



# ASN Beleggingsfondsen UCITS N.V. 2023 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

For all those who, like us, are committed to having a sustainable, positive impact on nature, climate and people, there were two sides to the year just gone.

Among businesses, consumers and governments, there was more attention than ever on climate and biodiversity. The Nature Restoration Law was passed in Brussels, new agreements were reached in Dubai at the UN climate summit and European transparency measures against greenwashing started to work. Our solid investment results for 2023 emphasised the fact that sustainability really is the future. But these encouraging signs unfortunately came after a year marked by extreme weather, in which climate records were once again broken and biodiversity loss seemed unstoppable. The year also saw a fierce war in the Middle East, causing polarisation and uncertainty worldwide.

Therefore, despite our good financial results, our impatience grew. We take our role as a driver of sustainable change seriously and want to accelerate the positive impact on climate and biodiversity – especially now, when all the warning lights are flashing red. Therefore, we also used 2023 for an internal strategy review. We want to more explicitly include professional and institutional investors in investing in the solutions that drive the transition of our economy. The sustainable projects and businesses are there, ready for forward-looking investors like us. Only together with investors and our partners and colleagues from the financial sector are we going to make it.

Thanks to our partner BNP Paribas, professional investors recently also gained the ability to buy and sell ASN funds off-exchange. We have extended our partnership with Achmea Investment Management. From now on, it will also implement the targeted voting policy of ASN Beleggingsfondsen UCITS N.V., so we can get even more companies on board with accelerating the sustainability of our economy.

Economically speaking, 2023 was slightly less turbulent. Inflation had spiked the year before and then started to decline, helped by central banks' interest rate interventions. These resulted in a cooling of the economy, although a deep recession did not occur. Our sustainable investment funds partially recovered in 2023 from the negative returns in 2022. At the ASN Duurzaam Aandelenfonds, our positive selection again played a major role. ASN Duurzaam Obligatiefonds benefited from lower market interest rates on balance and the fact that green bonds had better yields. The ASN Milieu & Waterfonds and the ASN Duurzaam Small & Midcapfonds also had positive returns, although they lagged slightly behind their benchmarks.

With regard to the sustainable investment objectives, the ASN Duurzaam Aandelenfonds, the ASN Milieu & Waterfonds and the ASN Duurzaam Small & Midcapfonds made good progress on climate, biodiversity and human rights. To measure progress on the objective 'Reducing annual carbon emissions in line with the Paris Agreement', ASN Impact Investors uses the MSCI-ITR (Implied Temperature Rise) method. This is a new measurement method that offers insight into the progress made by companies towards achieving the 'Paris' climate goals and slowing down global warming. The ITR is expressed in degrees Celsius, and that of the ASN Duurzaam Aandelenfonds, the ASN Milieu & Waterfonds and the ASN Duurzaam Small & Midcapfonds decreased in 2023. In addition, the biodiversity footprint decreased, and the living wage score of the ASN Duurzaam Aandelenfonds and the ASN Duurzaam Small & Midcapfonds increased. Within the ASN Duurzaam Obligatiefonds, the CO<sub>2</sub> emissions of government bonds in the portfolio decreased, and avoided CO<sub>2</sub> emissions increased.

To make an accelerated impact, availability of reliable data is a must. It is needed, among other things, for reporting on the achievement of sustainable objectives, as required by the European Sustainable Finance Disclosure Regulation (SFDR), among other regulations. In 2023, we published several reports, including PAI tables with so-called Principal Adverse Impacts: an overview of significant adverse impacts that our investments have on the environment and society. To report more efficiently on our sustainable evidence, we are setting up a data warehouse that will further automate existing processes and strengthen our data processing capabilities.

Like you, we believe in the importance of positive impact, especially in a world that still has a long way to go towards the sustainable future we envision. We remain positive, we continue to make an impact and we hope you and many others will continue to do the same.

San Lie, Chair of the Board of Directors/Sales & Portfolio Management Director  
 Ro Dielbandhoesing, Risk Management & Compliance Director  
 Dirk-Jan Stam, Reporting & Product Management Director

# Key figures

## 2023 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.

## Key figures from the last five years

### 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 (%) <sup>1</sup>	Benchmark performance (%)
<b>2023</b>	<b>1,668,300</b>	<b>10,395,206</b>	<b>160.25</b>	<b>3.00</b>	<b>25.75</b>	<b>18.27</b>
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

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

### ASN Duurzaam Obligatiefonds

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 (%) <sup>1</sup>	Benchmark performance (%)
<b>2023</b>	<b>557,505</b>	<b>22,562,964</b>	<b>24.78</b>	<b>0.10</b>	<b>5.52</b>	<b>6.26</b>
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

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

## ASN Milieu &amp; 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 (%) <sup>1</sup>	Benchmark performance (%)
<b>2023</b>	<b>973,003</b>	<b>19,805,320</b>	<b>49.04</b>	<b>0.60</b>	<b>11.17</b>	<b>19.39</b>
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

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

## ASN Duurzaam Small &amp; 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 (%) <sup>1</sup>	Benchmark performance (%)
<b>2023</b>	<b>200,624</b>	<b>4,027,113</b>	<b>49.57</b>	<b>1.00</b>	<b>9.41</b>	<b>12.74</b>
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

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

# Definitions

## 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 Biodiversiteitsfondsen 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 been appointed as the 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.

## 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.

## 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.

## 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).

## 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.

### 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.

### 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.

### 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.

### 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 ASN Beleggingsfondsen is known as the ASN Investment Universe.

### 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*.

### 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 *net asset value* (NAV) is sometimes also referred to as the intrinsic value.

### PDF<sub>ha</sub>/year

PDF stands for Potential Disappeared Fraction of species. PDF<sub>ha</sub>/year is a unit to measure the loss and/or gain of biodiversity. It represents a hectare on which biodiversity is increased or decreased by 100% over the course of a single year.

### 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.

### 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.

### 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 CO<sub>2</sub> – 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.

### 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.

### 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.

### 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 funds

The sub-funds of ASN Beleggingsfondsen UCITS N.V.: the ASN Duurzaam Obligatiefonds, the ASN Milieu & Waterfonds, the ASN Duurzaam Aandelenfonds and the ASN Duurzaam Small & Midcapfonds.

### 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.

### 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

At the annual shareholders' meeting in April 2023, we said goodbye to two members of the Supervisory Board. Mr Hennink retired by rotation [of: in accordance with the rotation schedule] after the maximum term of twice four years and was, therefore, no longer eligible for reappointment. Mrs Lambooy retired in accordance with the rotation schedule after one four-year term. As there was a need for a different profile in the Supervisory Board, it was mutually agreed not to opt for reappointment, but to look for a new member. We thank Mrs Lambooy and Mr Hennink for their commitment and valuable contribution over the years.

The Board decided that a Supervisory Board of four members is currently sufficient to cover all focus areas. Consequently, only one new member was nominated and appointed, Mr Wim Hekstra. Should it turn out at a later date that there is a need for a fifth person on the Board, another member will be recruited. The Dutch Authority for the Financial Markets (AFM) approved the appointment and thus also approved a four-member board.

Mr Hekstra is an experienced director and consultant from the international business community who has spent most of his career working outside the Netherlands. He was a senior executive at Aegon Netherlands until 2022. He now divides his time between consulting work, investing in innovative, young companies and the Wildlife Forensic Academy, an institute based in South Africa that trains park rangers to more effectively detect poachers.

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 2023, the composition of the Board was as follows:

Name	Gender	Position	Nationality	1 <sup>st</sup> appointment	Current term
Anne Gram	F	Chair	Danish	20 April 2017	2021–2025
Dennis Bams	M	Vice Chair, also Chair of the AC	Dutch	15 May 2020	2020–2024
Chris Zadeh	M	Member	Dutch	29 April 2021	2021–2025
Wim Hekstra	M	Member, also member of the AC	Dutch	28 April 2023	2023–2027

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Mr Bams' first term expires in April 2024. Mr Bams has indicated his availability for reappointment. At the annual shareholders' meeting on 26 April 2024, the Board will therefore propose the reappointment of Mr Bams.

## Meetings

The Supervisory Board normally meets four times per year. In 2023, the Board met five times. Topics on the agenda included:

- the 2022 annual report and auditor's report for ASN Beleggingsfondsen UCITS N.V.;
- the 2023 interim report for ASN Beleggingsfondsen UCITS N.V.;
- the progress of the ASN Impact Investors growth strategy;
- climate, biodiversity and sustainability trends (including 'greenwashing');
- implementation of the Sustainable Finance Action Plan and the SFDR;
- progress on the data warehouse;
- centralisation of the depositary and fund administrator in a single party;
- sustainable selection.

## 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 consists of Anne Gram (Chair) and a second member, who is yet to be appointed.

The Audit Committee comprises Dennis Bams (Chair) and Wim Hekstra. The Audit Committee met four times in 2023. Topics on the agenda included:

- the 2022 annual report and auditor's report for ASN Beleggingsfondsen UCITS N.V.;
- the 2023 interim report for ASN Beleggingsfondsen UCITS N.V.;
- audit plan and auditor's report of de Volksbank's Internal Audit department;
- the external auditor's 2023 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 external auditor. These ancillary services consisted of assurance activities for prospectus updates, reviewing the interim report, UCITS reporting and the translation of the annual reports. The Risk Management and Compliance Director and the external auditor were present at all Audit Committee meetings.

### Professional development

In 2023, lifelong learning was generally linked to the themes of various investment funds. Unfortunately, the Board was unable to visit any of the companies in the ASN Investment Universe in 2023. The Board took an in-depth look at the SFAP/SFDR legislation and the sustainable selection process. Furthermore, a theme day in combination with a company visit to one of the companies in the ASN Investment Universe is scheduled for September 2024.

### Developments in 2023

2023 was a turbulent year in many respects. Besides the war in Ukraine, which has been going on for two years now, the war between Israel and Hamas has also been causing a lot of unrest in the Middle East since 7 October 2023. But 2023 was also a turbulent year as far as the climate was concerned. On the one hand, many heat records were broken, fuelling terrible forest fires. On the other hand, a great deal of damage was caused by floods and storms. It is sad to see so much suffering, however, it does strengthen our belief that we urgently need to continue to drive sustainability and stand up for fair opportunities and equal rights for all.

We discussed the funds' operational plans and developments with the Board of Directors. We monitored the implementation of the requirements in the Sustainable Finance Disclosure Regulation (SFDR), and since all our funds pursue sustainable investment objectives, they continue to report under Article 9. We also advised the Board of Directors on the redevelopment of the growth strategy. We are eager to see the further growth of the funds now that other client groups – following the introduction of the different share classes – can also start investing in the funds.

### Adoption of the 2023 financial statements

We propose that the general meeting of shareholders adopt the 2023 financial statements presented to you. We also request that the general meeting of shareholders discharge the Board of Directors for the management conducted in 2023 and, separately, discharge the Supervisory Board for the supervision conducted in 2023. 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.

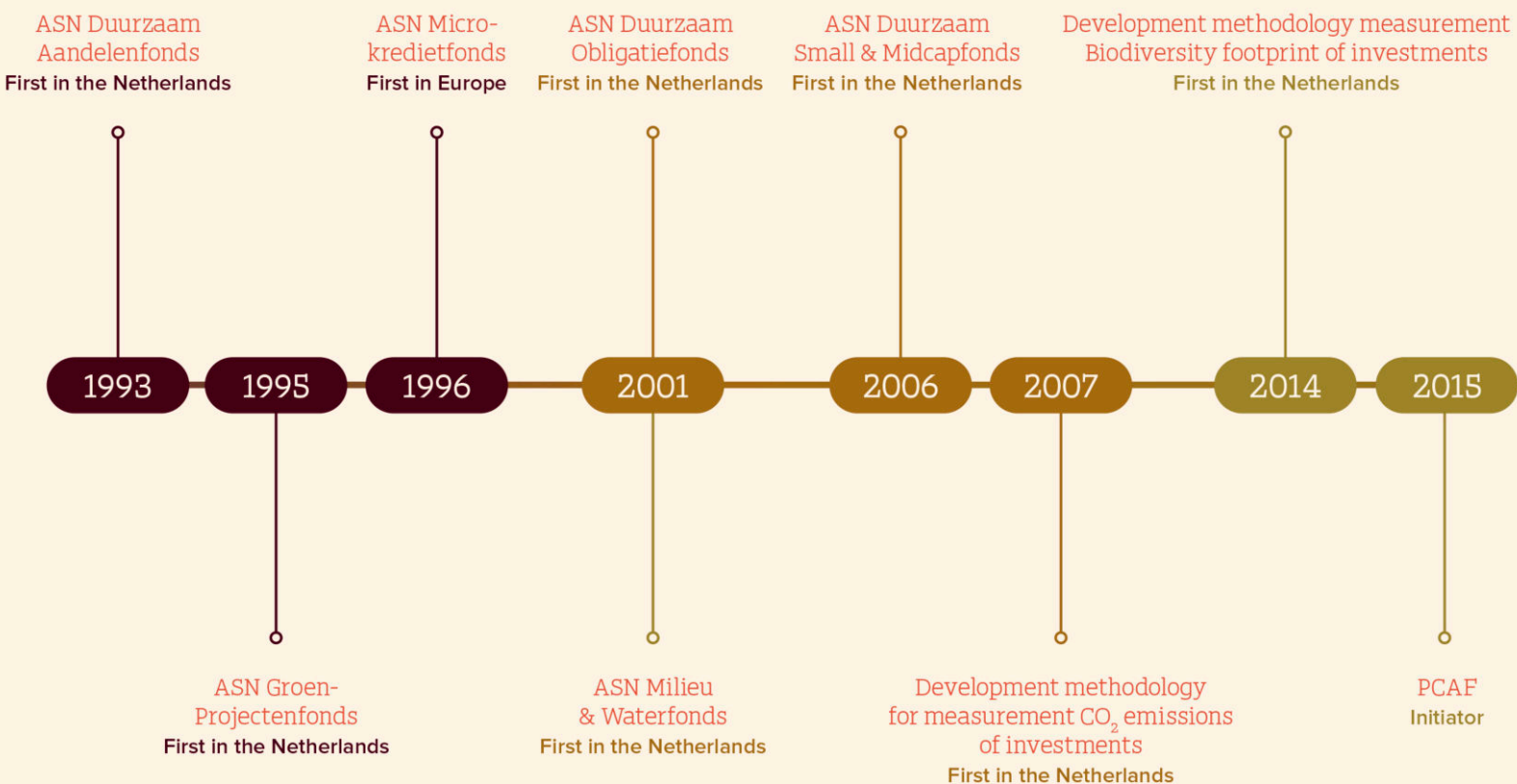
The Hague, 13 March 2024

The Supervisory Board

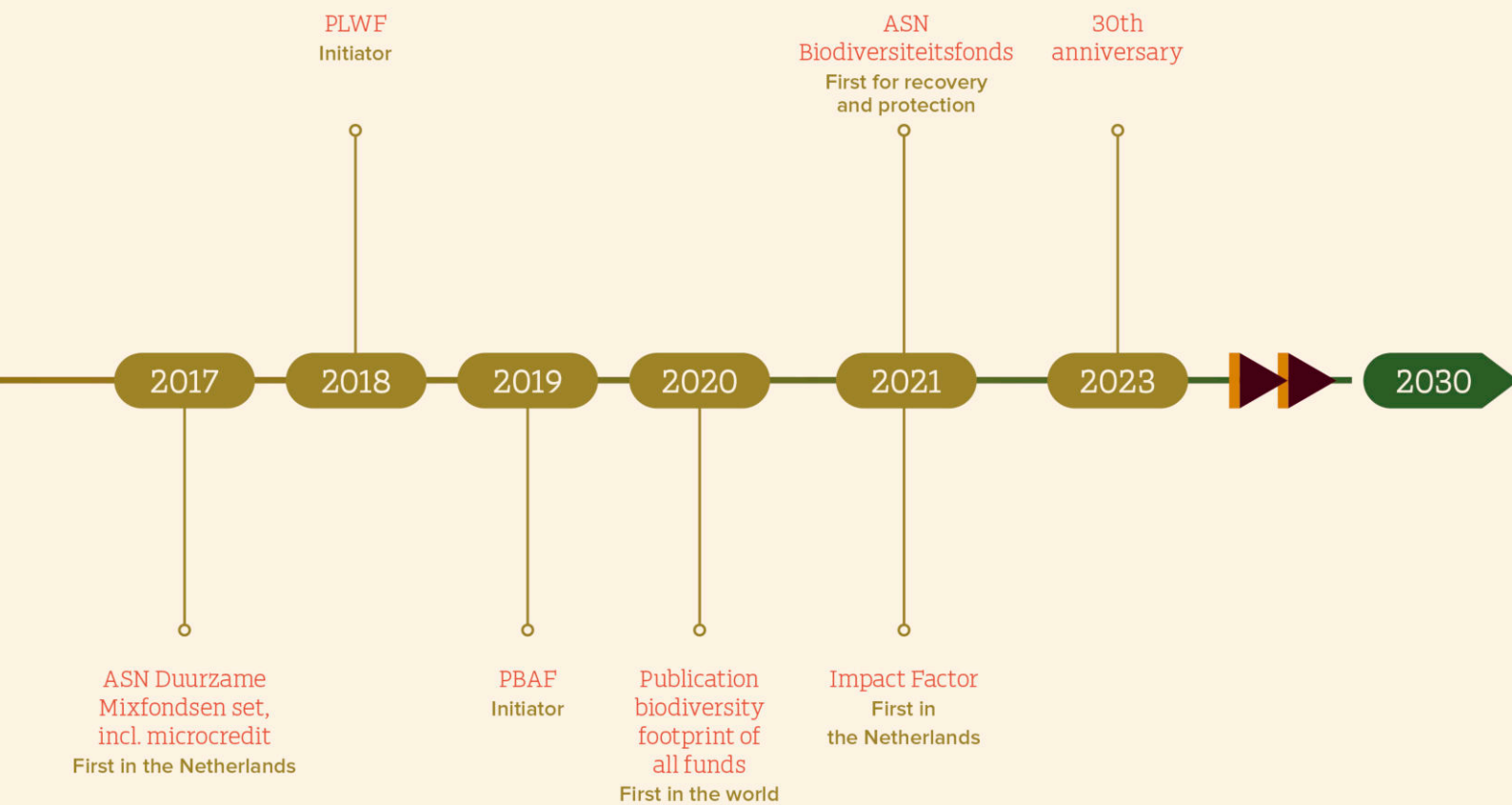
Anne Gram (Chair)  
Dennis Bams (Vice Chair)  
Chris Zadeh  
Wim Hekstra



# 30 years of impatience



# 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: the ASN Duurzaam Obligatiefonds, the ASN Milieu & Waterfonds, the ASN Duurzaam Aandelenfonds and the 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 one and the same 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 Authority for the Financial Markets (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 focuses 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

The day-to-day management of ASN Impact Investors is in the hands of three directors. 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 Reporting & Product Management Director is responsible for the Control and Product Management departments. As of 31 December 2023, ASN Impact Investors employed a total of 38.4 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 company's annual general meeting of shareholders was held in The Hague on Friday 28 April 2023. A report of this meeting was included in the 2023 Interim Report.

Shareholders of ASN Beleggingsfondsen UCITS N.V. can request the minutes of the shareholders' meetings from ASN Impact Investors by calling +31 (0)70 356 93 33 or by emailing [info@asnimpactinvestors.com](mailto:info@asnimpactinvestors.com). The minutes and voting



results are also posted on the website [www.asnimpactinvestors.com](http://www.asnimpactinvestors.com) under News and can be requested from ASN Impact Investors by calling +31 (0)70-356 93 33 or sending an email to [info@asnimpactinvestors.com](mailto:info@asnimpactinvestors.com).

## 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](http://www.asnimpactinvestors.com) under Documenten (Documents).

## 1.3 Changes to acts and regulations

In 2023, the following legislative and regulatory developments occurred that were particularly relevant for ASN Impact Investors.

### SFDR

The European Sustainable Finance Disclosure Regulation (SFDR) came into force on 10 March 2021. This regulation set 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 (the 'SFDR RTS Template') contains a detailed explanation of the sustainable investment objective and has been added as an annex to the prospectus for each fund. We have also posted publications on our website about our sustainability approach.

In the first quarter of 2023, we prepared periodic reports at the fund level, looking back over the previous year, and added them as annexes to the 2022 Annual Report. On 30 June 2023, we published our first entity-level PAI table on our website. Under the SFDR, we are required to publish this table annually from now on.

Principal Adverse Impacts (PAIs) are defined in the SFDR as the 'main adverse impacts on sustainability factors'. These are the most significant adverse environmental and social impacts of investments. The most up-to-date sustainability data from external data suppliers are used to calculate the PAIs, but midway through the year, sustainability data were not yet available for all indicators prescribed by the SFDR. Due to the addition of fossil gas and nuclear energy to the EU Taxonomy (which we consider deplorable), there is a need for more transparency and the SFDR RTS Templates have been updated. ABB started using and published these updated templates before the 1 September 2023 deadline.

On 4 December, the European Supervisory Authorities published the final report with proposals to amend the SFDR RTS. Due to possible changes to the SFDR RTS Template, ASN Impact Investors continues to closely monitor developments.

### 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. Most ASN Beleggingsfondsen must comply with the transparency obligations for funds included in the SFDR RTS Templates. The transparency obligations for ASN Impact Investors as a fund house will be consolidated in de Volksbank's sustainability reporting.

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.

On 13 June 2023, the European Commission adopted amendments in delegated regulations to the Taxonomy Regulation (Level 2), expanding the taxonomy. As a result, economic activities that contribute to 1) the sustainable use and protection of water and marine resources, 2) the transition to a circular economy, 3) pollution prevention and control and 4) the protection and restoration of biodiversity and ecosystems can now also be 'taxonomy aligned'.

## 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. In addition, ASN Impact Investors as a fund house is included in de Volksbank's sustainability reporting under the CSRD.

## AIFMD II

In late 2021, the European Commission published a draft proposal for the revision of the European AIFMD directive. The proposal introduced several changes relating to matters including licensing, liquidity management, custody, outsourcing and disclosure to investors. In addition, it suggested imposing stricter requirements on investment funds providing loans. Furthermore, the Commission considered that a number of issues raised in the AIFMD assessment were equally relevant to UCITS activities. As a result, it proposed amending both directives to better align their requirements.

Political agreement on the revision of the AIFMD and parts of the UCITS Directive was reached on 19 July 2023 during final discussions between the Council of the European Union, the European Commission and the European Parliament. The final texts are expected to be published in the first half of 2024. Once the revised directives enter into force, EU Member States must implement them into their own national laws and regulations within 24 months.

As ASN Impact Investors holds both an AIFM licence and a licence for managing UCITS, and also manages funds that provide loans, we will continue to closely monitor developments surrounding AIFMD II.

## Retail Investment Strategy

On 24 May 2023, the European Commission published its final version of the Retail Investment Strategy (RIS). The RIS aims to improve the position and protection of retail investors within the EU, with disclosure and value for money being key principles. Due to the proposed changes to the AIFMD, UCITS and PRIIPs, ASN Impact Investors continues to closely monitor developments.

## 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 2023, the OCFs of the funds were as follows:

	OCF (on annual basis)	
	01-01-2023 to 31-12-2023	01-01-2022 to 31-12-2022
ASN Duurzaam Obligatiefonds	0.45%	0.45%
ASN Milieu & Waterfonds	1.00%	1.03% <sup>1</sup>
ASN Duurzaam Aandelenfonds	0.85%	0.85%
ASN Duurzaam Small & Midcapfonds	1.20%	1.20%

<sup>1</sup> 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, bringing the management fee for 2022 to 1.03%

## 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 2023, the assets of the UCITS funds increased by €293 million to €3.399 billion. An increase of €465 million in fund assets was caused by rising prices. The total inflow was lower than the total outflow. The balance amounted to negative €172 million, including reinvested dividends.

All funds saw a positive exchange rate variance. This was highest for the ASN Duurzaam Aandelenfonds and the ASN Milieu & Waterfonds. The main outflows were from the ASN Duurzaam Aandelenfonds (€168 million) and the ASN Milieu & Waterfonds (€18 million).

The equity funds ended 2023 with positive returns. For much of 2023, we saw a mixed picture for the equity funds. This was mainly due to the central banks' interest rate hikes and the uncertainty that ensued. Since November, analysts have not expected central banks to raise interest rates further. This expectation created calm and triggered price rises in stock markets.

In 2023, market interest rates fluctuated all year and fell again at the end of the year. Due to the, on balance, lower market interest rates and higher interest rates on new bonds, the ASN Duurzaam Obligatiefonds' 2023 return increased.

## 1.6 Developments regarding the UCITS manager

ASN Impact Investors has been appointed as the UCITS manager of ASN Beleggingsfondsen UCITS N.V. and is licensed in accordance with Section 2:69b of the Financial Supervision Act (WFT). 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 consists of three people. San Lie is the Chair of the Board of Directors and is responsible for Marketing & Sales and Portfolio Management. With effect from 1 January 2023, Stephan Langen has taken over his role as Head of Portfolio Management, allowing Mr Lie to fully focus on his Board duties. Ro Dielbandhoesing is the Director of Risk Management & Compliance and is also responsible for legal and tax matters. Dirk-Jan Stam is the Director of Reporting & Product Management and also leads the Product Management team.

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The Netherlands branch of BNP Paribas S.A. was appointed as depositary by ASN Impact Investors on 25 September 2023. BNP Paribas took over this role from the Netherlands branch of CACEIS Bank S.A. BNP Paribas is also the fund administrator. By combining custody and fund administration services in a single party, ASN Impact Investors expects an improvement in efficiency and reduced service complexity.

The roles of listing agent, paying agent and fund agent will be performed by ING Bank N.V. with effect from 25 September 2023. ING Bank N.V. has taken over this role from the Netherlands branch of CACEIS Bank S.A.

The shares of the ASN funds are currently traded exclusively through Euronext Fund Services (EFS). To enable professional investors to buy and sell shares in the ASN funds directly without trading through EFS, ASN Impact Investors intends to appoint a transfer agent. As of 4 March 2024, the prospectus of ASN Beleggingsfondsen UCITS N.V. makes it possible to offer separate share classes for professional investors.

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., ASN Biodiversiteitsfonds N.V., ASN Microkredietpool and ASN Groenprojectenpool.

## 1.7 Developments in the reporting period

### Surcharges and deductions

Following the annual update, the surcharges and deductions were adjusted downwards with effect from 4 March 2024 for the ASN Duurzaam Obligatiefonds, the ASN Duurzaam Aandelenfonds and the ASN Duurzaam Small & Midcapfonds. The average transaction costs paid were no longer consistent with the surcharges and deductions applicable to the funds. There was no change to the surcharges and deductions for the ASN Milieu & Waterfonds.



## Impact Report

On 17 May 2023, we published our third Impact Report. In this report, we looked back at the impact we made in 2022 and how we boosted the pioneers. The Impact Report also made clear how much remains to be done on the road to 2030 and beyond.

## SFDR

During 2023, 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 June 2023, we published the first entity-level PAI Table. On 31 August 2023, we published the updated versions of the pre-contractual disclosure template for financial products referred to in Article 9 of the SFDR for the funds. The availability of reliable data remains a challenge in terms of reporting on our progress towards achieving our sustainability objectives.

To ensure consistent compliance with the SFDR reporting requirements, ASN Impact Investors has launched a project to create a data warehouse. This will bring further automation to existing processes and expand data processing capacity.

## Implementation of voting policy

Achmea Investment Management B.V. has taken over the implementation of the voting policy of ASN Beleggingsfondsen UCITS N.V. from Sustainalytics with effect from 25 September 2023.

## Wars and geopolitical unrest

Wars and violence have only losers. The ongoing war in Ukraine and the war in Israel and the Palestinian territories are proof of this. As well as losing their loved ones, many have lost the security of a home. This has been accompanied by a significant flow of refugees. 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 (investments or assets that are frozen pursuant to sanctions legislation and are therefore 'stranded'). Exposure to companies or institutions in Israel or the Palestinian territories is very limited. Monitoring of compliance with the sanctions legislation has been intensified by ASN Impact Investors and relevant outsourcing contractors.

Unrest elsewhere in the world also has repercussions for Dutch society. Based on our sustainable principles, including human rights, we are committed to peaceful dialogue to connect with respect for people, the environment and the climate.

## 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: the climate, biodiversity and human rights. In this chapter, we discuss the policy developments and goals for the UCITS 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.

ASN Impact Investors has set long-term goals for each sustainability pillar: climate, biodiversity and human rights. These goals apply to all of ASN Beleggingsfondsen.



**1.** *Beyond net zero by 2030*



**2.** Net positive impact on biodiversity by 2030



**3.** By 2030 the clothing sector will have implemented all the requisite processes for paying the workers in its value chain a living wage

### Climate

Greenhouse gas emissions, including CO<sub>2</sub>, are causing rapid global warming. This climate change, caused by human activities, is leading to more extreme weather and increasing social problems. Financial institutions contribute to climate change by financing activities linked to greenhouse gas emissions, such as power plants running on fossil fuels, 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*.

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.

ASN Impact Investors is climate neutral if its emissions are less than or equal to its avoided emissions. Investments that remove CO<sub>2</sub> 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.

