested dividends.

² The comparative figures of 2018 were not adjusted as a result of the division.

ASN Milieu & Waterfonds

Growth		Performance				
Year	Amount of capital (in thousands of euros) at the end of the reporting period	Number of shares outstanding at the end of the reporting period	Listed price at the end of the reporting period (€)	Dividend distribution (€)	Performance including reinvestment (%) ¹	Benchmark performance (%)
2022	903,536	20,186,621	45.17	1.00	-19.07	-25.44
2021	1,136,398	20,115,995	56.67	0.35	25.45	19.44
2020	838,039	18,477,881	45.17	0.60	23.19	56.18
2019	708,605	18,904,827	37.55	0.35	34.63	29.16
2018 ²	493,339	17,530,949	27.88	0.45	-16.12	-9.19

¹ Performance is based on the issued net asset value at the end of the reporting period, including reinvested dividends. For 2020, 2019 and 2018, performance was reported on the basis of the quoted stock market price, including reinvested dividends.

² The comparative figures of 2018 were not adjusted as a result of the division.

ASN Duurzaam Small & Midcapfonds

Growth		Performance				
Year	Amount of capital (in thousands of euros) at the end of the reporting period	Number of shares outstanding at the end of the reporting period	Listed price at the end of the reporting period (€)	Dividend distribution (€)	Performance including reinvestment (%) ¹	Benchmark performance (%)
2022	189,331	4,076,775	46.60	0.70	-20.81	-22.50
2021	226,208	3,804,203	59.83	0.40	26.38	23.83
2020	157,359	3,320,386	47.72	0.80	6.55	6.72
2019	194,721	4,281,283	45.57	0.45	35.76	29.99
2018 ²	92,265	2,724,850	33.67	0.55	-17.19	-15.83

¹ Performance is based on the issued net asset value at the end of the reporting period, including reinvested dividends. For 2020, 2019 and 2018, performance was reported on the basis of the quoted stock market price, including reinvested dividends.

² The comparative figures of 2018 were not adjusted as a result of the division.

Definitions

Share

When an investor or investment fund buys a share, it is effectively buying part (a unit of ownership) of a company. A share is proof of participation in the equity capital of a company. This is risk-bearing capital. In the case of listed companies, the price of the share, the listed share price, is determined by supply and demand on the stock market. Many companies distribute dividends to their shareholders once or twice a year. The return on shares consists of changes in the listed share prices and dividends.

In the case of unlisted companies, investors can buy and sell shares off-exchange. In this scenario, existing and potential shareholders negotiate on a more direct basis with one another. Shares of unlisted companies are valued at an approximate fair value, taking into account recent market transactions and market developments.

ABB/ASN Impact Investors

ASN Beleggingsinstellingen Beheer B.V. (ABB) is the UCITS manager of ASN Beleggingsfondsen UCITS N.V. and AIF manager of ASN Beleggingsfondsen AIF N.V. and ASN Biodiversiteitsfonds N.V. ABB has its registered office in The Hague and its place of business at Bezuidenhoutseweg 153, 2594 AG The Hague. ASN Impact Investors is the trading name of ABB.

AIF manager

A manager of an investment institution as referred to in Section 2:65 of the Dutch Financial Supervision Act (Wft). ASN Impact Investors has also been appointed as AIF manager for ASN Beleggingsfondsen AIF N.V.

AIFMD

AIFMD is the acronym for the Alternative Investment Fund Managers Directive, officially 'Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers'. The AIFMD is also referred to as the AIFM Directive. This directive was incorporated into the Financial Supervision Act and fully entered into force on 22 July 2014. The AIFMD enhances transparency for investors and regulators and strengthens the financial stability of investment funds and institutions. Its ultimate aim is to protect investors.

Asset allocation

The distribution of an investment portfolio across different asset classes, such as shares, bonds, property and/or cash. Strategic asset allocation is the portfolio composition in normal conditions on the financial markets. Tactical asset allocation is the composition in anticipation of current market conditions.

Investment fund

An investment fund is a fund in which the money of multiple investors is pooled together. The professional investment manager invests this money in accordance with the fund's investment policy. There are many types of investment funds, such as equity funds, which invest across the globe, in particular regions or sectors, or in companies of a certain size. Other types of investment funds include bond funds, cash funds, property funds, private loan funds and various combinations of these.

Investment universe

The list of companies, governments, institutions and other investments in which a fund may invest. The investment universe of the ASN Beleggingsfondsen is known as the ASN Investment Universe.

Benchmark

A tool or yardstick for comparing the performance of our investments with the performance of similar investments. Benchmarks are compiled and maintained by financial institutions.

Quoted stock market price

The quoted stock market price is the price of an instrument listed on a stock market, such as a share or a bond. The price is set on the stock market as determined by supply and demand. The quoted stock market price can vary from day to day, and from one moment to the next.

Credit spread

The difference in rates of return between bonds of similar maturity. This difference is the result of a difference in credit risk. For example, there is a credit spread between government bonds of countries deemed high risk and government bonds of

countries deemed low risk. The credit spread in Europe mostly indicates the difference between the return on government or corporate bonds and the return on German government bonds or swaps of similar maturity.

Derivatives

Financial derivatives are investment instruments that derive their value from the value of another asset or financial instrument, such as shares. This other asset is referred to as the underlying asset. Options and futures are examples of types of derivatives. Among other things, financial derivatives are used to reduce risks and to take active market positions. ASN Impact Investors places strict requirements on the use of derivatives. One of these is that derivatives may only be used to reduce risks.

Dividend

Companies that make a profit can reinvest it in the company or pay it out to shareholders. This payment, or distribution, of profit to shareholders is known as a dividend. An investment fund can also receive dividends from the companies in which it invests and distribute them to the participants in (or shareholders of) the investment fund. Thus, investment funds can also distribute dividends.

Duration

The duration is the weighted average maturity of a bond, taking into account the remaining maturity and repayments. The duration indicates the sensitivity of a bond or bond portfolio to interest rate changes.

Sustainable investment objective

A specific social or environmental objective that a fund manager aims to achieve by investing in the economic activities of businesses, governments, institutions and other investment funds that contribute to achieving that objective, which do not lead to serious adverse consequences for humans and the environment and which follow good governance practices.

Impact funds

An impact fund is an investment fund that specialises in impact investments. The primary objective of the fund is to generate a beneficial social or environmental impact alongside a financial return. Investment funds that do not invest in listed companies are generally viewed as impact funds. The ASN Groenprojectenfonds, the ASN Microkredietfonds and the ASN Biodiversiteitsfonds are impact funds.

Net asset value

The value of all the assets in the investment fund at a given moment. Price formation of listed funds is determined by supply and demand, subject to a surcharge or deduction. As a result, the buying and selling prices may differ from the net asset value. The intrinsic value is usually referred to as the *net asset value* (NAV).

Indexed return

The return of an investment fund, consisting of the sum of the price gains and the distributed dividends, calculated since the inception date of the fund. At its inception date, the fund is considered to have a value of 100.

Green bonds

A green bond is used to raise money to invest in sustainable energy projects and environmental and land use projects, such as agriculture, forestry, and water and waste management.

Credit rating

A credit rating is a quantified assessment of the creditworthiness of the issuer of a bond or loan. This assessment is produced by a specialised rating agency, such as Moody's and Standard & Poor's (S&P). They assess the likelihood that the issuer can meet the obligations attached to the bond without difficulty. The credit ratings of S&P, for example, vary from AAA (high creditworthiness) to D (very low creditworthiness, bankruptcy).

Market capitalisation

The market capitalisation of a company is its total market value (number of shares outstanding multiplied by the current market price of one share). The following classification is often used:

- *large caps*: companies with a market capitalisation of more than €10 billion;
- *mid-caps*: companies with a market capitalisation of €4 billion to €10 billion;
- *small caps*: companies with a market capitalisation below €4 billion.



Modified duration

Modified duration is a measure of the interest-rate sensitivity of bonds. It can be used to calculate the impact of a change in the market interest rate on the yield of a bond. Given a modified duration of 3, for example, a 1% decrease in the interest rate will result, approximately, in a 3% rise in the price of the loan, and vice versa.

NAV

The net asset value of a fund. See the explanation under *Net asset value*.

Bond

Bonds are debt securities issued by public and semi-public institutions and companies. An investor who has bought a bond receives annual interest on the bond, usually at a pre-set rate. Bonds are traded on the market, resulting in price formation. The return on a bond consists of changes in price and coupon interest. Bonds are the main type of fixed-income securities.

Private loan

A private loan is a loan in which one or more lenders lend money to a borrower. In contrast to bond loans, private loans are agreed directly between the lender(s) and the borrower on customised terms.

Prospectus

A prospectus is a mandatory, formal legal document that must be published upon the issue of financial products (shares, bonds, investment funds, etc.). The prospectus sets out the terms and conditions of issue as well as financial and non-financial information about the issuer.

Risk-return ratio

The ratio between the risk and return of an investment. Generally speaking, the lower the risk, the lower the expected return. And vice versa: the higher the risk, the greater the potential of high returns in the longer term.

Scope 1, 2 and 3 emissions

Scope 1 and 2 emissions are the direct and indirect emissions of greenhouse gases – particularly CO₂ – of an organisation, such as electricity consumption, fuel consumption and business travel. Scope 3 emissions are emissions in the value chain. These are the emissions produced during the entire life cycle of the products a company buys, produces and/or sells.

SFDR

The Sustainable Finance Disclosure Regulation (SFDR) is a European regulation that came into force on 10 March 2021. This regulation set new requirements for the publication of information about sustainability by participants in financial markets. All ASN Beleggingsfondsen are classified as Article 9 products, since they have a specific focus on achieving a sustainability goal.

UCITS

UCITS stands for Undertakings for Collective Investment in Transferable Securities, taken from 'Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS)', as supplemented by Directive 2014/91/EU amending Directive 2009/65/EC. These directives were incorporated into the Financial Supervision Act.

UCITS manager

A manager of an undertaking for collective investment in transferable securities as defined in Section 2:69b of the Financial Supervision Act. ASN Impact Investors has been appointed as the UCITS manager for ASN Beleggingsfondsen UCITS N.V.

UCITS funds

The sub-funds of ASN Beleggingsfondsen UCITS N.V.: ASN Duurzaam Obligatiefonds, ASN Milieu & Waterfondsen, ASN Duurzaam Aandelenfondsen and ASN Duurzaam Small & Midcapfondsen.

Weighting

The investment manager of an investment fund generally has a fixed allocation of its investments across various asset classes (see asset allocation). When the position in a particular class is greater than in the strategic asset allocation, this is referred to as an overweight position. If the position is below that in the strategic asset allocation, we refer to this as an



underweight position. It is also possible to be overweight or underweight in specific countries, companies or sectors relative to the benchmark.

Report of the Supervisory Board

To the general meeting of shareholders of ASN Beleggingsfondsen UCITS N.V.

As the Supervisory Board, it is our job to exercise oversight of the policies of the Board of Directors and the general course of events in the company. We support the Board of Directors by offering advice. In discharging our duties, we focus on the interests of the company without losing sight of the interests of shareholders, employees and society. In addition to the Articles of Association and the Corporate Governance Code, our duties and responsibilities are laid down in the Regulations of the Supervisory Board of ASN Beleggingsfondsen UCITS N.V.

Composition of the Supervisory Board

There were no changes in the membership of the Supervisory Board in 2022.

All members of the Board meet the requirements set out in Section 142a(1) of Book 2 the Dutch Civil Code and the independence requirements. At the end of 2022, the composition of the Board was as follows:

Name	Gender	Position	Nationality	1 st appointment	Current term
Anne Gram	F	Chair	Danish	20-04-2017	2021-2025
Lodi Hennink	M	Vice Chair, also AC member	Dutch	30-04-2015	2019-2023
Tineke Lambooy	F	Member	Dutch	17-05-2019	2019-2023
Dennis Bams	M	Member, also AC member	Dutch	15-05-2020	2020-2024
Chris Zadeh	M	Member	Dutch	29-04-2021	2021-2025

Ms Lambooy's first term and Mr Hennink's second term will end in April 2023. In theory, this will create two vacancies. The Board envisages that a four-member board will be sufficient for the allocation of all focus areas. The Board has drafted a profile describing the necessary skills and experience. The Board will propose a new member for appointment at the annual general meeting of shareholders on 28 April 2023.

Meetings

The Supervisory Board generally meets four times per year. In 2022, the Board met six times. Meetings were held by videoconference or in hybrid form, with members present either in person or via videoconference. Topics on the agenda included:

- the 2021 annual report and auditor's report for ASN Beleggingsfondsen UCITS N.V.;
- the 2022 interim report for ASN Beleggingsfondsen UCITS N.V.;
- a reassessment of the ASN Impact Investors growth strategy;
- climate, biodiversity and sustainability trends (including 'greenwashing');
- implementation of the Sustainable Finance Action Plan and the SFDR;
- creation of a data warehouse;
- centralisation of the depositary and fund administrator in a single party;
- the war in Ukraine and financial market turbulence.

Committees

The Supervisory Board has appointed a selection and appointment committee and an audit committee from among its members. The selection and appointment committee is an ad hoc committee in connection with the selection and appointment of new members of the Supervisory Board. The committee comprises Anne Gram (Chair) and Tineke Lambooy.

The Audit Committee comprises Dennis Bams (Chair) and Lodi Hennink. The Audit Committee met four times in 2022. Topics on the agenda included:

- the 2021 annual report and auditor's report for ASN Beleggingsfondsen UCITS N.V.;
- the 2022 interim report for ASN Beleggingsfondsen UCITS N.V.;
- the internal auditor's report and audit plan;
- the external auditor's audit plan;
- risk management reports;

- integrity and compliance reports.

In addition, the audit committee approved the ancillary services performed by EY in its capacity as auditor. These ancillary services consisted of assurance activities for prospectus updates, reviewing the interim report, UCITS reporting and translating the annual reports. The Risk Management and Compliance Director and the external auditor were present at all Audit Committee meetings.

Finally, by way of experiment, the Supervisory Board has established a Legal and Governance Committee. The task of this committee is to discuss the documents of a legal nature on the agenda on behalf of the other members of the Supervisory Board and to act as a sounding board for management. The committee comprises Tineke Lambooy and Lodi Hennink.

Company visit and professional development

The restrictions resulting from the COVID-19 pandemic were gradually removed during the reporting year. The Supervisory Board exercised caution when meeting with external parties. Unfortunately, we were unable to visit any of the companies in the ASN Investment Universe this year. Our professional development, which usually ties in with the theme of the company visit, was also unable to go ahead. In 2023, there will be a greater focus on professional development, which may or may not include a company visit.

Developments in 2022

After the worldwide COVID-19 pandemic was more or less brought under control, we were confronted with the devastating war in Ukraine. The war is causing much human suffering, as well as disruption of and shortages in the supply of raw materials. The increase in energy prices fuels inflation. It makes us aware of the potential impact of dependence on fossil energy and highlights the need to transition to sustainable investments.

The difficult economic conditions had repercussions for the financial markets and consequently also for our funds. The soaring rate of inflation resulted in a sharp rise in interest rates and falling share prices, among other things. The Supervisory Board and the Board of Directors discussed these developments, as well as the operational plans and developments for the funds.

The new Board of Directors of ASN Impact Investors took office on 1 March 2022. San Lie is the Chair of the Board of Directors and is responsible for the Sales & Portfolio Management portfolio. The Board of Directors was expanded through the inclusion of a third director, with Dirk-Jan Stam being appointed as Reporting & Product Management Director. Ro Dielbandhoesing is the Risk Management & Compliance Director. The Supervisory Board has every confidence in the capability of the Board of Directors and is pleased about the diligence with which the Board is addressing and steering the many challenging dossiers.

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Apart from the challenges in the financial markets, further challenges are presented by the requirements arising from laws and regulations and organisational issues. In 2022, great efforts were made to meet the requirements of the EU's Sustainable Finance Action Plan (SFAP), specified in greater detail in the Sustainable Finance Disclosure Regulation (SFDR). A data warehouse is being created in order to provide investors with sustainability information under the SFDR.

Centralisation of the activities of the depositary and fund administrator in a single party was also on the agenda. The Supervisory Board also looked at the revised strategy of ASN Impact Investors.

Adoption of the 2022 financial statements

We propose that the general meeting of shareholders adopt the 2022 financial statements presented to you. We also request that the general meeting of shareholders discharge the Board of Directors for the management conducted in 2022 and, separately, discharge the Supervisory Board for the supervision conducted in 2022. We thank the Board of Directors for its constructive and enjoyable cooperation and the open manner in which it has always dealt with the Supervisory Board, and the employees of ASN Impact Investors for the way in which they have performed their work for the company.

The Hague, 16 March 2023

The Supervisory Board

Anne Gram (Chair)
Lodi Hennink
Tineke Lambooy
Dennis Bams
Chris Zadeh





1 Manager's report



1.1 Structure and mission of the funds

ASN Beleggingsfondsen UCITS N.V. is an open-ended investment fund with an umbrella structure. This means that the share capital is divided into various series of shares (the funds). Each fund pursues its own sustainable investment objective(s) and has its own investment policy and associated characteristic risk/return profile. ASN Beleggingsfondsen UCITS N.V. comprises the following four sub-funds: ASN Duurzaam Obligatiefonds, ASN Milieu & Waterfonds, ASN Duurzaam Aandelenfonds and ASN Duurzaam Small & Midcapfonds. These funds are all listed on Euronext Amsterdam in the Euronext Fund Services segment.

The funds have no legal personality as such; the assets are held by a single legal entity, ASN Beleggingsfondsen UCITS N.V. ASN Beleggingsinstellingen Beheer B.V. (ABB), trading under the name ASN Impact Investors, forms the Board of Directors of ASN Beleggingsfondsen UCITS N.V., in accordance with its Articles of Association, and determines the investment policy of ASN Beleggingsfondsen UCITS N.V. ASN Impact Investors also acts as the UCITS manager for ASN Beleggingsfondsen UCITS N.V. As UCITS manager, ASN Impact Investors is subject to supervision by the Dutch Financial Markets Authority (AFM).

Each fund has specific objectives and an investment policy. The policy for all the funds is that they may only invest in governments, companies, projects and institutions that have been admitted to the ASN Investment Universe. The funds invest in listed equities denominated in various currencies, in government bonds, and in green and social bonds. Governments and listed companies qualify for inclusion in the ASN Investment Universe if they meet the ASN sustainability criteria.

No securities lending

We do not engage in securities lending (i.e. lending of securities to other financial institutions in return for a fee).

Corporate governance

ASN Duurzame Deelnemingen N.V. (ADD) is the sole shareholder of ASN Impact Investors and the holder of a priority share in ASN Beleggingsfondsen UCITS N.V. This priority share confers special powers in relation to matters such as the appointment of directors, amendment of the Articles of Association and winding up of the company.

ASN Impact Investors also forms the Board of Directors of ASN Beleggingsfondsen UCITS N.V. The work of ASN Beleggingsfondsen UCITS N.V. is carried out by the employees of ASN Impact Investors and by various outsourcing contractors, including de Volksbank N.V. (de Volksbank). De Volksbank is the sole shareholder of ADD. ASN Beleggingsfondsen UCITS N.V. has no employees of its own.

The corporate governance structure of ASN Beleggingsfondsen UCITS N.V. is based around a Supervisory Board. The job of the Supervisory Board is to exercise oversight of the policies of the Board of Directors and the general course of events in the company, ASN Beleggingsfondsen UCITS N.V. The Supervisory Board supports the Board of Directors by offering advice. In discharging its duties, the Supervisory Board focus on the interests of the company without losing sight of the interests of shareholders, employees and society. In addition to the Articles of Association and the Corporate Governance Code, the duties and responsibilities of the Supervisory Board are laid down in the Regulations of the Supervisory Board of ASN Beleggingsfondsen UCITS N.V.

Internal organisation of ASN Impact Investors

Until 1 March 2022, the day-to-day management of ASN Impact Investors was in the hands of two directors. On 1 March 2022, the Board of Directors was expanded through the inclusion of a third director. The Sales and Portfolio Management Director is in charge of the Sales & Marketing and Portfolio Management departments, the Risk Management & Compliance Department is led by the Risk Management and Compliance Director and the Finance and Reporting Director is responsible for the Control and Product Management departments. As of 31 December 2022, ASN Impact Investors employed a total of 29.9 FTEs. Although ASN Impact Investors effectively acts as their employer, staff are formally employed by de Volksbank. ASN Impact Investors also uses various outsourcing contractors to assist it in carrying out its tasks. As ASN Impact Investors has ultimate responsibility, we continually monitor and evaluate these outsourcing contractors.

General meeting of shareholders

The annual general meeting of shareholders of the company was held via webcast on 28 April 2022. A report of this meeting was included in the 2022 Interim Report.

Shareholders of ASN Beleggingsfondsen UCITS N.V. can request the minutes of the shareholders' meeting from ASN Impact Investors by calling +31 (0)70-356 93 33 or by emailing info@asnimpactinvestors.com. The minutes and voting results are also posted on the website www.asnimpactinvestors.com under *Mededelingen* (Notices).

1.2 Fund documentation

The changes that took place in the reporting period have been incorporated into the Key Information Document (KID) and the prospectus of ASN Beleggingsfondsen UCITS N.V. These documents can be found at www.asnimpactinvestors.com under Documenten (Documents).

1.3 Changes to acts and regulations

In 2022, the following legislative and regulatory developments occurred which are relevant for ASN Impact Investors.

SFDR

The European Sustainable Finance Disclosure Regulation (SFDR) came into force on 10 March 2021. This regulation set new requirements for the publication of information about sustainability by participants in financial markets. Among other requirements, managers must include sustainability information in the prospectuses of their funds, to provide transparency around the extent to which the funds are sustainable. In 2021, we implemented the initial requirements (Level 1) in a timely manner. All ASN Beleggingsfondsen were classified as Article 9 products, since they have a specific focus on achieving a sustainability goal. In 2022 we implemented the remaining requirements (Level 2), ensuring that we complied with the technical standards applicable on 1 January 2023. We have maintained Article 9 classification under the SFDR for all ASN Beleggingsfondsen. The statutory template for sustainable investment information contains a detailed explanation of the sustainable investment objective and has been added as an annex to the prospectus for each fund. We published the updated prospectus on 30 December 2022. We have also posted publications on our website about our sustainability approach.

Taxonomy

The European Taxonomy Regulation (TR) came into force on 2 July 2020. This regulation provides a uniform classification to determine the extent to which economic activities are environmentally sustainable. The first transparency obligations under the TR came into force on 1 January 2022.

We support the initiatives to introduce a set of standards in laws and regulations to determine which investments are sustainable. This will promote transparency, combat greenwashing and encourage the shift of capital to a sustainable economy. However, we cannot condone the inclusion of nuclear energy and fossil gas as sustainable investments in the EU Taxonomy (the EU list of sustainable economic activities). This is inconsistent with the convictions, vision and mission of ASN Impact Investors. For this reason, and because of the lack of clarity around the EU Taxonomy, we have not set a specific taxonomy objective for the time being.

AIFMD and UCITS Directive

In mid-2020, the European Commission published six legislative proposals to amend delegated regulations relating to various European directives, including the AIFMD and the UCITS Directive. With regard to the AIFMD, the new delegated regulation is an amendment to the existing Commission Delegated Regulation (EU) No. 231/2013. With regard to the UCITS Directive, the new delegated regulation is an amendment to the existing Commission Directive 2010/43/EU (Level 2).

The ESG amendments mainly concern organisational requirements and risk management by fund managers and are consistent with the transparency obligations in the SFDR for the integration of sustainability risks and factors by fund managers. The impact on the ASN Beleggingsfondsen is relatively limited. The policy was tightened up in a number of respects and implemented in a timely manner. We have complied with the new requirements since 1 August 2022.

PRIPs

The European *Packaged Retail and Insurance-based Investment Products* (PRIIPs) Regulation came into force on 1 January 2018. The purpose of PRIIPs is to enhance investor protection by improving transparency in the investment market. This has resulted, among other things, in the introduction of the Key Information Document (KID). This document contains information about the nature, characteristics and risks of a product. Providers of investment products and funds are required to supply investors with a KID. The existing Key Investor Information Document (KIID) for all ASN Beleggingsfondsen was replaced with the new KID on 31 December 2022. The document was made available to investors on our website.

CSRD

In November 2022, the European Parliament approved the EU Corporate Sustainability Reporting Directive (CSRD). This directive makes it mandatory for an increasing number of companies to report on their impact on people and the

environment. The new requirements seek to achieve greater transparency about sustainability and higher-quality sustainability information. The directive expands on the existing European directive for sustainability reporting, the Non-Financial Reporting Directive (NFRD). The CSRD will come into force on 1 January 2024 for companies currently covered by the NFRD and from 2025 for large companies not covered by the NFRD. The CSRD does not apply to the ASN Beleggingsfondsen. The funds are already subject to the SFDR, which includes requirements on the provision of sustainability information.

1.4 Fund costs

For each fund, we charge a percentage fee to cover the day-to-day work performed. The percentage may vary from one fund to the next. These 'fund costs' are reserved on trading days and charged to the fund capital. The fund costs are charged monthly in arrears.

We use the fee to pay the costs associated with managing the fund. The various costs covered by the fee are set out in the prospectus. The parties to whom asset management of the funds has been outsourced do not receive any performance fee from us taken from the funds. This is in keeping with our basic principle that our investments should promote a sustainable world and not be geared towards maximising financial returns.

Ongoing charges figure

The ongoing charges figure (OCF) indicates the costs as a percentage of the average fund capital, excluding interest and transaction costs. The OCF is calculated in arrears, according to the prescribed method. In calculating the OCF, the average fund capital is determined based on the frequency with which the net asset value (NAV) of the fund is released. All NAVs released during the year are added up and divided by the number of NAVs released. In 2022, the OCFs of the funds were as follows:

	OCF (on annual basis)	
	01-01-2022 to 31-12-2022	01-01-2021 to 31-12-2021
ASN Duurzaam Obligatiefonds	0.45%	0.45%
ASN Milieu & Waterfondsen	1.03% ¹	1.20%
ASN Duurzaam Aandelenfondsen	0.85%	0.85%
ASN Duurzaam Small & Midcapfondsen	1.20%	1.20%

¹ As of 1 March 2022, the management fee of the ASN Milieu & Waterfondsen has changed from 1.20% to 1.00% on an annual basis

1.5 ASN Beleggingsfondsen inflow and outflow

The ASN Beleggingsfondsen of ASN Beleggingsfondsen UCITS N.V. are listed and are offered through ASN Bank, among others. Other banks and advisers (distribution partners) may also offer the funds to their customers. The marketing activities of ASN Impact Investors are mainly targeted at the distribution partners and are intended to inform them about the sustainability, investment policy and financial performance of the funds.

In 2022, the assets of the UCITS funds fell by €736 million to €3.107 billion. €784 million of the decrease in fund assets was caused by price falls. The total inflow exceeded the total outflow. The balance amounted to €48 million, including reinvested dividends.

The fall in share prices was mainly caused by the war in Ukraine, rising inflation, interest rate hikes and the threat of a possible recession. Consequently, all funds recorded a negative price result. This negative result was highest for the ASN Duurzaam Aandelenfondsen and the ASN Milieu & Waterfondsen. Positive inflows were mainly seen in the ASN Duurzaam Aandelenfondsen (+ €33 million) and the ASN Small & Midcapfondsen (+€14 million).

1.6 Developments regarding the UCITS manager

ASN Impact Investors has been appointed as the UCITS manager for ASN Beleggingsfondsen UCITS N.V. In this capacity, ASN Impact Investors manages the assets of the UCITS funds. This involves the investment and reinvestment of funds within the framework of the investment policy established by ASN Impact Investors.

In addition, ASN Impact Investors is responsible for the risk management of the various UCITS funds and for all other tasks that a UCITS manager is required to perform.

The Board of Directors of ASN Impact Investors comprises San Lie (Chair), Dirk-Jan Stam and Ro Dielbandhoesing. Owing to the growth of the organisation, from 1 March 2022, ASN Impact Investors expanded the Board of Directors by adding a Finance and Reporting Director in the person of Dirk-Jan Stam. Mr Stam was previously Head of the Control and Compliance Department of ASN Bank, and as such was closely involved in the financial activities of ASN Impact Investors. Bas-Jan Blom stepped down as Sales and Fund Management Director as of 1 March 2022. He was succeeded by San Lie. Mr Lie was previously Head of Portfolio Management at ASN Impact Investors. Mr Dielbandhoesing is the director responsible for risk management and compliance.

CACEIS acts as the depositary of ASN Beleggingsfondsen UCITS N.V., ASN Beleggingsfondsen AIF N.V. and ASN Biodiversiteitsfonds N.V. The funds' administration is carried out by BNP Paribas Securities Services S.C.A. The depositary and fund administrator are appointed by ASN Impact Investors. In late 2022, we decided to centralise the activities of the depositary and fund administrator. In 2023, BNP Paribas Securities Services S.C.A. will be appointed as the depositary of the ASN Beleggingsfondsen.

In addition to its UCITS licence, ASN Impact Investors holds an AIFMD licence. This allows ASN Impact Investors to conduct AIF management of ASN Beleggingsfondsen AIF N.V. and ASN Biodiversiteitsfonds N.V.

1.7 Developments in the reporting period

SFDR

During 2022, further work was done to implement the Sustainable Finance Disclosure Regulation (SFDR). Because of their sustainable investment objectives, all ASN Beleggingsfondsen have maintained their Article 9 classification under the SFDR. On 30 December 2022, we amended the prospectus for each fund to ensure it provided the required information about sustainable investment. The availability of reliable data remains a challenge in terms of reporting on our progress towards achieving our sustainability objectives. We report on this matter in Annex V of this annual report, in accordance with the legal reporting requirements.

To ensure we consistently comply with the SFDR reporting requirements, we have launched a project to create a data warehouse. This will bring further automation to existing processes and expand our data processing capacity.

The war in Ukraine

War has no winners, only losers, and the war in Ukraine is showing us the truth of that. As well as the ongoing humanitarian disaster, the war is affecting economies and financial markets around the globe. The US and the EU have imposed sanctions to put pressure on Russia. Russia's threat to cut off gas supplies sent energy prices soaring to record levels. Monetary intervention to curb rampant inflation caused interest rates to rise with unprecedented speed last year.

Due in part to the application of our sustainability criteria, none of the funds held investments in sanctioned companies or institutions. We therefore did not have to deal with any stranded assets. During 2022, we intensified our monitoring of compliance with the sanctions legislation by ASN Impact Investors and relevant outsourcing contractors.

1.8 Sustainable investment policy

The ASN Beleggingsfondsen invest in sustainable development. Sustainability is embedded in our mission and vision and laid down in our sustainability policy. The starting point for the investment process is the ASN Impact Investors sustainability policy. This ensures that the funds invest only in economic activities which do not have serious adverse consequences for humans and the environment and which follow good governance practices. This policy focuses on a wide range of sustainability factors, and in particular on three pillars: human rights, the climate and biodiversity. In this section, we discuss the policy developments and goals for the UCITS and AIF funds.

Sustainability objectives of ASN Impact Investors

ASN Impact Investors has set a long-term goal for each of the sustainability pillars: climate, biodiversity and human rights. These objectives apply to all the ASN Beleggingsfondsen collectively.

Sustainability policy pillar	Long-term goal
Climate	<i>Beyond net zero</i> in 2030
Biodiversity	Net 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 workers in the value chain

Climate

Greenhouse gas emissions, in particular CO₂, are causing rapid global warming. This climate change is leading to more extreme weather conditions and increasing societal problems. Financial institutions contribute to climate change by financing activities linked to greenhouse gas emissions, such as power plants, industry, transport and large-scale agriculture and livestock farming.

Beyond net zero

ASN Impact Investors wants to minimise climate change and keep it within safe limits. Accordingly, in 2018, we set the goal of ensuring that the total package of investments by ASN Impact Investors is climate positive by 2030. In 2022, we decided to replace the term 'climate positive' with *beyond net zero*. The term *net zero* is used frequently in the financial world. By choosing to go *beyond net zero*, we are aligning with widely used terminology and emphasising our ambition to remove more CO₂ from the atmosphere than we emit.

There are still very few investment opportunities that have a positive impact on the climate. In addition, the methods required to measure the positive impact of investments are still being developed. Accordingly, in this report, not only are we reporting on our 'beyond net zero' objective, we are also still reporting on progress towards our previous objective: by 2030, all investments by ASN Impact Investors will be climate neutral overall. To measure the positive impact of investments, in conjunction with Guidehouse, we have developed a measurement method to calculate the positive impact of investments in ASN Biodiversiteitsfonds N.V. As a result, we can now provide, for the first time, an indication of progress towards our 'beyond net zero' goal.

ASN Impact Investors is climate neutral if its emissions are less than or equal to its avoided emissions. Investments that remove CO₂ from the atmosphere contribute to the 'beyond net zero' goal. We calculated the 'climate neutral' percentage by dividing the avoided emissions by the actual emissions emitted. We also divided the emissions removed from the atmosphere by the actual emissions emitted. The result is our 'beyond net zero' percentage.

Climate impact

We calculate the emissions or avoided emissions for all our investments. For ASN Biodiversiteitsfonds N.V., where possible and where applicable, we also calculate emissions removed from the atmosphere.

Changes in CO₂ reporting in 2022 compared with 2021

There has been a change in the way CO₂ emissions are reported in this annual report compared with the previous annual report: the CO₂ emissions of the ASN Biodiversiteitsfonds have been added.

In this report, we are reporting on the climate impact of investments by ASN Biodiversiteitsfonds N.V. for the first time. These figures fall under the ASN Impact Investors objective and are part of the overall figures. The PCAF methodology is the basis for calculating the impact figures. The PCAF database contains numerous impact factors for a range of activities. This database is used to attribute the impact to the different investments. Where investments already produce their own

reports on their climate impact, we use this information as a starting point. A new aspect of the calculations is the removal of CO₂ emissions. Calculating carbon removal is not yet possible for every investment. At present, we are only performing this calculation for agroforestry investments. Scientific articles are used to supply the figures used to calculate the removal of CO₂ emissions.

Progress towards the CO₂ objective

The ASN Beleggingsfondsen 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 Beleggingsfondsen. For the first time, the figures for CO₂ emissions as at 31 December 2022 also include the CO₂ emissions and avoided emissions for the new ASN Biodiversiteitsfondsen N.V., as well as CO₂ absorption by the fund.

CO ₂ emissions for AIF and UCITS funds in tonnes ¹	Emissions 31/12/2022	Avoided emissions 31/12/2022	Absorption 31/12/2022	Emissions 31/12/2021	Avoided emissions 31/12/2021
ASN Beleggingsfondsen UCITS N.V.	714,208	-19,975		694,963	-18,886
ASN Beleggingsfondsen AIF N.V.	54,364	-180,372		49,593	-194,970
ASN Biodiversiteitsfondsen N.V. ²	1,811	-217	-22,939		
Total ASN Beleggingsfondsen	770,382	-200,564	-22,939	744,556	-213,799
Percentage climate neutral	26%			29%	
Percentage Beyond net zero ³			3%		

1 CO₂ emissions in tonnes are the emissions for one year.

2 PCAF does not yet have a standard method for attributing CO₂ absorption to investments. There is often a lack of accurate data for calculating CO₂ absorption. To enable us to make a start on control and reporting, we performed an initial global estimate for ASN Biodiversiteitsfondsen N.V. based on the published method (<https://beleggingsfondsen.asnbank.nl/fondsen/asn-biodiversiteitsfondsen.html>). These results gave us an initial impression of the possibilities of this fund in relation to major societal issues such as climate change and preventing biodiversity loss.

3 The beyond net zero percentage shows the percentage of CO₂ absorption for the ASN Biodiversiteitsfondsen relative to the CO₂ emissions for the ASN Beleggingsfondsen.

2022	CO ₂ emissions	Avoided CO ₂ emissions	Change in CO ₂ emissions relative to 2021	Change in avoided CO ₂ emissions relative to 2021
ASN Duurzaam Aandelenfonds	341,661		3%	
ASN Duurzaam Small & Midcapfonds	120,100		23%	
ASN Milieu & Waterfonds	249,409		-5%	
ASN Duurzaam Obligatiefonds	3,039	-19,975	-24%	-6%
Total	714,208	-19,975	3%	-6%

2021	CO ₂ emissions	Avoided CO ₂ emissions		
ASN Duurzaam Aandelenfonds	331,520	-		
ASN Duurzaam Small & Midcapfonds	97,272	-		
ASN Milieu & Waterfonds	262,178	-		
ASN Duurzaam Obligatiefonds	3,991	-18,829		
Total	694,963	-18,829		

There were considerable changes among the UCITS funds. In total, the CO₂ emissions increased by more than 3% from 2021 to 2022, and the avoided CO₂ emissions increased by more than 6%. CO₂ absorption accounted for 3% of the total emissions.

The methodology for measuring the CO₂ impact of investments and loans is constantly evolving. At the same time, the quality of the data used is constantly improving. As a result, the calculated CO₂ impact may be adjusted in the future (with retroactive effect) if better data become available.

Biodiversity

Biodiversity is under threat. 2022 once again saw the publication of disturbing reports about the climate and the loss of biodiversity. We have experienced these issues in the Netherlands, particularly through the nitrogen crisis and more extreme weather events. Because of our way of life, we are extracting more resources from nature than nature can restore. Diversity in nature can help mitigate the harmful effects of climate change. ASN Impact Investors intends to make every effort to contribute to the protection and improvement of biodiversity. Our aim is that all the assets under our management will have a net positive effect on biodiversity by 2030. To achieve this, we launched a new fund in 2021: ASN Biodiversiteitsfonds N.V. The objective of this fund is to promote the recovery and protection of biodiversity.

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 partially be expressed in monetary terms. For many, biodiversity has an intrinsic value sufficient to legitimise its protection. Through ecosystems, biodiversity provides services that have economic, aesthetic, religious and cultural values for people, such as the production of oxygen, water purification, food, fuel, raw materials, medicine, protection and recreation.

In the ecosystems that provide these services, a fragile balance exists between the various animals, plants and microorganisms. This is why protecting biodiversity is important. Protecting biodiversity and ecosystems is not only desirable from a moral point of view, but also necessary from an economic point of view, given that many products and services rely heavily on biodiversity.

As part of our biodiversity goal, we measure our impact on biodiversity. We developed our measurement method in collaboration with consultants Pre Sustainability and CREM. It provides an insight into the positive and negative impacts on biodiversity of our investments and lending. We published our positive and negative impacts for 2022 in our Impact Report, which can be found at www.asnimpactinvestors.com under *Documenten* (Documents). The 2022 Impact Report will be published in the second quarter of 2023.

Human rights

ASN Duurzaam Aandelenfonds and ASN Duurzaam Small & Midcapfonds invest in clothing companies. Those who invest in a company are able to influence its policies and practices. The clothing companies in the ASN Investment Universe meet our sustainability criteria, but they do not yet ensure that textile workers receive a living wage.

We want clothing companies to become more aware of the structural underpayment of the people who make clothes. We 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 task. It is usually the suppliers that pay the workers' wages, not the clothing companies. These factories want to stay competitive in a competitive market; they offer prices that barely cover costs and that therefore do not allow for payment of a living wage. Accordingly, ASN Impact Investors has formulated a living wage objective: by 2030, the clothing sector will have implemented the necessary processes to enable a living wage to be paid to workers in its supply chains.

Investigating clothing companies

After formulating its living wage objective, in 2016, ASN Impact Investors started investigating clothing companies by measuring whether they enabled the payment of a living wage. The investigation revealed that this was not the case for any of the clothing companies in the ASN Investment Universe. In 2017 and 2018, we worked with the international accounting firm Mazars to devise a more professional methodology for measuring the living wage. Since then, the methodology has been better aligned with the United Nations Guiding Principles for Business and Human Rights and the associated Reporting Framework. In 2020, we developed the methodology further. Until then, companies had been classified in four categories; from 2020 onwards, there are five. We divided the *leading* category into *advanced* and *leading*. This allows us to better identify the leaders. Mazars provides annual independent assurance in which it determines that we have carefully applied the methodology. We received this assurance again in 2022.

The first measurements we performed mainly concerned the question: does the company have a living wage policy? Using the existing methodology, we also assessed the implementation of that policy in practice. For each company, we asked eight questions, such as: to what extent does the company integrate its living wage policy into its operations? What is the

impact of this on textile workers? How transparent is the company about the living wage? Answers to these questions led to the classification of the companies into five categories: from *embryonic* (the company does little or nothing in the way of a living wage) to *developing*, then *maturing* (the development is progressing), *advanced* (the development is nearing completion) and finally *leading*. Hennes & Mauritz and Puma are the only two companies in the 'advanced' category. Most of the companies – ten in total – are in the 'maturing' category. Puma, Coats Group and Kontoor made the biggest improvements in 2022. No company was moved down to a lower category in 2022. In 2021, Kontoor was the only company still in the 'embryonic' category. In 2022, it made significant progress and was moved into the 'developing' category. We have engaged more intensively with Kontoor. The company has been open to this engagement and has made a serious commitment to work towards a living wage.

Step-by-step plan to achieve a living wage

The living wage objective is for all clothing companies to be in the *leading* phase by 2030. To achieve this objective, ASN Impact Investors has created a step-by-step plan showing the progress that clothing companies must make between now and 2030. The step-by-step plan is as follows:

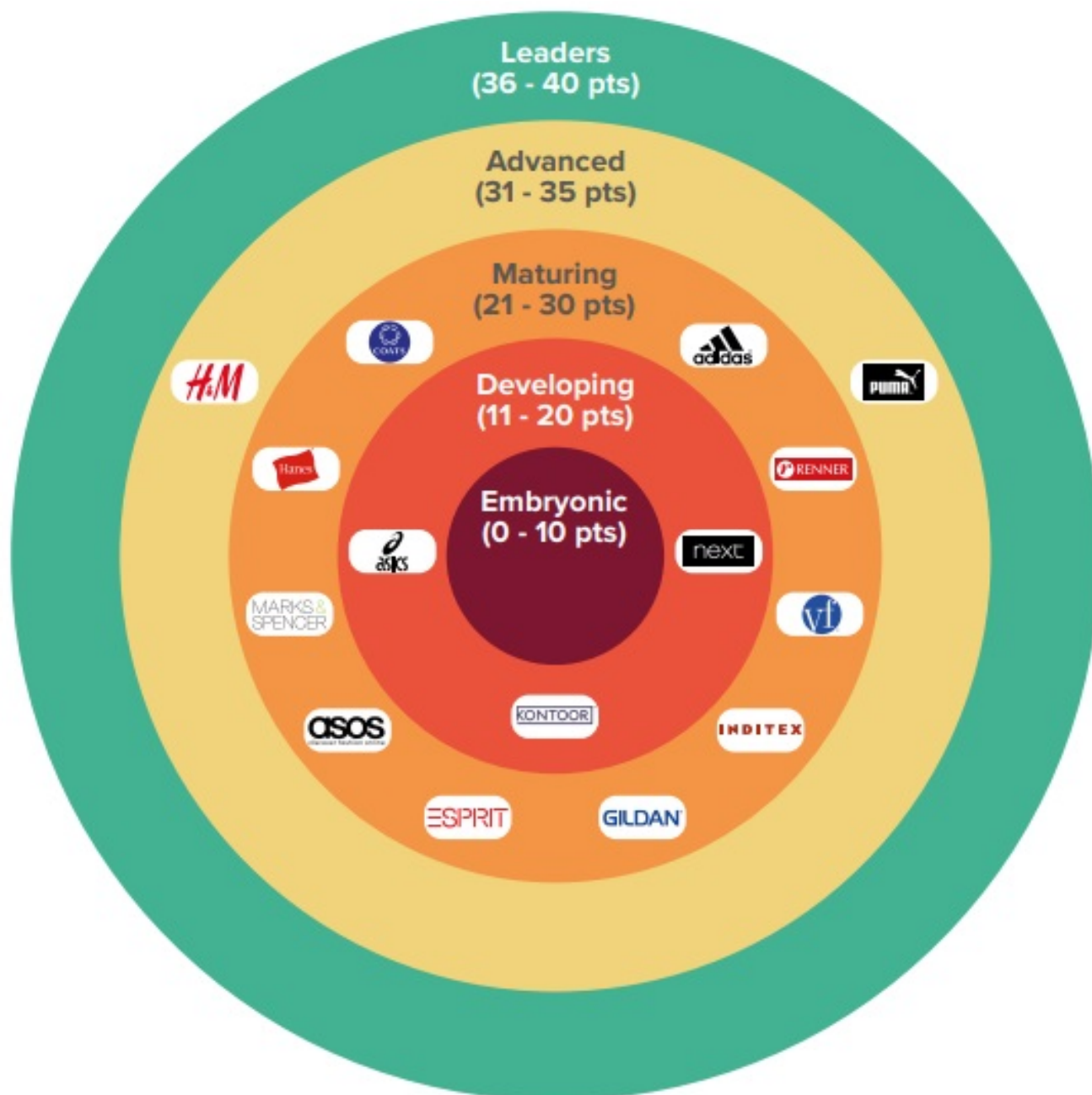
- 2021–2024: all clothing companies are in the *developing* phase or higher.
- 2024–2027: all clothing companies are in the *maturing* phase or higher.
- 2027–2030: all clothing companies are in the *advanced* phase or higher.

If a clothing company does not meet the above requirements, there are two options:

1. We will decide to immediately sell our stake in the company concerned.
2. We will start intensive engagement. If this does not produce the desired effect in a timely manner, we will sell our stake.

Progress towards the living wage objective in 2022

Below, you can see the outcomes of the annual measurement that appeared in the Living Wage Report 2022, which was published in October. The investigation results provide a good foundation for in-depth discussions, including around companies' future ambitions. As a result of the report and the individual company assessments, we spoke to eight of the clothing companies in our investment universe in 2022. We will be speaking to the other companies in 2023.



We engage with companies as a participant in the Platform Living Wage Financials (PLWF), which ASN Bank established with Triodos IM and MN. The platform now has 19 members, with combined invested assets of €6.500 billion.

Sustainable investment policy developments

We are committed to a sustainable and just society, in which people are free to make their own choices, without harming others. A society without poverty, in which everyone has access to education, good housing and medical care.

On behalf of the funds, we invest only in companies, governments, green bonds, microfinance institutions and projects which contribute to a sustainable society and which are also financially sound. Our sustainability policy is laid down in policy documents, which set out the sustainability criteria for the selection of all loans and investments. The policy for each pillar of the sustainability policy – climate, biodiversity and human rights – is elaborated in a separate policy document. The full sustainability policy can be found on our website under Duurzame keuzes (Sustainable choices).

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

- **Sustainable energy**

This policy lists the sustainable energy technologies we can invest in and the ones we cannot invest in or can only invest in on certain conditions. Sustainable energy technologies are technologies that use renewable energy sources in a sustainable way. The policy has been expanded to include manure fermentation, batteries and checking for involvement in the use of forced labour by Uyghurs. This requires us to assess whether companies are directly involved in the use of forced labour by Uyghurs.

- **Pornography**

We exclude the production of pornography. The policy has been expanded; we now also apply a limit of 5% of turnover for broadcasting pornography: a company that derives 5% or more of its turnover from broadcasting or publishing pornography will be excluded.

- **E-commerce**

We have developed a new policy for selecting companies operating e-commerce platforms. E-commerce platforms are online platforms that match up demand for goods and services with supply. Some e-commerce platforms also have physical shops, and there are physical shops that have an e-commerce platform. This policy document deals with companies that sell the majority of their goods and services via an e-commerce platform; we consider a company to be an e-commerce platform if it generates more than half of its total turnover via that platform. We have developed criteria regarding data, privacy and transparency, transport policies, returns policies and packaging material, among other matters.

- **Consumer safety**

This policy sets out our general approach to assessing products, in particular products that could have a harmful effect on the health of consumers. In 2022, we updated this policy and added a section on salt, fat and sugar.

- **Voting policy**

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. We have expanded our voting policy. From 2023, if companies still do not have climate objectives, we will vote against the annual report, the annual financial statements, the auditor's report, the Board and share buybacks.

Application of the sustainability policy

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

Sustainability research and selection

The selection of entities for the ASN Investment Universe is a thorough, careful process, which is based on in-depth sustainability research. By entities, we mean:

- companies that currently belong to the ASN Investment Universe or qualify for inclusion in it; the investments of the equity funds (ASN Duurzaam Aandelenfonds, ASN Milieu & Waterfonds, ASN Duurzaam Small & Midcapfonds and ASN Biodiversiteitsfondsen) are selected from among the approved companies;
- governments that currently belong to the ASN Investment Universe or qualify for inclusion in it; the investments of the ASN Duurzaam Obligatiefonds are selected from among the approved governments;
- *green bonds*, *social bonds* and *sustainable bonds* that qualify for investment by the ASN Duurzaam Obligatiefonds and ASN Biodiversiteitsfondsen N.V.

The team of analysts at ASN Bank's Expertise Centre for Sustainability (Expertise Centrum Duurzaamheid, ECD) conducts sustainability research into companies, governments and green, social and sustainable bonds on behalf of ASN Impact Investors. This research does not only concern the selection of new entities: the ECD also assesses whether entities that have already been selected still meet our sustainability criteria. Approved companies are reassessed at least once every four years on the basis of research by the ECD. If specific information indicates that a company should be re-examined sooner, the review will be brought forward. Governments are reassessed every two years. Green, social and sustainable bonds are assessed upon admission.

The ECD's analysts analyse the information collected and make a recommendation to ASN Impact Investors. The recommendation is discussed by the Investment Committee.

Investment Committee

The Sales and Portfolio Management Director, the Head of Portfolio Management, the Biodiversiteitsfondsen Manager, the SRI Funds Manager and the Sustainability Manager have voting rights in the Investment Committee of ASN Impact Investors. The Investment Committee has the decision-making power to approve or reject entities for the ASN Investment Universe. This is the collection of entities from which the investments for the funds are selected. The Investment

Committee prepares the approval or rejection of entities based on advice from the ECD. The Investment Committee met six times in 2022.

Following approval by the Investment Committee, an entity is included in the ASN Investment Universe. Changes to the ASN Investment Universe are made by: 1. admitting new entities; or 2. removing entities following a re-examination, takeover or bankruptcy. Of course, if we retain entities after re-examination, the ASN Investment Universe will not change.

More information about the ASN Investment Universe can be found on the Duurzame keuzes (Sustainable choices) page on our website.

Companies

For the selection of companies, we base our assessment on information provided by the companies concerned 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.
- EIRIS Vigeo – helps us assess whether activities meet our weapons criterion.
- RepRisk – collects news reports about businesses.
- MSCI – determines the impact of business activities on the environment and climate.

In the reporting period, we screened 117 companies because they were due for re-examination or were new. As of 31 December 2022, a total of 393 listed companies met our sustainability criteria. This is six more than on 31 December 2021. Fourteen 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.

Governments

During the reporting period, we once again screened the countries we invest in. This did not result in any changes in the investment universe of the ASN Duurzaam Obligatiefonds.

Green, social and sustainable bonds

For the selection of green bonds, the ECD's analysts assessed bonds against our criteria for green bonds. During the reporting period, we admitted 33 green bonds and approved 5 *green bond frameworks*. A green bond framework is a standard that describes the conditions which the underlying loans must meet. We also re-assessed four green bond-issuing institutions. All four were re-approved.

Engagement

We engage in dialogue with listed companies in the ASN Investment Universe. We ask companies to make their policies and activities more sustainable and to provide clarification in case of potential misconduct. Misconduct often concerns violations of human rights but can also occur in relation to environmental and governance issues. We report on our engagement with companies in the reports on the management of the ASN Duurzaam Aandelenfonds, ASN Milieu & Waterfonds and ASN Duurzaam Small & Midcapfonds. We also report on this topic on our website, on the Duurzame keuzes (Sustainable choices) page.

This webpage also contains information on how we implement strategic engagement in practice. We pursue strategic engagement with approved companies in a sector when we have established that a lot is going wrong in the sector. We aim to achieve positive changes in the sector and at the companies involved. In 2022, we pursued strategic engagement with companies in the pharmaceutical and clothing sectors. We also started engagement relating to biodiversity and the climate. We reported on our engagement with companies in the clothing sector earlier in this section, under the *Sustainability objectives of ASN Impact Investors* heading in the *Human rights* section. Below, you can read about our engagement with companies in the pharmaceutical sector and our engagement on biodiversity and the climate.

Dialogue with the pharmaceutical sector

Pharmaceutical companies produce medicines and are consequently indispensable to human health and well-being. We are therefore pleased 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 misconduct in these companies. The sector is so important that we continue to invest in it, but we feel that it is necessary to address the misconduct.

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 with Sustainalytics to create a scorecard to measure the progress of these six companies. We shared our scorecards with the companies, and we also published them.

Engagement on biodiversity and the climate

Climate change is becoming increasingly visible and is having a major impact on biodiversity. Biodiversity is under pressure, and biodiversity loss is growing every year. Biodiversity and climate change are closely linked. That is why we decided to raise the topic with every company in our investment universe. We have provided information to all the companies in our investment universe whose contact details are available, on the importance and urgency of biodiversity and combating climate change and the significant extent to which humans depend on biodiversity. In 2023, we will embark on an intensive engagement process with a select group of companies in our portfolios that are having a major negative impact.

Engagement with regard to forced labour by Uyghurs in the production of solar panels

Since 2021, disturbing reports have 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. These factories primarily produce solar panels, clothing and electronics.

As soon as these reports emerged, we investigated all the companies in our investment universe that 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 engaged in dialogue with companies in the clothing and electronics sectors. In 2022, this led to the removal of Samsung Electro-Mechanics from the investment universe.

In 2021, we identified the solar panel producers with which we might be doing business through the financing of solar farms by the ASN Groenprojectenfonds. We repeated this exercise in 2022 and identified several new solar panel suppliers. We spoke with these companies to seek reassurance that they are not directly involved with forced labour by Uyghurs and that they engage in dialogue with their suppliers. By raising the issue with the companies, we hope to bring this misconduct to an end.

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Voting

The ASN Beleggingsfondsen have the right to vote at shareholders' meetings of the companies in which they 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 these companies on behalf of the funds. We exercise our voting rights based on our mission and sustainability criteria. The principles underpinning our votes are set out in the ASN Impact Investors sustainable voting policy.

In the reporting period, we voted at 203 shareholders' meetings of 182 companies across the globe, in line with our sustainable voting policy. Some companies hold multiple shareholders' meetings each year, which explains why the number of meetings attended is larger than the number of companies. At the 203 meetings, we voted on 2,936 motions. We voted in favour of 2,685 motions and against 247 motions and abstained from voting 4 times.

We usually voted against the remuneration of directors. We believe it is important that companies assess their directors not just 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. This will encourage sustainable behaviour.

We also voted against director appointments where the diversity and independence of the Board of Directors were not sufficiently assured. This issue mainly arose with European and Asian companies.

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.

More information about the voting behaviour of the ASN Beleggingsfondsen at shareholders' meetings can be found at www.asnimpactinvestors.com.

Sustainable Development Goals (SDGs)

The United Nations Sustainable Development Goals¹ (SDGs) provide a common language for talking about sustainable, social development, making them critically important for a global sustainable development agenda. The SDGs aim to reduce poverty, reduce inequalities, address climate change and protect natural resources by 2030. ASN Impact Investors endorses the importance of these objectives for a global sustainable development agenda.



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. Because we have been using international standards as the starting point for our sustainability policy for over a quarter of a century, there are many similarities between our policy and the SDGs. In principle, these goals are set for countries. By focusing on the targets, they also provide guidance for our investment funds.

Realisation of the SDGs through our sustainable investment policy

We work towards the realisation of the SDGs in two ways:

1. Do no harm: we exclude all activities that could be harmful to people, the climate or nature. If harmful effects do occur, we work to mitigate them. This is the basis of our policy, enabling us to contribute to the SDGs, because a positive impact starts with a reduction of the negative impact. In other words, we believe that a positive contribution to sustainable development begins by excluding activities that have a negative impact on the SDGs. Our sustainability policy therefore contains exclusion criteria for activities such as the arms trade, deforestation, activities that violate animal welfare and the use of fossil fuels. The SDGs pay little to no attention to such issues.

2. Net positive impact: with our long-term goals for the climate, biodiversity and a living wage and our engagement efforts in the pharmaceutical field, we are creating a net positive impact. In the context of our climate goal, we measure our impact on the climate. As part of our biodiversity goal, we strive to minimise our negative impact. With our living wage goal, we are committed to the right to a living wage in the textile industry. Our engagement with the pharmaceutical industry should contribute to fair pharmaceuticals.

The charts below show the SDGs to which our long-term climate and biodiversity goals and our engagement efforts in the areas of living wages and pharmaceuticals contribute.

¹ <https://www.un.org/sustainabledevelopment/sustainable-development-goals/>

Contribution of long-term goals to SDGs

Contribution of the long-term climate goal



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



Contribution of the engagement for fair pharmaceuticals



Contribution of the long-term biodiversity goal



1.9 Risk management

ASN Beleggingsfondsen UCITS N.V. invests shareholders' funds on their behalf and at their risk. To ensure that shareholders are informed as fully as possible, all the known risks to which the UCITS funds are exposed are described in the ASN Beleggingsfondsen UCITS N.V. prospectus.

Risk management is the responsibility of the manager, ASN Impact Investors. The risk management function at ASN Impact Investors is structured and organised in compliance with the applicable laws and regulations.

Our risk management is based on the 'Three Lines of Defence' model. In this model, different parts of the organisation have their own tasks and responsibilities in managing risks. The three lines of defence support and strengthen one another.

- The first line is the 'line organisation'. The first line is responsible for operational management tasks, and in that sense is responsible for the risks and the management of those risks.
- The second line is formed by the corporate support departments of ASN Impact Investors and of parties related to us. These departments, which include the Risk Management and Compliance departments, are independent of the first line and assess whether the management of risks satisfies the policy principles of ASN Beleggingsfondsen UCITS N.V., ASN Beleggingsfondsen AIF N.V. and ASN Impact Investors. They also advise our Board of Directors on matters of internal control.
- The De Volksbank Internal Audit department forms the third line. This department, which operates entirely independently of the first and second lines and the management of ASN Impact Investors, assesses the quality of the internal control.