## Changes in CO<sub>2</sub> reporting in 2023 compared with 2022

### *Change in methodology for the ASN Microkredietfondsen*

To calculate the climate impact of the ASN Microkredietfondsen, we use the Joint Impact Model (JIM). The JIM is fully compliant with the methodology of the Partnership for Carbon Accounting Financials (PCAF). ASN Impact Investors uses PCAF to measure the CO<sub>2</sub> impact of its funds. The Scope 1, 2 and 3 CO<sub>2</sub> emissions of microfinance institutions are calculated based on a country's financial sector. This does not include the financed activities. Based on legislation – the Sustainable Finance Disclosure Regulation (SFDR) – we noted that the existing impact calculation for the ASN Microkredietfondsen was inadequate. We therefore decided, in consultation with our adviser, Triple Jump, to adjust the input values. From now on, we will report the financial institution's CO<sub>2</sub> emissions, as well as the CO<sub>2</sub> emissions based on the sector distribution of the country in which the financial institution is located. This will enable the best possible estimation of the financed activities of the financial institution's end clients. Sectors that ASN Impact Investors excludes are not included in the figures. We expect a further improvement in input values in 2024. The change in input values caused ASN Impact Investors' CO<sub>2</sub> emissions to increase by 117,885 tonnes.

### *Change in methodology for government bonds in the ASN Duurzaam Obligatiefonds*

We also made a change to the methodology for calculating the impact of government bonds. The Partnership for Carbon Accounting Financials proposed the change, and we adopted it. The calculation of the impact of government bonds previously related to the goods and services that governments buy. This method did not accurately reflect the emissions attributed to a government. Emissions due to subsidies to companies, for example, were not included. The attributed emissions were also affected by the amount of government debt. From 2023, we therefore also calculate emissions from land use, changes in land use and forestry in a country. This change in methodology caused ASN Impact Investors' CO<sub>2</sub> emissions to increase by 189,010 tonnes.

### *Change in methodology and data correction for the ASN Biodiversiteitsfondsen*

We have had to correct the absorption of CO<sub>2</sub> because these emission factors only consisted of biomass storage and not CO<sub>2</sub> storage, which we do measure under the PCAF methodology. Furthermore, a method has been developed for a number of investments to convert the contribution to CO<sub>2</sub> emissions, avoided CO<sub>2</sub> emissions and CO<sub>2</sub> absorption to an attribution. The change in input values has caused ASN Impact Investors' CO<sub>2</sub> emissions to decrease by 665 tonnes and the CO<sub>2</sub> absorption to decrease by 15,947.

2022 CO <sub>2</sub> emissions for AIF and UCITS funds in tonnes <sup>1</sup>	Emissions after changes	Avoided emissions after changes	Absorption after changes	Emissions before changes	Avoided emissions before changes	Absorption before changes
ASN Beleggingsfondsen UCITS N.V.	834,710	-19,975		714,208	-19,975	
ASN Beleggingsfondsen AIF N.V.	243,374	-176,016		54,364	-180,372	
ASN Biodiversiteitsfondsen N.V. <sup>2</sup>	1,146	-217	-6,992	1,811	-217	-22,939
<b>ASN Beleggingsfondsen total</b>	<b>1,079,230</b>	<b>-196,208</b>	<b>-6,992</b>	<b>770,382</b>	<b>-200,546</b>	<b>-22,939</b>
Climate neutral percentage		18.2%			26%	
Beyond net zero percentage <sup>3</sup>			0.6%			3%

<sup>1</sup> CO<sub>2</sub> emissions in tonnes are the emissions per year.

<sup>2</sup> PCAF does not yet have a standard method for attributing CO<sub>2</sub> absorption to investments. There is often a lack of accurate data for calculating CO<sub>2</sub> 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.

<sup>3</sup> The beyond net zero percentage shows the percentage of CO<sub>2</sub> absorption for the ASN Biodiversiteitsfondsen relative to the CO<sub>2</sub> emissions for the ASN Beleggingsfondsen.

## Progress towards the CO<sub>2</sub> 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.

CO2 emissions for AIF and UCITS funds in tonnes <sup>1</sup>	Emissions 31 December 2023	Avoided emissions 31 December 2023	Absorption 31 December 2023	Emissions 31 December 2022	Avoided emissions 31 December 2022	Absorption 31 December 2022
ASN Beleggingsfondsen UCITS N.V.	796,851	-37,364		834,710	-19,975	
ASN Beleggingsfondsen AIF N.V.	199,511	-180,434		243,374	-176,016	
ASN Biodiversiteitsfonds N.V. <sup>2</sup>	4,059	-56	-7,133	1,146	-217	-6,992
<b>ASN Beleggingsfondsen total</b>	<b>1,000,421</b>	<b>-217,854</b>	<b>-7,133</b>	<b>1,079,230</b>	<b>-196,208</b>	<b>-6,992</b>
Climate neutral percentage		21.8%			18.2%	
Beyond net zero percentage <sup>3</sup>			0.7%			0.6%

1 CO<sub>2</sub> emissions in tonnes are the emissions per year.

2 PCAF does not yet have a standard method for attributing CO<sub>2</sub> absorption to investments. There is often a lack of accurate data for calculating CO<sub>2</sub> absorption. To enable us to make a start on control and reporting, we performed an initial global estimate for ASN Biodiversiteitsfonds N.V. based on the published method (<https://beleggingsfondsen.asnbank.nl/fondsen/asn-biodiversiteitsfonds.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 CO<sub>2</sub> absorption for the ASN Biodiversiteitsfonds relative to the CO<sub>2</sub> emissions for the ASN Beleggingsfondsen.

The methodology for measuring the CO<sub>2</sub> 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 CO<sub>2</sub> impact may be adjusted in the future (with retroactive effect) if better data become available.

## 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.

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Globally, biodiversity is under pressure. Because of our way of life, we are extracting more resources from nature than nature can restore. Financial institutions contribute to biodiversity loss by financing activities that involve, among other things, greenhouse gas emissions, changes in land use, chemical and water use such as power plants running on fossil fuels, industry, transport, and large-scale agriculture, forestry and livestock farming. Climate change is a major contributor to biodiversity loss. Conversely, diversity in nature can help mitigate the harmful effects of climate change.

### Net positive impact on biodiversity by 2030

ASN Impact Investors intends to make every effort to contribute to the protection and improvement of biodiversity. Our aim is for all assets under our management to have a net positive effect on biodiversity by 2030. To achieve this, we launched a new fund in 2021: the ASN Biodiversiteitsfonds N.V. The objective of this fund is to promote the recovery and protection of biodiversity.

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. This method, the Biodiversity Footprint for Financial Institutions (BFFI), provides an insight into the positive and negative impacts on biodiversity of our investments and lending.



### Progress towards our biodiversity objective

The ASN Beleggingsfondsen are contained in three legal entities: ASN Beleggingsfondsen UCITS N.V., which covers the UCITS funds, ASN Beleggingsfondsen AIF N.V., which covers the AIF funds, and ASN Biodiversiteitsfonds N.V. The table below shows the extent of achievement of the objective for all ASN Beleggingsfondsen, with the exception of the ASN Microkredietfonds. For that fund, we are not yet able to measure the impact on biodiversity.

Biodiversity footprint in hectares of loss or gain per year <sup>1</sup>	Negative impact 2023	Avoided impact 2023	Positive impact 2023	Negative impact 2022	Avoided impact 2022	Positive impact 2022
ASN Beleggingsfondsen UCITS N.V.	46,988	-1,444		51,435	-852	
ASN Beleggingsfondsen AIF N.V.	366	-2,857		454	-2,925	
ASN Biodiversiteitsfonds N.V.	1,520	-5,791	-1,057	1,124	-4,415	-108
<b>ASN investment funds total</b>	<b>48,874</b>	<b>-10,091</b>	<b>-1,057</b>	<b>53,013</b>	<b>-8,192</b>	<b>-108</b>

#### Percentage of positive biodiversity impact

2.2%

0.2%

<sup>1</sup> The biodiversity footprint in hectares is the gain or loss of biodiversity in hectares in a year.

The methodology for measuring the biodiversity 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 biodiversity impact may be adjusted in the future (with retroactive effect) if better data becomes available. For the biodiversity footprint, a lower score is considered better.

### Human rights

The ASN Duurzaam Aandelenfonds and the ASN Duurzaam Small & Midcapfonds invest in clothing companies and a supplier. Those who invest in a company are able to influence its policies and operational processes through shareholders' meetings and engagement. 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. In 2023, we adjusted the requirements for the *Assessing Impacts* component. Previously, the focus was on a company's understanding of the risks associated with not paying a living wage. Now the emphasis is more on concrete information. For example, does the company have a clear picture of the actual gap between the wage paid and a living wage at its production sites, and what are its plans to close this gap? Mazars provides annual independent assurance in which it determines that we have carefully applied the methodology. We received this assurance again in 2023.

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*. Puma was the only company to reach the 'leading' category. Hennes & Mauritz and Adidas



were close behind in the 'advanced' category. Most of the companies – eight in total – were in the 'maturing' category. Overall, there had been little progress by these companies. Interestingly, Marks & Spencers had deteriorated and moved down a category. Asics, Marks & Spencers and Next were still in the 'developing' phase. Kontoor was not surveyed this year. The company's reporting cycle is different from our survey cycle, so no new information was available. As a result, the company remains in the 'developing' phase.

### 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:

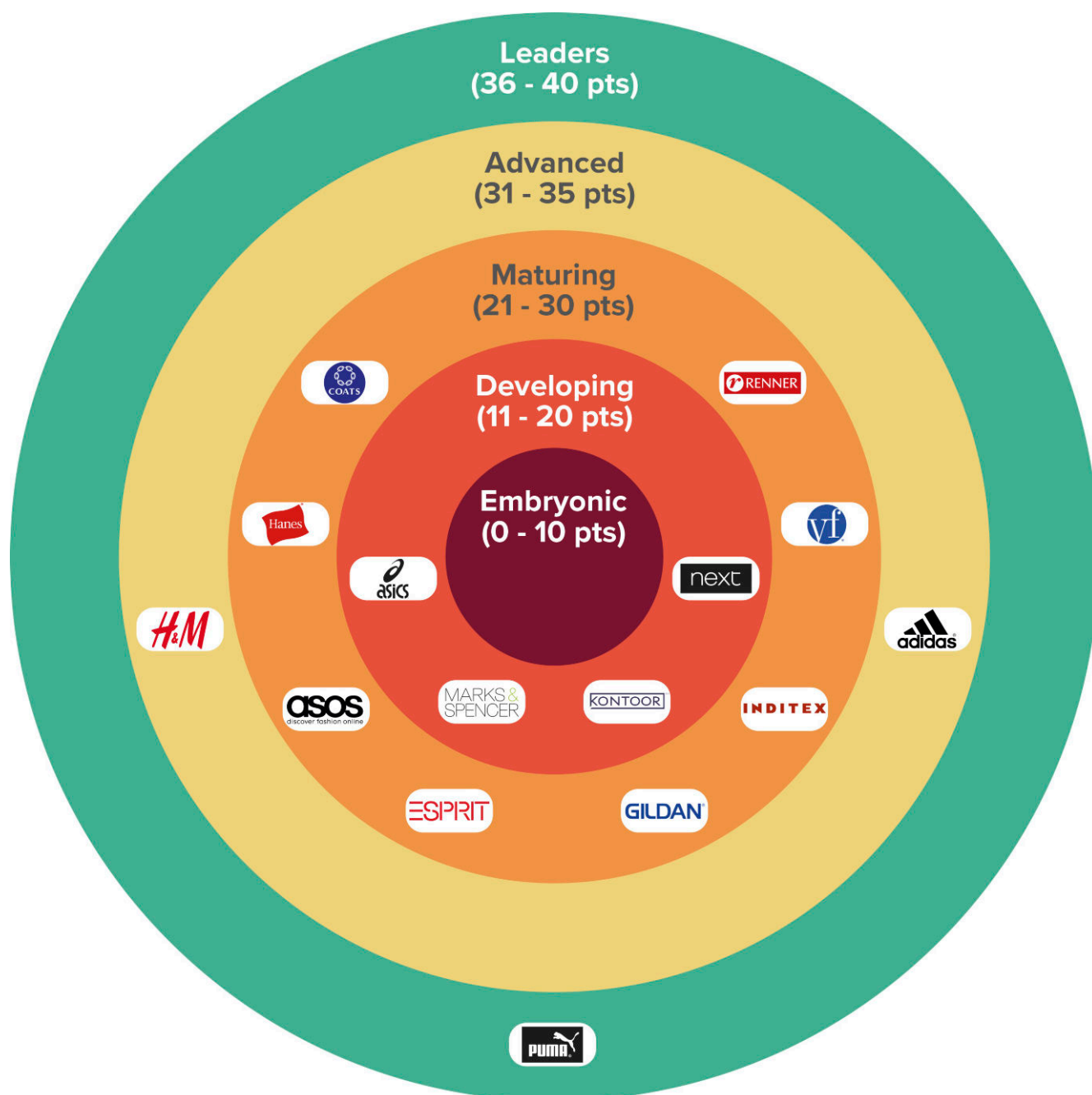
- 2021–2024: all clothing companies are in the *developing* phase or higher.
- 2024–2027: all clothing companies are in the *maturing* phase or higher.
- 2027–2030: all clothing companies are in the *advanced* phase or higher.

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 2023

Below, you can see the outcomes of the annual measurement that appeared in the Living Wage Report 2023, 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 12 of the clothing companies in our investment universe in 2023. We will be speaking to the other companies in 2024.



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 20 members, with combined invested assets of €6.580 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 – the climate, biodiversity and human rights – is set out 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 seven aspects of the sustainability policy:

- **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 removed violent video games under the heading 'Measures to protect consumers'. There is no unequivocal evidence that violent video games lead to violent behaviour. Nor does ASN Impact Investors have any companies in its universe that are involved in the production of violent video games.

- **Circular business activities**

In our Circular Business Activities policy, we describe how we include circularity in our investments. The policy has been updated, which included removing policies described in other policy documents. We also emphasised our preference for reuse over recycling. This ensures that raw materials retain their value as much as possible.

- **Sustainable energy**

In the Sustainable Energy policy, we list the sustainable energy technologies we can invest in, and the ones we cannot invest in or can only invest in on certain specified conditions. Sustainable energy technologies are technologies that use renewable energy sources in a sustainable way. The policy has been updated. We have included an explanatory statement on the use of forced labour in the production of solar panels. An exclusion criterion for manure fermentation has been included, and we have developed and included criteria for hydrogen and batteries.

- **Transport**

In this policy, we describe how we assess companies engaged in the transport of goods and passengers by land, water and air. Our definition of the transport sector includes companies that build and maintain infrastructure, as well as vehicle suppliers and manufacturers. We have amended the policy. For example, the layout has been changed, we have included a criterion for *least developed countries* and a number of outdated references have been replaced or removed. In terms of our own business operations, we have started a business flights pilot; this was added to the policy.

- **Governance**

Good governance is important because it leads to trust. It is about having good processes in place to make the right decisions. We have updated the policy to include due diligence guidelines. We have also added a new criterion relating to the integration of due diligence into Board responsibilities.

- **Animal welfare**

Respectful treatment of animals is important. In our Animal Welfare policy, we list the choices we make to contribute to respectful treatment of animals and improving animal welfare. In this update, we have made some additions to livestock criteria, based on the Farm Animal Responsible Minimum Standards (FARMS). These include animal welfare guidelines by species for genetics, housing, painful procedures, transport and slaughter. In aquaculture, we added a reference to animal welfare standards and the preference for closed land-based aquaculture systems.

- **Agriculture**

In the newly developed Agriculture policy, we describe how we deal with investments in agriculture. Among other things, the policy addresses sustainable land use and food production in the primary sector. It describes the relationship between agriculture and our sustainability pillars of climate, biodiversity and human rights. Furthermore, we describe our vision for agriculture and the opportunities we see within this theme. Finally, we include our sustainability criteria and explain how we apply them in practice.

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## Application of the Sustainability policy

ASN Impact Investors applies its Sustainability policy to the investments of ASN Beleggingsfondsen UCITS 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 Biodiversiteitsfonds) 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 Biodiversiteitsfonds 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. 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 Biodiversiteitsfonds fund manager, the SRI Funds fund 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 2023.

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 174 companies because they were due for re-examination or were new. As of 31 December 2023, a total of 355 listed companies met our sustainability criteria. This is three fewer than on 31 December 2022. Eleven 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

No assessment of governments took place in the reporting period.

### 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 approved seven green bond frameworks and rejected two. A green bond framework is a standard that describes the conditions which the underlying loans must meet. We also reassessed one green bond-issuing institution, which was then reapproved.

### 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 2023, we pursued strategic engagement with companies in the clothing sector. 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 more about the next steps of our engagement with pharmaceutical companies in the 2023 reporting period and our engagement on biodiversity and the climate.

### Revised engagement 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.

We identified structural misconduct, including by the pharmaceutical companies in which we invest. Because the sector is so important, we continued to invest in the companies. However, since 2015, we have exercised our role as shareholder and engaged with the 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. In 2019, we parted ways with a number of pharmaceutical companies, including Novartis, Merck & Co and Bristol-Meyers Squibb. We saw insufficient progress and commitment at these companies. Since 2019, we have engaged with the remaining pharmaceutical companies in our investment universe: Astellas Pharma, AstraZeneca, GlaxoSmithKline, Novo Nordisk, Merck KGaA and Orion.

We have observed that the number of controversies involving pharmaceutical companies in our investment universe has been limited over the past two years. The number of controversies involving pharmaceutical companies is similar to the number of controversies in other sectors. Therefore, we decided to stop strategic engagement. The sector faces high risks. The companies in our investment universe seem to have managed them sufficiently. We continue to actively monitor the sector and misconduct and continue to assess the companies against the sustainable criteria we set for the companies when selecting and re-examining them.

### Engagement on biodiversity and the climate

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. In 2022, ASN Impact Investors started informing companies in our investment universes about the importance and urgency of and dependence on biodiversity.

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In 2023, ASN Impact Investors established the engagement frameworks, selected the companies with the largest negative impact within the UCITS funds' portfolios for the engagement process and started an in-depth investigation of these companies. Engagement with these companies will continue in 2024.

### 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 194 shareholders' meetings and in 183 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 194 meetings, we voted on 2,988 motions. We voted in favour of 2,659 motions and against 316 motions and abstained from voting 13 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.



Thirdly, we voted against increasing or adjusting capital as often as we voted against approving annual reports. Among other reasons, we voted against approving annual reports because the companies concerned had not published sufficiently credible and ambitious climate transition plans.

More information about the voting behaviour of the ASN Beleggingsfondsen at shareholders' meetings can be found at [www.asnimpactinvestors.com](http://www.asnimpactinvestors.com).

## Sustainable Development Goals (SDGs)

The United Nations Sustainable Development Goals<sup>1</sup> (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.

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### 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, 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.

The charts below show the SDGs to which our long-term climate and biodiversity goals and our engagement efforts on the living wage contribute.

<sup>1</sup> <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 biodiversity goal



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





## 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., ASN Biodiversiteitsfonds N.V. and ASN Impact Investors. They also advise our Board of Directors on matters of internal control.
- The Internal Audit department of de Volksbank 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 risk 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 has become payable but was 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. This risk exists at both the fund level and the shareholder level.

### 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 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 assets

By virtue of its status as a fiscal investment institution, ASN Beleggingsfondsen UCITS N.V. must distribute almost all of its 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, a fund may, under certain circumstances, conduct a policy that provides for more dividend to be distributed 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

Subscription or redemption by pension entities and other bodies that are exempt from income tax, or by foreign parties that are entitled to claim a rebate of Dutch dividend tax, may have an impact on the returns 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 is reduced according to the percentage of shareholders not entitled to the tax reduction.

<i><b>Risk</b></i>	<i><b>Risk appetite</b></i>	<i><b>Impact</b></i>	<i><b>Materialisation</b></i>	<i><b>Control</b></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 advisers.

### Compliance risk

Compliance risk is the risk that the consequences of existing or amended laws or regulations may not be sufficiently recognised, or may not be 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 sufficiently 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 and/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 in this regard. 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 prevent or 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 prevent or mitigate these risks as much as possible.

<b>Risk</b>	<b>Risk appetite</b>	<b>Impact</b>	<b>Materialisation</b>	<b>Control</b>
Compliance risk	Low	High	Compliance risks did not have a negative impact on the funds during the reporting period.	This was due, in part, to the application of integrity and other policies and associated management measures, the performance of analyses (SIRA) and the monitoring of compliance, as well as supervision by a compliance function.

### 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).

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<b>Risk</b>	<b>Risk appetite</b>	<b>Impact</b>	<b>Materialisation</b>	<b>Control</b>
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. If it is in the best interests of the fund's investors to do so, ASN Impact Investors is authorised to terminate the asset management agreements and either outsource the tasks to other competent institutions or perform them itself.

<b>Risk</b>	<b>Risk appetite</b>	<b>Impact</b>	<b>Materialisation</b>	<b>Control</b>
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.

<b>Risk</b>	<b>Risk appetite</b>	<b>Impact</b>	<b>Materialisation</b>	<b>Control</b>
Custody risk	Low	High	Custody risks did not have a negative impact on the funds during the reporting period,	ASN Impact Investors uses only custodians and sub-custodians 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 takes these risks into consideration with regard 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 whether, 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. We use the analyses of ASN Bank's Expertise Centre for Sustainability for this purpose. 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 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.

## 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)

Crisis consultations were held, 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.



## 1.10 Economy and financial markets in 2023, outlook and sustainability trends

### Economic developments

Macroeconomic developments varied quite significantly from country to country. In the United States, the economy continued to grow strongly despite tighter monetary policy. This was partly because consumers made a lot of extra purchases with the money they had saved during the pandemic. Government measures to promote the green transition and domestic semiconductor production increased investment and also contributed to US expansion. In contrast, economic growth in the eurozone fell sharply to only slightly above zero. Inflation did fall during the year but continued to seriously erode purchasing power. This put the brakes on domestic demand. In addition, the drop in global trade and the relatively expensive euro made exports more difficult. Labour markets in the various countries remained remarkably strong, with eurozone unemployment falling to a record low of 6.5% of the labour force. In China, consumer spending temporarily rebounded at the beginning of the year as COVID-19 measures came to an end. However, the widely expected broad economic recovery did not materialise. The slump in China's real estate sector continued.

The Dutch economy fell back to a phase of stagnation after two years of strong growth. Industry in particular ended up in dire straits, as many companies were exposed to the deteriorating international trade environment. The need to reduce significantly expanded inventories did not help either. Because of their relationships with industry, companies in business services also found things more difficult. The fading catchup effect of additional final demand after the COVID-19 crisis was also not favourable. Retail companies struggled with a drop in demand due to the rising cost of living faced by their customers. At the same time, the government scaled back financial support. Figures from Statistics Netherlands show that this combination led to a rise in the number of bankruptcies (+52%), admittedly compared with a very low level in 2022. Unemployment rose 0.1 percentage points but remained historically low at 3.6% of the labour force.

Energy prices fell in 2023. However, food prices rose by over 12%, leaving inflation still high at 3.8%. As a result, consumer spending power shrank, especially among lower-income groups. Families scaled back their spending, although the sharp pick-up in wage growth at the end of the year provided a bright spot.

The cooling of the housing market, which began in the summer of 2022, continued in the first half of 2023. Later in the year, however, there was a turnaround. The combination of strong wage growth and high job security was the deciding factor here, but people also drew courage from the stabilisation of previously rising mortgage interest rates. Figures from the Dutch Association of Real Estate Brokers and Immovable Property Experts (NVM) also showed that the number of houses for sale remained at a historically low level, partly because the throughput was held back by the lagging delivery of new-build homes. According to the Land Registry, house prices fell by an average of 2.8% in 2023, but since June, prices consistently showed a month-on-month increase. In the last quarter of 2023, prices fell 0.6% from a year earlier. However, according to the NVM, which measures prices at an earlier point in the sales process, prices were already up 5.3% at that time. The number of housing transactions fell by 5.5%, with very low levels in the first part of the year.

### Financial markets

Eurozone inflation fell during the year, but this was mainly due to lower energy prices. Underlying price pressures remained significant, and the European Central Bank (ECB), which aims for 2% inflation over the medium term, continued to focus its policy on more moderate price growth. The ECB raised the deposit rate to 4.0% in six steps during the first three quarters. Monetary tightening had a major impact on sentiment in fixed-income markets, with a clear upward trend in bond yields. Dutch 10-year yields peaked at 3.32% at the end of September. However, bond yields fell sharply in the latter part of the year. This was because the inflation figures were lower than expected and investors started counting on rapid cuts in ECB rates in the near future. For the year as a whole, the Dutch 10-year yield fell 59 basis points to 2.32%. The 2-year yield ended the year at 2.40%, limiting the decline to 27 basis points overall. With these movements, the yield curve was inverse for most of the year, a phenomenon that is not very common.

The euro exchange rate against the dollar was subject to changing expectations around ECB and US Federal Reserve (Fed) interest rate policy. With the weak performance of the eurozone economy, market participants initially underestimated the ECB's determination to actively fight inflation through tight monetary policy. Slowly, however, an understanding developed that the ECB was serious, after which the euro gained ground. In mid-July, the exchange rate peaked at \$1.1238, possibly also due to signs from the ECB about necessary monetary tightening via a significant contraction of the ECB balance sheet. For the year as a whole, the euro rose 3.37 US cents to \$1.1034, partially offsetting the 2022 loss.

Most equity markets recovered in 2023 from the sharp price falls in 2022. Key ingredients here were the unexpectedly strong performance of the US economy and the absence of a severe recession (possibly triggered by severe energy



shortages) in the eurozone. Corporate profits were able to develop favourably, especially as the effects of higher interest rates thanks to the long maturities of outstanding debt did not immediately feed through into results. In the financial sector, the unexpected failure of a number of US regional banks and the forced takeover of the Swiss bank Credit Suisse by UBS created tensions. This led to turbulence, but thanks to timely intervention by regulators, no lasting damage occurred.

The MSCI USA index gained as much as 25.0%, although much of this price gain came from seven leading tech giants (the 'magnificent seven'). MSCI Europe rose 11.2%, lagging well behind the US index. This was also the case in euros, although the difference was less pronounced (+20.8% versus +12.7%). The increase was, however, enough to largely make up for the 2022 loss. MSCI Pacific was up 16.8%, but 'only' 8.3% in euros. MSCI Emerging Markets gained 7.1% (3.4% in euros), but this was not nearly enough to offset the previous year's loss. Once again, Chinese share prices in particular stood out.

In Europe, the technology sector excelled. In the first half of the year, favourable sentiment around rapid developments in artificial intelligence was a determining factor. At the end of the year, the sector was boosted by the fall in long-term interest rates. This increased the discounted value of expected future profits, on which tech valuations are so heavily based. The banking sector also did well, thanks to the changing interest rate environment with interest rates on ECB deposits continuing to rise. The oil, gas and coal sector was among the laggards. Companies in this sector suffered from lower energy prices during the reporting period. For instance, the price of North Sea oil fell 17.0% to an average of \$82.30 per barrel, where as recently as 2022 it had benefited from an oil price increase of 39.8%.

## Outlook

The high growth rate of the US economy is not expected to be sustainable. Indeed, consumers' savings buffers have shrunk sharply. As a result, consumers will adopt a more cautious spending pattern and drive economic activity less than before. The scope for the US government to increase economic activity is also limited, as the limits of fiscal policy are in sight due to sharply increased financing deficits. In addition, the progress of investments – until recently a clear driver of expansion – is becoming more uncertain due to steadily rising interest costs.

In the eurozone, the chances of a sizeable economic rebound are slim. On the positive side, however, wage growth is now outstripping inflation, which is helping purchasing power rebound and could eventually boost consumption. On the supply side, many industry sectors will continue to struggle for the time being, given the still-decreasing working stock. The downturn in global trade is having a dampening effect, but a turnaround is imminent in early cyclical countries in Asia. On balance, the downside risks seem to have narrowed and the outlook for later in 2024 appears to be improving. Within Europe, Germany remains a weak link, with a clear disadvantage being the strong rise of the Chinese car industry at the expense of German brands.

A slight recovery is on the horizon for the Dutch economy, especially as consumer spending is expected to pick up as real wages rise again. The number of bankruptcies is likely to increase further as the tax authorities actively recover COVID-19 tax debts. As a result, a slight increase in unemployment seems logical.

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## Sustainability trends

Weather records were broken again in 2023. In addition, the year was marked by rising political tensions and international insecurity.

According to Copernicus, the European Commission's climate agency, 2023 was the warmest year worldwide since records began in 1850. With an average temperature of 14.98 degrees, it was 1.48 degrees warmer on average than during the pre-industrial era. In 2023, the 1.5-degree mark was actually exceeded for just under half the year. Copernicus stated in its report that global warming is accelerating at an alarming rate.

We are experiencing the consequences. Globally, we are experiencing more extreme weather, with periods of heavy rainfall alternating with periods of high temperatures and severe drought. Climate change is jeopardising the right to food and shelter for millions of people. In addition, biodiversity continues to decline in large parts of the world. This is partly due to climate change (which has led to a significant increase in forest fires, among other things), but also to direct human activity, such as logging, intensive agriculture, environmental pollution and poaching. The sixth report of the International Panel on Climate Change (IPCC), released in March 2023, states unequivocally that human activity is the cause of global warming. Changes can be observed worldwide, both on land and in the oceans. In some ecosystems, these are almost irreversible.

The urgency to take action to keep climate change within safe limits is undiminished. A carbon-free economy is crucial here. The agreements reached at the 28th United Nations Conference of the Parties (COP), which took place in Dubai in

November 2023, should help. After long negotiations, an agreement on phasing out fossil fuels was reached at COP28. Many see this as a historic moment, as never before has such an agreement been reached. It was also agreed to triple the amount of renewable energy between now and 2030. The International Energy Agency (IEA) reported a 50 per cent increase in global renewable energy production capacity in 2023 compared with 2022. This, according to IEA Executive Director Fatih Birol, opens the door to meeting the target of tripling the amount of renewable energy by 2030.

Worldwide, many people are affected by wars and armed conflicts. Since February 2022, the war in Ukraine has created a flood of millions of refugees. Libya has two rival governments tearing the country apart. Storm Daniel deepened the crisis in the country. Conflicts and climate change are also creating humanitarian crises in countries such as South Sudan, Yemen, Syria, Chad, Burkina Faso and Myanmar. Added to these crises are the recent horrific developments in the Israeli-Palestinian conflict. Wars and conflicts have only losers.

There is increasing attention to chain responsibility from legislators. At the European level, the proposal for the Corporate Sustainability Due Diligence Directive (CSDDD) has been adopted. This obliges corporate boards to implement due diligence processes and take the necessary actions to prevent negative impacts on human rights and the environment throughout the company's value chain. In the United States, the US Uyghur Forced Labor Prevention Act has been in force since 21 June 2021, and in Germany, the German Act on Due Diligence in Supply Chains has been in place since 1 January 2023. In Canada, the Fighting Against Forced Labour and Child Labour in Supply Chains Act was passed in May 2023. In Europe, there is a private member's bill banning the import of products made using forced or child labour from outside the European Union. Further legislation is expected to be introduced that would include a commitment to combating deforestation, for example. A good example is the Deforestation-Free Products Regulation adopted by the European Union on 29 June 2023. Much more transparency is required of companies under the Corporate Sustainability Reporting Directive (CSRD). Chain responsibility is a part of this.

Besides the climate, there is also an increasing focus on protecting biodiversity. On 28 March 2023, the Taskforce on Nature-Related Financial Disclosures (TNFD) published the latest version of the TNFD Nature-Related Risk & Opportunity Management and Disclosure Framework for public consultation. This framework focuses on risk management and transparency and expects companies to engage with various stakeholders, among other things.

In addition, investors and sometimes their own employees are putting more pressure on companies to set ambitious climate targets in line with the Paris Agreement. This applies to internal operations and the entire value chain. They are also increasingly asking for transition plans to achieve these goals. Investors also expect companies to develop robust governance with regard to their climate strategies. Investors are increasingly asking for these things through climate-related resolutions put to a vote.

## 1.1 Dividend

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

ASN Duurzaam Aandelenfonds	€3.00
ASN Duurzaam Obligatiefonds	€0.20
ASN Milieu & Waterfonds	€0.55
ASN Duurzaam Small & Midcapfonds	€0.85

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 2023 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 Board of Directors 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 Board of Directors 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 Board of Directors 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.

### 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 Board of Directors; 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 2023, ASN Impact Investors paid its employees a total of over €4.1 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 35.5 FTEs during the reporting period.

Remuneration in euros	Average number of FTEs in 2023	Fixed remuneration in 2023 <sup>1</sup>
Board of Directors/identified staff	4.4	705,631
Staff in audit positions	4.1	468,491
Other staff	27.0	2,948,269
<b>Total</b>		<b>4,122,391</b>

<sup>1</sup> Salaries including pension and social security contributions paid by the employer.

### 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 Van Lanschot Kempen Investment 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, 13 March 2024

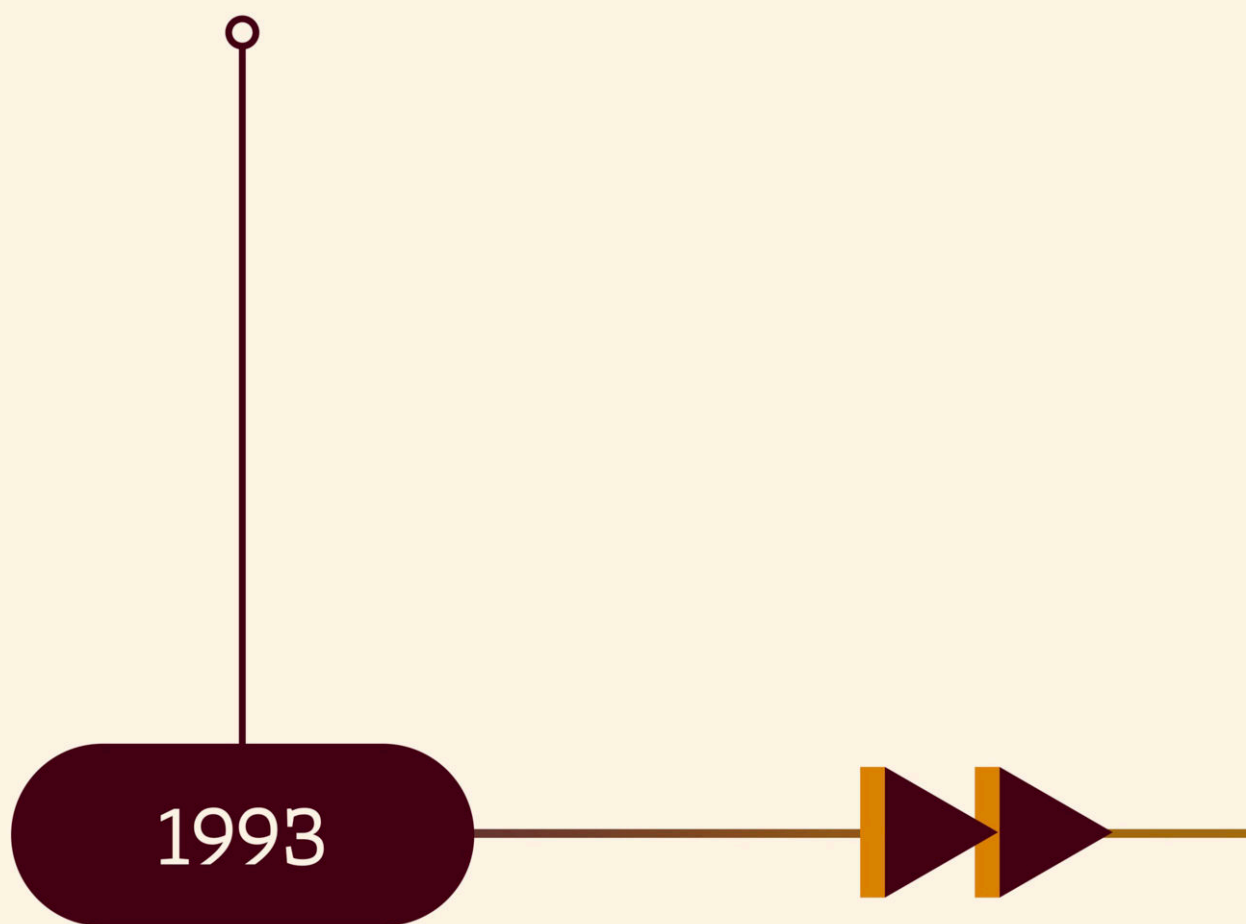
The Board of Directors of ASN Beleggingsinstellingen Beheer B.V.

*San Lie*

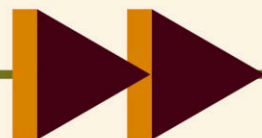
*Ro Dielbandhoesing*

*Dirk-Jan Stam*

ASN Duurzaam  
Aandelenfonds  
First in the Netherlands



## 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. (Achmea IM) 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, Achmea IM'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](http://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). Achmea IM 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 Achmea IM and named it the *impact factor*. The sustainability characteristics we take into consideration for this factor are climate, biodiversity and human rights. Achmea IM 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, Achmea IM 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).

### Portfolio management

In 2023, we added a total of 47 new companies to the portfolio and sold our entire shareholding in 47 companies. The distribution of the portfolio across sectors and countries changed as follows: the allocation to information technology increased during the year, driven mainly by the sector's strong performance. The same applies to the cyclical consumer goods sector. These increases came at the expense of our positions in the communication services, consumer staples, utilities and healthcare sectors.

These were the largest purchases in the reporting period:

- In March, we bought a position in the Japanese company **Murata Manufacturing**, manufacturer of electronic components in the IT sector. In late August, we expanded this position. At the time, we believed that Murata had both a good valuation and a strong profile in terms of profitability and capital structure.
- The US chip manufacturer and vendor **KLA Corporation** was included in the investment universe in April because of its good sustainability and profitability characteristics.
- In late October, US cloud-based software company **HubSpot Inc.** was added to the sustainable investment universe. In November and December, we built up a large position in this company. Although the company is on the expensive side, we think its profitability, capital structure and sustainability profile are very strong.

These were the largest sales in the reporting period:

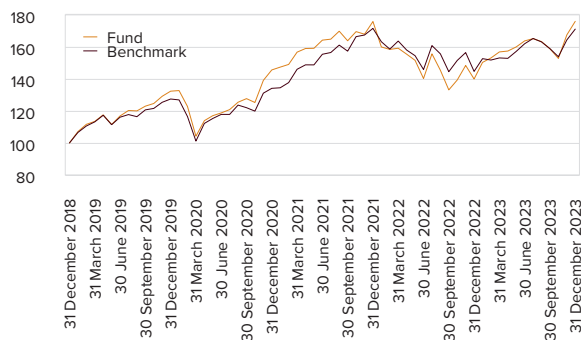


- In February, we sold our position in the US company **ResMed Inc.**. This company manufactures medical equipment, such as devices to treat sleep apnoea and respiratory diseases (including COPD). At the time, ResMed was underperforming on business characteristics such as profitability and capital structure. Also, we thought the company's valuation was too high.
- In April, after a test against our sustainability requirements, we decided to remove the French cosmetics company **L'Oréal** from the investment universe and sell our position in this share.
- Due to its involvement in weapons manufacturing, we decided in November to sell our position in Taiwanese chip giant **Taiwan Semiconductor Manufacturing (TSMC)**.

## Performance

The ASN Duurzaam Aandelenfonds achieved a return for 2023, based on the net asset value, of 25.75% (2022: -20.42%). This includes the reinvested dividend for 2022 of €3 per share (2021: €2.00). In the same period, the benchmark achieved a return of 18.27% (2022: -15.67%).

### Indexed return over the last five years relative to the benchmark



### Performance contributions

#### Performance attribution of ASN Duurzaam Aandelenfonds in 2023 relative to the benchmark

Fund NAV return <sup>1</sup>	Benchmark return	Outperformance	Investment portfolio outperformance	Costs
25.75%	18.27%	7.48%	8.33%	-0.85%

<sup>1</sup> 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 2023 is based on the NAV on the previous trading day.

Despite increased geopolitical tensions and deteriorating economic data, equity investors remained optimistic. Due to lower inflation figures, capital market rates showed a rapid decline especially in the last quarter. Lower inflationary pressures gave the Fed and the ECB reason not to raise their policy rates further for now, and investors assumed the policy rates would be cut in 2024. This created an end-of-year rally. The benchmark's positive returns over the past year were generally supported by a relatively small group of seven IT-related shares with high index weights, the 'magnificent seven'. The seven companies that contributed the most to the index return (Apple, Microsoft, Alphabet, NVIDIA, Amazon, Meta Platforms and Tesla) accounted for about 45% of the total benchmark return. The ASN Duurzaam Aandelenfonds chooses to invest only in the most sustainable technology companies. For that reason, we do not invest in the above US technology-related companies. Nevertheless, the fund selected strong-performing, sustainable technology-related companies in 2023 and also managed to stay ahead of the benchmark in the IT sector.

It was mainly this selection of the right shares within countries and sectors that accounted for the outperformance against the benchmark. In terms of sectors, this selection effect was achieved in information technology and the industrial sector, and in terms of countries, mainly in Japan and the United States. However, the fund is underweight in the United States, where companies more often fail to meet our sustainability requirements. This was detrimental to returns. On the other hand, the US dollar decreased in value against the euro, which was positive for returns. Another currency movement that was positive for the fund was that the sterling outperformed the euro.

The fund costs were 0.85%.

In 2023, the following shares made the biggest positive contributions to the fund performance:

- The information technology sector had a very strong year. Consequently, the biggest positive contribution came from this sector, specifically from **Palo Alto Networks** (contribution to the fund performance: 1.9%). This is an American company that specialises in cyber security, an industry that is becoming increasingly important given the increase in cyber crime. Analysts believe Palo Alto is well positioned within the cybersecurity industry for the increasing demand for these services.
- The enormous amount of attention on artificial intelligence (AI) and its applications was a big driver of the performance of shares in the information technology sector. Since AI has become accessible to almost everyone, it was mainly the chip industry that benefited. The substantially higher processing power required for AI to do its job is provided by the most advanced computers and chips. The Japanese chip companies **Tokyo Electron** (contribution to the fund performance: 1.6%) and **Advantest** (contribution to fund performance: 1.6%) benefited from this trend.

In 2023, the following shares had the biggest detrimental impact on the fund performance:

- The defensive healthcare sector was among the laggards in 2023, rising only 0.8% overall. As a result of the economic turnaround, equity investors shifted their preference in 2023 from 'relatively safe' pharmaceuticals to the more cyclical, growth-oriented companies. Consequently, the three companies with the biggest negative impact on the fund's performance were from the healthcare sector. The Japanese company **Astellas Pharma** (contribution to the fund performance: -0.5%) saw its share price fall in the latter months of the year in particular, after the company issued a profit warning.
- The Swiss company **Mettler-Toledo** (contribution to the fund performance: -0.4%) mainly suffered from the overall negative trend in the sector.
- The German company **Merck KGaA** (contribution to the fund performance: -0.4%) saw its share price fall sharply after announcing in December that its experimental multiple sclerosis (MS) drug had not successfully passed the final stages of clinical trials.

## Key figures for ASN Duurzaam Aandelenfondsen

### % return

	Fund	Benchmark <sup>1</sup>
2023	25.75%	18.27%
2022	-20.42%	-15.67%
Last three years (yearly average)	6.52%	8.46%
Last five years (yearly average)	11.97%	11.34%
Yearly average since inception date (20-04-1993)	7.99%	8.22%

<sup>1</sup> From 1 October 2021 the benchmark is MSCI ACWI Climate Paris Aligned Index.

### Key figures in euros

Price 31 December 2023	160.25
Price 31 December 2022	131.45
Highest price in 12 months	160.25
Lowest price in 12 months	130.51
Net asset value per share 31 December 2023 <sup>1</sup>	160.49
Dividend for financial year 2022	3.00

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

### Fund growth

	31-12-2023	31-12-2022
Fund size in € thousands	1,668,300	1,498,937
Number of shares outstanding	10,395,206	11,505,265

### ASN Venture Capital Fonds N.V.

The ASN Duurzaam Aandelenfondsen 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, healthcare 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, 0.61% of ASN Duurzaam Aandelenfondsen was invested in ASN Venture Capital Fonds N.V. In the reporting period, this investment made a 0.61% contribution to the fund's performance, due to the balance of dividends following the sale, upgrading and write-down of the underlying funds.

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## 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 Aandelenfondsen contributes to sustainability.

### Three sustainable objectives

The ASN Duurzaam Aandelenfondsen 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 Aandelenfondsen.



1. To reduce carbon emissions each year in line with the Paris Agreement (expressed in the fund's contribution to restricting the rise in global temperatures in 2050 to a maximum of 1.5 degrees Celsius)



2. To reduce the negative impact on biodiversity per invested euro (versus the base year of 2019)



3. To promote a living wage for factory workers in the clothing industry chain (versus the base year of 2019)

The ASN Duurzaam Aandelenfonds is an article 9 product under the SFDR. An article 9 product is an investment product that focuses specifically on one or more sustainability goals.

The SFDR requires ASN Impact Investors to provide information about its progress towards achieving its sustainability goals. We report on this progress in the mandatory Annex 5 attached 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

To measure progress on the objective *Reducing annual carbon emissions in line with the Paris Agreement*, ASN Impact Investors uses the MSCI-ITR (Implied Temperature Rise) method. 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. The ITR improved by 0.21 degrees in 2023. Below, we explain what caused the changes from 2022.

Value at the end of 2022	Value at the end of 2023	Difference
1.81	1.60	-11.6%
MSCI ITR (in degrees Celsius)		

### Changes in the composition of the investment portfolio

The removal of ResMed, L'Oréal, Taiwan Semiconductor Manufacturing, STMicroelectronics and NIBE Industries from the fund portfolio contributed the most to the decrease in the ITR of the ASN Duurzaam Aandelenfonds. Collectively, they accounted for a reduction of 0.19 degrees. The removal of Plastic Omnium also contributed. This company had the highest ITR in the portfolio, at 4.4 degrees. The newly acquired companies KLA Corp, HubSpot, Murata Manufacturing, Elastic and New York Times together provided a 0.121 degree increase.

The positions in Yaskawa Electric Corp, Sage Group, Straumann Holding, Workday Inc and Lennox International were increased during the year. This contributed to a 0.1 degree increase in the ITR. The positions in Fujifilm Holdings, Redeia Corporation and Astellas Pharma were reduced. This contributed to a 0.068 decrease in the ITR.

### Changes in the ITR data

MSCI continuously improves companies' ITR. This could, for example, be due to companies reporting better data, MSCI's models getting better or companies including climate targets. The biggest changes, all resulting in lower ITRs, occurred at Trane Technologies, Inditex, Mettler-Toledo International, Assa Abloy and Tokyo Electron. Together, they improved the ITR by 0.09 degrees.

### Active shareholdership

We expect companies to have set an ambitious and time-bound climate target in line with the Paris Agreement. If a company does not have one, we vote against approval of the annual report, the annual financial statements and the auditor's report. For example, we informed Nemetschek that we were casting a negative vote because it had not set emission reduction targets and lacked a credible plan to manage the necessary transition. Engagement with regard to the

climate was also conducted with three companies in the ASN Duurzaam Aandelenfonds, including MTR Corp. The company said it would have climate targets next year in line with the Science Based Targets initiative.

### 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. Data quality is also expected to improve significantly in the coming years. For the biodiversity footprint, a lower score is considered better.

2019 value	2020 value	2021 value	2022 value	2023 value
22.45	26.01	18.34	16.21	9.61
Biodiversity footprint (in PDF.ha.yr per million euros invested)				

### Changes in the composition of the investment portfolio

The removal of Toppan, Kingspan Group and WPP PLC from the fund portfolio contributed the most to the decrease in the biodiversity footprint. Together, they caused a decrease of 4.96 PDF/ha/year per million euros invested.

### Active shareholdership

Engagement on biodiversity was conducted with six companies in the ASN Duurzaam Aandelenfonds. Lear Corp has been linked to deforestation in the Amazon. We confronted Lear Corp about this in late 2023. We wanted to know whether Lear Corp had raised this matter with its suppliers in Brazil and what steps it is taking to ensure that its products do not contribute to deforestation.

### 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 reports on the progress made towards this objective in section 1.8 of this annual report. The living wage score of the portfolio is assessed on a quarterly basis. The scores presented below are the average of the four quarters per year.



2019 value	2020 value	2021 value	2022 value	2023 value
21.89	23.07	23.08	24.01	25.27
Average living wage score				

## 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.

<b>SDG 8</b>	<b>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.</b>	
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 investigate whether companies meet our sustainability criteria for human rights in general: equal treatment and non-discrimination, child labour, forced labour, trade union freedom, a safe and secure working environment and a living wage.	
<b>SDG 9</b>	<b>Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.</b>	
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.	
<b>SDG 12</b>	<b>Ensure sustainable consumption and production patterns.</b>	
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.	
<b>SDG 13</b>	<b>Take urgent action to combat climate change and its impacts</b>	
Target 13.2	Integrate climate change measures into national and international 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 CO <sub>2</sub> emissions.	

#### Sustainable selection

In 2023, we assessed 126 companies for the ASN Duurzaam Aandelenfonds. The research, selection and removal of companies resulted in a net increase in the investment universe by one company. Coupa Software, Evoqua Water Technologies, Simcorp and Vantiva were removed for reasons other than sustainability.<sup>2</sup>

<sup>2</sup> 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.

## List of companies screened for the ASN Duurzaam Aandelenfonds

Newly admitted	Retained (continued)	Removed
American Tower Corp	Georg Fischer	Amadeus IT Holding
Array Technologies	Gerresheimer	Ericsson
BCE, Inc.	GIVAUDAN	Indutrade
cBrain	Haleon	KINGSPAN GROUP
Corporacion Acciona Energias Renovables	HanesBrands	L'Oréal
Elastic	ISS	Nokian Renkaat
Encavis	KINGFISHER	RED ELECTRICA DE ESPANA
Fisker	KPN	Rockwool International
Fortnox	Landsec (Land Securities Group)	SOITEC
HubSpot	Lear corp	SolarEdge Technologies
KLA Corp	Legrand	STMICROELECTRONICS
RE:NewCell	Lennox	Taiwan Semiconductor Manufacturing Company (TSMC)
Silicon Laboratories	ManpowerGroup	TOPPAN PRINTING
Strategic Education	Mercialys	WPP GROUP
United Microelectronics Corp.	Métropole Télévision	
Universal Display Corp	Mettler-Toledo	
Worldline	Meyer Burger	
Ypsomed Holding	Mondi	
	MTR CORP	
<b>Retained</b>	NIBE INDUSTRIER	
Adevinta	NOS SGPS	
Advanced Drainage Systems	Orange Belgium	
Advantest	Pennant Group	
AIXTRON	PERSIMMON	
AMS-OSRAM	Proximus	
ASML	Renewi	
Barratt Developments	RS Group	
Becton Dickinson	Schibsted	
Benesse Holdings	SEB	
Berkeley Group	SMA SOLAR TECHNOLOGY	
Beyond Meat	Smurfit Kappa	
Brambles	Starhub	
British Land	Stockland Corporation Limited	
ChargePoint Holdings	SWISSCOM	
Chr. Hansen Holding	Telefónica Deutschland Holding	
Chroma ATE	Terna Rete Elettrica Nazionale	
Clariane	TKH Group	
Deutsche Wohnen	Trane Technologies	
EAST JAPAN RAILWAY	Unibail Rodamco Westfield	
EDP Renovaveis	UNITED UTILITIES	
ELECTROLUX	UPONOR	
Ensign Group	VF Corporation	
	Vicinity Centres	
	WH Smith	
	Xinyi Solar	

During the reporting period, we admitted the Swedish company Re:NewCell, among others. Re:NewCell produces Circulose®, a textile fibre made entirely from textile waste (such as worn-out jeans and cotton scraps). This is a great example of a circular company and one that makes fashion circular. It is a good fit for ASN Impact Investors.

One of the companies we rejected and removed was Taiwan Semiconductor Manufacturing Company (TSMC). TSMC is a chip manufacturer with a market share of almost 60% and big customers like Apple and AMD. Following a new investigation, it has emerged that TSMC also produces semiconductors for military applications, including the F-35 Joint Strike Fighter. This was reason enough for us to reject and remove the company.

### Engagement

In 2023, we held talks with 49 companies from the investment universe. In connection with the long-term living wage objective, we engaged in dialogue with 11 clothing companies. Details can be found in section 1.8, under *Sustainable objectives of ASN Impact Investors*. We had discussions with a further 38 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 2023, we initiated active engagement with Groupe SEB, manufacturer of kitchen appliances and household products, among other things. It lacks a supply chain policy on conflict minerals. We indicated that we would like to receive a response stating that the company opposes the use of conflict minerals in its supply chain. Another option would be for SEB to openly adhere to one of the following international standards: RBA's Responsible Minerals Initiative or the OECD's conflict minerals guidelines. We are awaiting a response from the company.

### Taxonomy Regulation

Since 1 January 2022, the technical screening criteria supplementing the Taxonomy Regulation for environmentally sustainable economic activities have applied to the environmental objectives of climate change mitigation and climate change adaptation. The technical screening criteria for the other four environmental objectives – sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protecting and restoring biodiversity and ecosystems – have applied since 1 January 2024. 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.

<b>Equity market risk</b>					
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.					
<b>Risk appetite</b>	<b>Probability</b>	<b>Impact</b>	<b>Limit</b>	<b>Materialisation</b>	<b>Control measure</b>
High	High	High	VaR99 not exceeding 50%	The limit was not exceeded during the reporting period. Year-end 2023: 35.57%.	Risk control and monitoring through limit to Value at Risk (VaR)



**Currency risk**

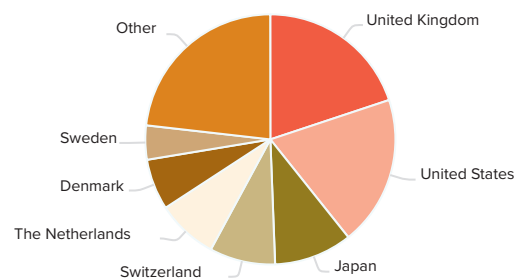
The ASN Duurzaam Aandelenfonds invests in equities listed in euros and equities listed in other currencies. The value of the investments is therefore affected by exchange rate fluctuations. The fund does not hedge the currency risks.

Risk appetite	Probability	Impact	Limit	Materialisation	Control measure
High	High	Moderate	VaR99 not exceeding 50%	The limit was not exceeded during the reporting period. Year-end 2023: 35.57%.	Risk management and monitoring through: <ul style="list-style-type: none"> <li>• limit to Value at Risk (VaR);</li> <li>• active currency positions (positions that do not result from equity positions) are not permitted.</li> </ul>

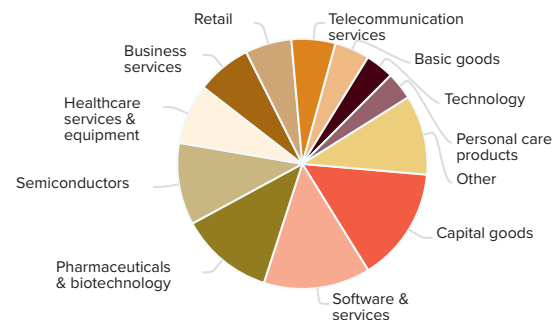
The currency risk can be limited by the geographical spread of the investments in the portfolio of the ASN Duurzaam Aandelenfonds. The tables below show the geographical distribution of the investment portfolio as at the end of 2023.

**Geographical distribution as a %**

United Kingdom	19.9
United States	19.4
Japan	10.1
Switzerland	8.5
The Netherlands	7.9
Denmark	6.6
Sweden	4.4
Other	23.2

**Geographical allocation****Sector distribution as a %**

Capital goods	14.8
Software & services	13.8
Pharmaceuticals & biotechnology	12.1
Semiconductors	10.6
Healthcare services & equipment	7.8
Business services	7.1
Retail	6.0
Telecommunication services	5.7
Basic goods	4.5
Technology	3.7
Personal care products	3.6
Other	10.3

**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. (Achmea IM). 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](http://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 Achmea IM 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. Achmea IM 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, Achmea IM ensures that the average interest rate maturity of the fund is around five years. Within the ASN Investment Universe, Achmea IM has the option to actively deviate from the benchmark in order to generate additional returns.

### Portfolio management

After reaching a record level of over 9% in Europe in late 2022, inflation fell steadily in 2023, even dropping below 3%. This was mainly due to energy prices being lower than in the previous year. Economic growth in Europe came to a halt in 2023, partly due to the ECB's tightening of monetary policy and lower growth in much of the rest of the world. Normally, falling inflation and low growth lead to lower bond market yields. However, yields rose for much of the year, driven by further ECB interest rate hikes and an oversupply of new bonds. The market turned quickly in October, and yields dropped steeply until the end of the year. Following low November inflation figures, central banks were more confident that inflation would move towards their 2% target. As a result, investors were more strongly factoring in policy rate cuts in 2024.

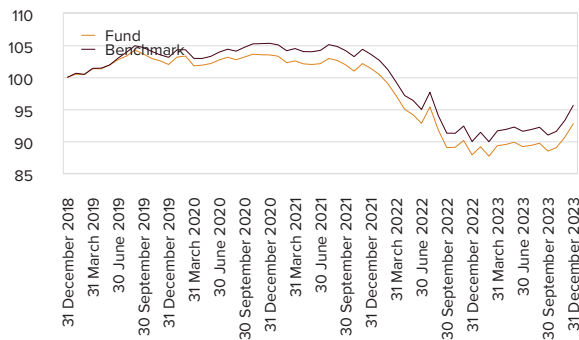
In early 2023, the duration (or interest rate sensitivity) of the portfolio was mostly lower than that of the benchmark, as we anticipated a further rise in interest rates. In the second half of the year, the duration was generally higher than that of the benchmark, as inflation fell and the ECB appeared to be heading towards its final interest rate hike. In terms of countries, the portfolio was underweight in Italy, Spain and Portugal during the year, due to slowing economic growth and fewer bond purchases from the ECB in 2023. Countries like Austria and Ireland, where the fiscal situation is better, were overweight in the portfolio. Chile was also overweight, given its more attractive valuation.

During the year, the position in green bonds continued to expand, mainly through investments in newly issued bonds. These purchases increased the weighting of green and social bonds to 27.4%. The portfolio thus has an overweight position in green bonds relative to the benchmark (which has a 20% weighting). A good example is the green bond from EnBW (Energie Baden-Württemberg). This energy company from the German state of the same name has embarked on a transformation to renewable energy and has ambitious targets to significantly reduce CO<sub>2</sub> emissions. EnBW is using the green bonds to finance projects involving renewable energy, energy efficiency, electricity grids and clean, energy-efficient transport.

### Performance

The ASN Duurzaam Obligatiefonds achieved a return for 2023, based on the net asset value, of 5.52% (2022: -13.30%). This includes the reinvested dividend for 2022 of €0.10 per share (2021: €0.30). In the same period, the benchmark achieved a return of 6.26% (year-end 2022: -13.14%).

## Indexed return over the last five years relative to the benchmark



## Performance contributions

## Performance attribution of ASN Duurzaam Obligatiefonds in 2023 relative to the benchmark

Fund NAV return <sup>1</sup>	Benchmark return	Outperformance	ESG overlay	Active management	costs;
5.52%	6.26%	-0.74%	n/a	-0.29%	-0.45%

<sup>1</sup> 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 2023 is based on the NAV on the previous trading day.