In risk management, we identify financial risks and non-financial risks. These risks and their management are explained in the remainder of this section.

Financial risks

In our risk management, we have identified the financial risks described below. Because the policies and methods of risk mitigation differ from fund to fund, the main financial risks for each fund, as well as the relevant policy and the method of risk mitigation, are summarised in sections 2.1 to 2.4. Section 1.10 provides insight into the market developments that affected the risks during the reporting period.

The financial statements of ASN Beleggingsfondsen UCITS N.V. also provide insight into risks that occurred during the reporting period.

Market risk

Market risk is the risk that the value of an investment could rise or fall as a result of fluctuations in external factors such as exchange rates (currency risk), interest rates (interest rate risk) and market prices (equity market risk). Market risk varies by asset class. It is possible for the value of investments to fall throughout the market or in certain regions and/or sectors. The degree of diversification of investments across regions and sectors and/or in the choice of individual investments affects the sensitivity to market risk. One way of expressing the market risk of a fund is through the Value at Risk (VaR) measure. Under normal market conditions, the VaR technique provides an indication of the highest possible loss value of the respective fund, with a 99% probability that this loss value will not be exceeded.

Interest rate risk

Interest rate risk arises from investments in fixed-income securities. It is the risk that changes in interest rates in the financial markets will adversely affect a fund's earnings and assets. The ASN Duurzaam Obligatiefonds invests in fixed-income securities. As a result, the fund is exposed to interest rate risk, in absolute terms and relative to the relevant benchmark. Within the funds, sensitivity to interest rate risk is measured by the 'modified duration'. Where considered relevant by the manager, modified duration limits have been set for the funds in order to manage the interest rate risk.

Equity market risk

The equity market risk is the risk that one or more of the investments in equities may fall in value due to the dynamics of the stock market. The equity market risk also depends on the regions and sectors in which investments can be made.

To mitigate market risk, for each fund:

- there is a determination of the maximum exposures allowed for specific regions and/or sectors (see also the section on concentration risk);

- an internal VaR limit is set, if the manager considers this relevant.

Currency risk

Currency risk is a specific form of market risk. The value of investments in financial instruments is influenced by developments in exchange rates for the currencies in which the investments concerned are denominated, if this is not the euro. To mitigate currency risk, it is determined for each fund which currencies are permitted and whether non-euro currencies should be fully or partially hedged.

Concentration risk

Concentration risk is closely related to market risk. It is the risk of a decrease in the value of funds due to a concentration of investments in certain financial instruments, sectors, countries and regions. With a high degree of concentration, specific events may have a greater impact on the value of a fund than they would with a lower degree of concentration.

Concentrations within a fund may result from market developments, investment policies and guidelines, and/or the size and composition of the investment universe. A smaller investment universe offers less scope for diversification than a larger universe.

To mitigate concentration risk and thus sensitivity to market risk (see above), the manager determines for each fund (where deemed relevant) what concentrations in financial instruments, sectors, countries and regions are permitted.

The investment portfolio of each fund is shown in section 4. This provides insight into the individual investments and the distribution of investments across countries and sectors.

Inflation risk

Inflation risk arises from changes in a country's level of inflation. This has an effect on various financial instruments, especially investments in fixed-income securities. Inflation risk is included in some of the other risks mentioned above, such as interest rate risk.

Credit risk

Credit risk is the risk that a borrower or counterparty will be unable to meet its interest and repayment obligations, thereby adversely affecting a fund's assets and returns.

Credit spread risk

Credit spread risk is a specific form of credit risk. This is the risk that the value of fixed-income securities will fluctuate due to changes in the credit risk premiums (credit spreads) applicable to them. Credit spreads are influenced by positive or negative developments in the creditworthiness of debtors – that is, the companies, institutions and governments that issue these fixed-income securities.

Various rating agencies assess the creditworthiness of companies, institutions and governments. The assessed creditworthiness is influenced by factors that apply to a particular company, institution or government and by factors that apply to a particular sector or region. Less favourable earnings prospects for a sector can negatively affect the credit rating assessment of all companies in that sector.

Credit spread risk primarily affects the funds that invest in fixed-income securities. The ASN Duurzaam Obligatiefonds invests in fixed-income securities.

Bankruptcy risk

Bankruptcy risk is a specific form of credit risk. With credit spread risk (see above), developments in credit risk premiums affect the market value of investments in fixed-income securities. It is also possible that, due to specific applicable factors, a debtor may no longer be able to meet its interest and repayment obligations, but this may not be adequately reflected in the credit risk premium. This is called bankruptcy risk. It can result in the loss of the entire market value of the financial instrument.

Payment risk or settlement risk

This form of credit risk occurs in the settlement of transactions in financial instruments. It is the risk that a settlement through a payment system may not take place as expected, because the payment or delivery by a counterparty of the sold or purchased financial instruments either does not take place or does not take place on time or as expected. Transactions for the sale and purchase of financial instruments usually generate only very short-term receivables. As a result, the risk is usually limited, given that delivery is made against almost simultaneous receipt of the consideration.

Transfer risk

Transfer risk is a specific form of credit risk. This is the risk that the value of investments and/or the returns of the funds will be adversely affected by restrictions or barriers to transferring credit balances from abroad.

Liquidity risk and marketability risk

Liquidity risk is the risk that a fund will not have sufficient cash and cash equivalents to meet its short-term financial obligations in a timely manner, without incurring unacceptable costs or losses. This risk is related to the size of the fund and individual positions (of investors) compared to the size and marketability of the fund's investments. The funds invest primarily in financial instruments listed on official regulated markets, mostly in 'developed' countries. In general, therefore, the marketability of the underlying financial instruments is such that sales and purchases can be made in a timely manner.

The manager reduces the liquidity and marketability risk using an appropriate liquidity management system, consisting of procedures to control the liquidity risk of the funds. The aim is to align a fund's liquidity with its underlying obligations.

Asset return risk

Asset return risk is the risk that a fund's return will deviate from the return of the fund benchmark. Fluctuations in the value of the financial instruments in which the funds invest may differ, positively and negatively, from those included in the fund's benchmark. The funds do not have the relevant benchmark as a starting point for the portfolio. Due to the sustainable selection, a fund's investments may differ significantly from the benchmark. The 'tracking error' indicates the extent to which the fund's return differs from the benchmark's return.

Umbrella risk

This risk relates to the risks arising from the fact that the investment funds form part of an umbrella structure. ASN Beleggingsfondsen UCITS N.V. is subdivided into funds that come under the same legal structure (the umbrella). The umbrella has undivided assets, so the negative equity balance of one fund may affect the other funds under the umbrella. This mainly applies in the case of distributions and in the event of a fund's dissolution or liquidation. In these scenarios, any negative equity balance of a fund may be borne by the other funds. Given the nature of the funds' investments and investment policies, the likelihood that such a situation could occur is, in principle, very small. The investments of most funds are funded exclusively with equity. Risk mitigation measures applicable to the attraction of loan capital should reduce this umbrella risk.

Another component of the umbrella risk is the fiscal investment institution (FII) status applicable to the funds. If individual funds cannot meet the requirements for this status, there may be consequences for the FII status of the other funds under the umbrella.

Non-financial risks

In our risk management, we have identified the non-financial risks described below. Because the materialisation of these risks applies generally to the various ASN Beleggingsfondsen and/or the risks mainly occur at the level of the manager (ASN Impact Investors), this section also discusses the materialisation during the reporting period.

Tax and legal risk

The legal and tax treatment of the funds may change beyond the control of the funds or the manager, with adverse consequences for the funds and the funds' shareholders. In addition, changes in the legal and/or tax status of the shareholders or relevant changes in local legislation and its interpretation may have a substantial impact on the tax position of shareholders.

Risk of change in tax regimes

Broadly speaking, the risk of change in tax regimes refers to the fact that a public authority may alter tax legislation in a manner that is unfavourable for a fund. This could have a negative impact on the value of the investment portfolio and/or the value of a fund's assets. Changes to the law or to the interpretation of the law cannot be ruled out, and they may be applied with retroactive effect. It is possible that additional taxes could become due as a result, including withholding tax in relation to dividends or interest that have become payable but were not foreseeable when the prospectus was published or at the time of purchase, valuation or sale. This risk increases as a fund invests more in countries with less stable governments and fewer democratic procedures in relation to the passing of legislation, particularly tax legislation. All the funds invest predominantly in countries where these less favourable external factors are not applicable. Nonetheless, the risk of change in tax regimes, including the Dutch tax regime, applies to all investments in all countries.

Risk of non-retention of status as a fiscal investment institution

ASN Beleggingsfondsen UCITS N.V. has the status of a fiscal investment institution in accordance with Section 28 of the Corporation Tax Act 1969 (Wet op de vennootschapsbelasting 1969). Any profits are consequently taxed at 0%. Conditions

are attached to the status of a fiscal investment institution. Each fund must satisfy these conditions separately. If the funds do not meet one of the conditions, this will result in the loss of the status of a fiscal investment institution with effect from 1 January of the year in which the conditions are no longer met. If a fund fails to fulfil the dividend payment obligation, or fails to do so in a timely manner, the company will lose this status with effect from the year to which the dividend payment obligation applies. The loss of status as a fiscal investment institution will result in the funds becoming subject to corporate income tax at the standard rate. In addition, reserves created for a specific purpose will be subject to taxation. There is an increased risk in the case of listed investment funds, since there is no clear picture of who all the shareholders in the fund are.

Risk of erosion of fund assets

By virtue of its status as a fiscal investment institution, ASN Beleggingsfondsen UCITS N.V. must distribute its entire taxable profit to its shareholders every year. The taxable annual profit may differ from the profit calculated in accordance with the rules governing the preparation of the statutory financial statements. In addition, under certain circumstances, a fund may pursue a policy that provides for the distribution of dividends greater than the annual result. As a consequence, it is possible that a dividend distribution may cause the assets of one or more funds to decrease by more than the amount of the annual profit. This risk is limited by an active reinvestment policy being pursued by the funds.

FATCA/CRS risk

ASN Beleggingsfondsen UCITS N.V. must comply with the US Foreign Account Tax Compliance Act (FATCA), the Common Reporting Standard (CRS) and the associated provisions incorporated into Dutch law. One of these provisions is that it must be possible at all times to determine the status of shareholders under FATCA or Dutch law. To this end, the company may request documentation from shareholders. If the manager does not comply with FATCA, the fund will be subject to US withholding tax on its investments, which could affect the value of the fund.

Tax deduction risk

If tax-exempt parties or non-residents join a fund, this may affect the fund's return. ASN Beleggingsfondsen UCITS N.V. may not apply the deduction to any foreign withholding tax for these parties.

<i>Risk</i>	<i>Risk appetite</i>	<i>Impact</i>	<i>Materialisation</i>	<i>Control</i>
Tax and legal risk	Low	High	Tax and legal risks did not have a negative impact on the funds during the reporting period.	ASN Impact Investors holds frequent consultations with its legal and tax advisors.

Compliance risk

Compliance risk is the risk that consequences of existing or amended laws and regulations are not recognised, or are not recognised in time, resulting in breaches of those laws and regulations. In addition to the external aspect of compliance risk, there is also an internal aspect. This is the risk of not complying with internal rules or policies, or not complying with them in a timely manner.

Integrity risk

Integrity risk is a specific form of compliance risk. It relates to damage to the reputation, assets or results of ASN Impact Investors as a consequence of non-compliance with internal or external laws and regulations. The culture and behaviour of employees, customers and parties with whom we do business play an important role. We will not tolerate actions that violate our core values, the code of conduct or legal requirements. In certain countries and regions where the funds invest, there is a higher risk of integrity risks, including the risk of involvement in money laundering. We have a specific money laundering risk policy and associated procedures in place to mitigate these risks as much as possible.

Fraud and corruption risk

Fraud and corruption risk is a specific form of compliance risk. Fraud and corruption can affect the reputation, assets and/or results of the ASN Beleggingsfondsen and/or ASN Impact Investors. Certain countries and regions have higher risks of fraud and corruption. We have a fraud and corruption policy and associated procedures in place to mitigate these risks as much as possible.

Risk	Risk appetite	Impact	Materialisation	Control
Compliance risk	Low	High	Compliance risks did not have a negative impact on the funds during the reporting period.	Partly through application of integrity policies (including monitoring compliance with Sanctions legislation) and customer acceptance policies, and by making use of a compliance officer.

Operational risks

Operational risk is the risk of fluctuations in the size and performance of the funds due to inadequate or deficient internal management of processes and systems. The portfolio managers take financial risks within the defined constraints in order to realise returns. When making an investment decision, they balance the risk against the expected return. The balancing of risk and return does not apply to operational risk. ASN Impact Investors and the funds have a low appetite for operational risk.

Process risk

A specific form of operational risk is process risk. This is the risk of direct or indirect losses resulting from the inadequate or defective design, existence or operation of internal processes.

System risk

System risk is a specific form of operational risk. This is the risk of direct or indirect losses resulting from deficiencies in information technology (IT) systems for adequate, timely information processing and communication. We believe it is critical to have adequate IT systems in place to ensure the continuity and manageability of processes and services for the funds. Several measures are in place to mitigate system risks. For example, adequate backup and recovery systems are available in case of failure. Business continuity planning measures also mitigate system risks.

Valuation risk

This form of operational risk is the risk that the assigned valuation of the fund's investments cannot be clearly established. This may be due to inadequate information and/or imperfections in the valuation processes. This risk is low for the UCITS funds because they invest in listed equities and bonds. Investments are valued at fair value using market prices. If circumstances mean that a market price cannot be given for an investment, the valuation is determined on the basis of conventions applicable in the market.

You can read more about the valuation of investments in the *Accounting policies for the valuation of assets and liabilities* in the financial statements (section 3.4.1).

Risk	Risk appetite	Impact	Materialisation	Control
Operational risk	Low	High	There were no operational risks that negatively impacted the funds during the reporting period.	ASN Impact Investors monitors operational risks on the basis of its control framework. The effectiveness of the controls is independently reviewed on a monthly basis.

Outsourcing risk

This is the risk that the counterparty will fail to meet its obligations, despite agreements made in contracts with outsourcing contractors. We use various outsourcing contractors in the management of the ASN Beleggingsfondsen:

- We have outsourced the asset management and project advice for various funds to a range of asset managers and project advisers.
- The administration of and reporting on the funds are outsourced to BNP Paribas S.A, Netherlands branch.

We employ a system of policies and procedures in relation to this outsourcing. The principles and arrangements pertaining to this collaboration with outsourcing contractors are laid down in written agreements. A list of outsourcing contractors is included in section 3.7.

We have signed asset management agreements with the parties to which we have outsourced our asset management. These agreements contain details of the investment restrictions and formalise agreements about reporting and termination

of the arrangement. The investment restrictions consist of a detailed, practical implementation of our investment policy. Among other things, we monitor asset managers' ongoing compliance with applicable investment restrictions. We have implemented outsourcing procedures that include monitoring of the outsourced activities. For the outsourcing to asset managers and the fund administrator, monitoring is partly based on reports and 'in control statements' from the asset managers. We use assurance reports, such as ISAE 3402 reports, to establish whether the internal risk management of the relevant asset managers and the fund administrator is sufficient. The outsourcing agreements include provisions on liabilities between ASN Impact Investors and the relevant outsourcing contractor. ASN Impact Investors is authorised to terminate the asset management agreements at any time and either outsource the tasks to other competent institutions or perform them itself.

Risk	Risk appetite	Impact	Materialisation	Control
Outsourcing risk	Low	High	Outsourcing risks did not have a negative impact on the funds during the reporting period.	This includes applying outsourcing policies and monitoring the external managers and the fund administrator.

Custody risk

Custody risk is the risk of loss of assets due to, for example, insolvency or fraud at the entity where financial instruments are held in custody. This risk arises in relation to the appointed custodian (or sub-custodians, where applicable). We only use custodians and sub-custodians that operate under legal supervision.

Risk	Risk appetite	Impact	Materialisation	Control
Custody risk	Low	High	Custody risks did not have a negative impact on the funds during the reporting period.	ASN Impact Investors only makes use of custodians and subcustodians that operate under supervision.

Sustainability risks

Sustainability risk is the risk of the occurrence of an environmental, social or governance-related event or condition that could cause an actual or potential material negative impact on the value of an investment. ASN Impact Investors considers these risks in relation to the ASN Beleggingsfondsen. Depending on the type of investment, sustainability risks can lead to changes in market or credit risks. At present, there is still considerable uncertainty around how and to what extent sustainability risks will affect future returns.

We primarily mitigate the sustainability risks for the ASN Beleggingsfondsen (in part) by applying the ASN Sustainability Criteria. These criteria include detailed criteria for activities to be excluded and avoided, as well as limits that avoid or reduce the exposure to sustainability risks. Investments in activities that should be excluded or avoided usually do not qualify for inclusion in the ASN Investment Universe. For example, the ASN Beleggingsfondsen do not invest in companies involved in the exploitation, production and refining of fossil materials, as such investments, in addition to having a negative impact on people and the environment, may have an adverse effect on the financial return due to the energy transition. After investments have been assessed against the exclusion criteria, we conduct risk analyses of the impact of sustainability risks on the value of an investment and incorporate the findings thereof in the investment decisions. We consider ecological risks by assessing if, for example, investments are exposed to climate-related changes, such as an increased risk of forest fires or increased risk of water scarcity and drought. We consider social and governance risks by assessing whether companies are involved in any controversies relating to human rights in general and labour law in particular and by assessing companies' governance policy, with a particular focus on their anti-corruption policy. For this purpose, we use the analyses of ASN Bank's Expertise Centre for Sustainability. These analyses are based on indicators relating to respect for human and labour rights (as a proxy for industrial action and social unrest), the environment and governance.

We also mitigate the exposure to sustainability risks by ensuring diversification in the investment portfolio of the ASN Beleggingsfondsen by means of allocation limits and concentration limits. Concentration limits apply to countries and to the size of individual investments.

We continually evaluate and strengthen our framework and method for monitoring, assessing, mitigating and controlling sustainability risks. As more reliable data become available with which we can quantify the underlying risks, we will obtain an increasingly accurate picture of the specific sustainability risks to which the ASN Beleggingsfondsen are exposed.

Climate risk

We estimate that the greatest sustainability risks are currently caused by climate change, with a significant negative impact on the global economy and indirectly on the financial markets. Our climate objectives mean that the funds will be *beyond net zero* (on an aggregate basis) by 2030. The funds have an objective of reducing the CO₂ emissions of their investments in companies, countries, institutions and other parties. We measure the total CO₂ emissions, carbon footprint and carbon intensity of the investments in terms of actual CO₂ emissions and avoided CO₂ emissions. To this end, we use the methodology of PCAF (Platform Carbon Accounting Financials). We consider the climate impact, and hence the climate risks for the funds, to be below the market average. This is inherent to the sustainable investment vision and selection methodology we apply. However, the companies, governments and semi-public institutions in which the funds invest will likewise be confronted with the consequences of climate change. This may cause them to incur additional costs and/or lose sales. In general terms, we have concluded that, if climate change is limited or reduced, future returns will be better than if global warming is allowed to continue. We continually evaluate our system for measuring the climate risks affecting the funds and tighten it up where necessary.

Risk management by ASN Impact Investors

In our risk management, ASN Impact Investors differentiates between two areas of responsibility:

- financial risk management; and
- operational risk management.

Financial risk management

For each type of financial risk, we have defined measures to manage these risks. The measures may vary from fund to fund, based on the fund's strategy. We set appropriate risk limits for the selected measures for each fund, and we then monitor those limits to ensure the funds act within the set mandates. In principle, we monitor the risk limits on a daily basis. This involves calculating the control values for each fund, comparing them to the internal and external risk limits and escalating within the organisation any instances where the limits are exceeded. We set internal limits as warning levels to prevent external limits from being breached or further restrictions being imposed on the basis of other considerations (e.g. in respect of the investment universe). For most limits, we outsource the daily determination of positions in relation to applicable limits to the fund administrator, BNP Paribas S.A., Netherlands branch. As the manager of the funds, ASN Impact Investors receives daily *portfolio compliance* reports indicating any instances of internal or external limits being exceeded. We analyse these reports and follow up on any instances where limits were exceeded. Each month, the Risk & Compliance Committee of ASN Impact Investors is informed of all reported instances where limits were exceeded, including their status or resolution.

Operational risk management

The operational risk management policy includes the strategy and objectives for operational risk management and the processes we have in place to achieve the objectives. The objectives for operational risk management are:

- All major operational risks throughout the organisation are identified, measured, evaluated, prioritised, managed, controlled and addressed in a consistent and effective manner.
- We use appropriate, reliable risk management tools to support the manager's risk management reporting and decision making.
- All employees are responsible for managing operational risks in line with their roles and responsibilities.
- Key stakeholders receive timely confirmation that the organisation is managing the significant operational risks to its activities.

Business continuity plan (BCP)

In March 2020, the ASN Impact Investors Business Continuity Plan (BCP) was activated in response to the COVID-19 pandemic. Crisis consultations were initiated, with the Board of Directors of ASN Impact Investors in attendance. The aim of these consultations was to ensure the continuity of critical business processes. During the crisis consultations, potential risks to the above aim were identified and discussed. Where necessary, additional measures were taken to mitigate these risks. There were no significant incidents or stagnation in the business processes of ASN Impact Investors or in the services outsourced by ASN Impact Investors during the reporting period. In the first quarter of 2022, the Dutch government scaled back its COVID-19 pandemic measures. In response, the crisis consultation group deactivated the BCP.

1.10 Economy and financial markets in 2022 and outlook

Economic developments

In early 2022, Western economies were rebounding rapidly, fuelled by the pent-up demand released when many COVID-19 measures were scrapped. The US economy was firmly in growth mode. This was partly caused by the fact that, due to extremely low unemployment, consumers felt confident in spending some of the savings buffers they had built up during the pandemic. However, in Europe, the economic tide soon took a turn for the worse. Not only did the re-opening effect fade away, but the Russian invasion of Ukraine caused an additional shock. Energy and food prices shot up. In addition, there was a growing fear that the Russian closure of gas pipelines would lead to energy shortages. Business and consumer confidence indicators sank to low levels. However, as the year went on, European countries found alternatives to Russian gas supplies. The gas price peaked at €343 per megawatt hour (MWh) at the Title Transfer Facility (TTF, the virtual trading point for gas). In the following months, the price fell sharply. The average gas price in the reporting year was €132 per MWh, compared with €47 per MWh in 2021.

The Chinese economy had an extraordinarily difficult year. Large parts of the construction sector ground to a halt as developers and builders grappled with financing issues. These issues arose after the central government imposed stricter limits on their debt financing. In addition, COVID-19 lockdowns disrupted society, causing considerable harm. Economic growth was the lowest it had been since 1976, other than in 2020, the first year of the pandemic.

Many other emerging economies also experienced difficulties. Many central banks in such countries were forced to increase policy rates to combat spiralling inflation and prop up the value of their currencies against the strong US dollar.

By and large, the Dutch economy followed the growth pattern of the economies in many other European countries. After February, consumer confidence plummeted. Consumer spending fell over the summer and has barely recovered since. A key factor was the increase in the cost of living, particularly in household energy bills. Companies had to contend with a sharp increase in commodity prices. Energy-intensive companies struggled the most. The slowdown in world trade growth was also damaging, particularly for the manufacturing sector.

In the Netherlands, the average inflation rate for 2022 was 10.0%, peaking at 14.5% in September. That was higher than the European average, partly because the Dutch energy supply is more dependent on natural gas than that of other countries. Nevertheless, economic growth in the Netherlands compared favourably with that of most other European countries.

The Dutch unemployment rate continued to fall for the first few months of the year, reaching a record low of 3.2% of the working population in April. The subsequent rise was not sustained in the final months of the year. On balance, therefore, the labour market remains extremely tight. The average unemployment rate was 3.5% of the working population in 2022, 0.7% points lower than in 2021.

The Dutch housing market saw an end to the period of overheating. This was largely due to the sharp rise in mortgage interest rates. At the end of the year, the 10-year mortgage interest rate with a government guarantee was 4.1%, compared with 1.1% at the end of 2021. The increase in the cost of living contributed to this turnaround by limiting the scope for monthly borrowing costs. The change in the balance between the supply and demand of houses led to a substantial increase in the number of houses on the market. Existing homeowners could now sell their current house before buying a new one, instead of the other way round. According to Statistics Netherlands, house prices rose by 13.6% on average, but in the second half of 2022, the increase had already dropped to 8.4% compared with the same period in the previous year. House prices fell in August compared with the previous month, with the number of sales declining by 14.6%.

Financial markets

For the financial markets, the year was dominated by rising inflation and the monetary policy tightening performed by central banks as a response. The European Central Bank (ECB) started preparing the markets for tightening measures in March. It stopped its bond-buying programme on 1 July. Four interest rate increases followed, in July, September, October and December, with the ECB raising the deposit rate by a total of 250 basis points to 2.0%. Combined with signals of further policy intensification, these actions caused a rise in bond interest rates. Short-term interest rates rose faster than long-term rates. Over the year as a whole, the Dutch two-year interest rate rose by an average of 337 basis points to 2.68%. The 10-year interest rate rose by 294 basis points to 2.91%.

The value of the euro had already decreased significantly against the US dollar in 2021. For the first three quarters of 2022, the euro continued to lose ground and, for a short time, was actually worth less than the American currency. This development primarily reflected the strength of the dollar. Because of the major geopolitical uncertainty, the dollar profited

from its status as a safe haven. It was also more attractive to invest in dollars, due to the difference in interest rate movements between the US and the eurozone. In the last quarter, however, the euro gained significant ground due to the market perception that the tightening cycle in the US was coming to an end; meanwhile, the ECB convinced the markets that this was not at all the case in the eurozone. Across the year as a whole, the euro fell by a mere 7 US cents to \$1.07, hitting a low of \$0.96 on 27 September.

The equity markets posted huge losses. In spite of the increase in commodity prices, in most regions, corporate profits continued their strong performance. However, the sharp interest rate rises adversely affected share values. The MSCI USA lost 20.8%, reversing all the gains made in 2021. With a fall of 10.9%, the MSCI Europe lost less ground than the US index, although in dollar terms, the European price index fell by 17.3%, so the difference was actually minor. The MSCI Emerging Markets declined by 17.9%, with the sharp drop in Chinese share prices being particularly striking.

Just as in 2021, the oil, gas and coal sector produced the best performance in Europe. In 2022, the sector once again profited from the rise in energy prices. Banks also did relatively well, partly due to the changing interest rate climate. The worst performer was the technology sector. Share valuation in this sector is largely based on the profits that are expected to be made in the more distant future, instead of on current profits. This means the share prices are particularly sensitive to interest rate fluctuations, which are a determining factor for the discount rate.

Outlook

Western economies are expected to notice tangible effects from the higher interest rates. This particularly applies to the United States, the world's largest economy. In the 12 months before the start of February 2023, the federal funds rate was increased by a total of 4.5% points to 4.5–4.75%. That is well above the estimated neutral level, where economic growth is neither stimulated nor inhibited. Long-term interest rates have also increased significantly. However, over time, the economy has been completely configured for exceptionally low interest rates. As a result, the interest rate hikes will undoubtedly be a heavy burden for both household and corporate budgets. That will put the brakes on domestic spending and thus on economic activity in general.

With the recent fall in energy prices and well-filled gas storage facilities, the economic outlook for Europe is less dramatic than it appeared a few months ago. The prospect of an economic recovery in China – assuming the COVID-19 pandemic fades away – is another plus, particularly for the German industrial sector, which is directly dependent on China. However, for the time being, the ECB will continue to pursue its strict monetary policy to keep a lid on inflation. This will lead to tighter financing conditions, which will have an impact on the economy. A bad sign in this regard is that, according to the ECB's lending survey, banks tightened their lending conditions in the latter part of 2022, and demand for credit has weakened significantly.

As an open economy, the Netherlands is sensitive to any global economic downturn. In addition, it is highly questionable whether, following a weaker period, domestic demand can regain momentum, particularly given the sharp rise in the cost of living, which is not wholly attributable to the rise in energy prices. Many SMEs are struggling, partly because they now have to pay taxes that were deferred due to the pandemic. COVID-19 support measures saw bankruptcies fall to an extremely low level, but they are now climbing again. Although various sectors are facing major structural personnel shortages, we expect unemployment to rise again within the next 12 months.

Sustainability trends

The urgency to take action to combat climate change and halt biodiversity loss was greater than ever in 2022. Globally, the weather became more extreme, with periods of very high temperatures and severe drought contrasted with heavy rainfall. Climate change threatens the human rights to food and shelter for millions. Biodiversity loss continues in many parts of the world, partly because climate change causes many forest fires, but also because of direct human actions such as logging, intensive agriculture, environmental pollution and poaching.

In 2022, the International Panel on Climate Change (IPCC) released two new reports highlighting the urgency of the climate problem. The Paris climate agreement's goal of limiting global warming to 1.5 degrees threatens to slip out of reach, according to five Dutch climate experts who contributed to the reports. In order to prevent this, countries must collectively show more ambition and take immediate action. There is already European legislation in place to increase and improve the transparency of both the financial sector and companies with regard to sustainability. In addition, policymakers and regulators in Canada, the United States, New Zealand and the United Kingdom, among other countries, have proposed or implemented regulations for mandatory climate reporting. In the United States, the Security and Exchange Commission (SEC) issued proposals in March for better rules and standardised climate reporting. The newly established International Sustainability Standards Board (ISSB) is also working on this. ISSB is covered by the International Financial

Reporting Standards. The US Supreme Court's decision to limit the powers of the Environmental Protection Agency was a setback. Attorneys general in certain US states with a strong Republican presence dismiss sustainable investment as 'corporate wokeness'. They want to ban legislation aimed at promoting sustainability. There are even states that want to draw up a blacklist of 'woke' asset managers.

We can see clear signs that investors are giving greater attention to the climate and other sustainability issues, such as diversity and inclusion. These topics are coming up more and more often and are increasingly likely to be supported by investors at shareholders' meetings. Most of the climate resolutions were on the agenda of shareholders' meetings of financial institutions. Shareholders asked for climate reporting and climate targets and sometimes for policies to stop financing new investments in the fossil fuel sector.

The 15th meeting of the Conference of the Parties (COP 15) to the United Nations Convention on Biological Diversity was held in December. At this meeting, 190 countries signed an agreement to bring biodiversity protection a step closer. Investors are also giving increasing attention to biodiversity. In June, the Partnership for Biodiversity Accounting Financials (PBAF) presented a standard in this area. This standard enables financial institutions to measure and improve the impact of loans and investments on biodiversity. The loss of biodiversity is very worrying. It is therefore important for financial institutions to be able to measure their impact on biodiversity and to take action to reduce adverse impacts.

Finally, developments are taking place in the field of human rights. Globally, there is increasing pressure on boards of directors to appoint more women directors. That is partly because, in August 2021, the SEC approved the Nasdaq Stock Exchange's proposal to include diversity as a condition of listing. Companies are expected to have at least one board member who is a woman and one board member who is from an ethnic minority or a member of the LGBTQ+ community. If not, the company must explain why. There is also pressure on boards in many countries to achieve better representation of women. In Japan, for example, the government has issued a non-mandatory directive requiring companies to ensure that women occupy at least 30% of their management positions. Investors are also pushing for broader diversity in the workplace. Among other reasons, this is important because of labour market shortages and regulatory pressure.

Another important topic is the increased attention on the gap between the earnings of senior managers and other staff. In some countries, this gap is seen as a major contributor to economic inequality. In the United States, the pay of CEOs in S&P 500 companies increased by 19% in 2021, while the real wages of American workers fell due to pandemic-related measures. In the United Kingdom, the pay of CEOs in FSSE 100 companies increased by 23% in 2021; in Canada, the increase in pay in the hundred biggest TSX-listed companies was also 23%. In November 2022, the International Labour Organisation (ILO) published the Global Wage Report 2022–2023. The ILO reported that, in the G20 countries, the real wages of workers fell by 2.2% in the first half of 2022 as a result of inflation. The ILO predicts an increase in the poverty figures. Economic inequality can lead to political instability and undermine productivity, which is also a major concern for investors. Governments must play a role in reducing inequality, but companies also have a responsibility. Attention will certainly be given to this issue in pay-related decisions during shareholders' meetings. However, one positive development is that CEO remunerations are increasingly being linked to sustainability issues.

The Hague, 16 March 2023

The Board of Directors of ASN Beleggingsinstellingen Beheer B.V.

San Lie

Ro Dielbandhoesing

Dirk-Jan Stam

1.1 Dividend

We propose that the following dividends per share be distributed to the shareholders.

ASN Duurzaam Aandelenfonds	€ 3.00
ASN Duurzaam Obligatiefonds	€ 0.10
ASN Milieu & Waterfonds	€ 0.60
ASN Duurzaam Small & Midcapfonds	€ 1.00

Due to its status as a fiscal investment institution, the fund must distribute the profits available for distribution (defined in the Investment Institutions Decree 1970 (Besluit Beleggingsinstellingen 1970), as most recently amended on 18 December 2019) within eight months of the end of each financial year.

1.12 Remuneration policy

The UCITS Directive mandates that the remuneration of the fund manager be disclosed in the annual report. Remuneration costs do not directly form part of the funds' profit and loss accounts. The manager charges fund costs to the funds and uses this money to pay the salaries of the manager's employees. Remuneration costs are therefore disclosed in the manager's report, rather than in the financial statements. The salary costs referred to are the salary costs for the entire 2022 financial year.

ASN Impact Investors remuneration policy

In line with its mission, ASN Impact Investors performs its activities with a focus on reliability, integrity of service delivery and protecting the interests of the fund investors. In providing its services, ASN Impact Investors seeks to realise an optimum return for fund investors as well as a sustainable world.

We are committed to applying an appropriate remuneration policy that will help us achieve this ambition while giving our employees a sense of purpose, as well as appropriate remuneration, adequate training and long-term employability. With this policy, we are also aiming to contribute to appropriate risk management, including the management of sustainability risks, and to ensuring the continuity of business operations.

The remuneration of the employees of ASN Impact Investors is in line with these aims and is justifiable to investors, society and other stakeholders. To ensure this is the case, we are committed to transparency around our remuneration policy.

Laws and regulations

Because of the similarities between the missions and visions of de Volksbank and ASN Impact Investors, as well as the desired manner of remunerating staff, we identified many correlations in de Volksbank's remuneration policy and its implementation. We therefore adopted de Volksbank's remuneration policy as our own.

We acknowledge that we have an independent obligation to comply with the statutory and other requirements on remuneration to which we are subject as a manager. Since de Volksbank's remuneration policy is primarily based on the relevant requirements for banks, we supplemented de Volksbank's remuneration policy in our own policy.

This enabled us to comply with the sector-specific provisions on remuneration laid down in European directives, regulations and guidelines (AIFMD, UCITS, SFDR and the Guidelines on Sound Remuneration Policies under the UCITS Directive and AIFMD) and in Dutch laws and regulations (the Financial Supervision Act, the Remuneration Policy (Financial Enterprises) Act, the Civil Code, the Market Conduct Supervision (Financial Institutions) Decree and the Restrained Remuneration Policy Regulations (Financial Supervision Act) 2017).

Governance

De Volksbank's remuneration policy describes the responsibilities of the remuneration committee of de Volksbank's Supervisory Board ('the Remuneration and Nomination Committee'). As part of its responsibility – pursuant to the laws and regulations concerning restrained remuneration policies – the Remuneration and Nomination Committee prepares decisions on remuneration and the remuneration policy.

As well as de Volksbank's remuneration policy, when preparing decisions for ASN Impact Investors, the Remuneration and Nomination Committee gives consideration to the provisions applicable to ASN Impact Investors, as set out in the Guidelines on Sound Remuneration Policies.

In addition, de Volksbank's remuneration policy, having been approved by de Volksbank's Supervisory Board, was also approved by the Management Board of ASN Impact Investors. The basis for this approval by our board was that the

remuneration policy was aligned with sound and effective risk management on the part of ASN Impact Investors. The Management Board of ASN Impact Investors (with the support of our compliance officer) has established that de Volksbank's remuneration policy:

- is consistent with our strategy, objectives, values and interests;
- complies with the laws and regulations applicable to ASN Impact Investors;
- does not encourage the taking of risks, including sustainability risks, that are excessive in view of the fund portfolio management policy; and
- enables us to align the interests of the funds and the investors in the funds with the interests of *identified staff* and contributes to achieving and maintaining a healthy financial position.

Features of the remuneration policy

De Volksbank's remuneration policy, which, following its adoption by the Management Board of ASN Impact Investors, also applies to the employees of ASN Impact Investors, is characterised by the following features:

- remuneration that respects the human dimension: the highest salary at de Volksbank is no more than 10 times the average salary at the bank. Every person is different and contributes to the operating result in their own way; this contribution may be rewarded by means of a modest financial gesture;
- financial resilience: it is important for our organisation that employment conditions and salaries are consistent with the market;
- usefulness rather than return: It is not only the result that counts – good behaviour is also rewarded; and
- sustainability: a low risk profile for remuneration is essential to ensure the continuity of our services.

No variable remuneration

From 1 January 2018, de Volksbank no longer awards variable remuneration. We share this vision of remuneration, and we adopted this remuneration measure when we adopted de Volksbank's remuneration policy. In principle, our employees are driven by their ambition to contribute to a sustainable society. Maximum financial reward is therefore not their primary aim. This is in line with the values and policies of ASN Impact Investors and de Volksbank.

This ban encompasses all forms of variable remuneration, i.e. all extra payments and benefits that depend on performance or, in certain cases, other contractual criteria.

Any additional payments that may be made by de Volksbank are part of a general, non-discretionary policy covering all AIF and UCITS managers and do not create an incentive to take risks. These payments fall outside the definition of 'remuneration' for the purpose of the application of rules on risk-related remuneration specific to the AIFMD, UCITS or SFDR.

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Identified Staff

The regulatory framework imposes specific requirements with regard to the remuneration policy for particular categories of employees who can exert material influence on the risk profile of ASN Impact Investors and the funds, known as 'identified staff'. We have classified the following roles as identified staff:

- the directors of ASN Impact Investors as the executive members of the Management Board; and
- the Head of Portfolio Management of ASN Impact Investors.

By way of derogation from the procedure for identifying identified staff in de Volksbank's remuneration policy, the compliance officer of ASN Impact Investors – in consultation with de Volksbank's central HR department – is responsible for identifying identified staff at ASN Impact Investors. In doing so, the compliance officer follows the applicable provisions of the Guidelines on Sound Remuneration Policies.

Remuneration during the reporting period

In 2022, ASN Impact Investors paid its employees a total of almost €3.0 million in remuneration. ASN Impact Investors does not pay variable remuneration, so the above amount is only for fixed remuneration. On average, ASN Impact Investors employed 27.7 FTEs during the reporting period.



Remuneration in euros	Average number of FTEs in 2022	Fixed remuneration in 2022 ¹
Board of Directors/Identified staf	4 ²	928,851
Staff in audit positions	2.5	302,433
Other staf	21.2	1.763,919
Total		2,995,203

¹ Salaries including pension and social security contributions paid by the employer.

² In 2022, there was a change to the Board of Directors of ASN Impact Investors. The Board was expanded from two to three directors.

Outsourcing relationships

ASN Impact Investors guarantees that the people involved in outsourced activities who could have a material impact on the risk profile of the funds are compliant with the remuneration rules laid down in the applicable laws and regulations. This refers to specific staff members of the asset managers, Achmea Investment Management, Impax Asset Management and Kempen Capital Management, who have been classified as identified staff. Arrangements have been made with these asset managers with regard to the remuneration policy, and these arrangements have been documented in the contracts and *service level agreements* (SLAs) signed with the asset managers. ASN Impact Investors monitors the arrangements set out in the SLAs and evaluates them once a year.

The Hague, 16 March 2023

The Board of Directors of ASN Beleggingsinstellingen Beheer B.V.

San Lie

Ro Dielbandhoesing

Dirk-Jan Stam



2 Management report in respect of the ASN UCITS Beleggingsfondsen





2.1 ASN Duurzaam Aandelenfonds

Fund profile

The ASN Duurzaam Aandelenfonds 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. We have outsourced the portfolio management of the listed shares to Achmea Investment Management B.V. (AIM) and perform the portfolio management of ASN Venture Capital Fonds N.V. ourselves. All companies must meet our sustainability criteria. We draw up the fund's investment policy. Within the framework of this policy, AIM's portfolio construction actively responds to expected market developments. This active investment policy is aimed at generating long-term capital growth. The prospectus of ASN Beleggingsfondsen UCITS N.V. contains full and detailed information on the investment policy of this fund. The prospectus can be found at www.asnimpactinvestors.com on the fund's webpage.

Investment policy

We determine the investment universe of the ASN Duurzaam Aandelenfonds based on an analysis of companies' sustainability. The starting point for this process is our sustainability policy. The focus of this policy is that investments must make a positive contribution to society and the environment and that negative consequences of investments must be avoided. In addition, we have set three specific sustainability objectives for the ASN Duurzaam Aandelenfonds (see the Sustainability section). AIM performs the financial analysis, using three factors (statistical characteristics) in the portfolio construction. The first factor, the *quality factor*, is based on the quality features of companies, such as profitability, good governance and prudent accounting rules. The second factor, the *value factor*, is about the valuation of companies relative to the market. This relates to the market price of a share in relation to the expected profits, for example. The third factor is based on the sustainability characteristics of companies, in line with the fund's sustainability objectives. We developed this factor in collaboration with AIM and named it the *impact factor*. The sustainability characteristics we take into consideration for this factor are climate, biodiversity and human rights. AIM determines each company's score for each of the three factors. This results in an overall score for each company. Based on this overall score, AIM selects the best companies from the ASN Investment Universe for the fund portfolio.

The benchmark for the fund is the MSCI ACWI Climate Paris Aligned Index. This benchmark fits in well with the fund's sustainability objectives, especially in the area of climate. The starting point for management of the portfolio is the investment universe, not the fund's benchmark. This can result in deviations from the benchmark and means that the fund has a relatively high *tracking error* (the difference between the performance of an investment portfolio and the change in value of a benchmark).

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Portfolio management

In 2022, we added a total of 37 new companies to the portfolio and sold our entire shareholding in 39 companies. The distribution of the portfolio across sectors and countries changed as follows. In 2022, we reduced our investments in the cyclical consumer goods sector from 2021 levels, largely because of the poor performance of this sector in 2022. We also invested less in the industrial sector and reduced our investments in communication services, non-cyclical consumer goods and information technology. This resulted in a slight adjustment in the distribution of the portfolio between countries. In particular, we reduced our investments in Denmark and Sweden and increased them in the United States, the Netherlands, Japan and Switzerland.

These were the largest sales:

- In mid-April, we sold our position in **Philips**, which was facing problems and had posted disappointing profitability figures. Since late 2021, Philips had been plagued by recalls due to technical issues with sleep apnoea devices, which resulted in a number of lawsuits and a great deal of negative attention. This triggered a downward spiral that Philips has not yet managed to reverse. However, in late 2022, the company released the results of an independent investigation showing that the health effects of the issues with the sleep apnoea devices were limited.
- In late November and early December, we sold our position in **Vestas Wind Systems**. The profitability figures for this Danish company were mediocre. We believed the valuation was too expensive relative to other companies in our universe, particularly after the sharp rise in the share price in the fourth quarter of 2022.
- In May, we sold our position in the Finnish company **Elisa OYJ**. This telecom and digital services provider had been performing extremely well since March, which we believed had made the valuation less attractive.

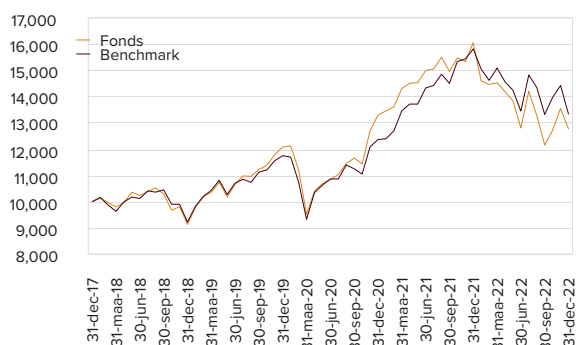
These were the largest purchases in the reporting period:

- In April, we bought shares in the US-Irish company **Trane Technologies**. This was our largest purchase in 2022. Trane Technologies develops and produces sustainable solutions for cooling and heating systems. Not only does the company have a strong sustainability profile, it also has good quality characteristics. The valuation was slightly above average.
- In September, we built up a position in **FUJIFILM Holdings Corp.**, a Japanese technology manufacturer in the areas of health care, advanced materials and photo and film materials. We bought FUJIFILM mainly because of its attractive sustainability profile and the favourable valuation of its shares at that time. The company released strong figures in early November, which led to an extra big price rise in November. This resulted in a relatively more expensive valuation for these shares (in terms of the price-to-earnings ratio compared with other companies in our universe), which led to us taking our profit and nearly halving our position.
- In September, we expanded our position in **Unilever Plc** to 2.5% of the portfolio. We believed Unilever was appropriately valued and saw strong quality characteristics, such as profitability.

Performance

The ASN Duurzaam Aandelenfonds achieved a return for 2022, based on the net asset value, of -20.42% (2021: 20.76%). This includes the reinvested dividend for 2021 of €2.00 per share (2020: €1.80). In the same period, the benchmark achieved a return of -15.67% (2021: 27.92%).

Indexed return over the last five years relative to the benchmark



Performance contributions

Performance attribution of ASN Duurzaam Aandelenfonds in 2022 relative to the benchmark

Fund NAV return ¹	Benchmark return	Outperformance	Investment portfolio outperformance	Costs
-20.42%	-15.67%	-4.75%	-3.90%	-0.85%

¹ The fund return based on the net asset value (NAV) may differ from the return based on the quoted stock market price. The quoted stock market price at year-end 2022 is based on the NAV on the previous trading day.

The war in Ukraine and its far-reaching impact on the real economy dominated the share markets in 2022. Energy and commodity prices rose, pushing inflation to its highest level in decades. To curb this soaring inflation, central banks accelerated the tightening of their monetary policy. This had a negative impact on share valuations. This was particularly the case for growth shares, since a large part of the expected profit lies well in the future. Concerns about a recession increased, putting further pressure on share prices. The fund was largely below the benchmark because the value of the US dollar rose significantly against the euro. This was caused by the Federal Reserve Bank (the Fed) and the European Central Bank (ECB) implementing their interest rate policies in different stages and at a different pace. The Fed was quicker off the mark with its interest rate hikes in particular. For the first time in nearly 20 years, the value of the euro fell below the value of the dollar. At 59%, the US is much more heavily represented in the benchmark than in the fund (17%). As a result, the fund benefited much less from this exchange rate effect than the benchmark did. The fact that the fund invests less in the US than the benchmark is mainly due to our sustainability policy, because it is difficult to find enough US companies with appropriate employment policies.

Many sectors showed a negative return in 2022. The differences in returns between sectors were enormous. The steep rise in energy prices resulted in the energy sector achieving a positive return. The utilities sector also managed to keep its head above water. The biggest losers were the information technology, cyclical consumer goods and communication

services sectors, where mainly growth companies are concentrated. These sectors have higher interest-rate sensitivity. In addition, disappointing economic growth put pressure on profitability in these sectors.

The fund costs were 0.85%.

In 2022, the following shares made the biggest positive contributions to the performance:

- The defensive health care sector was one of the best-performing sectors in 2022 and fell only slightly. **Novo Nordisk** (contribution to the fund performance: 0.80%) and **AstraZeneca** were two of the best-performing companies. Novo Nordisk, a Danish pharmaceutical company that manufactures diabetes products such as insulin and medicines to combat obesity, has been showing strong figures for a long time. This continued in 2022. The number of patients with obesity and diabetes is growing, which means demand for medical devices and medicines is also growing. According to analysts, Novo Nordisk is well positioned to meet some of this growing demand.
- **AstraZeneca** (contribution to the fund performance: 0.56%), a pharmaceutical company with global operations and a British head office, produces medicines to treat respiratory diseases, cardiovascular diseases, cancer and metabolic disorders, among others. The company's figures have been healthy for many years, and it is active in growing markets. New AstraZeneca medicines are regularly approved for market release. Along with its strong figures, this is another reason why it attracts positive attention from investors.
- **Trane Technologies** (contribution to the fund performance: 0.41%) is a US-Irish climate innovator with products for sustainable solutions, such as cooling and heating systems. The company started 2022 poorly. However, following our purchase of a holding in the company in April, the share price rose by more than 14%, while share markets in general fell by over 10%. The share price rose particularly fast from mid-July, due to the increasing demand for sustainable solutions.

The biggest negative contributions came from:

- The IT sector had a tough year, mainly because the troubling economic forecasts hit this cyclical sector particularly hard. IT is a typical growth sector, which means a relatively high proportion of the profits lie in the future. As a result, interest rate hikes hit growth companies harder than other companies. Because times are hard for IT companies, investors expect demand for semiconductors to decrease. This has caused price falls for companies in the semiconductor industry. As a result, two of the biggest negative contributions to the fund performance came from a pair of Japanese companies in this industry: **Tokyo Electron** (contribution to the fund performance: -1.29%) and **OMRON Corporation** (contribution to the fund performance: -0.98%).
- **Givaudan** (contribution to the fund performance: -0.92%), a Swiss manufacturer of fragrances and flavourings, reached its highest price ever at the end of 2021. However, the company got off to a disappointing start in the first month of 2022. In addition, at the end of January, it presented figures that were below investors' expectations, mainly due to higher-than-expected personnel and transport costs. The share price dropped as a result and was unable to make up the loss in the remainder of the year.

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Key figures for ASN Duurzaam Aandelenfonds

% return

	Fund	Benchmark ¹
2022	-20.42%	-15.67%
2021	20.76%	27.92%
Last three years (yearly average)	1.88%	4.32%
Last five years (yearly average)	5.02%	5.93%
Yearly average since inception date (20-04-1993)	7.43%	7.90%

¹ From 1 October 2021 the benchmark is MSCI ACWI Climate Paris Aligned Index.

Key figures in euros

Price 31 December 2022	131.45
Price 31 December 2021	166.99
Highest price in 12 months	166.66
Lowest price in 12 months	122.45
Net asset value per share 31 December 2022 ¹	130.28
Dividend for financial year 2021	2.00

¹ As the quoted stock market price lags the net asset value by a day, a difference may arise.

Fund growth

	31-12-2022	31-12-2021
Fund size in € thousands	1,498,937	1,875,019
Number of shares outstanding	11,505,265	11,290,696

ASN Venture Capital Fonds N.V.

The ASN Duurzaam Aandelenfonds invests no more than 5% of the fund capital in ASN Venture Capital Fonds N.V. This company invests in small, innovative enterprises, in developing countries as well as elsewhere, through sustainable investment funds that specialise in venture capital investments (venture capital funds). ASN Venture Capital Fonds N.V. draws on the expertise and experience of external fund managers. The investments in ASN Venture Capital Fonds N.V. are carefully assessed against sustainability criteria, projected sustainable development and expected returns. The company invests in the sustainable technology and energy, health care and microcredit sectors, and in SMEs in Africa and Asia. We are no longer adding investments to this fund. As at the balance sheet date, 0.68% of ASN Duurzaam Aandelenfonds was invested in ASN Venture Capital Fonds N.V. In the reporting period, this investment made a marginally positive contribution to the performance of 0.02%, due to the balance of dividends following the sale, upgrading and write-down of the underlying funds.

Sustainability

ASN Impact Investors only invests in companies, governments, organisations and projects that contribute to a sustainable society and are financially sound. This section describes how the ASN Duurzaam Aandelenfonds contributes to sustainability.

Three sustainability objectives

The ASN Duurzaam Aandelenfonds is an Article 9 product within the meaning of the SFDR. An Article 9 product is an investment product with a specific focus on achieving one or more sustainability goals. Three goals have been set for the ASN Duurzaam Aandelenfonds.

1. reducing annual CO₂ emissions in line with the Paris Agreement (expressed as the fund's contribution to keeping the temperature rise to a maximum of 1.5 degrees by 2050);
2. reducing the negative impact on biodiversity per euro invested (compared with the reference year of 2019); and
3. encouraging the payment of a living wage to factory workers in the clothing industry supply chain (compared with the reference year of 2019).

The SFDR requires ASN Impact Investors to provide information about its progress towards achieving its sustainability goals. We report on our progress in the mandatory Annex 5, which is appended to this annual report. That annex contains statistical information on both progress and outcomes. ASN Impact Investors has an Impact Committee that monitors progress towards these objectives. The committee discusses proposals and scenario analyses that could contribute to achieving the sustainability objectives. In this section, we provide more information about the impact on the climate.

Climate

The companies in which the ASN Duurzaam Aandelenfonds invests emit CO₂. In selecting companies, we assess their climate and environmental policies as well as their performance. We want to invest in companies whose products contribute to and are in keeping with a climate-proof economy. Our method calculates the CO₂ emissions generated by the activities. The contribution made by the products or services during their useful life is not included. The CO₂ emissions as at year-end 2022 were as follows:

CO ₂ emissions of the ASN Duurzaam Aandelenfonds ¹	Year-end 2022	Year-end 2021	Difference
Scope 1 en 2	22,514	19,415	16.0%
Scope 3	319,147	312,106	2.3%
Total scope 1, 2 and 3	341,661	331,520	3.1%

¹ The methodology for measuring the CO₂ impact of investments and loans is constantly evolving, and the data used are improving all the time. As a result, the calculated CO₂ impact may be adjusted in the future if better data become available.

Absolute CO₂ emissions in tonnes

In 2022, the total absolute CO₂ emissions of the ASN Duurzaam Aandelenfonds amounted to 341,661 tonnes for scopes 1, 2 and 3. Changes in the CO₂ emissions were caused by:

1. Changes in the composition of the investment portfolio. These may occur when 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.
3. Changes in the size of the fund.

Changes in the composition of the investment portfolio

The removal from the fund portfolio of Koninklijke Philips, Electrolux and Vestas Wind Systems made the biggest contribution to the reduction in the CO₂ emissions of the ASN Duurzaam Aandelenfonds. Together, they accounted for a reduction of nearly 55,000 tonnes. The newly purchased shares in Toppan, Trane Technologies and Fujifilm Holdings made the biggest contribution to the increase in CO₂ emissions. Together, they accounted for an increase of more than 46,000 tonnes.

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 means that the data input we are using to calculate the CO₂ emissions of our funds is improving accordingly. In 2022, the CO₂ emissions of LG Electronics, ResMed and Barrett Developments increased. Together, they accounted for an increase in CO₂ emissions of more than 12,500 tonnes. On the other hand, the CO₂ emissions of Travis Perkins, Plastic Omnium and Kesko decreased. Together, they accounted for a decrease in CO₂ emissions of more than 4,500 tonnes.

Changes in the size of the fund

The number of outstanding shares increased by 1.9% in 2022, while the total CO₂ emissions increased by 3%. This means that the absolute CO₂ emission figure per ASN Duurzame Aandelenfonds share went up.

Biodiversity

One of the goals of the ASN Duurzaam Aandelenfonds is to reduce the negative impact on biodiversity per euro invested (in relation to the reference year of 2019). Progress towards achieving this objective is measured using the method developed by the Partnership for Biodiversity Accounting Financials (PBAF). This method is still in development. In Annex V and in the Impact Report, ASN Impact Investors reports on the progress made by the ASN Beleggingsfondsen towards the biodiversity objective. This report is available on www.asnimpactinvestors.com.

Human rights





The ASN Duurzaam Aandelenfonds invests in clothing companies. ASN Impact Investors has formulated a living wage objective for the ASN Duurzaam Aandelenfonds: encouraging the payment of a living wage to factory workers in the clothing industry supply chain (compared with the reference year of 2019). ASN Impact Investors reported on the progress made towards this objective in section 1.8 of this annual report.

Sustainable Development Goals (SDGs)

The United Nations Sustainable Development Goals (SDGs) offer a common language for talking about sustainable social development. We explained the relationship between our sustainability policy and the SDGs in section 1.



The ASN Duurzaam Aandelenfonds primarily has an impact on SDGs 8, 9, 12 and 13, as explained below.

SDG 8	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	
Target 8.8	Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.	
Explanation	The fund avoids sectors with a high risk of poor labour conditions, such as agriculture, mining and the sex industry. In addition, we 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.	
SDG 9	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	
Target 9.4	By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities	
Explanation	The fund invests in listed companies that apply clean, environmentally-friendly technologies. We exclude and avoid non-sustainable activities. For example, the fund does not invest in the fossil fuel sector, waste processors that primarily dump waste or producers of combustion engines. It does invest in public transport and in telecommunications and software companies. In addition, we check whether companies meet our guidelines in respect of the environment, deforestation, change of land use, introduction of exotic species, overexploitation and pollution.	
SDG 12	Ensure sustainable consumption and production patterns	
Target 12.6	Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.	
Explanation	We review the companies in the fund at least once every four years on the aspects of management, human rights, biodiversity, climate and supply chain policy. During this review, we consider sector risks, high-risk countries, policy documents and company performance. In addition, we may engage with companies.	
SDG 13	Take urgent action to combat climate change and its impacts	
Target 13.2	Integrate climate change measures into national policies, strategies and planning.	
Explanation	We exclude polluting sectors from the fund and avoid them. We assess the risks, policy and performance of companies in areas such as deforestation and change of land use. We also maintain larger positions in the portfolio in companies with relatively low CO2 emissions.	

Sustainable selection

In 2022, we assessed 52 companies for the ASN Duurzaam Aandelenfonds. The investigation, selection and removal of Ceconomy, Nielsen Holdings and Stagecoach Group, which were removed for reasons unrelated to sustainability, resulted in a net contraction of the investment universe by three companies.