Thanks to the strong rally in the last quarter of the year, bond markets showed positive returns for 2023. The positive absolute return was mainly due to the fall in capital market interest rates and smaller interest rate spreads, which pushed up the value of the bonds. The German 10-year yield ultimately closed the year 0.60% lower at 1.97%, after peaking at 2.96% in early October. All countries showed positive returns in 2023, with Italy achieving the highest return. The lowest yield was produced by German government bonds. Green bonds showed higher returns than German bonds. Green bonds with lower credit ratings performed particularly well.

In 2023, the fund achieved a lower return than the benchmark. Duration positions during the year were detrimental to performance, as were the underweight positions in Italy and Portugal. However, the underweight position in France compared with Austria and Ireland was favourable. Finally, the overweight position and selection of green bonds were positive for relative performance. This was mainly due to the strong performance of Tennet, driven by the sale of a large portion of the company to the German government.

## Key figures for the ASN Duurzaam Obligatiefonds

## % return

	Fund	Benchmark <sup>1</sup>
2023	5.52%	6.26%
2022	-13.30%	-13.14%
Last three years (yearly average)	-3.59%	-3.17%
Last five years (yearly average)	-1.50%	-0.89%
Yearly average since inception date (20-04-1993)	2.47%	3.33%

<sup>1</sup> 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 2023	24.78
Price 31 December 2022	23.61
Highest price in 12 months	24.80
Lowest price in 12 months	23.34
Net asset value per share 31 December 2022 <sup>1</sup>	24.71
Dividend for financial year 2022	0.10

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

Fund growth


	31-12-2023	31-12-2022
Fund size in € thousands	557,505	514,943
Number of shares outstanding	22,562,964	21,899,148

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 sustainable 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.** To reduce the carbon emissions from the government bonds in the portfolio each year in line with the Paris Agreement (expressed in the fund's contribution to restricting the rise in global temperatures in 2050 to a maximum of 1.5 degrees Celsius).



**2.** To avoid carbon emissions from the green and social bonds in the portfolio per invested euro (measured in tons of CO<sub>2</sub> per invested euro).

The ASN Duurzaam Obligatiefonds is an article 9 product under the SFDR. An article 9 product is an investment product that focuses specifically on one or more sustainability goals.

60

The SFDR requires ASN Impact Investors to provide information about its progress towards achieving the sustainability goals. We report on this progress in the mandatory Annex 5, which is appended 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

ASN Duurzaam Obligatiefonds has two objectives that contribute to the climate. In this chapter, we discuss the progress on both objectives. We first explain below the change in methodology for government bonds that was implemented in 2023. We then report on the progress towards the objective.

The methodology for calculating the climate impact of government bonds has changed. The Partnership for Carbon Accounting Financials proposed the change, and we adopted it. The calculation of the impact of government bonds previously related to the goods and services that governments buy. This method did not accurately reflect the emissions attributed to a government. Emissions due to subsidies to companies, for example, were not included. The attributed emissions were also affected by the amount of government debt. From 2023, we therefore also calculate emissions from land use, changes in land use and forestry in a country.

The two tables below show the difference between the CO<sub>2</sub> emissions based on the new input and the old input for the government bonds in the ASN Duurzaam Obligatiefonds. As you can see, the impact varies by scope. In addition, you can see that the overall CO<sub>2</sub> emissions are rising sharply.

Table 1:

CO <sub>2</sub> emissions for government bonds At year-end 2022 <sup>1</sup>	New methodology	Old methodology	Difference
Scope 1 and 2 emissions	63,571	541	63,030
Scope 3	56,221	1,366	54,855
<b>Scope 1, 2 and 3 emissions</b>	<b>119,792</b>	<b>1,907</b>	<b>117,885</b>

<sup>1</sup> The CO<sub>2</sub> emissions are displayed in tonnes.

CO <sub>2</sub> emissions of Government bonds <sup>1,2</sup>	Year-end 2023	Year-end 2022	Difference
Scope 1 and 2 emissions	57,705	63,571	-9.2%
Scope 3	50,352	56,221	-10.4%
<b>Total Scope 1, 2 and 3 emissions</b>	<b>108,057</b>	<b>119,792</b>	<b>-9.8%</b>

<sup>1</sup> The methodology for measuring the CO<sub>2</sub> impact of investments and loans is constantly evolving, and the data used are improving all the time. As a result, the calculated CO<sub>2</sub> impact may be adjusted in the future if better data become available.

<sup>2</sup> The CO<sub>2</sub> emissions are displayed in tonnes.

Table 2:



ASN Duurzaam Obligatiefonds	Year-end 2023	Year-end 2022	Difference
Reducing CO <sub>2</sub> emissions from the government bonds in the portfolio each year in line with the Paris Agreement.	108,057	119,792	-9.8%
Avoiding CO <sub>2</sub> emissions from the green and social bonds in the portfolio (measured in tonnes of CO <sub>2</sub> per euro invested).	-0.000067	-0.000039	71.8%

The fund purchased nine green and social bonds in 2023. This increased the avoided CO<sub>2</sub> per euro invested. The portfolio weight of green and social bonds increased, and the avoided CO<sub>2</sub> per euro invested increased more sharply. On average, the nine newly purchased green and social bonds have greater avoided CO<sub>2</sub> intensity.

### 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.

<b>SDG 10</b>	<b>Reduce inequality within and among countries.</b>	
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.	
<b>SDG 13</b>	<b>Take urgent action to combat climate change and its impacts.</b>	
Target 13.2	Integrate climate change measures into national and international 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.	

<b>SDG 15</b>	<b>Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.</b>	
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.	
<b>SDG 16</b>	<b>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and open institutions at all levels.</b>	
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

No assessment of governments took place in the reporting period. During the reporting period, we approved seven green bond frameworks and rejected two. A green bond framework is a standard that describes the conditions which the underlying loans must meet. We also reassessed one green bond-issuing institution, which was then reapproved.

### Taxonomy Regulation

Since 1 January 2022, the technical screening criteria supplementing the Taxonomy Regulation for environmentally sustainable economic activities have applied to the environmental objectives of climate change mitigation and climate change adaptation. The technical screening criteria for the other four environmental objectives – sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protecting and restoring biodiversity and ecosystems – have applied since 1 January 2024. 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 bonds and listed government 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  VaR99 not exceeding 5.5%	Year-end 2023: 4.62  Year-end 2023: 10.01%  During the reporting period, the VaR limit was exceeded for the entire year. No measures were taken to mitigate this risk, because another criterion in addition to the VaR is the duration of the fund, which remained within the bandwidths.	Risk control and monitoring through duration limits  Risk control and monitoring through limit to Value at Risk (VaR)

**Concentration risk**

The ASN Duurzaam Obligatiefonds invests in listed bonds and listed government 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%  Green and social bonds: 10–30%  Maximum allocation per country: 35%  Maximum allocation per issuer: 10%	Year-end 2023: 72.39%  Year-end 2023: 27.61%  Year-end 2023: 17.80%  The limits were not exceeded in the reporting period.	Risk control and monitoring through limits on allocations for each country and green and social bonds.

**Duration**

31-12-2023

Modified duration	4.62
Modified duration of the benchmark	4.72

**Five largest interests as %**

as % of the portfolio as at 31 December 2023

%

Republic of Austria	10.4
Kreditanstalt für Wiederaufbau	8.6
Republic of Germany	8.3
Kingdom of The Netherlands	6.7
Republic of Italy	6.7

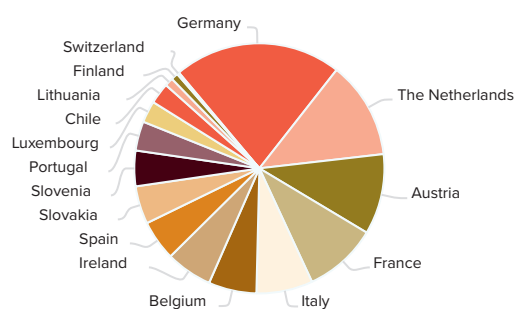
## Country allocation as %

Germany	21.7
The Netherlands	12.6
Austria	10.4
France	9.5
Italy	7.3
Belgium	6.2
Ireland	6.0
Spain	5.2
Slovakia	4.9
Slovenia	4.6
Portugal	3.8
Luxembourg	2.8
Chile	2.7
Lithuania	1.1
Finland	0.9
Switzerland	0.3

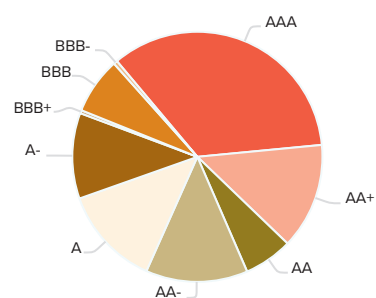
## Credit rating allocation as %

AAA	34.6
AA+	13.7
AA	6.3
AA-	13.2
A	12.9
A-	11.1
BBB+	0.4
BBB	7.3
BBB-	0.5

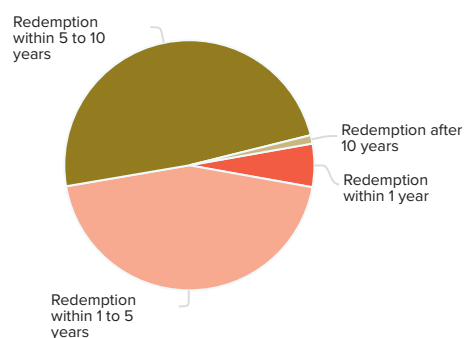
## Country allocation



## Credit rating



## Repayment of the investments 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](http://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

The war in Ukraine and the subsequent energy crisis brought hope for renewable energy last year. Unfortunately, solar and wind energy companies and heat pump manufacturers performed much worse than expected. First, these renewable energy producers faced problems securing supplies, then later came the problem of rising interest rates. Renewable energy companies are mainly growth companies, with cash flows largely in the future. This makes them more sensitive to higher interest rates than other companies. However, the price falls did provide opportunities to acquire new stocks at attractive prices and expand existing positions. Especially now that the trend of rising interest rates seems to have ended and the urgency to accelerate the energy transition is starting to hit home more widely, with support from laws and regulations. Impax did not make any strategic changes in the portfolio but continues to focus on companies with strong pricing power and attractive valuations and is closely monitoring developments in the area of corporate earnings.

Four new companies were added to the portfolio in 2023 (in alphabetical order):

- The American water distribution and infrastructure company **Core & Main** was purchased in March 2023. The company was added to the portfolio based on its sustainability profile, attractive valuation and strong market position in the United States.
- **Delta Electronics** is a Taiwanese electronics company specialising in cloud computing equipment focused on energy and heat management. The company was added to the portfolio because of its sustainability profile and attractive valuation.
- Rockwool was removed from the universe for sustainability reasons. Replacing Rockwool, the Irish insulation material producer **Kingspan** was added to the portfolio at an attractive price.
- Danaher Corporation split off its water quality business **Veralto** in 2023. Veralto is a leader among water quality companies and was added to the portfolio because the company fits in well with the fund's sustainability profile.

Nine companies were fully sold from the portfolio in 2023 (in alphabetical order):

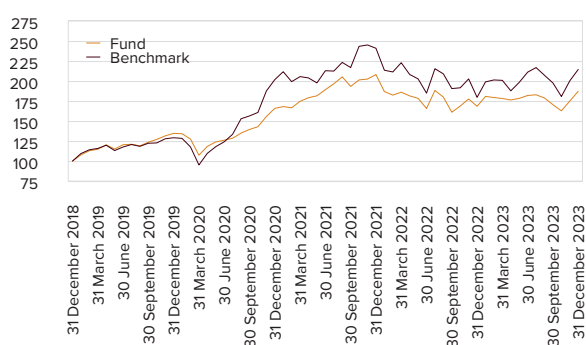
- The Chinese water utility company **Beijing Enterprises** was sold as it wants to switch to an asset-light strategy. This means the company is transferring certain resources and activities to third parties so it can focus on its core business. Because of questions about the implementation of this new strategy, other companies are preferred.
- The position in the British food packaging manufacturer **DS Smith** was completely sold in order to expand the position in Swiss competitor SIG. SIG has different end customers than the other food packaging products in the portfolio. This ensures better diversification of the portfolio.
- The American water treatment company **Evoqua Water Technologies** received a takeover offer from Xylem, after which it was decided to close the position.

- The position in the Spanish water treatment company **Fluidra** was sold after the company was removed from the investment universe for sustainability reasons. 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, particularly in combination with increasing water scarcity.
- **Indutrade**, a Swedish company specialising in water distribution and infrastructure, was sold after the company was removed from the investment universe for sustainability reasons. The company no longer complied with our strict weapons policy.
- Irish insulation material manufacturer **Kingspan** was purchased in 2023, but it was sold again after re-examination and removal from the universe due to involvement in serious controversies.
- Danish stone wool producer **Rockwool** was sold after the company was removed from the investment universe for sustainability reasons. There had been active engagement with the company due to its involvement in controversies. Rockwool allegedly sold fireproof insulation material for use by the Russian army. As a result, it was decided that the company was not acting in line with our sustainability policy.
- Due to its involvement in weapons manufacturing, we decided in November to sell our position in Taiwanese chip giant **Taiwan Semiconductor Manufacturing (TSMC)**.
- Georg Fischer acquired Finnish water distribution and infrastructure company **Uponor OYJ** in 2023. For this reason, the position in Uponor was sold. Georg Fischer was already in our portfolio.

## Performance

The ASN Milieu & Waterfondsen achieved a return for 2023, based on the net asset value, of 11.17% (2022: -19.07%). This includes the reinvested dividend for 2022 of €0.60 per share (2021: €1.00). In the same period, the benchmark achieved a return of 19.39% (year-end 2022: -25.44%).

Indexed return over the last five years relative to the benchmark



## Performance contributions

### Performance attribution of ASN Milieu & Waterfondsen in 2023 relative to the benchmark

Fund NAV return <sup>1</sup>	Benchmark return	Outperformance	ESG overlay	Active management	costs;
11.17%	19.39%	-7.22%	-11.79%	4.57%	-1.00%

<sup>1</sup> 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 2023 is based on the NAV on the previous trading day.

It was a very volatile year for the equity markets, but despite concerns about inflation, ever-higher interest rates and their impact on the real economy, they ended the year with substantial price gains. In the first half of the year, inflation seemed to fall steadily, suggesting that the end of interest rate hikes was in sight. However, central banks continued to hike interest rates and were expected to keep policy rates at high levels for a long time. This changed in November; inflation figures were lower than expected and sentiment in the markets became much more positive thereafter. Investors are now factoring in policy rate cuts in 2024. In addition, corporate earnings continue to be better than expected, and macroeconomic indicators seem to be cautiously showing a better picture.

The fund's returns lagged behind the benchmark during 2023. This had several causes. First, the fund is underweight in the transport sector, mainly because we exclude Tesla from our investment universe due to concerns about good governance and working conditions at this company. This underweight position was a primary factor in the fund underperforming the benchmark, almost 8%. In addition, the fund is overweight in the sustainable food and agriculture sector. This sector performed relatively poorly in 2023 as demand was disappointing. This was due to the large inventories

accumulated by customers during and after the pandemic. Choosing more sustainable investments than the benchmark made a negative contribution of 11.79%, while Impax's active management produced a positive contribution of 4.57%.

The fund costs were 1.00%.

In 2023, the following shares made the biggest positive contributions to the fund performance:

- **Vertiv Holdings**, an American digital infrastructure specialist, made the largest contribution (2.1%) to the fund performance in 2023. The company showed very strong growth figures, with higher margins and cash flow. The enormous amount of attention on artificial intelligence (AI) and its applications raised expectations for Vertiv.
- The American water distribution and infrastructure company **Pentair** (contribution to the fund performance: 1.4%) struggled in 2022 but recovered strongly in 2023. Concerns about declining business in the company's end markets turned out to be unjustified. Pentair showed strong results during the year, increasing margins and reducing outstanding debt.
- The share price of US sector peer **Advanced Drainage Systems** (contribution to the fund performance: 1.2%) rose after the announcement of better-than-expected results. This gave investors confidence in the strength of the end markets.

In 2023, the following shares had the biggest detrimental impact on the fund performance:

- The share price of **Solaredge Technologies** (contribution to the fund performance: -1.5%) declined during the first half of the year due to rising interest rates. Then the share price decline continued in the second half of the year after demand for solar panels and inverters declined in Europe. This created a supply surplus.
- **Xinyi Solar Holdings** (contribution to the fund performance: -1.0%) also saw its share price fall due to the excess supply of solar panels and disappointing results of the company. Here, low margins were particularly striking.
- Although **Corbion** (contribution to the fund performance: -0.7%) performed reasonably well operationally in 2023, its debt position remains high due to a slower-than-expected reduction in working capital and the failure of the proposed sale of a non-core activity.

### Key figures of ASN Milieu & Waterfonds

#### % return

	Fund	Benchmark <sup>1</sup>
2023	11.17%	19.39%
2022	-19.07%	-25.44%
Last three years (yearly average)	4.12%	2.07%
Last five years (yearly average)	13.36%	16.49%
Yearly average since inception date (20-04-1993)	3.55%	6.70%

<sup>1</sup> The benchmark is FTSE Environmental Technologies 100 Index.

#### Key figures in euros

Price 31 December 2023	49.04
Price 31 December 2022	45.17
Highest price in 12 months	49.36
Lowest price in 12 months	42.04
Net asset value per share 31 December 2023 <sup>1</sup>	49.13
Dividend for financial year 2022	0.60

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

#### Fund growth



	31-12-2023	31-12-2022
Fund size in € thousands	973,003	903,536
Number of shares outstanding	19,805,320	20,186,621

## 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 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:

 <p><b>1.</b> To reduce carbon emissions each year in line with the Paris Agreement (expressed in the fund's contribution to restricting the rise in global temperatures in 2050 to a maximum of 1.5 degrees Celsius)</p>	<p>The ASN Milieu &amp; Waterfonds is an article 9 product under the SFDR. An article 9 product is an investment product that focuses specifically on one or more sustainability goals.</p>
 <p><b>2.</b> To reduce the negative impact on biodiversity per invested euro (versus the base year of 2019)</p>	

The SFDR requires ASN Impact Investors to provide information about its progress towards achieving the sustainability goals. We report on this progress in the mandatory Annex 5, which is appended 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

To measure progress on the objective *Reducing annual carbon emissions in line with the Paris Agreement*, ASN Impact Investors uses the MSCI-ITR (Implied Temperature Rise) method. 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. The ITR of the ASN Milieu & Waterfonds improved by 0.15 degrees. Below, we explain what caused the changes from 2022.

2023 value	2022 value	Difference
2.07	2.22	-6.8%
MSCI ITR (in degrees Celsius)		

### Changes in the composition of the investment portfolio

The removal of Indutrade, Uponor, Evoqua Water Technologies, Taiwan Semiconductor Manufacturing and Rockwool from the fund's portfolio contributed the most to the decrease in the ITR of the ASN Milieu & Waterfonds. Collectively, they accounted for a reduction of 0.17 degrees Celsius. Indutrade was among the 10 companies with the highest ITRs in the fund portfolio with an ITR of 3 degrees Celsius. Newly acquired companies Core & Main, Veralto and Delta Electronics together increased the ITR by 0.10 degrees Celsius.

The positions in Xinyi Solar and Corbion shrank, causing the ITR to fall by 0.04 degrees Celsius.

### Changes in the ITR data

MSCI continuously improves companies' ITR. This could, for example, be due to companies reporting better data, MSCI's models getting better or companies including climate targets. The biggest changes, all resulting in lower ITRs, occurred at Corbion, George Fischer, Mettler-Toledo International, Lennox International and Befesa. Together, they improved the ITR by 0.08 degrees Celsius.

### Active shareholdership

We expect companies to have set an ambitious and time-bound climate target in line with the Paris Agreement. If a company does not have one, we vote against approval of the annual report, the annual financial statements and the auditor's report. For example, we informed Rational that we were casting a negative vote. The company reports on scope 1, 2 and 3 emissions. Unfortunately, it lacks emission reduction targets and a credible climate action plan. We informed Rational about this. Engagement in relation to the climate was also conducted with four companies in the ASN Milieu & Waterfonds, including EDP Renovaveis. The company indicated that it is included in the emission targets of parent company EDP. It is also in the process of getting its own targets verified by the Science Based Targets initiative.

## Biodiversity

One of the objectives of the ASN Milieu & Waterfonds 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). The methodology for measuring the impact on biodiversity is constantly evolving. For the biodiversity footprint, a lower score is considered better.

2019 value	2020 value	2021 value	2022 value	2023 value
27.42	26.43	24.91	20.02	17.24

Biodiversity footprint (in PDF/ha/year per million euros invested)

## Changes in the composition of the investment portfolio

The removal of Uponor, DS Smith PLC and Rockwool from the fund portfolio contributed the most to the decrease in the biodiversity footprint. Together, they caused a decrease of 3.06 PDF/ha/year per million euros invested.



## Active shareholdership

One of the companies we spoke to was American Water Works. We wanted to get a better picture of the results of an assessment of the company with regard to its dependence on biodiversity and how the company's operations impact that biodiversity. Processes to mitigate risks and management activities were discussed as well. These conversations will continue in 2024.

## 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 & Waterfonds has particular impact.



<b>SDG 6</b>	<b>Ensure availability and sustainable management of water and sanitation for all.</b>	
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 infrastructure and technology.	
<b>SDG 7</b>	<b>Ensure access to affordable, reliable, sustainable and modern energy for all.</b>	
Target 7.2	By 2030, increase substantially the share of renewable energy in the global energy mix.	
Explanation	The fund invests 20 to 50% of the fund portfolio in renewable energy and mobility.	

<b>SDG 9</b>	<b>Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.</b>	
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.	
Explanation	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.	
<b>SDG 12</b>	<b>Ensure sustainable consumption and production patterns.</b>	
Target 12.5	By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.	
Explanation	The fund invests 0 to 20% of the fund portfolio in the circular economy.	

### Sustainable selection

In 2023, we assessed 55 companies for the ASN Milieu & Waterfonds. We admitted 5 new companies to the ASN Investment Universe, retained 42 companies and declined to admit 4, while 5 companies were rejected and removed. Evoqua Water Technologies, China Everbright Water and FarmersEdge were removed for non-sustainability reasons.<sup>3</sup>

<sup>3</sup> 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.

Newly admitted	Retained (continued)	Removed
Befesa	GEBERIT	Indutrade
KLA Corp	Genuit Group	KINGSPAN GROUP
Mondi	Georg Fischer	Rockwool International
Shoals Technologies Group	Hiwin	SolarEdge Technologies
Veralto	Legrand	Taiwan Semiconductor Manufacturing Company (TSMC)
	LEM Holdings	
Retained	Lennox	
Advanced Drainage Systems	Lindsay Corp	
AIXTRON	Littelfuse	
Amiad Water Systems	Manila Water Company	
AMS-OSRAM	Mettler-Toledo	
ASML	Meyer Burger	
Azbil	Middlesex Water	
Beyond Meat	MTR CORP	
Brambles	NIBE INDUSTRIER	
California Water Service	Northwest Pipe	
Chr. Hansen Holding	Ormat Technologies	
Chroma ATE	Power Integrations	
Daiseki	Rational	
EAST JAPAN RAILWAY	Renewi	
EDP Renovaveis	SMA SOLAR TECHNOLOGY	
Everlight Electronics	Smurfit Kappa	
	Trane Technologies	
	UNITED UTILITIES	
	UPONOR	
	Watts Water Technologies	
	Xinyi Solar	

During the reporting period, we admitted the US company KLA Corp. This company develops process control and yield management systems for the semiconductor industry, among others. The products contribute to innovations that facilitate the semiconductor industry: a great addition to our investment universe.

We rejected Indutrade. The company has made a number of acquisitions. These newly acquired companies make specific components for defence, which means the company does not meet our weapons criteria. For example, the acquired company *Datum Electronics* makes measuring instruments to measure certain forces. These are used in ordinary ships but also in the navy, and for the navy they have to meet specific military standards. We therefore rejected Indutrade and removed it from our investment universe.

### Engagement

In 2023, we held talks with 29 companies from 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 2023 is the American company Ormat Technologies. We raised concerns about the development of a geothermal energy project in Nevada. The project is in the habitat of a rare toad species discovered in 2017: the Dixie Valley Toad. The company indicated that it is considering downsizing its production facility in Nevada. This will reduce the potential negative impact on the endangered toad species. In addition, Ormat has filed a lawsuit against the wildlife organisation that listed the toad species as endangered. Needless to say, we will continue to follow the outcome of this case with great interest.

### Taxonomy Regulation

Since 1 January 2022, the technical screening criteria supplementing the Taxonomy Regulation for environmentally sustainable economic activities have applied to the environmental objectives of climate change mitigation and climate



change adaptation. The technical screening criteria for the other four environmental objectives – sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protecting and restoring biodiversity and ecosystems – have applied since 1 January 2024. 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.

<b>Equity market risk</b>					
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.					
<b>Risk appetite</b>	<b>Probability</b>	<b>Impact</b>	<b>Limit</b>	<b>Materialisation</b>	<b>Control measure</b>
High	High	High	VaR99 not exceeding 55%	The limit was not exceeded during the reporting period. Year-end 2023: 39.27%.	Risk control and monitoring through limit to Value at Risk (VaR)

<b>Concentration risk</b>					
The ASN Milieu & Waterfonds invests in the sustainable ASN Investment Universe. This results in high concentrations in sectors, countries and individual positions.					
<b>Risk appetite</b>	<b>Probability</b>	<b>Impact</b>	<b>Limit</b>	<b>Materialisation</b>	<b>Control measure</b>
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 in the reporting period.	Risk control through monitoring of the limits set.

### Limit for sector allocation

<b>Sector</b>	<b>Limit</b>	<b>Materialisation</b>
Water infrastructure and technology	25–60%	Year-end 2023: 34%
Renewable energy and mobility	20–50%	Year-end 2023: 42%
Circular economy	0–20%	Year-end 2023: 13%
Food and agriculture	0–20%	Year-end 2023: 7%

### Limit for regional allocation

<b>Region</b>	<b>Limit</b>	<b>Materialisation</b>
Europe	30–60%	Year-end 2023: 45.2%
United States and Canada	15–50%	Year-end 2023: 41.8%
Rest of the world	5–35%	Year-end 2023: 13.0%



## 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 2023: 3.2%

## 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.

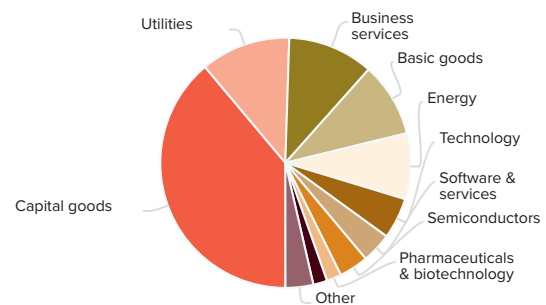
Risk appetite	Probability	Impact	Limit	Materialisation	Control measure
High	High	Medium	Bandwidths for regional allocation, limit to maximum exposure in individual countries. The limits are shown in the tables regarding the concentration risk.	The materialisation is shown in the table on the concentration 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	38.9
Utilities	11.6
Business services	11.1
Basic goods	9.6
Energy	8.5
Technology	5.3
Software & services	3.9
Semiconductors	3.8
Pharmaceuticals & biotechnology	1.9
Personal care products	1.8
Other	3.6

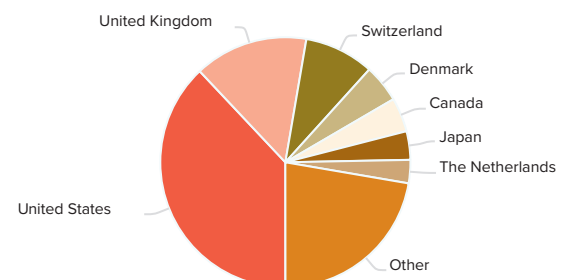
## Sector allocation



## Country allocation as %

United States	38.0
United Kingdom	14.7
Switzerland	9.0
Denmark	4.9
Canada	4.4
Japan	3.7
The Netherlands	3.0
Other	22.3

## Country allocation



### Ten largest holdings as a %

*Ten largest interest as % of the portfolio per 31-12-2023*

	%
Severn Trent	3.2
Pentair	2.9
United Utilities	2.8
Georg Fischer	2.7
Vestas Wind Systems	2.7
A.O. Smith	2.7
American Water Works	2.6
Geberit	2.6
Stericycle	2.5
Boralex	2.5
<b>Total</b>	<b>27.2</b>

## 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 Van Lanschot Kempen Investment 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](http://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. Van Lanschot Kempen performs the financial analysis, based on a fundamental analysis. In doing so, it assesses matters such as market position, competition, balance sheet strength and key financial figures. The Fund's benchmark is the 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

Several positions were adjusted during the year, driven by valuations and upward price potential. The bottom-up investment process has led to adjustments in the sector weightings. In 2023, on balance, the weightings of the information technology and commodities sectors in particular declined. The positions in the information technology companies Software AG and Dustin were sold, and the position in the commodities company Corbion was reduced. The weightings of the industrial and healthcare sectors increased the most, mainly due to the addition of Azelis and Alliance Pharma respectively. Geographically, on balance, Sweden's weighting in particular was scaled back, due to the sale of real estate company Faberge and the aforementioned Dustin. In contrast, the weighting of both the UK and the Netherlands was increased, partly due to the acquisition of healthcare company Alliance Pharma and the expansion of the position in Alfen, producer of, among other things, charging stations and energy storage equipment.

Three new companies were added to the portfolio in 2023 (in alphabetical order):

- The German semiconductor company **Aixtron** is by far the world market leader (>70% market share) in Metal Organic Chemical Vapour Deposition (MOCVD). This process involves applying a very thin layer of material to a 'wafer', the base for any chip, greatly improving its properties. Aixtron's systems are important for electric cars (for increased range) and chip servers (for reduced energy consumption), among other applications. We think Aixtron is extremely well positioned in very attractive and growing niches and has a long period of profitable growth ahead of it.
- **Alliance Pharma** is a British company with around 210 employees that takes care of marketing and sales for more than 90 medicines sold with and without prescription in over 100 countries. By buying mostly underexposed products from larger organisations and giving them renewed marketing attention, Alliance manages to increase sales of these types of products for a long time while achieving a rapid return on investment.
- The British company **EMIS Group** provides software for GPs and hospitals in the UK and is a familiar face in the portfolio. Following the announcement of a proposed acquisition in the second quarter of 2022, we sold our position for around GBP 19 per share. However, questions from the competition authorities created uncertainty around the proposed takeover, which caused the share price to fall far below the takeover price. For us, this represented an attractive entry point, as we considered the likelihood of the transaction being approved to be high.

Seven companies were fully sold from the portfolio in 2023 (in alphabetical order):

- The British online fashion and cosmetics shop **ASOS** experienced a period of disappointing results, changes in management and further weakening of its balance sheet. We felt the range of possible outcomes of the case had become too uncertain and therefore sold the position in the company entirely.
- The financial position of **Dustina** Swedish provider of IT products, weakened faster than expected. The company had announced a new share issue, but in our view, this did not sufficiently solve the balance sheet problems. In addition,

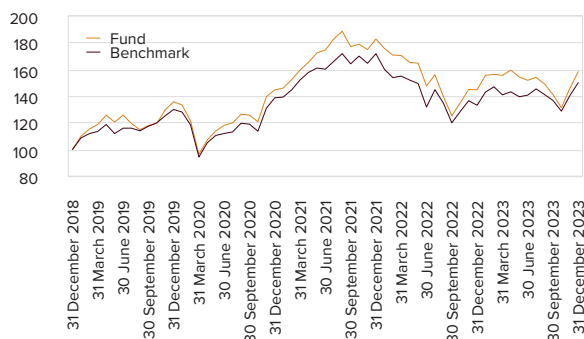
there are too few signs of a recovery in the relevant end markets (hardware, software, services) in the coming quarters.

- We added British healthcare software company **EMIS Group** to the portfolio in June. In August, the regulator reported that United Health Inc. is likely to be allowed to acquire the company after all. EMIS' share price then rebounded to the original offer of over GBP 19 per share. We therefore sold the position in full in September.
- The Swedish real estate company **Fabege** operates only in its home market. We expect the Swedish real estate market to weaken due to rising interest rates, potentially reducing property valuations. This, combined with an already high debt ratio relative to current property valuations, made us decide to sell the position.
- In July, it became clear that a large proportion of the shareholders of German software company **Software AG** would accept Silver Lake's takeover offer of €32 per share. Based on an initial report in late June, Silver Lake owned 63%; this stake quickly rose to 71% in mid-July and 84% a week later. It seemed that the acquisition by Silver Lake would be successful, so we sold our remaining shares in Software AG.
- After a failed takeover attempt by Liberty Global in 2012, the chances of a successful takeover of the Belgian company **Telenet** in 2023 were much higher, despite the lower offer of €21 per share. With its 58% stake in Telenet, Liberty had a much longer investment horizon than public markets and used the low valuation to expand its stake further. However, uncertainty about the competitive landscape has increased following the unexpected entry of a new player into the mobile telephony market in the 5G frequency auction, and the return on investment in fibre will become apparent only after a long period of time. We therefore decided to sell our Telenet shares at a price around the offer price.
- We sold our position in British DIY chain **Wickes** following a disagreement with management on capital allocation. In our view, opening new shops at this point in the cycle is not opportune and will lead to lower returns on invested capital in the future. An alternative and, in our view, better use of capital would be a share buyback or further balance sheet strengthening.

## Performance

The ASN Duurzaam Small & Midcapfonds achieved a return for 2023, based on the net asset value, of 9.41% (2022: -20.81%). This includes the reinvested dividend for 2022 of €1 per share (2021: €0.70). In the same period, the benchmark achieved a return of 12.74% (year-end 2022: -22.50%).

### Indexed return over the last five years relative to the benchmark



## Performance contributions

### Performance attribution of ASN Duurzaam Small & Midcapfonds in 2023 relative to the benchmark

Fund NAV return <sup>1</sup>	Benchmark return	Outperformance	ESG overlay	Active management	Costs
9.41%	12.74%	-3.33%	n/a	-2.13%	-1.20%

<sup>1</sup> 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 2023 is based on the net asset value on the previous trading day.

Most of 2023 was dominated by further interest rate hikes by central banks to curb inflation that was more stubborn than expected. Not only did interest rates rise more strongly than expected, but it also became increasingly likely that they would remain at high levels for longer than expected. This depressed share prices. The start of the year was relatively weak for companies, as inventories in the value chain were reduced. This was again due to improved component availability following the removal of the COVID-19 restrictions. Furthermore, continued economic uncertainty and rising capital market interest rates depressed customers' willingness to invest, resulting in shrinking order books. The tightening labour market and the economy's expected 'soft landing' made companies reluctant to cut costs. However, as the year progressed, we saw more companies reorganising to offset the impact of cost increases (inflation).

The lower-than-expected US inflation figure for October kicked off the recovery in the financial markets. Lower inflationary pressures gave the Fed and the ECB reason not to raise their policy rates further for now, and investors assumed the policy rates would be cut in 2024. This triggered an end-of-year rally from the October low. The ‘higher for longer’ scenario, which investors were still taking into account in the summer, disappeared from view. As in 2022, small-cap companies lagged behind large caps in 2023. Investors chose large, well-known and more liquid companies mainly because of the war in Ukraine, interest rate hikes and economic uncertainties. In addition, small businesses have less easy access to cheap finance. When market rates fell at the end of the year, these small companies showed the biggest share price gains, however.

During the year, the positions in Switzerland, the UK and Belgium delivered the best performance, while the positions in Sweden, Germany and Italy were the weakest. From a sector perspective, the positions in information technology, healthcare and consumer durables made the strongest contributions, while the sector positions in industry, commodities and property lagged behind. On balance, the fund’s performance lagged behind the benchmark. This was mainly due to negative selection effects within the industrial sector and among Swedish companies.

The fund costs were 1.20%.

In 2023, the following stocks made the biggest positive contributions to the fund performance:

- **BE Semiconductor Industries** (contribution to the fund performance: 3.6%), aka Besi, was one of the best-performing shares both in our portfolio and in Europe as a whole (+150%). Operationally, Besi started 2023 poorly with a sharp decline compared with the previous year in both orders and sales, due to disappointing conditions in the semiconductor market. Nevertheless, the share price rose more than 80% in the first six months of 2023, as the company benefited greatly from the euphoria in the financial markets about the possibilities and potential of artificial intelligence (AI), mainly driven by the success of ChatGPT by OpenAI. To make AI possible globally on a larger scale, substantially higher processing power and high-bandwidth memory capacity are needed, requiring the development of new and even more sophisticated chips. Besi is a global market leader in one of the niches (advanced packaging) that will benefit from this demand in the future.
- The share price of **Kardex** (contribution to the fund performance: 1.7%) recovered in 2023 from a weak 2022, when high inflation and component deficits put pressure on profitability. Kardex saw its margins recover in 2023, while demand for its automated warehouse solutions remained as strong as ever. The new US plant is gaining momentum, and new collaborations are progressing very well, supporting earnings growth for 2024.
- The share price of **Software AG** (contribution to the fund performance: 1.6%) rose sharply following an initial offer of €30 per share made by Silver Lake for the company. This bid represented a 53% premium on Software AG’s share price at the time. The bidder, Silver Lake, had been involved with Software AG for some time; in fact, the chair of the supervisory board was a representative of Silver Lake. About a week after news of the bid was made public, it became clear that Bain Capital was also interested in Software AG, as Bain had effectively acquired a 10% stake in the group. During these developments, Silver Lake raised its offer to €32, and we spoke with both Silver Lake and Software AG. Eventually, we decided to sell the fund’s position.

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In 2023, the following shares had the biggest detrimental impact on the fund performance:

- Although **Corbion** (contribution to the fund performance: -1.4%) performed reasonably well operationally in 2023, its debt position remains high due to a slower-than-expected reduction in working capital and the failure of the proposed sale of a non-core activity. In its trading update for the third quarter, Corbion unexpectedly indicated that it was evaluating various strategic scenarios, even reviewing the future of the PLA joint venture (PLA is a biodegradable alternative to plastic). It is positive that Corbion’s management wants to bring focus to the company and prioritise deleveraging. However, the timing of the review is unfortunate, given the sharply higher capital market interest rates in the second half of 2023 and the sharply lower level of activity in the PLA business.
- The results and prospects that **Bravida** (contribution to the fund performance: -1.3%) announced in 2023 were disappointing on several occasions. The company is suffering from a weakening end market due to increased interest rates. In addition, it was not possible to pass the higher costs of projects in Denmark and Finland on to customers. In our view, however, Bravida remains an attractive company. The acquisitive strategy should support growth, even in disappointing markets. It also generates half of its revenue from more stable services, underpinned by longer-term contracts.
- The financial position of **Dustin** (contribution to the fund performance: -1.3%) weakened faster than expected. The company had announced a new share issue, but in our view, this did not sufficiently solve the balance sheet problems. In addition, there are too few signs of a recovery in the relevant end markets (hardware, software, services) in the

coming quarters. This depressed the share price considerably, and therefore the remaining stake in Dustin was sold in full in October 2023.

## Key figures of ASN Duurzaam Small & Midcapfonds

### % return

	Fund	Benchmark <sup>1</sup>
2023	9.41%	12.74%
2022	-20.81%	-22.50%
Last three years (yearly average)	3.07%	2.66%
Last five years (yearly average)	9.63%	8.46%
Yearly average since inception date (20-04-1993)	5.41%	5.01%

<sup>1</sup> The benchmark is MSCI Europe Small Cap Total Return Net Index.

### Key figures in euros

Price 31 December 2023	49.57
Price 31 December 2022	46.60
Highest price in 12 months	51.35
Lowest price in 12 months	40.71
Net asset value per share 31 December 2023 <sup>1</sup>	49.82
Dividend for financial year 2022	1.00

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

### Fund growth

	31-12-2023	31-12-2022
Fund size in € thousands	200,624	189,331
Number of shares outstanding	4,027,113	4,076,775

## 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 carbon emissions each year in line with the Paris Agreement (expressed in the fund's contribution to restricting the rise in global temperatures in 2050 to a maximum of 1.5 degrees Celsius)



2. To reduce the negative impact on biodiversity per invested euro (versus the base year of 2019)



3. To promote a living wage for factory workers in the clothing industry chain (versus the base year of 2019)

The ASN Duurzaam Small & Midcapfonds is an article 9 product under the SFDR. An article 9 product is an investment product that focuses specifically on one or more sustainability goals.

The SFDR requires ASN Impact Investors to provide information about its progress towards achieving the sustainability goals. We report 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

To measure progress on the objective *Reducing annual carbon emissions in line with the Paris Agreement*, ASN Impact Investors uses the MSCI-ITR (Implied Temperature Rise) method. 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. The ITR of the ASN Duurzaam Small & Midcapfonds improved by 0.12 degrees. Below, we explain what caused the changes from 2022.

	2023 value	2022 value	Difference
MSCI ITR (in degrees Celsius)	2.23	2.35	-5.1%

### Changes in the composition of the investment portfolio

The removal of Software AG, Dustin Group, Telenet Group Holding, Fabegé, Wickes Group and ASOS contributed the most to the decrease in the ITR of the ASN Duurzaam Small & Midcapfonds. Collectively, they accounted for a reduction of 0.22 degrees Celsius. Newly acquired companies Aixtron and Alliance Pharma resulted in an increase of 0.10 degrees Celsius.

The positions in Alfen, Coats Group, Basic-Fit, BE Semiconductor Industries and Premier Foods were increased. This contributed to a 0.23-degrees Celsius increase in the ITR. The position in Jost Werke was reduced, which caused the ITR to fall by 0.10 degrees Celsius.

### Changes in the ITR data

MSCI continuously improves companies' ITR. This could, for example, be due to companies reporting better data, MSCI's models getting better or companies including climate targets. The biggest changes, all resulting in lower ITRs, occurred at Premier Foods, Corbion, Bekaert, Befesa and Jost Werke. Together, they improved the ITR by 0.21 degrees Celsius.

### Active shareholdership

We expect companies to have set an ambitious and time-bound climate target in line with the Paris Agreement. If a company does not have one, we vote against approval of the annual report, the annual financial statements and the auditor's report. For example, we informed Kardex that we were casting a negative vote because it had not set emission reduction targets and lacked a climate action plan. Engagement in relation to the climate was conducted with six companies in the ASN Duurzaam Small & Midcapfonds, including Corbion. We wanted to better understand its emission

reduction plan. The company indicated that it expects emissions to be sharply down by 2028/2029, driven by technological developments at its plants such as electrification and renewable energy sources.

### 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). The methodology for measuring the impact on biodiversity is constantly evolving. For the biodiversity footprint, a lower score is considered better.

2019 value	2020 value	2021 value	2022 value	2023 value
25.07	24.91	37.97	32.09	28.93

### Active shareholdership

Engagement on biodiversity was conducted with one company in the ASN Duurzaam Small & Midcapfonds. Berkeley buys a lot of wood. The company states that 90% of its wood is certified in accordance with PEFC or FSC sustainability standards. We want to know the breakdown of certification and where the wood comes from. We also want to know how much of the wood is sourced from outside Europe and to what certification standard. This engagement will continue in 2024.

### 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 reports on the progress made towards this objective in section 1.8 of this annual report. The living wage score of the portfolio is assessed on a quarterly basis. The scores presented below are the average of the four quarters per year.

2019 value	2020 value	2021 value	2022 value	2023 value
13	13	15.61	20.44	23.25

Average living wage score

### 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.

<b>SDG 8</b>	<b>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.</b>	
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.	



<b>SDG 9</b>	<b>Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.</b>	
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.	
<b>SDG 12</b>	<b>Ensure sustainable consumption and production patterns.</b>	
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.	
<b>SDG 13</b>	<b>Take urgent action to combat climate change and its impacts.</b>	
Target 13.2	Integrate climate change measures into national and international 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 2023, we assessed 47 companies for the ASN Duurzaam Small & Midcapfonds. We admitted 1 new company to the investment universe, retained 31 companies, refused 4 companies and rejected and removed 4 companies from the investment universe. Dignity, Emis Group, Homeserve, Shaftesbury, Simcorp, Logitech International and Vantiva were removed for reasons other than sustainability.<sup>4</sup>

<sup>4</sup> 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.

Newly admitted	Retained	Removed
Alliance Pharmaceuticals	AIXTRON	AddTech
	AMS-OSRAM	KINGSPAN GROUP
	Barratt Developments	Nokian Renkaat
	Befesa	Rockwool International
	Berkeley Group	
	Bravida Holding	
	Clariane	
	Coats Group	
	Elanders	
	Electrolux	
	Fabege	
	Genuit Group	
	Georg Fischer	
	Gerresheimer	
	Immobiliare Grande Distribuzione (IGD)	
	Interroll	
	Jost Werke	
	LEM Holdings	
	Mercialys	
	Meyer Burger	
	NOS SGPS	
	Orange Belgium	
	Renewi	
	Rightmove	
	RS Group	
	Safestore	
	SEB	
	SMA SOLAR TECHNOLOGY	
	TKH Group	
	UNITED UTILITIES	
	UPONOR	

UK-based Alliance Pharmaceuticals supplies around 80 consumer health brands and prescription drugs and operates in more than 100 countries. The health brands include products aimed at reducing scars and fighting dandruff, and supplements aimed at reducing menopause symptoms. It is a great addition to the investment universe.

The Swedish company Addtech develops energy solutions and life science solutions, among other things. It also makes its own products including electric motors and transformers. Unfortunately, Addtech was also found to be involved in weapons development. For ASN Impact Investors, this was reason enough to remove the company from the investment universe.

### Engagement

In 2023, we held talks with 25 companies from the investment universe. As part of the long-term living wage objective, we held discussions with two garment companies. We also intensified our engagement so as to encourage companies to develop further in the area of sustainability. For the remaining companies, our discussions were prompted by the discovery of misconduct or because a review had revealed that the companies no longer met our criteria. 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 2023, we ended our passive engagement with Berkeley Group Holdings, a British project developer and residential construction company, due to the expiry of the four-year term of the passive engagement process. We found that the company met many of our criteria but did not yet meet all of them. To meet our wood criteria, we expect companies to

report on the breakdown of PEFC versus FSC certified wood. Berkeley Group Holdings has failed to do so. There are also elements missing from the supply chain policy. We therefore decided to actively engage with Berkeley Group Holdings, and we expect improvement on the above points within a year.

## Taxonomy Regulation

Since 1 January 2022, the technical screening criteria supplementing the Taxonomy Regulation for environmentally sustainable economic activities have applied to the environmental objectives of climate change mitigation and climate change adaptation. The technical screening criteria for the other four environmental objectives – sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protecting and restoring biodiversity and ecosystems – have applied since 1 January 2024. 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.

### 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 limit was not exceeded in the reporting period. Year-end 2023: 44.53%.	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.

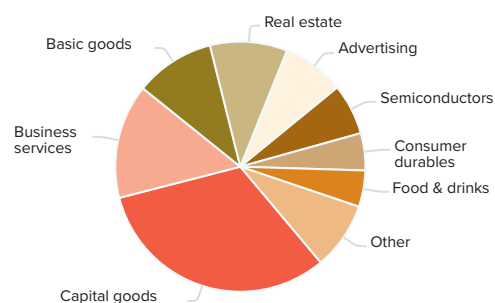
Risk appetite	Probability	Impact	Limit	Materialisation	Control measure
Medium	High	High	Restrictions to investment size. The limits are shown separately in the table below.	The materialisation is shown separately in the table below. The limits were not exceeded during the reporting period.	Risk control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

<b>Restriction</b>	<b>Limit</b>	<b>Materialisation</b>
Size of investment in a single company or undertaking relative to the fund capital	10%	Year-end 2023: 4.8%
Market capitalisation of the company	Less than €6 billion initially During investment, over €10 billion for max. 3 months	This limit was not exceeded during the reporting year.
Interest held in the share capital of companies	Max. 5% initially Max. 10% during investment Stakes greater than 5% are collectively max. 40% of the portfolio	Year-end 2023: 1.6%  - N/A

#### Sector allocation

#### Sector allocation as %

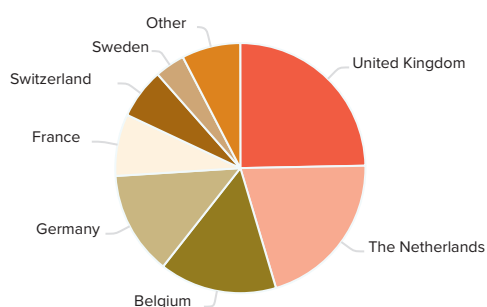
Capital goods	32.1
Business services	14.8
Basic goods	10.3
Real estate	10.0
Advertising	8.0
Semiconductors	6.6
Consumer durables	4.8
Food & drinks	4.7
Other	8.7



#### Country allocation as %

United Kingdom	24.7
The Netherlands	20.7
Belgium	15.2
Germany	13.4
France	8.0
Switzerland	6.5
Sweden	3.9
Other	7.6

#### 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, 13 March 2024

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

*San Lie*

*Ro Dielbandhoesing*

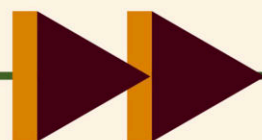
*Dirk-Jan Stam*

ASN Duurzaam  
Obligatiefonds  
First in the Netherlands

2001



### 3 Financial Statements ASN Beleggingsfondsen UCITS N.V.



### 3.1 Balance sheet

<i>Before profit appropriation and in € thousands</i>	<i>Ref.<sup>1</sup></i>	<b>31-12-2023</b>	<b>31-12-2022</b>
Investments	(A)		
Direct Investments <sup>2</sup>		3,357,916	3,058,512
Accounts receivable	(B)	27,223	21,457
Other assets	(C)		
Cash at bank		25,695	33,241
Current liabilities	(D)	11,402	6,463
Accounts receivable and other assets less current liabilities		41,516	48,235
<b>Assets less current liabilities</b>		<b>3,399,432</b>	<b>3,106,747</b>
Equity	(E)		
Issued capital		283,954	288,340
Share premium reserve		2,130,491	2,210,467
Revaluation reserve		71	168 <sup>3</sup>
Other reserves		467,255	1,339,611 <sup>3</sup>
Retained earnings		517,661	-731,839
<b>Total equity</b>		<b>3,399,432</b>	<b>3,106,747</b>

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

<sup>2</sup> An indirect investment is also recognised in the direct investments: ASN Venture Capital Fonds.

<sup>3</sup> The comparative figures have been adjusted as a result of the addition of the positive unrealised changes in value of the ASN Venture Capital Fund N.V. to the Revaluation reserve

### 3.2 Profit and loss account

<i>In € thousands</i>	<i>Ref.<sup>1</sup></i>	<b>01-01-2023 to 31-12-2023</b>	<b>01-01-2022 to 31-12-2022</b>
Investment income		68,779	68,891
Realised changes in value on investments	(F)	146,140	-101,565
Unrealised changes in value on investments	(G)	330,165	-671,133
Surcharges and deductions charged		562	718
Other operating income		804	308
<b>Total income</b>		<b>546,450</b>	<b>-702,781</b>
Operating expenses	(H)		
Management fees		28,213	28,597
Other operating expenses		576	461
<b>Total operating expenses</b>		<b>28,789</b>	<b>29,058</b>
<b>Net result</b>		<b>517,661</b>	<b>-731,839</b>

<sup>1</sup> 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>	<b>01-01-2023 to 31-12-2023</b>	<b>01-01-2022 to 31-12-2022</b>
<b>Cashflow from investment activities</b>		
Net result	517,661	-731,839
Exchange rate differences on cash	454	199
<b>Net result excluding exchange rate differences on cash</b>	<b>518,115</b>	<b>-731,640</b>
Adjustment to reconcile the result with the cashflow generated by the investment activities:		
Realised changes in value on investments	-146,140	101,565
Unrealised changes in value on investments	-330,165	671,133
Purchase of investments	-1,364,951	-1,142,364
Disposal of investments	1,531,188	1,085,483
Redemption of investments	10,664	10,836
Changes in assets and liabilities:		
Change in receivables arising from investment activities	-5,503	2,558
Change in liabilities arising from investment activities	-8	-5,136
<b>Net cashflows from investment activities</b>	<b>213,200</b>	<b>-7,565</b>
<b>Cashflows from financing activities</b>		
Issue of shares	239,072	333,699
Purchase of shares	-411,048	-285,894
Change in receivables arising from issue of shares	-263	5,308
Change in liabilities arising from purchase of shares	4,947	1,992
Dividend distributed	-53,000	-52,455
<b>Net cash flow from financing activities</b>	<b>-220,292</b>	<b>2,650</b>
<b>Total net cash flow</b>	<b>-7,092</b>	<b>-4,915</b>
Exchange rate differences on cash	-454	-199
<b>Change in cash</b>	<b>-7,546</b>	<b>-5,114</b>
Cash at the beginning of the reporting period	33,241	38,355
<b>Cash at the end of the reporting period</b>	<b>25,695</b>	<b>33,241</b>

### 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 2023 up to and including 31 December 2023. The financial statements of ASN Beleggingsfondsen UCITS N.V. were prepared on 13 March 2024.

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 Board of Directors 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)	
	01-01-2023 to 31-12-2023	01-01-2022 to 31-12-2022
ASN Duurzaam Obligatiefonds	0.45%	0.45%
ASN Milieu & Waterfonds	1.00%	1.03% <sup>1</sup>
ASN Duurzaam Aandelenfonds	0.85%	0.85%
ASN Duurzaam Small & Midcapfonds	1.20%	1.20%

<sup>1</sup> 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, bringing the management fee for 2022 to 1.03%

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>	<b>31-12-2023</b>	<b>31-12-2022</b>
US Dollar	1.1046	1.0672
Australian Dollar	1.6189	1.5738
Brazilian Real	5.3659	5.6348
Pound Sterling	0.8665	0.8872
Canadian Dollar	1.4566	1.4461
Danish Krone	7.4546	7.4364
Euro	1.0000	1.0000
Hong Kong Dollar	8.6257	8.3298
Japanese Yen	155.7336	140.8183
New Israel Sjekel	3.9777	3.7658
Norwegian Krone	11.2185	10.5135
Singapore Dollar	1.4571	1.4314
Taiwanese Dollar	33.9023	32.8025
South African Rand	20.2013	18.1593
South Korean Won	1,422.6787	1,349.5376
Swedish Krona	11.1325	11.1202
Swiss Frank	0.9297	0.9874

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:** Listed market prices;

**Level 2:** Independent assessments;

**Level 3:** Net present value calculations (NPV);

**Level 4:** Other 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 December 2023				
ASN Duurzaam Aandelenfonds	1,656,720	1,646,610	-	-	10,110 <sup>1</sup>
ASN Duurzaam Obligatiefonds	551,781	551,781	-	-	-
ASN Milieu & Waterfonds	956,520	956,520	-	-	-
ASN Duurzaam Small & Midcapfonds	192,895	192,895	-	-	-
<b>Total</b>	<b>3,357,916</b>	<b>3,347,806</b>	<b>-</b>	<b>-</b>	<b>10,110</b>

<sup>1</sup> Concerns the investment in the ASN Venture Capital Fonds. The valuation of the ASN Venture Capital Fonds is based on the last known net asset value.

		Level 1	Level 2	Level 3	Level 4
		Listed market prices	Independent assessments	Net present value calculations	Other method
In € thousands	31 December 2022				
ASN Duurzaam Aandelenfonds	1,488,673	1,478,465	-	-	10,208 <sup>1</sup>
ASN Duurzaam Obligatiefonds	507,563	507,563	-	-	-
ASN Milieu & Waterfonds	880,323	880,323	-	-	-
ASN Duurzaam Small & Midcapfonds	181,953	181,953	-	-	-
<b>Total</b>	<b>3,058,512</b>	<b>3,048,304</b>	<b>-</b>	<b>-</b>	<b>10,208</b>

<sup>1</sup> Concerns the investment in the ASN Venture Capital Fonds. The valuation of the ASN Venture Capital Fonds is based on the last known net asset value.

The investments in the funds are generally considered as liquid.

In accordance with Section 146 BGfo, category 1 investments are financial instruments listed on a regulated market. Category 4 investments concern financial instruments traded on a non-regulated market or another market in financial instruments.

#### 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 therefore cannot 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, making 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.

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#### 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 4 March 2024 are shown below.

	ASN Duurzaam Obligatiefonds	ASN Milieu & Waterfonds	ASN Duurzaam Aandelenfonds	ASN Duurzaam Small & Midcapfonds
Surcharge	+ 0.025%	+ 0.10%	+ 0.10%	+ 0.35%
Deduction	- 0.025%	- 0.10%	- 0.05%	- 0.30%

The following surcharges and deductions applied throughout the financial year 2023 since 15 March.

	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%

### 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.

#### Revaluation reserve

Unrealised gains and losses on investments are recognised through the profit and loss account. The part of the result relating to positive unrealised changes in value of unlisted shares is not distributed to participants but added to the revaluation reserve.

The revaluation reserve is created by deducting the amount of the positive unrealised change in value from the other reserve in equity. This revaluation reserve is included in the fund's balance sheet.

#### 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.

### 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.

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### 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 it meets the conditions set out in the laws and regulations. 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, including the Dutch tax regime, applies to all investments in all countries. This risk exists at both the fund level and the shareholder level.

#### *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). 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 assets*

By virtue of its status as a fiscal investment institution, ASN Beleggingsfondsen UCITS N.V. must distribute almost all of its taxable profit to its shareholders every 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 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*

Subscription or redemption by pension entities and other bodies that are exempt from income tax, or by foreign parties that are entitled to claim a rebate of Dutch dividend tax, may have an impact on the returns 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 is reduced according to the percentage of shareholders not entitled to the tax reduction.

#### *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 also deducted from dividends received by ASN Beleggingsfondsen UCITS N.V. from Dutch investments. Dividends, interest and royalties it receives from foreign investments may be subject to withholding tax 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, under this tax treaty, the applicable withholding tax rate may be reduced to less than the withholding tax rate under national law in the source country. 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 (up to a maximum of 15%, or the treaty rate if lower). 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 direct investments and the combination of direct investments in which the fund invests.



The financial risks are especially the equity market risk, 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 shares and is therefore exposed to the risk of fluctuations in value as a result of the developments in stock 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.

The Value at Risk (VaR) is a risk indicator. The absolute VaR is used as an indicator of market risk. The VaR technique gives the (maximum) decrease of the net asset value (NAV) in percentages, with the decrease not being exceeded with a probability of 99%. The VaR is shown on a monthly basis and is calculated on the basis of 5 years of daily returns corresponding to the positions in the Fund on the reporting date. During the period, the values of the lowest, highest and average VaR figures were 33.24%, 35.57% and 34.10% respectively, representing 66.48%, 71.14% and 68.20% of the 50% limit applied by the Manager. The commitment approach is used to determine the global exposure. This was nil over the reporting period, as no derivatives were allowed in the fund.