List of companies screened for the ASN Duurzaam Aandelenfonds

Newly admitted	Retained (continued)	Removed
Abcam Plc	GlaxoSmithKline	Adecco
Beiersdorf	Haleon	BIC
Oatly	Hella KGAA Hueck & Co.	EssilorLuxottica
Plug Power	Interface	Philips Electronics (KON.)
Softcat Plc	Kontoor Brands Inc.	Sunpower
SoftwareONE Holding AG	MERCK KGaA	TechnoPro Holdings, Inc.
	MillerKnoll	Xinjiang Goldwind SCI&Tech
Retained	New York Times	
ASSA ABLOY B	Nordex	
Astellas Pharma	Novo Nordisk	
AstraZeneca	Rogers Communication	
Beijing Enterprises Water Group	Rohm Co.	
Campbell Soup Co (US)	Taiwan Semiconductor Manufacturing Company	
Castellum	Taylor Wimpey	
Chunghwa Telecom Co.	Tokyo Electron	
Clicks group	Vanguard International Semiconductor Corporation	
Electrolux Professional	Wickes Group	
ELISA	Wistron	
Evoqua Water Technologies	Xinyi Solar	
Getlink SE	Yaskawa Electric Corp	

During the reporting period, we admitted the Swedish company Oatly, among others. Oatly operates in the food sector and offers products such as oat milk, oat yoghurt and oat ice cream. The company is aiming to operate entirely in balance with nature by 2029. It is a good fit for ASN Impact Investors.

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One of the companies we rejected and removed is Sunpower. The company manufactures solar panels, among other things. A subsidiary of Sunpower is developing a solar farm for which a significant amount of forest will be felled; in addition, the local population has not been sufficiently consulted. This was reason enough for us to reject and remove the company.

Engagement

In 2022, we engaged in dialogue with 52 companies in the investment universe. Six of these companies operate in the pharmaceutical sector, and further details can be found in section 1.8 under *Engagement*. In connection with the long-term living wage objective, we engaged in dialogue with seven clothing companies. Details can be found in section 1.8, under *Sustainable objectives of ASN Impact Investors*. We had discussions with a further 39 companies, including clothing companies, for other reasons, including:

- Misconduct at the company had come to light.
- A review revealed that the company no longer met our criteria.
- ASN Impact Investors wanted to encourage the company to develop further in the area of sustainability.

In 2022, we started engagement with the French company BIC, which manufactures pens, razor blades and lighters, among other products. We noticed that the company uses animal testing. We made contact with the company and found that their animal testing policy did not meet our standards. Further engagement was unsuccessful. We therefore rejected BIC and removed it from our investment universe.

Taxonomy Regulation

Since 1 January 2022, the technical screening criteria supplementing the Taxonomy Regulation for environmentally sustainable economic activities apply to the environmental objectives of climate change mitigation and climate change adaptation. The technical screening criteria for the other four environmental objectives described in the Taxonomy Regulation have not yet been developed. These detailed criteria require the availability of multiple specific data points for each investment. At present, not enough reliable, timely or verifiable data are available to be able to assess investments against the technical screening criteria.

ASN Impact Investors believes that the EU taxonomy – the EU's list of sustainable economic activities – has the potential to be an important tool for determining which investments are sustainable. The taxonomy could promote transparency, combat greenwashing and encourage the shift of capital to the sustainable economy of the future. However, we cannot agree to the inclusion of nuclear energy and fossil gas as sustainable investments under the current EU taxonomy. This is inconsistent with our convictions, vision and mission. For this reason, we have not set a specific EU taxonomy objective for the time being.

Risk management

Investing in the ASN Duurzaam Aandelenfonds entails risks. The principal financial risks relating to the fund are explained in the table below. Section 1.9 contains a general description of the financial and non-financial risks, while section 3.4.6 describes the financial risks per fund.

Equity market risk					
The ASN Duurzaam Aandelenfonds invests primarily in listed equities. The value of such equities fluctuates depending on factors such as economic growth outlook and inflation. The greater these fluctuations, the higher the market risk.					
Risk appetite	Probability	Impact	Limit	Materialisation	Control measure
High	High	High	VaR99 not exceeding 50%	The limit was not exceeded during the reporting period. Year-end 2022: 32.82%.	Risk control and monitoring through limit to Value at Risk (VaR)

Currency risk					
The ASN Duurzaam Aandelenfonds invests in equities listed in euros and equities listed in other currencies. The value of the investments is therefore affected by exchange rate fluctuations. The fund does not hedge the currency risks.					
Risk appetite	Probability	Impact	Limit	Materialisation	Control measure
High	High	Medium	VaR99 not exceeding 50%	The limit was not exceeded during the reporting period. Year-end 2022: 32.82%.	Risk control and monitoring through: <ul style="list-style-type: none"> • limit to Value at Risk (VaR) • active currency positions (positions that do not result from equity positions) are not permitted

The currency risk can be limited by the geographical spread of the investments in the portfolio of the ASN Duurzaam Aandelenfonds. The tables below show the geographical distribution of the investment portfolio as at the end of 2022.

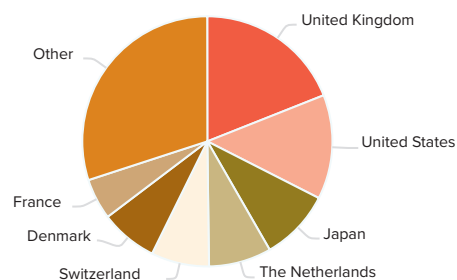
Geographical allocation as %

United Kingdom	19.0
United States	13.5
Japan	9.2
The Netherlands	8.1
Switzerland	7.5
Denmark	7.4
France	5.3
Other	30.0

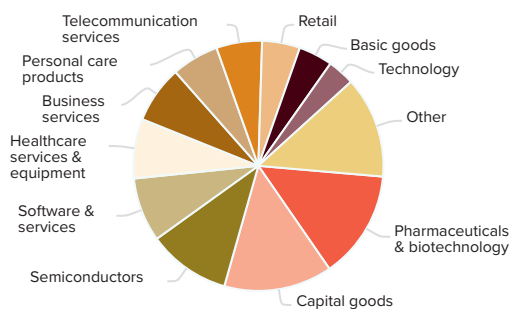
Sector allocation as %

Pharmaceuticals & biotechnology	14.0
Capital goods	14.0
Semiconductors	10.7
Software & services	8.3
Healthcare services & equipment	7.7
Business services	7.4
Personal care products	6.1
Telecommunication services	5.9
Retail	4.9
Basic goods	4.4
Technology	3.5
Other	13.1

Geographical allocation



Sector allocation



2.2 ASN Duurzaam Obligatiefonds

Fund profile

The ASN Duurzaam Obligatiefonds invests only in bonds issued by governments that meet the sustainability criteria of ASN Impact Investors. We assess governments on their social and environmental performance. The fund may also invest in green and social bonds. These are bonds issued to finance specific social or environmental projects. We have outsourced the portfolio management of the fund to Achmea Investment Management B.V. (AIM). The prospectus of ASN Beleggingsfondsen UCITS N.V. contains full information on the investment policy of this fund. The prospectus can be found at www.asnimpactinvestors.com on the fund's webpage.

Investment policy

The fund has a target weighting of 80% government bonds and 20% green and social bonds (*green bonds*). The interest in green and social bonds is filled on the basis of their availability and liquidity in the market, with AIM attempting to keep the risk profile as balanced as possible. When selecting government bonds, the weight of the various countries in the portfolio is determined by their sustainability scores. ASN Impact Investors determines these scores. We use a unique benchmark for the fund, the Bloomberg 80% EUR Treasury 1-10yr and 20% Euro Green Bond Government Related 1-10yr, which was specially developed by the benchmark provider Bloomberg. Eighty percent of this benchmark is made up of the countries with the highest sustainability scores that issue eurobonds, with the remaining 20% consisting of green bonds. AIM uses this benchmark as the starting point for the composition of the portfolio. It invests on a country-by-country basis in bonds with a balanced spread of available maturities, with a maximum maturity of 10 years. In this way, it ensures that the average interest rate maturity of the fund is around five years. Within the ASN Investment Universe, AIM has the option to actively deviate from the benchmark in order to generate additional returns.

Portfolio management

2022 was an extremely volatile year for the bond market. After war broke out in Ukraine, energy prices climbed steeply, which led to a sharp rise in inflation in Europe. To curb this high inflation, over the course of the year, the European Central Bank (ECB) raised interest rates to 2%, which quickly pushed up the interest on bonds. In addition, spreads from both countries and green bonds increased relative to Germany, which also made a negative contribution to the performance.

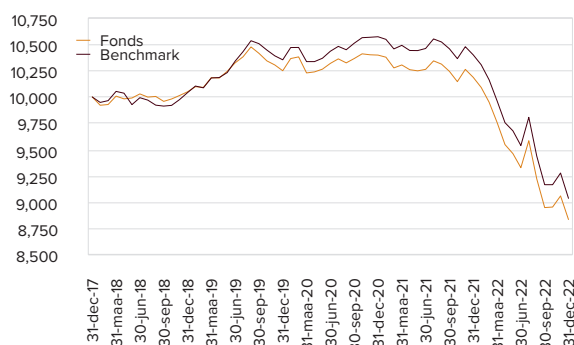
We adjusted the duration (the weighted average maturity) of the portfolio several times in 2022 to take advantage of the interest rate movements. At the end of the year, we reduced the duration in expectation of a new interest rate rise. In 2022, the portfolio had an underweight position in Slovakia, Slovenia and Lithuania, among other countries. In late November, we sold Italian and Spanish bonds to buy more German bonds.

We increased our holdings of green bonds in 2022, primarily by buying new green bonds as they came onto the market. For example, we added the green bond from the NextGenerationEU platform in 2022. The money will be used to implement the steps of the European climate plan (the Green Deal). The aim of this plan is for Europe to be the first climate-neutral continent in the world by 2050. We financed the purchase of this bond primarily by selling German government bonds. The interest rate differential between the green bonds and the German bonds increased during the year, due to all the uncertainty in the market. It was not until the fourth quarter that the market began to recover. Through purchases, the proportion of green and social bonds rose to 25.3%. The portfolio thus has an overweight position in green bonds relative to the benchmark weighting of 20%.

Performance

The ASN Duurzaam Obligatiefonds achieved a return for 2022, based on the net asset value, of -13.30% (2021: -2.04%). This includes the reinvested dividend for 2022 of €0.30 per share (2021: €0.30). In the same period, the benchmark achieved a return of -13.14% (year-end 2021: -1.64%).

Indexed return over the last five years relative to the benchmark



Performance contributions

Performance attribution of ASN Duurzaam Obligatiefonds in 2022 relative to the benchmark

Fund NAV return ¹	Benchmark return	Outperformance	ESG-overlay	Active management	Costs
-13.30%	-13.14%	-0.16%	n.v.t.	+0.29%	-0.45%

¹ The fund return based on the net asset value (NAV) may differ from the return based on the quoted stock market price. The quoted stock market price at year-end 2022 is based on the NAV on the previous trading day.

The price of the ASN Duurzaam Obligatiefonds fell by 13.30% in 2022, while the benchmark ended up with a return of -13.14%. The negative absolute return was mainly caused by the rise in capital market interest rates, which pushed down the value of the bonds. The interest on German 10-year government bonds rose from -0.18% to 2.57% in 2022.

Government bond yields were negative for all countries in the portfolio, particularly Slovenia and Slovakia. Italian and German government bonds performed the least poorly, although, in the case of Italy, this was mainly because the country has a number of shorter-term bonds outstanding. Because the interest rate differential between green bonds and German government bonds increased, the return on the green bonds was lower.

In 2022, the fund achieved a slightly lower return after costs than the benchmark. Before costs, the fund slightly outperformed the benchmark. The underweight duration at the end of the year made a positive contribution to the result. The underweight positions in Slovenia and Slovakia were also positive. The overweight position in green bonds had a negative impact on the result compared with the benchmark. However, the selection of green bonds was positive. Most of the green bonds in the fund's portfolio have a high credit rating, and these bonds performed better than green bonds in general.

Key figures for the ASN Duurzaam Obligatiefonds

Rendement in %

	Fund	Benchmark ¹
2022	-13.30%	-13.14%
2021	-2.04%	-1.64%
Last three years (yearly average)	-4.84%	-4.45%
Last five years (yearly average)	-2.45%	-2.01%
Yearly average since inception date (20-04-1993)	2.33%	3.20%

¹ From 1 October 2021 the benchmark is Bloomberg 80% EUR Treasury 1-10yr en 20% Euro Green Bond Government Related 1-10yr.

Key figures in euros

Price 31 December 2022	23.61
Price 31 December 2021	27.47
Highest price in 12 months	27.47
Lowest price in 12 months	23.51
Net asset value per share 31 December 2022 ¹	23.51
Dividend for financial year 2021	0.30

¹ As the quoted stock market price lags the net asset value by a day, a difference may arise.

Fund growth

	31-12-2022	31-12-2021
Fund size in € thousands	514,943	605,611
Number of shares outstanding	21,899,148	22,066,024

Sustainability

ASN Impact Investors only invests in companies, governments, organisations and projects that contribute to a sustainable society and are financially sound. This section describes how the ASN Duurzaam Obligatiefonds contributes to sustainability.

Two sustainability objectives

The ASN Duurzaam Obligatiefonds is an Article 9 product within the meaning of the SFDR. An Article 9 product is an investment product with a specific focus on achieving one or more sustainability goals. The following two goals have been set for the ASN Duurzaam Obligatiefonds.

1. reducing the annual CO₂ emissions from the government bonds in the portfolio in line with the Paris Agreement (expressed as the fund's contribution to keeping the temperature rise to a maximum of 1.5 degrees by 2050); and
2. avoiding CO₂ emissions from the green and social bonds in the portfolio (measured in tonnes of CO₂ per euro invested).

The SFDR requires ASN Impact Investors to provide information about its progress towards achieving the sustainability goals. We report on our progress in the mandatory Annex 5, which is appended to this annual report. In that annex, we provide statistical information on both progress and outcomes. ASN Impact Investors has an Impact Committee that monitors progress towards these objectives. The committee discusses proposals and scenario analyses that could contribute to achieving the sustainability objectives. In this section, we provide more information about the impact on the climate.

Climate

ASN Impact Investors has a climate goal: by 2030, the investments of the ASN Beleggingsfondsen must be *beyond net zero*. More information on this subject can be found in section 1.8. To measure our progress towards this goal, we have calculated the CO₂ emissions generated by the investments of the ASN Beleggingsfondsen.

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 or the CO₂ emissions avoided for each green bond.

CO ₂ emissions of the ASN Duurzaam Obligatiefonds ¹	Year-end 2022	Year-end 2021	Difference
Scope 1 and 2	1,608	2,559	-28.8%
Scope 3	1,431	1,734	-17.5%
Total scope 1, 2 and 3	3,039	3,992	-23.9%
Avoided CO ₂ emissions in tonnes	-18,762	-18,829	-0.4%

¹ The methodology for measuring the CO₂ impact of investments and loans is constantly evolving, and the data used are improving all the time. As a result, the calculated CO₂ impact may be adjusted in the future if better data become available.

The above table shows the absolute CO₂ emissions in tonnes.

Development of absolute CO₂ emissions in tonnes

The total CO₂ emissions of the ASN Duurzaam Obligatiefonds amount to 3,039 tonnes. Green bonds accounted for 18,762 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 2022, we did not reject and remove any countries from the country universe. The reduction of CO₂ emissions remained virtually the same, due to changes in positions. The reduction in avoided CO₂ emissions is due primarily to the reduction of the position in a KfW green bond. This reduced the avoided CO₂ emissions by more than 3,000 tonnes.

Changes in the CO₂ data

There was no significant change in countries' CO₂ emissions in 2022. However, we received better data on two bonds of Nederlandse Waterschapsbank and Bank Nederlandse Gemeenten. The bond of Nederlandse Waterschapsbank increased CO₂ emissions by 136 tonnes, while the bond of Bank Nederlandse Gemeenten reduced CO₂ emissions by 352 tonnes.

Change in the size of the fund

The number of shares in the fund fell by nearly 1% in 2022. This is less than the improvement in the fund's CO₂ emissions and avoided CO₂ emissions collectively. This means that the absolute CO₂ emissions figure per ASN Duurzame Obligatiefonds share went down.

Sustainable Development Goals (SDGs)

The United Nations Sustainable Development Goals (SDGs) offer a common language for talking about sustainable, social development at national and international level. In section 1, we will explain the relationship between our sustainability policy and the SDGs. Below, we will identify the SDGs on which the ASN Duurzaam Obligatiefonds has particular impact.

SDG 10	Reduce inequality within and among countries	
Target 10.4	Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality.	
Explanation	The sustainability score of the countries in the fund depends on factors such as income inequality, the risk of corruption, the share in development funds and the risk of discrimination. The better a country's score on these sustainability criteria, the heavier its weighting in the fund portfolio. Furthermore, the fund invests in social bonds, with projects in social housing and microcredits. These bonds contribute to the reduction of inequality.	
SDG 13	Take urgent action to combat climate change and its impacts	
Target 13.2	Integrate climate change measures into national policies, strategies and planning.	
Explanation	The sustainability score of the countries in the fund depends on factors such as greenhouse gas emissions and the share of sustainably generated electricity. The better a country's score on these sustainability criteria, the heavier its weighting in the fund portfolio. Furthermore, the fund invests in green bonds, which finance projects in renewable energy and energy saving in particular. These bonds contribute to the fight against climate change.	
SDG 15	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	
Target 15.5	Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species.	
Explanation	The sustainability score of the countries in the fund depends on factors such as the amount of nuclear energy produced, the areas set aside for nature conservation, sulphur oxide emissions and the amount of waste dumped on land. The better a country's score on these sustainability criteria, the heavier its weighting in the fund portfolio. The fund's impact on biodiversity is very small (PRé Sustainability, 2018). In addition, the green bonds in which the fund invests help preserve biodiversity.	

SDG 16	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and open institutions at all levels	
Target 16.10	Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements.	
Explanation	When selecting countries, we apply the following exclusion criteria in relation to human rights: crimes against humanity, genocide, capital punishment and war crimes. The sustainability score of the countries in the fund depends on factors such as the risk of forced labour and child labour, freedom of speech and freedom of association. The better a country's score on the sustainability criteria, the heavier its weighting in the fund portfolio.	

Sustainable selection

During the reporting period, we assessed all countries for their compliance with our sustainability criteria. This did not lead to changes in the fund's investment universe. During the reporting period, we admitted 33 green bonds and approved 5 green bond frameworks. A green bond framework is a standard that describes the conditions which the underlying loans must meet. We also reassessed four issuers of green bonds. All four were again approved.

Taxonomy Regulation

Since 1 January 2022, the technical screening criteria supplementing the Taxonomy Regulation for environmentally sustainable economic activities apply to the environmental objectives of climate change mitigation and climate change adaptation. The technical screening criteria for the other four environmental objectives described in the Taxonomy Regulation have not yet been developed. These detailed criteria require the availability of multiple specific data points for each investment. At present, not enough reliable, timely or verifiable data are available to be able to assess investments against the technical screening criteria.

ASN Impact Investors believes that the EU taxonomy – the EU's list of sustainable economic activities – has the potential to be an important tool for determining which investments are sustainable. The taxonomy could promote transparency, combat greenwashing and encourage the shift of capital to the sustainable economy of the future. However, we cannot agree to the inclusion of nuclear energy and fossil gas as sustainable investments under the current EU taxonomy. This is inconsistent with our convictions, vision and mission. For this reason, we have not set a specific EU taxonomy objective for the time being.

Risk management

Investing in the ASN Duurzaam Obligatiefonds entails risks. The principal financial risks relating to the fund are explained in the table below. Section 1.9 contains a general description of the financial and non-financial risks, while section 3.4.6 describes the financial risks per fund.

Interest rate risk

The ASN Duurzaam Obligatiefonds invests in listed (sovereign) bonds. The value of the listed bonds fluctuates on account of changes in market interest rates. The shorter the remaining maturity (duration) of the portfolio, the smaller the market risk.

Risk appetite	Probability	Impact	Limit	Materialisation	Control measure
High	High	High	Duration not exceeding 5.0	Year-end 2022: 4.54	Risk control and monitoring through limit to duration
			VaR99 not exceeding 5.5%	Year-end 2022: 9.158% During the reporting period, the VaR limit was exceeded from February 2022 on. No mitigating actions were taken since the VaR is also taken into account and the VaR remained within the bandwidths.	Risk control and monitoring through limit to Value at Risk (VaR)

Concentration risk

The ASN Duurzaam Obligatiefonds invests in listed bonds and listed sovereign bonds, selected on the basis of sustainability criteria and the repayment capacity of the issuing governments and institutions. This results in a high concentration in countries and individual positions.

Risk appetite	Probability	Impact	Limit	Materialisation	Control measure
Medium	Medium	High	Government bonds: 70 - 90%	Year-end 2022: 72,09%	Risk control and monitoring through limits to (maximum) allocations per country and green and social bonds.
			Green and social bonds: 10 - 30%	Year-end 2022: 27,91%	
			Maximum allocation per country: 35%	Year-end 2022: 17,20%	
			Maximum allocation per issuer: 10%	The limits were not exceeded in the reporting period.	

Duration

31-12-2022

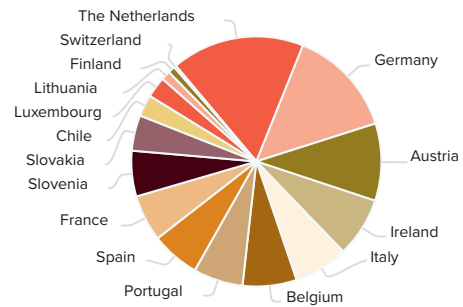
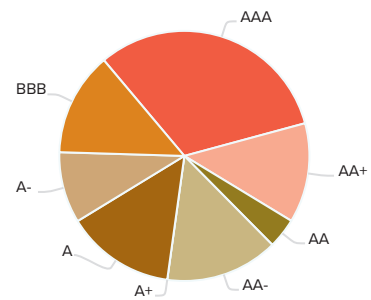
Modified duration	4.54
Modified duration of the benchmark	4.80

Five largest interests as %*as % of the portfolio as at 31 December 2022*

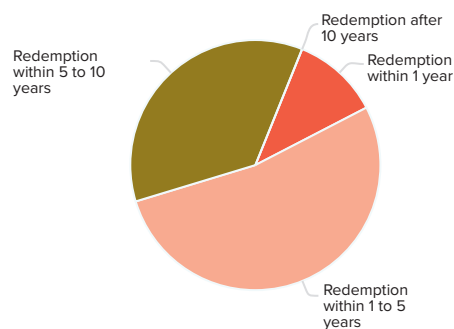
	%
Republic of Austria	10.0
Kingdom of The Netherlands	9.5
Republic of Ireland	7.7
Kreditanstalt für Wiederaufbau	7.2
Kingdom of Belgium	7.0

Country allocation as %

The Netherlands	17.2
Germany	14.0
Austria	10.0
Ireland	7.7
Italy	7.0
Belgium	7.0
Portugal	6.4
Spain	6.3
France	6.0
Slovenia	5.9
Slovakia	4.6
Chile	2.8
Luxembourg	2.7
Lithuania	1.2
Finland	0.9
Switzerland	0.3

Country allocation**Credit rating allocation****Credit rating allocation as %**

AAA	31.9
AA+	12.9
AA	3.9
AA-	14.6
A+	-
A	14.1
A-	9.2
BBB	13.4

Credit rating allocation as %

2.3 ASN Milieu & Waterfonds

Fund profile

The ASN Milieu & Waterfonds is a sector fund investing worldwide in equities of listed companies that primarily offer technologically advanced solutions to environmental problems. ASN Impact Investors has outsourced the asset management of the fund to Impax Asset Management. The investment manager selects companies operating in the water, sustainable energy, energy efficiency, wastewater treatment, waste management, and sustainable food, agriculture and forestry sectors. These companies meet the sustainability criteria of ASN Impact Investors. The prospectus of ASN Beleggingsfondsen UCITS N.V. contains full information on the investment policy of this fund. The prospectus can be found at www.asnimpactinvestors.com on the fund's webpage.

Investment policy

ASN Impact Investors determines the investment universe of the ASN Milieu & Waterfonds based on an analysis of companies' sustainability. Impax performs the financial analysis, based on a fundamental analysis. As part of this analysis, Impax assesses companies on matters such as market position, competition and financial ratios. The benchmark we apply is the FTSE Environmental Technologies 100 Index, which is the index that comes closest to the fund's thematic investment policy. Based on the business analysis, Impax takes positions with the fund, without relying on or using the benchmark as a gauge. This can result in deviations from the benchmark and means that the fund has a relatively high *tracking error* (the difference between the performance of an investment portfolio and the change in value of its benchmark).

Portfolio management

Because of the further weakening of global economic conditions, portfolio management was marked by the search for companies that offered structural long-term growth opportunities and innovative solutions for the current climate issue. Although inflation was high and interest rates rose as a result, there remains clear policy support for sustainable markets. An example of this is the signing of the Infrastructure Act and the Inflation Reduction Act of 2022 in the United States. This is reinforced by the high energy prices and the need to set up independent energy systems. Impax did not make any strategic changes in the portfolio but continues to focus on companies with strong pricing power and attractive valuations.

We added the following companies to the portfolio in the reporting period:

- **Befesa** (recycling & waste technologies, Germany) processes residual streams from the steel industry into reusable semi-finished products, thus reducing the use of new raw materials. The company was added on the basis of its attractive valuation, with the aim to invest more in the end markets of residual streams and contribute to a circular economy.
- **Boralex** (renewable energy projects & IPPs, Canada) is a renewable energy producer with a strong market position, attractive growth prospects and a good portfolio of projects.
- **Cintas** (recycling of raw materials, USA) provides cleaning and security services, among other things, and sells, rents and cleans work clothes. In the process, it strives for the circular use of raw materials. The company was added on the basis of its attractive valuation.
- **Rational AG** (technology and logistics, Germany) is the global market and technology leader in the area of food preparation equipment. It makes the food processing and preparation process more efficient. A fall in the share price of this high-quality company provided an interesting entry point.
- **SIG Group** (food safety and packaging) produces sustainable food packaging materials. The company was added because of its strong organic growth and defensive character in the packaging industry.
- **Zurn Elkay Water Solutions** (water distribution and infrastructure) is working on sustainable solutions for clean drinking water, water safety and conservation. The company was added in order to enhance investments in the US water infrastructure sector.

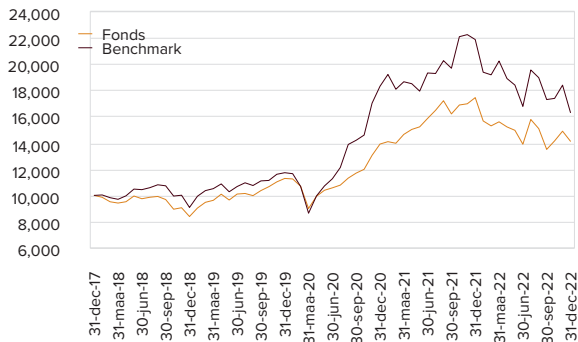
The principal investments sold during the reporting period were:

- **Hannon Armstrong** (renewable energy financing and investments, USA) was sold because of concerns about the company's financial structure and the possibility of refinancing problems in the current interest rate climate.
- **Itron** (smart and efficient energy networks, USA) had made little progress in improving its margins and was facing ongoing parts shortages.
- **Switch** (cloud services, USA) was taken over in December, whereupon its shares were withdrawn from public trading.

Performance

The ASN Milieu & Waterfonds achieved a return for 2022, based on the net asset value, of -19.07% (2021: 25.45%). This includes the reinvested dividend for 2021 of €1 per share (2020: €0.35). In the same period, the benchmark achieved a return of -25.44% (year-end 2021: 19.44%).

Indexed return over the last five years relative to the benchmark



Performance contributions

Performance attribution of ASN Milieu & Waterfonds in 2022 relative to the benchmark

Fund NAV return ¹	Benchmark return	Outperformance	ESG-overlay	Active management	Costs
-19.07%	-25.44%	6.37%	9.54%	-4.21%	-1.04%

¹ The fund return based on the net asset value (NAV) may differ from the return based on the quoted stock market price. The quoted stock market price at year-end 2022 is based on the NAV on the previous trading day.

The value of the fund fell by 19.07% during the reporting period. This was better than the benchmark, the FTSE ET100 Index, which fell by 25.44%. The central banks increased interest rates in the course of 2022 in an attempt to rein in inflation. This significantly pushed down share values. The prices of growth stocks in particular declined, because a large part of the expected earnings lies in the future. Investors in the equity markets turned away from growth stocks and opted for value stocks. The fund has an underweight position in the transport sector, especially because we exclude Tesla from our investment universe. This underweight was a primary factor in the fund's outperforming the benchmark. The shares in the fund portfolio in the digital infrastructure sector performed better than the industry peers that are part of the benchmark. Choosing more sustainable investments than the benchmark made a positive contribution of 9.54%, while Impax's active management produced a negative contribution of 4.21%.

The fund costs were reduced from 1.2% to 1.0% per annum on 1 March 2022 and amounted to 1.04% on average over the reporting period.

In 2022, the following shares made the biggest positive contributions to the return:

- **Terna Energy** (contribution to fund performance: 0.6%, renewable energy projects & IPPs, Greece) made the biggest contribution. The share price of this renewable energy market leader rose because investors became more positive about the share, viewing the company as an attractive takeover candidate.
- **Ormat Technologies** (contribution to fund performance: 0.5%, renewable energy projects & IPPs, USA) is the market leader in the area of geothermal energy. The share price rose because of sound financial results and was also boosted by the US Inflation Reduction Act.
- **Switch** (contribution to fund performance: 0.4%, cloud services, USA) designs, builds and manages sustainable data centres. The share price rose as a result of the takeover bid by DigitalBridge and IFM Investors in May. The takeover was completed in December.

The biggest negative contributions came from:

- The share price of **Fluidra** (contribution to fund performance: -0.1%, water treatment, Spain) fell because of concerns about long-term financial prospects after the company had recorded a good financial performance in the past two years. The deteriorating financial prospects worldwide made demand for Fluidra's products less certain. Fluidra's results were worse than expected in 2022, which confirmed these concerns.

- **Lenzing** (contribution to fund performance: -1.0%, raw material circularity and efficiency, Austria) retracted the financial expectations and targets it had expressed earlier. This caused the share price to fall. The textile markets are experiencing weakness.
- The operating results of Azbil (contribution to fund performance: -0.9%, energy efficiency of buildings, Japan) were disappointing, and concerns increased about the sales and margins expected for 2023.

Key figures of ASN Milieu & Waterfonds

% return

	Fund	Benchmark ¹
2022	-19.07%	-25.44%
2021	25.45%	19.44%
Last three years (yearly average)	7.74%	11.63%
Last five years (yearly average)	7.15%	10.28%
Yearly average since inception date (20-04-1993)	3.21%	6.15%

¹ The benchmark is FTSE Environmental Technologies 100 Index.

Key figures in euros

Price 31 December 2022	45.17
Price 31 December 2021	56.67
Highest price in 12 months	56.68
Lowest price in 12 months	41.95
Net asset value per share 31 December 2022 ¹	44.76
Dividend for financial year 2021	1.00

¹ As the quoted stock market price lags the net asset value by a day, a difference may arise.

Fund growth

	31-12-2022	31-12-2021
Fund size in € thousands	903,536	1,136,398
Number of shares outstanding	20,186,621	20,115,995

Sustainability

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ASN Impact Investors only invests in companies, governments, organisations and projects that contribute to a sustainable society and are financially sound. This section describes how the ASN Milieu & Waterfonds contributes to sustainability.

Two sustainable objectives

The ASN Milieu & Waterfonds is an Article 9 product within the meaning of the SFDR. An Article 9 product is an investment product with a specific focus on achieving one or more sustainability goals. Two goals have been set for the ASN Milieu & Waterfonds:

1. to reduce CO₂ emissions in line with the Paris Agreement (expressed in the fund's contribution to limiting the rise in temperature to 1.5 degrees by 2050);
2. to reduce the negative impact on biodiversity per euro invested (compared to baseline year 2019).

The SFDR legislation dictates that ASN Impact Investors must provide insight into the progress in achieving its sustainability goals. We are reporting on this progress in the mandatory Annex 5 attached to this annual report. This annex contains an overview in figures of the outcomes and progress. ASN Impact Investors has an Impact Committee that monitors progress towards these objectives. The committee discusses proposals and scenario analyses that could contribute to achieving the sustainability objectives. In this section, we provide more information about the impact on the climate.

Climate

The companies in which the ASN Milieu & Waterfonds invests emit CO₂. In selecting companies, we assess their climate and environmental policies as well as performance. 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.

Our method calculates the CO₂ emissions generated by the activities. The contribution made by the products and services during their useful life is not included. The CO₂ emissions as at year-end 2022 were as follows:

CO ₂ emissions of the ASN Milieu & Waterfondsen ^{1,2}	Year-end 2022	Year-end 2021	Difference
Scope 1 and 2	45,801	57,325	-20.1%
Scope 3	203,607	204,853	-0.6%
Total scope 1, 2 and 3	249,409	262,178	-4.9%

¹ The methodology for measuring the CO₂ impact of investments and loans is constantly evolving, and the data used are improving all the time. As a result, the calculated CO₂ impact may be adjusted in the future if better data become available.

² In this report, we present the CO₂ results for the funds that are part of ASN Beleggingsfondsen UCITS N.V. (the UCITS funds). In the report for ASN Beleggingsfondsen AIF N.V., we will present the CO₂ results for the ASN Duurzame Mixfondsen and the ASN Groenprojectenfonds. The ASN Duurzame Mixfondsen invest directly in the UCITS funds. As a result, the CO₂ figures for the UCITS funds also include the CO₂ results for the investments of the ASN Duurzame Mixfondsen.

Evolution of absolute CO₂ emissions in tonnes

In 2022, the total absolute CO₂ emissions of the ASN Milieu & Waterfondsen amounted to 249,409 tonnes for scopes 1, 2 and 3. Changes in the CO₂ emissions were caused by:

1. Changes in the investment portfolio. These may occur when approved companies are added to the investment universe or rejected companies are removed. We may also increase or reduce our shareholding in companies.
2. Changes in the CO₂ data.
3. Changes in the size of the fund.

Changes in the composition of the investment portfolio

The removal of Itron made a significant contribution to the fall in the emissions of the ASN Milieu & Waterfondsen, accounting for more than 4,100 tonnes. The reduction of the positions in DS Smith and Sonoco Products reduced emissions by 15,623 and 5,227 tonnes respectively. The newly purchased holdings in Befesa, Zurn Elkay Water Solutions and SIG Group collectively accounted for an increase of more than 8,000 tonnes in CO₂ emissions.

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 means that the data input we are using to calculate the CO₂ emissions of our funds is improving accordingly. In 2022, it appeared that the CO₂ emissions of Lenzing, Corbion and Advanced Drainage Systems had increased. Collectively, they accounted for an increase of nearly 22,000 tonnes in CO₂ emissions. On the other hand, the CO₂ emissions of Sterecycle in particular declined by nearly 5,500 tonnes.

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Changes in the size of the fund

The number of outstanding shares increased by 0.4% in 2022, while the total CO₂ emissions fell by nearly 5%. This means that the absolute CO₂ emissions figure per ASN Milieu & Waterfondsen share fell more sharply than by nearly 5%.

Biodiversity

One of the objectives of the ASN Milieu & Waterfondsen is to reduce the negative impact on biodiversity per euro invested (in relation to the reference year, 2019). Progress towards achieving this objective is measured using the method developed by the Partnership for Biodiversity Accounting Financials (PBAF). This method is still in development. In Annex V and in the Impact Report, ASN Impact Investors reports on the progress made by the ASN Beleggingsfondsen towards the biodiversity objective. This report is available on www.asnimpactinvestors.com.

Sustainable Development Goals (SDGs)

The United Nations Sustainable Development Goals (SDGs) offer a common language for talking about sustainable, social development at national and international level. In section 1, we will explain the relationship between our sustainability policy and the SDGs. Below, we will identify the SDGs on which the ASN Milieu & Waterfondsen has particular impact.



SDG 6	Ensure availability and sustainable management of water and sanitation for all	6 CLEAN WATER AND SANITATION
Target 6.3	By 2030, improve water quality by reducing pollution, eliminating dumping and minimising release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.	
Explanation	The fund invests 25 to 60% of the fund portfolio in water treatment.	
SDG 7	Ensure access to affordable, reliable, sustainable and modern energy for all	7 AFFORDABLE AND CLEAN ENERGY
Target 7.2	By 2030, increase substantially the share of renewable energy in the global energy mix.	
Uitleg	The fund invests 20 to 50% of the fund portfolio in renewable energy.	
SDG 9	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Target	By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.	
Uitleg	The fund invests in listed companies that use clean and environmentally sound technologies. We exclude and avoid non-sustainable activities. For example, the fund does not invest in the fossil fuel sector, waste processors which primarily dump waste, and producers of combustion engines. It does invest in public transport and in telecommunications and software companies. In addition, we check whether companies meet our guidelines in respect of environmental policy, deforestation, change of land use, introduction of exotic species, overexploitation and pollution.	
SDG 12	Ensure sustainable consumption and production patterns	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Target 12.5	By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse	
Uitleg	The fund invests 0 to 20% of the fund portfolio in waste treatment and recycling.	

Sustainable selection

In 2022, we assessed 39 companies for the ASN Milieu & Waterfonds. We admitted 9 new companies to the ASN Investment Universe, retained 16 companies and declined to admit 8, while 6 companies were rejected and removed. Kapsch Trafficcom, Ozner Water International, SIIC Environment Holdings, Stagecoach Group, VA-Q-Tec, Veeco Instruments and Welbelt were removed for non-sustainability reasons.

Newly admitted	Retained	Removed
Alfen N.V.	Beijing Enterprises Water Group	Fluidra
Befesa	China Shuifa Singyes Energy Holdings	Philips Electronics (Kon.)
Cintas	Corbion	Samsung Electro-Mechanics Co.
Core & Main	Evoqua Water Technologies	Sunpower
Ming Yuan Cloud Group Holdings	Ichor Holdings	Xinjiang Goldwind SCI&Tech
Oatly	Nordex	Zhuzhou CRRC Times Electric Co
Plug Power	Ormat Technologies	
WillScot Mobile Mini	Pentair	
Zurn Water Solutions Corporation	SIMS	
	Smith (A.O.) Corp	
	Taiwan Semiconductor Manufacturing Company	
	Thai Tap Water Supply	
	Tokyo Electron	
	Tomra Systems	
	Xinyi Solar	
	Yaskawa Electric Cor	

During the reporting period, we admitted the US company Zurn Water Solutions. The company supplies solutions and products designed to guarantee the water quality and safety of business premises: an excellent addition to our investment universe.

We rejected and removed SunPower. The company was felling a forest for the construction of a solar farm (1 million solar panels) on the Yucatán peninsula. Representatives of the local Maya community took them to court but were unable to stop the felling. We sent SunPower three separate emails (in February and March 2022) requesting an explanation. Unfortunately, the company did not bother to answer our questions. Felling trees for the construction of a solar farm is unacceptable to us. This gave us reason to reject and remove the company.

Engagement

In 2022, we engaged in dialogue with 29 companies in the investment universe. These did not include the engagement regarding biodiversity and climate. The engagement primarily involved additional engagement by the manager, so as to encourage the companies in the portfolio 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.

One of the companies with which we engaged in 2022 is Samsung Electro-Mechanics, a South Korean manufacturer of parts for devices such as computers and telephones. The company is being associated with forced labour by Uyghurs in the Chinese region of Xinjiang. Despite our repeated attempts to engage with the company, it was unfortunately unwilling to discuss the issue. We therefore rejected Samsung Electro-Mechanics and removed it from our investment universe.

Taxonomy Regulation

Since 1 January 2022, the technical screening criteria supplementing the Taxonomy Regulation for environmentally sustainable economic activities apply to the environmental objectives of climate change mitigation and climate change adaptation. The technical screening criteria for the other four environmental objectives described in the Taxonomy Regulation have not yet been developed. These detailed criteria require the availability of multiple specific data points for each investment. At present, not enough reliable, timely or verifiable data are available to be able to assess investments against the technical screening criteria.

ASN Impact Investors believes that the EU taxonomy – the EU's list of sustainable economic activities – has the potential to be an important tool for determining which investments are sustainable. The taxonomy could promote transparency, combat greenwashing and encourage the shift of capital to the sustainable economy of the future. However, we cannot agree to the inclusion of nuclear energy and fossil gas as sustainable investments under the current EU taxonomy. This is

inconsistent with our convictions, vision and mission. For this reason, we have not set a specific EU taxonomy objective for the time being.

Risk management

Investing in the ASN Milieu & Waterfonds entails risks. The principal financial risks relating to the fund are explained in the table below. Section 1.9 contains a general description of the financial and non-financial risks, while section 3.4.6 describes the financial risks per fund.

Equity market risk					
The ASN Milieu & Waterfonds invests in listed equities. The value of listed equities fluctuates depending on factors such as economic growth outlook and inflation. The greater these fluctuations, the higher the market risk.					
Risk appetite	Probability	Impact	Limit	Materialisation	Control measure
High	High	High	VaR99 not exceeding 55%	The limit was not exceeded during the reporting period. Year-end 2022: limit not exceeded.	Risk control and monitoring through limit to Value at Risk (VaR).

Concentration risk					
The ASN Milieu & Waterfonds invests in the sustainable ASN Investment Universe. This results in high concentrations in sectors, countries and individual positions.					
Risk appetite	Probability	Impact	Limit	Materialisation	Control measure
High	High	High	Bandwidths for sector allocation, regional allocation, limit to maximum exposure in individual countries. The limits are shown separately in the tables below.	The materialisation is shown separately in the tables below. The limits were not exceeded during the reporting period.	Risk control through monitoring of the limits set.

Limit voor sector allocation

Sector	Limit	Materialisation
Waterinfrastructure and - technology	25-60%	Year-end 2022: 39%
Renewable energy and mobility	20-50%	Year-end 2022: 35%
Circular economy	0-20%	Year-end 2022: 12%
Food & agriculture	0-20%	Year-end 2022: 7%

Limit for regional allocation

Region	Limit	Materialisation
Europe	30-60%	Ultimo 2022: 47,7%
United States and Canada	15-50%	Ultimo 2022: 37,9%
Rest of the world	5-35%	Ultimo 2022: 14,4%

Limit for maximum investment in a single company or undertaking

Restriction	Limit	Materialisation
Size of investment in a single company or institution relative to the fund capital	5%	Year-end 2022: 2,8%

Currency risk

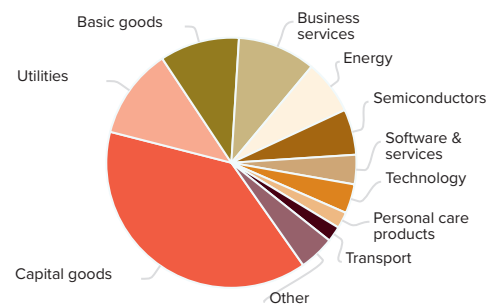
The ASN Milieu & Waterfonds invests in equities listed in euros and equities listed in other currencies. The value of the investments is therefore affected by exchange rate fluctuations. The fund does not hedge the currency risks.

Risk appetite	Probability	Impact	Limit	Materialisation	Control measure
High	High	Medium	Bandwidths for regional allocation, limit to maximum exposure in individual countries. The limits are shown in the tables regarding the concentration risk.	The materialisation is shown in the table on the concentration risk.	Risk control through monitoring of the limits set.

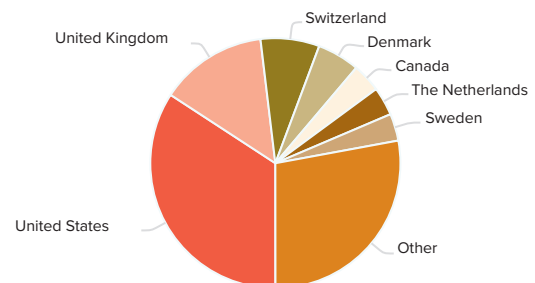
The following tables and graphs contain a further breakdown of the sector allocation and country allocation.

Sector allocation as %

Capital goods	38.7
Utilities	11.7
Basic goods	10.3
Business services	10.1
Energy	7.0
Semiconductors	5.9
Software & services	3.8
Technology	3.8
Personal care products	2.1
Transport	2.0
Other	4.6

Sector allocation**Country allocation as %**

United States	34.2
United Kingdom	13.9
Switzerland	7.6
Denmark	5.5
Canada	3.7
The Netherlands	3.7
Sweden	3.5
Other	27.9

Country allocation**Ten largest interests as %**

Ten largest interest as % of the portfolio

	%
American Water Works	2.9
Pentair	2.9
Vestas Wind Systems	2.7
Georg Fischer AG	2.6
United Utilities	2.5
Brambles	2.4
A.O. Smith	2.4
Stericycle	2.3
Severn Trent	2.3
Littelfuse Inc.	2.2
Total	25.2

2.4 ASN Duurzaam Small & Midcapfonds

Fund profile

The ASN Duurzaam Small & Midcapfonds invests in equities of small to medium-sized listed European companies that are committed to promoting the sustainability of society. ASN Impact Investors has outsourced the portfolio management of the fund to Kempen Capital Management. The companies in which the fund invests meet the sustainability criteria of ASN Impact Investors. The prospectus of ASN Beleggingsfondsen UCITS N.V. contains full information on the investment policy of this fund. The prospectus can be found at www.asnimpactinvestors.com on the fund's webpage.

Investment policy

ASN Impact Investors determines the investment universe of the ASN Duurzaam Small & Midcapfonds based on an analysis of companies' sustainability. Kempen performs the financial analysis, based on a fundamental analysis. As part of this analysis, it assesses matters such as market position, competition, balance sheet strength and financial ratios. The Fund's benchmark is MSCI Europe Small Cap Total Return Index. Based on the business analysis, the portfolio manager takes positions, without relying on or using the benchmark as a gauge. This can result in deviations from the benchmark and means that the fund has a relatively high *tracking error* (the difference between the performance of an investment portfolio and the change in value of its benchmark).

Portfolio management

During the year, the portfolio manager adjusted positions based on changes in the model portfolio, driven by valuations and upward price potential. The bottom-up investment process has led to adjustments in the sector weightings. On balance, the weightings of the real estate and health care sectors in particular were reduced in 2022 because of the sale of Hibernia, TAG Immobilien and EMIS Group. The sector weighting of cyclical consumer goods and industrial securities increased, due to the solid performance of the interests in Ipsos and JOST Werke. If we look at the geographical allocation of the portfolio, the weighting of Spain and the United Kingdom was reduced on balance as a result of the sale of Fluidra, EMIS Group and Computacenter. On the other hand, the weighting of the Netherlands and Sweden was increased, due among other things to the purchase of Basic-Fit and Dustin.

Five new investments were added to the portfolio in 2022: (in alphabetical order)

- **Alfen**
Alfen performs three related activities, which gives it a central role in the energy transition and electric driving. The company has an estimated market share of around 75% as a supplier of the familiar transformer boxes in Dutch residential and other areas. In this capacity, it will benefit in the coming years from the investments in capacity expansion by grid managers. Alfen experienced rapid growth as a supplier of EV chargers (electric vehicle charging points) in the Netherlands. It is now focusing on international growth in Germany, France and the United Kingdom, where the number of EV charging points is still relatively low. Alfen's smallest activity is energy storage (batteries) in order to absorb (temporary) peak loads on the electricity grid. This storage will play an increasingly important part in the future in resolving the imbalance between electricity demand and supply.
- **Azelis**
This Belgian distributor of special chemicals was not listed on the stock exchange until 2021. Nevertheless, we are already familiar with the sector because, earlier, we were actively following the industry peers Brenntag and IMCD. These distributors serve customers that are too small for the large chemical manufacturers. In exchange, the manufacturers often offer them exclusive agreements for combinations of products and countries. At the time of its flotation, we regarded the shares in Azelis as too expensive. This changed in 2022, whereupon we added the company to the portfolio.
- **Basic-Fit**
Basic-Fit has 1,200 'value for money' fitness clubs in the Netherlands, Belgium, Luxembourg, France and Spain. The company takes advantage of the fact that the number of fitness facilities is relatively low, whereas sport and exercise are of great importance, as highlighted further during the coronavirus pandemic. By now, the existing clubs generate nearly sufficient cash flow to finance the persistently strong growth in new clubs in the future. This has greatly improved the company's risk profile. Basic-Fit intends to expand its success from countries where it is already active to Germany. With a target of '3,000 clubs in 2030', the company anticipates that the current positive market trend will continue for a while.
- **Dustin**

Based on both valuation and sustainability ambitions, we prefer Dustin at the expense of Computacenter. Both companies are *value added resellers*: they sell hardware and software purchased elsewhere and thus form a link between manufacturers and end users. Computacenter supplies these products in a number of European countries and in the US, and only to large multinationals and the government. Dustin is active in Scandinavia and the Benelux, where it holds dominant market positions. As well as large companies and governments, Dustin also serves SMEs, mainly through its own webstore. Dustin generates half of its turnover digitally. Its ambition is to grow by 10% across the cycle. Where sustainability is concerned, Dustin aims to be fully circular and operate in the value chain on a carbon-neutral basis by 2030. This clearly puts Dustin ahead of other companies in its sector.

- **Tecan**

This Swiss manufacturer of medical test equipment was part of the portfolio until the end of February 2021. At that time, we sold the share on the basis of its valuation. In the first six months of 2022, the company's stock market price fell to such an extent as to make investing in this company interesting again.

We sold our shares in the following companies:

- **Computacenter**

Based on both valuation and sustainability ambitions, we sold the position in Computacenter in full and added Dustin to the portfolio instead.

- **Dürr**

After some years of weakness, especially in China, the Dürr shares benefited in the second half of 2021 from the market recovery of the wood processing division. Moreover, the investment willingness of car manufacturers recovered after the coronavirus pandemic. We took advantage of the price recovery and sold our position in Dürr when the price of this cyclical company approached our *fair value* in early 2022.

- **EMIS Group**

This company supplies software to GPs, hospitals and pharmacies in the United Kingdom. In June, it reported that it had received a takeover offer of GBP 19.25 per share. This was 49% more than the closing price preceding this announcement. During the rest of the year, we used this position as a source to fund new investments, thus gradually reducing it. Eventually, the final securities were sold in December.

- **Fluidra**

Water has always been a subject that we cannot avoid in the Netherlands, but after recent summers, this now also includes water scarcity. Climate change and excessive use of fresh water resources are causing water scarcity in more and more places worldwide. Fluidra develops equipment for swimming pools (primarily private pools) and wellness, such as pumps and filters. Fluidra's products help reduce the amount of water needed and the use of chemicals. However, private pools do not contribute to a sustainable society, certainly not in combination with ever-increasing water scarcity.

- **Hibernia**

Brookfield made an offer for all outstanding shares in Hibernia, whereupon all securities were registered.

- **TAG Immobilien**

We commend the company for paying no dividend for 2022 in order to reinforce its balance sheet. However, we are disappointed that the previously announced divestment programme to reinforce the balance sheet has been delayed. In this way, the company is postponing the balance sheet improvement to the end 2023, which results in ongoing uncertainty.

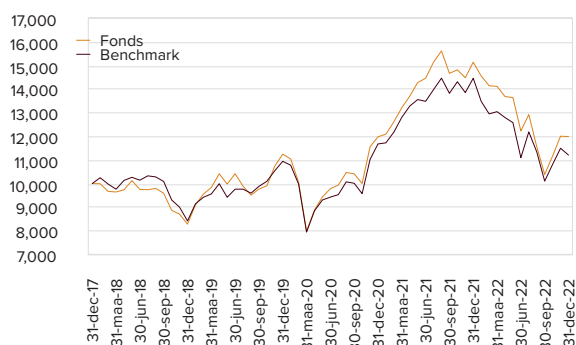
- **Tecan**

We added Tecan Group to the portfolio in June and sold this interest again in August. After the initial purchase, the Tecan share price did not stay around the desired purchase levels for long enough to build up a complete position. Partly because the results that Tecan published in August were better than expected, the share price went up. Because our interest was relatively small, we decided to sell it. If the Tecan share price falls below our purchase threshold again in the future, we will consider building up another position in the company.

Performance

The ASN Duurzaam Small & Midcapfonds achieved a return for 2022, based on the net asset value, of -20.81% (2021: 26.38%). This includes the reinvested dividend for 2021 of €0.70 per share (2020: €0.40). In the same period, the benchmark achieved a return of -22.50% (year-end 2021: 23.83%).

Geïndexeerd rendement over de afgelopen vijf jaar ten opzichte van de benchmark



Performance contributions

Performance attribution of ASN Duurzaam Small & Midcapfonds in 2022 relative to the benchmark

Fund NAV return ¹	Benchmark return	Outperformance	ESG-overlay	Active management	Costs
-20.81%	-22.50%	1.69%	n.v.t.	2.89%	-1.20%

¹ The fund return based on the net asset value (NAV) may differ from the return based on the quoted stock market price. The quoted stock market price at year-end 2022 is based on the net asset value on the previous trading day.

The value of the fund fell by 20.81% in 2022. This means that the Fund performed 1.7% better than the benchmark (MSCI Europe Small Cap Total Return Net Index), which fell by 22.5%.

2022 will enter the history books as the year of *The Great Inflation*. Inflation was fuelled by the reopening of economies after multiple lockdowns, which increased demand for products and services. At the same time, logistics chains were still largely disrupted, and several sectors faced a shortage of raw materials, products and employees. This was further reinforced by the war in Ukraine. Because inflation was rising rapidly, the central banks had to introduce rapid interest rate rises as well. They did so in large rate hikes. As a consequence of these interest rate rises, nearly all financial securities fell in value. Since 1928, there have been only four years in which the prices of both shares and bonds declined, and never by more than 10%. This makes 2022 one of the worst years ever.

The interest rate rise will eventually push down demand for products and services. However, this effect will be delayed because consumers saved up their money during the coronavirus pandemic – after all, the restrictions prevented them from spending it – while unemployment figures are not yet rising. Inflation seems to have peaked, considering that consumer spending has declined, raw material prices are falling and supplies of parts such as computer chips are recovering. However, it looks like the central banks will continue raising interest rates until inflation clearly falls below the desired level of 2%.

The shareholdings in France, the United Kingdom and Ireland produced the best performance, while those in Spain, Switzerland and the Netherlands lagged behind. From a sector perspective, the shareholdings in the health care, communication services and technology sectors made the largest contribution to the result, while those in the financial services, industrial and energy sectors made the smallest.

The fund costs were 1.20%.

In 2022, the following shares made the biggest positive contributions to the performance:

- **Ipsos** (contribution to fund performance +1.69%) was not affected by the stock market malaise. The combination of its strong order book, solid balance sheet and low valuation of its share was the main reason why the share performed relatively well. Although we expect that Ipsos will not be entirely immune to a possible recession, we believe that the company will weather the storm. Furthermore, we expect that Ipsos can continue to buy potential acquisitions at attractive valuation ratios. Ipsos has also committed itself to a repurchase of own shares, which may strengthen its share in the event of a price weakness.
- **EMIS Group** (contribution to fund performance: +1.41%), a supplier of software to GPs, hospitals and pharmacies in the United Kingdom, reported that it had received a takeover offer of GBP 19.25 per share, which was 49% higher than the closing price of the day preceding the announcement. After the announcement, we spoke with the management about the process that had led to the recommendation of this offer. We did not establish any shortcomings.

- The share price of **JOST Werke** (contribution to fund performance: +0.92%) benefited from the improvement in prospects for 2022. The end markets in transport and agriculture are developing well: demand for clutch systems remains solid, due in part to lorry production arrears. Moreover, JOST's strong track record in the area of cost control and cash flow management made a significant contribution to the favourable development of its results. The valuation of JOST shares remains attractive, with a price-profit ratio of 10.

The biggest negative contributions came from:

- After a strong rise in 2021, the share price of swimming pool manufacturer **Fluidra** (contribution to fund performance: -2.42%) came under pressure. In 2021, the company had taken advantage of the fact that consumers were spending more money on their homes. Once the coronavirus lockdowns had been lifted, however, this spending shifted to other categories, such as travel, culture, restaurants and hotels. Moreover, consumers became more reluctant to make large purchases, because consumer confidence fell sharply and energy costs went up.
- The rising inflation not only caused a shift in consumer spending but also affected spending on consumer goods. This had negative consequences for companies such as online fashion and cosmetics store **ASOS** (contribution to fund performance: -2.28%). In the course of the year, ASOS downgraded its profit expectations, one of the reasons being that the number of returns had gone up. Profits were declining, while stocks were increasing. This also meant that the net debt was higher than expected. In addition, the ASOS management is being restructured because CFO/COO Mat Dunn will be leaving the company, as the company announced in August. Although the results and short-term prospects are disappointing, we believe that ASOS' performance is better than that of its competitors.
- The negotiations between **Telenet** (contribution to fund performance: -2.15%) and Fluvius, the owner of a part of the infrastructure used by Telenet, have produced a disappointing outcome. To ensure that the new entity can operate financially independently, Telenet will reinvest the proceeds from the earlier sale of the mobile telephony aeriels. Furthermore, Telenet is reducing the dividend baseline to €1 per share, as opposed to an earlier minimum threshold of €2.75. This step lays a solid financial basis for the roll-out of fibre optic in a large part of Belgium. However, shareholders cannot expect an attractive return just yet. Moreover, a new entrant has completely unexpectedly secured a share of the mobile 5G spectrum. If this party becomes commercially active, this may put pressure on Telenet's margins.

Key figures of ASN Duurzaam Small & Midcapfonds

% return

	Fund	Benchmark ¹
2022	-20,81%	-22,50%
2021	26,38%	23,83%
Last three years (yearly average)	2,16%	0,80%
Last five years (yearly average)	3,69%	2,30%
Yearly average since inception date (20-04-1993)	5,17%	4,56%

¹ The benchmark is MSCI Europe Small Cap Total Return Net Index.

Kerncijfers in euro's

Price 31 December 2022	46.60
Price 31 December 2021	59.83
Highest price in 12 months	60.63
Lowest price in 12 months	39.09
Net asset value per share 31 December 2022 ¹	46.44
Dividend for financial year 2021	0.70

¹ As the quoted stock market price lags the net asset value by a day, a difference may arise.

Fondsentwikkeling

	31-12-2022	31-12-2021
Fund size in € thousands	189,331	226,208
Number of shares outstanding	4,076,775	3,804,203

Sustainability

ASN Impact Investors only invests in companies, governments, organisations and projects that contribute to a sustainable society and are financially sound. This section describes how the ASN Duurzaam Small & Midcapfonds contributes to sustainability.

Three sustainable objectives

The ASN Duurzaam Small & Midcapfonds is an Article 9 product within the meaning of the SFDR. An Article 9 product is an investment product with a specific focus on achieving one or more sustainability goals. The following three objectives have been formulated for the ASN Duurzaam Small & Midcapfonds:

1. to reduce CO₂ emissions in line with the Paris Agreement (expressed in the fund's contribution to limiting the rise in temperature to 1.5 degrees by 2050);
2. to reduce the negative impact on biodiversity per euro invested (compared to baseline year 2019); and
3. to encourage the payment of a living wage to factory workers in the garment industry chain (compared to baseline year 2019).

The SFDR legislation dictates that ASN Impact Investors must provide insight into the progress in achieving its sustainability goals. We are reporting on this progress in the mandatory Annex 5 attached to this annual report. This annex contains an overview in figures of the outcomes and progress. ASN Impact Investors has an Impact Committee that monitors progress towards these objectives. The committee discusses proposals and scenario analyses that could contribute to achieving the sustainability objectives. In this section, we provide more information about the impact on the climate.

Climate

The companies in which the ASN Duurzaam Small & Midcapfonds invests emit CO₂. In selecting companies, we assess their climate and environmental policies as well as performance. We want to invest in companies whose products contribute to and are in keeping with a climate-proof economy. Our method calculates the CO₂ emissions generated by the activities. The contribution made by the products or services during their useful life is not included. The CO₂ emissions as at year-end 2022 were as follows:

CO ₂ emissions of the ASN Duurzaam Small & Midcapfonds ^{1,2}	Year-end 2022	Year-end 2021	Difference
Scope 1 and 2	13,212	9,678	36.5%
Scope 3	106,888	87,594	22.0%
Total scope 1, 2 and 3	120,100	97,272	23.5%

¹ The methodology for measuring the CO₂ impact of investments and loans is constantly evolving, and the data used are improving all the time. As a result, the calculated CO₂ impact may be adjusted in the future if better data become available.

² In this report, we present the CO₂ results for the funds that are part of ASN Beleggingsfondsen UCITS N.V. (the UCITS funds). In the report for ASN Beleggingsfondsen AIF N.V., we will present the CO₂ results for the ASN Duurzame Mixfondsen and the ASN Groenprojectenfonds. The ASN Duurzame Mixfondsen invest directly in the UCITS funds. As a result, the CO₂ figures of the UCITS funds include the CO₂ results of the investments in the ASN Duurzame Mixfondsen.

Evolution of absolute CO₂ emissions in tonnes

In 2022, the total absolute CO₂ emissions of the ASN Duurzaam Small & Midcapfonds amounted to 120,100 tonnes for scopes 1, 2 and 3. Changes in the CO₂ emissions were caused by:

1. Changes in the composition of the investment portfolio. These may occur when 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.
3. Changes in the size of the fund.

Changes in the composition of the investment portfolio

The removal of Dürr, Computacenter and Fluidra made the greatest contribution to the reduction in CO₂ emissions by the ASN Duurzaam Small & Midcapfonds. Collectively, they accounted for a reduction of more than 5,300 tonnes. The newly acquired company Dustin Group made the greatest contribution to the increase in CO₂ emissions, accounting for more than 2,000 tonnes.

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 means that the data input we are using to calculate the CO₂ emissions of our funds is improving accordingly. In 2022, it appeared that the CO₂ emissions of Coats Group and JOST Werke had increased. Collectively, they accounted for an increase of more than 15,000 tonnes in CO₂ emissions. On the other hand, the CO₂ emissions of TKH Group, Travis Perkins and Barco declined. Collectively, they accounted for a reduction of nearly 4,000 tonnes in CO₂ emissions.

Changes in the size of the fund

The number of shares outstanding rose by 7% in 2022, while the total absolute CO₂ emissions increased by more than 23%. This means that the absolute CO₂ emission figure per share of the ASN Duurzaam Small & Midcapfonds went up.

Biodiversity



One of the objectives of the ASN Duurzaam Small & Midcapfonds is to reduce the negative impact on biodiversity per euro invested (in relation to the reference year, 2019). Progress towards achieving this objective is measured using the method developed by the Partnership for Biodiversity Accounting Financials (PBAF). This method is still in development. In Annex V and in the Impact Report, ASN Impact Investors reports on the progress made by the ASN Beleggingsfondsen towards the biodiversity objective. This report is available on www.asnimpactinvestors.com.

Human rights

The ASN Duurzaam Small & Midcapfonds invests in clothing companies. ASN Impact Investors has formulated a living wage objective for the ASN Duurzaam Small & Midcapfonds: to encourage the payment of a living wage to factory workers in the garment industry chain (compared to baseline year 2019). ASN Impact Investors reported on the progress made towards this objective in section 1.8 of this annual report.

Sustainable Development Goals (SDGs)

The United Nations Sustainable Development Goals (SDGs) offer a common language for talking about sustainable, social development at national and international level. In section 1, we will explain the relationship between our sustainability policy and the SDGs. Below, we will identify the SDGs on which the ASN Duurzaam Small & Midcapfonds has particular impact.

SDG 8	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	
Target 8.8	Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.	
Explanation	The fund avoids sectors with a high risk of poor labour conditions, such as agriculture, mining and the sex industry. In addition, we check whether companies meet the 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.	
SDG 9	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	
Target 9.4	By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.	
Explanation	The fund invests in listed companies that apply clean, environmentally-friendly technologies. We exclude and avoid non-sustainable activities. For example, the fund does not invest in the fossil fuel sector, waste processors which primarily dump waste, and producers of combustion engines. It does invest in public transport and in telecommunications and software companies. In addition, we check whether companies meet our guidelines in respect of environmental policy, deforestation, change of land use, introduction of exotic species, overexploitation and pollution.	

SDG 12	Ensure sustainable consumption and production patterns	
Target 12.6	Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.	
Explanation	We review the companies in the fund at least once every four years on the aspects of management, human rights, biodiversity, climate and supply chain policy. During this review, we consider sector risks, high-risk countries, policy documents and company performance. In addition, we may engage with companies.	
SDG 13	Take urgent action to combat climate change and its impacts	
Target 13.2	Integrate climate change measures into national policies, strategies and planning.	
Explanation	We exclude polluting sectors from the fund and avoid them. We assess the policy and performance of companies in areas such as deforestation and change of land use.	

Sustainable selection

In 2022, we assessed 29 companies for the ASN Duurzaam Small & Midcapfonds. We admitted 3 new companies to the investment universe, retained 20 companies, refused 3 companies and rejected and removed 3 companies from the investment universe. GO-Ahead Group, Hibernia, Kcom, Nobina, Stagecoach Group and VA-Q Tec were removed for non-sustainability reasons.²

Newly admitted	Retained	Removed
Alfen N.V.	Austria Tech	BIC
Azelis Group NV	Axfood	Cargotec
NX Filtration N.V.	Basic-Fit	Fluidra
	BE Semiconductor Industries	
	Britvic	
	Cofinimmo	
	Corbion	
	Electrolux Professional	
	FNAC Darty	
	Gym Group	
	Ipsos	
	Koenig & Bauer	
	Logitech International	
	Nordex	
	Orion Oyj	
	PAGE Group International	
	Shaftesbury	
	SThree	
	Taylor Wimpey	
	Wickes Group	

The Dutch company Alfen develops, produces and sells smart grids, electric vehicle charging points and various energy storage solutions. As such, it makes an excellent addition to the investment universe.

We rejected the French company BIC because an investigation revealed that the company performs animal testing and has inadequate policies to keep the use of animal testing to a minimum.

Engagement

In 2022, we held talks with 28 companies from the investment universe. In connection with the long-term living wage objective, we engaged in dialogue with one clothing company. Details can also be found in section 1.8, under *Sustainable objectives of ASN Impact Investors*. We also intensified our engagement so as to encourage companies to develop further

² A company may be removed in connection with a merger, takeover or bankruptcy, or if the investment manager no longer considers a company to be a financially attractive investment.

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. In summary, we pursued engagement in the following cases:

- Misconduct at the company had come to light.
- A review revealed that the company no longer met our criteria.
- We wanted to encourage the company to develop further in the area of sustainability.

In 2022, we engaged with the French company BIC, manufacturer of products such as pens, razor blades and lighters. We had established that the company performed animal testing. Contacts with the company revealed that its animal testing policies did not meet our standards. Further engagement proved unsuccessful. We therefore rejected BIC and removed it from our investment universe.

Taxonomy Regulation

Since 1 January 2022, the technical screening criteria supplementing the Taxonomy Regulation for environmentally sustainable economic activities apply to the environmental objectives of climate change mitigation and climate change adaptation. The technical screening criteria for the other four environmental objectives described in the Taxonomy Regulation have not yet been developed. These detailed criteria require the availability of multiple specific data points for each investment. At present, not enough reliable, timely or verifiable data are available to be able to assess investments against the technical screening criteria.

ASN Impact Investors believes that the EU taxonomy – the EU's list of sustainable economic activities – has the potential to be an important tool for determining which investments are sustainable. The taxonomy could promote transparency, combat greenwashing and encourage the shift of capital to the sustainable economy of the future. However, we cannot agree to the inclusion of nuclear energy and fossil gas as sustainable investments under the current EU taxonomy. This is inconsistent with our convictions, vision and mission. For this reason, we have not set a specific EU taxonomy objective for the time being.

Risk management

Investing in the ASN Duurzaam Small & Midcapfonds entails risks. The principal financial risks relating to the fund are explained in the table below. Section 1.9 contains a general description of the financial and non-financial risks, while section 3.4.6 describes the financial risks per fund.

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Equity market risk

The ASN Duurzaam Small & Midcapfonds invests in listed equities of small to medium-sized companies. The value of listed equities fluctuates depending on factors such as economic growth outlook and inflation. The greater these fluctuations, the higher the market risk.

Risk appetite	Probability	Impact	Limit	Materialisation	Control measure
High	High	High	VaR99 not exceeding 55%	The limits was not exceeded in the reporting period. Year-end 2022: 38,45%.	Risk control and monitoring through limit to Value at Risk (VaR)

Currency risk

The ASN Duurzaam Small & Midcapfonds invests in equities listed in euros and equities listed in other currencies. The value of the investments is therefore affected by exchange rate fluctuations. The fund does not hedge the currency risks.

Risk appetite	Probability	Impact	Limit	Materialisation	Control measure
Medium	Medium	Medium	Europe 100%	Europe 100%	Risk control through monitoring of the limits set.

Concentration risk

The ASN Duurzaam Small & Midcapfonds invests in the sustainable ASN Investment Universe. This results in high concentrations in sectors, countries and individual positions.

Risk appetite	Probability	Impact	Limit	Materialisation	Control measure
Medium	High	High	Restrictions to investment size. The limits are shown separately in the table below.	The materialisation is shown separately in the table below. The limits were not exceeded during the reporting period.	Risk control through monitoring of the limits set.

Restriction

Size of investment in a single company or undertaking relative to fund capital

Market capitalisation of the company

Limit

10%

At the start, less than €6 billion and during the investment, more than €10 billion for no more than three months. small caps: companies with a market capitalisation below €10 billion.

Materialisation

Year-end 2022: 4,9%

This limit was not exceeded during the reporting year.

Interest held in the share capital of companies

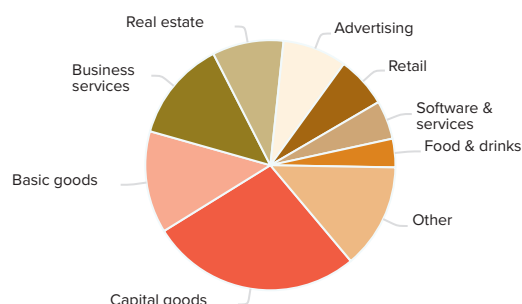
Duration not exceeding 5% not exceeding No more than 10% during the investment. Investments larger than 5% may not together comprise more than 40% of the portfolio. 40% of the world

Year-end 2022: 1,5%

- N.v.t.

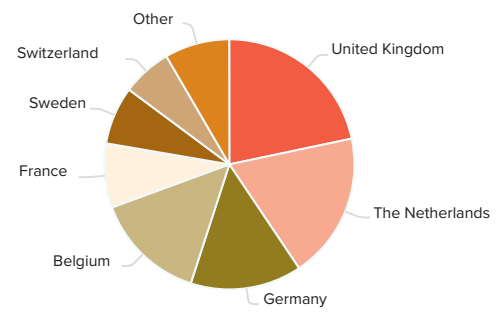
Sector allocation as %

Capital goods	27.3
Basic goods	13.2
Business services	13.1
Real estate	9.2
Advertising	8.3
Retail	6.6
Software & services	5.0
Food & drinks	3.7
Other	13.6

Sector allocation**Country allocation as %**

United Kingdom	21.7
The Netherlands	18.9
Germany	14.4
Belgium	14.4
France	8.3
Sweden	7.5
Switzerland	6.4
Other	8.4

Country allocation



2.5 In control statement of the UCITS manager

Activities performed

As UCITS manager, ASN Impact Investors has a statement of the operational management as referred to in section 121(1) that meets the requirements of the Market Conduct Supervision (Financial Institutions) Decree (Bgfo: Besluit gedragstoezicht financiële ondernemingen Wft). During the past financial year, ASN Impact Investors reviewed various aspects of the operations.

Reporting on the operations

In carrying out our activities, we:

- did not find anything based on which we would have to conclude that the description of the design of the operations as referred to in section 121(1) Bgfo does not comply with the requirements laid down in the Financial Supervision Act and associated regulations;
- did not find that the operations do not function effectively and in accordance with the applicable description. This appears from:
 - the management of financial and non-financial risks about which periodic reports are issued, and from what is discussed in the monthly meetings of the Risk Management and Compliance Committee;
 - the fact that the amount of capital held is well in excess of the minimum capital requirement, and the performance of a key control in the assessment of the minimum capital;
 - the three lines of defence governance, including the separate second-line risk management and compliance function.

Therefore, we can report with reasonable assurance that the operations have functioned effectively and in accordance with the applicable description.

The Hague, 16 March 2023

The Board of Directors of ASN Beleggingsinstellingen Beheer B.V.

San Lie

Ro Dielbandhoesing

Dirk-Jan Stam



LY

OAT-MILK



...the television has that's Toni.
...the TV. He's our
...that guy. And
...I want to stay with him.
...family which is why we
...want to be on TV.
...Teresa Lerner.
...we're going to drive
...your son. Thank

ALCOHOL

YEROCHEVA, ZINA



3 Financial Statements ASN Beleggingsfondsen UCITS N.V.



3.1 Balance sheet

Before profit appropriation and in € thousands	Ref. ¹	31-12-2022	31-12-2021
Investments	(A)		
Direct Investments ²		3,058,512	3,785,165
Accounts receivable	(B)	21,457	29,323
Other assets	(C)		
Cash at bank		33,241	38,355
Current liabilities	(D)	6,463	9,607
Accounts receivable and other assets less current liabilities		48,235	58,071
Assets less current liabilities		3,106,747	3,843,236
Equity	(E)		
Issued capital		288,340	286,385
Share premium reserve		2,210,467	2,115,685
Other reserves		1,339,779	868,422
Retained earnings		-731,839	572,744
Total equity		3,106,747	3,843,236

¹ The references in the balance sheet and profit and loss account refer to the explanatory notes to the respective items.

² An indirect investment is also recognised in the direct investments: ASN Venture Capital Funds.

3.2 Profit and loss account

In € thousands	Ref. ¹	01-01-2022 to 31-12-2022	01-01-2021 to 31-12-2021
Investment income		68,891	71,327
Realised changes in value on investments	(F)	-101,565	105,999
Unrealised changes in value on investments	(G)	-671,133	426,849
Surcharges and deductions charged		718	980
Other operating income		308	24
Total income		-702,781	605,179
Operating expenses	(H)		
Management fees		28,597	31,645
Other operating expenses		461	790
Total operating expenses		29,058	32,435
Net result		-731,839	572,744

¹ The references in the profit and loss account refer to the explanatory notes to the respective items.

3.3 Cash flow statement

<i>In € thousands</i>	01-01-2022 to 31-12-2022	01-01-2021 to 31-12-2021
Cashflow from investment activities		
Net result	-731,839	572,744
Exchange rate differences on cash	199	425
Net result excluding exchange rate differences on cash	-731,640	573,169
Adjustment to reconcile the result with the cashflow generated by the investment activities:		
Realised changes in value on investments	101,565	-105,999
Unrealised changes in value on investments	671,133	-426,849
Purchase of investments	-1,142,364	-2,393,995
Disposal of investments	1,085,483	2,196,809
Redemption of investments	10,836	655
Changes in assets and liabilities:		
Change in receivables arising from investment activities	2,558	4,811
Change in liabilities arising from investment activities	-5,136	-477
Net cashflows from investment activities	-7,565	-151,876
Cashflows from financing activities		
Issue of shares	333,699	540,581
Purchase of shares	-285,894	-351,461
Change in receivables arising from issue of shares	5,308	-1,491
Change in liabilities arising from purchase of shares	1,992	-2,176
Dividend distributed	-52,455	-34,424
Net cash flow from financing activities	2,650	151,029
Total net cash flow	-4,915	-847
Exchange rate differences on cash	-199	-425
Change in cash	-5,114	-1,272
Cash at the beginning of the reporting period	38,355	39,627
Cash at the end of the reporting period	33,241	38,355

3.4 Notes to the financial statements

ASN Beleggingsfondsen UCITS N.V. is an investment company with variable capital, having its registered office at Bezuidenhoutseweg 153 in The Hague. The company was established on 22 April 2020. Shares of the funds of ASN Beleggingsfondsen UCITS N.V. are traded via Euronext Fund Services (EFS), the trading platform for open-ended investment funds that are registered in the Netherlands and are listed on Euronext Amsterdam. The company's reporting period is concurrent with the calendar year. This report relates to the period from 1 January 2022 up to and including 31 December 2022. The financial statements of ASN Beleggingsfondsen UCITS N.V. were prepared on 16 March 2023.

ASN Beleggingsfondsen UCITS N.V. consists of the ASN Duurzaam Obligatiefonds, the ASN Milieu & Waterfonds, the ASN Duurzaam Aandelenfonds and the ASN Duurzaam Small & Midcapfonds, about which we report in this annual report. These funds are managed under a UCITS licence and are consequently also available in other countries. The financial statements of ASN Beleggingsfondsen UCITS N.V. have been prepared in accordance with the rules laid down in Part 9 of Book 2 of the Dutch Civil Code, the Financial Supervision Act (Wft: Wet op het financieel toezicht) and the Annual Reporting Guidelines (Richtlijnen voor de Jaarverslaggeving), in particular Guideline 615 (RJ 615) Investment Institutions. The financial statements have been prepared on a going-concern basis. ASN Beleggingsinstellingen Beheer B.V. (ABB), trading as ASN Impact Investors, is licensed in accordance with section 2:69b of the Wft.

ASN Beleggingsfondsen UCITS N.V. is an open-ended investment fund and has an umbrella structure. The ordinary shares of ASN Beleggingsfondsen UCITS N.V. are divided into various series of shares (the funds), to which the capital of the investment company is allocated and which can be invested in separately. The funds have no legal personality as such; the assets are held by one and the same legal entity: ASN Beleggingsfondsen UCITS N.V.

In accordance with the Wft, the capital of each fund is separated from the capital of the remaining funds. Each fund has its own investment policy, risk profile and pricing rules. The administrative accounting of each fund is also kept separate through the use of separate accounts. The capital is paid into a separate fund and invested separately. The costs and revenues are both accounted for separately by fund. Value gains and losses in the portfolio of a fund accrue to or are borne by the holders of the series of shares in question. ASN Impact Investors, as the UCITS manager, believes that it may be in the interest of ASN Beleggingsfondsen UCITS N.V. and its shareholders to limit or temporarily suspend the issue or repurchase of own shares if this is necessitated by exceptional circumstances.

For further details of the structure referred to above, please see Chapter 5 of the prospectus of ASN Beleggingsfondsen UCITS N.V.

ASN Impact Investors acts as UCITS manager for ASN Beleggingsfondsen UCITS N.V. and in this capacity determines the investment policy of ASN Beleggingsfondsen UCITS N.V. ASN Impact Investors is also the management of ASN Beleggingsfondsen UCITS N.V., in accordance with its Articles of Association.

Each ASN Beleggingsfonds pays fund costs to ASN Impact Investors. Out of these fund costs, ASN Impact Investors pays all the costs it incurs on behalf of the fund, as set out in Chapter 11 of the prospectus. The costs paid to ASN Impact Investors by the ASN Beleggingsfondsen are reserved daily (on trading days), on a proportional basis according to a fixed percentage of the annual capital of the fund at the end of the day and charged to the capital of the fund in question.

The ongoing charges of an investment fund include, in addition to the fund costs, all other costs debited to the fund in the reporting period, excluding the costs of investment transactions and interest costs.

The ongoing charges figure (OCF) for each investment fund is as follows:

	OCF (on annual basis)	
	01-01-2022 to 31-12-2022	01-01-2021 to 31-12-2021
ASN Duurzaam Obligatiefonds	0.45%	0.45%
ASN Milieu & Waterfonds	1.03% ¹	1.20%
ASN Duurzaam Aandelenfonds	0.85%	0.85%
ASN Duurzaam Small & Midcapfonds	1.20%	1.20%

¹ As of 1 March 2022, the management fee of the ASN Milieu & Waterfonds has changed from 1.20% to 1.00% on an annual basis

ASN Impact Investors is the trade name of ASN Beleggingsinstellingen Beheer B.V. (ABB). ABB is a wholly-owned subsidiary of ASN Duurzame Deelnemingen N.V., a wholly-owned subsidiary of de Volksbank N.V. (de Volksbank). De

Volksbank has its registered office at Croeselaan 1, 3521 BJ in Utrecht. ASN Impact Investors has its registered office in The Hague and its place of business at Bezuidenhoutseweg 153, 2594 AG The Hague.

In certain sections of these financial statements, phrasing and words are used which differ from the models for investment institutions as prescribed in the Financial Statements Formats Decree (Besluit modellen jaarrekening), since they better reflect the substance of the item.

3.4.1 Accounting policies for the valuation of assets and liabilities

Unless otherwise stated, all amounts are in thousands of euros and the items included in the balance sheet are recognised at market value.

Foreign currencies

The euro is used as the functional and reporting currency of the company. Assets and liabilities are converted into foreign currencies at the exchange rate applicable on the balance sheet date.

As at the end of the reporting period, the following exchange rates were used for the funds (World Market/Reuters *closing spot rates*):

<i>Exchange rate against the euro</i>	31-12-2022	31-12-2021
US Dollar	1.0672	1.1372
Australian Dollar	1.5738	1.5641
Pound Sterling	0.8872	0.8396
Canadian Dollar	1.4461	1.4365
Danish Krone	7.4364	7.4376
Euro	1.0000	1.0000
Hong Kong Dollar	8.3298	8.8660
Japanese Yen	140.8183	130.9543
New Israel Sjekel	3.7658	3.5394
Norwegian Krone	10.5135	10.0282
Singapore Dollar	1.4314	1.5331
Taiwanese Dollar	32.8025	31.4629
South African Rand	18.1593	18.1497
South Korean Won	1,349.5376	1,351.8465
Swedish Krona	11.1202	10.2960
Swiss Frank	0.9874	1.0362

The exchange rates prevailing at the transaction date were used with regard to purchases and disposals during the reporting period. The exchange rate prevailing at the transaction date also applies in respect of items in the profit and loss account denominated in foreign currency. Differences arising from the currency conversion are recognised in the profit and loss account.

Criteria for inclusion in the balance sheet

A financial instrument is recognised on the balance sheet as soon as it becomes probable that the company will derive future economic benefits from it. On initial recognition, the fair value of a financial instrument is equal to the cost of the financial instrument. A financial instrument is no longer recognised on the balance sheet if a transaction results in the transfer to a third party of all or almost all future rights to economic benefits and all or almost all risks in relation to the financial instrument.

Furthermore, assets and liabilities are no longer included in the balance sheet from the moment that the company no longer meets the conditions that future economic benefits are likely and/or the value can be reliably determined.

Netting of an asset and a liability

A financial asset and financial liability are offset and the net amount is reported on the balance sheet where there is a statutory or contractual right of set-off and simultaneous settlement in respect of the asset and liability. There is additionally a firm intention to settle the items on a net basis and simultaneously. Interest income and interest expenses connected with financial assets and financial liabilities presented as net amounts are likewise recognised on a net basis.

Use of estimates

In preparing the financial statements of ASN Beleggingsfondsen UCITS N.V., the Board of Directors is required to make judgements, estimates and assumptions, which affect the application of the accounting policies and the reported value of assets and liabilities and of income and expenditure. The actual results may differ from these estimates. The estimates and underlying assumptions are reviewed as part of a regular process, with reviews being carried out at least on a monthly basis. These reviews are also documented. It is possible that new information may come to light in the interim, causing estimates to be revised. Revisions of estimates are stated in the period in which the estimate is revised and in future periods impacted by the revision.

The *Fair value measurement of financial instruments* table in the next section provides a further explanation of the extent to which estimates are used.

Investments

Disposition

The securities are at the company's disposal.

Determining the fair value of investments

In accordance with Annual Reporting Guideline (RJ) 290.916, information is provided below on financial instruments that are measured at fair value in the interim financial statements. These financial instruments are classified and described at the following levels:

Level 1: the fair value is derived from listed market prices;

Level 2: the fair value is derived from independent assessments;

Level 3: the fair value is derived from a calculation of the net present value (NPV);

Level 4: the fair value is derived based on another suitable method.

Fair value measurement of financial instruments

		Level 1	Level 2	Level 3	Level 4
		Listed market prices	Independent assessments	Net present value calculations	Other method
In € thousands	31-12-22				
ASN Duurzaam Aandelenfonds	1,488,673	1,478,465	-	-	10,208 ¹
ASN Duurzaam Obligatiefonds	507,563	507,563	-	-	-
ASN Milieu & Waterfonds	880,323	880,323	-	-	-
ASN Duurzaam Small & Midcapfonds	181,953	181,953	-	-	-
Total	3,058,512	3,048,304	-	-	10,208

¹ Concerns the investment in the ASN Venture Capital Fonds.

The investments in the funds are generally considered as liquid.

Transaction costs

Transaction costs incurred on the purchase and disposal of investments are recognised under the realised gains and losses in the profit and loss account. Transaction costs on the purchase of investments are therefore not capitalised.

No transaction costs can be determined for fixed income securities because these costs are included in the purchase and selling prices and cannot be identified separately. The total amount of the transaction costs for fixed-income securities cannot therefore not be determined with sufficient accuracy. The turnover ratio of the portfolio is an indicator of the relative transaction costs.

Investments with a public listing

Shares listed on a stock exchange are measured at fair value on the basis of the most recent closing price in the reporting period. If financial instruments are listed on different stock exchanges, the UCITS manager determines from which stock exchange the price will be taken.

Fixed income securities are measured at fair value. If an active market exists, the relevant bid prices are used, or, in the absence of bid prices, the relevant mid price (between bid and sell) at the closure of the market will be used. If no

valuation is possible on the basis of quotes by information providers, attention will turn to valuations by other external parties. In the case of fixed income products, a valuation will be requested from the *lead manager* or the party from which the products were acquired. If this is not possible, the price is determined by a model-based method.

Investments without a public listing

Investments that are not listed or traded on a stock exchange and any unmarketable investments are valued, in principle, on the basis of an indicative assessment by external parties. If this is not available, the UCITS manager determines the valuation according to a model-based method. He makes every effort to assign a valuation that is as recent and accurate as possible. The valuation may be outdated as a result. If, following the determination of the net asset value of the fund as at the end of the reporting period, but prior to the publication of the annual report, information becomes available which results in a materially different understanding of the net asset value, this will be reported and explained in the annual report.

The investments of ASN Venture Capital Fonds N.V., in which the ASN Duurzaam Aandelenfonds invests, have the nature of sustainable venture capital and are often unlisted. For the purpose of calculating the net asset value of the ASN Duurzaam Aandelenfonds, a net asset value is calculated daily for ASN Venture Capital Fonds N.V. on the basis of information available at that time. As audited annual figures of the funds in which ASN Venture Capital Fonds N.V. invests are not available at the date of the report of ASN Beleggingsfondsen UCITS N.V., some uncertainty regarding the valuation as at the balance sheet date remains. This uncertainty is inherent in the nature of the investments. With regard to the unlisted investments in the portfolio of ASN Venture Capital Fonds N.V., the managers of these funds generally issue a valuation once a quarter as at the end of the preceding quarter.

Receivables and payables

After initial recognition, receivables and payables are valued at amortised cost. Since there is no share premium or discount nor any transaction costs, the amortised cost is equal to the nominal value of the receivables and payables.

Other assets and liabilities

The remaining assets and liabilities are stated at nominal value. The nominal value is virtually identical to the market value due to the short maturities of the respective items.

Surcharge and deduction on subscription and redemption

Upon the issue of shares in the fund, the issue price of the shares is increased by a surcharge on the net asset value calculated; upon the purchase of shares, the purchase price is reduced by applying a deduction. Shares are issued at the current net asset value plus a surcharge or are redeemed at the current net asset value minus a deduction.

The surcharges and deductions are recognised in the profit and loss account under the *Surcharges and deductions charged* item and accrue in their entirety to the respective fund. They are primarily intended to cover transaction costs charged to the fund on its investment transactions. The transaction costs consist of fees for, among other things, brokerage costs, settlement costs, currency differences and market-impact costs. The surcharge and deduction amounts are set annually on the basis of the average transaction costs that are representative for transactions on the financial markets in the respective asset class. The current surcharges and deductions applicable from 15 March 2023 are shown below.

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	ASN Duurzaam Obligatiefonds	ASN Milieu & Waterfonds	ASN Duurzaam Aandelenfonds	ASN Duurzaam Small & Midcapfonds
Surcharge	+ 0.025%	+ 0.125%	+ 0.125%	+ 0.40%
Deduction	- 0.025%	- 0.10%	- 0.05%	- 0.40%

The following surcharges and deductions applied throughout the financial year 2022.

Table 1:

	ASN Duurzaam Obligatiefonds	ASN Milieu & Waterfonds	ASN Duurzaam Aandelenfonds	ASN Duurzaam Small & Midcapfonds
Surcharge	+ 0.075%	+ 0.125%	+ 0.175%	+ 0.45%
Deduction	- 0.075%	- 0.10%	- 0.05%	- 0.40%

3.4.2 Accounting policies for determining the result

Recognition of income and expenditure

Income is included in the profit and loss account if there has been an increase in economic potential, in combination with an increase in an asset or a reduction in a liability, the extent of which can be reliably determined.

Expenditure is included if there has been a reduction in economic potential, in combination with a reduction in an asset or an increase in a liability, the extent of which can be reliably determined.

Determination of the result

The result is mainly determined by the realised and unrealised gains and losses on investments during the reporting period, minus the costs attributable to the reporting period. The realised gains and losses are determined by deducting the carrying value at the beginning of the reporting period, or the average cost of the purchases during the reporting period, from the sale proceeds (including selling costs). The unrealised gains and losses are determined by deducting the carrying value at the beginning of the reporting period, or the average cost of the purchases during the reporting period, from the carrying value at the end of the reporting period.

The result in the investment funds also consists of the direct investment income, such as interest and dividend. The dividend is the gross cash dividend earned, less commission, insofar as the dividend tax cannot be reclaimed. Revenues in the form of stock dividend are recognised as purchases at nil in the balance sheet. In the case of optional dividend (cash or stock dividend), where stock dividend is chosen, the cash dividend not received is recognised and registered as cost of the stock dividend. Interest income is the gross interest received on private and other loans, credit and bonds, less any commission payable. Interest is recognised in the period to which it relates.

Ongoing charges figure (OCF)

The ongoing charges figure (OCF) shows the total costs debited to the fund as a percentage of the average fund capital. In calculating the OCF, the average fund capital is determined based on the frequency with which the intrinsic value or *net asset value* (NAV) is issued. The net asset value is calculated on each day on which the Euronext Amsterdam N.V. stock exchange is open for trading in the Netherlands. All NAVs issued during the reporting period are added up and divided by the number of NAVs issued.

The ongoing charges of an investment fund include all the costs debited to the fund in a reporting period, excluding the costs of investment transactions and interest costs. The ongoing charges are expressed as a percentage of the average fund capital of the fund concerned in the reporting period.

Apart from the fund costs, no other costs are charged to the funds. Due to the method used to calculate the expenses fee, the ongoing charges do not, in principle, differ from the fund costs.

Turnover ratio

The turnover ratio of the assets gives an indication of the rate of turnover of the fund's portfolio. This provides insight into the extent to which active management occurs in respect of the investment portfolio. A negative turnover ratio indicates that the hedging provided by the surcharge and deduction is greater than the transaction costs incurred by the fund.

The turnover ratio is calculated as follows:

$$[(\text{Total 1} - \text{Total 2}) / X] * 100$$

Total 1: the total amount of securities transactions (securities purchases + securities disposals)

Total 2: the total amount of transactions (issues + purchases) in respect of units in the investment fund

X: the average net asset value of the investment fund

The average fund capital during the reporting period is determined based on the frequency with which the NAV is issued. The net asset value is calculated on each day on which the Euronext Amsterdam N.V. stock exchange is open for trading in the Netherlands. All NAVs issued during the reporting period are added up and divided by the number of NAVs issued.

3.4.3 Accounting policies for the cash flow statement

The cash flow statement identifies the source of the cash and cash equivalents that became available during the reporting year and the manner in which they were applied. Cash flows are broken down by operations (investments) and financing. Cash and cash equivalents are defined as all bank balances that are payable on demand.

The cash flow statement has been prepared in accordance with the indirect method. In the cash flow statement, the result is converted into cash flows by means of adjustments in relation to it. These adjustments concern corrections to accrued and deferred items, among other things.

3.4.4 Accounting policies for the funds

The financial statements of the funds have been prepared in conformity with Part 9 of Book 2 of the Dutch Civil Code, the Wft and the Annual Reporting Guidelines, in particular Guideline 615 (RJ 615) Investment Institutions. The accounting policies that apply in respect of ASN Beleggingsfondsen UCITS N.V., as set out in the preceding paragraphs: i) Accounting policies for the valuation of assets and liabilities; ii) Accounting policies for determining the result; and iii) Cash flow statement, also apply by analogy to the funds.

3.4.5 Tax features

ASN Beleggingsfondsen UCITS N.V. has the status of a fiscal investment institution as referred to in Section 28 of the Corporation Tax Act 1969 (Wet op de vennootschapsbelasting 1969), as elaborated in the Investment Institutions Decree (Besluit beleggingsinstellingen).

As a result, ASN Beleggingsfondsen UCITS N.V. is zero-rated for Dutch corporation tax, provided that it meets the conditions set forth in the Act and the Investment Institutions Decree. One of these conditions is that the fund should distribute the profit available for distribution to the shareholders within eight months of the end of the financial year (the dividend payment obligation).

For more information, please refer to the prospectus.

Tax risks

Risk of change in tax regimes

Broadly speaking, the risk of change in tax regimes refers to the fact that a public authority may alter tax legislation in a manner that is unfavourable for a fund. This can have a negative impact on the value of the investment portfolio and/or the value of the capital equity of a fund or pool. Changes to the law or to the interpretation of the law cannot be ruled out, and they may be applied with retroactive effect. It is possible that, as a result, additional taxes will become due, including the possibility of withholding tax in relation to dividends or interest that have been made payable, which were not foreseen at the time the prospectus was issued or at the time of purchase, valuation or sale. This risk increases as more is invested in countries with less stable governments and democratic procedures in relation to the adoption of tax legislation and other legislation. All the funds invest predominantly in countries where these less favourable external factors are not applicable. Nonetheless, the risk of change in tax regimes applies to all investments in all countries.

Risk of change in respect of tax or legal regimes

Tax and/or legal risk is the risk that the tax or legal treatment of the fund or the shareholders may change over time due to changes in legislation and regulations. Changes in the legal or tax status of the shareholders or relevant changes in local laws and their interpretation can have a substantial impact on the tax position of shareholders.

Risk relating to retention of status as a fiscal investment institution

ASN Beleggingsfondsen UCITS N.V. has the status of a fiscal investment institution in accordance with Section 28 of the Corporation Tax Act 1969 (Wet op de vennootschapsbelasting 1969). Profits and losses are consequently taxed at 0%. There are several conditions attached to the status of a fiscal investment institution. Each fund must satisfy these conditions separately. If the funds do not meet one of the conditions, this will result in the loss of the status of a fiscal investment institution with effect from 1 January of the year in which the conditions are no longer met. If a fund fails to fulfil the dividend payment obligation, or fails to do so in a timely manner, ASN Beleggingsfondsen UCITS N.V. will lose this status with effect from the year to which the dividend payment obligation applies. The loss of status as a fiscal investment institution will result in the funds becoming subject to corporation tax at the standard rate of 25%. In addition, reserves created for a specific purpose will be subject to taxation. There is an increased risk in the case of a listed fund, since there is no clear picture of who all the shareholders in the fund are. The UCITS manager has formulated appropriate measures to mitigate this risk.

Risk of erosion of fund capital

ASN Beleggingsfondsen UCITS N.V. has the status of a fiscal investment institution. In order to retain this status, the company must distribute the taxable profit in its entirety to the shareholders each year. Under certain circumstances, the taxable annual profit may be higher than the profit calculated in accordance with the rules that apply to the preparation of the statutory financial statements. In addition, a fund may, under certain circumstances, conduct a policy that provides for more dividend to be distributed than the annual result. It is possible that, as a result, a dividend distribution may cause the capital of the investment institution to decrease by more than the size of the annual profit. This risk is limited by an active reinvestment policy being pursued by the funds.

FATCA/CRS

ASN Beleggingsfondsen UCITS N.V. complies with the US Foreign Account Tax Compliance Act (FATCA), the Common Reporting Standard (CRS) and the provisions in that regard in Dutch legislation. Shareholders may be requested to supply documentation enabling their status under FATCA or Dutch law to be determined (on a continual basis). If, as a result of non-compliance with FATCA, ASN Beleggingsfondsen UCITS N.V. is made subject to withholding tax on its investments in the United States, this may have consequences for the *net asset value* (NAV).

Tax reduction

Subscription or redemption by domestic or foreign parties not subject to income tax can have an impact on the return of a fund, since these participants alter the extent to which ASN Beleggingsfondsen UCITS N.V. can apply a tax facility (the tax reduction). The tax reduction in respect of foreign withholding tax is decreased in accordance with the percentage of shareholders who are not subject to income tax.

Dividend tax and foreign withholding tax

ASN Beleggingsfondsen UCITS N.V. is required, in principle, to deduct 15% dividend tax from dividend distributed to shareholders.

In principle, 15% dividend tax is deducted from dividend received by ASN Beleggingsfondsen UCITS N.V. from Dutch investments. Dividend and other income it receives from foreign investments may be subject to withholding tax that is deducted by the country concerned. Many countries deduct withholding tax from interest payments and dividend distributions. If the Netherlands has a treaty with the source country to avoid double taxation, it is possible that the withholding tax rate may be reduced in accordance with the tax treaty. Depending on the tax treaty concerned, ASN Beleggingsfondsen UCITS N.V. will, in principle, request a full or partial rebate of the withholding tax that was deducted (up to the treaty rate) from the foreign tax authorities. The tax reduction for dividend tax may be applied for the remaining foreign withholding tax (the treaty rate up to a maximum of 15%). ASN Beleggingsfondsen UCITS N.V. may not apply this tax reduction in respect of foreign withholding tax insofar as pension entities and other bodies that are exempt from income tax and foreign parties who are entitled to claim a rebate of Dutch dividend tax participate in ASN Beleggingsfondsen UCITS N.V. This may potentially have a negative impact on the returns of ASN Beleggingsfondsen UCITS N.V. The size of the impact depends on the interest these investors hold in the fund.

3.4.6 Financial risks and control measures

The activities undertaken by ASN Beleggingsfondsen UCITS N.V. entail various financial risks. As each fund pursues its own investment policy, these risks vary from one fund to the next. In order to implement the investment policy, the funds invest in direct investments. The risk profile of a fund is determined by (the combination of) direct investments in which the fund invests.

The financial risks are especially the market risk equities, interest rate risk, currency risk, concentration risk, credit risk and liquidity risk. These risks are discussed separately for each fund below.

3.4.6.1 ASN Duurzaam Aandelenfonds

Equity market risk

The ASN Duurzaam Aandelenfonds invests in equities and is therefore exposed to the risk of fluctuations in value as a result of the developments in equity markets. This risk is (partially) mitigated by diversifying the investments in the portfolio, spreading them across regions and sectors, among other things.

The notes to the financial statements of the ASN Duurzaam Aandelenfonds (see section 4.1) provide information on how the investments are spread across countries and sectors.

Interest rate risk

The ASN Duurzaam Aandelenfonds does not invest in fixed income financial instruments and is consequently not exposed to any significant interest rate risk.

Currency risk

The currency risks arising from the investments undertaken by the ASN Duurzaam Aandelenfonds are not hedged. Investing in the fund therefore entails currency risk. At the end of the reporting period, the fund invested the following amounts in euros and other currencies:

<i>In € thousands</i>	<i>31-12-2022</i>		<i>31-12-2021</i>	
	<i>Market value</i>	<i>%</i>	<i>Market value</i>	<i>%</i>
Euro	491,627	33.0	587,262	31.7
US Dollar	237,683	16.0	271,956	14.6
Pound Sterling	208,880	14.0	278,644	15.0
Japanese Yen	136,408	9.2	145,429	7.8
Danish Krone	109,935	7.4	174,423	9.4
Swiss Frank	97,683	6.6	101,275	5.5
Swedish Krona	77,574	5.2	137,420	7.4
Taiwanese Dollar	56,389	3.8	74,584	4.0
Australian Dollar	50,416	3.4	52,793	2.8
South Korean Won	12,959	0.9	21,146	1.1
Canadian Dollar	5,511	0.4	4,995	0.3
Hong Kong Dollar	1,432	0.1	5,667	0.3
Norwegian Krone	1,271	0.1	-	-
South African Rand	905	0.1	2,486	0.1
Total	1,488,673	100.2	1,858,080	100.0

Concentration risk

The investment policy is aimed at managing the concentration risk by applying bandwidths for the regional allocation and adhering to limits for the maximum percentage of the fund capital that the ASN Duurzaam Aandelenfonds invests in a single company or undertaking. The fund may never invest more than 5% of the fund capital in a single company or undertaking.

The notes to the financial statements of the ASN Duurzaam Aandelenfonds (see section 4.1) provide information on how the investments are spread across countries and sectors.

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Credit risk

The ASN Duurzaam Aandelenfonds is exposed to credit risk, mainly due to sales transactions resulting in short-term receivables. These short-term receivables have a very low risk, since the underlying assets are delivered against immediate receipt of the transaction amount. The maximum credit risk of the fund is determined by the combined sum of cash and cash equivalents and receivables. The risk exposure at the end of the reporting period was €13.2 million (year-end 2021: €21.0 million).

Liquidity risk

The liquidity and marketability risk is the risk that the ASN Duurzaam Aandelenfonds cannot access sufficient cash and cash equivalents in time to meet short-term or longer-term financial obligations, whether or not in normal circumstances or in times of stress, without incurring any unacceptable costs or losses.

As the ASN Duurzaam Aandelenfonds invests predominantly in readily marketable listed investments, it is not exposed to any significant liquidity risk.

3.4.6.2 ASN Duurzaam Obligatiefonds

Equity market risk

The ASN Duurzaam Obligatiefonds does not invest in equities and is therefore not exposed to the risk of fluctuations in value as a result of the developments in equity markets.

Interest rate risk

The ASN Duurzaam Obligatiefonds invests predominantly in fixed income financial instruments and is consequently exposed to (significant) interest rate risk. The notes to the financial statements of the ASN Duurzaam Obligatiefonds (see section 4.2) provide information on the *modified duration* and the interest rate reset dates of the investments of the ASN Duurzaam Obligatiefonds.

Currency risk

The ASN Duurzaam Obligatiefonds only invests in sovereign bonds and *green* and *social bonds* that are denominated in euros. As a result, the ASN Duurzaam Obligatiefonds is not exposed to any currency risk on its investments.

Concentration risk

The investment policy is aimed at managing the concentration risk by setting limits for:

- the maximum percentage of the fund capital that the ASN Duurzaam Obligatiefonds invests in financial instruments issued by a single country. The fund may not invest more than 35% of the capital in (financial instruments issued by) a single country.
The limit for less liquid countries is 2% of the fund capital;
- the maximum percentage of the fund capital that the ASN Duurzaam Obligatiefonds invests in green and social bonds. The fund may not invest more than 30% of the capital in green and social bonds.

The notes to the financial statements of the ASN Duurzaam Obligatiefonds (see section 4.2) provide information on the individual investments undertaken by the fund and how the investments are spread across countries.

Credit risk

The ASN Duurzaam Obligatiefonds invests in sovereign bonds and green and social bonds. The fund is not subject to any requirements in respect of the minimum rating per individual bond and the minimum rating of the portfolio. There are also no restrictions regarding the size of the loans.

ASN Impact Investors determines the universe of countries in which the ASN Duurzaam Obligatiefonds may invest through bonds. The portfolio is structured on the basis of countries' sustainability performance, their repayment capacity and a liquidity filter.

The notes to the financial statements of the ASN Duurzaam Obligatiefonds (see section 4.2) provide information on the individual investments undertaken by the fund and the allocation of the fund's investments per credit rating class.

The ASN Duurzaam Obligatiefonds is exposed to credit risk. The maximum credit risk is determined by the combined sum of cash and cash equivalents, receivables and the value of fixed-income investments. The risk exposure at the end of the reporting period was €515.4 million (year-end 2021: €607.0 million).

Liquidity risk

The liquidity and marketability risk is the risk that the ASN Duurzaam Obligatiefonds cannot access sufficient cash and cash equivalents in time to meet short-term or longer-term financial obligations, whether or not in normal circumstances or in times of stress, without incurring any unacceptable costs or losses.

As the ASN Duurzaam Obligatiefonds invests predominantly in readily marketable listed investments, it is not exposed to any significant liquidity risk.

3.4.6.3 ASN Milieu & Waterfonds

Equity market risk

The ASN Milieu & Waterfonds invests in equities and is therefore exposed to the risk of fluctuations in value as a result of the developments in equity markets. This risk is (partially) mitigated by diversifying the investments in the portfolio, spreading them across regions and sectors, among other things. The notes to the financial statements of the fund (see section 4.3) provide information on how the investments are spread across countries and sectors.

Interest rate risk

The ASN Milieu & Waterfonds does not invest in fixed income financial instruments and is consequently not exposed to any significant interest rate risk.

Currency risk

The currency risks arising from the investments undertaken by the ASN Milieu & Waterfonds are not hedged. Investing in the fund therefore entails currency risk. At the end of the reporting period, the fund invested the following amounts in euros and other currencies:

<i>In € thousands</i>	<i>31-12-2022</i>		<i>31-12-2021</i>	
	<i>Market value</i>	<i>%</i>	<i>Market value</i>	<i>%</i>
US Dollar	341,846	38.8	434,046	39.0
Euro	164,094	18.6	193,624	17.4
Pound Sterling	78,787	8.9	131,718	11.8
Swiss Frank	66,618	7.6	74,053	6.6
Danish Krone	48,352	5.5	60,630	5.4
Hong Kong Dollar	34,002	3.9	44,853	4.0
Canadian Dollar	33,002	3.7	16,431	1.5
Swedish Krona	31,104	3.5	47,331	4.2
Japanese Yen	28,176	3.2	43,354	3.9
Australian Dollar	20,958	2.4	24,058	2.2
New Israel Sjekel	13,815	1.6	11,492	1.0
Taiwanese Dollar	13,809	1.6	22,244	2.0
Norwegian Krone	5,760	0.7	11,504	1.0
Total	880,323	100.0	1,115,338	100.0

Concentration risk

The investment policy is aimed at managing the concentration risk by applying bandwidths for the regional allocation and sector allocation and adhering to a limit for the maximum percentage of the fund capital that the ASN Milieu & Waterfonds invests in a single company or undertaking.

At the end of the reporting period, the following bandwidths applied in respect of regional allocation and sector allocation:

Regional allocation of investment portfolio	
Europe	30-60%
United States & Canada	15-50%
Rest of the world	5-35%
Sector allocation of investment portfolio	
Renewable energy and mobility	20-50%
Waterinfrastructure and -technology	25-60%
Circular economy	0-20%
Food and agriculture	0-20%

The ASN Milieu & Waterfonds may never invest more than 5% of the fund capital in a single company or undertaking.

The notes to the financial statements of the ASN Milieu & Waterfonds (see section 4.3) provide information on the fund's investments and how the investments are spread across countries and sectors.

Credit risk

The ASN Milieu & Waterfonds is exposed to credit risk, mainly due to sales transactions resulting in short-term receivables. These short-term receivables have a very low risk, since the underlying assets are delivered against immediate receipt of the transaction amount. The maximum credit risk of the fund is determined by the combined sum of cash and cash equivalents and receivables. The risk exposure at the end of the reporting period was €25.4 million (year-end 2021: €24.3 million).

Liquidity risk

The liquidity and marketability risk is the risk that the ASN Milieu & Waterfonds cannot access sufficient cash and cash equivalents in time to meet short-term or longer-term financial obligations, whether or not in normal circumstances or in times of stress, without incurring any unacceptable costs or losses.

As the ASN Milieu & Waterfonds invests predominantly in readily marketable listed investments, it is not exposed to any significant liquidity risk.

3.4.6.4 ASN Duurzaam Small & Midcapfonds

Equity market risk

The ASN Duurzaam Small & Midcapfonds invests in equities and is therefore exposed to the risk of fluctuations in value as a result of the developments in equity markets. This risk is (partially) mitigated by diversifying the investments in the portfolio, spreading them across regions and sectors, among other things. The notes to the financial statements of the fund (see section 4.4) provide information on how the investments are spread across countries and sectors.

Interest rate risk

The ASN Duurzaam Small & Midcapfonds does not invest in fixed income financial instruments and is consequently not exposed to any significant interest rate risk.

Currency risk

The currency risks arising from the investments undertaken by the ASN Duurzaam Small & Midcapfonds are not hedged. Investing in the fund therefore entails currency risk. At the end of the reporting period, the fund invested the following amounts in euros and other currencies:

<i>In € thousands</i>	<i>31-12-2022</i>		<i>31-12-2021</i>	
	<i>Market value</i>	<i>%</i>	<i>Market value</i>	<i>%</i>
Euro	117,294	64.4	136,671	62.8
Pound Sterling	39,432	21.7	60,075	27.6
Swedish Krona	13,598	7.5	9,560	4.4
Swiss Frank	11,629	6.4	11,423	5.2
Total	181,953	100.0	217,729	100.0

Concentration risk

The investment policy is aimed at managing the concentration risk by applying bandwidths for the regional allocation and by adhering to limits for the maximum percentage of the fund capital that the ASN Duurzaam Small & Midcapfonds invests in a single company or undertaking, and also by adhering to limits for the maximum interest that the fund acquires in the company in which it invests.

At the end of the reporting period, the following bandwidths and limits applied in respect of the fund's investments:

- No more than 10% of the fund capital may be invested in a single company or undertaking.
- When first included in the portfolio, a company's market capitalisation must be less than 6 billion euros; during the term of the investment, the market capitalisation may be more than 10 billion euros for a maximum of three months.
- If the fund purchases shares in a company, at the moment of purchase, this interest may amount to no more than 5% of the share capital of the company.
- If the fund purchases shares in a company, this interest may amount to no more than 5% of the fund capital; during the term of the investment, the interest may not exceed 10% of the fund capital.
- The interests greater than 5% of the fund capital may not, taken together, comprise more than 40% of the fund capital.
- Regional allocation: 100% Europe.

The notes to the financial statements of the ASN Duurzaam Small & Waterfonds (see section 4.4) provide information on the fund's investments and how the investments are spread across countries and sectors.

Credit risk

The ASN Duurzaam Small & Midcapfonds is exposed to credit risk, mainly due to sales transactions resulting in short-term receivables. These short-term receivables have a very low risk, since the underlying assets are delivered against immediate receipt of the transaction amount. The maximum credit risk of the fund is determined by the combined sum of cash and cash equivalents and receivables. The risk exposure at the end of the reporting period was €8.3 million (year-end 2021: €9.3 million).

Liquidity risk

The liquidity and marketability risk is the risk that the ASN Duurzaam Small & Midcapfonds cannot access sufficient cash and cash equivalents in time to meet short-term or longer-term financial obligations, whether or not in normal circumstances or in times of stress, without incurring any unacceptable costs or losses.

As the ASN Duurzaam Small & Midcapfonds invests predominantly in readily marketable listed investments, it is not exposed to any significant liquidity risk.

3.5 Notes to the balance sheet

(A) Investments

Statement of changes in direct investments

<i>In € thousands</i>	01-01-2022 to 31-12-2022	01-01-2021 to 31-12-2021
Balance as at start of period	3,785,165	3,055,786
Purchases	1,142,364	2,393,995
Disposals	-1,085,483	-2,196,809
Redemptions	-10,836	-655
Realised changes in value on investments	-101,565	105,999
Unrealised changes in value on investments	-671,133	426,849
Balance as at end of period	3,058,512	3,785,165

For a more detailed analysis of the direct investments, see the notes to the investments of the four funds (section 4 (A) Investments).

(B) Accounts receivable

The following items are shown under 'accounts receivable':

<i>In € thousands</i>	31-12-2022	31-12-2021
Investment activities		
Receivables arising from securities transactions	1,874	5,726
Dividend receivable	3,175	2,956
Dividend/withholding tax receivable	13,059	11,507
Accruals on bonds	2,898	3,375
Subtotal of receivables arising from investment activities	21,006	23,564
Financing activities		
Receivable from shareholders due to issue of shares	451	5,759
Subtotal of receivables arising from financing activities	451	5,759
Total	21,457	29,323

Of the above receivables, an amount of €6.54 million (2021: €6.17 million) falls due after more than one year. In total, this concerns dividend or withholding tax receivable.

(C) Other assets

Cash and cash equivalents

Cash and cash equivalents are defined as all bank balances that are payable on demand. Cash and cash equivalents are freely available. The manager determines the extent of the cash and cash equivalents based on the timing of the payments.

(D) Current liabilities

The following items are shown under 'current liabilities':

<i>In € thousands</i>	31-12-2022	31-12-2021
Investment activities		
Liabilities arising from securities transactions	2,135	6,667
Fund costs payable	2,301	2,905
Subtotal of liabilities arising from investment activities	4,436	9,572
Financing activities		
Payable to shareholders due to repurchase of shares	2,027	35
Subtotal of liabilities arising from financing activities	2,027	35
Total	6,463	9,607

The current liabilities will fall due within one year.

(E) Equity

Equity is divided among the funds as follows:

<i>In € thousands</i>	31-12-2022	31-12-2021
ASN Duurzaam Aandelenfonds	1,498,937	1,875,019
ASN Duurzaam Obligatiefonds	514,943	605,611
ASN Milieu & Waterfonds	903,536	1,136,398
ASN Duurzaam Small & Midcapfonds	189,331	226,208
Total	3,106,747	3,843,236

Share capital

The authorised capital is divided into 20 series of in total 146,000,000 ordinary shares, each with a nominal value of €5, and 1 priority share with a nominal value of €2.50. The authorised share capital therefore amounts to €730,000,002.50.

The tables on the following page show successively the changes in the number of shares outstanding and the changes in the issued capital, share premium, other reserves and the retained earnings in 2022 and 2021.

	ASN Duurzaam Aandelenfonds	ASN Duurzaam Obligatiefonds	ASN Milieu & Waterfonds	ASN Duurzaam Small & Midcapfonds	Priority share	Total
Balance as at 01-01-2021	11,091,282	20,366,907	18,477,881	3,320,386	1	53,256,457
Issued shares	1,247,185	5,257,869	3,088,403	789,728	-	10,383,185
Purchased shares	-1,047,771	-3,558,752	-1,450,289	-305,911	-	-6,362,723
Balance as at 31-12-2021	11,290,696	22,066,024	20,115,995	3,804,203	1	57,276,919
Issued shares	1,108,371	2,929,828	1,457,054	590,815	-	6,086,068
Purchased shares	-893,802	-3,096,704	-1,386,428	-318,243	-	-5,695,177
Balance as at 31-12-2022	11,505,265	21,899,148	20,186,621	4,076,775	1	57,667,810

In € thousands

	01-01-2022 to 31-12-2022	01-01-2021 to 31-12-2021
Issued capital		
Balance as at start of period	286,385	266,282
Issued shares	30,431	51,917
Purchased shares	-28,476	-31,814
Balance as at end of period	288,340	286,385
Share premium reserve		
Balance as at start of period	2,115,685	1,852,483
Issued shares	303,268	488,664
Purchased shares	-208,486	-225,462
Balance as at end of period	2,210,467	2,115,685
Other reserves		
Balance as at start of period	868,422	686,651
Addition to/withdrawal from retained earnings	520,289	275,956
Purchased shares	-48,932	-94,185
Balance as at end of period	1,339,779	868,422
Retained earnings		
Balance as at start of period	572,744	310,380
Addition to/withdrawal from other reserves	-520,289	-275,956
Dividend paid out	-52,455	-34,424
Result for the reporting period	-731,839	572,744
Balance as at end of period	-731,839	572,744
Total equity	3,106,747	3,843,236

For the five-year summary, see the notes to the separate funds.

Mutatieoverzicht eigen vermogen

<i>In € 1.000</i>	01-01-2022 t/m 31-12-2022	01-01-2021 t/m 31-12-2021
Balance as at start of period	3,843,236	3,115,796
Issued shares	333,699	540,581
Purchased shares	-285,894	-351,461
Balance as at end of period	3,891,041	3,304,916
Investment income	68,891	71,327
Management fees	-28,597	-31,645
Other operating expenses	-461	-790
	39,833	38,892
Changes in value of investments	-772,698	532,848
Surcharges and deductions charged	718	980
Other income	308	24
Resultaat	-731,839	572,744
Dividend	-52,455	-34,424
Total equity	3,106,747	3,843,236

3.6 Notes to the profit and loss account

(F) Realised changes in value of investments

The realised gains and losses are determined by deducting the book value from the sale proceeds (including selling costs). In accordance with Annual Reporting Guideline (RJ) 615.405a, information on the realised gains and losses on investments of each investment fund is provided below.