##### 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>31-12-2023</i>		<i>31-12-2022</i>	
	<i>Market value</i>	<i>%</i>	<i>Market value</i>	<i>%</i>
Euro	418,958	25.2	491,627	32.9
US Dollar	363,695	21.9	237,683	15.9
Pound Sterling	251,672	15.2	208,880	14.0
Japanese Yen	167,699	10.1	136,408	9.2
Swiss Frank	140,438	8.5	97,683	6.6
Danish Krone	108,861	6.6	109,935	7.4
Swedish Krona	73,125	4.4	77,574	5.2
Australian Dollar	66,746	4.0	50,416	3.4
Taiwanese Dollar	35,674	2.2	56,389	3.8
South Korean Won	13,083	0.8	12,959	0.9
South African Rand	8,518	0.5	905	0.1
Canadian Dollar	5,197	0.3	5,511	0.4
Hong Kong Dollar	1,203	0.1	1,432	0.1
Norwegian Krone	1,001	0.1	1,271	0.1
Brazilian Real	850	0.1	-	-
<b>Total</b>	<b>1,656,720</b>	<b>100.0</b>	<b>1,488,673</b>	<b>100.0</b>

##### 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.

### 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 €18.2 million (year-end 2022: €13.2 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 shares and is therefore not exposed to the risk of fluctuations in value as a result of the developments in stock markets.

The Value at Risk (VaR) is a risk indicator. The absolute VaR is used as an indicator of market risk. The VaR technique gives the (maximum) decrease of the net asset value (NAV) in percentages, with the decrease not being exceeded with a probability of 99%. The VaR is shown on a monthly basis and is calculated on the basis of 5 years of daily returns corresponding to the positions in the Fund on the reporting date. During the period, the values of the lowest, highest and average VaR figures were 9.61%, 10.84% and 10.25% respectively, representing 174.73%, 179.09% and 186.36% of the 5.5% limit applied by the Manager. During the reporting period, the VaR limit was exceeded for the entire year. No measures were taken to mitigate this risk, because another criterion in addition to the VaR is the duration of the fund, which remained within the bandwidths. The commitment approach is used to determine the global exposure. This was nil over the reporting period, as no derivatives were allowed in the fund.

### 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 a single country or 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 €558.3 million (year-end 2022: €515.4 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 shares and is therefore exposed to the risk of fluctuations in value as a result of the developments in stock 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.

The Value at Risk (VaR) is a risk indicator. The absolute VaR is used as an indicator of market risk. The VaR technique gives the (maximum) decrease of the net asset value (NAV) in percentages, with the decrease not being exceeded with a probability of 99%. The VaR is shown on a monthly basis and is calculated on the basis of 5 years of daily returns corresponding to the positions in the Fund on the reporting date. During the period, the values of the lowest, highest and average VaR figures were 38.11%, 39.36% and 38.78% respectively, representing 69.29%, 71.56% and 70.51% of the 55% limit applied by the Manager. The commitment approach is used to determine the global exposure. This was nil over the reporting period, as no derivatives were allowed in the fund.

#### 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>31-12-2023</i>		<i>31-12-2022</i>	
	<i>Market value</i>	<i>%</i>	<i>Market value</i>	<i>%</i>
US Dollar	399,066	41.6	341,846	38.8
Euro	161,969	16.9	164,094	18.6
Pound Sterling	95,481	10.0	78,787	8.9
Swiss Frank	85,821	9.0	66,618	7.6
Danish Krone	46,434	4.9	48,352	5.5
Canadian Dollar	42,070	4.4	33,002	3.7
Japanese Yen	35,234	3.7	28,176	3.2
Hong Kong Dollar	22,954	2.4	34,002	3.9
Australian Dollar	20,542	2.1	20,958	2.4
New Israel Sjekel	15,807	1.7	13,815	1.6
Taiwanese Dollar	14,305	1.5	13,809	1.6
Swedish Krona	10,180	1.1	31,104	3.5
Norwegian Krone	6,657	0.7	5,760	0.7
<b>Total</b>	<b>956,520</b>	<b>100.0</b>	<b>880,323</b>	<b>100.0</b>

### 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:

<b>Regional allocation of investment portfolio</b>	
Europe	30-60%
United States & Canada	15-50%
Rest of the world	5-35%
<b>Sector allocation of investment portfolio</b>	
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 €19.4 million (year-end 2022: €25.4 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 shares 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.

The Value at Risk (VaR) is a risk indicator. The absolute VaR is used as an indicator of market risk. The VaR technique gives the (maximum) decrease of the net asset value (NAV) in percentages, with the decrease not being exceeded with a probability of 99%. The VaR is shown on a monthly basis and is calculated on the basis of 5 years of daily returns corresponding to the positions in the Fund on the reporting date. During the period, the values of the lowest, highest and average VaR figures were 37.44%, 44.53% and 42.47% respectively, representing 68.07%, 80.96% and 77.22% of the 55% limit applied by the Manager. The commitment approach is used to determine the global exposure. This was nil over the reporting period, as no derivatives were allowed in the fund.

#### 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>31-12-2023</i>		<i>31-12-2022</i>	
	<i>Market value</i>	<i>%</i>	<i>Market value</i>	<i>%</i>
Euro	124,958	64.8	117,294	64.4
Pound Sterling	47,889	24.8	39,432	21.7
Swiss Frank	12,445	6.5	11,629	6.4
Swedish Krona	7,603	3.9	13,598	7.5
<b>Total</b>	<b>192,895</b>	<b>100.0</b>	<b>181,953</b>	<b>100.0</b>

#### 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 €8.8 million (year-end 2022: €8.3 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>	<b>01-01-2023 to 31-12-2023</b>	<b>01-01-2022 to 31-12-2022</b>
Balance as at start of period	3,058,512	3,785,165
Purchases	1,364,951	1,142,364
Disposals	-1,531,188	-1,085,483
Redemptions	-10,664	-10,836
Realised changes in value on investments	146,140	-101,565
Unrealised changes in value on investments	330,165	-671,133
<b>Balance as at end of period</b>	<b>3,357,916</b>	<b>3,058,512</b>

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>	<b>31-12-2023</b>	<b>31-12-2022</b>
Investment activities		
Receivables arising from securities transactions	5,105	1,874
Dividend receivable	3,055	3,175
Dividend/withholding tax receivable	14,990	13,059
Accruals on bonds	3,359	2,898
Subtotal of receivables arising from investment activities	<b>26,509</b>	<b>21,006</b>
Financing activities		
Receivable from shareholders due to issue of shares	714	451
Subtotal of receivables arising from financing activities	<b>714</b>	<b>451</b>
<b>Total</b>	<b>27,223</b>	<b>21,457</b>

Of the above receivables, an amount of €8.86 million (2022: €6.54 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>	<b>31-12-2023</b>	<b>31-12-2022</b>
Investment activities		
Liabilities arising from securities transactions	2,004	2,135
Fund costs payable	2,424	2,301
Subtotal of liabilities arising from investment activities	<b>4,428</b>	<b>4,436</b>
Financing activities		
Payable to shareholders due to repurchase of shares	6,974	2,027
Subtotal of liabilities arising from financing activities	<b>6,974</b>	<b>2,027</b>
<b>Total</b>	<b>11,402</b>	<b>6,463</b>

The current liabilities will fall due within one year.

## (E) Equity

Equity is divided among the funds as follows:

<i>In € thousands</i>	<b>31-12-2023</b>	<b>31-12-2022</b>
ASN Duurzaam Aandelenfonds	1,668,300	1,498,937
ASN Duurzaam Obligatiefonds	557,505	514,943
ASN Milieu & Waterfonds	973,003	903,536
ASN Duurzaam Small & Midcapfonds	200,624	189,331
<b>Total</b>	<b>3,399,432</b>	<b>3,106,747</b>

### 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 2023 and 2022.



	ASN Duurzaam Aandelenfonds	ASN Duurzaam Obligatiefonds	ASN Milieu & Waterfonds	ASN Duurzaam Small & Midcapfonds	Priority share	Total
<b>Balance as at 01-01-2022</b>	<b>11,290,696</b>	<b>22,066,024</b>	<b>20,115,995</b>	<b>3,804,203</b>	<b>1</b>	<b>57,276,919</b>
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
<b>Balance as at 31-12-2022</b>	<b>11,505,265</b>	<b>21,899,148</b>	<b>20,186,621</b>	<b>4,076,775</b>	<b>1</b>	<b>57,667,810</b>
Issued shares	770,180	2,940,939	911,735	333,985	-	4,956,839
Purchased shares	-1,880,239	-2,277,123	-1,293,036	-383,647	-	-5,834,045
<b>Balance as at 31-12-2023</b>	<b>10,395,206</b>	<b>22,562,964</b>	<b>19,805,320</b>	<b>4,027,113</b>	<b>1</b>	<b>56,790,604</b>

<i>In € thousands</i>	<b>01-01-2023 to 31-12-2023</b>	<b>01-01-2022 to 31-12-2022</b>
<b>Issued capital</b>		
Balance as at start of period	288,340	286,385
Issued shares	24,784	30,431
Purchased shares	-29,170	-28,476
<b>Balance as at end of period</b>	<b>283,954</b>	<b>288,340</b>
<b>Share premium reserve</b>		
Balance as at start of period	2,210,467	2,115,685
Issued shares	214,288	303,268
Purchased shares	-294,264	-208,486
<b>Balance as at end of period</b>	<b>2,130,491</b>	<b>2,210,467</b>
<b>Revaluation reserve</b>		
Balance as at start of period	168	-
Change because of indirect investments	-97	168
<b>Balance as at end of period</b>	<b>71</b>	<b>168<sup>1</sup></b>
<b>Other reserves</b>		
Balance as at start of period	1,339,611	868,422
Change to revaluation reserve	97	-168
Addition to/withdrawal from retained earnings	-784,839	520,289
Purchased shares	-87,614	-48,932
<b>Balance as at end of period</b>	<b>467,255</b>	<b>1,339,611<sup>1</sup></b>
<b>Retained earnings</b>		
Balance as at start of period	-731,839	572,744
Addition to/withdrawal from other reserves	784,839	-520,289
Dividend paid out	-53,000	-52,455
Result for the reporting period	517,661	-731,839
<b>Balance as at end of period</b>	<b>517,661</b>	<b>-731,839</b>
<b>Total equity</b>	<b>3,399,361</b>	<b>3,106,579</b>

<sup>1</sup> The comparative figures have been adjusted as a result of the addition of the positive unrealised changes in value of the ASN Venture Capital Fund N.V. to the Revaluation reserve

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

## Statement of movements in equity

<i>In € 1.000</i>	<b>01-01-2023 t/m 31-12-2023</b>	<b>01-01-2022 t/m 31-12-2022</b>
Balance as at start of period	3,106,747	3,843,236
Issued shares	239,072	333,699
Purchased shares	-411,048	-285,894
<b>Balance as at end of period</b>	<b>2,934,771</b>	<b>3,891,041</b>
Investment income	68,779	68,891
Management fees	-28,213	-28,597
Other operating expenses	-576	-461
	39,990	39,833
Changes in value of investments	476,305	-772,698
Surcharges and deductions charged	562	718
Other income	804	308
<b>Resultaat</b>	<b>517,661</b>	<b>-731,839</b>
<b>Dividend</b>	<b>-53,000</b>	<b>-52,455</b>
<b>Total equity</b>	<b>3,399,432</b>	<b>3,106,747</b>

## 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>	<b>01-01-2023 to 31-12-2023</b>	<b>01-01-2022 to 31-12-2022</b>
ASN Duurzaam Aandelenfonds	98,063	-62,862
ASN Duurzaam Obligatiefonds	2,414	-13,650
ASN Milieu & Waterfonds	38,933	-16,286
ASN Duurzaam Small & Midcapfonds	6,730	-8,767
<b>Total</b>	<b>146,140</b>	<b>-101,565</b>

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

### (G) Unrealised changes in value of 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>	<b>01-01-2023 to 31-12-2023</b>	<b>01-01-2022 to 31-12-2022</b>
ASN Duurzaam Aandelenfonds	248,054	-349,165
ASN Duurzaam Obligatiefonds	22,325	-69,676
ASN Milieu & Waterfonds	52,546	-209,735
ASN Duurzaam Small & Midcapfonds	7,240	-42,557
<b>Total</b>	<b>330,165</b>	<b>-671,133</b>

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>	<b>01-01-2023 to 31-12-2023</b>	<b>01-01-2022 to 31-12-2022</b>
ASN Duurzaam Aandelenfonds	13,969	13,729
ASN Duurzaam Obligatiefonds	2,440	2,480
ASN Milieu & Waterfonds	9,453	10,034
ASN Duurzaam Small & Midcapfonds	2,351	2,354
<b>Total</b>	<b>28,213</b>	<b>28,597</b>

#### 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 €125,610 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 assurance activities with respect to prospectus updates and the review of the UCITS compliance reports.

The audit fees for the other assurance activities amounted to €23,002 exclusive of VAT.

<i>In € 1, excluding VAT</i>	<b>2023</b>	<b>2022</b>
Audit of annual report and review of interim report	125,610	119,038
Other assurance activities	23,002	21,730
<b>Total</b>	<b>148,612</b>	<b>140,768</b>

### Employees

The company does not have any employees.

### Supervisory Board remuneration

The members of the Supervisory Board each receive an annual fee of €8,920 for the work they perform on behalf of ASN Beleggingsfondsen UCITS N.V. The chair receives an annual fee of €13,380. These amounts are inclusive of expense allowance and exclusive of VAT. In 2023, the Supervisory Board held four regular meetings and one extra meeting. 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 Investment Management N.V., Amsterdam
Fund Agent, ENL (Euroclear Nederland) Agent, tax reclaims and proxy voting	CACEIS Bank (until 25-09-2023)
Fund Agent, ENL (Euroclear Nederland) Agent	ING Bank N.V. (from 25-09-2023)
Tax reclaims and proxy voting	BNP Paribas S.A., Netherlands branch (from 25-09-2023)
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 in the funds. 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, unlike in 2022, we did not receive a return commission from the investment manager of the ASN Milieu & Waterfonds, Impax Asset Management. No return commission was received in the reporting period or in 2022 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

As of 4 March 2024, the prospectus of ASN Beleggingsfondsen UCITS N.V. makes it possible to offer separate share classes for professional investors.



### 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	€ 0.20
ASN Milieu & Waterfonds	€ 0.55
ASN Duurzaam Small & Midcapfonds	€ 0.85

The Hague, 13 March 2024

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

*San Lie*  
*Ro Dielbandhoesing*  
*Dirk-Jan Stam*





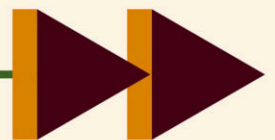
# ASN Milieu & Waterfonds

First in the Netherlands



2001

## 4 Financial Statements ASN UCITS-Beleggingsfondsen



## 4.1 ASN Duurzaam Aandelenfonds

### Balance sheet

Before profit appropriation and in € thousands	Ref. <sup>1</sup>	31-12-2023	31-12-2022
Investments	(A)		
Direct Investments <sup>2</sup>		1,656,720	1,488,673
Accounts receivable	(B)	15,953	9,984
Other assets	(C)		
Cash at bank		2,218	3,246
Current liabilities	(D)	6,591	2,966
Accounts receivable and other assets less current liabilities		11,580	10,264
<b>Assets less current liabilities</b>		<b>1,668,300</b>	<b>1,498,937</b>
Equity	(E)		
Issued capital		51,976	57,527
Share premium reserve		997,201	1,084,852
Revaluation reserve		71	168 <sup>3</sup>
Other reserves		247,496	742,244 <sup>3</sup>
Retained earnings		371,556	-385,854
<b>Total equity</b>		<b>1,668,300</b>	<b>1,498,937</b>

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 Fonds.

3 The comparative figures have been adjusted as a result of the addition of the positive unrealised changes in value of the ASN Venture Capital Fund N.V. to the Revaluation reserve

### Profit and loss account

In € thousands	Ref. <sup>1</sup>	01-01-2023 to 31-12-2023	01-01-2022 to 31-12-2022
Investment income		39,521	39,500
Realised changes in value on investments	(F)	98,063	-62,862
Unrealised changes in value on investments	(G)	248,054	-349,165
Surcharges and deductions charged		277	292
Other operating income	(H)	79	158
<b>Total income</b>		<b>385,994</b>	<b>-372,077</b>
Operating expenses	(I)		
Management fees		13,969	13,729
Other operating expenses		469	48
<b>Total operating expenses</b>		<b>14,438</b>	<b>13,777</b>
<b>Net result</b>		<b>371,556</b>	<b>-385,854</b>

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>	<b>01-01-2023 to 31-12-2023</b>	<b>01-01-2022 to 31-12-2022</b>
<b>Cashflow from investment activities</b>		
Net result	371,556	-385,854
Exchange rate differences on cash	469	-154
<b>Net result excluding exchange rate differences on cash</b>	<b>372,025</b>	<b>-386,008</b>
Adjustment to reconcile the result with the cashflow generated by the investment activities:		
Realised changes in value on investments	-98,063	62,862
Unrealised changes in value on investments	-248,054	349,165
Purchase of investments	-683,237	-512,994
Disposal of investments	861,307	470,374
<i>Changes in assets and liabilities:</i>		
Change in receivables arising from investment activities	-5,748	-127
Change in liabilities arising from investment activities	1,294	-2,201
<b>Net cashflows from investment activities</b>	<b>199,524</b>	<b>-18,929</b>
<b>Cashflows from financing activities</b>		
Issue of shares	110,560	157,627
Purchase of shares	-278,277	-124,967
Change in receivables arising from issue of shares	-221	2,360
Change in liabilities arising from purchase of shares	2,331	1,062
Dividend paid out	-34,476	-22,888
<b>Net cashflows from financing activities</b>	<b>-200,083</b>	<b>13,194</b>
<b>Total net cashflows</b>	<b>-559</b>	<b>-5,735</b>
Exchange rate differences on cash	-469	154
<b>Change in cash</b>	<b>-1,028</b>	<b>-5,581</b>
Cash at the beginning of the reporting period	3,246	8,827
<b>Cash at the end of the reporting period</b>	<b>2,218</b>	<b>3,246</b>

## 4.1.1 Notes to the balance sheet

### (A) Investments

#### Shares

<i>In € thousands</i>	<b>01-01-2023 to 31-12-2023<sup>1</sup></b>	<b>01-01-2022 to 31-12-2022<sup>1</sup></b>
Balance as at start of period	1,488,673	1,858,080
Purchases	683,237	512,994
Disposals	-861,307	-470,374
Realised changes in value on investments	98,063	-62,862
Unrealised changes in value on investments	248,054	-349,165
<b>Balance as at end of period</b>	<b>1,656,720</b>	<b>1,488,673</b>

<sup>1</sup> 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 2023, with the market value presented in thousands of euros.

#### Country allocation of ASN Duurzaam Aandelenfonds

<i>In € thousands</i>	<b>31-12-2023</b>		<b>31-12-2022</b>	
	<b>Market value</b>	<b>%</b>	<b>Market value</b>	<b>%</b>
United Kingdom	331,979	19.9	284,076	19.0
United States	322,876	19.4	201,978	13.5
Japan	167,699	10.1	136,408	9.2
Switzerland	140,438	8.5	112,221	7.5
The Netherlands	130,249	7.9	120,282	8.1
Denmark	108,861	6.6	109,935	7.4
Sweden	73,125	4.4	77,574	5.2
Germany	61,386	3.7	72,808	4.9
Australia	59,747	3.6	49,027	3.3
Spain	46,024	2.8	62,364	4.2
France	45,109	2.7	79,053	5.3
Ireland	40,819	2.5	43,388	2.9
Taiwan	35,674	2.2	56,389	3.8
Finland	31,075	1.9	26,074	1.8
Italy	24,808	1.5	24,493	1.6
South Korea	13,083	0.8	12,959	0.9
South Africa	8,518	0.5	905	0.1
New Zealand	6,999	0.4	1,389	0.1
Canada	5,197	0.3	5,511	0.4
Hong Kong	1,203	0.1	1,432	0.1
Norway	1,001	0.1	1,271	0.1
Brazil	850	0.1	-	-
Belgium	-	-	5,480	0.4

In € thousands

31-12-2023

31-12-2022

Austria	-	-	3,656	0.2
<b>Total</b>	<b>1,656,720</b>	<b>100.0</b>	<b>1,488,673</b>	<b>100.0</b>

## Sector allocation of ASN Duurzaam Aandelenfonds

Number of shares		Currency	Marketvalue in € thousands
<b>Basic goods</b>			
203,421	Chr. Hansen	DKK	15,451
10,515	Givaudan	CHF	39,403
412,250	Novozymes	DKK	20,522
			<b>75,376</b>
<b>Consumer service businesses</b>			
267,226	Pearson	GBP	2,973
			<b>2,973</b>
<b>Retail</b>			
1,301,827	Hennes & Mauritz	SEK	20,654
1,050,981	Inditex	EUR	41,441
3,466,319	Kingfisher	GBP	9,733
261,877	Lojas Renner	BRL	850
242,794	NEXT	GBP	22,746
205,766	WH Smith	GBP	3,168
425,911	Wickes Group	GBP	698
			<b>99,290</b>
<b>Retail food</b>			
522,148	Kesko Corp.	EUR	9,360
1,025,343	Marks & Spencer	GBP	3,223
			<b>12,583</b>
<b>Healthcare services &amp; equipment</b>			
156,359	Amplifon	EUR	4,900
132,088	Cochlear	AUD	24,369
256,227	Coloplast	DKK	26,535
25,368	Demant A/S	DKK	1,007
519,052	Fisher & Paykel Healthcare	AUD	6,999
1,214,931	Netcare	ZAR	856
134,528	Smith & Nephew	GBP	1,674
101,022	Sonova Holding	CHF	29,816
222,667	Straumann Holding	CHF	32,476
			<b>128,632</b>
<b>Consumer durables</b>			
1,757,580	Barratt Developments	GBP	11,411
212,240	Bellway	GBP	6,290
91,811	Berkeley Group	GBP	4,967
13,913	Kontoor Brands	USD	786
182,831	LG Electronics	KRW	13,083
459,746	Persimmon	GBP	7,369
20,830	Puma	EUR	1,052
6,850	SEB	EUR	774
2,600,321	Taylor Wimpey	GBP	4,413
			<b>50,145</b>
<b>Energy</b>			
126,431	Acciona Energias Renovables	EUR	3,550
			<b>3,550</b>
<b>Pharmaceuticals &amp; biotechnology</b>			

<i>Number of shares</i>		<i>Currency</i>	<i>Marketvalue in € thousands</i>
2,689,800	Astellas Pharma	JPY	29,120
261,195	AstraZeneca	GBP	31,951
2,167,076	GlaxoSmithKline	GBP	36,268
174,588	Merck	EUR	25,158
33,515	Mettler-Toledo International	USD	36,801
447,083	Novo Nordisk	DKK	41,868
			<b>201,166</b>
	<b>Fund certificates</b>		
13,982	ASN Venture Capital Fonds	EUR	10,110
			<b>10,110</b>
	<b>Semiconductors</b>		
1,190,800	Advantest	JPY	36,680
60,106	ASML	EUR	40,974
170,585	Global Unichip	TWD	8,755
76,966	KLA-Tencor	USD	40,502
8,338	Silicon Laboratories	USD	998
66,983	SMA Solar Technology	EUR	4,056
260,500	Tokyo Electron	JPY	42,245
8,453	Universal Display Corporation	USD	1,464
			<b>175,674</b>
	<b>Capital goods</b>		
139,862	Dürr	EUR	2,990
157,309	Advanced Drainage Systems	USD	20,028
299,757	Array Technologies	USD	4,559
1,456,190	Assa Abloy	SEK	37,973
723,329	Chroma ATE	TWD	4,545
160,617	Georg Fischer	CHF	10,555
1,105,900	Howden Joinery Group	GBP	10,384
44,118	Krones	EUR	4,932
382,901	Legrand	EUR	36,031
63,861	Lennox International	USD	25,872
235,473	RS Group	GBP	2,227
250,004	Signify	EUR	7,580
184,875	Trane Technologies	USD	40,819
361,137	Travis Perkins	GBP	3,453
371,936	Valmet	EUR	9,711
120,989	Vestas Wind Systems	DKK	3,478
483,800	Yaskawa Electric	JPY	18,298
			<b>243,435</b>
	<b>Media</b>		
105,472	M6 Métropole Télévision	EUR	1,365
7,171	Nextar Broadcasting Group	USD	1,018
355,863	ProSiebenSat.1 Media	EUR	1,969
1,584,319	Rightmove	GBP	10,524
638,178	SEEK	AUD	10,537
			<b>25,413</b>
	<b>Utilities</b>		
5,964,000	Beijing Enterprises Water	HKD	1,203
116,198	Pennon Group	GBP	1,008
69,258	Red Eléctrica de España	EUR	1,033
36,140	Severn Trent	GBP	1,076
2,635,483	Terna Rete Elettrica Nazionale	EUR	19,908
94,676	United Utilities	GBP	1,158



Number of shares		Currency	Marketvalue in € thousands
			<b>25,386</b>
	<b>Real estate</b>		
260,283	British Land	GBP	1,200
51,075	Gecina	EUR	5,623
266,335	Land Securities	GBP	2,166
476,831	Stockland	AUD	1,311
			<b>10,300</b>
	<b>Advertising</b>		
102,117	Stroeer SE & Co	EUR	5,489
			<b>5,489</b>
	<b>Software &amp; services</b>		
185,617	Autodesk	USD	40,913
362,807	DCAmbu A/S	EUR	5,101
112,492	DOoredoo	EUR	8,828
196,126	Elastic	USD	20,009
1,175,421	Fortnox	SEK	6,365
71,110	GEN DIGITAL	USD	1,469
62,729	Hubspot	USD	32,967
144,315	Palo Alto Networks	USD	38,524
2,069,774	Sage Group	GBP	28,006
388,332	Softcat	GBP	6,095
162,744	Workday	USD	40,671
			<b>228,948</b>
	<b>Technology</b>		
245,200	Canon	JPY	5,700
1,916,811	Delta Electronics	TWD	17,725
44,300	Fuji Photo Film	JPY	2,410
827,000	Invente Corp	TWD	1,288
459,000	Lite-on Technology	TWD	1,584
952,800	Murata Manufacturing	JPY	18,312
353,300	Omron	JPY	14,934
			<b>61,953</b>
	<b>Telecommunication services</b>		
145,111	BCE	CAD	5,197
502,000	Chunghwa Telecom	TWD	1,777
286,687	Elisa	EUR	12,004
6,762,916	KPN	EUR	21,087
51,793	Swisscom	CHF	28,188
1,046,197	Tele2	SEK	8,133
21,765,391	Vodafone Group	GBP	17,221
			<b>93,607</b>
	<b>Transport</b>		
79,419	Eurotunnel	EUR	1,316
1,118,518	FirstGroup	GBP	2,259
			<b>3,575</b>
	<b>Publishers</b>		
326,440	New York Times	USD	14,477
38,367	Schibsted	NOK	1,001
			<b>15,478</b>
	<b>Personal care products</b>		
13,342	Beiersdorf	EUR	1,811
608,643	Haleon	GBP	2,259
222,920	Reckitt Benckiser Group	GBP	13,943

<i>Number of shares</i>		<i>Currency</i>	<i>Marketvalue in € thousands</i>
931,884	Unilever	EUR	40,868
			<b>58,881</b>
	<b>Food &amp; drinks</b>		
475,232	Clicks Group	ZAR	7,662
			<b>7,662</b>
	<b>Business services</b>		
2,800,895	Brambles	AUD	23,530
562,738	Hays	GBP	709
112,298	Interface	USD	1,283
7,441	Manpower	USD	535
222,472	Randstad	EUR	12,619
1,101,037	RELX	EUR	39,439
149,158	Renewi	GBP	1,100
294,322	Wolters Kluwer	EUR	37,879
			<b>117,094</b>
	<b>Total</b>		<b>1,656,720</b>

## (B) Accounts receivable

The following items are shown under 'accounts receivable':

<i>In € thousands</i>	<b>31-12-2023</b>	<b>31-12-2022</b>
<b>Investment activities</b>		
Receivables arising from securities transactions	5,105	895
Dividend receivable	1,914	2,077
Dividend tax/withholding tax receivable	8,546	6,845
Total receivables arising from investment activities	<b>15,565</b>	<b>9,817</b>
<b>Financing activities</b>		
Receivables from shareholders arising from issue of shares	388	167
Total receivables arising from financing activities	<b>388</b>	<b>167</b>
<b>Total</b>	<b>15,953</b>	<b>9,984</b>

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 €4.49 million at the end of the reporting period (year-end 2022: €3.03 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>	<b>31-12-2023</b>	<b>31-12-2022</b>
<b>Investment activities</b>		
Liabilities arising from securities transactions	2,004	786
Fund costs payable	1,194	1,118
Total liabilities arising from investment activities	<b>3,198</b>	<b>1,904</b>
<b>Financing activities</b>		
Liabilities to shareholders arising from purchase of shares	3,393	1,062
Total liabilities arising from financing activities	<b>3,393</b>	<b>1,062</b>
<b>Total</b>	<b>6,591</b>	<b>2,966</b>

Liabilities fall due within one year.

## (E) Equity

## Statement of movements in equity

<i>In € thousands</i>	<b>01-01-2023 to 31-12-2023</b>	<b>01-01-2022 to 31-12-2022</b>
<b>Issued capital</b>		
Balance as at start of period	57,527	56,454
Issued shares	3,850	5,542
Purchased shares	-9,401	-4,469
<b>Balance as at end of period</b>	<b>51,976</b>	<b>57,527</b>
<b>Share premium reserve</b>		
Balance as at start of period	1,084,852	1,022,616
Issued shares	106,710	152,085
Purchased shares	-194,361	-89,849
<b>Balance as at end of period</b>	<b>997,201</b>	<b>1,084,852</b>
<b>Revaluation reserve</b>		
Balance as at start of period	168	-
Change because of indirect investments	-97	168
<b>Balance as at end of period</b>	<b>71</b>	<b>168<sup>1</sup></b>
<b>Other reserves</b>		
Balance as at start of period	742,244	473,221
Change to revaluation reserve	97	-168
Addition to/withdrawal from retained earnings	-420,330	299,840
Purchased shares	-74,515	-30,649
<b>Balance as at end of period</b>	<b>247,496</b>	<b>742,244<sup>1</sup></b>
<b>Retained earnings</b>		
Balance as at start of period	-385,854	322,728
Addition to/withdrawal from other reserves	420,330	-299,840
Dividend paid out	-34,476	-22,888
Result for the reporting period	371,556	-385,854
<b>Balance as at end of period</b>	<b>371,556</b>	<b>-385,854</b>
<b>Total equity</b>	<b>1,668,229</b>	<b>1,498,769</b>

<sup>1</sup> The comparative figures have been adjusted as a result of the addition of the positive unrealised changes in value of the ASN Venture Capital Fund N.V. to the Revaluation reserve

### Five-year summary

<i>In € thousands</i>	<b>31-12-2023</b>	<b>31-12-2022</b>	<b>31-12-2021</b>	<b>31-12-2020</b>	<b>31-12-2019</b>
Total net asset value	1,668,300	1,498,937	1,875,019	1,543,572	1,487,553
Direct income	39,521	39,500	33,744	27,178	37,559
Changes in value of investments	346,117	-412,027	303,647	124,089	365,981
Surcharges and deductions charged	277	292	327	219	188
Other income	79	158	-	-	236
Operating expenses	-14,438	-13,777	-14,990	-11,252	-7,361
<b>Total result</b>	<b>371,556</b>	<b>-385,854</b>	<b>322,728</b>	<b>140,234</b>	<b>396,603</b>
Number of ordinary shares outstanding	10,395,206	11,505,265	11,290,696	11,091,282	11,463,400
<b>Per ordinary share</b>					
<i>In euros</i>					
Net asset value	160.49	130.28	166.07	139.17	129.73
Share price	160.25	131.45	166.99	139.19	130.06
Dividend <sup>1</sup>	3.00	2.00	1.80	2.85	2.95
Investment income	3.51	3.42	3.01	2.89	3.10
Changes in value of investments	30.73	-35.72	27.04	13.20	30.24
Surcharges and deductions charged	0.02	0.03	0.03	0.02	0.02
Other income	0.01	0.01	-	-	0.02
Operating expenses	-1.28	-1.19	-1.34	-1.20	-0.61
<b>Total result</b>	<b>32.99</b>	<b>-33.45</b>	<b>28.74</b>	<b>14.91</b>	<b>32.77</b>

<sup>1</sup> 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>	<b>01-01-2023 t/m 31-12-2023</b>	<b>01-01-2022 t/m 31-12-2022</b>
Balance as at start of period	1,498,937	1,875,019
Issued shares	110,560	157,627
Purchased shares	-278,277	-124,967
<b>Balance as at end of period</b>	<b>1,331,220</b>	<b>1,907,679</b>
Investment income	39,521	39,500
Management fees	-13,969	-13,729
Other operating expenses	-469	-48
	25,083	25,723
Changes in value of investments	346,117	-412,027
Surcharges and deductions charged	277	292
Other income	79	158
<b>Resultaat</b>	<b>371,556</b>	<b>-385,854</b>
<b>Dividend</b>	<b>-34,476</b>	<b>-22,888</b>
<b>Total equity</b>	<b>1,668,300</b>	<b>1,498,937</b>

### 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 €18.2 million (year-end 2022: €13.2 million).

### Liquidity risk

As at the reporting date, 0.61% (year-end 2022: 0.69%) 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>	<b>01-01-2023 to 31-12-2023</b>	<b>01-01-2022 to 31-12-2022</b>
<b>Shares</b>		
Shares - realised price gains	119,612	14,545
Shares - realised price losses	-16,005	-85,826
Shares - realised exchange gains	2,627	12,899
Shares - realised exchange losses	-8,171	-4,480
<b>Total</b>	<b>98,063</b>	<b>-62,862</b>

### (G) Unrealised 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 unrealised gains and losses from investments follows by type of investment and broken down by price and exchange results.

<i>In € thousands</i>	<b>01-01-2023 to 31-12-2023</b>	<b>01-01-2022 to 31-12-2022</b>
<b>Shares</b>		
Shares - unrealised price gains	293,779	35,770
Shares - unrealised price losses	-40,002	-368,721
Shares - unrealised exchange gains	12,278	20,265
Shares - unrealised exchange losses	-18,001	-36,479
<b>Total</b>	<b>248,054</b>	<b>-349,165</b>

### (H) Other operating income

The other operating income consists of:

<i>In € thousands</i>	<b>01-01-2023 to 31-12-2023</b>	<b>01-01-2022 to 31-12-2022</b>
Exchange rate differences on cash	-	154
Interest on current account	79	-
Other operating income	-	4
<b>Total</b>	<b>79</b>	<b>158</b>

### (I) Operating expenses

The other operating expenses consist of:

<i>In € thousands</i>	<b>01-01-2023 to 31-12-2023</b>	<b>01-01-2022 to 31-12-2022</b>
Exchange rate differences on cash	469	-
Interest on current account	-	48
<b>Total</b>	<b>469</b>	<b>48</b>

### Ongoing charges figure:

<i>In € thousands</i>	<b>01-01-2023 to 31-12-2023</b>	<b>01-01-2022 to 31-12-2022</b>
<b>Ongoing charges</b>		
Total operating expenses	13,969	13,729
Average fund capital during the reporting period	1,642,270	1,614,473
<b>Ongoing charge figure (on annual basis)</b>	<b>0.85%</b>	<b>0.85%</b>

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.

	<b>01-01-2023 to 31-12-2023</b>	<b>01-01-2022 to 31-12-2022</b>
Turnover rate	70.37%	43.41%

#### 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 €921,436 (2022: €380,699).

## 4.2 ASN Duurzaam Obligatiefonds

### Balance sheet

Before profit appropriation and in € thousands	Ref. <sup>1</sup>	31-12-2023	31-12-2022
Investments	(A)		
Direct investments		551,781	507,563
Accounts receivable	(B)	3,553	3,270
Other assets	(C)		
Cash at bank		2,981	4,533
Current liabilities	(D)	810	423
Accounts receivable and other assets less current liabilities		5,724	7,380
<b>Assets less current liabilities</b>		<b>557,505</b>	<b>514,943</b>
Equity	(E)		
Issued capital		112,815	109,496
Share premium reserve		503,961	499,760
Other reserves		-88,295	-14,413
Retained earnings		29,024	-79,900
<b>Total equity</b>		<b>557,505</b>	<b>514,943</b>

<sup>1</sup> 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. <sup>1</sup>	01-01-2023 to 31-12-2023	01-01-2022 to 31-12-2022
Investment income		6,618	5,833
Realised changes in value on investments	(F)	2,414	-13,650
Unrealised changes in value on investments	(G)	22,325	-69,676
Surcharges and deductions charged		61	92
Other operating income	(H)	46	1
<b>Total income</b>		<b>31,464</b>	<b>-77,400</b>
Operating expenses	(I)		
Management fees		2,440	2,480
Other operating expenses		-	20
<b>Total operating expenses</b>		<b>2,440</b>	<b>2,500</b>
<b>Net result</b>		<b>29,024</b>	<b>-79,900</b>

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

## Cash flow statement

<i>In € thousands</i>	<b>01-01-2023 to 31-12-2023</b>	<b>01-01-2022 to 31-12-2022</b>
<b>Cashflow from investment activities</b>		
Net result	29,024	-79,900
Exchange rate differences on cash	-	-
<b>Net result excluding exchange rate differences on cash</b>	<b>29,024</b>	<b>-79,900</b>
Adjustment to reconcile the result with the cashflow generated by the investment activities:		
Realised changes in value on investments	-2,414	13,650
Unrealised changes in value on investments	-22,325	69,676
Purchase of investments	-432,340	-383,755
Disposal of investments	402,197	376,048
Redemption of investments	10,664	10,836
<i>Changes in assets and liabilities:</i>		
Change in receivables arising from investment activities	-312	1,458
Change in liabilities arising from investment activities	-136	-1,012
<b>Net cashflows from investment activities</b>	<b>-15,642</b>	<b>7,001</b>
<b>Cashflows from financing activities</b>		
Issue of shares	70,104	75,041
Purchase of shares	-54,292	-79,221
Change in receivables arising from issue of shares	29	941
Change in liabilities arising from purchase of shares	523	39
Dividend paid out	-2,274	-6,588
<b>Net cashflows from financing activities</b>	<b>14,090</b>	<b>-9,788</b>
<b>Total net cashflows</b>	<b>-1,552</b>	<b>-2,787</b>
Exchange rate differences on cash	-	-
<b>Change in cash</b>	<b>-1,552</b>	<b>-2,787</b>
Cash at the beginning of the reporting period	4,533	7,320
<b>Cash at the end of the reporting period</b>	<b>2,981</b>	<b>4,533</b>



## 4.2.1 Notes to the balance sheet

### (A) Investments

#### Bonds

<i>In € thousands</i>	<b>01-01-2023 to 31-12-2023</b>	<b>01-01-2022 to 31-12-2022</b>
Balance as at start of period	507,563	594,018
Purchases	432,340	383,755
Disposals	-402,197	-376,048
Redemptions	-10,664	-10,836
Realised changes in value on investments	2,414	-13,650
Unrealised changes in value on investments	22,325	-69,676
<b>Balance as at end of period</b>	<b>551,781</b>	<b>507,563</b>

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.

	<b>31-12-2023</b>	<b>31-12-2022</b>
Effective yield	2.54%	3.18%
Coupon yield	1.29%	1.17%
Average term to maturity	4.98 years	4.85 years
Modified duration	4.62	4.54

#### 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 2023, with the market value presented in thousands of euros.

#### Country allocation of ASN Duurzaam Obligatiefonds

<i>In € thousands</i>	<b>31-12-2023</b>		<b>31-12-2022</b>	
	<i>Market value</i>	<i>%</i>	<i>Market value</i>	<i>%</i>
Germany	119,533	21.7	70,988	14.0
The Netherlands	69,303	12.6	86,772	17.2
Austria	57,419	10.4	50,867	10.0
France	52,180	9.5	30,631	6.0
Italy	40,247	7.3	35,659	7.0
Belgium	34,121	6.2	35,440	7.0
Ireland	33,170	6.0	38,850	7.7
Spain	28,917	5.2	32,141	6.3
Slovakia	27,058	4.9	23,594	4.6
Slovenia	25,263	4.6	30,067	5.9
Portugal	21,009	3.8	32,241	6.4
Luxembourg	15,556	2.8	13,561	2.7
Chile	15,159	2.7	14,283	2.8
Lithuania	6,272	1.1	6,111	1.2
Finland	4,921	0.9	4,784	0.9
Switzerland	1,653	0.3	1,574	0.3
<b>Total</b>	<b>551,781</b>	<b>100.0</b>	<b>507,563</b>	<b>100.0</b>

## Sector allocation of ASN Duurzaam Obligatiefonds

Nominal value in € thousands	Coupon- yield	State(-guaranteed)	Currency	Coupon review date	Marketvalue in € thousands
		<b>State(-guaranteed)</b>			
2,600	0,8%	Belgium	EUR	22-6-2027	2,474
4,900	0%	Belgium	EUR	22-10-2027	4,506
3,400	0,8%	Belgium	EUR	22-6-2028	3,196
4,300	0,9%	Belgium	EUR	22-6-2029	3,998
1,442	0,1%	Belgium	EUR	22-6-2030	1,251
2,600	1%	Belgium	EUR	22-6-2031	2,348
1,800	0%	Belgium	EUR	22-10-2031	1,488
1,000	4%	Belgium	EUR	28-3-2032	1,111
4,700	0,35%	Belgium	EUR	22-6-2032	3,929
1,400	3%	Belgium	EUR	22-6-2033	1,446
					<b>25,747</b>
8,000	0,1%	Chile	EUR	26-1-2027	7,247
3,000	0,555%	Chile	EUR	21-1-2029	2,611
4,000	1,44%	Chile	EUR	1-2-2029	3,646
2,000	0,83%	Chile	EUR	2-7-2031	1,655
					<b>15,159</b>
6,000	0%	Germany	EUR	5-4-2024	5,943
8,300	0%	Germany	EUR	18-10-2024	8,092
7,000	3,1%	Germany	EUR	12-12-2025	7,091
4,200	0%	Germany	EUR	15-2-2032	3,596
5,300	1,7%	Germany	EUR	15-8-2032	5,193
2,000	2,3%	Germany	EUR	15-2-2033	2,053
13,300	2,6%	Germany	EUR	15-8-2033	13,980
					<b>45,948</b>
3,300	1%	France	EUR	25-11-2025	3,211
8,500	0,25%	France	EUR	25-11-2026	8,026
2,850	0,75%	France	EUR	25-5-2028	2,676
3,900	0,75%	France	EUR	25-11-2028	3,638
2,200	2,75%	France	EUR	25-2-2029	2,252
600	2%	France	EUR	25-11-2032	579
4,800	3%	France	EUR	25-5-2033	5,002
1,900	3,5%	France	EUR	25-11-2033	2,058
					<b>27,442</b>
7,500	1%	Ireland	EUR	15-5-2026	7,280
3,800	0,2%	Ireland	EUR	15-5-2027	3,560
1,800	0,9%	Ireland	EUR	15-5-2028	1,709
4,200	1,1%	Ireland	EUR	15-5-2029	3,973
3,000	2,4%	Ireland	EUR	15-5-2030	3,033
2,600	0,2%	Ireland	EUR	18-10-2030	2,266
3,400	1,35%	Ireland	EUR	18-3-2031	3,191
4,300	0%	Ireland	EUR	18-10-2031	3,612
2,700	0,35%	Ireland	EUR	18-10-2032	2,268
2,500	1,3%	Ireland	EUR	15-5-2033	2,278
					<b>33,170</b>
600	3,5%	Italy	EUR	15-1-2026	608
11,500	3,8%	Italy	EUR	15-4-2026	11,742
6,500	1,1%	Italy	EUR	1-4-2027	6,156
300	2,2%	Italy	EUR	1-6-2027	294



Nominal value in € thousands	Coupon- yield		Currency	Coupon review date	Marketvalue in € thousands
4,300	0,5%	Italy	EUR	15-7-2028	3,858
3,400	3,8%	Italy	EUR	1-8-2028	3,515
1,400	4,1%	Italy	EUR	1-2-2029	1,466
3,400	2,8%	Italy	EUR	15-6-2029	3,350
3,100	3,85%	Italy	EUR	15-12-2029	3,208
2,400	4%	Italy	EUR	30-10-2031	2,500
					<b>36,697</b>
2,200	1,25%	Lithuania	EUR	22-10-2025	2,119
2,500	2,125%	Lithuania	EUR	29-10-2026	2,436
1,000	0,5%	Lithuania	EUR	19-6-2029	861
1,000	0,75%	Lithuania	EUR	6-5-2030	856
					<b>6,272</b>
1,000	0%	Luxembourg	EUR	13-11-2026	935
6,900	1,375%	Luxembourg	EUR	25-5-2029	6,570
2,000	0%	Luxembourg	EUR	28-4-2030	1,725
2,556	0%	Luxembourg	EUR	24-3-2031	2,153
1,200	3%	Luxembourg	EUR	2-3-2033	1,255
					<b>12,638</b>
4,600	0,25%	The Netherlands	EUR	15-7-2025	4,442
3,300	0%	The Netherlands	EUR	15-1-2026	3,137
5,400	0,5%	The Netherlands	EUR	15-7-2026	5,170
3,400	0%	The Netherlands	EUR	15-1-2027	3,183
1,500	5,5%	The Netherlands	EUR	15-1-2028	1,691
3,100	0%	The Netherlands	EUR	15-1-2029	2,786
3,000	2,5%	The Netherlands	EUR	15-1-2030	3,057
8,400	0,5%	The Netherlands	EUR	15-7-2032	7,253
5,900	2,5%	The Netherlands	EUR	15-7-2033	5,992
					<b>36,711</b>
13,000	1,2%	Austria	EUR	20-10-2025	12,700
1,900	2%	Austria	EUR	15-7-2026	1,881
4,150	0,75%	Austria	EUR	20-10-2026	3,968
7,700	0,5%	Austria	EUR	20-4-2027	7,256
4,969	0,75%	Austria	EUR	20-2-2028	4,665
11,300	0,5%	Austria	EUR	20-2-2029	10,293
1,900	2,9%	Austria	EUR	23-5-2029	1,954
7,800	0%	Austria	EUR	20-2-2030	6,734
901	3,45%	Austria	EUR	20-10-2030	954
2,500	0%	Austria	EUR	20-2-2031	2,097
2,800	0,9%	Austria	EUR	20-2-2032	2,458
2,400	2,9%	Austria	EUR	20-2-2033	2,459
					<b>57,419</b>
600	2,875%	Portugal	EUR	15-10-2025	605
4,050	4,125%	Portugal	EUR	14-4-2027	4,287
2,200	0,7%	Portugal	EUR	15-10-2027	2,081
2,800	2,125%	Portugal	EUR	17-10-2028	2,787
3,350	1,95%	Portugal	EUR	15-6-2029	3,294
300	3,875%	Portugal	EUR	15-2-2030	326
4,000	0,475%	Portugal	EUR	18-10-2030	3,521
1,900	0,3%	Portugal	EUR	17-10-2031	1,605
2,700	1,65%	Portugal	EUR	16-7-2032	2,503
					<b>21,009</b>

Nominal value in € thousands	Coupon- yield		Currency	Coupon review date	Marketvalue in € thousands
5,800	1,25%	Slovenia	EUR	22-3-2027	5,536
3,700	1%	Slovenia	EUR	6-3-2028	3,462
3,700	1,1875%	Slovenia	EUR	14-3-2029	3,423
3,700	0,275%	Slovenia	EUR	14-1-2030	3,189
3,000	0,875%	Slovenia	EUR	15-7-2030	2,662
2,500	0%	Slovenia	EUR	12-2-2031	2,052
1,700	0,125%	Slovenia	EUR	1-7-2031	1,395
3,700	2,25%	Slovenia	EUR	3-3-2032	3,544
					<b>25,263</b>
1,600	0,25%	Slovakia	EUR	14-5-2025	1,537
4,750	0,625%	Slovakia	EUR	22-5-2026	4,509
2,900	1,375%	Slovakia	EUR	21-1-2027	2,777
2,550	1%	Slovakia	EUR	12-6-2028	2,353
2,700	3,625%	Slovakia	EUR	16-1-2029	2,790
5,750	0,75%	Slovakia	EUR	9-4-2030	5,037
3,000	1%	Slovakia	EUR	9-10-2030	2,635
2,000	4%	Slovakia	EUR	19-10-2032	2,130
3,200	3,75%	Slovakia	EUR	23-2-2035	3,290
					<b>27,058</b>
2,350	1,6%	Spain	EUR	30-4-2025	2,309
2,000	0%	Spain	EUR	31-5-2025	1,920
950	4,65%	Spain	EUR	30-7-2025	976
2,000	0%	Spain	EUR	31-1-2026	1,893
2,300	1,95%	Spain	EUR	30-4-2026	2,265
3,000	0%	Spain	EUR	31-1-2027	2,776
1,500	0,8%	Spain	EUR	30-7-2027	1,413
2,500	1,45%	Spain	EUR	31-10-2027	2,405
1,800	0%	Spain	EUR	31-1-2028	1,627
400	1,4%	Spain	EUR	30-4-2028	382
1,000	1,4%	Spain	EUR	30-7-2028	952
900	5,15%	Spain	EUR	31-10-2028	1,006
1,000	6%	Spain	EUR	31-1-2029	1,163
1,000	1,45%	Spain	EUR	30-4-2029	945
900	0,8%	Spain	EUR	30-7-2029	816
2,500	0,5%	Spain	EUR	30-4-2030	2,192
773	1,95%	Spain	EUR	30-7-2030	740
1,500	2,55%	Spain	EUR	31-10-2032	1,462
1,600	3,55%	Spain	EUR	31-10-2033	1,675
					<b>28,917</b>
		<b>Total state(-guaranteed)</b>			<b>399,450</b>
<b>Greenbonds</b>					
6,700	0%	Belgium	EUR	2-6-2028	6,045
2,300	2,75%	Belgium	EUR	4-2-2033	2,329
<b>Belgium</b>					<b>8,374</b>
2,000	3,85%	EnBW International Finance	EUR	23-5-2030	2,062
3,000	1,625%	EnBW International Finance	EUR	5-8-2079	2,690
1,200	0,05%	Kreditanstalt für Wiederaufbau	EUR	30-5-2024	1,183
1,000	0,25%	Kreditanstalt für Wiederaufbau	EUR	30-6-2025	964
4,000	0,5%	Kreditanstalt für Wiederaufbau	EUR	28-9-2026	3,801
10,000	0,01%	Kreditanstalt für Wiederaufbau	EUR	5-5-2027	9,241

Nominal value in € thousands	Coupon- yield		Currency	Coupon review date	Marketvalue in € thousands
8,000	0%	Kreditanstalt für Wiederaufbau	EUR	15-9-2028	7,155
14,000	0%	Kreditanstalt für Wiederaufbau	EUR	15-6-2029	12,283
3,800	2%	Kreditanstalt für Wiederaufbau	EUR	15-11-2029	3,712
9,200	2,75%	Kreditanstalt für Wiederaufbau	EUR	15-5-2030	9,374
1,900	3%	Land Baden-Württemberg	EUR	27-6-2033	1,973
3,700	2,875%	Land Baden-Württemberg	EUR	4-7-2033	3,797
2,000	0,5%	Land Nordrhein-Westfalen	EUR	16-2-2027	1,881
2,000	0,25%	Landesbank Baden-Württemberg	EUR	21-7-2028	1,712
1,800	0%	Landwirtschaftliche Rentenbank	EUR	22-9-2027	1,645
1,800	1,9%	Landwirtschaftliche Rentenbank	EUR	12-7-2032	1,711
1,000	0,875%	NRW Bank	EUR	10-11-2025	965
3,000	0,5%	NRW Bank	EUR	13-9-2027	2,789
4,500	3%	NRW Bank	EUR	31-5-2030	4,630
2,500	0,25%	NRW Bank	EUR	26-1-2032	2,079
<b>Germany</b>					<b>75,647</b>
5,000	0,125%	Nordic Investment Bank	EUR	10-6-2024	4,921
<b>Finland</b>					<b>4,921</b>
5,000	0,125%	Council of Europe Development Bank	EUR	10-4-2024	4,951
1,200	0,5%	Île-de-France	EUR	14-6-2025	1,156
1,000	0,625%	Île-de-France	EUR	23-4-2027	936
5,800	0,4%	Ile-de-France mobilites	EUR	28-5-2031	4,908
4,000	0,95%	Ile-de-France mobilites	EUR	16-2-2032	3,472
1,100	0,875%	Regie Autonome des Transports Parisiens (RATP)	EUR	25-5-2027	1,037
1,000	0,1%	Région Île-de-France	EUR	2-7-2030	843
1,600	2,9%	Région Île-de-France	EUR	30-4-2031	1,612
7,000	0%	Société du Grand Paris	EUR	25-11-2030	5,823
<b>France</b>					<b>24,738</b>
4,000	0,375%	Ferrovie Dello Stato	EUR	25-3-2028	3,550
<b>Italy</b>					<b>3,550</b>
3,000	1,25%	European Investment Bank	EUR	13-11-2026	2,918
<b>Luxembourg</b>					<b>2,918</b>
6,000	0,2%	Bank Nederlandse Gemeenten	EUR	9-11-2024	5,841
2,000	0,25%	BNG Bank	EUR	12-1-2032	1,655
4,200	3%	Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden	EUR	25-10-2027	4,290
4,242	1%	Nederlandse Waterschapsbank	EUR	3-9-2025	4,113
4,100	2,75%	Nederlandse Waterschapsbank	EUR	9-11-2027	4,139
3,900	0,25%	Nederlandse Waterschapsbank	EUR	19-1-2032	3,240
1,000	0,75%	Tennet Holding	EUR	26-6-2025	970
1,900	1,375%	Tennet Holding	EUR	5-6-2028	1,810
2,800	1,375%	Tennet Holding	EUR	26-6-2029	2,638
2,000	0,875%	Tennet Holding	EUR	3-6-2030	1,834
<b>The Netherlands</b>					<b>30,530</b>
1,600	3,125%	Eurofima	EUR	9-11-2031	1,653
<b>Switzerland</b>					<b>1,653</b>
		<b>Total greenbonds</b>			<b>152,331</b>
		<b>Total</b>			<b>551,781</b>

## Rating allocation of ASN Duurzaam Obligatiefonds

<i>In € thousands</i>	<i>31-12-2023</i>		<i>31-12-2022</i>	
	<i>Market value</i>	<i>%</i>	<i>Market value</i>	<i>%</i>
AAA	190,808	34.6	162,207	31.9
AA+	75,533	13.7	65,328	12.9
AA	34,918	6.3	19,603	3.9
AA-	72,881	13.2	74,187	14.6
A	71,141	12.9	71,610	14.1
A-	61,501	11.1	46,728	9.2
BBB+	2,062	0.4	-	-
BBB	40,247	7.3	67,900	13.4
BBB-	2,690	0.5	-	-
<b>Total</b>	<b>551,781</b>	<b>100.0</b>	<b>507,563</b>	<b>100.0</b>

## Redemption of ASN Duurzaam Obligatiefonds

<i>In € thousands</i>	<i>31-12-2023</i>		<i>31-12-2022</i>	
	<i>Market value</i>	<i>%</i>	<i>Market value</i>	<i>%</i>
Redemption within 1 year	30,931	5.6	57,292	11.3
Redemption within 1 to 5 years	245,345	44.5	268,466	52.9
Redemption within 5 to 10 years	269,525	48.8	181,805	35.8
Redemption after 10 years	5,980	1.1	-	-
<b>Total</b>	<b>551,781</b>	<b>100.0</b>	<b>507,563</b>	<b>100.0</b>

## (B) Accounts receivable

The following items are shown under 'accounts receivable':

<i>In € thousands</i>	<b>31-12-2023</b>	<b>31-12-2022</b>
<b>Investment activities</b>		
Receivables arising from security transactions	-	149
Accruals on bonds	3,359	2,898
Total receivables arising from investment activities	<b>3,359</b>	<b>3,047</b>
<b>Financing activities</b>		
Receivables from shareholders arising from issue of shares	194	223
Total receivables arising from financing activities	<b>194</b>	<b>223</b>
<b>Total</b>	<b>3,553</b>	<b>3,270</b>

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>	<b>31-12-2023</b>	<b>31-12-2022</b>
<b>Investment activities</b>		
Liabilities arising from securities transactions	-	149
Fund costs payable	213	200
Total liabilities arising from investment activities	<b>213</b>	<b>349</b>
<b>Financing activities</b>		
Liabilities to shareholders arising from purchase of shares	597	74
Total liabilities arising from financing activities	<b>597</b>	<b>74</b>
<b>Total</b>	<b>810</b>	<b>423</b>

Liabilities fall due within one year.

## (E) Equity

## Statement of movements in equity

<i>In € thousands</i>	<b>01-01-2023 to 31-12-2023</b>	<b>01-01-2022 to 31-12-2022</b>
<b>Issued capital</b>		
Balance as at start of period	109,496	110,330
Issued shares	14,705	14,650
Purchased shares	-11,386	-15,484
<b>Balance as at end of period</b>	<b>112,815</b>	<b>109,496</b>
<b>Share premium reserve</b>		
Balance as at start of period	499,760	510,739
Issued shares	55,399	60,391
Purchased shares	-51,198	-71,370
<b>Balance as at end of period</b>	<b>503,961</b>	<b>499,760</b>
<b>Other reserves</b>		
Balance as at start of period	-14,413	-3,150
Addition to/withdrawal from retained earnings	-82,174	-18,896
Purchased shares	8,292	7,633
<b>Balance as at end of period</b>	<b>-88,295</b>	<b>-14,413</b>
<b>Retained earnings</b>		
Balance as at start of period	-79,900	-12,308
Addition to/withdrawal from other reserves	82,174	18,896
Dividend paid out	-2,274	-6,588
Result for the reporting period	29,024	-79,900
<b>Balance as at end of period</b>	<b>29,024</b>	<b>-79,900</b>
<b>Total equity</b>	<b>557,505</b>	<b>514,943</b>

## Five-year summary

<i>In € thousands</i>	<b>31-12-2023</b>	<b>31-12-2022</b>	<b>31-12-2021</b>	<b>31-12-2020</b>	<b>31-12-2019</b>
Total net asset value	557,505	514,943	605,611	576,826	644,273
Direct income	6,618	5,833	8,407	9,208	13,774
Changes in value of investments	24,739	-83,326	-18,073	1,381	4,091
Surcharges and deductions charged	61	92	129	148	97
Other income	46	1	-	-	-
Operating expenses	-2,440	-2,500	-2,771	-1,645	-1,038
<b>Total result</b>	<b>29,024</b>	<b>-79,900</b>	<b>-12,308</b>	<b>9,092</b>	<b>16,924</b>
Number of ordinary shares outstanding	22,562,964	21,899,148	22,066,024	20,366,907	22,275,347
<b>Per ordinary share</b>					
<i>In euros</i>					
Net asset value	24.71	23.51	27.45	28.32	28.92
Share price	24.78	23.61	27.47	28.34	28.95
Dividend <sup>1</sup>	0.10	0.30	0.30	1.00	0.60
Investment income	0.29	0.27	0.38	0.71	0.58
Changes in value of investments	1.10	-3.80	-0.82	0.12	0.17
Surcharges and deductions charged	-	-	0.01	0.01	-
Operating expenses	-0.11	-0.11	-0.13	-0.13	-0.04
<b>Total result</b>	<b>1.28</b>	<b>-3.64</b>	<b>-0.56</b>	<b>0.71</b>	<b>0.71</b>

<sup>1</sup> 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>	<b>01-01-2023 t/m 31-12-2023</b>	<b>01-01-2022 t/m 31-12-2022</b>
Balance as at start of period	514,943	605,611
Issued shares	70,104	75,041
Purchased shares	-54,292	-79,221
<b>Balance as at end of period</b>	<b>530,755</b>	<b>601,431</b>
Investment income	6,618	5,833
Management fees	-2,440	-2,480
Other operating expenses	-	-20
	4,178	3,333
Changes in value of investments	24,739	-83,326
Surcharges and deductions charged	61	92
Other income	46	1
<b>Result</b>	<b>29,024</b>	<b>-79,900</b>
<b>Dividend</b>	<b>-2,274</b>	<b>-6,588</b>
<b>Total equity</b>	<b>557,505</b>	<b>514,943</b>

## 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 €558.3 million (year-end 2022: €515.4 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>	<b>01-01-2023 to 31-12-2023</b>	<b>01-01-2022 to 31-12-2022</b>
<b>Bonds</b>		
Bonds - realised price gains	3,704	419
Bonds - realised price losses	-1,290	-14,069
Bonds - realised exchange gains	-	-
Bonds - realised exchange losses	-	-
<b>Total</b>	<b>2,414</b>	<b>-13,650</b>

## (G) Unrealised 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 unrealised gains and losses from investments follows by type of investment and broken down by price and exchange results.