Realised gains and losses per investment fund

<i>In € thousands</i>	01-01-2022 to 31-12-2022	01-01-2021 to 31-12-2021
ASN Duurzaam Aandelenfonds	-62,862	81,716
ASN Duurzaam Obligatiefonds	-13,650	-5,430
ASN Milieu & Waterfonds	-16,286	19,130
ASN Duurzaam Small & Midcapfonds	-8,767	10,583
Total	-101,565	105,999

Specification of the realised gains and losses is provided in the financial statements of the funds.

(G) Unrealised changes in value on investments

The unrealised gains and losses are determined by deducting either the carrying value at the beginning of the financial year or the average cost of the purchases during the reporting period from the carrying value at the end of the reporting period. In accordance with Annual Reporting Guideline (RJ) 615.405a, information on the unrealised gains and losses on investments of each investment fund is provided below.

Unrealised gains and losses per investment fund

<i>In € thousands</i>	01-01-2022 to 31-12-2022	01-01-2021 to 31-12-2021
ASN Duurzaam Aandelenfonds	-349,165	221,931
ASN Duurzaam Obligatiefonds	-69,676	-12,643
ASN Milieu & Waterfonds	-209,735	188,733
ASN Duurzaam Small & Midcapfonds	-42,557	28,828
Total	-671,133	426,849

Specification of the unrealised gains and losses is provided in the financial statements of the funds.

(H) Operating expenses

Fund costs

ASN Impact Investors charges fund costs to the funds. This fee is reserved daily (on trading days) and charged to the funds' capital. This is prorated on the basis of the percentages for each fund per annum set out in the prospectus and the fund capital at day-end. This fee is charged monthly in arrears. ASN Impact Investors charges the monthly total of the fund costs calculated and reserved on this basis to ASN Beleggingsfondsen UCITS N.V. at the end of each month.

The fund costs are intended to cover all the costs incurred by the funds, including the fees payable to the funds' investment managers, the depositary, the *custodian*, the *fund agent*, the sustainability research, the auditor, the costs of supervision and tax and legal advice, as well as the settlement costs, marketing expenses, the costs of third-party services and the remuneration of the Supervisory Board.

The transaction costs are an exception to this: these are the direct costs connected with the purchase and disposal of investments. The costs are (partly) paid out of a surcharge to the net asset value in case of a (net) issue of shares in ASN Beleggingsfondsen UCITS N.V. or a deduction of the net asset value in case of a (net) repurchase of own shares.

The starting point for determining the amount of the surcharge and deduction is that ASN Beleggingsfondsen UCITS N.V. should cover the average transaction costs that it incurs in the long term for repurchasing and issuing its own shares. For reasons of transparency and simplicity, the surcharge or deduction is expressed as a fixed percentage of the net asset value. The amount is determined on the basis of the actual purchasing and selling costs of the financial instruments in which the funds invest. ASN Impact Investors may adjust this percentage rate if the long-term average has changed as a

result of market circumstances. ASN Impact Investors evaluates the surcharge and deduction costs on an annual basis. The surcharge or deduction accrues entirely to ASN Beleggingsfondsen UCITS N.V., so that it can pay the purchase and sale costs of the underlying financial instruments. This protects current investors in the funds against the costs that ASN Beleggingsfondsen UCITS N.V. needs to incur in order to issue or repurchase its own shares.

Fund costs per investment fund

<i>In € thousands</i>	01-01-2022 to 31-12-2022	01-01-2021 to 31-12-2021
ASN Duurzaam Aandelenfonds	13,729	14,691
ASN Duurzaam Obligatiefonds	2,480	2,744
ASN Milieu & Waterfonds	10,034	11,839
ASN Duurzaam Small & Midcapfonds	2,354	2,371
Total	28,597	31,645

Ongoing charges figure (OCF)

The ongoing charges figure (OCF) shows the total costs debited to the fund as a percentage of the average fund capital. In calculating the OCF, the average fund capital is determined based on the frequency with which the intrinsic value or *net asset value* (NAV) is issued. The net asset value is calculated on each day on which the Euronext Amsterdam N.V. stock exchange is open for trading in the Netherlands. All NAVs issued during the reporting period are added up and divided by the number of NAVs issued.

The ongoing charges of an investment fund include all the costs debited to the fund in a reporting period, excluding the costs of investment transactions and interest costs. The ongoing charges are expressed as a percentage of the average fund capital of the fund concerned in the reporting period. The ongoing charges figure for each of the funds is given in section 1.4.

Apart from the fund costs, no other costs are charged to the funds. Due to the method used to calculate the expenses fee, the ongoing charges do not, in principle, differ from the fund costs.

Turnover ratio

The turnover ratio of the assets gives an indication of the rate of turnover of the fund's portfolio. This provides insight into the extent to which active management occurs in respect of the investment portfolio. A negative turnover ratio indicates that the hedging provided by the surcharge and deduction is greater than the transaction costs incurred by the fund.

The turnover ratio is calculated as follows:

$$[(\text{Total 1} - \text{Total 2}) / X] * 100$$

Total 1: the total amount of securities transactions (securities purchases + securities disposals)

Total 2: the total amount of transactions (issues + purchases) in respect of units in the investment fund

X: the average net asset value of the investment fund

The average fund capital during the reporting period is determined based on the frequency with which the NAV is issued. The net asset value is calculated on each day on which the Euronext Amsterdam N.V. stock exchange is open for trading in the Netherlands. All NAVs issued during the reporting period are added up and divided by the number of NAVs issued.

Transaction costs

The costs of the underlying investment transactions in the funds are included in the buying and selling prices of the respective transactions. They are charged indirectly to the company.

Five-year summary

The five-year summary for each fund is included in the notes to the financial statements of the funds.

Audit fees

ASN Impact Investors charges fund costs to the funds. ASN Impact Investors pays the audit fees from these fund costs. The fees of the audit firm Ernst & Young Accountants LLP, as referred to in Section 382a of Book 2 of the Dutch Civil Code, are borne entirely by ASN Impact Investors. No audit fees are borne directly by the funds.

The audit fees associated with the regular audit of ASN Beleggingsfondsen UCITS N.V. were €119,038 excluding VAT.

The audit fees are not further quantified for each fund separately and are therefore not explained in any further detail in the financial statements of the funds. The audit fees relate to audit services in the context of the financial statements and the review of the interim report and to other activities, such as the assurance activities with respect to prospectus updates and the review of the UCITS compliance reports.

The audit fees for other activities amounted to €21,730 exclusive of VAT.

<i>In € 1, excluding VAT</i>	2022	2021
Audit of annual report and review of interim report	119,038	106,300
Other activities	21,730	19,500
Total	140,768	125,800

Employees

The company does not have any employees.

Supervisory Board remuneration

The members of the Supervisory Board each receive an annual fee of €8,640 for the work they perform on behalf of ASN Beleggingsfondsen UCITS N.V. The chair receives an annual fee of €12,960. These amounts are inclusive of expense allowance and exclusive of VAT. In 2022, the Supervisory Board held four regular meetings and two extra meetings. The Audit Committee met four times as well.

3.7 Other explanatory information

Outsourcing of activities

In accordance with Section 124(1)(g) of the Market Conduct Supervision (Financial Institutions) Decree (Bgfo), a summary is presented below of the outsourced activities on behalf of ASN Beleggingsfondsen UCITS N.V. The agreements with the parties named below include, among other things, requirements for the performance standard, mutual information sharing, the (formal) notice period and the fees payable. The UCITS manager supervises the outsourced activities. The relevant procedures are set out in the description of the administrative organisation and internal control (AO/IC). The fee for outsourced activities is borne entirely by the UCITS manager. ASN Impact Investors is the UCITS manager of the company and is licensed in accordance with Section 2:69b of the Dutch Financial Supervision Act (Wft).

Core task	Party
Investment management of ASN Duurzaam Aandelenfonds and ASN Duurzaam Obligatiefonds	Achmea Investment Management B.V.
Record keeping, reporting and administration on behalf of ASN Beleggingsfondsen UCITS N.V. and the underlying subfunds	BNP Paribas S.A., Netherlands branch
Investment management of ASN Milieu & Waterfonds	Impax Asset Management Ltd., London (UK)
Investment management of ASN Duurzaam Small & Midcapfonds	Van Lanschot Kempen Capital Management N.V., Amsterdam
Fund Agent, ENL (Euroclear Nederland) Agent, tax reclaims and proxy voting	CACEIS Bank
Tax adviser	KPMG Meijburg & Co B.V.
Various activities in relation to audit, compliance, sustainability policy, legal and tax affairs and HR.	De Volksbank N.V.

The UCITS manager has the power to terminate the outsourcing arrangement with the aforementioned service providers at any time and outsource the activities to other competent bodies, or to perform the activities itself.

Conflicts of interest

The UCITS manager is required by law and regulation to have in place adequate procedures and measures to prevent and deal with conflicts of interest. The conduct of ASN Impact Investors' business activities may give rise to conflicts of interest. Conflicts of interest may arise between, but are not confined to, the interests of ASN Impact Investors, on the one hand, and the funds managed by it, the investors in those funds, the outsourcing parties and other clients of ASN Impact Investors, on the other. In addition, conflicts of interest may also arise:

- between the funds managed by ASN Impact Investors;
- between funds managed by ASN Impact Investors and clients of ASN Impact Investors; and
- between clients of ASN Impact Investors.

ASN Impact Investors has put in place appropriate and effective measures to prevent and manage (potential) conflicts of interest. ASN Impact Investors keeps records of the information relating to the types of activity performed by or on behalf of ASN Impact Investors which gave rise to or may give rise to a conflict of interests entailing a material risk of damage to the interests of one or more funds or of the investors. It is possible that the measures put in place by ASN Impact Investors to manage conflicts of interest are not sufficient in the case of a specific conflict of interest to ensure, with reasonable confidence, that risks of damage to investors' interests will be prevented. In that case, ASN Impact Investors will clearly disclose the general nature or the sources of the conflict of interest in question to investors. ASN Impact Investors ensures the equitable treatment of investors by means of internal procedures. ASN Impact Investors hedges the professional liability risks ensuing from activities carried out by it in its role as manager by maintaining professional liability insurance and by holding additional equity capital.

Transactions with affiliated parties

Implementing the investment policy may involve the conduct of transactions with parties affiliated with ASN Beleggingsfondsen UCITS N.V. Pursuant to the Market Conduct Supervision (Financial Institutions) Decree (Bgfo), in this respect, all parties belonging to the de Volksbank N.V. group and/or legal entities and persons that are related to ASN Beleggingsfondsen UCITS N.V. via a control structure are regarded as affiliated parties. In the case of ASN Beleggingsfondsen UCITS N.V., the related parties include de Volksbank and ASN, among others.

The parties referred to above perform activities on behalf of the ASN Beleggingsfondsen. Generally, however, these are not services that are provided directly to ASN Beleggingsfondsen UCITS N.V. The following affiliated parties provided services to ASN Beleggingsfondsen UCITS N.V. in the reporting period:



Name of related party	Services provided
ASN Impact Investors	Manager of ASN Beleggingsfondsen UCITS N.V.

The transactions conducted by ASN Beleggingsfondsen UCITS N.V. with the aforementioned related parties were carried out on an *arm's length* basis. This means that the prices used in the transactions reflect market values. A transaction conducted with a related party outside a regulated market, securities exchange or other regulated and recognised open market with regular trading is based on an independent value assessment.

ASN Impact Investors charges a management fee for the activities it carries out as manager: this fee is the fund costs. This fee is in line with the fund costs charged by other, similar funds in the market.

Soft dollar practices and return commissions

Soft dollar practices may be employed. Soft dollar practices are arrangements under which products and services of financial service providers are provided to investment managers in the context of the execution of transactions in financial instruments. The products and services are funded from the revenue from transactions in financial instruments. No soft dollar practices were employed in the reporting period.

In the reporting period, we received a return commission from the investment manager of ASN Milieu & Waterfonds, Impax Asset Management. No return commission was received in the reporting period from the other investment managers that carried out securities transactions.

Trade Register

ASN Beleggingsfondsen UCITS N.V. has its registered office in The Hague and is listed in the Trade Register of the Chamber of Commerce under number 77885899.

Subsequent events

No events occurred after the balance sheet date that relate to the financial statements.

3.8 Proposed profit appropriation

We propose that the following dividends per share be distributed to the shareholders.

ASN Duurzaam Aandelenfonds	€ 3.00
ASN Duurzaam Obligatiefonds	€ 0.10
ASN Milieu & Waterfonds	€ 0.60
ASN Duurzaam Small & Midcapfonds	€ 1.00

The Hague, 16 March 2023

The Board of Directors of ASN Beleggingsinstellingen Beheer B.V.

San Lie

Ro Dielbandhoesing

Dirk-Jan Stam



4 Financial Statements ASN UCITS-Beleggingsfondsen



4.1 ASN Duurzaam Aandelenfonds

Balans

Before profit appropriation and in € thousands	Ref. ¹	31-12-2022	31-12-2021
Investments	(A)		
Direct Investments ²		1,488,673	1,858,080
Accounts receivable	(B)	9,984	12,217
Other assets	(C)		
Cash at bank		3,246	8,827
Current liabilities	(D)	2,966	4,105
Accounts receivable and other assets less current liabilities		10,264	16,939
Assets less current liabilities		1,498,937	1,875,019
Equity	(E)		
Issued capital		57,527	56,454
Share premium reserve		1,084,852	1,022,616
Other reserves		742,412	473,221
Retained earnings		-385,854	322,728
Total equity		1,498,937	1,875,019

1 The references in the balance sheet and profit and loss account refer to the explanatory notes to the respective items.

2 An indirect investment is also recognised in the direct investments: ASN Venture Capital Funds.

Profit and loss account

In € thousands	Ref. ¹	01-01-2022 to 31-12-2022	01-01-2021 to 31-12-2021
Investment income		39,500	33,745
Realised changes in value on investments	(F)	-62,862	81,716
Unrealised changes in value on investments	(G)	-349,165	221,931
Surcharges and deductions charged		292	327
Other operating income	(H)	158	-1
Total income		-372,077	337,718
Operating expenses	(I)		
Management fees		13,729	14,691
Other operating expenses		48	299
Total operating expenses		13,777	14,990
Net result		-385,854	322,728

1 The references in the profit and loss account refer to the explanatory notes to the respective items.

Cash flow statement

<i>In € thousands</i>	01-01-2022 to 31-12-2022	01-01-2021 to 31-12-2021
Cashflow from investment activities		
Net result	-385,854	322,728
Exchange rate differences on cash	-154	173
Net result excluding exchange rate differences on cash	-386,008	322,901
Adjustment to reconcile the result with the cashflow generated by the investment activities:		
Realised changes in value on investments	62,862	-81,716
Unrealised changes in value on investments	349,165	-221,931
Purchase of investments	-512,994	-1,614,514
Disposal of investments	470,374	1,590,181
<i>Changes in assets and liabilities:</i>		
Change in receivables arising from investment activities	-127	-906
Change in liabilities arising from investment activities	-2,201	439
Net cashflows from investment activities	-18,929	-5,546
Cashflows from financing activities		
Issue of shares	157,627	190,573
Purchase of shares	-124,967	-161,896
Change in receivables arising from issue of shares	2,360	-1,211
Change in liabilities arising from purchase of shares	1,062	-2,158
Dividend paid out	-22,888	-19,958
Net cashflows from financing activities	13,194	5,350
Total net cashflows	-5,735	-196
Exchange rate differences on cash	154	-173
Change in cash	-5,581	-369
Cash at the beginning of the reporting period	8,827	9,196
Cash at the end of the reporting period	3,246	8,827

4.1.1 Notes to the balance sheet

(A) Investments

Shares

<i>In € thousands</i>	01-01-2022 to 31-12-2022¹	01-01-2021 to 31-12-2021¹
Balance as at start of period	1,858,080	1,530,100
Purchases	512,994	1,614,514
Disposals	-470,374	-1,590,181
Realised changes in value on investments	-62,862	81,716
Unrealised changes in value on investments	-349,165	221,931
Balance as at end of period	1,488,673	1,858,080

¹ Movements in the investment fund ASN Venture Capital Fonds N.V. are also included in the movement in shares. This investment fund is not listed.

No purchase and disposal transactions were conducted with related parties in the reporting period.

Securities portfolio

Disclosures on fair value measurements of financial instruments in accordance with RJ290.916

The fair value of all the financial instruments in the portfolio of the ASN Duurzaam Aandelenfonds is derived from listed market prices, provided there is sufficient liquidity on the market where the financial instrument is traded. An exception applies to the investment in ASN Venture Capital Fonds N.V., as is also shown in the *Fair value measurement of financial instruments* table in section 3.4.1.

The specifications below of the portfolio sector and country allocations provide insight into the price risk and currency risk. The specifications relate to the investments as at 31 December 2022, with the market value presented in thousands of euros.

Country allocation of ASN Duurzaam Aandelenfonds

<i>In € thousands</i>	31-12-2022		31-12-2021	
	Market value	%	Market value	%
United Kingdom	284,076	19.0	329,948	17.9
United States	201,978	13.5	271,956	14.7
Japan	136,408	9.2	145,429	7.8
The Netherlands	120,282	8.1	154,842	8.3
Switzerland	112,221	7.5	123,272	6.6
Denmark	109,935	7.4	174,423	9.5
France	79,053	5.3	106,487	5.7
Sweden	77,574	5.2	137,420	7.4
Germany	72,808	4.9	85,885	4.6
Spain	62,364	4.2	63,721	3.4
Taiwan	56,389	3.8	74,584	4.0
Australia	49,027	3.3	39,585	2.1
Ireland	43,388	2.9	15,428	0.8
Finland	26,074	1.8	46,985	2.5
Italy	24,493	1.6	28,076	1.5
South Korea	12,959	0.9	21,146	1.1
Canada	5,511	0.4	4,995	0.3
Belgium	5,480	0.4	11,531	0.6
Austria	3,656	0.2	1,006	0.1
Hong Kong	1,432	0.1	2,038	0.1
New Zealand	1,389	0.1	13,208	0.7
Norway	1,271	0.1	-	-
South Africa	905	0.1	2,486	0.1

In € thousands

31-12-2022

31-12-2021

China	-	-	3,629	0.2
Total	1,488,673	100.0	1,858,080	100.0

Sector allocation of ASN Duurzaam Aandelenfonds

Number of shares		Currency	Marketvalue in € thousands
Automotive			
112,344	Plastic Omnium	EUR	1,526
			1,526
Basic goods			
214,032	Chr. Hansen	DKK	14,382
11,413	Givaudan	CHF	32,745
389,373	Novozymes	DKK	18,426
			65,553
Retail			
194,675	ASOS	GBP	1,120
1,480,114	Hennes & Mauritz	SEK	14,939
1,433,980	Inditex	EUR	35,634
3,833,052	Kingfisher	GBP	10,200
89,092	NEXT	GBP	5,830
250,277	WH Smith	GBP	4,188
425,911	Wickes Group	GBP	702
			72,613
Retail food			
564,436	Kesko Corp.	EUR	11,639
1,232,337	Marks & Spencer	GBP	1,713
			13,352
Healthcare services & equipment			
170,089	Amplifon	EUR	4,732
133,634	Cochlear	AUD	17,333
242,800	Coloplast	DKK	26,512
102,750	Fisher & Paykel Healthcare	AUD	1,389
157,567	ResMed	USD	30,728
106,240	Smith & Nephew	GBP	1,329
109,686	Sonova Holding	CHF	24,361
74,620	Straumann Holding	CHF	7,980
			114,364
Consumer durables			
1,943,530	Barratt Developments	GBP	8,692
242,523	Bellway	GBP	5,214
99,238	Berkeley Group	GBP	4,220
202,175	LG Electronics	KRW	12,959
501,063	Persimmon	GBP	6,873
3,023,692	Taylor Wimpey	GBP	3,464
			41,422
Energy			
547,707	EDP Renováveis	EUR	11,272
			11,272
Pharmaceuticals & biotechnology			
2,408,500	Astellas Pharma	JPY	34,318
295,315	AstraZeneca	GBP	37,339
1,511,292	GlaxoSmithKline	GBP	24,488

Number of shares		Currency	Marketvalue in € thousands
197,582	Merck	EUR	35,743
26,816	Mettler-Toledo International	USD	36,319
329,108	Novo Nordisk	DKK	41,511
			209,718
	Fund certificates		
13,454	ASN Venture Capital Fonds	EUR	10,208
			10,208
	Semiconductors		
386,800	Advantest	JPY	23,293
234,131	Aixtron	EUR	6,315
534,813	AMS	CHF	3,656
69,560	ASML	EUR	35,044
254,711	Global Unichip	TWD	4,977
65,278	SMA Solar Technology	EUR	4,364
551,423	STMicroelectronics	EUR	18,194
2,088,253	Taiwan Semiconductor Manufacturing	TWD	28,552
124,100	Tokyo Electron	JPY	34,264
			158,659
	Capital goods		
132,121	Dürr	EUR	4,164
170,842	Advanced Drainage Systems	USD	13,121
1,577,944	Assa Abloy	SEK	31,743
799,856	Chroma ATE	TWD	4,414
19,340	Georg Fischer AG	CHF	1,109
940,837	Howden Joinery Group	GBP	5,955
519,339	Indutrade	SEK	9,859
151,898	Kingspan	EUR	7,683
47,398	Krones	EUR	4,977
10,372	Landis+Gyr Group	CHF	685
406,654	Legrand	EUR	30,426
61,425	Lennox International	USD	13,769
1,380,707	NIBE Industrier	SEK	12,056
17,863	Rockwool	DKK	3,923
235,473	RS Group	GBP	2,377
265,229	Signify	EUR	8,323
226,701	Trane Technologies	USD	35,705
401,477	Travis Perkins	GBP	4,025
218,124	Uponor	EUR	3,623
381,338	Valmet	EUR	9,594
38,300	Yaskawa Electric	JPY	1,149
			208,680
	Media		
95,205	Adevinta	NOK	594
253,275	M6 Métropole Télévision	EUR	3,888
449,132	ProSiebenSat.1 Media	EUR	3,750
1,734,520	Rightmove	GBP	9,998
694,820	SEEK	AUD	9,249
188,016	Telenet	EUR	2,867
542,000	Toppan Printing	JPY	7,521
			37,867
	Utilities		



<i>Number of shares</i>		<i>Currency</i>	<i>Marketvalue in € thousands</i>
5,964,000	Beijing Enterprises Water	HKD	1,432
58,761	Pennon Group	GBP	588
820,133	Red Eléctrica de España	EUR	13,335
36,140	Severn Trent	GBP	1,080
2,863,981	Terna Rete Elettrica Nazionale	EUR	19,761
94,676	United Utilities	GBP	1,058
			37,254
	Real estate		
164,776	British Land	GBP	734
56,093	Gecina	EUR	5,337
339,818	Land Securities	GBP	2,380
50,553	Mercialys	EUR	494
			8,945
	Advertising		
113,521	Stroeer SE & Co	EUR	4,945
2,075,652	WPP	GBP	19,188
			24,133
	Software & services		
43,722	Amadeus	EUR	2,123
204,734	Autodesk	USD	35,848
71,836	DCAmbu A/S	EUR	865
89,461	DOoredoo	EUR	4,266
1,137,945	GEN DIGITAL	USD	22,850
236,515	Palo Alto Networks	USD	30,924
141,892	Sage Group	GBP	1,192
80,564	SimCorp	DKK	5,181
141,176	Software	EUR	3,419
104,631	Workday	USD	16,405
			123,073
	Technology		
2,111,997	Delta Electronics	TWD	18,446
335,300	Fuji Photo Film	JPY	15,775
30,300	Ibiden	JPY	1,030
377,200	Omron	JPY	17,157
			52,408
	Telecommunication services		
24,624	Elisa	EUR	1,218
6,718,580	KPN	EUR	19,417
290,512	Proximus SADP	EUR	2,613
125,751	Rogers Communications	CAD	5,511
52,912	Swisscom	CHF	27,147
1,173,011	Tele2	SEK	8,977
24,071,328	Vodafone Group	GBP	22,855
			87,738
	Transport		
35,600	East Japan Railway	JPY	1,901
1,518,046	FirstGroup	GBP	1,728
			3,629
	Publishers		
326,770	Pearson	GBP	3,459
38,367	Schibsted	NOK	677

Number of shares		Currency	Marketvalue in € thousands
			4,136
Personal care products			
112,057	L'Oréal	EUR	37,382
244,946	Reckitt Benckiser Group	GBP	15,886
801,984	Unilever	EUR	37,589
			90,857
Food & drinks			
60,856	Clicks Group	ZAR	905
			905
Business services			
2,926,524	Brambles	AUD	22,445
116,776	Interface	USD	1,080
11,983	Manpower	USD	934
241,470	Randstad	EUR	13,754
1,455,411	RELX	EUR	37,607
149,158	Renewi	GBP	1,005
343,048	Wolters Kluwer	EUR	33,536
			110,361
	Total		1,488,673

(B) Accounts receivable

The following items are shown under 'accounts receivable':

In € thousands	31-12-2022	31-12-2021
Investment activities		
Receivables arising from securities transactions	895	2,527
Dividend receivable	2,077	1,697
Dividend tax/withholding tax receivable	6,845	5,466
Total receivables arising from investment activities	9,817	9,690
Financing activities		
Receivables from shareholders arising from issue of shares	167	2,527
Total receivables arising from financing activities	167	2,527
Total	9,984	12,217

The receivables generally fall due within one year. Receivables from dividends and/or withholding tax receivable may fall due within more than one year. In the case of the ASN Duurzaam Aandelenfonds, these receivables amount to €3.03 million at the end of the reporting period (year-end 2021: €2.40 million).

(C) Other assets**Cash and cash equivalents**

Cash and cash equivalents are defined as all bank balances that are payable on demand. Cash and cash equivalents are freely available. The Manager determines the size of the cash balance based on the timing of payments.

(D) Current liabilities

The following items are shown under 'current liabilities':

In € thousands

	31-12-2022	31-12-2021
Investment activities		
Liabilities arising from securities transactions	786	2,786
Fund costs payable	1,118	1,319
Total liabilities arising from investment activities	1,904	4,105
Financing activities		
Liabilities to shareholders arising from purchase of shares	1,062	-
Total liabilities arising from financing activities	1,062	-
Total	2,966	4,105

Liabilities fall due within one year.

(E) Equity

Statement of movements in equity

In € thousands

	01-01-2022 to 31-12-2022	01-01-2021 to 31-12-2021
Issued capital		
Balance as at start of period	56,454	55,456
Issued shares	5,542	6,237
Purchased shares	-4,469	-5,239
Balance as at end of period	57,527	56,454
Share premium reserve		
Balance as at start of period	1,022,616	938,222
Issued shares	152,085	184,336
Purchased shares	-89,849	-99,942
Balance as at end of period	1,084,852	1,022,616
Other reserves		
Balance as at start of period	473,221	409,660
Addition to/withdrawal from retained earnings	299,840	120,276
Purchased shares	-30,649	-56,715
Balance as at end of period	742,412	473,221
Retained earnings		
Balance as at start of period	322,728	140,234
Addition to/withdrawal from other reserves	-299,840	-120,276
Dividend paid out	-22,888	-19,958
Result for the reporting period	-385,854	322,728
Balance as at end of period	-385,854	322,728
Total equity	1,498,937	1,875,019

Five-year summary

<i>In € thousands</i>	31-12-2022	31-12-2021	31-12-2020	31-12-2019	31-12-2018¹
Total net asset value	1,498,937	1,875,019	1,543,572	1,487,553	767,710
Direct income	39,500	33,744	27,178	37,559	-
Changes in value of investments	-412,027	303,647	124,089	365,981	-66,848
Surcharges and deductions charged	292	327	219	188	267
Other income	158	-	-	236	-
Operating expenses	-13,777	-14,990	-11,252	-7,361	-7,321
Total result	-385,854	322,728	140,234	396,603	-73,902
Number of ordinary shares outstanding	11,505,265	11,290,696	11,091,282	11,463,400	7,627,250
Per ordinary share					
<i>In euros</i>					
Net asset value	130.28	166.07	139.17	129.73	100.65
Share price	131.45	166.99	139.19	130.06	100.26
Dividend ²	2.00	1.80	2.85	2.95	2.50
Investment income	3.42	3.01	2.89	3.10	-
Changes in value of investments	-35.72	27.04	13.20	30.24	-8.66
Surcharges and deductions charged	0.03	0.03	0.02	0.02	0.03
Other income	0	-	-	0.02	-
Operating expenses	-1.19	-1.34	-1.20	-0.61	-0.95
Total result	-33.45	28.74	14.91	32.77	-9.58

1 The comparative figures of 2018 were not adjusted as a result of the division.

2 This relates to the dividend distributed in the year in question in respect of the previous year.

Statement of movements in equity

<i>In € 1,000</i>	01-01-2022 t/m 31-12-2022	01-01-2021 t/m 31-12-2021
Balance as at start of period	1,875,019	1,543,572
Issued shares	157,627	190,573
Purchased shares	-124,967	-161,896
Balance as at end of period	1,907,679	1,572,249
Investment income	39,500	33,745
Management fees	-13,729	-14,691
Other operating expenses	-48	-299
	25,723	18,755
Changes in value of investments	-412,027	303,647
Surcharges and deductions charged	292	327
Other income	158	-1
Resultaat	-385,854	322,728
Dividend	-22,888	-19,958
Total equity	1,498,937	1,875,019

Credit risk

The ASN Duurzaam Aandelenfonds is exposed to credit risk on the combined sum of cash and cash equivalents and receivables. The fund's maximum credit risk exposure at the end of the reporting period was €13.2 million (year-end 2021: €21.0 million).

Liquidity risk

As at the reporting date, 0.69% (year-end 2021: 0.53%) of the ASN Duurzaam Aandelenfonds was invested in ASN Venture Capital Fonds N.V. The investments in ASN Venture Capital Fonds N.V. are illiquid in nature.

4.1.2 Notes to the profit and loss account

(F) Realised changes in value of investments

Notes on the breakdown of profits and losses by type of investment in accordance with RJ (Annual Reporting Guideline) 615.405a

In accordance with RJ 615.405a, information on realised gains and losses from investments follows by type of investment and broken down by price and exchange results.

<i>In € thousands</i>	<i>01-01-2022 to 31-12-2022</i>	<i>01-01-2021 to 31-12-2021</i>
Shares		
Shares - realised price gains	14,545	140,845
Shares - realised price losses	-85,826	-82,439
Shares - realised exchange gains	12,899	26,723
Shares - realised exchange losses	-4,480	-3,413
Total	-62,862	81,716

(G) Unrealised changes in value on investments

Notes on the breakdown of profits and losses by type of investment in accordance with RJ (Annual Reporting Guideline) 615.405a

In accordance with RJ 615.405a, information on unrealised gains and losses from investments follows by type of investment and broken down by price and exchange results.

<i>In € thousands</i>	<i>01-01-2022 to 31-12-2022</i>	<i>01-01-2021 to 31-12-2021</i>
Shares		
Shares - unrealised price gains	35,770	238,520
Shares - unrealised price losses	-368,721	-42,133
Shares - unrealised exchange gains	20,265	29,848
Shares - unrealised exchange losses	-36,479	-4,304
Total	-349,165	221,931

(H) Other operating income

<i>In € thousands</i>	<i>01-01-2022 to 31-12-2022</i>	<i>01-01-2021 to 31-12-2021</i>
Exchange rate differences on cash	154	-
Overige bedrijfsopbrengsten	4	-1
Total	158	-1

(I) Operating expenses

The other operating expenses consist of:

<i>In € thousands</i>	<i>01-01-2022 to 31-12-2022</i>	<i>01-01-2021 to 31-12-2021</i>
Exchange rate differences on cash	-	173
Interest on current account	48	126
Total	48	299

Ongoing charge figure

<i>In € thousands</i>	<i>01-01-2022 to 31-12-2022</i>	<i>01-01-2021 to 31-12-2021</i>
Ongoing charges		
Total operating expenses	13,729	14,691
Average fund capital during the reporting period	1,614,473	1,730,165
Ongoing charge figure (on annual basis)	0.85%	0.85%

The fund pays fund costs to ASN Impact Investors. From these fund costs, ASN Impact Investors pays all costs incurred on behalf of the fund. This fee is reserved daily (on trading days) and charged to the fund capital. This takes place in

proportion to a fixed percentage of 0.85% (on an annual basis) of the fund capital at the end of the day. The ongoing charges of an investment fund include, in addition to the fund costs, all other costs debited to the fund in the reporting period, excluding the costs of investment transactions and interest costs.

Turnover ratio

The turnover ratio provides an indication of the portfolio's turnover rate. This provides an indication of the extent to which active management is taking place. The turnover ratio is calculated as the total amount of securities transactions, less the total amount of transactions in respect of units in the investment fund, as a percentage of the average net asset value of the investment fund.

	01-01-2022 to 31-12-2022	01-01-2021 to 31-12-2021
Turnover rate	43.41%	164.85%

Transaction costs

Transaction costs are part of realised gains and losses. The transaction costs in the reporting period, to the extent that they were identifiable and quantifiable, amounted to €380,699 (2021: €2,320,501).

4.2 ASN Duurzaam Obligatiefonds

Balance sheet

Before profit appropriation and in € thousands	Ref. ¹	31-12-2022	31-12-2021
Investments	(A)		
Direct investments		507,563	594,018
Accounts receivable	(B)	3,270	5,669
Other assets	(C)		
Cash at bank		4,533	7,320
Current liabilities	(D)	423	1,396
Accounts receivable and other assets less current liabilities		7,380	11,593
Assets less current liabilities		514,943	605,611
Equity	(E)		
Issued capital		109,496	110,330
Share premium reserve		499,760	510,739
Other reserves		-14,413	-3,150
Retained earnings		-79,900	-12,308
Total equity		514,943	605,611

¹ The references in the balance sheet and profit and loss account refer to the explanatory notes to the respective items.

Profit and loss account

In € thousands	Ref. ¹	01-01-2022 to 31-12-2022	01-01-2021 to 31-12-2021
Investment income		5,833	8,407
Realised changes in value on investments	(F)	-13,650	-5,430
Unrealised changes in value on investments	(G)	-69,676	-12,643
Surcharges and deductions charged		92	129
Other operating income		1	-
Total income		-77,400	-9,537
	(H)		
Operating expenses			
Management fees		2,480	2,744
Other operating expenses		20	27
Total operating expenses		2,500	2,771
Net result		-79,900	-12,308

¹ The references in the profit and loss account refer to the explanatory notes to the respective items.

Cash flow statement

<i>In € thousands</i>	01-01-2022 to 31-12-2022	01-01-2021 to 31-12-2021
Cashflow from investment activities		
Net result	-79,900	-12,308
Exchange rate differences on cash	-	-
Net result excluding exchange rate differences on cash	-79,900	-12,308
Adjustment to reconcile the result with the cashflow generated by the investment activities:		
Realised changes in value on investments	13,650	5,430
Unrealised changes in value on investments	69,676	12,643
Purchase of investments	-383,755	-368,112
Disposal of investments	376,048	323,684
Redemption of investments	10,836	655
<i>Changes in assets and liabilities:</i>		
Change in receivables arising from investment activities	1,458	1,411
Change in liabilities arising from investment activities	-1,012	55
Net cashflows from investment activities	7,001	-36,542
Cashflows from financing activities		
Issue of shares	75,041	146,334
Purchase of shares	-79,221	-98,697
Change in receivables arising from issue of shares	941	-26
Change in liabilities arising from purchase of shares	39	-16
Dividend paid out	-6,588	-6,544
Net cashflows from financing activities	-9,788	41,051
Total net cashflows	-2,787	4,509
Exchange rate differences on cash	-	-
Change in cash	-2,787	4,509
Cash at the beginning of the reporting period	7,320	2,811
Cash at the end of the reporting period	4,533	7,320

4.2.1 Notes to the balance sheet

(A) Investments

Bonds

<i>In € thousands</i>	01-01-2022 to 31-12-2022	01-01-2021 to 31-12-2021
Balance as at start of period	594,018	568,318
Purchases	383,755	368,112
Disposals	-376,048	-323,684
Redemptions	-10,836	-655
Realised changes in value on investments	-13,650	-5,430
Unrealised changes in value on investments	-69,676	-12,643
Balance as at end of period	507,563	594,018

No purchase and disposal transactions were conducted with related parties in the reporting period.

Securities portfolio

The table below shows the interest rate risk. The *modified duration* gives an indication of what the percentage change in the value of the portfolio would be in the case of a 1% change in the market interest rate.

	31-12-2022	31-12-2021
Effective yield	3.18%	0.00%
Coupon yield	1.17%	1.04%
Average term to maturity	4.85 years	5.12 years
Modified duration	4.54	4.97

Disclosures on fair value measurements of financial instruments in accordance with RJ290.916

The fair value of all the financial instruments in the portfolio of the ASN Duurzaam Obligatiefonds is derived from listed market prices, provided there is sufficient liquidity on the market where the financial instrument is traded.

The specifications below of the portfolio sector, country and rating allocations provide insight into the price risk, currency risk and credit risk. The specifications relate to the investments as at 31 December 2022, with the market value presented in thousands of euros.

Country allocation of ASN Duurzaam Obligatiefonds

<i>In € thousands</i>	31-12-2022		31-12-2021	
	<i>Market value</i>	<i>%</i>	<i>Market value</i>	<i>%</i>
The Netherlands	86,772	17.2	75,444	12.7
Germany	70,988	14.0	81,864	13.8
Austria	50,867	10.0	49,564	8.3
Ireland	38,850	7.7	48,335	8.1
Italy	35,659	7.0	57,295	9.6
Belgium	35,440	7.0	40,530	6.8
Portugal	32,241	6.4	49,440	8.3
Spain	32,141	6.3	42,213	7.1
France	30,631	6.0	45,206	7.6
Slovenia	30,067	5.9	36,167	6.1
Slovakia	23,594	4.6	27,034	4.6
Chile	14,283	2.8	17,005	2.9
Luxembourg	13,561	2.7	8,730	1.5
Lithuania	6,111	1.2	7,117	1.2
Finland	4,784	0.9	8,074	1.4
Switzerland	1,574	0.3	-	-
Total	507,563	100.0	594,018	100.0

Sector allocation of ASN Duurzaam Obligatiefonds

Nominal value in € thousands	Coupon- yield	State(-guaranteed)	Currency	Coupon review date	Marketvalue in € thousands
		State(-guaranteed)			
2,100	0.5%	Belgium	EUR	22-10-2024	2,018
5,100	0.8%	Belgium	EUR	22-6-2025	4,869
2,200	1%	Belgium	EUR	22-6-2026	2,076
3,600	0.8%	Belgium	EUR	22-6-2027	3,293
2,000	0%	Belgium	EUR	22-10-2027	1,744
3,400	0.8%	Belgium	EUR	22-6-2028	3,061
3,000	0.9%	Belgium	EUR	22-6-2029	2,646
1,000	0.1%	Belgium	EUR	22-6-2030	809
2,600	1%	Belgium	EUR	22-6-2031	2,204
1,800	0%	Belgium	EUR	22-10-2031	1,370
1,000	4%	Belgium	EUR	28-3-2032	1,064
3,100	0.35%	Belgium	EUR	22-6-2032	2,391
					27,545
12,000	0.4%	Germany	EUR	13-9-2024	11,552
5,400	2.2%	Germany	EUR	12-12-2024	5,348
2,600	0%	Germany	EUR	9-10-2026	2,364
2,700	1.7%	Germany	EUR	15-8-2032	2,503
					21,767
3,300	1%	France	EUR	25-11-2025	3,139
1,400	2.75%	France	EUR	25-10-2027	1,396
2,850	0.75%	France	EUR	25-5-2028	2,550
1,000	5.75%	France	EUR	25-10-2032	1,222
600	2%	France	EUR	25-11-2032	544
					8,851
450	3.4%	Ireland	EUR	18-3-2024	453
6,400	5.4%	Ireland	EUR	13-3-2025	6,752
7,900	1%	Ireland	EUR	15-5-2026	7,501
3,800	0.2%	Ireland	EUR	15-5-2027	3,401
3,300	0.9%	Ireland	EUR	15-5-2028	2,986
4,200	1.1%	Ireland	EUR	15-5-2029	3,759
4,100	2.4%	Ireland	EUR	15-5-2030	3,958
4,600	0.2%	Ireland	EUR	18-10-2030	3,717
3,400	1.35%	Ireland	EUR	18-3-2031	3,015
4,300	0%	Ireland	EUR	18-10-2031	3,308
					38,850
1,500	4.5%	Italy	EUR	1-3-2024	1,524
3,000	0%	Italy	EUR	15-4-2024	2,884
3,300	1.85%	Italy	EUR	15-5-2024	3,243
1,400	1.75%	Italy	EUR	1-7-2024	1,370
2,000	0%	Italy	EUR	15-8-2024	1,900
3,100	3.75%	Italy	EUR	1-9-2024	3,125
8,000	3.5%	Italy	EUR	15-1-2026	7,950
2,200	1.6%	Italy	EUR	1-6-2026	2,056
2,600	0%	Italy	EUR	1-8-2026	2,281
3,100	2.2%	Italy	EUR	1-6-2027	2,908
1,500	2.05%	Italy	EUR	1-8-2027	1,391
2,000	2%	Italy	EUR	1-2-2028	1,825
					32,457

<i>Nominal value in € thousands</i>	<i>Coupon- yield</i>		<i>Currency</i>	<i>Coupon review date</i>	<i>Marketvalue in € thousands</i>
2,200	1.25%	Lithuania	EUR	22-10-2025	2,079
2,500	2.125%	Lithuania	EUR	29-10-2026	2,403
1,000	0.5%	Lithuania	EUR	19-6-2029	815
1,000	0.75%	Lithuania	EUR	6-5-2030	814
					6,111
1,000	0%	Luxembourg	EUR	13-11-2026	891
6,900	1.375%	Luxembourg	EUR	25-5-2029	6,255
2,000	0%	Luxembourg	EUR	28-4-2030	1,606
2,556	0%	Luxembourg	EUR	24-3-2031	1,996
					10,748
12,000	0%	The Netherlands	EUR	15-1-2024	11,682
3,100	2%	The Netherlands	EUR	15-7-2024	3,066
1,900	0.25%	The Netherlands	EUR	15-7-2025	1,788
3,300	0%	The Netherlands	EUR	15-1-2026	3,035
5,400	0.5%	The Netherlands	EUR	15-7-2026	5,006
3,400	0%	The Netherlands	EUR	15-1-2027	3,052
3,900	0.75%	The Netherlands	EUR	15-7-2027	3,580
1,500	5.5%	The Netherlands	EUR	15-1-2028	1,693
3,100	0.75%	The Netherlands	EUR	15-7-2028	2,793
3,100	0%	The Netherlands	EUR	15-1-2029	2,631
12,200	0.5%	The Netherlands	EUR	15-7-2032	9,805
					48,131
13,000	1.2%	Austria	EUR	20-10-2025	12,482
2,900	2%	Austria	EUR	15-7-2026	2,818
4,150	0.75%	Austria	EUR	20-10-2026	3,856
7,700	0.5%	Austria	EUR	20-4-2027	6,969
5,969	0.75%	Austria	EUR	20-2-2028	5,361
11,300	0.5%	Austria	EUR	20-2-2029	9,710
7,800	0%	Austria	EUR	20-2-2030	6,254
2,500	0%	Austria	EUR	20-2-2031	1,947
1,800	0.9%	Austria	EUR	20-2-2032	1,470
					50,867
5,100	2.875%	Portugal	EUR	15-10-2025	5,094
4,050	4.125%	Portugal	EUR	14-4-2027	4,243
3,200	0.7%	Portugal	EUR	15-10-2027	2,882
3,300	2.125%	Portugal	EUR	17-10-2028	3,143
6,350	1.95%	Portugal	EUR	15-6-2029	5,913
4,700	3.875%	Portugal	EUR	15-2-2030	4,891
5,000	0.475%	Portugal	EUR	18-10-2030	4,031
1,900	0.3%	Portugal	EUR	17-10-2031	1,451
700	1.65%	Portugal	EUR	16-7-2032	593
					32,241
2,600	2.125%	Slovenia	EUR	28-7-2025	2,582
3,650	5.125%	Slovenia	EUR	30-3-2026	3,915
5,800	1.25%	Slovenia	EUR	22-3-2027	5,368
3,700	1%	Slovenia	EUR	6-3-2028	3,294
3,700	1.1875%	Slovenia	EUR	14-3-2029	3,232
3,700	0.275%	Slovenia	EUR	14-1-2030	2,902
3,000	0.875%	Slovenia	EUR	15-7-2030	2,423
2,500	0%	Slovenia	EUR	12-2-2031	1,841
1,700	0.125%	Slovenia	EUR	1-7-2031	1,245

Nominal value in € thousands	Coupon- yield		Currency	Coupon review date	Marketvalue in € thousands
3,700	2.25%	Slovenia	EUR	3-3-2032	3,265
					30,067
1,000	0%	Slovakia	EUR	17-6-2024	956
1,600	0.25%	Slovakia	EUR	14-5-2025	1,489
4,750	0.625%	Slovakia	EUR	22-5-2026	4,333
2,900	1.375%	Slovakia	EUR	21-1-2027	2,671
2,550	1%	Slovakia	EUR	12-6-2028	2,238
2,700	3.625%	Slovakia	EUR	16-1-2029	2,717
5,750	0.75%	Slovakia	EUR	9-4-2030	4,685
3,000	1%	Slovakia	EUR	9-10-2030	2,460
2,000	4%	Slovakia	EUR	19-10-2032	2,045
					23,594
2,000	0.25%	Spain	EUR	30-7-2024	1,921
2,100	2.75%	Spain	EUR	31-10-2024	2,093
3,000	0%	Spain	EUR	31-1-2025	2,825
2,350	1.6%	Spain	EUR	30-4-2025	2,282
2,000	0%	Spain	EUR	31-5-2025	1,861
950	4.65%	Spain	EUR	30-7-2025	990
2,000	0%	Spain	EUR	31-1-2026	1,822
2,300	1.95%	Spain	EUR	30-4-2026	2,223
4,000	0%	Spain	EUR	31-1-2027	3,528
1,500	0.8%	Spain	EUR	30-7-2027	1,353
2,500	1.45%	Spain	EUR	31-10-2027	2,313
400	1.4%	Spain	EUR	30-4-2028	365
1,000	1.4%	Spain	EUR	30-7-2028	910
900	5.15%	Spain	EUR	31-10-2028	990
1,000	6%	Spain	EUR	31-1-2029	1,154
1,000	1.45%	Spain	EUR	30-4-2029	900
900	0.8%	Spain	EUR	30-7-2029	767
2,500	0.5%	Spain	EUR	30-4-2030	2,049
773	1.95%	Spain	EUR	30-7-2030	702
1,200	2.55%	Spain	EUR	31-10-2032	1,093
					32,141
		Total state(-guaranteed)			363,370
		Greenbonds			
6,700	0%	Belgium	EUR	2-6-2028	5,693
2,300	2.75%	Belgium	EUR	4-2-2033	2,202
Belgium					7,895
8,000	0.1%	Chile	EUR	26-1-2027	6,835
3,000	0.555%	Chile	EUR	21-1-2029	2,445
4,000	1.44%	Chile	EUR	1-2-2029	3,449
2,000	0.83%	Chile	EUR	2-7-2031	1,554
Chile					14,283
1,200	0.05%	Kreditanstalt für Wiederaufbau	EUR	30-5-2024	1,154
1,000	0.25%	Kreditanstalt für Wiederaufbau	EUR	30-6-2025	937
4,000	0.5%	Kreditanstalt für Wiederaufbau	EUR	28-9-2026	3,661
10,000	0.01%	Kreditanstalt für Wiederaufbau	EUR	5-5-2027	8,784
8,000	0%	Kreditanstalt für Wiederaufbau	EUR	15-9-2028	6,725
14,000	0%	Kreditanstalt für Wiederaufbau	EUR	15-6-2029	11,515
3,800	2%	Kreditanstalt für Wiederaufbau	EUR	15-11-2029	3,551



Nominal value in € thousands	Coupon- yield		Currency	Coupon review date	Marketvalue in € thousands
5,000	0.125%	Land Nordrhein-Westfalen	EUR	16-3-2023	4,981
2,000	0.5%	Land Nordrhein-Westfalen	EUR	16-2-2027	1,801
2,000	0.25%	Landesbank Baden-Württemberg	EUR	21-7-2028	1,620
1,800	1.9%	Landwirtschaftliche Rentenbank	EUR	12-7-2032	1,623
1,000	0.875%	NRW Bank	EUR	10-11-2025	937
2,500	0.25%	NRW Bank	EUR	26-1-2032	1,932
Germany					49,221
5,000	0.125%	Nordic Investment Bank	EUR	10-6-2024	4,784
Finland					4,784
5,000	0.125%	Council of Europe Development Bank	EUR	10-4-2024	4,810
1,200	0.5%	Île-de-France	EUR	14-6-2025	1,123
1,000	0.625%	Île-de-France	EUR	23-4-2027	895
5,800	0.4%	Ile-de-France mobilites	EUR	28-5-2031	4,566
4,000	0.95%	Ile-de-France mobilites	EUR	16-2-2032	3,226
1,100	0.875%	Regie Autonome des Transports Parisiens (RATP)	EUR	25-5-2027	993
1,000	0.1%	Région Île-de-France	EUR	2-7-2030	785
7,000	0%	Société du Grand Paris	EUR	25-11-2030	5,382
France					21,780
4,000	0.375%	Ferrovie Dello Stato	EUR	25-3-2028	3,202
Italy					3,202
3,000	1.25%	European Investment Bank	EUR	14-6-2025	2,813
Luxembourg					2,813
6,000	0.2%	Bank Nederlandse Gemeenten	EUR	9-11-2024	5,677
2,000	0.25%	BNG Bank	EUR	12-1-2032	1,542
4,200	3%	Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden	EUR	25-10-2027	4,175
5,800	0.125%	Nederlandse Waterschapsbank	EUR	25-9-2023	5,683
4,242	1%	Nederlandse Waterschapsbank	EUR	3-9-2025	4,005
4,100	2.75%	Nederlandse Waterschapsbank	EUR	9-11-2027	4,026
3,900	0.25%	Nederlandse Waterschapsbank	EUR	19-1-2032	3,011
1,000	0.75%	Tennet Holding	EUR	26-6-2025	938
3,000	0.125%	Tennet Holding	EUR	9-12-2027	2,529
1,900	1.375%	Tennet Holding	EUR	5-6-2028	1,679
2,800	1.375%	Tennet Holding	EUR	26-6-2029	2,405
2,000	0.875%	Tennet Holding	EUR	3-6-2030	1,614
1,800	0.5%	Tennet Holding	EUR	9-6-2031	1,357
The Netherlands					38,641
1,600	3.125%	Eurofima	EUR	9-11-2031	1,574
Switzerland					1,574
		Total greenbonds			144,193
		Total			507,563

Rating allocation of ASN Duurzaam Obligatiefonds

<i>In € thousands</i>	<i>31-12-2022</i>		<i>31-12-2021</i>	
	<i>Market value</i>	<i>%</i>	<i>Market value</i>	<i>%</i>
AAA	162,207	31.9	156,146	26.2
AA+	65,328	12.9	71,023	12.0
AA	19,603	3.9	40,153	6.8
AA-	74,187	14.6	32,257	5.4
A+	-	-	48,335	8.1
A	71,610	14.1	84,351	14.2
A-	46,728	9.2	55,018	9.3
BBB	67,900	13.4	106,735	18.0
Total	507,563	100.0	594,018	100.0

Redemption of ASN Duurzaam Obligatiefonds

<i>In € thousands</i>	<i>31-12-2022</i>		<i>31-12-2021</i>	
	<i>Market value</i>	<i>%</i>	<i>Market value</i>	<i>%</i>
Redemption within 1 year	57,292	11.3	8,017	1.3
Redemption within 1 to 5 years	268,466	52.9	231,984	39.1
Redemption within 5 to 10 years	181,805	35.8	326,766	55.0
Redemption after 10 years	-	-	27,251	4.6
Total	507,563	100.0	594,018	100.0

(B) Accounts receivable

The following items are shown under 'accounts receivable':

<i>In € thousands</i>	31-12-2022	31-12-2021
Investment activities		
Receivables arising from security transactions	149	1,130
Accruals on bonds	2,898	3,375
Total receivables arising from investment activities	3,047	4,505
Financing activities		
Receivables from shareholders arising from issue of shares	223	1,164
Total receivables arising from financing activities	223	1,164
Total	3,270	5,669

The receivables fall due within one year.

(C) Other assets

Cash and cash equivalents

Cash and cash equivalents are defined as all bank balances that are payable on demand. Cash and cash equivalents are freely available. The Manager determines the size of the cash balance based on the timing of payments.

(D) Current liabilities

The following items are shown under 'current liabilities':

<i>In € thousands</i>	31-12-2022	31-12-2021
Investment activities		
Liabilities arising from securities transactions	149	1,129
Fund costs payable	200	232
Total liabilities arising from investment activities	349	1,361
Financing activities		
Liabilities to shareholders arising from purchase of shares	74	35
Total liabilities arising from financing activities	74	35
Total	423	1,396

Liabilities fall due within one year.

(E) Equity

Statement of movements in equity

<i>In € thousands</i>	01-01-2022 to 31-12-2022	01-01-2021 to 31-12-2021
Issued capital		
Balance as at start of period	110,330	101,835
Issued shares	14,650	26,289
Purchased shares	-15,484	-17,794
Balance as at end of period	109,496	110,330
Share premium reserve		
Balance as at start of period	510,739	473,195
Issued shares	60,391	120,045
Purchased shares	-71,370	-82,501
Balance as at end of period	499,760	510,739
Other reserves		
Balance as at start of period	-3,150	-7,296
Addition to/withdrawal from retained earnings	-18,896	2,548
Purchased shares	7,633	1,598
Balance as at end of period	-14,413	-3,150
Retained earnings		
Balance as at start of period	-12,308	9,092
Addition to/withdrawal from other reserves	18,896	-2,548
Dividend paid out	-6,588	-6,544
Result for the reporting period	-79,900	-12,308
Balance as at end of period	-79,900	-12,308
Total equity	514,943	605,611

Five-year summary

<i>In € thousands</i>	31-12-2022	31-12-2021	31-12-2020	31-12-2019	31-12-2018¹
Total net asset value	514,943	605,611	576,826	644,273	221,812
Direct income	5,833	8,407	9,208	13,774	-
Changes in value of investments	-83,326	-18,073	1,381	4,091	2,058
Surcharges and deductions charged	92	129	148	97	149
Other income	1	-	-	-	-
Operating expenses	-2,500	-2,771	-1,645	-1,038	-1,121
Total result	-79,900	-12,308	9,092	16,924	1,086
Number of ordinary shares outstanding	21,899,148	22,066,024	20,366,907	22,275,347	7,665,071
Per ordinary share					
<i>In euros</i>					
Net asset value	23.51	27.45	28.32	28.92	28.94
Share price	23.61	27.47	28.34	28.95	28.98
Dividend ²	0.30	0.30	1.00	0.60	0.75
Investment income	0.27	0.38	0.71	0.58	-
Changes in value of investments	-3.80	-0.82	0.12	0.17	0.24
Surcharges and deductions charged	-	0.01	0.01	-	0.02
Surcharges and deductions charged	-	-	-	-	-
Operating expenses	-0.11	-0.13	-0.13	-0.04	-0.13
Total result	-3.64	-0.56	0.71	0.71	0.13

¹ The comparative figures of 2018 were not adjusted as a result of the division.

² This relates to the dividend distributed in the year in question in respect of the previous year.

Statement of movements in equity

<i>In € 1.000</i>	01-01-2022 t/m 31-12-2022	01-01-2021 t/m 31-12-2021
Balance as at start of period	605,611	576,826
Issued shares	75,041	146,334
Purchased shares	-79,221	-98,697
Balance as at end of period	601,431	624,463
Investment income	5,833	8,407
Management fees	-2,480	-2,744
Other operating expenses	-20	-27
	3,333	5,636
Changes in value of investments	-83,326	-18,073
Surcharges and deductions charged	92	129
Other income	1	-
Resultaat	-79,900	-12,308
Dividend	-6,588	-6,544
Total equity	514,943	605,611

Credit risk

The ASN Duurzaam Obligatiefonds is exposed to credit risk on the combined sum of fixed-income investments, cash and cash equivalents and receivables. The fund's maximum credit risk exposure at the end of the reporting period was €515.4 million (year-end 2021: €607.0 million).

4.2.2 Notes to the profit and loss account

(F) Realised changes in value of investments

Notes on the breakdown of profits and losses by type of investment in accordance with RJ (Annual Reporting Guideline) 615.405a

In accordance with RJ 615.405a, information on realised gains and losses from investments follows by type of investment and broken down by price and exchange results.

<i>In € thousands</i>	01-01-2022 to 31-12-2022	01-01-2021 to 31-12-2021
Bonds		
Bonds - realised price gains	419	176
Bonds - realised price losses	-14,069	-5,606
Bonds - realised exchange gains	-	-
Bonds - realised exchange losses	-	-
Total	-13,650	-5,430

(G) Unrealised changes in value on investments

Notes on the breakdown of profits and losses by type of investment in accordance with RJ (Annual Reporting Guideline) 615.405a

In accordance with RJ 615.405a, information on unrealised gains and losses from investments follows by type of investment and broken down by price and exchange results.

<i>In € thousands</i>	01-01-2022 to 31-12-2022	01-01-2021 to 31-12-2021
Bonds		
Bonds - unrealised price gains	59	29
Bonds - unrealised price losses	-69,735	-12,672
Bonds - unrealised exchange gains	-	-
Bonds - unrealised exchange losses	-	-
Total	-69,676	-12,643

(H) Operating expenses

The other operating expenses consist of:

<i>In € thousands</i>	01-01-2022 to 31-12-2022	01-01-2021 to 31-12-2021
Interest on current account	20	27
Total	20	27

Ongoing charges figure

<i>In € thousands</i>	01-01-2022 to 31-12-2022	01-01-2021 to 31-12-2021
Ongoing charges		
Total operating expenses	2,480	2,744
Average fund capital during the reporting period	551,111	609,944
Ongoing charge figure (on annual basis)	0.45%	0.45%

The fund pays fund costs to ASN Impact Investors. From these fund costs, ASN Impact Investors pays all costs incurred on behalf of the fund. This fee is reserved daily (on trading days) and charged to the fund capital. This takes place in proportion to a fixed percentage of 0.45% (on an annual basis) of the fund capital at the end of the day. The ongoing charges of an investment fund include, in addition to the fund costs, all other costs debited to the fund in the reporting period, excluding the costs of investment transactions and interest costs.

Turnover ratio

The turnover ratio provides an indication of the portfolio's turnover rate. This provides an indication of the extent to which active management is taking place. The turnover ratio is calculated as the total amount of securities transactions, less the total amount of transactions in respect of units in the investment fund, as a percentage of the average net asset value of the investment fund.

	01-01-2022 to 31-12-2022	01-01-2021 to 31-12-2021
Turnover rate	109.88%	73.25%

Transaction costs

Transaction costs are part of realised and unrealised gains and losses. Transaction costs can be determined to a limited extent because the transaction costs of fixed-income securities are included in the buying and selling costs and are not recorded separately.

4.3 ASN Milieu & Waterfonds

Balans

Before profit appropriation and in € thousands	Ref. ¹	31-12-2022	31-12-2021
Investments	(A)		
Direct investments		880,323	1,115,338
Accounts receivable	(B)	5,467	8,472
Other assets	(C)		
Cash at bank		19,945	15,832
Current liabilities	(D)	2,199	3,244
Accounts receivable and other assets less current liabilities		23,213	21,060
Assets less current liabilities		903,536	1,136,398
Equity	(E)		
Issued capital		100,933	100,580
Share premium reserve		497,143	469,022
Other reserves		523,342	346,788
Retained earnings		-217,882	220,008
Total equity		903,536	1,136,398

¹ The references in the balance sheet and profit and loss account refer to the explanatory notes to the respective items.

Profit and loss account

In € thousands	Ref. ¹	01-01-2022 to 31-12-2022	01-01-2021 to 31-12-2021
Investment income		17,988	24,166
Realised changes in value on investments	(F)	-16,286	19,130
Unrealised changes in value on investments	(G)	-209,735	188,733
Surcharges and deductions charged		144	210
Other operating income	(H)	149	25
Total income		-207,740	232,264
Operating expenses	(I)		
Management fees		10,034	11,839
Other operating expenses		108	417
Total operating expenses		10,142	12,256
Net result		-217,882	220,008

¹ The references in the profit and loss account refer to the explanatory notes to the respective items.

Cash flow statement

<i>In € thousands</i>	01-01-2022 to 31-12-2022	01-01-2021 to 31-12-2021
Cashflow from investment activities		
Net result	-217,882	220,008
Exchange rate differences on cash	69	244
Net result excluding exchange rate differences on cash	-217,813	220,252
Adjustment to reconcile the result with the cashflow generated by the investment activities:		
Realised changes in value on investments	16,286	-19,130
Unrealised changes in value on investments	209,735	-188,733
Purchase of investments	-168,074	-322,492
Disposal of investments	177,068	221,268
<i>Changes in assets and liabilities:</i>		
Change in receivables arising from investment activities	1,495	5,339
Change in liabilities arising from investment activities	-1,596	-1,441
Net cashflows from investment activities	17,101	-84,937
Cashflows from financing activities		
Issue of shares	71,525	158,772
Purchase of shares	-66,245	-73,857
Change in receivables arising from issue of shares	1,510	107
Change in liabilities arising from purchase of shares	551	-1
Dividend paid out	-20,260	-6,564
Net cashflows from financing activities	-12,919	78,457
Total net cashflows	4,182	-6,480
Exchange rate differences on cash	-69	-244
Change in cash	4,113	-6,724
Cash at the beginning of the reporting period	15,832	22,556
Cash at the end of the reporting period	19,945	15,832

4.3.1 Notes to the balance sheet

(A) Investments

Shares

<i>In € thousands</i>	01-01-2022 to 31-12-2022	01-01-2021 to 31-12-2021
Balance as at start of period	1,115,338	806,251
Purchases	168,074	322,492
Disposals	-177,068	-221,268
Realised changes in value on investments	-16,286	19,130
Unrealised changes in value on investments	-209,735	188,733
Balance as at end of period	880,323	1,115,338

No purchase and disposal transactions were conducted with related parties in the reporting period.

Securities portfolio

Disclosures on fair value measurements of financial instruments in accordance with RJ290.916

The fair value of all the financial instruments in the portfolio of the ASN Milieu & Waterfonds is derived from listed market prices, provided there is sufficient liquidity on the market where the financial instrument is traded.

The specifications below of the portfolio sector and country allocations provide insight into the price risk and currency risk. The specifications relate to the investments as at 31 December 2022, with the market value presented in thousands of euros.

Country allocation of ASN Milieu & Waterfonds

<i>In € thousands</i>	31-12-2022		31-12-2021	
	<i>Market value</i>	<i>%</i>	<i>Market value</i>	<i>%</i>
United States	301,267	34.2	389,922	35.1
United Kingdom	122,520	13.9	173,196	15.5
Switzerland	66,618	7.6	74,053	6.6
Denmark	48,352	5.5	60,630	5.4
Canada	33,002	3.7	16,431	1.5
The Netherlands	32,141	3.7	39,454	3.5
Sweden	31,104	3.5	47,331	4.2
Israel	28,985	3.3	34,495	3.1
Japan	28,176	3.2	43,354	3.9
Hong Kong	22,740	2.6	30,276	2.7
Australia	20,958	2.4	24,058	2.2
Greece	17,163	1.9	12,161	1.1
Ireland	17,042	1.9	21,725	1.9
Spain	16,985	1.9	44,064	4.0
France	16,732	1.9	19,297	1.7
Taiwan	13,809	1.6	22,244	2.0
Finland	13,059	1.5	16,463	1.5
Luxembourg	12,522	1.4	-	-
China	11,262	1.3	14,577	1.3
Germany	11,096	1.3	-	-
Austria	9,030	1.0	20,103	1.8
Norway	5,760	0.7	11,504	1.0
Total	880,323	100.0	1,115,338	100.0

Sector allocation of ASN Milieu & Waterfonds

<i>Number of shares</i>		<i>Currency</i>	<i>Marketvalue in € thousands</i>
Basic goods			
554,181	Corbion	EUR	17,645
1,245,236	DS Smith	GBP	4,512
164,781	Lenzing	EUR	9,030
338,473	Novozymes	DKK	16,017
444,632	SIG Group	CHF	9,096
493,117	Smurfit Kappa	EUR	17,042
305,263	Sonoco Products	USD	17,365
			90,707
Consumer durables			
958,034	MAYTRONICS	ILS	8,904
			8,904
Energy			
539,436	Boralex	CAD	14,929
705,950	EDP Renováveis	EUR	14,528
185,482	Ormat Technologies	USD	15,030
842,142	TERNA ENERGY	EUR	17,163
			61,650
Pharmaceuticals & biotechnology			
12,247	Mettler-Toledo International	USD	16,587
			16,587
Semiconductors			
34,647	Monolithic Power Systems	USD	11,480
57,153	Solaredge Technologies	USD	15,170
1,010,000	Taiwan Semiconductor Manufacturing	TWD	13,809
10,857,769	Xinyi Solar Holdings	HKD	11,262
			51,721
Capital goods			
388,513	A.O. Smith	USD	20,837
189,753	Advanced Drainage Systems	USD	14,574
1,270,207	Amiad Water Systems	ILS	4,911
593,200	Azbil	JPY	14,007
335,764	Evoqua Water Technologies	USD	12,458
169,207	Fluidra	EUR	2,457
42,313	Geberit	CHF	18,662
2,671,234	GENUIT GROUP	GBP	8,460
396,734	Georg Fischer AG	CHF	22,741
789,907	Indutrade	SEK	14,995
223,628	Legrand	EUR	16,732
8,872	LEM	CHF	16,119
49,854	Lennox International	USD	11,175
74,753	Lindsay	USD	11,406
1,844,827	NIBE Industrier	SEK	16,109
602,850	Pentair	USD	25,409
19,993	Rational	EUR	11,096
38,720	Rockwool	DKK	8,503
461,960	Signify	EUR	14,496
786,199	Uponor	EUR	13,059
926,868	Vertiv	USD	11,863
876,917	Vestas Wind Systems	DKK	23,832

Number of shares		Currency	Marketvalue in € thousands
109,143	Watts Water Technologies	USD	14,954
598,016	Zurn Elkay Water Solutions	USD	11,851
			340,706
Utilities			
178,861	American Water Works	USD	25,545
20,260,000	Beijing Enterprises Water	HKD	4,864
306,944	California Water Service	USD	17,440
6,151,750	Hyflux	SGD	-
1,317,258	Pennon Group	GBP	13,191
663,768	Severn Trent	GBP	19,833
1,949,089	United Utilities	GBP	21,779
			102,652
Real estate			
24,635	Equinix	USD	15,120
			15,120
Software & services			
89,810	Autodesk	USD	15,725
276,874	Descartes System Group	CAD	18,073
			33,798
Technology			
92,106	Littelfuse Inc.	USD	19,004
302,854	Murata Manufacturing	JPY	14,169
			33,173
Transport			
3,601,000	MTR	HKD	17,876
			17,876
Personal care products			
390,956	Unilever	EUR	18,324
			18,324
Business services			
277,898	Befesa	EUR	12,522
2,732,636	Brambles	AUD	20,958
44,492	Cintas	USD	18,827
1,633,822	Renewi	GBP	11,012
428,405	Stericycle	USD	20,026
365,656	Tomra systems	NOK	5,760
			89,105
	Total		880,323

(B) Accounts receivable

The following items are shown under 'accounts receivable':

In € thousands	31-12-2022	31-12-2021
Investment activities		
Receivables arising from security transactions	508	1,554
Dividend receivable	1,098	1,259
Dividend tax/withholding tax receivable	3,818	4,106
Total receivables arising from investment activities	5,424	6,919
Financing activities		
Receivables from shareholders arising from issue of shares	43	1,553
Total receivables arising from financing activities	43	1,553
Total	5,467	8,472

The receivables generally fall due within one year. Receivables from dividends and/or withholding tax receivable may fall due within more than one year. In the case of the ASN Milieu & Waterfonds, these receivables amount to €1.98 million at the end of the reporting period (year-end 2021: €2.71 million).

(C) Other assets

Cash and cash equivalents

Cash and cash equivalents are defined as all bank balances that are payable on demand. Cash and cash equivalents are freely available. The Manager determines the size of the cash balance based on the timing of payments.

(D) Current liabilities

The following items are shown under 'current liabilities':

<i>In € thousands</i>	31-12-2022	31-12-2021
Investment activities		
Liabilities arising from securities transactions	859	2,112
Fund costs payable	789	1,132
Total liabilities arising from investment activities	1,648	3,244
Financing activities		
Liabilities to shareholders arising from purchase of shares	551	-
Total liabilities arising from financing activities	551	-
Total	2,199	3,244

Liabilities fall due within one year.

(E) Equity

Statement of movements in equity

<i>In € thousands</i>	01-01-2022 to 31-12-2022	01-01-2021 to 31-12-2021
Issued capital		
Balance as at start of period	100,580	92,389
Issued shares	7,285	15,442
Purchased shares	-6,932	-7,251
Balance as at end of period	100,933	100,580
Share premium reserve		
Balance as at start of period	469,022	359,067
Issued shares	64,240	143,330
Purchased shares	-36,119	-33,375
Balance as at end of period	497,143	469,022
Other reserves		
Balance as at start of period	346,788	227,054
Addition to/withdrawal from retained earnings	199,748	152,965
Purchased shares	-23,194	-33,231
Balance as at end of period	523,342	346,788
Retained earnings		
Balance as at start of period	220,008	159,529
Addition to/withdrawal from other reserves	-199,748	-152,965
Dividend paid out	-20,260	-6,564
Result for the reporting period	-217,882	220,008
Balance as at end of period	-217,882	220,008
Total equity	903,536	1,136,398

Five-year summary

<i>In € thousands</i>	31-12-2022	31-12-2021	31-12-2020	31-12-2019	31-12-2018¹
Total net asset value	903,536	1,136,398	838,039	708,605	493,339
Direct income	17,988	24,166	11,666	15,981	-
Changes in value of investments	-226,021	207,863	155,454	187,552	-88,581
Surcharges and deductions charged	144	210	250	140	289
Other income	149	25	63	149	-
Operating expenses	-10,142	-12,256	-7,904	-6,887	-6,764
Total result	-217,882	220,008	159,529	196,935	-95,056
Number of ordinary shares outstanding	20,186,621	20,115,995	18,477,881	18,904,827	17,530,949
Per ordinary share					
<i>In euros</i>					
Net asset value	44.76	56.49	45.35	37.48	28.14
Share price	45.17	56.67	45.17	37.55	27.88
Dividend ²	1.00	0.35	0.60	0.35	0.45
Investment income	0.88	1.26	0.66	0.79	-
Changes in value of investments	-11.10	10.81	8.84	9.30	-5.05
Surcharges and deductions charged	0.01	0.01	0.01	0.01	0.02
Other income	0.01	-	-	0.01	-
Operating expenses	-0.50	-0.64	-0.45	-0.34	-0.39
Total result	-10.70	11.44	9.06	9.77	-5.42

¹ The comparative figures of 2018 were not adjusted as a result of the division.

² This relates to the dividend distributed in the year in question in respect of the previous year.

Statement of movements in equity

<i>In € 1.000</i>	01-01-2022 t/m 31-12-2022	01-01-2021 t/m 31-12-2021
Balance as at start of period	1,136,398	838,039
Issued shares	71,525	158,772
Purchased shares	-66,245	-73,857
Balance as at end of period	1,141,678	922,954
Investment income	17,988	24,166
Management fees	-10,034	-11,839
Other operating expenses	-108	-417
	7,846	11,910
Changes in value of investments	-226,021	207,863
Surcharges and deductions charged	144	210
Other income	149	25
Resultaat	-217,882	220,008
Dividend	-20,260	-6,564
Total equity	903,536	1,136,398

Credit risk

The ASN Milieu & Waterfondsen is exposed to credit risk on the combined sum of cash and cash equivalents and receivables. The fund's maximum credit risk exposure at the end of the reporting period was €25.4 million (year-end 2021: €24.3 million).

4.3.2 Notes to the profit and loss account

(F) Realised changes in value of investments

Notes on the breakdown of profits and losses by type of investment in accordance with RJ (Annual Reporting Guideline) 615.405a

In accordance with RJ 615.405a, information on realised gains and losses from investments follows by type of investment and broken down by price and exchange results.

<i>In € thousands</i>	01-01-2022 to 31-12-2022	01-01-2021 to 31-12-2021
Shares		
Shares - realised price gains	7,237	33,132
Shares - realised price losses	-35,345	-14,897
Shares - realised exchange gains	12,288	2,182
Shares - realised exchange losses	-466	-1,287
Total	-16,286	19,130

(G) Unrealised changes in value on investments

Notes on the breakdown of profits and losses by type of investment in accordance with RJ (Annual Reporting Guideline) 615.405a

In accordance with RJ 615.405a, information on unrealised gains and losses from investments follows by type of investment and broken down by price and exchange results.

<i>In € thousands</i>	01-01-2022 to 31-12-2022	01-01-2021 to 31-12-2021
Shares		
Shares - unrealised price gains	14,999	185,553
Shares - unrealised price losses	-236,611	-32,593
Shares - unrealised exchange gains	28,501	37,275
Shares - unrealised exchange losses	-16,624	-1,502
Total	-209,735	188,733

(H) Other operating income

<i>In € thousands</i>	01-01-2022 to 31-12-2022	01-01-2021 to 31-12-2021
Other operating income	149	25
Total	149	25

Other operating income in 2022 consists of two components: €147,000 in respect of a *rebate* (refund) received from Impax and €2,000 in payments received under the Central Securities Depository Regulation (CSDR). In 2021, other operating income related entirely to a rebate received from JP Morgan.

(I) Operating expenses

The other operating expenses consist of:

<i>In € thousands</i>	01-01-2022 to 31-12-2022	01-01-2021 to 31-12-2021
Exchange rate differences on cash	69	244
Interest on current account	39	173
Total	108	417

Ongoing charges figure

<i>In € thousands</i>	01-01-2022 to 31-12-2022	01-01-2021 to 31-12-2021
Ongoing charges		
Total operating expenses	10,034	11,839
Average fund capital during the reporting period	969,646	988,414
Ongoing charge figure (on annual basis)	1.03%	1.20%

The fund pays fund costs to ASN Impact Investors. From these fund costs, ASN Impact Investors pays all costs incurred on behalf of the fund. This fee is reserved daily (on trading days) and charged to the fund capital. This takes place in proportion to a fixed percentage of 1.00% (on an annual basis) of the fund capital at the end of the day (until 1 March 2022, the percentage was 1.20%). The ongoing charges of an investment fund include, in addition to the fund costs, all other costs debited to the fund in the reporting period, excluding the costs of investment transactions and interest costs.

Turnover ratio

The turnover ratio provides an indication of the portfolio's turnover rate. This provides an indication of the extent to which active management is taking place. The turnover ratio is calculated as the total amount of securities transactions, less the total amount of transactions in respect of units in the investment fund, as a percentage of the average net asset value of the investment fund.

	01-01-2022 to 31-12-2022	01-01-2021 to 31-12-2021
Turnover rate	21.39%	31.48%

Transaction costs

Transaction costs are part of realised gains and losses. The transaction costs in the reporting period, to the extent that they were identifiable and quantifiable, amounted to €287,236 (2021: €422,060).

4.4 ASN Duurzaam Small & Midcapfonds

Balance sheet

Before profit appropriation and in € thousands	Ref. ¹	31-12-2022	31-12-2021
Investments	(A)		
Direct investments		181,953	217,729
Accounts receivable	(B)	2,736	2,965
Other assets	(C)		
Cash at bank		5,517	6,376
Current liabilities	(D)	875	862
Accounts receivable and other assets less current liabilities		7,378	8,479
Assets less current liabilities		189,331	226,208
Equity	(E)		
Issued capital		20,384	19,021
Share premium reserve		128,712	113,308
Other reserves		88,438	51,563
Retained earnings		-48,203	42,316
Total equity		189,331	226,208

¹ The references in the balance sheet and profit and loss account refer to the explanatory notes to the respective items.

Profit and loss account

In € thousands	Ref. ¹	01-01-2022 to 31-12-2022	01-01-2021 to 31-12-2021
Investment income		5,570	5,009
Realised changes in value on investments	(F)	-8,767	10,583
Unrealised changes in value on investments	(G)	-42,557	28,828
Surcharges and deductions charged		190	314
Total income		-45,564	44,734
	(H)		
Operating expenses			
Management fees		2,354	2,371
Other operating expenses		285	47
Total operating expenses		2,639	2,418
Net result		-48,203	42,316

¹ The references in the profit and loss account refer to the explanatory notes to the respective items.

Cash flow statement

<i>In € thousands</i>	01-01-2022 to 31-12-2022	01-01-2021 to 31-12-2021
Cashflow from investment activities		
Net result	-48,203	42,316
Exchange rate differences on cash	284	8
Net result excluding exchange rate differences on cash	-47,919	42,324
Adjustment to reconcile the result with the cashflow generated by the investment activities:		
Realised changes in value on investments	8,767	-10,583
Unrealised changes in value on investments	42,557	-28,828
Purchase of investments	-77,541	-88,877
Disposal of investments	61,993	61,676
<i>Changes in assets and liabilities:</i>		
Change in receivables arising from investment activities	-268	-1,033
Change in liabilities arising from investment activities	-327	470
Net cashflows from investment activities	-12,738	-24,851
Cashflows from financing activities		
Issue of shares	29,506	44,902
Purchase of shares	-15,461	-17,011
Change in receivables arising from issue of shares	497	-361
Change in liabilities arising from purchase of shares	340	-1
Dividend paid out	-2,719	-1,358
Net cashflows from financing activities	12,163	26,171
Total net cashflows	-575	1,320
Exchange rate differences on cash	-284	-8
Change in cash	-859	1,312
Cash at the beginning of the reporting period	6,376	5,064
Cash at the end of the reporting period	5,517	6,376

4.4.1 Notes to the balance sheet

(A) Investments

Shares

<i>In € thousands</i>	01-01-2022 to 31-12-2022	01-01-2021 to 31-12-2021
Balance as at start of period	217,729	151,117
Purchases	77,541	88,877
Disposals	-61,993	-61,676
Realised changes in value on investments	-8,767	10,583
Unrealised changes in value on investments	-42,557	28,828
Balance as at end of period	181,953	217,729

No purchase and disposal transactions were conducted with related parties in the reporting period.

Securities portfolio

Disclosures on fair value measurements of financial instruments in accordance with RJ290.916

The fair value of all the financial instruments in the portfolio of the ASN Duurzaam Small & Midcapfonds is derived from listed market prices, provided there is sufficient liquidity on the market where the financial instrument is traded.

The specifications below of the portfolio sector and country allocations provide insight into the price risk and currency risk. The specifications relate to the investments as at 31 December 2022, with the market value presented in thousands of euros.

Country allocation of ASN Duurzaam Small & Midcapfonds

<i>In € thousands</i>	31-12-2022		31-12-2021	
	<i>Market value</i>	<i>%</i>	<i>Market value</i>	<i>%</i>
United Kingdom	39,432	21.7	60,075	27.5
The Netherlands	34,419	18.9	29,083	13.4
Germany	26,232	14.4	32,711	15.0
Belgium	26,232	14.4	31,347	14.4
France	15,168	8.3	14,324	6.6
Sweden	13,598	7.5	9,560	4.4
Switzerland	11,629	6.4	11,423	5.2
Luxembourg	7,795	4.3	8,897	4.1
Finland	7,448	4.1	6,699	3.1
Spain	-	-	7,383	3.4
Ireland	-	-	6,227	2.9
Total	181,953	100.0	217,729	100.0

Sector allocation of ASN Duurzaam Small & Midcapfonds

<i>Number of shares</i>		<i>Currency</i>	<i>Marketvalue in € thousands</i>
	Basic goods		
254,000	Bekaert	EUR	9,216
233,500	Corbion	EUR	7,435
232,750	Huhtamaki	EUR	7,448
			24,099
	Consumer service businesses		
192,500	Basic-Fit	EUR	4,712
			4,712
	Retail		

<i>Number of shares</i>		<i>Currency</i>	<i>Marketvalue in € thousands</i>
237,000	ASOS	GBP	1,364
1,049,681	Dustin Group	SEK	3,897
321,000	Takkt	EUR	4,346
1,493,553	Wickes Group	GBP	2,463
			12,070
	Healthcare services & equipment		
347,500	Fagron	EUR	4,611
			4,611
	Consumer durables		
8,948,500	Coats Group	GBP	6,677
			6,677
	Semiconductors		
91,750	BE Semiconductor Industries	EUR	5,189
			5,189
	Capital goods		
15,000	Alfen Beheer	EUR	1,263
45,500	Azelis	EUR	1,207
116,250	Barco N.V.	EUR	2,683
167,000	JOST Werke	EUR	8,784
42,200	Kardex	CHF	6,496
2,825	LEM	CHF	5,133
284,200	Signify	EUR	8,918
185,750	TKH Group	EUR	6,902
400,000	Travis Perkins	GBP	4,010
117,750	Washtec	EUR	4,062
			49,458
	Media		
232,250	Telenet	EUR	3,542
			3,542
	Real estate		
329,500	Fabege	SEK	2,628
407,500	Safestore Holdings	GBP	4,340
465,000	UNITE Group	GBP	4,769
186,250	Warehouses De Pauw SCA	EUR	4,973
			16,710
	Advertising		
149,250	Ipsos	EUR	8,731
363,250	JCDecaux	EUR	6,437
			15,168
	Software & services		
373,250	Software	EUR	9,040
			9,040
	Food & drinks		
5,572,000	Premier Foods	GBP	6,820
			6,820
	Business services		
173,000	Befesa	EUR	7,795
706,000	Bravida Holding	SEK	7,073
1,979,000	Sthree	GBP	8,989
			23,857
	Total		181,953

(B) Accounts receivable

The following items are shown under 'accounts receivable':

<i>In € thousands</i>	31-12-2022	31-12-2021
Investment activities		
Receivables arising from securities transactions	322	515
Dividend tax/withholding tax receivable	2,396	1,935
Total receivables arising from investment activities	2,718	2,450
Financing activities		
Receivables from shareholders arising from issue of shares	18	515
Total receivables arising from financing activities	18	515
Total	2,736	2,965

The receivables generally fall due within one year. Receivables from dividends and/or withholding tax receivable may fall due within more than one year. In the case of the ASN Duurzaam Small & Midcapfonds, these receivables amount to €1.53 million at the end of the reporting period (year-end 2021: €1.06 million).

(C) Other assets**Cash and cash equivalents**

Cash and cash equivalents are defined as all bank balances that are payable on demand. Cash and cash equivalents are freely available. The Manager determines the size of the cash balance based on the timing of payments.

(D) Current liabilities

The following items are shown under 'current liabilities':

<i>In € thousands</i>	31-12-2022	31-12-2021
Investment activities		
Liabilities arising from securities transactions	341	640
Fund costs payable	194	222
Total liabilities arising from investment activities	535	862
Financing activities		
Liabilities to shareholders arising from purchase of shares	340	-
Total liabilities arising from financing activities	340	-
Total	875	862

Liabilities fall due within one year.

(E) Equity

Statement of movements in equity

<i>In € thousands</i>	01-01-2022 to 31-12-2022	01-01-2021 to 31-12-2021
Issued capital		
Balance as at start of period	19,021	16,602
Issued shares	2,954	3,949
Purchased shares	-1,591	-1,530
Balance as at end of period	20,384	19,021
Share premium reserve		
Balance as at start of period	113,308	81,999
Issued shares	26,552	40,953
Purchased shares	-11,148	-9,644
Balance as at end of period	128,712	113,308
Other reserves		
Balance as at start of period	51,563	57,233
Addition to/withdrawal from retained earnings	39,597	167
Purchased shares	-2,722	-5,837
Balance as at end of period	88,438	51,563
Retained earnings		
Balance as at start of period	42,316	1,525
Addition to/withdrawal from other reserves	-39,597	-167
Dividend paid out	-2,719	-1,358
Result for the reporting period	-48,203	42,316
Balance as at end of period	-48,203	42,316
Total equity	189,331	226,208

Five-year summary

<i>In € thousands</i>	31-12-2022	31-12-2021	31-12-2020	31-12-2019	31-12-2018¹
Total net asset value	189,331	226,208	157,359	194,721	92,265
Direct income	5,570	5,009	2,240	4,174	-
Changes in value of investments	-51,324	39,411	732	44,728	-18,140
Surcharges and deductions charged	190	314	127	60	93
Other income	-	-	-	187	-
Operating expenses	-2,639	-2,418	-1,574	-1,276	-1,282
Total result	-48,203	42,316	1,525	47,873	-19,329
Number of ordinary shares outstanding	4,076,775	3,804,203	3,320,386	4,281,283	2,724,850
Per ordinary share					
<i>In euros</i>					
Net asset value	46.44	59.46	47.39	45.46	33.86
Share price	46.60	59.83	47.72	45.57	33.67
Dividend ²	0.70	0.40	0.80	0.45	0.55
Investment income	1.44	1.42	0.73	1.08	-
Changes in value of investments	-13.26	11.13	0.25	11.61	-6.67
Surcharges and deductions charged	0.05	0.09	0.04	0.02	0.03
Other income	-	-	-	0.05	-
Operating expenses	-0.68	-0.68	-0.52	-0.33	-0.47
Total result	-12.45	11.96	0.50	12.43	-7.11

¹ The comparative figures of 2018 were not adjusted as a result of the division.

² This relates to the dividend distributed in the year in question in respect of the previous year.

Statement of movements in equity

<i>In € 1.000</i>	01-01-2022 t/m 31-12-2022	01-01-2021 t/m 31-12-2021
Balance as at start of period	226,208	157,359
Issued shares	29,506	44,902
Purchased shares	-15,461	-17,011
Balance as at end of period	240,253	185,250
Investment income	5,570	5,009
Management fees	-2,354	-2,371
Other operating expenses	-285	-47
	2,931	2,591
Changes in value of investments	-51,324	39,411
Surcharges and deductions charged	190	314
Resultaat	-48,203	42,316
Dividend	-2,719	-1,358
Total equity	189,331	226,208

Credit risk

The ASN Duurzaam Small & Midcapfonds is exposed to credit risk on the combined sum of cash and cash equivalents and receivables. The fund's maximum credit risk exposure at the end of the reporting period was €8.3 million (year-end 2021: €9.3 million).

4.4.2 Notes to the profit and loss account

(F) Realised changes in value of investments

Notes on the breakdown of profits and losses by type of investment in accordance with RJ (Annual Reporting Guideline) 615.405a

In accordance with RJ 615.405a, information on realised gains and losses from investments follows by type of investment and broken down by price and exchange results.

<i>In € thousands</i>	01-01-2022 to 31-12-2022	01-01-2021 to 31-12-2021
Shares		
Shares - realised price gains	5,621	10,971
Shares - realised price losses	-14,135	-816
Shares - realised exchange gains	77	459
Shares - realised exchange losses	-330	-31
Total	-8,767	10,583

(G) Unrealised changes in value on investments

Notes on the breakdown of profits and losses by type of investment in accordance with RJ (Annual Reporting Guideline) 615.405a

In accordance with RJ 615.405a, information on unrealised gains and losses from investments follows by type of investment and broken down by price and exchange results.

<i>In € thousands</i>	01-01-2022 to 31-12-2022	01-01-2021 to 31-12-2021
Shares		
Shares - unrealised price gains	4,137	31,800
Shares - unrealised price losses	-43,526	-5,129
Shares - unrealised exchange gains	622	2,350
Shares - unrealised exchange losses	-3,790	-193
Total	-42,557	28,828

(H) Operating expenses

The other operating expenses consist of:

<i>In € thousands</i>	01-01-2022 to 31-12-2022	01-01-2021 to 31-12-2021
Exchange rate differences on cash	284	8
Interest on current account	1	39
Total	285	47

Ongoing charges figure

<i>In € thousands</i>	01-01-2022 to 31-12-2022	01-01-2021 to 31-12-2021
Ongoing charges		
Total operating expenses	2,354	2,371
Average fund capital during the reporting period	195,992	197,997
Ongoing charge figure (on annual basis)	1.20%	1.20%

The fund pays fund costs to ASN Impact Investors. From these fund costs, ASN Impact Investors pays all costs incurred on behalf of the fund. This fee is reserved daily (on trading days) and charged to the fund capital. This takes place in proportion to a fixed percentage of 1.20% (on an annual basis) of the fund capital at the end of the day. The ongoing charges of an investment fund include, in addition to the fund costs, all other costs debited to the fund in the reporting period, excluding the costs of investment transactions and interest costs.

Turnover ratio

The turnover ratio provides an indication of the portfolio's turnover rate. This provides an indication of the extent to which active management is taking place. The turnover ratio is calculated as the total amount of securities transactions, less the total amount of transactions in respect of units in the investment fund, as a percentage of the average net asset value of the investment fund.

	01-01-2022 to 31-12-2022	01-01-2021 to 31-12-2021
Turnover rate	48.25%	44.77%

Transaction costs

Transaction costs are part of realised gains and losses. The transaction costs in the reporting period, to the extent that they were identifiable and quantifiable, amounted to €123,123 (2021: €239,928).



Recycling

5 Other information



Special control rights provided for by the Articles of Association

The Articles of Association provide that the priority share holder may draw up a binding nomination for the appointment of directors. The priority share holder may also make a binding nomination for the appointment of members of the Supervisory Board if the latter does not propose any candidates itself within the specified period. An amendment to the Articles of Association or a resolution to wind up the company can only be adopted on the recommendation of the holder of the priority share. Upon the winding-up of the company, after payment of all the debts, the nominal amount of the priority share will first be repaid.

The priority share serves to protect the special nature of ASN Beleggingsfondsen UCITS N.V. against unwanted influences by third parties. It is held by ASN Duurzame Deelnemingen N.V., a wholly-owned subsidiary of de Volksbank N.V. Information on the rights attached to the priority share can be found in the Articles of Association of ASN Beleggingsfondsen UCITS N.V.

Profit appropriation according to the Articles of Association

In accordance with Article 27 of the Articles of Association, the Board of Directors determines for each series of ordinary shares what portion of the profit will be distributed to the holders of ordinary shares. This is the profit after deduction of a distribution equal to the statutory interest calculated on the nominal value of the priority share. The Board of Directors determines the distribution subject to the approval of the Supervisory Board.

Interests of directors and members of the Supervisory Board

In accordance with Section 122(2) of the Market Conduct Supervision (Financial Institutions) Decree (Bgfo), this report states whether the members of the Board of Directors of ASN Impact Investors and the members of the Supervisory Board had a personal interest in investments undertaken by ASN Beleggingsfondsen UCITS N.V. According to information provided by the members of the Board of Directors and of the Supervisory Board, the members concerned did not have any interests in investments undertaken by ASN Beleggingsfondsen UCITS N.V. at the start and end of the reporting period.

For the purpose of transparency, the following table lists the personal interests that the members of the Board of Directors of ASN Impact Investors and the members of the Supervisory Board had in the funds of ASN Beleggingsfondsen UCITS N.V. at the start and end of the reporting period, according to information provided by them.

In 2022, there was a change in the composition of the Board. The changes in the following interests are mainly due to that change in the composition of the Board.

<i>Description</i>	<i>Collective interest of Board of Directors of ASN Impact Investors and members of the Supervisory Board in figures 31 December 2022</i>	<i>Collective interest of Board of Directors of ASN Impact Investors and members of the Supervisory Board in figures 31 December 2021</i>
ASN Duurzaam Aandelenfonds	169	224
ASN Milieu & Waterfonds	-	252
ASN Duurzaam Small & Midcapfonds	250	220

Independent auditor's report

The following is an English translation of the independent auditor's report issued 16 March 2023

To: the shareholders and supervisory board of ASN Beleggingsfondsen UCITS N.V.

Report on the audit of the 2022 financial statements included in the annual report

Our opinion

We have audited the financial statements for the year ended on 31 December 2022 of ASN Beleggingsfondsen UCITS N.V., based in The Hague, The Netherlands.

In our opinion the accompanying financial statements give a true and fair view of the financial position of ASN Beleggingsfondsen UCITS N.V. as at 31 December 2022 and of its result for 2022 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- The balance sheet as at 31 December 2022;
- The profit and loss account for 2022;
- The notes comprising of a summary of the accounting policies and other explanatory information, including the annual financial information of the individual ASN UCITS-Beleggingsfondsen (the sub-funds).

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the financial statements" section of our report.

We are independent of ASN Beleggingsfondsen UCITS N.V. (hereinafter: the investment entity) in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the "Wet toezicht accountantsorganisaties" (Wta, Audit firms supervision act), the "Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten" (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the "Verordening gedrags- en beroepsregels accountants" (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion and any findings were addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Our understanding of ASN Beleggingsfondsen UCITS N.V.

ASN Beleggingsfondsen UCITS N.V. is an investment entity with variable capital, having its registered office in The Hague, the Netherlands, and consist of four sub-funds (undertakings for collective investment in transferable securities): ASN Duurzaam Obligatiefonds, ASN Milieu & Waterfondsen, ASN Duurzaam Aandelenfondsen and ASN Duurzaam Small & Midcapfondsen. Shares of the sub-funds of ASN Beleggingsfondsen UCITS N.V. are traded via Euronext Amsterdam, segment Euronext Fund Service. The sub-funds invest in listed securities for which the fair value is derived from quoted market prices. The management company and management board is ASN Beleggingsinstellingen Beheer B.V., part of de Volksbank N.V., and references to positions and departments in this section are positions and departments of ASN Beleggingsinstellingen Beheer B.V.

Materiality

We have determined the materiality and identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error in order to design audit procedures responsive to those risks and to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Materialiteit	We determine the materiality per sub-fund of ASN Beleggingsfondsen UCITS N.V.
Toegepaste benchmark	1% of Equity per sub-fund.
Nadere toelichting	<p>The sub-funds each have their own investment policy, risk profile, share price and a separate administration. Investors can only invest in sub-funds. Annual financial information is prepared for each sub-fund, which is part of the notes to the financial statements of ASN Beleggingsfondsen UCITS N.V. These financial statements are based on the cumulative annual financial information of the sub-funds. Based upon the foregoing, we have applied a materiality based on the equity per sub-fund. The equity per sub-fund is the total (market) value to which investors in the sub-fund are entitled and is regarded in the industry as the most important factor for investment decisions by shareholders.</p> <p>The determination of materiality has not changed compared to previous year.</p>

We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the supervisory board that misstatements identified during our audit, in excess of 5% of the materiality for each sub-fund, would be reported to the board, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Teaming and use of specialists

We ensured that the audit team has the appropriate skills and competences which is needed for the audit of a listed investment entity. We included specialists in the areas of IT audit and taxes.

Our focus on fraud and non-compliance with laws and regulations

Our responsibility

Although we are not responsible for preventing fraud or non-compliance and we cannot be expected to detect non-compliance with all laws and regulations, it is our responsibility to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Our audit response related to fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the investment entity and its environment and the components of the system of internal control, including the risk assessment process and management's process for responding to the risks of fraud and monitoring the system of internal control and how the supervisory board exercises oversight, as well as the outcomes thereof.

We refer to section 1. Management Board report of the annual report for management's (fraud) risk assessment.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as the code of conduct Fund Governance ASN Impact Investors, the fraud- and corruption policy, the whistle blower procedures and incident registration. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness, of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption, including potential conflict of interest between the management company and the investors in the investment entity. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

As in all of our audits, we addressed the risk of management override of controls. For this risk we have performed procedures among others to evaluate key accounting estimates for management bias that may represent a risk of material misstatement due to fraud, in particular relating to important judgment areas and significant accounting estimates as disclosed in section 3.4.1 under 'Use of estimates' in the notes to the financial statements. We have also used data analysis to identify and address high-risk journal entries and evaluated the business rationale (or the lack thereof) of significant

extraordinary transactions, including those with related parties. These risks did however not require significant auditor's attention during our audit. We did not identify a fraud risk related to revenue recognition.

We considered available information and made enquiries of directors, the legal-, compliance-, and risk departments and the supervisory board.

The fraud risk we identified, enquiries and other available information did not lead to specific indications for fraud or suspected fraud potentially materially impacting the view of the financial statements.

Our audit response related to risks of non-compliance with laws and regulations

We performed appropriate audit procedures regarding compliance with the provisions of those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. Furthermore, we assessed factors related to the risks of non-compliance with laws and regulations that could reasonably be expected to have a material effect on the financial statements. In line with NBA Practice Note 1142 from the professional body for auditors in the Netherlands (NBA) on the "Specific obligations from laws and regulations on financial supervision for the internal auditor and the external auditor of investment firms, alternative investment funds (managers) and (management companies of) undertakings for collective investment in transferable securities", our assessment is based on our general industry experience, through discussions with the management board, inspection of the integrity risk analysis (SIRA), reading minutes, inspection of reports of internal audit of de Volksbank insofar as relevant for ASN Beleggingsfondsen UCITS N.V., and compliance reports. We also performed substantive audit procedures of classes of transactions, account balances or disclosures.

We also inspected the reports of the legal department and correspondence with regulatory authorities and remained alert to any indication of (suspected) non-compliance throughout the audit. Finally we obtained written representations that all known instances of non-compliance with laws and regulations have been disclosed to us.

Our audit response related to going concern

As disclosed in section 3.4 'Notes to the financial statements', the financial statements have been prepared on a going concern basis. When preparing the financial statements management made a specific assessment of the investment entity's ability to continue as a going concern and to continue its operations for the foreseeable future.

We discussed and evaluated the specific assessment with management exercising professional judgment and maintaining professional skepticism.

We considered whether management's going concern assessment, based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, contains all relevant events or conditions that may cast significant doubt on the investment entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.

Based on our procedures performed, we did not identify material uncertainties about going concern.

Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause an investment entity to cease to continue as a going concern.

Our key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the supervisory board. The key audit matters are not a comprehensive reflection of all matters discussed.

We have not changed the key audit matters in comparison to previous year.

Existence and valuation of investments

Risk The sub-funds that make up ASN Beleggingsfondsen UCITS N.V., invest mainly in listed investments, which are considered to be the key driver of the financial performance of the sub-funds.

Reference is made to the disclosures on the investment portfolio in the annual financial information of the sub-funds of ASN Beleggingsfondsen UCITS N.V. which form part of the notes to the financial statements of ASN Beleggingsfondsen UCITS N.V. The category classification of the investment portfolio of the sub-funds of ASN Beleggingsfondsen UCITS N.V. (paragraph 3.4.1) shows that investments are mainly listed investments.

We do consider these investments as a lower risk of significant misstatement, or to be subject to a significant degree of judgement, as the investments consist of listed securities for which a quoted price on an active market is available and not subject to estimations. However, due to the size of the investments in the context of the financial statements as a whole, the investment portfolio is considered to be the area which had the greatest effect on our audit.

Our audit approach Our audit procedures included among others evaluating whether the accounting policies applied by the investment entity for recognition and measurement of investments and the (currency) pricing data and protocols are in accordance with Part 9 of Book 2 of the Dutch Civil Code and whether these accounting policies, data and protocols have been consistently applied. We have evaluated the design and implementation of controls related to the valuation process.

Our audit procedures with regard to the existence and valuation investments included, but were not limited to:

- reconciling values of the investment portfolio to at least one independent pricing source;
- verifying the existence and ownership of the holdings in the investment portfolio with independently received third party confirmations from the custodian.

Key observations Based on the procedures performed, we have no significant findings relating to the existence and valuation of investments.

Investment income

Risk Investment income is the main source of income of the investment entity and comprises both dividend and interest income as well as (un)realized changes in fair value of investments. Therefore, we consider investment income as a key audit matter.

Reference is made to the split of the investment income in the profit and loss account and to the Management report in respect of the ASN UCITS Beleggingsfondsen where the results of the sub-funds are compared to their benchmark.

Our audit approach Our audit procedures with regard to investments income included, amongst others:

- obtaining an understanding and testing of controls, including relevant IT general controls, for processing transactions, corporate actions, reconciliation of investments and portfolio valuation. For outsourced processes, we have used the independent report on the design, implementation and operating effectiveness of relevant controls of the administrator, BNP Paribas Securities Services SCA;
- performing granular, substantive analytical procedures (including data-analytics using market data) on both dividend and interest income as well as (un)realized changes in fair value of investments in relation to the investments and in relation to the performance of the benchmark for each sub-fund.

Key Observations Based on the procedures performed, we have no significant findings relating to the investment income.

Outsourcing	
Risk	<p>The investment entity does not have employees. Asset management, risk management, shareholder registration, financial accounting as well as bookkeeping are outsourced to the management company, ASN Beleggingsinstellingen Beheer B.V., that in turn outsourced these activities partly to BNP Paribas Securities Services SCA.</p> <p>We consider outsourcing a key audit matter. The financial information from these activities is used for the preparation of the financial statements of the investment entity and management is ultimately responsible for the full service chain including the controlled and sound business processes of the ucits management company. This comprises the following two aspects:</p> <ul style="list-style-type: none"> controlling the business processes and operational risks management by the management company (outsourcing); and mitigating integrity risks, that result from potential conflict of interest between the management company and the investors in the sub-funds. <p>Reference is made to the “Management Board report” and the “Management Board report in respect of ASN Beleggingsfondsen UCITS N.V.” for the (risks of) outsourcing and the in-control statement of the management company, as well as to the ongoing charges disclosure that compares the charges to the information included in the prospectus.</p>
Our audit approach	<p>As part of and insofar relevant for our audit of the financial statements of the investment entity, we have focused on the controlled and sound business processes of the management company, in line with NBA Practice Note 1142. Our audit procedures consisted among others of:</p> <ul style="list-style-type: none"> confirming that the management company and depositary hold the required license from the supervisory authority; obtaining an understanding and testing of controls of the investment company and other parties to which (key) processes have been outsourced, including relevant IT general controls. We have made use of the independent report on the design, implementation and operating effectiveness of relevant controls of the administrator; reading through the correspondence with the supervisory authorities and the report of the independent depositary. In performing our audit procedures, we have also remained alert of signals of potential non-compliance with laws and regulations in general and more specifically, the provisions of the Wet op het financieel toezicht (Wft, Act on Financial Supervision) and the Wet ter voorkoming van witwassen en financiering terrorisme (Wwft, Act on the prevention of money laundering and terrorist financing); verifying the management fees and other operating expenses charged by performing a recalculation in accordance with the stipulations in the prospectus and verifying that related party transactions are accurately and completely disclosed; performing substantive audit procedures such as analytical review and sampling on the outcome of relevant flows of financial information.
Key Observations	<p>Based on the procedures performed, we have no significant findings related to outsourced activities and the resulting financial information with a direct impact on the financial statements of the investment entity.</p>

Report on other information included in the annual report

The annual report contains other information in addition to the financial statements and our auditor’s report thereon.

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements;
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code for the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the management board report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information required by Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Engagement

We were engaged for the audit of ASN Beleggingsfondsen N.V. since 2016. After founding ASN Beleggingsfondsen UCITS N.V. and the demerger of ASN Beleggingsfondsen N.V., we were appointed by the general meeting as auditor for ASN Beleggingsfondsen UCITS N.V. for the audit of 2020 and have operated as statutory auditor ever since that date.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

Description of responsibilities regarding the financial statements

Responsibilities of management and the supervisory board for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the investment entity's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the investment entity or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the investment entity's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the investment entity's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. The 'Information in support of our opinion' section above includes an informative summary of our responsibilities and the work performed as the basis for our opinion.

Our audit further included among others:

- performing audit procedures responsive to the risks identified, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the investment entity's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures;
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit. In this respect we also submit an additional report to the audit committee of the supervisory board in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the supervisory board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the supervisory board, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

The Hague, 16 March 2023

Ernst & Young Accountants LLP

Signed by M.J. Knijnenburg RA



6 Annexes





Annex 1 Policymakers and investment managers

Various teams are responsible for the policy of the ASN Beleggingsfondsen. The members of the teams who performed activities for the funds in 2022 are listed below, together with their positions, responsibilities and work experience.

ASN Impact Investors

ASN Impact Investors is responsible for portfolio management, the development and marketing of investment products and the risk management of ASN Beleggingsfondsen UCITS N.V. This team also ensures that laws and regulations are implemented insofar as they relate to clients and products and is responsible for the investment policy and management of the funds. The table below lists the portfolio managers and staff with voting rights in one or more of the six committees of ASN Impact Investors. The portfolio managers also have voting rights in these committees.

Name	Position	Work experience
Portfolio Managers		
Marcel Blom	Portfolio Manager SRI Funds	31 years
Karin van Dijk	Portfolio Manager ASN Biodiversiteitsfonds	11 years
Stephan Langen	Manager Portfolio Management	30 years
Rosemarijn van der Meij	Portfolio Manager ASN Groenprojectenfonds	24 years
Sascha Noé	Portfolio Manager ASN Microkredietfonds	20 years
Members committees		
Robin Krispijn	Senior Compliance Officer	15 years
Marjolein Rigter	Risk Manager	15 years
Maurits de Ruiter	Risk Analyst	12 years
Mariëtta Smid	Senior Sustainability Manager	26 years
Saskia Ball-Sanders	Senior Controller	21 years
Maudy Stiebing-van der Bruggen	Business Risk Manager	29 years
Investment Fund	Strategy	Investment Manager/Adviser
ASN Duurzaam Obligatiefonds	Eurobonds; active	Achmea Investment Management
ASN Milieu & Waterfonds	Equities Global; active	Impax Asset Management Ltd.
ASN Duurzaam Aandelenfonds	Equities Global; active	Achmea Investment Management
ASN Duurzaam Small & Midcapfonds	Equities Europe; active	Van Lanschot Kempen Investment Management

Sustainability Expertise Centre (ECD)

ASN Bank's Sustainability Expertise Centre (ECD) advises ASN Impact Investors with regard to sustainability policy. The team researches countries, projects and companies in which the ASN Beleggingsfondsen may invest. The team also engages in dialogue with companies (engagement) at the request of ASN Impact Investors.

Investment managers

ASN Impact Investors has outsourced the investment management of the ASN Beleggingsfondsen. When selecting an investment manager, we assess, among other things, the knowledge and experience, performance and sustainability of potential candidates for the role.

The following teams are responsible for the day-to-day investment management of the ASN Beleggingsfondsen:

- ASN Duurzaam Aandelenfonds and ASN Duurzaam Obligatiefonds: Achmea Investment Management;
- ASN Milieu & Waterfonds: Impax Asset Management;
- ASN Duurzaam Small & Midcapfonds: Van Lanschot Kempen Investment Management.

Achmea Investment Management

Managers of ASN Duurzaam Aandelenfonds

Name	Position	Work experience
Mark Voermans	Equities Portfolio Manager	23 years' experience in quantitative management of global equities portfolios
Dennis Thé	Equities Manager	17 years' experience in equities analysis and management of global equities portfolios

Managers of ASN Duurzaam Obligatiefonds

Name	Position	Work experience
Rob Dekker	LDI & Rates Portfolio Manager	23 years' experience in analysing and managing sovereign bonds and government-related bonds
Raymond Vermeulen	LDI & Rates Manager	24 years' experience in managing fixed-income securities and overlay portfolios

Impax Asset Management

Managers of ASN Milieu & Waterfonds

Name	Position	Work experience
Jon Forster	Senior Portfolio Manager, Managing Director	28 years' experience
Justin Winter	Portfolio Manager, Director	20 years' experience
Fotis Chatzimichalakis	Portfolio Manager, Associate Director	7 years' experience
Matthew Wright	Research Analyst	5 years' experience

Van Lanschot Kempen Investment Management

Managers of ASN Duurzaam Small & Midcapfonds

Name	Position	Work experience
Jan-Willem Berghuis	Head of SmallCap Team	24 years' experience
Michiel van Dijk	Senior Portfolio Manager	15 years' experience
Ingmar Schaefer	Senior Portfolio Manager	17 years' experience
Sander van Oort	Senior Portfolio Manager	22 years' experience

Annex 2 Addresses and personal details

ASN Beleggingsfondsen UCITS N.V.

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2509 AM The Hague

Phone: +31 (0)70 - 356 93 33
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UCITS manager

ASN Beleggingsinstellingen Beheer B.V.
Bezuidenhoutseweg 153
2594 AG The Hague
PO Box 93514
2509 AM The Hague

Board of Directors of ASN Impact Investors

1. San Lie (from 1 March 2022)
2. Bas-Jan Blom (until 1 March 2022)
3. Ro Dielbandhoesing
4. Dirk-Jan Stam (from 1 March 2022)

Supervisory Board of ASN Beleggingsfondsen UCITS N.V.

1. Anne Gram (Chair)
2. Lodi Hennink (Vice-Chair)
3. Tineke Lambooy
4. Dennis Bams
5. Chris Zadeh

Depository

CACEIS BANK, Netherlands branch
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1101 EE Amsterdam-Zuidoost

Auditor

Ernst & Young Accountants LLP
Wassenaarseweg 80
2596 CZ The Hague

Tax adviser

KPMG Meijburg & Co B.V.
Laan van Langerhuize 9
1186 DS Amstelveen
PO Box 74600
1070 DE Amsterdam

Investment managers

Achmea Investment Management B.V.
Handelsweg 2
3707 NH Zeist
PO Box 866
3700 AW Zeist

Impax Asset Management Ltd.
7th Floor
30 Panton Street
London SW1Y 4AJ
United Kingdom

Van Lanschot Kempen Investment Management
Beethovenstraat 300
1077 WZ Amsterdam
PO Box 75666
1070 AR Amsterdam

Fund Agent

CACEIS BANK, Netherlands branch
De Entree 500
1101 EE Amsterdam-Zuidoost

Supervisory Board

Anne Gram (Chair)

Appointed in 2017, current term expires in 2025.

Anne Gram (1965) has worked as an independent adviser and expert for institutional investors and has sat on various supervisory boards and investment committees since 2006. During the past 29 years, Anne has had various positions in the financial sector, including as portfolio manager, head of equities/investments and director of investments at Robeco, ABN AMRO and Fortis Mees Pierson. These roles have given her a wealth of investment knowledge and experience, in the broadest sense.

Anne studied International Economics and Finance at Brandeis University in Boston (USA). She has an International Economics MBA from the Copenhagen Business School (Copenhagen, Denmark) and is a qualified Chartered Financial Analyst (CFA). Alongside working for her own business, Anne was also a lecturer in the Pension Executive Program at Erasmus University Rotterdam, and she was a columnist for *De Financiële Telegraaf*. She has also been on the supervisory board of the Dutch Stockholders' Association (Vereniging van Effectenbezitters, 'VEB') and was a member of the board of experts of Transparency International Nederland. She is currently a board member at Pensioenfondsen ABP and sits on the supervisory board of the Zorg en Welzijn pension fund and on the investment committee of ING Pensioenfondsen. Her activities also include chairing, moderating, sitting on the panel, speaking and lecturing at conferences.

Lodi Hennink

Re-appointed in 2019, current term expires in 2023.

Lodi Hennink (1957) is a director, supervisory director and executive adviser. He is also chair of the supervisory board of Vereniging Eigen Huis (Dutch Homeowners' Association), chair of the supervisory board of SHoKo (Kempens General Practitioners group), a member of the advisory board of Forensisch Medische Maatschappij Utrecht (FFMU/medTzorg; Utrecht Forensic Medical Society), a member of the supervisory board of Rosa Spier Huis and secretary-steward of Evert Zoudenbalch Huis (equity fund).

Lodi studied business economics, with a specialisation in tax, at Erasmus University Rotterdam. In parallel, he studied law, specialising in private law and corporate law. Lodi began his career in the pharmaceutical division of Gist-Brocades, where he was responsible for the marketing of a range of different medicines. In 1989, he made the transition to Robeco Group, where he became international marketing manager for the asset manager's investment products, with a focus on German-speaking markets. After switching to the Randstad organisation, where he held a management position for two years, he returned to the financial sector in 1995. For more than ten years, he held various management and corporate positions at various divisions of Interpolis, including the

divisions provisions for the future (life assurance) and social security. Following the merger of Interpolis and Achmea, he became manager business development at the holding company. In 2007, he made the transition to the Landelijke Huisartsen Vereniging (National Association of General Practitioners), where he was managing director for almost ten years. More recently, he was managing director of Vereniging Humanitas, a non-profit association supporting people who temporarily cannot manage on their own.

Tineke Lambooy

Appointed in 2019, current term expires 2023.

Tineke Lambooy (1961) is specialised in corporate law, corporate governance and corporate social responsibility (CSR). She has been professor of Corporate Law at Nyenrode Business University since 2015. She focuses on teaching and research, among other things. She is also a member of the Research Group Water, Oceans and Sustainability Law at Utrecht University and is a guest lecturer at Airlangga University in Surabaya, Indonesia. Lambooy has chaired the IMVO Metal Chain Covenant, which is part of the Social and Economic Council of the Netherlands (SER), since September 2021.

Tineke studied law and psychology at Leiden University and went on to obtain a Master's in Constitutional and Administrative Law and a Master's in International Public Law at the same university. This was followed by a year studying in Texas (American Corporate Law and Tax Law), after which she trained as a commercial lawyer at the Grotius Academy in Amsterdam (12-month programme). She went on to complete the training programme of the Netherlands Bar (Nederlandse Orde van Advocaten). Between 1989 and 2007, she worked as a corporate lawyer for Loyens & Loeff (and its legal predecessors). Between 2004 and 2010, she carried out doctoral research into the legal aspects of corporate social responsibility (CSR). This resulted in the publication of *Corporate Social Responsibility. Legal and semi-legal frameworks supporting CSR* (Kluwer, 2010). Tineke has been a researcher and lecturer at Nyenrode Business University and Utrecht University since 2007. Alongside her work, Tineke is a board member of the Club of Rome – Dutch Chapter and a member of the NGO Stand Up For Your Rights. She is a member of the Advisory Board of the social enterprise The Social Handshake. Furthermore, she is a member of Het Groene Brein, an inter-university research group in the Netherlands, and of the Worldconnectors, and she plays an active role in the Lab for Future Generations.

Dennis Bams

Appointed on 18 June 2020, current term expires in 2024.

Dennis Bams (1970) is professor of Financial Management and Financial Markets at the Open Universiteit Heerlen and Maastricht University, with a focus on risk management. He also runs his own consultancy. Sustainability is an important driver for Dennis, and its

relationship to investing is a key theme in his research work.

Dennis studied Econometrics at Erasmus University Rotterdam and Actuarial Sciences at the University of Amsterdam. This was followed by doctoral research at the Universities of Chicago, Marseilles and Maastricht. Between 1998 and 2015, he performed various risk management roles at ING, De Lage Landen and the Philips Pension Fund.

Alongside his work, Dennis is also on the adjudicating panel for the Johan de Witt prize (for the best actuarial scientific thesis), and he is a member of the admissions board for the Master's programme in Financial Economics of Maastricht University. He is currently carrying out scientific research into the relationship between the ESG behaviour of companies and its effect on returns and risk profile.

Chris Zadeh

Appointed in 2021, current term expires in 2025

Chris Zadeh (1975) is an entrepreneur and founder of Ohpen, a fintech company where he was CEO until 2019. He left Ohpen a year later in order to start a new company: Whangai, a firm aiming to help other scale-up enterprises grow by providing advice on corporate finance and other subjects.

Before he started Ohpen in 2009 after a sabbatical, Chris spent 10 years as a managing director at BinckBank. Together with founder Kalo Bagijn, he was one of the first staff members. Before that, Chris worked for asset manager Alex and – while studying law at the University of Amsterdam – for what was then the Postbank. Because of his roles at BinckBank and Ohpen, Chris not only gained 25 years' experience in the latest technology behind financial services but also acquired a wealth of commercial experience and legal knowledge. He was a board member at an insurance company and at an asset management firm that managed 750 million euros and sold its own investment funds to private individuals. Alongside his day-to-day activities, Chris sits on the Supervisory Board of InShared, among other things. He supports various organisations that promote animal welfare and nature conservation, in particular projects concerning the protection of submarine life. Diving is one of Chris' greatest passions.

Board of Directors of ASN Impact Investors

San Lie

San Lie (1971) succeeded Bas-Jan Blom as Managing Director of ASN Impact Investors on 1 March 2022. San chairs the Board of Directors and is responsible for Marketing & Sales and Portfolio Management. Since August 2019, he has been Head of Portfolio Management at ASN Impact Investors. Before that, he worked for companies including Morningstar Benelux, Insinger de Beaufort, Fortis Bank (Netherlands and Belgium) and ABN AMRO in various management roles in the field of sustainability and investment services. San studied

economics at Erasmus University Rotterdam. In addition, he regularly publishes articles in professional journals.

Ro Dielbandhoesing

Ro Dielbandhoesing (1979) has been a director of ASN Impact Investors since 22 June 2021 and is responsible for Risk Management and Compliance. From 2017, Ro worked in various roles as risk manager at de Volksbank and the subsidiary ASN Impact Investors. His previous roles include that of financial risk manager at Staalbankiers. Ro started his career as a controller at Achmea.

Ro studied Business Economics at Inholland University of Applied Sciences and obtained a Master's in Accountancy & Control and an Executive Master's in Finance & Control / Registered Controller (RC) at the University of Amsterdam.

Dirk-Jan Stam

Dirk-Jan Stam (1982) has been Director of Finance and Reporting at ASN Impact Investors since 1 March 2022 and is responsible for the accounts and financial disclosures, as well as for Product Management. Dirk-Jan has worked for de Volksbank and its legal predecessors since 2011 and has been ASN Bank's Head of Controlling and Compliance since 2018. Dirk-Jan studied Industrial Engineering and Management at Rotterdam University of Applied Sciences and obtained a Bachelor's in Business Administration and a Master's in Accountancy and Control at Erasmus University Rotterdam.

SFDR Annex V ASN Duurzaam Aandelenfonds

Periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: ASN Duurzaam Aandelenfonds

Legal entity identifier: 549300LDXPD7XM2J2X44

Sustainable investment objective

Sustainable investment

means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The EU Taxonomy is a classification system laid down in Regulation (EU) 2020/852 establishing a list of environmentally sustainable economic activities. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

● ● **X** **YES**

● ● **NO**

☒ It made **sustainable investments with an environmental objective: 96.3%**

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of ____% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☒ It made **sustainable investments with a social objective: 3.7%**

☐ It promoted E/S characteristics, but **did not make any sustainable investments**



To what extent was the sustainable investment objective of this financial product met?

The ASN Duurzaam Aandelenfonds ("the Fund") has the following sustainable investment objectives:

- Decreasing CO₂ emissions per year in line with the Paris Agreement (expressed as the fund's contribution to keeping the temperature rise at a maximum of 1.5 degrees in 2050).
- Decreasing the negative impact on biodiversity per euro invested (relative to base year 2019).
- Stimulating the payment of living wages to factory workers in the clothing industry (relative to base year 2019).

In accordance with these objectives, the Fund also took account of climate mitigation and climate adaptation, as defined in the EU Taxonomy.

During the 2022 reporting period, the Fund invested in a global portfolio of shares in listed companies that contribute to the sustainable investment objectives.

The implied temperature rise of the Fund in 2022 was **1.81** degrees, measured using the MSCI Implied Temperature Rise (ITR) methodology. This is the first year that this methodology has been used, so it is not possible to compare it with previous years. For more information about the MSCI ITR methodology, see: [MSCI Implied Temperature Rise](#).

In 2022, the negative impact of the Fund on biodiversity per euro invested improved compared with the reference year of 2019 (measured using the Biodiversity Footprint for Financial Institutions (BFFI) methodology).

In 2022, the average living wage score for the clothing brands from the Investment Universe in the Fund portfolio improved compared with the reference year of 2019 (measured using the Platform Living Wage Financials (PLWF) methodology).

● **How did the sustainability indicators perform?**

A sustainability indicator has been established for each of the Fund's sustainable investment objectives. See the table below, which shows the performance of the sustainability indicators during the 2022 reporting period.

● **...and compared to previous periods?**

Table showing the performance of the sustainability indicators over the past four years. Data on the sustainability indicators is not available for all indicators and all years. For these periods and indicators, "not available" is noted in the table.

Sustainability indicator	2019 values	2020 values	2021 values	2022 values
MSCI ITR (in degrees Celsius)	N/A	N/A	N/A	1.81
Biodiversity footprint (in ha per million euro invested)	22.45	26.01	18.34	16.21
Average living wage score	23.50	23.48	23.24	26.06

2019 is the reference year for both the biodiversity footprint and the average living wage score.
For 2020 and 2021, the SFDR did not apply.

To measure the implied temperature rise of the Fund, we used the MSCI ITR method (to steer the Fund towards the objective aligned with the Paris Agreement). The MSCI ITR method is an intuitive, future-focused metric, expressed in degrees Celsius, that is designed to show the temperature alignment of investments, portfolios and funds with global temperature goals. For the 2022 reporting period, the MSCI-ITR methodology was available for **100%** of the investments in the Fund, and was applied to the investments with an environmental objective.

To measure the impact on biodiversity, the Fund used the BFFI method. The BFFI method measures the biodiversity footprint in hectares per euro invested, based on a life cycle assessment (LCA). A LCA calculates the environmental impact of products and services over their entire life cycle. This results in an expected negative or positive impact on biodiversity (in ha) per euro invested per year ((ha/€)/year). At present, the biodiversity footprint is still being assessed annually; from 2023, it will be assessed quarterly.

To measure efforts to achieve payment of a living wage in the clothing industry, the Fund used the PLWF method. The PLWF method uses a test to assess clothing industry companies in the portfolio, and places them in five categories, from worst to best: Embryonic (the company is doing nothing or very little to encourage a living wage, 0–10 points), Developing (11–20 points), Maturing (the development is progressing, 21–30 points), Advanced (the development is nearing completion, 31–35 points) and Leader (36–40 points). The living wage score of the portfolio is assessed on a quarterly basis. The score presented above is the average of the four quarters. The process for arriving at these scores has changed over the years, and has become stricter. This makes it difficult to compare the figures for 2022 with those for 2019. However, it would be extremely labour intensive to retroactively repeat the assessment. To make the differences more transparent, a qualitative explanation of the methodology over the years is provided below.

The methodology for determining a living wage score for a clothing company is based on a list of eight questions, relating to seven overarching key criteria (the company's policy, engagement, assessment of the impact, incorporation of the findings, tracking performance, the remedy, and transparency with regard to the living wage). The number of questions has remained the same from year to year. However, the weighting of each question has changed. In 2018, the first questions were weighted more heavily; these questions were considered easier to answer (these were the two questions about the company's policy and the question on engagement; the three questions had a combined weighting of 60%). In

2020, this was adjusted so that every question had the same weighting (eight questions, each with a weighting of 12.5%). In 2018, the emphasis was primarily on the key criterion of the company's policy (two of the eight questions related to the policy, with a total weighting of 40%). Many companies did not yet have a policy in place, let alone good practices. Over time, more and more companies developed adequate policies, so it was appropriate to give more weight to the activities based on those policies. Accordingly, in 2022, the emphasis has shifted from the policy criterion to the criterion relating to the company's engagement. The two policy-related questions have been combined (leaving one question about policy, with a weighting of 12.5%), and a second question relating to the engagement criterion has been added (these two questions have a total weighting of 25%).

As well as the fact that the questions have changed over the years and the emphasis of the weighting has shifted, the various indicators used to determine the number of points awarded for a question have been refined. What is being asked of the companies has been clarified, and the indicators have been expanded and made more stringent.

For more information about the living wage score and the underlying methodology, see: [ASN Bank Living Wage](#).

● ***How did the sustainable investments not cause significant harm to any sustainable investment objective?***

All investments by the Fund that are eligible for the Investment Universe comply with the ASN Impact Investors Sustainability Policy ("the sustainability policy"). The sustainability policy includes a selection process performed by the Sustainability Expertise Centre (ECD) of ASN Bank. This process includes a risk analysis resulting in the exclusion criteria for the Investment Universe. The exclusion criteria are built on the three pillars of ASN Impact Investors, namely the climate, biodiversity and human rights, as well as governance of investee companies and, where relevant, animal welfare. The list of exclusion criteria includes details relating, but not limited, to:

- The climate (activities relating to fossil fuels and nuclear energy are excluded);
- Biodiversity (activities relating to deforestation and the dumping of waste are excluded);
- Human rights (activities relating to crimes against humanity, genocide, war crimes and the arms industry are excluded);
- Governance (companies that do not have a policy governing the ethical conduct of their employees are excluded);
- Animal welfare (activities relating to animal testing and violation of the five freedoms of animal welfare are excluded).

The sustainability policy also includes a list of sustainability criteria. These criteria are used to assess companies on their environmental policies, pollution, overexploitation, equal treatment and discrimination, forced labour, and a safe and healthy working environment.

The exclusion criteria are applied to all companies. The sustainability criteria are applied proportionally.

The Investment Universe is ultimately determined by the ASN Impact Investors Investment Committee. Each company is discussed by the ASN Impact Investors Investment Committee as part of the sustainability assessment. The Investment Committee is responsible for approving, rejecting or deciding to engage with each company, and all of these decisions result in the Investment Universe.

After approval, the Investment Universe is periodically re-assessed by the ECD. The above sustainability assessment process ensures that the Investment Universe contains no companies that cause significant harm to any sustainable investment objectives.

Over the course of 2022, **seven** companies were removed from the Investment Universe for breaching the sustainability policy.

Examples of engagement

Since 2016, ASN Impact Investors has engaged with companies in the pharmaceutical industry. A report written for ASN Impact Investors by Sustainalytics found that the biggest pharmaceutical companies in the world do not adequately monitor and/or are not sufficiently transparent about the research and development, production, marketing and sale of medicines. During the 2022 reporting period, ASN Impact Investors engaged with the companies in the Investment Universe, and took biannual measurements of their performance with regard to ethical conduct, development and distribution, marketing and remuneration. ASN Impact Investors recorded these

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

measurements in scorecards, which it then shared with the companies, along with company-specific points for improvement. In the third quarter, ASN Impact Investors shared scorecards with: Astellas Pharma, AstraZeneca, GlaxoSmithKline, Merck KGAA STAMM and Novo Nordisk.

Examples of exclusion

Each quarter, ASN Impact Investors checks whether the companies in the Investment Universe are still compliant. During this check, EssilorLuxottica was flagged due to its involvement in animal testing. ASN Impact Investors investigated EssilorLuxottica in relation to this matter. Unfortunately, it lacked an adequate animal testing policy, and the company was therefore rejected and removed.

Sunpower cut down a forest to build a solar farm (1 million solar panels) on the Yucatan Peninsula. Representatives of the local Mayan community went to court, but were sadly unable to stop the development. ASN Impact Investors sought clarification from Sunpower in three separate emails (in February and March of this year). Unfortunately, the company did not bother to respond to the questions. Cutting down a forest to build a solar farm is unacceptable to ASN Impact Investors. For this reason, the company was rejected and removed.

How were the indicators for adverse impacts on sustainability factors taken into account?

The indicators for negative impacts on sustainability factors (PAI-indicators) as described in the delegated regulation supplementing the SFDR were only partially taken into account in the 2022 reporting period.

More specifically, in 2022, five mandatory PAI-indicators and one optional indicator were taken into account, since these indicators already formed part of the existing sustainability policy. However, there may be differences in some areas between the definitions of PAI-indicators as formulated in the SFDR and the definitions in the ASN Impact Investors Sustainability Policy. The PAI-indicators taken into account were:

- Table 1:
 - Indicator 1: Greenhouse gas (GHG) emissions (Scope 1, 2, 3 and Total)
 - Indicator 2: Carbon footprint
 - Indicator 3: GHG intensity of investee companies
 - Indicator 4: Exposure to companies active in the fossil fuel sector
 - Indicator 14: Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)
- Table 3:
 - Indicator 9: Lack of a human rights policy

For the remaining PAI-indicators (nine mandatory and six optional), although they are partially incorporated into the sustainability policy in terms of their themes, the data collection now required by the SFDR was not carried out in 2022.

From the 2023 reporting period onwards, ASN Impact Investors will take the PAI-indicators into account, as specified in the precontractual template.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Yes, the sustainable investments were aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. In accordance with the criteria in the sustainability policy, an engagement procedure was started when a violation was established on the part of a company in the Investment Universe. If the company was unwilling or unable to remedy the situation in accordance with the guidelines, the company was removed from the Investment Universe.

Example of engagement

Xinyi Solar had an inadequate policy on trade union freedom, the supply chain and change of land use. ASN Impact Investors contacted Xinyi Solar with regard to this matter. The engagement is ongoing.

Example of exclusion

ASN Impact Investors voted against the appointment of Mr Wang Yan to the Supervisory Board of Xinjiang Goldwind Science & Technology. ASN Impact Investors did not consider Mr Wang to be independent, since he was also the director of a business unit. Furthermore, ASN Impact Investors asked the company to develop a policy to promote trade union freedom and combat forced labour. In its response, the company indicated that it prohibited any form of forced labour. Unfortunately, in doing so it referred to Chinese legislation. Partly on the basis of this response, in April 2022 ASN Impact Investors decided to remove the company from the Investment Universe.



How did this financial product consider principal adverse impacts on sustainability factors?

In the first instance, all investments complied with the ASN Impact Investors Sustainability Policy. As explained in response to the question **How were the indicators for adverse impacts on sustainability factors taken into account?**, during the 2022 reporting period the indicators for adverse impacts on the sustainability factors, as described in the delegated regulation supplementing the SFDR, were only partially taken into account. This is because it was only with the implementation of the SFDR in 2022 that we determined which PAI-indicators were relevant to the Fund. The data available at the time of drafting of this report is presented in the table below. All of this data was sourced from MSCI and Morningstar Direct. It was not combined with data used by the Fund during the reporting period. For this reason, there are likely to be differences between the data below and data presented elsewhere (particularly with regard to CO₂ emissions).

The table is included for information purposes only, and accordingly should not be taken as an indication that ASN Impact Investors was guided by all of the indicators listed in 2022. ASN Impact Investors warns the reader not to draw premature conclusions from the data presented below. This is a new regulation, which has not been made 100% clear by legislators.

ASN Impact Investors has compiled the required PAI data to the best of its ability, using reputable data providers. However, the table below shows that the data coverage for some PAI-indicators is still limited and the available data is relatively old, i.e. it dates back to well before 2022, or else the source year is simply not known. This indicates that the data is still being developed, and there are as yet no generally accepted standards. ASN Impact Investors continually monitors the development of this data. The low data quality has been one of the main reasons not to steer on the indicators presented in the table.

For more details about the indicators, see [Annex I of Regulation \(EU\) 2022/1288](#).

In this Annex V, ASN Impact Investors is reporting on the PAI-indicators for the first time. ASN impact Investors does not yet steer on these indicators, partly because the quality of the data is still poor. However, to provide some clarity around the figures in the PAI table, a qualitative explanation is provided for each PAI-indicator in this Annex V, as an appendix to this document.

Table 1 - Statement on principal adverse impacts of investment decisions on sustainability factors

				Metric	2022 impact	Data coverage	Source year
Climate and other environment-related indicators							
Greenhouse gas emissions	1.	GHG emissions	Scope 1 GHG emissions	tCO ₂ e	5,461.94	98.05%	2020–2022
			Scope 2 GHG emissions	tCO ₂ e	9,731.15	98.05%	2020–2022
			Scope 3 GHG emissions	tCO ₂ e	242,344.59	98.05%	2020–2022
			Total GHG emissions	tCO ₂ e	257,615.26	98.05%	2020–2022
	2.	Carbon footprint		tCO ₂ e/Meuro	169.63	98.05%	2020–2022
	3.	GHG intensity of investee companies		tCO ₂ e/Meuro	510.97	96.75%	2020–2022
	4.	Exposure to companies active in the fossil fuel sector			0.00%	98.05%	N/A
	5.	Share of non-renewable energy consumption and production			65.70%	98.05%	N/A
	6.	Energy consumption intensity per high impact climate sector		GWh/Meuro	A – 0; B – 0; C – 0.11; D – 0.06;	98.05%	2015–2021

				E – 0.61; F – 0.02; G – 0.07; H – 0.77; L – 0.39	
Biodiversity	7.	Activities negatively affecting biodiversity-sensitive areas		0.00%	98.05% N/A
Water	8.	Emissions to water	t/Meuro	0.91	7.04% 2019–2020
Waste	9.	Hazardous waste and radioactive waste ratio	t/Meuro	0.11	32.70% 2018–2021
Indicators for social and employee matters, respect for human rights, anticorruption and antibribery matters					
Social and employee matters	10.	Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises		0.00%	97.01% N/A
	11.	Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises		29.83%	98.05% N/A
	12.	Unadjusted gender pay gap		12.82%	95.25% 2018–2021
	13.	Board gender diversity		36.67%	98.05% N/A
	14.	Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)		0.00%	98.05% N/A

Table 2 – Additional climate and other environment-related indicators

			Metric	2022 impact	Data coverage	Source year
Climate and other environment-related indicators						
Water, waste and material emissions	14.	Natural species and protected areas	1. Share of investments in investee companies whose operations affect threatened species	6.97%	97.40%	N/A
			2. Share of investments in investee companies without a biodiversity protection policy covering operational sites owned, leased, managed in, or adjacent to, a protected area or an area of high biodiversity value outside protected areas	83.51%	97.40%	N/A

Table 3 – Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

	Metric	2022 impact	Data coverage	Source year
Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters				
Social and employee matters	4. Lack of a supplier code of conduct	62.06%	97.25%	2020–2021
Human rights	9. Lack of a human rights policy	3.51%	98.05%	N/A
	12. Operations and suppliers at significant risk of incidents of child labour	13.98%	98.05%	N/A
	13. Operations and suppliers at significant risk of incidents of forced or compulsory labour	16.13%	98.05%	N/A
	14. Number of identified cases of severe human rights issues and incidents	0	98.05%	N/A
Anti-corruption and anti-bribery	15. Lack of anti-corruption and anti-bribery policies	1.18%	98.05%	N/A

tCO₂e: in tonnes of CO₂ equivalent emissions

Meuro: in millions of euros

GWh: Gigawatt hours

t: tonnes

N/A: Not available



What were the top investments of this financial product?

Largest investments	Sector	% Assets	Country
NOVO NORDISK A/S-B	Pharmaceuticals & biotechnology	2.8	Denmark
RELX PLC	Business services	2.5	United Kingdom
UNILEVER PLC	Personal care products	2.5	United Kingdom
L'OREAL	Personal care products	2.5	France
ASTRAZENECA	Pharmaceuticals & biotechnology	2.5	United Kingdom
METTLER-TOLEDO INTERNATIONAL	Pharmaceuticals & biotechnology	2.4	United States
AUTODESK INC	Software & Services	2.4	United States
MERCK KGAA	Pharmaceuticals & biotechnology	2.4	Germany
TRANE TECHNOLOGIES PLC	Capital goods	2.4	Ireland
INDUSTRIA DE DISEÑO TEXTIL	Retail	2.4	Spain
ASML HOLDING NV	Semiconductors	2.3	The Netherlands
ASTELLAS PHARMA	Pharmaceuticals & biotechnology	2.3	Japan
TOKYO ELECTRON	Semiconductors	2.3	Japan
WOLTERS KLUWER	Business services	2.2	The Netherlands
GIVAUDAN-REG	Basic goods	2.2	Switzerland

The “% Assets” column is the proportion of the investment within the total assets under management, excluding liquid assets.



What was the proportion of sustainability-related investments?

The Fund invests in shares in listed companies all over the world that are dedicated to a sustainable society and that have a healthy financial outlook. The Fund invests only in companies that have been admitted to the Investment Universe.

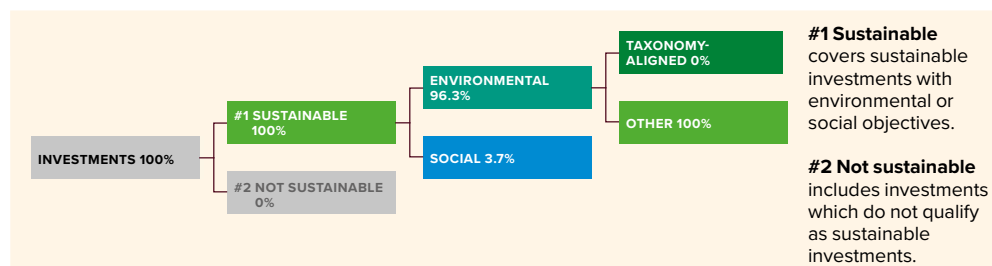
What was the asset allocation?

Asset allocation describes the share of investments in specific assets.

Because of its sustainable investment objectives, the Fund has been classified by ASN Impact Investors as an Article 9 product under the SFDR. Accordingly, based on the investment selection criteria, the Investment Committee only permits investments that are considered sustainable within the meaning of the SFDR.

The liquid assets held by the Fund are not investments. The purpose of liquid assets is to facilitate the marketability of the Fund on the stock market. They are held in connection with the liquidity management process pursuant to section 3:63 of the Financial Supervision Act (Wft).

In the 2022 reporting period, an average of 3.7% of the Fund's assets under management were in companies in the clothing industry. The social investment objective is exclusively focused on the clothing brands in the portfolio; accordingly, this is the same as the percentage given for investments in the "social" category. The remaining percentage is considered to be environmental.



In which economic sectors were the investments made?

The Fund invested in the following economic sectors:

- Pharmaceuticals & biotechnology	14.0%
- Capital goods	14.0%
- Semiconductors	10.7%
- Software & services	8.3%
- Healthcare services & equipment	7.7%
- Business services	7.4%
- Personal care products	6.1%
- Telecommunication services	5.9%
- Retail	4.9%
- Basic goods	4.4%
- Technology	3.5%
- Other	13.1%



To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

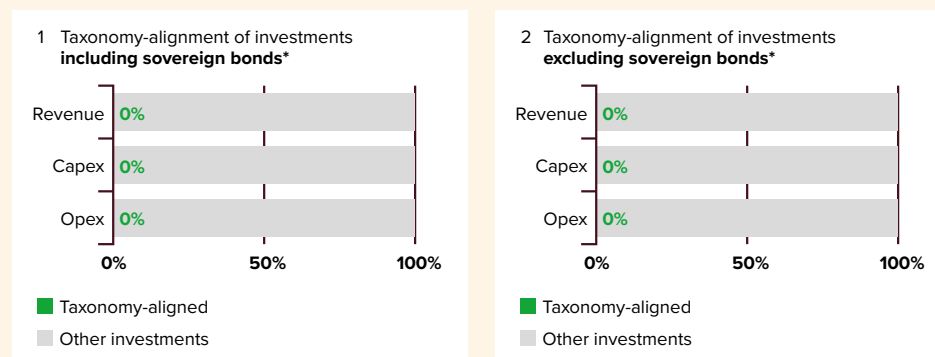
ASN Impact Investors believes that the EU Taxonomy – the EU's list of sustainable economic activities – has the potential to be an important tool for determining which investments are sustainable. It could promote transparency, combat greenwashing and encourage the shift of capital to the sustainable economy of the future. However, with regard to the environmental part of the EU Taxonomy, ASN Impact Investors disagrees with the inclusion of nuclear energy and fossil gas as sustainable investments in the current EU Taxonomy. This does not align with the beliefs, vision and mission of ASN Impact Investors. For this reason, and because much of the EU Taxonomy is still unclear, a specific EU Taxonomy objective has not yet been set.

In addition, it is not possible to report on the extent to which the investments in this reporting period were aligned with the EU Taxonomy, since there is not yet any data available on EU Taxonomy-aligned activities. This is because, from the 2022 reporting period onwards, companies will publish a list of their EU Taxonomy-aligned activities. For these reasons, the extent to which the sustainable investments with an environmental objective were aligned with the EU Taxonomy is 0%.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of **revenue** from green activities of investee companies;
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy;
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

Enabling activities

directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities

are economic activities for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.

What was the share of investments made in transitional and enabling activities?

Owing to the lack of available data on the EU Taxonomy, it is not possible to state whether any investments were made in transitional and enabling activities (the share of investments made in transitional and enabling activities was therefore 0%).

How did the percentage of investments aligned with the EU Taxonomy compare with previous reference periods?

This question does not apply. This is the first reporting period.

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are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?

Owing to the lack of available data on the EU Taxonomy, it is not possible to report on the share of EU Taxonomy-aligned investments. Accordingly, it is assumed that 100% of the investments in the Fund are not aligned with the EU Taxonomy.



What was the share of socially sustainable investments?

In the 2022 reporting period, an average of 3.7% of the Fund's assets under management were in companies with a social objective. The socially sustainable investments relate exclusively to the clothing brands in the portfolio.



What investments were included under "not sustainable", what was their purpose and were there any minimum environmental or social safeguards?

In line with the sustainability policy of ASN Impact Investors, no investments were made that could be classified as "not sustainable".



What actions have been taken to attain the sustainable investment objective during the reference period?

ASN Impact Investors engaged in dialogue with investee companies, to make them more aware of their sustainability performance in relation to their CO₂ emissions and biodiversity footprint and encourage them to make improvements. The decision to engage was made when an investment no longer met the sustainability criteria of ASN Impact Investors, or when wrongdoing was established. ASN Impact Investors also used engagement to help the clothing brands in the portfolio improve their living wage score.

ASN Impact Investors exercised its voting rights at shareholders' meetings of the companies in which the Fund has invested. These rights were exercised to encourage companies to adopt more sustainable policies and practices. The principles underpinning our votes are set out in the ASN Impact Investors sustainable voting policy.

In 2022, ASN Impact Investors started engagement relating to biodiversity and the climate. Climate change is becoming increasingly visible, and is having a major impact on biodiversity. Biodiversity is under pressure, and biodiversity loss is growing every year. Biodiversity and climate change are closely linked, which is why ASN Impact Investors decided to raise the topic with every company in the Investment Universe. ASN Impact Investors began by providing them with information about the importance and urgency of biodiversity and our dependence on it. ASN Impact Investors had contact with almost all the companies in the Investment Universe on this matter. In the next phase, a selection was made of companies that had a major negative impact on climate and biodiversity in the portfolios. ASN Impact Investors launched intensive engagement with these companies.

Since 2016, ASN Impact Investors has taken a leading role in raising broad awareness of the need for textile workers to be paid a living wage. ASN Impact Investors engages in dialogue with clothing brands and inspires others who want to take action. In 2022, ASN Impact Investors assessed the clothing brands again, and discussed the results with the companies.

Example of engagement

The construction of a wind farm in Sweden generated negative publicity. Environmental legislation was breached, and contractors were not paid. ASN Impact Investors contacted Nordex with regard to this matter. The company provided a satisfactory response and remains in the Investment Universe.

Example of the exercise of voting rights

ASN Impact Investors voted against the appointments of Andrew J. Duff and Derek Harding to The Sage Group. ASN Impact Investors was concerned that the company did not have a good balance of men and women on the board. If more than 60% of board members are of the same sex, ASN Impact Investors votes against new candidates of that sex. ASN Impact Investors believes it is important for there to be a good gender balance. Research shows that this is good for business operations, in terms of both sustainability and financial return. ASN Impact Investors also asked the company to develop and implement policies on privacy and non-discrimination.



How did this financial product perform compared to the reference sustainable benchmark?

No reference benchmark has been designated for the achievement of the sustainable investment objective, since there is currently no benchmark available in the market that combines CO₂ emissions, biodiversity and a living wage.

Reference benchmarks are indexes to measure whether the financial product attains the sustainable objective.

● *How did the reference benchmark differ from a broad market index?*

This question does not apply.

● *How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?*

This question does not apply.

● ***How did this financial product perform compared with the reference benchmark?***

This question does not apply.

● ***How did this financial product perform compared with the broad market index?***

At present, it is only possible to compare the sustainable investment objective concerning the annual reduction of CO₂ emissions in line with the Paris Agreement against a broad market index. The MSCI World Index was used as the broad market index. The table below shows the Fund's performance compared with the broad market index. For both the Fund and the broad market index, the implied temperature rise was calculated using the MSCI ITR method. As indicated above, for the 2022 reporting period the MSCI ITR methodology was available for **100%** of the Fund's investments. For the broad market index, the MSCI ITR methodology was available for **99.40%** of the investments.

The Fund has an objective of keeping the temperature rise to a maximum of 1.5 degrees by 2050. As indicated below, this objective has not been achieved, although the Fund is performing better compared with the broad market index.

MSCI ITR values in °C	2022
ASN Duurzaam Aandelenfonds	1.81
MSCI World Index	2.26
Fund overperformance	0.45

Appendix: Qualitative explanation for each PAI-indicator

- **PAI-indicators 1, 2 and 3 in Table 1** give the sum of the total greenhouse gas emissions in tonnes of the companies in the portfolio (Scope 1, 2 and 3), weighted by the most recent available business value of the company, including cash. Indicator 3 gives the total greenhouse gas emissions per 1 million euros invested in the portfolio. Indicator 3 is the portfolio weighted average of the total carbon footprint of the companies in the portfolio per million euros of turnover (tonnes/million euros of turnover). Both the sustainability policy and the PAI-indicators use the PCAF method to measure the Scope 1, 2 and 3 emissions. However, there are differences between the policy data and the MSCI data: ASN Impact Investors uses proxy data when data is missing, while MSCI does not.
- **PAI-indicator 4 in Table 1** is the sum of the weight of companies in the portfolio with active exposure to the fossil fuel sector. This indicator presents the data in line with the policy of ASN Impact Investors: no investments are made in the fossil fuel industry.
- **PAI-indicator 5 in Table 1** is the share of non-renewable energy consumption and production of investee companies, expressed as a percentage. More than half of the investments in the portfolio still consume or generate non-renewable energy. As mentioned, ASN Impact Investors engages with the companies in the portfolio to raise their awareness of this issue.
- **PAI-indicator 6 in Table 1** is the energy consumption in GWh per million euros of turnover of the investments, per high impact climate sector, NACE section codes A, B, C, D, E, F, G, H and L ([link to NACE section codes](#)). In this regards, it is notable that the ratio of energy consumption in GWh per million euros of turnover is highest in sector H (transporting and storage), at 0.77.
- **PAI-indicator 7 in Table 1** is the sum of companies in the portfolio that conduct activities in biodiversity-sensitive areas and/or are involved in controversies with serious consequences for the environment. This indicator presents the data in line with the policy of ASN Impact Investors: no investments are made in companies that conduct activities in biodiversity-sensitive areas and/or are involved in controversies with serious consequences for the environment.
- **PAI-indicator 8 in Table 1** is the sum of the number of tonnes of emissions to water per million euros invested, expressed as a weighted average. Emissions to water are considered to be waste water discharged into surface water as a result of industrial or production activities (in tonnes). The figure of 0.91 tonnes per million euros invested is low, however the data coverage is so low that the figure is not very representative.
- **PAI-indicator 9 in Table 1** is the sum of the number of tonnes of hazardous waste per million euros invested, expressed as a weighted average. The figure of 0.11 tonnes per million euros invested is low, however the data coverage is so low that the figure is not very representative.
- **PAI-indicator 10 in Table 1** is the sum of the weight of companies in the portfolio that have committed serious violations of the UN Global Compact. This indicator presents the data in line with the policy of ASN Impact Investors: no investments are made in companies that have committed serious violations of the UN Global Compact.
- **PAI-indicator 11 in Table 1** is the sum of the weight of companies in the portfolio that have provided no evidence of a mechanism to monitor compliance with the UN Global Compact. MSCI gathers this information from the website of the company or an opposing party. When nothing is specified, MSCI records it as “no policy”. ASN Impact Investors performs risk analyses. Depending on the geographic presence and business activities, the risk is assessed as high, average or low. With a low risk, a company may be operating in a country where the legal system provides adequate safeguards. If there is no obvious policy, ASN Impact Investors actively contacts investee companies to check whether they do in fact have a policy. Accordingly, the outcomes of the analyses performed by ASN Impact Investors differ from those performed by MSCI. The strict selection criteria in the ASN Impact Investors Sustainability Policy ensure that the Investment Universe does not include any companies that cannot produce evidence of a mechanism to monitor compliance with the UN Global Compact, or that are at risk of violating the principles of the UN Global Compact or the OECD Guidelines for Multinational Enterprises.
- **PAI-indicator 12 in Table 1** is the difference between the average gross hourly wage of male and female employees, as a percentage of the gross hourly wage paid to men. Reporting on this indicator is inconsistent: some companies report on the absolute or uncontrolled pay gap, while others control for countervailing factors such as position or location.

- **PAI-indicator 13 in Table 1** is the average ratio between male and female board members in investee companies, expressed as a percentage of all board members. The percentage 36.67% means that slightly more than a third of board members in the companies in the portfolio are women.
- **PAI-indicator 14 in Table 1** is the sum of the weight of companies in the portfolio that have exposure to controversial weapons (landmines, cluster munitions, chemical weapons and biological weapons). This indicator presents the data in line with the policy of ASN Impact Investors: no investments are made in the arms industry.
- **PAI-indicator 14 in Table 2** is both the share of investments in investee companies whose operations affect threatened species, and the share of investments in investee companies without a biodiversity protection policy covering operational sites owned, leased, managed in, or adjacent to, a protected area or an area of high biodiversity value outside protected areas. As indicated, in 2022 ASN Impact Investors started engagement relating to biodiversity and the climate.
- **PAI-indicator 4 in Table 3** is the share of investments in investee companies without any supplier code of conduct (against unsafe working conditions, precarious work, child labour and forced labour). MSCI gathers this information from the website of the company or an opposing party. When nothing is specified, MSCI records it as “no policy”. ASN Impact Investors assesses the risks in the supply chain. The risk depends on the business activities, the business model and the locations where purchases are made. If there is no obvious policy, ASN Impact Investors actively contacts investee companies to check whether they do in fact have a policy. Accordingly, the outcomes of the analyses performed by ASN Impact Investors differ from those performed by MSCI. The strict selection criteria in the ASN Impact Investors Sustainability Policy ensure that the Investment Universe does not include any companies that lack a supplier code of conduct.
- **PAI-indicator 9 in Table 3** is the share of investments in entities without a human rights policy. MSCI gathers this information from the website of the company or an opposing party. When nothing is specified, MSCI records it as “no policy”. ASN Impact Investors performs risk analyses. Depending on the geographic presence and business activities, the risk is assessed as high, average or low. With a low risk, a company may be operating in a country where the legal system provides adequate safeguards. If there is no obvious policy, ASN Impact Investors actively contacts investee companies to check whether they do in fact have a policy. Accordingly, the outcomes of the analyses performed by ASN Impact Investors differ from those performed by MSCI. The strict selection criteria in the ASN Impact Investors Sustainability Policy ensure that the Investment Universe does not include any companies that lack a human rights policy.
- **PAI-indicator 12 in Table 3** is the share of investments in investee companies exposed to operations and suppliers at significant risk of incidents of child labour in terms of geographic areas and/or type of operations.
- **PAI-indicator 13 in Table 3** is the share of investments in investee companies exposed to operations and suppliers at significant risk of incidents of forced or compulsory labour in terms of geographic areas and/or type of operations.
- **PAI-indicator 14 in Table 3** is the number of cases of severe human rights issues and incidents connected to investee companies on a weighted average basis. This indicator presents the data in line with the policy of ASN Impact Investors: no investments are made in companies involved in severe human rights issues and incidents.
- **PAI-indicator 15 in Table 3** is the share of investments in entities without policies on anti-corruption and anti-bribery consistent with the United Nations Convention against Corruption. Although this percentage is low, no companies that lack policies on anti-corruption or anti-bribery should be admitted to the Investment Universe. MSCI gathers the information used to determine this indicator from the website of the company or an opposing party. When nothing is specified, MSCI records it as “no policy”. ASN Impact Investors performs risk analyses. Depending on the geographic presence and business activities, the risk is assessed as high, average or low. With a low risk, a company may be operating in a country where the legal system provides adequate safeguards. If there is no obvious policy, ASN Impact Investors actively contacts investee companies to check whether they do in fact have a policy. Accordingly, the outcomes of the analyses performed by ASN Impact Investors differ from those performed by MSCI. The strict selection criteria in the ASN Impact Investors Sustainability Policy ensure that the Investment Universe does not include any companies that lack policies on anti-corruption or anti-bribery.

SFDR Annex V ASN Duurzaam Obligatiefonds

Periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: ASN Duurzaam Obligatiefonds

Legal entity identifier: 549300Y2T8X61N5WTL02

Sustainable investment objective

Sustainable investment

means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The EU Taxonomy is a classification system laid down in Regulation (EU) 2020/852 establishing a list of environmentally sustainable economic activities. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

☒ ☒ **X YES**

☐ ☐ ☐ **NO**

☒ It made **sustainable investments with an environmental objective: 100%**

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of ____% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☐ It made **sustainable investments with a social objective: ____%**

☐ It promoted E/S characteristics, but **did not make any sustainable investments**



To what extent was the sustainable investment objective of this financial product met?

The ASN Duurzaam Obligatiefonds ('the Fund') has the following sustainable investment objectives:

- decreasing CO₂ emissions of the sovereign bond portfolio per year in line with the Paris Agreement expressed as the fund's contribution to keeping the temperature rise at a maximum of 1.5 degrees in 2050 (measured in tons CO₂ per euro invested).
- avoiding CO₂ emissions of the green and social bond portfolio (measured in tons CO₂ per euro invested).

In accordance with these objectives, the Fund also took account of climate mitigation and climate adaptation, as defined in the EU Taxonomy.

During the 2022 reporting period, the Fund invested in government bonds and green and social bonds, which were issued by governments and semi-government organisations that promote sustainability (in relation to the climate, biodiversity and human rights).

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

● *How did the sustainability indicators perform?*

A sustainability indicator has been established for each of the Fund's sustainable investment objectives. See the table below, which shows the performance of the sustainability indicators during the 2022 reporting period.

● *...and compared to previous periods?*

In response to the regulation (SFDR), the Fund's sustainable investment objectives, and thus the sustainability indicators, were reformulated and re-itemised. The 2022 reporting period is the first period with these new indicators. For the 2021 reporting period, ASN Impact Investors recalculated the sustainability indicators. It is not possible to carry out such a recalculation for previous reporting periods, because a different data provider was used for those periods.

The table below shows that the CO₂ intensity of the government bonds **improved** compared with the previous reporting period. The CO₂ intensity of the green and social bonds **worsened**. The quantity of avoided emissions of the green and social bonds improved.

Sustainability indicator	2021 values	2022 values
CO ₂ intensity of government bonds (in tonnes per million euros invested)	4.31	3.52
CO ₂ intensity of green and social bonds (in tonnes per million euros invested)	2.42	2.47
Avoided emissions of green and social bonds (in tonnes per million euros invested)	-31.70	-39.35

To measure the reduction in CO₂ emissions for the government bonds, the Fund used the Partnership for Carbon Accounting Financials (PCAF) method (for the current measurement). The Fund also used the PCAF method to measure the avoided CO₂ emissions for the green and social bonds.

For the reduction of CO₂ emissions, the PCAF method measures the scope 1, 2 and 3 emissions on a quarterly basis. The above values are the reduced CO₂ intensity in tonnes per million euros invested. For the avoided emissions of the green and social bonds, the PCAF method measures the avoided emissions in tonnes of CO₂ equivalent. The above value is the avoided CO₂ equivalent in tonnes per million euros invested.

● *How did the sustainable investments not cause significant harm to any sustainable investment objective?*

All investments by the Fund that are eligible for the Investment Universe comply with the ASN Impact Investors Sustainability Policy ('the sustainability policy'). The sustainability policy includes a selection process performed by the Sustainability Expertise Centre (ECD) of ASN Bank. This process includes a risk analysis resulting in the exclusion criteria for the Investment Universe. The exclusion criteria are built on the three pillars of ASN Impact Investors, namely the climate, biodiversity and human rights. The list of exclusion criteria includes details relating, but not limited, to:

- the climate (activities relating to fossil fuels and nuclear energy are excluded);
- biodiversity (countries in breach of international biodiversity treaties are excluded); and
- human rights (activities connected with crimes against humanity, capital punishment and war crimes are excluded).

The sustainability policy also includes a list of sustainability criteria. These criteria assess the country or the issuer of green and social bonds in relation to greenhouse gases, air pollution, defence spending, corruption, freedom of expression and child labour.

The Investment Universe is ultimately determined by the ASN Impact Investors Investment Committee. Each country or issuer of green and social bonds is discussed by the ASN Impact Investors Investment Committee as part of the sustainability assessment. The Investment Committee is responsible for approving or rejecting each country or issuer of green and social bonds, and all of these decisions result in the Investment Universe.

After approval, the Investment Universe is periodically re-assessed by the ECD. The above sustainability assessment process ensures that the Investment Universe contains no companies that cause significant harm to any sustainable investment objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How were the indicators for adverse impacts on sustainability factors taken into account?

The indicators for negative impacts on sustainability factors (PAI-indicators) as described in the Regulation (SFDR) were only partially taken into account in the 2022 reporting period.

- More specifically, in 2022, **one** mandatory PAI-indicator (Indicator 15: Greenhouse gas (GHG) intensity) was taken into account, since this indicator already formed part of the existing sustainability policy. However, there may be a difference in definition between the indicator as formulated in the SFDR and in the sustainability policy of ASN Impact Investors.
- For the remaining PAI-indicators (**one** mandatory and **three** optional), although they are partially incorporated into the sustainability policy in terms of their themes, the data collection now required by the SFDR was not carried out in 2022.

From the 2023 reporting period onwards, ASN Impact Investors will take the PAI-indicators into account, as specified in the precontractual template.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

This question does not apply. The Fund invests solely in government bonds and green and social bonds. The OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights do not apply to the institutions issuing these bonds.



How did this financial product take principal adverse impacts on sustainability factors into account?

In the first instance, all investments complied with the ASN Impact Investors Sustainability Policy. As explained in response to the question **How were the indicators for adverse impacts on sustainability factors taken into account?**, during the 2022 reporting period, the indicators for adverse impacts on the sustainability factors, as described in the delegated regulation supplementing the SFDR, were only partially taken into account. This is because it was only with the implementation of the SFDR in 2022 that we determined which PAI-indicators were relevant to the Fund. The data available at the time of drafting of this report are presented in the table below. These data were taken from Eurostat and the ASN Bank ECD.

The table is included for information purposes only, and accordingly should not be taken as an indication that ASN Impact Investors was guided by all of the indicators listed in 2022. ASN Impact Investors warns the reader not to draw premature conclusions from the data presented below. This is a new regulation, which has not been made 100% clear by legislators.

ASN Impact Investors has compiled the required PAI data to the best of its ability, using reputable data providers. However, the table below shows that the data coverage for some PAI-indicators is still limited and that the available data are relatively old, i.e. they date back to well before 2022, or else the source year is simply not known. This indicates that the data are still being developed, and there are as yet no generally accepted standards. ASN Impact Investors continually monitors the development of these data. The low data quality has been one of the main reasons not to steer on the indicators presented in the table.

For more details about the indicators, see [Annex I of Regulation \(EU\) 2022/1288](#).

In this Annex V, ASN Impact Investors is reporting on the PAI-indicators for the first time. ASN impact Investors does not yet steer on these indicators, partly because the quality of the data is still poor. However, to provide some clarity around the figures in the PAI table, a qualitative explanation is provided for each PAI-indicator in this Annex V, as an appendix to this document.

The table below relates only to the government bonds in the portfolio. No PAI data are available for the green and social bonds yet.

Table 1 - Statement on principal adverse impacts of investment decisions on sustainability factors

		Metric	2022 impact	Data coverage	Source year
Indicators applicable to investments in sovereigns and supranationals					
Environmental	15. GHG intensity	tCO ₂ e/Meuro	184.21	87.41%	2021
Social	16. Investee countries subject to social violations		N/A	N/A	N/A

Table 2 – Additional climate and other environmental Indicators

		Metric	2022 impact	Data coverage	Source year
Indicators applicable to investments in sovereigns and supranationals					
Green securities	17. Share of bonds not issued under Union legislation on environmentally sustainable bonds		N/A	N/A	N/A

Table 3 – Additional indicators for social and employee matters, respect for human rights, anti-corruption and anti-bribery matters

		Metric	2022 impact	Data coverage	Source year
Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters					
Governance	21. Average corruption score		62.48	97.60%	2021

tCO₂e: in tonnes of CO₂ equivalent emissions

Meuro: in millions of euros

GWh: Gigawatt hours

t: tonnes

N/A: Not available



What were the top investments of this financial product?

Largest investments	Sector	% assets	Country
Federal Republic of Austria	Government bonds	10.0	Austria
Kingdom of the Netherlands	Government bonds	9.5	The Netherlands
Republic of Ireland	Government bonds	7.7	Ireland
Kreditanstalt für Wiederaufbau	Green bonds/social bonds	7.2	Germany
Republic of Italy	Government bonds	6.4	Italy
Republic of Portugal	Government bonds	6.4	Portugal
Kingdom of Spain	Government bonds	6.3	Spain
Republic of Slovenia	Government bonds	5.9	Slovenia
Kingdom of Belgium	Government bonds	5.4	Belgium
Republic of Slovakia	Government bonds	4.6	Slovakia
Federal Republic of Germany	Government bonds	4.3	Germany
Nederlandse Waterschapsbank	Green bonds/social bonds	3.3	The Netherlands
Republic of Chile	Green bonds/social bonds	2.8	Chile
Grand Duchy of Luxembourg	Government bonds	2.1	Luxembourg
Tennet Holding	Green bonds/social bonds	2.1	The Netherlands

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 2022

The “% Assets” column is the proportion of the investment within the total assets under management, excluding liquid assets.



What was the proportion of sustainability-related investments?

The Fund invested in government bonds and green and social bonds issued by governments and semi-government organisations that directly contribute to the sustainable investment objective. For government bonds, the Fund invested solely in countries that have ratified the Paris Agreement. For green and social bonds, the Fund invested solely in issuers who actively contribute to reducing CO₂ emissions.

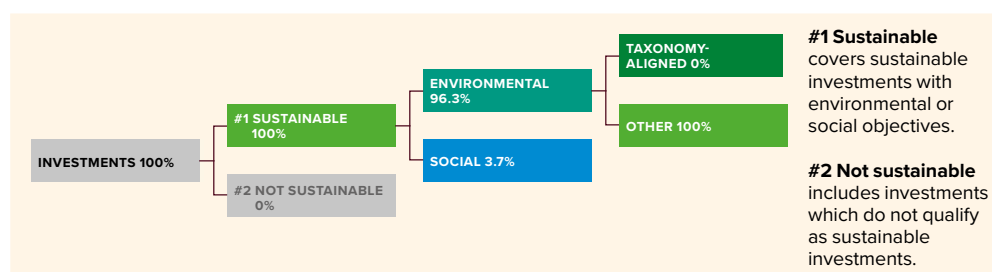
Asset allocation describes the share of investments in specific assets.

What was the asset allocation?

Because of its sustainable investment objectives, the Fund has been classified by ASN Impact Investors as an Article 9 product under the SFDR. Accordingly, based on the investment selection criteria, the Investment Committee only permits investments that are considered sustainable within the meaning of the SFDR.

The liquid assets held by the Fund are not investments. The purpose of liquid assets is to facilitate the marketability of the Fund on the stock market. They are held in connection with the liquidity management process pursuant to Section 3:63 of the Financial Supervision Act (Wft).

Since the Fund only has environmental objectives, all investments are categorised as 'Environmental'.



In which economic sectors were the investments made?

The Fund invested in the following economic sectors:

- Government bonds 71.02%
- Green bonds/social bonds 28.98%



To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

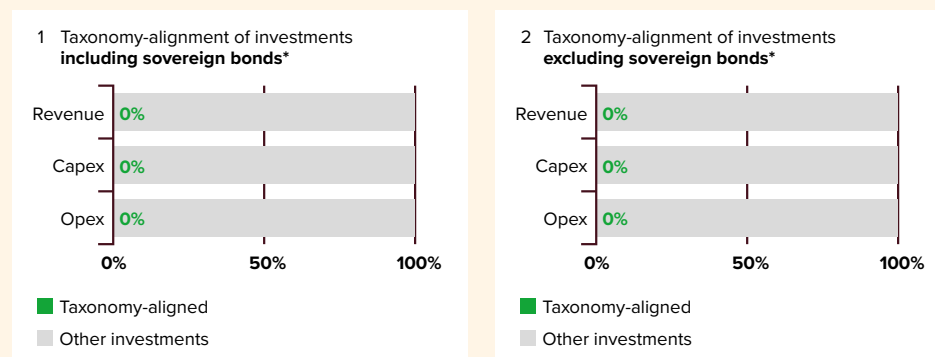
ASN Impact Investors believes that the EU Taxonomy – the EU's list of sustainable economic activities – has the potential to be an important tool for determining which investments are sustainable. It could promote transparency, combat greenwashing and encourage the shift of capital to the sustainable economy of the future. However, with regard to the environmental part of the EU Taxonomy, ASN Impact Investors disagrees with the inclusion of nuclear energy and fossil gas as sustainable investments in the current EU Taxonomy. This is inconsistent with the convictions, vision and mission of ASN Impact Investors. For this reason, and because much of the EU Taxonomy is still unclear, a specific taxonomy objective has not yet been set.

In addition, it is not possible to report on the extent to which the investments in the 2022 reporting period were aligned with the EU Taxonomy, since no data on EU Taxonomy-aligned activities are available yet. For these reasons, the extent to which the sustainable investments with an environmental objective were aligned with the EU Taxonomy is 0%.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of **revenue** from green activities of investee companies;
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy;
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

Enabling activities

directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities

are economic activities for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.

What was the share of investments made in transitional and enabling activities?

Owing to the lack of available data on the EU Taxonomy, it is not possible to state whether any investments were made in transitional and enabling activities (the share of investments made in transitional and enabling activities was therefore 0%).

How did the percentage of investments aligned with the EU Taxonomy compare with previous reference periods?

This question does not apply. This is the first reporting period.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?

Owing to the lack of available data on the EU Taxonomy, it is not possible to report on the share of Taxonomy-aligned investments. Accordingly, it is assumed that 100% of the investments in the Fund are not aligned with the EU Taxonomy.



What was the share of socially sustainable investments?

The Fund only has environmental objectives, so this question is not applicable.



What investments were included under 'not sustainable', what was their purpose and were there any minimum environmental or social safeguards?

In line with the sustainability policy of ASN Impact Investors, no investments were made that could be classified as 'not sustainable'.



What actions have been taken to attain the sustainable investment objective during the reference period?

The Impact Committee continually monitored the progress made towards achieving the sustainable investment objectives. The Fund used well-developed standards and methodologies to measure this progress. The Fund did not use engagement, since this is not part of the strategy for achieving the sustainable investment objective.



How did this financial product perform compared to the reference sustainability benchmark?

No reference benchmark has been designated for the achievement of the sustainable investment objective, since there is currently no benchmark available in the market that combines both the reduction of CO₂ emissions for government bonds and the avoidance of CO₂ emissions for green and social bonds.

Reference benchmarks are indexes to measure whether the financial product attains the sustainable objective.

● *How did the reference benchmark differ from a broad market index?*

This question does not apply.

● *How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?*

This question does not apply.

● *How did this financial product perform compared with the reference benchmark?*

This question does not apply.

● *How did this financial product perform compared with the broad market index?*

At present, it is only possible to compare the annual reduction of CO₂ emissions against a broad market index. For its broad market index, the Fund uses a composite index consisting of: 80% Bloomberg Barclays EUR Treasury 1-10 yr and 20% Bloomberg Barclays Euro Green Bond Government Related 1-10 yr. The table below shows the Fund's performance compared with the broad market index. As can be seen from the table below, the CO₂ intensity of the broad market index

Emission factors (tonnes CO ₂ /million euro)	2022
ASN Duurzaam Obligatiefonds	5.99
80% Bloomberg Barclays Euro Treasury 1-10 yr 20% Bloomberg Barclays Euro Green Bond Government Related 1-10 yr	5.74
Fund underperformance	0.25



Appendix: Qualitative explanation for each PAI-indicator

- **PAI-indicator 15 in Table 1** is the GHG intensity of investee countries. Both the sustainability policy and the PAI-indicators use the PCAF method to measure the scope 1, 2 and 3 emissions. However, there are differences between the policy data and the MSCI data: ASN Impact Investors uses proxy data when data are missing, while MSCI does not.
- **PAI-indicator 16 in Table 1** is the sum of the number of investee countries subject to social violations (absolute and relative numbers divided by the sum of all countries), as defined in international treaties and conventions, UN principles and national legislation where applicable. No data are available yet for this indicator.
- **PAI-indicator 17 in Table 2** is the proportion of bonds that are not certified as green. No data are available yet for this indicator.
- **PAI-indicator 21 in Table 3** is the perceived degree of corruption in the government sector, measured using the corruption perception index. The number is the average score, with a score of 100 indicating that a country is 'very clean' and a score of 0 indicating that a country is 'highly corrupt'.

SFDR Annex V ASN Milieu & Waterfonds

Periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: ASN Milieu & Waterfonds

Legal entity identifier: 5493003MASTEE11NEJ34

Sustainable investment objective

Sustainable investment

means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The EU Taxonomy is a classification system laid down in Regulation (EU) 2020/852 establishing a list of environmentally sustainable economic activities. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

☒ ☒ **YES**

☐ ☐ ☐ **NO**

☒ It made **sustainable investments with an environmental objective: 100%**

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of ____% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☐ It made **sustainable investments with a social objective: ____%**

☐ It promoted E/S characteristics, but **did not make any sustainable investments**



To what extent was the sustainable investment objective of this financial product met?

The ASN Milieu & Waterfonds ("the Fund") has the following sustainable investment objectives:

- Decreasing CO₂ emissions per year in line with the Paris Agreement (expressed as the fund's contribution to keeping the temperature rise at a maximum of 1.5 degrees in 2050).
- Decreasing the negative impact on biodiversity per euro invested (relative to base year 2019).

In accordance with these objectives, the Fund also took account of climate mitigation and climate adaptation, as defined in the EU Taxonomy.

During the 2022 reporting period, the Fund invested in a global portfolio of shares in listed companies that have contributed to the development, production and sale of technologies and systems that help solve environmental problems. The investment policy of the Fund focuses on technologies and solutions in water infrastructure and technology, sustainable energy and mobility, the circular economy, and food and agriculture.

The implied temperature rise of the Fund in 2022 was **2.22** degrees, measured using the MSCI Implied Temperature Rise (ITR) methodology. This is the first year that this methodology has been used, so it is not possible to compare it with previous years. For more information about the MSCI ITR methodology, see: [MSCI Implied Temperature Rise](#).

In 2022, the negative impact of the Fund on biodiversity per euro invested was **unchanged** compared with the reference year of 2019 (measured using the Biodiversity Footprint for Financial Institutions (BFFI) methodology).

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

● **How did the sustainability indicators perform?**

A sustainability indicator has been established for each of the Fund's sustainable investment objectives. See the table below, which shows the performance of the sustainability indicators during the 2022 reporting period.

● **...and compared with previous periods?**

Table showing the performance of the sustainability indicators over the past four years. Data on the sustainability indicators is not available for all indicators and all years. For these periods and indicators, "not available" is noted in the table.

Sustainability indicator	2019 values	2020 values	2021 values	2022 values
MSCI ITR (in degrees Celsius)	N/A	N/A	N/A	2.22
Biodiversity footprint (in ha per million euro invested)	27.42	26.43	24.91	20.02

2019 is the reference year for the biodiversity footprint.
For 2020 and 2021, the SFDR did not apply.

To measure the implied temperature rise of the Fund, we used the MSCI ITR method (to steer the Fund towards the objective aligned with the Paris Agreement). The MSCI ITR method is an intuitive, future-focused metric, expressed in degrees Celsius, that is designed to show the temperature alignment of investments, portfolios and funds with global temperature goals. For the Fund, the MSCI ITR methodology was available for **96.72%** of investments in the 2022 reporting period.

To measure the impact on biodiversity, the Fund used the BFFI method. The BFFI method measures the biodiversity footprint in hectares per euro invested, based on a life cycle assessment (LCA). A LCA calculates the environmental impact of products and services over their entire life cycle. This results in an expected negative or positive impact on biodiversity (in ha) per euro invested per year ((ha/€)/year). At present, the biodiversity footprint is still being assessed annually; from 2023, it will be assessed quarterly.

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● **How did the sustainable investments not cause significant harm to any sustainable investment objective?**

All investments by the Fund that are eligible for the Investment Universe comply with the ASN Impact Investors Sustainability Policy ("the sustainability policy"). The sustainability policy includes a selection process performed by the Sustainability Expertise Centre (ECD) of ASN Bank. This process includes a risk analysis resulting in the exclusion criteria for the Investment Universe. The exclusion criteria are built on the three pillars of ASN Impact Investors, namely the climate, biodiversity and human rights, as well as governance of investee companies and, where relevant, animal welfare. The list of exclusion criteria includes details relating to, but not limited to:

- The climate (activities relating to fossil fuels and nuclear energy are excluded);
- Biodiversity (activities relating to deforestation and the dumping of waste are excluded);
- Human rights (activities relating to crimes against humanity, genocide, war crimes and the arms industry are excluded);
- Governance (companies that do not have a policy governing the ethical conduct of their employees are excluded);
- Animal welfare (activities relating to animal testing and violation of the five freedoms of animal welfare are excluded).

The sustainability policy also includes a list of sustainability criteria. These criteria are used to assess companies on their environmental policies, pollution, overexploitation, equal treatment and discrimination, forced labour, and a safe and healthy working environment.

The exclusion criteria are applied to all companies. The sustainability criteria are applied proportionally.

The Investment Universe is ultimately determined by the ASN Impact Investors Investment Committee. Each company is discussed by the ASN Impact Investors Investment Committee as part of the sustainability assessment. The Investment Committee is responsible for approving, rejecting or deciding to engage with each company, and all of these decisions result in the Investment Universe.

After approval, the Investment Universe is periodically re-assessed by the ECD. The above sustainability assessment process ensures that the Investment Universe contains no companies that cause significant harm to any sustainable investment objectives.

Over the course of 2022, six companies were removed from the Investment Universe for breaching the sustainability policy.

Example of engagement

ASN Impact Investors voted against Mike Nikkel as a member of the Board of Directors of Ormat, and also voted against the remuneration proposal. ASN Impact Investors voted against Mike Nikkel because the number of men on the Ormat board was disproportionate to the number of women. ASN Impact Investors voted against the remuneration proposal because a number of board members received discretionary bonuses due to the challenging circumstances during the COVID-19 pandemic. ASN Impact Investors had doubts about whether these bonuses were justified. ASN Impact Investors also emphasised to Ormat the importance of respecting the rights of local populations and asked the company to develop a policy on this matter.

Example of exclusion

Sunpower cut down a forest to build a solar farm (1 million solar panels) on the Yucatan Peninsula. Representatives of the local Mayan community went to court, but were sadly unable to stop the development. ASN Impact Investors sought clarification from Sunpower in three separate emails (in February and March of this year). Unfortunately, the company did not bother to respond to the questions. Cutting down a forest to build a solar farm is unacceptable to ASN Impact Investors. This was reason enough for us to reject and remove the company.

How were the indicators for adverse impacts on sustainability factors taken into account?

The indicators for negative impacts on sustainability factors (PAI-indicators) as described in the delegated regulation supplementing the SFDR were only partially taken into account in the 2022 reporting period.

More specifically, in 2022, **five** mandatory PAI-indicators and one optional indicator were taken into account, since these indicators already formed part of the existing sustainability policy. However, there may be differences in some areas between the definitions of PAI-indicators as formulated in the SFDR and the definitions in the ASN Impact Investors Sustainability Policy. The PAI-indicators taken into account were:

- Table 1:

- Indicator 1: Greenhouse gas (GHG) emissions (Scope 1, 2, 3 and Total)
- Indicator 2: Carbon footprint
- Indicator 3: GHG intensity of investee companies
- Indicator 4: Exposure to companies active in the fossil fuel sector
- Indicator 14: Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

- Table 3:

- Indicator 9: Lack of a human rights policy

For the remaining PAI-indicators (nine mandatory and six optional), although they are partially incorporated into the sustainability policy in terms of their themes, the data collection now required by the SFDR was not carried out in 2022.

Principal adverse impacts

are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

From the 2023 reporting period onwards, ASN Impact Investors will take the PAI-indicators into account, as specified in the precontractual template.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Yes, the sustainable investments were aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. In accordance with the criteria in the sustainability policy, an engagement procedure was started when a violation was established on the part of a company in the Investment Universe. If the company was unwilling or unable to remedy the situation in accordance with the guidelines, the company was removed from the Investment Universe.

Example of engagement

Xinyi Solar had an inadequate policy on trade union freedom, the supply chain and change of land use. ASN Impact Investors contacted Xinyi Solar with regard to this matter. The engagement is ongoing.

Example of exclusion

ASN Impact Investors voted against the appointment of Mr Wang Yan to the Supervisory Board of Xinjiang Goldwind Science & Technology. ASN Impact Investors did not consider Mr Wang to be independent, since he was also the director of a business unit. Furthermore, ASN Impact Investors asked the company to develop a policy to promote trade union freedom and combat forced labour. In its response, the company indicated that it prohibited any form of forced labour. Unfortunately, in doing so it referred to Chinese legislation. Partly on the basis of this response, in April 2022 ASN Impact Investors decided to remove the company from the Investment Universe.



How did this financial product consider principal adverse impacts on sustainability factors?

In the first instance, all investments complied with the ASN Impact Investors Sustainability Policy. As explained in response to the question **How were the indicators for adverse impacts on sustainability factors taken into account?**, during the 2022 reporting period the indicators for adverse impacts on the sustainability factors, as described in the delegated regulation supplementing the SFDR, were only partially taken into account. This is because it was only with the implementation of the SFDR in 2022 that we determined which PAI-indicators were relevant to the Fund. The data available at the time of drafting of this report is presented in the table below. All of this data was sourced from MSCI and Morningstar Direct. It was not combined with data used by the Fund during the reporting period. For this reason, there are likely to be differences between the data below and data presented elsewhere (particularly with regard to CO₂ emissions).

The table is included for information purposes only, and accordingly should not be taken as an indication that ASN Impact Investors was guided by all of the indicators listed in 2022. ASN Impact Investors warns the reader not to draw premature conclusions from the data presented below. This is a new regulation, which has not been made 100% clear by legislators.

ASN Impact Investors has compiled the required PAI data to the best of its ability, using reputable data providers. However, the table below shows that the data coverage for some PAI-indicators is still limited and the available data is relatively old, i.e. it dates back to well before 2022, or else the source year is simply not known. This indicates that the data is still being developed, and there are as yet no generally accepted standards. ASN Impact Investors continually monitors the development of this data. The low data quality has been one of the main reasons not to steer on the indicators presented in the table.

For more details about the indicators, see Annex I of [Regulation \(EU\) 2022/1288](#).

In this Annex V, ASN Impact Investors is reporting on the PAI-indicators for the first time. ASN Impact Investors does not yet steer on these indicators, partly because the quality of the data is still poor. However, to provide some clarity around the figures in the PAI table, a qualitative explanation is provided for each PAI-indicator in this Annex V, as an appendix to this document.

Table 1 - Statement on principal adverse impacts of investment decisions on sustainability factors

			Metric	2022 impact	Data coverage	Source year
Climate and other environment-related indicators						
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	tCO ₂ e	25,725.97	96.75%	2020–2021
		Scope 2 GHG emissions	tCO ₂ e	13,841.53	96.75%	2020–2021
		Scope 3 GHG emissions	tCO ₂ e	170,443.97	96.75%	2020–2021
		Total GHG emissions	tCO ₂ e	209,401.22	96.75%	2020–2021
	2. Carbon footprint		tCO ₂ e/Meuro	231.86	96.75%	2020–2021
	3. GHG intensity of investee companies		tCO ₂ e/Meuro	744.38	96.75%	2020–2021
	4. Exposure to companies active in the fossil fuel sector			0.00%	96.75%	N/A
	5. Share of non-renewable energy consumption and production			63.19%	96.75%	N/A
	6. Energy consumption intensity per high impact climate sector		GWh/Meuro	A – 0; B – 0; C – 0.60; D – 3.30; E – 0.52; F – 0.23; G – 0.3; H – 0.34; L – 0	96.75%	2018–2021
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas			0.00%	96.75%	N/A
Water	8. Emissions to water		t/Meuro	0.00	1.63%	2019
Waste	9. Hazardous waste and radioactive waste ratio		t/Meuro	3.22	39.55%	2018–2020
Indicators for social and employee matters, respect for human rights, anti-corruption and anti-bribery matters						
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises			0.00%	96.75%	N/A
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises			51.41%	96.75%	N/A
	12. Unadjusted gender pay gap			10.17%	96.75%	2018–2020
	13. Board gender diversity			32.61%	96.75%	N/A
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)			0.00%	96.75%	N/A

Table 2 – Additional climate and other environment-related indicators

	Metric	2022 impact	Data coverage	Source year
Climate and other environment-related indicators				
Water, waste and material emissions	6. Water usage and recycling	N/A	N/A	N/A

Table 3 – Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

	Metric	2022 impact	Data coverage	Source year
Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters				
Social and employee matters	4. Lack of a supplier code of conduct	60.60%	96.75%	2020
Human rights	9. Lack of a human rights policy	23.98%	96.75%	N/A
	12. Operations and suppliers at significant risk of incidents of child labour	16.21%	96.75%	N/A
	13. Operations and suppliers at significant risk of incidents of forced or compulsory labour	16.29%	96.75%	N/A
	14. Number of identified cases of severe human rights issues and incidents	0	96.75%	N/A
Anti-corruption and anti-bribery	15. Lack of anti-corruption and anti-bribery policies	1.93%	96.75%	N/A

tCO₂e: in tonnes of CO₂ equivalent emissions

Meuro: in millions of euros

GWh: Gigawatt hours

t: tonnes

N/A: Not available



What were the top investments of this financial product?

Largest investments	Sector	% Assets	Country
AMERICAN WATER WORKS CO INC	Utilities	2.9	United States
PENTAIR PLC	Capital goods	2.9	United Kingdom
VESTAS WIND SYSTEMS	Capital goods	2.7	Denmark
GEORG FISCHER AG	Capital goods	2.6	Switzerland
UNITED UTILITIES GROUP PLC	Utilities	2.5	United Kingdom
BRAMBLES	Business services	2.4	Australia
A.O. SMITH	Capital goods	2.4	United States
STERICYCLE	Business services	2.3	United States
SEVERN TRENT	Utilities	2.3	United Kingdom
LITTELFUSE INC	Technology	2.2	United States
CINTAS	Business services	2.1	United States
GEBERIT	Capital goods	2.1	Switzerland
UNILEVER PLC	Personal care products	2.1	United Kingdom
DESCARTES SYSTEMS GRP/THE	Software & Services	2.1	Canada
MTR	Transport	2.0	Hong Kong

The list includes the investments constituting the greatest proportion of investments of the financial product during the reference period which is: 2022

The “% Assets” column is the proportion of the investment within the total assets under management, excluding liquid assets.



What was the proportion of sustainability-related investments?

The Fund invests in shares in companies in the environmental technology sector from all over the world that are dedicated to a sustainable society and have a healthy financial outlook. The Fund invests only in companies that have been admitted to the Investment Universe.

Asset allocation

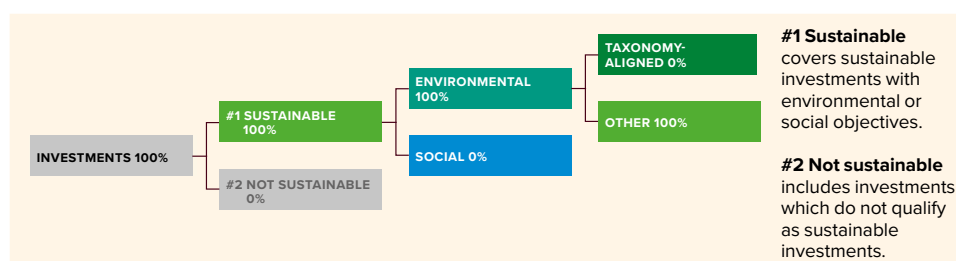
describes the share of investments in specific assets.

What was the asset allocation?

Because of its sustainable investment objectives, the Fund has been classified by ASN Impact Investors as an Article 9 product under the SFDR. Accordingly, based on the investment selection criteria, the Investment Committee only permits investments that are considered sustainable within the meaning of the SFDR.

The liquid assets held by the Fund are not investments. The purpose of liquid assets is to facilitate the marketability of the Fund on the stock market. They are held in connection with the liquidity management process pursuant to section 3:63 of the Financial Supervision Act (Wft).

Since the Fund only has environmental objectives, all investments are categorised as “Environmental”.



In which economic sectors were the investments made?

The Fund invested in the following economic sectors:

- Capital goods	38.7%
- Utilities	11.7%
- Basic goods	10.3%
- Business services	10.1%
- Energy	7.0%
- Semiconductors	5.9%
- Software & services	3.8%
- Technology	3.8%
- Personal care products	2.1%
- Transport	2.0%
- Other	4.6%



To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

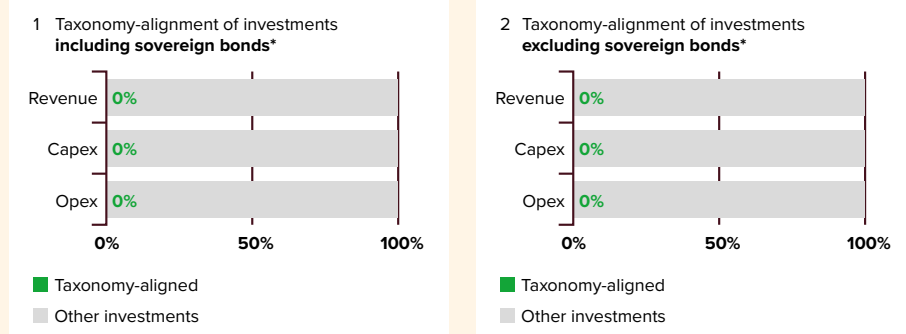
ASN Impact Investors believes that the EU Taxonomy – the EU’s list of sustainable economic activities – has the potential to be an important tool for determining which investments are sustainable. It could promote transparency, combat greenwashing and encourage the shift of capital to the sustainable economy of the future. However, with regard to the environmental part of the EU Taxonomy, ASN Impact Investors disagrees with the inclusion of nuclear energy and fossil gas as sustainable investments in the current EU Taxonomy. This does not align with the beliefs, vision and mission of ASN Impact Investors. For this reason, and because much of the EU Taxonomy is still unclear, a specific taxonomy objective has not yet been set.

In addition, it is not possible to report on the extent to which the investments in the 2022 reporting period were aligned with the EU Taxonomy, since there is not yet any data available on Taxonomy-aligned activities. This is because, from the 2022 reporting period onwards, companies will publish a list of their EU Taxonomy-aligned activities. For these reasons, the extent to which the sustainable investments with an environmental objective were aligned with the EU Taxonomy is 0%.

Taxonomy-aligned activities are expressed as a share of:

- turnover reflecting the share of **revenue** from green activities of investee companies;
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy;
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

Enabling activities

directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are economic activities

for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.

What was the share of investments made in transitional and enabling activities?

Owing to the lack of available data on the EU Taxonomy, it is not possible to state whether any investments were made in transitional and enabling activities (the share of investments made in transitional and enabling activities was therefore 0%).

How did the percentage of investments aligned with the EU Taxonomy compare with previous reference periods?

This question does not apply. This is the first reporting period.



are sustainable investments with an environmental

objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?

Owing to the lack of available data on the EU Taxonomy, it is not possible to report on the share of EU Taxonomy-aligned investments. Accordingly, it is assumed that 100% of the investments in the Fund are not aligned with the EU Taxonomy.



What was the share of socially sustainable investments?

The Fund only has environmental objectives, so this question is not applicable.



What investments were included under “not sustainable”, what was their purpose and were there any minimum environmental or social safeguards?

In line with the sustainability policy of ASN Impact Investors, no investments were made that could be classified as “not sustainable”.



What actions have been taken to attain the sustainable investment objective during the reference period?

ASN Impact Investors engaged in dialogue with investee companies, to make them more aware of their sustainability performance in relation to their CO₂ emissions and biodiversity footprint and encourage them to make improvements. The decision to engage was made when an investment no longer met the sustainability criteria of ASN Impact Investors, or when wrongdoing was established.

ASN Impact Investors exercised its voting rights at shareholders' meetings of the companies in which the Fund has invested. These rights were exercised to encourage companies to adopt more sustainable policies and practices. The principles underpinning our votes are set out in the ASN Impact Investors sustainable voting policy.

In 2022, ASN Impact Investors started engagement relating to biodiversity and the climate. Climate change is becoming increasingly visible, and is having a major impact on biodiversity. Biodiversity is under pressure, and biodiversity loss is growing every year. Biodiversity and climate change are closely linked, which is why ASN Impact Investors decided to raise the topic with every company in the Investment Universe. ASN Impact Investors began by providing them with information about the importance and urgency of biodiversity and our dependence on it. ASN Impact Investors had contact with almost all the companies in the Investment Universe on this matter. In the next phase, a selection was made of companies that had a major negative impact on climate and biodiversity in the portfolios. ASN Impact Investors launched intensive engagement with these companies.

Example of engagement

The construction of a wind farm in Sweden generated negative publicity. Environmental legislation was breached, and contractors were not paid. ASN Impact Investors contacted Nordex with regard to this matter. The company provided a satisfactory response and remains in the Investment Universe.

Example of the exercise of voting rights

ASN Impact Investors voted against the remuneration proposal and the appointment of Rebekka Glasser to Rockwool. One reason was that the long-term remuneration policy was not based on performance. The vote against Rebekka Glasser was because she is already on the boards of six other companies. ASN Impact Investors believes this is too many, and could prevent her from properly performing her work for Rockwool.



How did this financial product perform compared to the reference sustainable benchmark?

No reference benchmark has been designated for the achievement of the sustainable investment objective, since there is currently no benchmark available in the market that combines CO₂ emissions and biodiversity.

Reference benchmarks are indexes to measure whether the financial product attains the sustainable objective.

● *How did the reference benchmark differ from a broad market index?*

This question does not apply.

● *How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?*

This question does not apply.

● *How did this financial product perform compared with the reference benchmark?*

This question does not apply.



● **How did this financial product perform compared with the broad market index?**

At present, it is only possible to compare the sustainable investment objective concerning the annual reduction of CO₂ emissions in line with the Paris Agreement against a broad market index. The MSCI World Index was used as the broad market index. The table below shows the Fund's performance compared with the broad market index. For both the Fund and the broad market index, the implied temperature rise was calculated using the MSCI ITR method. As indicated above, for the 2022 reporting period the MSCI ITR methodology was available for 96.72% of the Fund's investments. For the broad market index, the MSCI ITR methodology was available for 99.40% of the investments. The Fund has an objective of keeping the temperature rise to a maximum of 1.5 degrees by 2050. As indicated below, this objective has not been achieved, although the Fund is performing better compared with the broad market index.

MSCI ITR values in °C	2022
ASN Milieu & Waterfonds	2.22
MSCI World Index	2.26
Fund overperformance	0.04

Appendix: Qualitative explanation for each PAI-indicator

- **PAI-indicators 1, 2 and 3 in Table 1** give the sum of the total greenhouse gas emissions in tonnes of the companies in the portfolio (Scope 1, 2 and 3), weighted by the most recent available business value of the company, including cash. Indicator 3 gives the total greenhouse gas emissions per 1 million euros invested in the portfolio. Indicator 3 is the portfolio weighted average of the total carbon footprint of the companies in the portfolio per million euros of turnover (tonnes/million euros of turnover). Both the sustainability policy and the PAI-indicators use the PCAF method to measure the Scope 1, 2 and 3 emissions. However, there are differences between the policy data and the MSCI data: ASN Impact Investors uses proxy data when data is missing, while MSCI does not.
- **PAI-indicator 4 in Table 1** is the sum of the weight of companies in the portfolio with active exposure to the fossil fuel sector. This indicator presents the data in line with the policy of ASN Impact Investors: no investments are made in the fossil fuel industry.
- **PAI-indicator 5 in Table 1** is the share of non-renewable energy consumption and production of investee companies, expressed as a percentage. More than half of the investments in the portfolio still consume or generate non-renewable energy. As mentioned, ASN Impact Investors engages with the companies in the portfolio to raise their awareness of this issue.
- **PAI-indicator 6 in Table 1** is the energy consumption in GWh per million euros of turnover of the investments, per high impact climate sector, NACE section codes A, B, C, D, E, F, G, H and L (link to [NACE section codes](#)). In this regards, it is notable that the ratio of energy consumption in GWh per million euros of turnover is highest in sector D (electricity, gas, steam and air conditioning supply), at 3.30.
- **PAI-indicator 7 in Table 1** is the sum of companies in the portfolio that conduct activities in biodiversity-sensitive areas and/or are involved in controversies with serious consequences for the environment. This indicator presents the data in line with the policy of ASN Impact Investors: no investments are made in companies that conduct activities in biodiversity-sensitive areas and/or are involved in controversies with serious consequences for the environment.
- **PAI-indicator 8 in Table 1** is the sum of the number of tonnes of emissions to water per million euros invested, expressed as a weighted average. Emissions to water are considered to be waste water discharged into surface water as a result of industrial or production activities (in tonnes). The figure of 0.00 tonnes per million euros invested is low, however the data coverage is so low that the figure is not very representative.
- **PAI-indicator 9 in Table 1** is the sum of the number of tonnes of hazardous waste per million euros invested, expressed as a weighted average. The figure of 3.22 tonnes per million euros invested is low, however the data coverage is so low that the figure is not very representative.
- **PAI-indicator 10 in Table 1** is the sum of the weight of companies in the portfolio that have committed serious violations of the UN Global Compact. This indicator presents the data in line with the policy of ASN Impact Investors: no investments are made in companies that have committed serious violations of the UN Global Compact.
- **PAI-indicator 11 in Table 1** is the sum of the weight of companies in the portfolio that have provided no evidence of a mechanism to monitor compliance with the UN Global Compact. MSCI gathers this information from the website of the company or an opposing party. When nothing is specified, MSCI records it as “no policy”. ASN Impact Investors performs risk analyses. Depending on the geographic presence and business activities, the risk is assessed as high, average or low. With a low risk, a company may be operating in a country where the legal system provides adequate safeguards. If there is no obvious policy, ASN Impact Investors actively contacts investee companies to check whether they do in fact have a policy. Accordingly, the outcomes of the analyses performed by ASN Impact Investors differ from those performed by MSCI. The strict selection criteria in the ASN Impact Investors Sustainability Policy ensure that the Investment Universe does not include any companies that cannot produce evidence of a mechanism to monitor compliance with the UN Global Compact.
- **PAI-indicator 12 in Table 1** is the difference between the average gross hourly wage of male and female employees, as a percentage of the gross hourly wage paid to men. Reporting on this indicator is inconsistent: some companies report on the absolute or uncontrolled pay gap, while others control for countervailing factors such as position or location.

- **PAI-indicator 13 in Table 1** is the average ratio between male and female board members in investee companies, expressed as a percentage of all board members. The percentage 32.61% means that slightly fewer than a third of board members in the companies in the portfolio are women.
- **PAI-indicator 14 in Table 1** is the sum of the weight of companies in the portfolio that have exposure to controversial weapons (landmines, cluster munitions, chemical weapons and biological weapons). This indicator presents the data in line with the policy of ASN Impact Investors: no investments are made in the arms industry.
- **PAI-indicator 6 in Table 2** is both the average amount of water consumed by investee companies (in cubic metres) per million euros of turnover of investee companies and the weighted average percentage of water recycled and reused by investee companies. No data is available yet for this indicator.
- **PAI-indicator 4 in Table 3** is the share of investments in investee companies without any supplier code of conduct (against unsafe working conditions, precarious work, child labour and forced labour). MSCI gathers this information from the website of the company or an opposing party. When nothing is specified, MSCI records it as “no policy”. ASN Impact Investors assesses the risks in the supply chain. The risk depends on the business activities, the business model and the locations where purchases are made. If there is no obvious policy, ASN Impact Investors actively contacts investee companies to check whether they do in fact have a policy. Accordingly, the outcomes of the analyses performed by ASN Impact Investors differ from those performed by MSCI. The strict selection criteria in the ASN Impact Investors Sustainability Policy ensure that the Investment Universe does not include any companies that lack a supplier code of conduct.
- **PAI-indicator 9 in Table 3** is the share of investments in entities without a human rights policy. MSCI gathers this information from the website of the company or an opposing party. When nothing is specified, MSCI records it as “no policy”. ASN Impact Investors performs risk analyses. Depending on the geographic presence and business activities, the risk is assessed as high, average or low. With a low risk, a company may be operating in a country where the legal system provides adequate safeguards. If there is no obvious policy, ASN Impact Investors actively contacts investee companies to check whether they do in fact have a policy. Accordingly, the outcomes of the analyses performed by ASN Impact Investors differ from those performed by MSCI. The strict selection criteria in the ASN Impact Investors Sustainability Policy ensure that the Investment Universe does not include any companies that lack a human rights policy.
- **PAI-indicator 12 in Table 3** is the share of investments in investee companies exposed to operations and suppliers at significant risk of incidents of child labour in terms of geographic areas and/or type of operations.
- **PAI-indicator 13 in Table 3** is the share of investments in investee companies exposed to operations and suppliers at significant risk of incidents of forced or compulsory labour in terms of geographic areas and/or type of operations.
- **PAI-indicator 14 in Table 3** is the number of cases of severe human rights issues and incidents connected to investee companies on a weighted average basis. This indicator presents the data in line with the policy of ASN Impact Investors: no investments are made in companies involved in severe human rights issues and incidents.
- **PAI-indicator 15 in Table 3** is the share of investments in entities without policies on anti-corruption and anti-bribery consistent with the United Nations Convention against Corruption. Although this percentage is low, no companies that lack policies on anti-corruption or anti-bribery should be admitted to the Investment Universe. MSCI gathers the information used to determine this indicator from the website of the company or an opposing party. When nothing is specified, MSCI records it as “no policy”. ASN Impact Investors performs risk analyses. Depending on the geographic presence and business activities, the risk is assessed as high, average or low. With a low risk, a company may be operating in a country where the legal system provides adequate safeguards. If there is no obvious policy, ASN Impact Investors actively contacts investee companies to check whether they do in fact have a policy. Accordingly, the outcomes of the analyses performed by ASN Impact Investors differ from those performed by MSCI. The strict selection criteria in the ASN Impact Investors Sustainability Policy ensure that the Investment Universe does not include any companies that lack policies on anti-corruption or anti-bribery.

SFDR Annex V ASN Small & Midcapfonds

Periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: ASN Duurzaam Small & Midcapfonds

Legal entity identifier: 54930008SFZH7W0RZF83

Sustainable investment objective

Sustainable investment

means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The EU Taxonomy is a classification system laid down in Regulation (EU) 2020/852 establishing a list of environmentally sustainable economic activities. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

☒ ☒ **X YES**

☐ ☐ ☐ **NO**

☒ It made **sustainable investments with an environmental objective: 95.3%**

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of ____% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☒ It made **sustainable investments with a social objective: 4.7%**

☐ It promoted E/S characteristics, but **did not make any sustainable investments**



To what extent was the sustainable investment objective of this financial product met?

The ASN Duurzaam Small & Midcapfonds ("the Fund") has the following sustainable investment objectives:

- Decreasing CO₂ emissions per year in line with the Paris Agreement (expressed as the fund's contribution to keeping the temperature rise at a maximum of 1.5 degrees in 2050).
- Decreasing the negative impact on biodiversity per euro invested (relative to base year 2019).
- Stimulating the payment of living wages to factory workers in the clothing industry (relative to base year 2019).

In accordance with these objectives, the Fund also took account of climate mitigation and climate adaptation, as defined in the EU Taxonomy.

During the 2022 reporting period, the Fund invested in a global portfolio of shares in listed companies that contribute to the sustainable investment objectives.

The implied temperature rise of the Fund in 2022 was **2.35** degrees, measured using the MSCI Implied Temperature Rise (ITR) methodology. This is the first year that this methodology has been used, so it is not possible to compare it with previous years. For more information about the MSCI ITR methodology, see: [MSCI Implied Temperature Rise](#).

In 2022, the negative impact of the Fund on biodiversity per euro invested **worsened** compared with the reference year of 2019 (measured using the Biodiversity Footprint for Financial Institutions (BFFI) methodology).

In 2022, the average living wage score for the clothing brands from the Investment Universe in the Fund portfolio **improved** compared with the reference year of 2019 (measured using the Platform Living Wage Financials (PLWF) methodology).

● **How did the sustainability indicators perform?**

A sustainability indicator has been established for each of the Fund's sustainable investment objectives. See the table below, which shows the performance of the sustainability indicators during the 2022 reporting period.

● **...and compared with previous periods?**

Table showing the performance of the sustainability indicators over the past four years. Data on the sustainability indicators is not available for all indicators and all years. For these periods and indicators, "not available" is noted in the table.

Sustainability indicator	2019 values	2020 values	2021 values	2022 values
MSCI ITR (in degrees Celsius)	N/A	N/A	N/A	2.35
Biodiversity footprint (in ha per million euro invested)	25.07	24.91	37.97	32.08
Average living wage score	13.00	13.00	18.79	24.00

2019 is the reference year for the biodiversity footprint.

For 2020 and 2021, the SFDR did not apply.

To measure the implied temperature rise of the Fund, we used the MSCI ITR method (to steer the Fund towards the objective aligned with the Paris Agreement). The MSCI ITR method is an intuitive, future-focused metric, expressed in degrees Celsius, that is designed to show the temperature alignment of investments, portfolios and funds with global temperature goals. For the Fund, the MSCI ITR methodology was available for **93.94%** of investments in the 2022 reporting period.

To measure the impact on biodiversity, the Fund used the BFFI method. The BFFI method measures the biodiversity footprint in hectares per euro invested, based on a life cycle assessment (LCA). A LCA calculates the environmental impact of products and services over their entire life cycle. This results in an expected negative or positive impact on biodiversity (in ha) per euro invested per year ((ha/€)/year). At present, the biodiversity footprint is still being assessed annually; from 2023, it will be assessed quarterly.

To measure efforts to achieve payment of a living wage in the clothing industry, the Fund used the PLWF method. The PLWF method uses a test to assess clothing industry companies in the portfolio, and places them in five categories, from worst to best: Embryonic (the company is doing nothing or very little to encourage a living wage, 0–10 points), Developing (11–20 points), Maturing (the development is progressing, 21–30 points), Advanced (the development is nearing completion, 31–35 points) and Leader (36–40 points). The living wage score of the portfolio is assessed on a quarterly basis. The score presented above is the average of the four quarters. The process for arriving at these scores has changed over the years, and has become stricter. This makes it difficult to compare the figures for 2022 with those for 2019. However, it would be extremely labour intensive to retroactively repeat the assessment. To make the differences more transparent, a qualitative explanation of the methodology over the years is provided below.

The methodology for determining a living wage score for a clothing company is based on a list of eight questions, relating to seven overarching key criteria (the company's policy, engagement, assessment of the impact, incorporation of the findings, tracking performance, the remedy, and transparency with regard to the living wage). The number of questions has remained the same from year to year. However,

the weighting of each question has changed. In 2018, the first questions were weighted more heavily; these questions were considered easier to answer (these were the two questions about the company's policy and the question on engagement; the three questions had a combined weighting of 60%). In 2020, this was adjusted so that every question had the same weighting (eight questions, each with a weighting of 12.5%). In 2018, the emphasis was primarily on the key criterion of the company's policy (two of the eight questions related to the policy, with a total weighting of 40%). Many companies did not yet have a policy in place, let alone good practices. Over time, more and more companies developed adequate policies, so it was appropriate to give more weight to the activities based on those policies. Accordingly, in 2022, the emphasis has shifted from the policy criterion to the criterion relating to the company's engagement. The two policy-related questions have been combined (leaving one question about policy, with a weighting of 12.5%), and a second question relating to the engagement criterion has been added (these two questions have a total weighting of 25%).

As well as the fact that the questions have changed over the years and the emphasis of the weighting has shifted, the various indicators used to determine the number of points awarded for a question have been refined. What is being asked of the companies has been clarified, and the indicators have been expanded and made more stringent.

For more information about the living wage score and the underlying methodology, see: [ASN Bank Living Wage](#)

● ***How did the sustainable investments not cause significant harm to any sustainable investment objective?***

All investments by the Fund that are eligible for the Investment Universe comply with the ASN Impact Investors Sustainability Policy ("the sustainability policy"). The sustainability policy includes a selection process performed by the Sustainability Expertise Centre (ECD) of ASN Bank. This process includes a risk analysis resulting in the exclusion criteria for the Investment Universe. The exclusion criteria are built on the three pillars of ASN Impact Investors, namely the climate, biodiversity and human rights, as well as governance of investee companies and, where relevant, animal welfare. The list of exclusion criteria includes details relating to, but not limited to:

- The climate (activities relating to fossil fuels and nuclear energy are excluded);
- Biodiversity (activities relating to deforestation and the dumping of waste are excluded);
- Human rights (activities relating to crimes against humanity, genocide, war crimes and the arms industry are excluded);
- Governance (companies that do not have a policy governing the ethical conduct of their employees are excluded);
- Animal welfare (activities relating to animal testing and violation of the five freedoms of animal welfare are excluded).

The sustainability policy also includes a list of sustainability criteria. These criteria are used to assess companies on their environmental policies, pollution, overexploitation, equal treatment and discrimination, forced labour, and a safe and healthy working environment.

The exclusion criteria are applied to all companies. The sustainability criteria are applied proportionally.

The Investment Universe is ultimately determined by the ASN Impact Investors Investment Committee. Each company is discussed by the ASN Impact Investors Investment Committee as part of the sustainability assessment. The Investment Committee is responsible for approving, rejecting or deciding to engage with each company, and all of these decisions result in the Investment Universe.

After approval, the Investment Universe is periodically re-assessed by the ECD. The above sustainability assessment process ensures that the Investment Universe contains no companies that cause significant harm to any sustainable investment objectives.

Over the course of 2022, three companies were removed from the Investment Universe for breaching the sustainability policy.

Examples of engagement

Since 2016, ASN Impact Investors has engaged with companies in the pharmaceutical industry. A report written for ASN Impact Investors by Sustainalytics found that the biggest pharmaceutical companies in the world do not adequately monitor and/or are not sufficiently transparent about the research and development, production, marketing and sale of medicines. During the 2022

reporting period, ASN Impact Investors engaged with the companies in the Investment Universe, and took biannual measurements of their performance with regard to ethical conduct, development and distribution, marketing and remuneration. ASN Impact Investors recorded these measurements in scorecards, which it then shared with the companies, along with company-specific points for improvement. In the third quarter, we shared a scorecard with: Orion Oyj.

Example of exclusion

During the 2022 reporting period, ASN Impact Investors decided to reject the Finnish company Cargotec and remove it from the Investment Universe. As the name suggests, the company is active in storage, transshipment and freight services. In addition to these activities, during the recent ESG due diligence it was discovered that the company is also involved in oil and gas. These activities became part of the company following an acquisition. The company is now a supplier of specifically customised products and services for the fossil fuel sector, which accounts for an estimated 10% of its turnover. ASN Impact Investors does not invest in the exploitation, production and refining of fossil resources. Companies that are closely connected to the fossil fuel sector are also excluded. ASN Impact Investors considers Cargotec to be closely connected, so this company was rejected.

How were the indicators for adverse impacts on sustainability factors taken into account?

The indicators for negative impacts on sustainability factors (PAI-indicators) as described in the delegated regulation supplementing the SFDR were only partially taken into account in the 2022 reporting period.

More specifically, in 2022, **five** mandatory PAI-indicators and **one** optional indicator were taken into account, since these indicators already formed part of the existing sustainability policy. However, there may be differences in some areas between the definitions of PAI-indicators as formulated in the SFDR and the definitions in the ASN Impact Investors Sustainability Policy. The PAI-indicators taken into account were:

- Table 1:

- Indicator 1: Greenhouse gas (GHG) emissions (Scope 1, 2, 3 and Total)
- Indicator 2: Carbon footprint
- Indicator 3: GHG intensity of investee companies
- Indicator 4: Exposure to companies active in the fossil fuel sector
- Indicator 14: Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

- Table 3:

- Indicator 9: Lack of a human rights policy

For the remaining PAI-indicators (nine mandatory and seven optional), although they are partially incorporated into the sustainability policy in terms of their themes, the data collection now required by the SFDR was not carried out in 2022.

From the 2023 reporting period onwards, ASN Impact Investors will take the PAI-indicators into account, as specified in the precontractual template.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Yes, the sustainable investments were aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. In accordance with the criteria in the sustainability policy, an engagement procedure was started when a violation was established on the part of a company in the Investment Universe. If the company was unwilling or unable to remedy the situation in accordance with the guidelines, the company was removed from the Investment Universe.

Example of engagement

ASN Impact Investors voted against the appointment of two new male directors to the board of Wickes Group. This was due to the imbalance between men and women on the board.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.



How did this financial product consider principal adverse impacts on sustainability factors?

In the first instance, all investments complied with the ASN Impact Investors Sustainability Policy. As explained in response to the question **How were the indicators for adverse impacts on sustainability factors taken into account?**, during the 2022 reporting period the indicators for adverse impacts on the sustainability factors, as described in the delegated regulation supplementing the SFDR, were only partially taken into account. This is because it was only with the implementation of the SFDR in 2022 that we determined which PAI-indicators were relevant to the Fund. The data available at the time of drafting of this report is presented in the table below. All of this data was sourced from MSCI and Morningstar Direct. It was not combined with data used by the Fund during the reporting period. For this reason, there are likely to be differences between the data below and data presented elsewhere (particularly with regard to CO₂ emissions).

The table is included for information purposes only, and accordingly should not be taken as an indication that ASN Impact Investors was guided by all of the indicators listed in 2022. ASN Impact Investors warns the reader not to draw premature conclusions from the data presented below. This is a new regulation, which has not been made 100% clear by legislators.

ASN Impact Investors has compiled the required PAI data to the best of its ability, using reputable data providers. However, the table below shows that the data coverage for some PAI-indicators is still limited and the available data is relatively old, i.e. it dates back to well before 2022, or else the source year is simply not known. This indicates that the data is still being developed, and there are as yet no generally accepted standards. ASN Impact Investors continually monitors the development of this data. The low data quality has been one of the main reasons not to steer on the indicators presented in the table.

For more details about the indicators, see Annex I of [Regulation \(EU\) 2022/1288](#).

In this Annex V, ASN Impact Investors is reporting on the PAI-indicators for the first time. ASN impact Investors does not yet steer on these indicators, partly because the quality of the data is still poor. However, to provide some clarity around the figures in the PAI table, a qualitative explanation is provided for each PAI-indicator in this Annex V, as an appendix to this document.

Table 1 - Statement on principal adverse impacts of investment decisions on sustainability factors

			Metric	2022 impact	Data coverage	Source year
Climate and other environment-related indicators						
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	tCO ₂ e	3,213.19	97.85%	2020–2021
		Scope 2 GHG emissions	tCO ₂ e	4,762.66	97.85%	2020–2021
		Scope 3 GHG emissions	tCO ₂ e	65,412.64	97.85%	2020–2021
		Total GHG emissions	tCO ₂ e	73,413.76	97.85%	2020–2021
	2. Carbon footprint		tCO ₂ e/Meuro	412.61	97.85%	2020–2021
	3. GHG intensity of investee companies		tCO ₂ e/Meuro	729.56	95.70%	2020–2021
	4. Exposure to companies active in the fossil fuel sector			0.00%	97.85%	N/A
	5. Share of non-renewable energy consumption and production			60.85%	97.85%	N/A
	6. Energy consumption intensity per high impact climate sector		GWh/Meuro	A – 0; B – 0; C – 0.37; D – 0; E – 0; F – 0.05; G – 14.41; H – 0; L – 0.42	97.85%	2016–2021
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas			0.00%	97.85%	N/A
Water	8. Emissions to water		t/Meuro	N/A	N/A	N/A
Waste	9. Hazardous waste and radioactive waste ratio		t/Meuro	0.00	25.27%	2019–2020



Indicators for social and employee matters, respect for human rights, anti-corruption and anti-bribery matters				
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	0.00%	97.85%	N/A
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	56.75%	97.85%	N/A
	12. Unadjusted gender pay gap	2.83%	97.85%	2018–2020
	13. Board gender diversity	35.64%	97.85%	N/A
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	0.00%	97.85%	N/A

Table 2 – Additional climate and other environment-related indicators

		Metric	2022 impact	Data coverage	Source year
Climate and other environment-related indicators					
Water, waste and material emissions	14. Natural species and protected areas	1. Share of investments in investee companies whose operations affect threatened species	0.00%	97.85%	N/A
		2. Share of investments in investee companies without a biodiversity protection policy covering operational sites owned, leased, managed in, or adjacent to, a protected area or an area of high biodiversity value outside protected areas	97.71%	97.85%	N/A

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Table 3 – Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

	Metric	2022 impact	Data coverage	Source year
Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters				
Social and employee matters	4. Lack of a supplier code of conduct	61.36%	97.85%	2020
Human rights	9. Lack of a human rights policy	17.97%	97.85%	N/A
	12. Operations and suppliers at significant risk of incidents of child labour	23.27%	97.85%	N/A
	13. Operations and suppliers at significant risk of incidents of forced or compulsory labour	23.27%	97.85%	N/A
	14. Number of identified cases of severe human rights issues and incidents	0	97.85%	N/A
Anti-corruption and anti-bribery	15. Lack of anti-corruption and anti-bribery policies	5.04%	97.85%	N/A

tCO₂e: in tonnes of CO₂ equivalent emissions

Meuro: in millions of euros

GWh: Gigawatt hours

t: tonnes

N/A: Not available



What were the top investments of this financial product?

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 2022

Largest investments	Sector	% Assets	Country
BEKAERT	Basic goods	5.1	Belgium
SOFTWARE AG	Software & Services	5.0	Germany
STHREE PLC	Business services	4.9	United Kingdom
SIGNIFY NV	Capital goods	4.9	The Netherlands
JOST WERKE AG	Capital goods	4.8	Germany
IPSOS	Advertising	4.8	France
BEFESA SA	Business services	4.3	Luxembourg
HUHTAMAKI OYJ	Basic goods	4.1	Finland
CORBION NV	Basic goods	4.1	The Netherlands
BRAVIDA HOLDING AB	Business services	3.9	Sweden
TKH GROUP NV-DUTCH CERT	Capital goods	3.8	The Netherlands
PREMIER FOODS PLC	Food & beverages	3.7	United Kingdom
COATS GROUP PLC	Consumer durables	3.7	United Kingdom
KARDEX AG-REG	Capital goods	3.6	Switzerland
JCDECAUX SE	Advertising	3.5	France

The “% Assets” column is the proportion of the investment within the total assets under management, excluding liquid assets.



What was the proportion of sustainability-related investments?

The Fund invests in shares in small and medium-sized European companies that have been admitted to regulated markets in the EU or to properly functioning regulated stock exchanges outside the EU but within Europe, and that are dedicated to a sustainable society and have a healthy financial outlook. The Fund invests only in companies that have been admitted to the Investment Universe.

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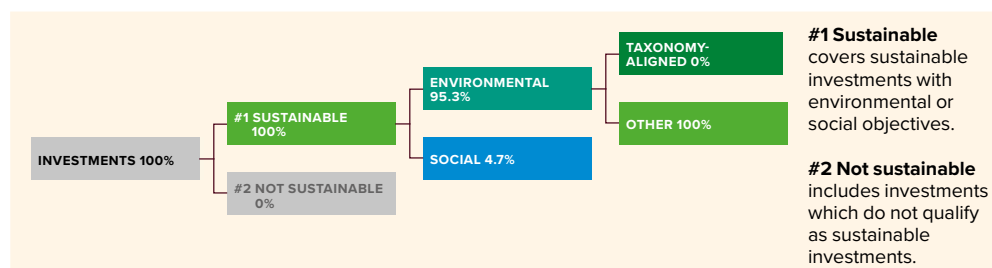
Asset allocation describes the share of investments in specific assets.

What was the asset allocation?

Because of its sustainable investment objectives, the Fund has been classified by ASN Impact Investors as an Article 9 product under the SFDR. Accordingly, based on the investment selection criteria, the Investment Committee only permits investments that are considered sustainable within the meaning of the SFDR.

The liquid assets held by the Fund are not investments. The purpose of liquid assets is to facilitate the marketability of the Fund on the stock market. They are held in connection with the liquidity management process pursuant to section 3:63 of the Financial Supervision Act (Wft).

In the 2022 reporting period, an average of 4.7% of the Fund's assets under management were in companies in the garment industry. The social investment objective is exclusively focused on the clothing brands in the portfolio; accordingly, this is the same as the percentage given for investments in the “social” category. The remaining percentage is considered to be environmental.



In which economic sectors were the investments made?

The Fund invested in the following economic sectors:

- Capital goods	27.3%
- Basic goods	13.2%
- Business services	13.1%
- Real estate	9.2%
- Advertising	8.3%
- Retail	6.6%
- Software & services	5.0%
- Food and beverages	3.7%
- Other	13.6%



To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

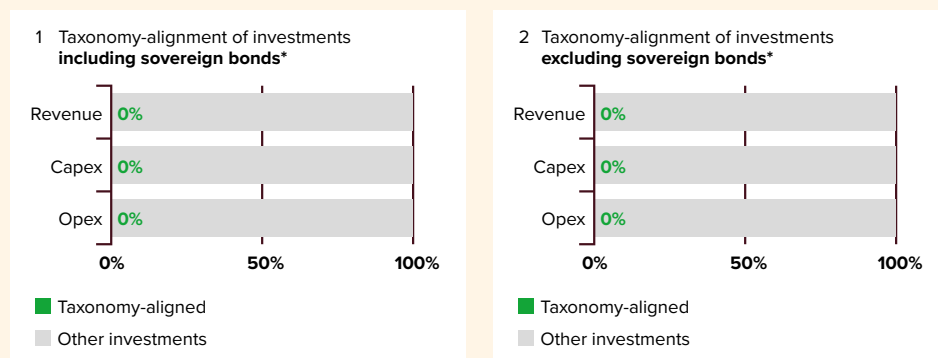
ASN Impact Investors believes that the EU Taxonomy – the EU's list of sustainable economic activities – has the potential to be an important tool for determining which investments are sustainable. It could promote transparency, combat greenwashing and encourage the shift of capital to the sustainable economy of the future. However, with regard to the environmental part of the EU Taxonomy, ASN Impact Investors disagrees with the inclusion of nuclear energy and fossil gas as sustainable investments in the current EU Taxonomy. This does not align with the beliefs, vision and mission of ASN Impact Investors. For this reason, and because much of the EU Taxonomy is still unclear, a specific EU Taxonomy objective has not yet been set.

In addition, it is not possible to report on the extent to which the investments in the 2022 reporting period were aligned with the EU Taxonomy, since there is not yet any data available on EU Taxonomy-aligned activities. This is because, from the 2022 reporting period onwards, companies will publish a list of their EU Taxonomy-aligned activities. For these reasons, the extent to which the sustainable investments with an environmental objective were aligned with the EU Taxonomy is 0%.

Taxonomy-aligned activities are expressed as a share of:

- turnover reflecting the share of **revenue** from green activities of investee companies;
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy;
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are economic activities for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.

What was the share of investments made in transitional and enabling activities?

Owing to the lack of available data on the EU Taxonomy, it is not possible to state whether any investments were made in transitional and enabling activities (the share of investments made in transitional and enabling activities was therefore 0%).

● **How did the percentage of investments aligned with the EU Taxonomy compare with previous reference periods?**

This question does not apply. This is the first reporting period.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?

Owing to the lack of available data on the EU Taxonomy, it is not possible to report on the share of EU Taxonomy-aligned investments. Accordingly, it is assumed that 100% of the investments in the Fund are not aligned with the EU Taxonomy.



What was the share of socially sustainable investments?

In the 2022 reporting period, an average of 4.7% of the Fund's assets under management were in companies with a social objective. The socially sustainable investments relate exclusively to the clothing brands in the portfolio.



What investments were included under “not sustainable”, what was their purpose and were there any minimum environmental or social safeguards?

In line with the sustainability policy of ASN Impact Investors, no investments were made that could be classified as “not sustainable”.



What actions have been taken to attain the sustainable investment objective during the reference period?

ASN Impact Investors engaged in dialogue with investee companies, to make them more aware of their sustainability performance in relation to their CO₂ emissions and biodiversity footprint and encourage them to make improvements. The decision to engage was made when an investment no longer met the sustainability criteria of ASN Impact Investors, or when wrongdoing was established. ASN Impact Investors also used engagement to help the clothing brands in the portfolio improve their living wage score.

ASN Impact Investors exercised its voting rights at shareholders' meetings of the companies in which the Fund has invested. These rights were exercised to encourage companies to adopt more sustainable policies and practices. The principles underpinning our votes are set out in the ASN Impact Investors sustainable voting policy.

In 2022, ASN Impact Investors started engagement relating to biodiversity and the climate. Climate change is becoming increasingly visible, and is having a major impact on biodiversity. Biodiversity is under pressure, and biodiversity loss is growing every year. Biodiversity and climate change are closely linked, which is why ASN Impact Investors decided to raise the topic with every company in the Investment Universe. ASN Impact Investors began by providing them with information about the importance and urgency of biodiversity and our dependence on it. ASN Impact Investors had contact with almost all the companies in the Investment Universe on this matter. In the next phase, a selection was made of companies that had a major negative impact on climate and biodiversity in the portfolios. ASN Impact Investors launched intensive engagement with these companies.

Since 2016, ASN Impact Investors has taken a leading role in raising broad awareness of the need for textile workers to be paid a living wage. ASN Impact Investors engages in dialogue with clothing brands and inspires others who want to take action. In 2022, ASN Impact Investors assessed the clothing brands again, and discussed the results with the companies.

Example of engagement

The construction of a wind farm in Sweden generated negative publicity. Environmental legislation was breached, and contractors were not paid. ASN Impact Investors contacted Nordex with regard to this matter. The company provided a satisfactory response and remains in the Investment Universe.

Example of the exercise of voting rights

ASN Impact Investors voted against the remuneration proposal and the appointment of Rebekka Glasser to Rockwool. One reason was that the long-term remuneration policy was not based on performance. The vote against Rebekka Glasser was because she is already on the boards of six other

companies. ASN Impact Investors believes this is too many, and could prevent her from properly performing her work for Rockwool.



How did this financial product perform compared to the reference sustainable benchmark?

No reference benchmark has been designated for the achievement of the sustainable investment objective, since there is currently no benchmark available in the market that combines CO₂ emissions, biodiversity and a living wage.

Reference benchmarks are indexes to measure whether the financial product attains the sustainable objective.

● *How did the reference benchmark differ from a broad market index?*

This question does not apply.

● *How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?*

This question does not apply.

● *How did this financial product perform compared with the reference benchmark?*

This question does not apply.

● *How did this financial product perform compared with the broad market index?*

At present, it is only possible to compare the sustainable investment objective concerning the annual reduction of CO₂ emissions in line with the Paris Agreement against a broad market index. The MSCI World Index was used as the broad market index. The table below shows the Fund's performance compared with the broad market index. For both the Fund and the broad market index, the implied temperature rise was calculated using the MSCI ITR method. As indicated above, for the 2022 reporting period the MSCI ITR methodology was available for **93.94%** of the Fund's investments. For the broad market index, the MSCI ITR methodology was available for **99.40%** of the investments.

The Fund has an objective of keeping the temperature rise to a maximum of 1.5 degrees by 2050. As indicated below, this objective has not been achieved, and the Fund is also performing worse than the broad market index. This may be because outliers are having a disproportionate effect, since this is a small portfolio. It also includes many small companies, which means the data quality is low, and these companies have issued fewer concrete plans.

MSCI ITR values in °C	2022
ASN Duurzaam Small & Midcap Fonds	2.35
MSCI World Index	2.26
Fund underperformance	0.09

Appendix: Qualitative explanation for each PAI-indicator

- **PAI-indicators 1, 2 and 3 in Table 1** give the sum of the total greenhouse gas emissions in tonnes of the companies in the portfolio (Scope 1, 2 and 3), weighted by the most recent available business value of the company, including cash. Indicator 3 gives the total greenhouse gas emissions per 1 million euros invested in the portfolio. Indicator 3 is the portfolio weighted average of the total carbon footprint of the companies in the portfolio per million euros of turnover (tonnes/million euros of turnover). Both the sustainability policy and the PAI-indicators use the PCAF method to measure the Scope 1, 2 and 3 emissions. However, there are differences between the policy data and the MSCI data: ASN Impact Investors uses proxy data when data is missing, while MSCI does not.
- **PAI-indicator 4 in Table 1** is the sum of the weight of companies in the portfolio with active exposure to the fossil fuel sector. This indicator presents the data in line with the policy of ASN Impact Investors: no investments are made in the fossil fuel industry.
- **PAI-indicator 5 in Table 1** is the share of non-renewable energy consumption and production of investee companies, expressed as a percentage. More than half of the investments in the portfolio still consume or generate non-renewable energy. As mentioned, ASN Impact Investors engages with the companies in the portfolio to raise their awareness of this issue.
- **PAI-indicator 6 in Table 1** is the energy consumption in GWh per million euros of turnover of the investments, per high impact climate sector, NACE section codes A, B, C, D, E, F, G, H and L (link to [NACE section codes](#)). In this regards, it is notable that the ratio of energy consumption in GWh per million euros of turnover is highest in sector G (wholesale and retail trade) at 14.41.
- **PAI-indicator 7 in Table 1** is the sum of companies in the portfolio that conduct activities in biodiversity-sensitive areas and/or are involved in controversies with serious consequences for the environment. This indicator presents the data in line with the policy of ASN Impact Investors: no investments are made in companies that conduct activities in biodiversity-sensitive areas and/or are involved in controversies with serious consequences for the environment.
- **PAI-indicator 8 in Table 1** is the sum of the number of tonnes of emissions to water per million euros invested, expressed as a weighted average. No data is available yet for this indicator.
- **PAI-indicator 9 in Table 1** is the sum of the number of tonnes of hazardous waste per million euros invested, expressed as a weighted average. Emissions to water are considered to be waste water discharged into surface water as a result of industrial or production activities (in tonnes). The figure of 0.00 tonnes per million euros invested is low, however the data coverage is so low that the figure is not very representative.
- **PAI-indicator 10 in Table 1** is the sum of the weight of companies in the portfolio that have committed serious violations of the UN Global Compact. This indicator presents the data in line with the policy of ASN Impact Investors: no investments are made in companies that have committed serious violations of the UN Global Compact.
- **PAI-indicator 11 in Table 1** is the sum of the weight of companies in the portfolio that have provided no evidence of a mechanism to monitor compliance with the UN Global Compact. MSCI gathers this information from the website of the company or an opposing party. When nothing is specified, MSCI records it as "no policy". ASN Impact Investors performs risk analyses. Depending on the geographic presence and business activities, the risk is assessed as high, average or low. With a low risk, a company may be operating in a country where the legal system provides adequate safeguards. If there is no obvious policy, ASN Impact Investors actively contacts investee companies to check whether they do in fact have a policy. Accordingly, the outcomes of the analyses performed by ASN Impact Investors differ from those performed by MSCI. The strict selection criteria in the ASN Impact Investors Sustainability Policy ensure that the Investment Universe does not include any companies that cannot produce evidence of a mechanism to monitor compliance with the UN Global Compact, or that are at risk of violating the principles of the UN Global Compact or the OECD Guidelines for Multinational Enterprises.
- **PAI-indicator 12 in Table 1** is the difference between the average gross hourly wage of male and female employees, as a percentage of the gross hourly wage paid to men. Reporting on this indicator is inconsistent: some companies report on the absolute or uncontrolled pay gap, while others control for countervailing factors such as position or location.

- **PAI-indicator 13 in Table 1** is the average ratio between male and female board members in investee companies, expressed as a percentage of all board members. The percentage 35.64% means that slightly more than a third of board members in the companies in the portfolio are women.
- **PAI-indicator 14 in Table 1** is the sum of the weight of companies in the portfolio that have exposure to controversial weapons (landmines, cluster munitions, chemical weapons and biological weapons). This indicator presents the data in line with the policy of ASN Impact Investors: no investments are made in the arms industry.
- **PAI-indicator 14 in Table 2** is both the share of investments in investee companies whose operations affect threatened species, and the share of investments in investee companies without a biodiversity protection policy covering operational sites owned, leased, managed in, or adjacent to, a protected area or an area of high biodiversity value outside protected areas. As indicated, in 2022 ASN Impact Investors started engagement relating to biodiversity and the climate.
- **PAI-indicator 4 in Table 3** is the share of investments in investee companies without any supplier code of conduct (against unsafe working conditions, precarious work, child labour and forced labour). MSCI gathers this information from the website of the company or an opposing party. ASN Impact Investors assesses the risks in the supply chain. The risk depends on the business activities, the business model and the locations where purchases are made. If there is no obvious policy, ASN Impact Investors actively contacts investee companies to check whether they do in fact have a policy. Accordingly, the outcomes of the analyses performed by ASN Impact Investors differ from those performed by MSCI. The strict selection criteria in the ASN Impact Investors Sustainability Policy ensure that the Investment Universe does not include any companies that lack a supplier code of conduct.
- **PAI-indicator 9 in Table 3** is the share of investments in entities without a human rights policy. MSCI gathers this information from the website of the company or an opposing party. When nothing is specified, MSCI records it as “no policy”. ASN Impact Investors performs risk analyses. Depending on the geographic presence and business activities, the risk is assessed as high, average or low. With a low risk, a company may be operating in a country where the legal system provides adequate safeguards. If there is no obvious policy, ASN Impact Investors actively contacts investee companies to check whether they do in fact have a policy. Accordingly, the outcomes of the analyses performed by ASN Impact Investors differ from those performed by MSCI. The strict selection criteria in the ASN Impact Investors Sustainability Policy ensure that the Investment Universe does not include any companies that lack a human rights policy.
- **PAI-indicator 12 in Table 3** is the share of investments in investee companies exposed to operations and suppliers at significant risk of incidents of child labour in terms of geographic areas and/or type of operations.
- **PAI-indicator 13 in Table 3** is the share of investments in investee companies exposed to operations and suppliers at significant risk of incidents of forced or compulsory labour in terms of geographic areas and/or type of operations.
- **PAI-indicator 14 in Table 3** is the number of cases of severe human rights issues and incidents connected to investee companies on a weighted average basis. This indicator presents the data in line with the policy of ASN Impact Investors: no investments are made in companies involved in severe human rights issues and incidents.
- **PAI-indicator 15 in Table 3** is the share of investments in entities without policies on anti-corruption and anti-bribery consistent with the United Nations Convention against Corruption. Although this percentage is low, no companies that lack policies on anti-corruption or anti-bribery should be admitted to the Investment Universe. MSCI gathers the information used to determine this indicator from the website of the company or an opposing party. When nothing is specified, MSCI records it as “no policy”. ASN Impact Investors performs risk analyses. Depending on the geographic presence and business activities, the risk is assessed as high, average or low. With a low risk, a company may be operating in a country where the legal system provides adequate safeguards. If there is no obvious policy, ASN Impact Investors actively contacts investee companies to check whether they do in fact have a policy. Accordingly, the outcomes of the analyses performed by ASN Impact Investors differ from those performed by MSCI. The strict selection criteria in the ASN Impact Investors Sustainability Policy ensure that the Investment Universe does not include any companies that lack policies on anti-corruption or anti-bribery.