<i>In € thousands</i>	<b>01-01-2023 to 31-12-2023</b>	<b>01-01-2022 to 31-12-2022</b>
<b>Bonds</b>		
Bonds - unrealised price gains	22,383	59
Bonds - unrealised price losses	-58	-69,735
Bonds - unrealised exchange gains	-	-
Bonds - unrealised exchange losses	-	-
<b>Total</b>	<b>22,325</b>	<b>-69,676</b>

**(H) Other operating income**

The other operating income consists of:

<i>In € thousands</i>	<b>01-01-2023 to 31-12-2023</b>	<b>01-01-2022 to 31-12-2022</b>
Interest on current account	46	-
Other operating income	-	1
<b>Total</b>	<b>46</b>	<b>1</b>

**(I) Operating expenses**

The other operating expenses consist of:

<i>In € thousands</i>	<b>01-01-2023 to 31-12-2023</b>	<b>01-01-2022 to 31-12-2022</b>
Interest on current account	-	20
<b>Total</b>	<b>-</b>	<b>20</b>

**Ongoing charges figure**

<i>In € thousands</i>	<b>01-01-2023 to 31-12-2023</b>	<b>01-01-2022 to 31-12-2022</b>
<b>Ongoing charges</b>		
Total operating expenses	2,440	2,480
Average fund capital during the reporting period	542,056	551,111
<b>Ongoing charge figure (on annual basis)</b>	<b>0.45%</b>	<b>0.45%</b>

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.

	<b>01-01-2023 to 31-12-2023</b>	<b>01-01-2022 to 31-12-2022</b>
Turnover rate	131.01%	109.88%

**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

#### Balance sheet

Before profit appropriation and in € thousands	Ref. <sup>1</sup>	31-12-2023	31-12-2022
Investments	(A)		
Direct investments		956,520	880,323
Accounts receivable	(B)	5,202	5,467
Other assets	(C)		
Cash at bank		14,195	19,945
Current liabilities	(D)	2,914	2,199
Accounts receivable and other assets less current liabilities		16,483	23,213
<b>Assets less current liabilities</b>		<b>973,003</b>	<b>903,536</b>
Equity	(E)		
Issued capital		99,028	100,933
Share premium reserve		500,042	497,143
Other reserves		274,363	523,342
Retained earnings		99,570	-217,882
<b>Total equity</b>		<b>973,003</b>	<b>903,536</b>

<sup>1</sup> 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. <sup>1</sup>	01-01-2023 to 31-12-2023	01-01-2022 to 31-12-2022
Investment income		17,116	17,988
Realised changes in value on investments	(F)	38,933	-16,286
Unrealised changes in value on investments	(G)	52,546	-209,735
Surcharges and deductions charged		101	144
Other operating income	(H)	434	149
<b>Total income</b>		<b>109,130</b>	<b>-207,740</b>
Operating expenses	(I)		
Management fees		9,453	10,034
Other operating expenses		107	108
<b>Total operating expenses</b>		<b>9,560</b>	<b>10,142</b>
<b>Net result</b>		<b>99,570</b>	<b>-217,882</b>

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

## Cash flow statement

<i>In € thousands</i>	<b>01-01-2023 to 31-12-2023</b>	<b>01-01-2022 to 31-12-2022</b>
<b>Cashflow from investment activities</b>		
Net result	99,570	-217,882
Exchange rate differences on cash	107	69
<b>Net result excluding exchange rate differences on cash</b>	<b>99,677</b>	<b>-217,813</b>
Adjustment to reconcile the result with the cashflow generated by the investment activities:		
Realised changes in value on investments	-38,933	16,286
Unrealised changes in value on investments	-52,546	209,735
Purchase of investments	-182,671	-168,074
Disposal of investments	197,953	177,068
<i>Changes in assets and liabilities:</i>		
Change in receivables arising from investment activities	318	1,495
Change in liabilities arising from investment activities	-832	-1,596
<b>Net cashflows from investment activities</b>	<b>22,966</b>	<b>17,101</b>
<b>Cashflows from financing activities</b>		
Issue of shares	42,357	71,525
Purchase of shares	-60,274	-66,245
Change in receivables arising from issue of shares	-53	1,510
Change in liabilities arising from purchase of shares	1,547	551
Dividend paid out	-12,186	-20,260
<b>Net cashflows from financing activities</b>	<b>-28,609</b>	<b>-12,919</b>
<b>Total net cashflows</b>	<b>-5,643</b>	<b>4,182</b>
Exchange rate differences on cash	-107	-69
<b>Change in cash</b>	<b>-5,750</b>	<b>4,113</b>
Cash at the beginning of the reporting period	19,945	15,832
<b>Cash at the end of the reporting period</b>	<b>14,195</b>	<b>19,945</b>

### 4.3.1 Notes to the balance sheet

#### (A) Investments

##### Shares

<i>In € thousands</i>	<b>01-01-2023 to 31-12-2023</b>	<b>01-01-2022 to 31-12-2022</b>
Balance as at start of period	880,323	1,115,338
Purchases	182,671	168,074
Disposals	-197,953	-177,068
Realised changes in value on investments	38,933	-16,286
Unrealised changes in value on investments	52,546	-209,735
<b>Balance as at end of period</b>	<b>956,520</b>	<b>880,323</b>

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 2023, with the market value presented in thousands of euros.

##### Country allocation of ASN Milieu & Waterfonds

<i>In € thousands</i>	<b>31-12-2023</b>		<b>31-12-2022</b>	
	<i>Market value</i>	<i>%</i>	<i>Market value</i>	<i>%</i>
United States	364,841	38.0	301,267	34.2
United Kingdom	140,210	14.7	122,520	13.9
Switzerland	85,821	9.0	66,618	7.6
Denmark	46,434	4.9	48,352	5.5
Canada	42,070	4.4	33,002	3.7
Japan	35,234	3.7	28,176	3.2
The Netherlands	29,043	3.0	32,141	3.7
Spain	23,730	2.5	16,985	1.9
Israel	22,605	2.4	28,985	3.3
Australia	20,542	2.1	20,958	2.4
Ireland	20,398	2.1	17,042	1.9
France	19,262	2.0	16,732	1.9
Greece	15,286	1.6	17,163	1.9
Taiwan	14,305	1.5	13,809	1.6
Germany	13,985	1.5	11,096	1.3
Luxembourg	13,486	1.4	12,522	1.4
Hong Kong	12,649	1.3	22,740	2.6
China	10,305	1.1	11,262	1.3
Sweden	10,180	1.1	31,104	3.5
Austria	9,477	1.0	9,030	1.0
Norway	6,657	0.7	5,760	0.7
Finland	-	-	13,059	1.5
<b>Total</b>	<b>956,520</b>	<b>100.0</b>	<b>880,323</b>	<b>100.0</b>

## Sector allocation of ASN Milieu &amp; Waterfonds

<i>Number of shares</i>		<i>Currency</i>	<i>Marketvalue in € thousands</i>
<b>Basic goods</b>			
554,181	Corbion	EUR	10,740
266,577	Lenzing	EUR	9,477
411,607	Novozymes	DKK	20,490
727,799	SIG Group	CHF	15,147
568,513	Smurfit Kappa	EUR	20,398
305,263	Sonoco Products	USD	15,439
			<b>91,691</b>
<b>Consumer durables</b>			
1,230,651	Maytronics	ILS	12,694
			<b>12,694</b>
<b>Energy</b>			
1,037,429	Boralex	CAD	23,988
1,280,989	EDP Renováveis	EUR	23,730
260,258	Ormat Technologies	USD	17,856
961,376	Terna Energy	EUR	15,286
			<b>80,860</b>
<b>Pharmaceuticals &amp; biotechnology</b>			
16,961	Mettler-Toledo International	USD	18,624
			<b>18,624</b>
<b>Semiconductors</b>			
33,628	Monolithic Power Systems	USD	19,202
80,224	Solaredge Technologies	USD	6,798
19,493,769	Xinyi Solar Holdings	HKD	10,305
			<b>36,305</b>
<b>Capital goods</b>			
343,343	A.O. Smith	USD	25,625
172,458	Advanced Drainage Systems	USD	21,957
1,270,207	Amiad Water Systems	ILS	3,113
593,200	Azbil	JPY	17,773
541,200	Core & Main	USD	19,798
42,396	Geberit	CHF	24,580
3,092,365	Genuit Group	GBP	14,400
400,071	Georg Fischer	CHF	26,293
204,701	Legrand	EUR	19,262
8,872	LEM	CHF	19,801
40,598	Lennox International	USD	16,447
74,753	Lindsay	USD	8,740
1,600,667	NIBE Industrier	SEK	10,180
416,682	Pentair	USD	27,427
19,993	Rational	EUR	13,985
603,662	Signify	EUR	18,303
604,917	Tomra systems	NOK	6,657
343,436	Vertiv	USD	14,933
902,482	Vestas Wind Systems	DKK	25,944
89,464	Watts Water Technologies	USD	16,873
718,542	Zurn Elkay Water Solutions	USD	19,130
			<b>371,221</b>
<b>Utilities</b>			
207,252	American Water Works	USD	24,764

<i>Number of shares</i>		<i>Currency</i>	<i>Marketvalue in € thousands</i>
354,210	California Water Service	USD	16,632
6,151,750	Hyflux	SGD	-
1,317,258	Pennon Group	GBP	11,424
1,033,718	Severn Trent	GBP	30,766
2,195,379	United Utilities	GBP	26,843
			<b>110,429</b>
	<b>Real estate</b>		
13,003	Equinix	USD	9,480
			<b>9,480</b>
	<b>Software &amp; services</b>		
89,092	Autodesk	USD	19,637
236,575	Descartes System Group	CAD	18,082
			<b>37,719</b>
	<b>Technology</b>		
1,547,000	Delta Electronics	TWD	14,305
80,101	Littelfuse	USD	19,401
908,562	Murata Manufacturing	JPY	17,461
			<b>51,167</b>
	<b>Transport</b>		
3,601,000	MTR	HKD	12,649
			<b>12,649</b>
	<b>Personal care products</b>		
394,522	Unilever	EUR	17,302
			<b>17,302</b>
	<b>Business services</b>		
383,122	Befesa	EUR	13,486
2,445,280	Brambles	AUD	20,542
38,377	Cintas	USD	20,937
1,633,822	Renewi	GBP	12,048
541,090	Stericycle	USD	24,277
202,626	Veralto	USD	15,089
			<b>106,379</b>
	<b>Total</b>		<b>956,520</b>

## (B) Accounts receivable

The following items are shown under 'accounts receivable':

<i>In € thousands</i>	<b>31-12-2023</b>	<b>31-12-2022</b>
<b>Investment activities</b>		
Receivables arising from security transactions	-	508
Dividend receivable	1,141	1,098
Dividend tax/withholding tax receivable	3,965	3,818
Total receivables arising from investment activities	<b>5,106</b>	<b>5,424</b>
<b>Financing activities</b>		
Receivables from shareholders arising from issue of shares	96	43
Total receivables arising from financing activities	<b>96</b>	<b>43</b>
<b>Total</b>	<b>5,202</b>	<b>5,467</b>

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 €2.60 million at the end of the reporting period (year-end 2022: €1.98 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>	<b>31-12-2023</b>	<b>31-12-2022</b>
<b>Investment activities</b>		
Liabilities arising from securities transactions	-	859
Fund costs payable	816	789
Total liabilities arising from investment activities	<b>816</b>	<b>1,648</b>
<b>Financing activities</b>		
Liabilities to shareholders arising from purchase of shares	2,098	551
Total liabilities arising from financing activities	<b>2,098</b>	<b>551</b>
<b>Total</b>	<b>2,914</b>	<b>2,199</b>

Liabilities fall due within one year.



## (E) Equity

## Statement of movements in equity

<i>In € thousands</i>	<b>01-01-2023 to 31-12-2023</b>	<b>01-01-2022 to 31-12-2022</b>
<b>Issued capital</b>		
Balance as at start of period	100,933	100,580
Issued shares	4,560	7,285
Purchased shares	-6,465	-6,932
<b>Balance as at end of period</b>	<b>99,028</b>	<b>100,933</b>
<b>Share premium reserve</b>		
Balance as at start of period	497,143	469,022
Issued shares	37,797	64,240
Purchased shares	-34,898	-36,119
<b>Balance as at end of period</b>	<b>500,042</b>	<b>497,143</b>
<b>Other reserves</b>		
Balance as at start of period	523,342	346,788
Addition to/withdrawal from retained earnings	-230,068	199,748
Purchased shares	-18,911	-23,194
<b>Balance as at end of period</b>	<b>274,363</b>	<b>523,342</b>
<b>Retained earnings</b>		
Balance as at start of period	-217,882	220,008
Addition to/withdrawal from other reserves	230,068	-199,748
Dividend paid out	-12,186	-20,260
Result for the reporting period	99,570	-217,882
<b>Balance as at end of period</b>	<b>99,570</b>	<b>-217,882</b>
<b>Total equity</b>	<b>973,003</b>	<b>903,536</b>

## Five-year summary

<i>In € thousands</i>	<b>31-12-2023</b>	<b>31-12-2022</b>	<b>31-12-2021</b>	<b>31-12-2020</b>	<b>31-12-2019</b>
Total net asset value	973,003	903,536	1,136,398	838,039	708,605
Direct income	17,116	17,988	24,166	11,666	15,981
Changes in value of investments	91,479	-226,021	207,863	155,454	187,552
Surcharges and deductions charged	101	144	210	250	140
Other income	434	149	25	63	149
Operating expenses	-9,560	-10,142	-12,256	-7,904	-6,887
<b>Total result</b>	<b>99,570</b>	<b>-217,882</b>	<b>220,008</b>	<b>159,529</b>	<b>196,935</b>
Number of ordinary shares outstanding	19,805,320	20,186,621	20,115,995	18,477,881	18,904,827
<b>Per ordinary share</b>					
<i>In euros</i>					
Net asset value	49.13	44.76	56.49	45.35	37.48
Share price	49.04	45.17	56.67	45.17	37.55
Dividend <sup>1</sup>	0.60	1.00	0.35	0.60	0.35
Investment income	0.84	0.88	1.26	0.66	0.79
Changes in value of investments	4.52	-11.10	10.81	8.84	9.30
Surcharges and deductions charged	-	0.01	0.01	0.01	0.01
Other income	0.02	0.01	-	-	0.01
Operating expenses	-0.47	-0.50	-0.64	-0.45	-0.34
<b>Total result</b>	<b>4.91</b>	<b>-10.70</b>	<b>11.44</b>	<b>9.06</b>	<b>9.77</b>

<sup>1</sup> 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>	<b>01-01-2023 t/m 31-12-2023</b>	<b>01-01-2022 t/m 31-12-2022</b>
Balance as at start of period	903,536	1,136,398
Issued shares	42,357	71,525
Purchased shares	-60,274	-66,245
<b>Balance as at end of period</b>	<b>885,619</b>	<b>1,141,678</b>
Investment income	17,116	17,988
Management fees	-9,453	-10,034
Other operating expenses	-107	-108
	7,556	7,846
Changes in value of investments	91,479	-226,021
Surcharges and deductions charged	101	144
Other income	434	149
<b>Resultaat</b>	<b>99,570</b>	<b>-217,882</b>
<b>Dividend</b>	<b>-12,186</b>	<b>-20,260</b>
<b>Total equity</b>	<b>973,003</b>	<b>903,536</b>

## 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 €19.4 million (year-end 2022: €25.4 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>	<b>01-01-2023 to 31-12-2023</b>	<b>01-01-2022 to 31-12-2022</b>
<b>Shares</b>		
Shares - realised price gains	41,713	7,237
Shares - realised price losses	-1,054	-35,345
Shares - realised exchange gains	197	12,288
Shares - realised exchange losses	-1,923	-466
<b>Total</b>	<b>38,933</b>	<b>-16,286</b>

## (G) Unrealised 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 unrealised gains and losses from investments follows by type of investment and broken down by price and exchange results.

<i>In € thousands</i>	<b>01-01-2023 to 31-12-2023</b>	<b>01-01-2022 to 31-12-2022</b>
<b>Shares</b>		
Shares - unrealised price gains	133,148	14,999
Shares - unrealised price losses	-70,332	-236,611
Shares - unrealised exchange gains	6,067	28,501
Shares - unrealised exchange losses	-16,337	-16,624
<b>Total</b>	<b>52,546</b>	<b>-209,735</b>

**(H) Other operating income**

The other operating income consists of:

<i>In € thousands</i>	<b>01-01-2023 to 31-12-2023</b>	<b>01-01-2022 to 31-12-2022</b>
Interest on current account	434	-
Other operating income	-	149
<b>Total</b>	<b>434</b>	<b>149</b>

In 2022, the other operating income consisted 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).

**(I) Operating expenses**

The other operating expenses consist of:

<i>In € thousands</i>	<b>01-01-2023 to 31-12-2023</b>	<b>01-01-2022 to 31-12-2022</b>
Exchange rate differences on cash	107	69
Interest on current account	-	39
<b>Total</b>	<b>107</b>	<b>108</b>

**Ongoing charges figure**

<i>In € thousands</i>	<b>01-01-2023 to 31-12-2023</b>	<b>01-01-2022 to 31-12-2022</b>
<b>Ongoing charges</b>		
Total operating expenses	9,453	10,034
Average fund capital during the reporting period	944,836	969,646
<b>Ongoing charge figure (on annual basis)</b>	<b>1.00%</b>	<b>1.03%</b>

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.

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**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.

	<b>01-01-2023 to 31-12-2023</b>	<b>01-01-2022 to 31-12-2022</b>
Turnover rate	29.42%	21.39%

**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 €577,454 (2022: €287,236).

## 4.4 ASN Duurzaam Small & Midcapfonds

### Balance sheet

Before profit appropriation and in € thousands	Ref. <sup>1</sup>	31-12-2023	31-12-2022
Investments	(A)		
Direct investments		192,895	181,953
Accounts receivable	(B)	2,515	2,736
Other assets	(C)		
Cash at bank		6,301	5,517
Current liabilities	(D)	1,087	875
Accounts receivable and other assets less current liabilities		7,729	7,378
<b>Assets less current liabilities</b>		<b>200,624</b>	<b>189,331</b>
Equity	(E)		
Issued capital		20,135	20,384
Share premium reserve		129,287	128,712
Other reserves		33,691	88,438
Retained earnings		17,511	-48,203
<b>Total equity</b>		<b>200,624</b>	<b>189,331</b>

<sup>1</sup> 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. <sup>1</sup>	01-01-2023 to 31-12-2023	01-01-2022 to 31-12-2022
Investment income		5,524	5,570
Realised changes in value on investments	(F)	6,730	-8,767
Unrealised changes in value on investments	(G)	7,240	-42,557
Surcharges and deductions charged		123	190
Other operating income	(H)	245	-
<b>Total income</b>		<b>19,862</b>	<b>-45,564</b>
Operating expenses	(I)		
Management fees		2,351	2,354
Other operating expenses		-	285
<b>Total operating expenses</b>		<b>2,351</b>	<b>2,639</b>
<b>Net result</b>		<b>17,511</b>	<b>-48,203</b>

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

## Cash flow statement

<i>In € thousands</i>	<b>01-01-2023 to 31-12-2023</b>	<b>01-01-2022 to 31-12-2022</b>
<b>Cashflow from investment activities</b>		
Net result	17,511	-48,203
Exchange rate differences on cash	-122	284
<b>Net result excluding exchange rate differences on cash</b>	<b>17,389</b>	<b>-47,919</b>
Adjustment to reconcile the result with the cashflow generated by the investment activities:		
Realised changes in value on investments	-6,730	8,767
Unrealised changes in value on investments	-7,240	42,557
Purchase of investments	-66,703	-77,541
Disposal of investments	69,731	61,993
<i>Changes in assets and liabilities:</i>		
Change in receivables arising from investment activities	239	-268
Change in liabilities arising from investment activities	-334	-327
<b>Net cashflows from investment activities</b>	<b>6,352</b>	<b>-12,738</b>
<b>Cashflows from financing activities</b>		
Issue of shares	16,051	29,506
Purchase of shares	-18,205	-15,461
Change in receivables arising from issue of shares	-18	497
Change in liabilities arising from purchase of shares	546	340
Dividend paid out	-4,064	-2,719
<b>Net cashflows from financing activities</b>	<b>-5,690</b>	<b>12,163</b>
<b>Total net cashflows</b>	<b>662</b>	<b>-575</b>
Exchange rate differences on cash	122	-284
<b>Change in cash</b>	<b>784</b>	<b>-859</b>
Cash at the beginning of the reporting period	5,517	6,376
<b>Cash at the end of the reporting period</b>	<b>6,301</b>	<b>5,517</b>

## 4.4.1 Notes to the balance sheet

### (A) Investments

#### Shares

<i>In € thousands</i>	<b>01-01-2023 to 31-12-2023</b>	<b>01-01-2022 to 31-12-2022</b>
Balance as at start of period	181,953	217,729
Purchases	66,703	77,541
Disposals	-69,731	-61,993
Realised changes in value on investments	6,730	-8,767
Unrealised changes in value on investments	7,240	-42,557
<b>Balance as at end of period</b>	<b>192,895</b>	<b>181,953</b>

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 2023, with the market value presented in thousands of euros.

#### Country allocation of ASN Duurzaam Small & Midcapfonds

<i>In € thousands</i>	<b>31-12-2023</b>		<b>31-12-2022</b>	
	<i>Market value</i>	<i>%</i>	<i>Market value</i>	<i>%</i>
United Kingdom	47,889	24.7	39,432	21.7
The Netherlands	39,864	20.7	34,419	18.9
Belgium	29,361	15.2	26,232	14.4
Germany	25,833	13.4	26,232	14.4
France	15,347	8.0	15,168	8.3
Switzerland	12,445	6.5	11,629	6.4
Sweden	7,603	3.9	13,598	7.5
Finland	7,475	3.9	7,448	4.1
Luxembourg	7,078	3.7	7,795	4.3
<b>Total</b>	<b>192,895</b>	<b>100.0</b>	<b>181,953</b>	<b>100.0</b>

## Sector allocation of ASN Duurzaam Small &amp; Midcapfonds

<i>Number of shares</i>		<i>Currency</i>	<i>Marketvalue in € thousands</i>
	<b>Basic goods</b>		
181,464	Bekaert	EUR	8,442
200,729	Corbion	EUR	3,890
203,510	Huhtamaki	EUR	7,475
			<b>19,807</b>
	<b>Consumer service businesses</b>		
320,827	Basic-Fit	EUR	9,034
			<b>9,034</b>
	<b>Healthcare services &amp; equipment</b>		
285,857	Fagron	EUR	4,748
			<b>4,748</b>
	<b>Consumer durables</b>		
10,300,989	Coats Group	GBP	9,201
			<b>9,201</b>
	<b>Pharmaceuticals &amp; biotechnology</b>		
6,332,207	Alliance Pharma	GBP	2,960
			<b>2,960</b>
	<b>Semiconductors</b>		
147,015	Aixtron	EUR	5,684
52,100	BE Semiconductor Industries	EUR	7,109
			<b>12,793</b>
	<b>Capital goods</b>		
139,104	Alfen Beheer	EUR	8,385
378,489	Azelis	EUR	8,395
73,038	Barco N.V.	EUR	1,209
186,988	JOST Werke	EUR	8,265
28,393	Kardex	CHF	6,658
2,593	LEM	CHF	5,787
239,718	Signify	EUR	7,268
105,765	TKH Group	EUR	4,178
491,089	Travis Perkins	GBP	4,696
224,569	Washtec	EUR	7,186
			<b>62,027</b>
	<b>Real estate</b>		
562,524	Safestore Holdings	GBP	5,739
580,791	Unite Group	GBP	6,997
230,433	Warehouses De Pauw	EUR	6,567
			<b>19,303</b>
	<b>Advertising</b>		
169,038	Ipsos	EUR	9,592
316,197	JCDecaux	EUR	5,755
			<b>15,347</b>
	<b>Food &amp; drinks</b>		
5,826,036	Premier Foods	GBP	9,116
			<b>9,116</b>
	<b>Business services</b>		
201,072	Befesa	EUR	7,078
1,044,314	Bravida Holding	SEK	7,603
1,902,948	Sthree	GBP	9,180

Number of shares		Currency	Marketvalue in € thousands
347,995	Takkt	EUR	4,698
			<b>28,559</b>
	<b>Total</b>		<b>192,895</b>

## (B) Accounts receivable

The following items are shown under 'accounts receivable':

In € thousands	31-12-2023	31-12-2022
<b>Investment activities</b>		
Receivables arising from securities transactions	-	322
Dividend tax/withholding tax receivable	2,479	2,396
Total receivables arising from investment activities	<b>2,479</b>	<b>2,718</b>
<b>Financing activities</b>		
Receivables from shareholders arising from issue of shares	36	18
Total receivables arising from financing activities	<b>36</b>	<b>18</b>
<b>Total</b>	<b>2,515</b>	<b>2,736</b>

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 €1.77 million at the end of the reporting period (year-end 2022: €1.53 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	31-12-2023	31-12-2022
<b>Investment activities</b>		
Liabilities arising from securities transactions	-	341
Fund costs payable	201	194
Total liabilities arising from investment activities	<b>201</b>	<b>535</b>
<b>Financing activities</b>		
Liabilities to shareholders arising from purchase of shares	886	340
Total liabilities arising from financing activities	<b>886</b>	<b>340</b>
<b>Total</b>	<b>1,087</b>	<b>875</b>

Liabilities fall due within one year.



## (E) Equity

## Statement of movements in equity

<i>In € thousands</i>	<b>01-01-2023 to 31-12-2023</b>	<b>01-01-2022 to 31-12-2022</b>
<b>Issued capital</b>		
Balance as at start of period	20,384	19,021
Issued shares	1,669	2,954
Purchased shares	-1,918	-1,591
<b>Balance as at end of period</b>	<b>20,135</b>	<b>20,384</b>
<b>Share premium reserve</b>		
Balance as at start of period	128,712	113,308
Issued shares	14,382	26,552
Purchased shares	-13,807	-11,148
<b>Balance as at end of period</b>	<b>129,287</b>	<b>128,712</b>
<b>Other reserves</b>		
Balance as at start of period	88,438	51,563
Addition to/withdrawal from retained earnings	-52,267	39,597
Purchased shares	-2,480	-2,722
<b>Balance as at end of period</b>	<b>33,691</b>	<b>88,438</b>
<b>Retained earnings</b>		
Balance as at start of period	-48,203	42,316
Addition to/withdrawal from other reserves	52,267	-39,597
Dividend paid out	-4,064	-2,719
Result for the reporting period	17,511	-48,203
<b>Balance as at end of period</b>	<b>17,511</b>	<b>-48,203</b>
<b>Total equity</b>	<b>200,624</b>	<b>189,331</b>

## Five-year summary

<i>In € thousands</i>	<b>31-12-2023</b>	<b>31-12-2022</b>	<b>31-12-2021</b>	<b>31-12-2020</b>	<b>31-12-2019</b>
Total net asset value	200,624	189,331	226,208	157,359	194,721
Direct income	5,524	5,570	5,009	2,240	4,174
Changes in value of investments	13,970	-51,324	39,411	732	44,728
Surcharges and deductions charged	123	190	314	127	60
Other income	245	-	-	-	187
Operating expenses	-2,351	-2,639	-2,418	-1,574	-1,276
<b>Total result</b>	<b>17,511</b>	<b>-48,203</b>	<b>42,316</b>	<b>1,525</b>	<b>47,873</b>
Number of ordinary shares outstanding	4,027,113	4,076,775	3,804,203	3,320,386	4,281,283
<b>Per ordinary share</b>					
<i>In euros</i>					
Net asset value	49.82	46.44	59.46	47.39	45.46
Share price	49.57	46.60	59.83	47.72	45.57
Dividend <sup>1</sup>	1.00	0.70	0.40	0.80	0.45
Investment income	1.34	1.44	1.42	0.73	1.08
Changes in value of investments	3.39	-13.26	11.13	0.25	11.61
Surcharges and deductions charged	0.03	0.05	0.09	0.04	0.02
Other income	0.06	-	-	-	0.05
Operating expenses	-0.57	-0.68	-0.68	-0.52	-0.33
<b>Total result</b>	<b>4.25</b>	<b>-12.45</b>	<b>11.96</b>	<b>0.50</b>	<b>12.43</b>

<sup>1</sup> 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>	<b>01-01-2023 t/m 31-12-2023</b>	<b>01-01-2022 t/m 31-12-2022</b>
Balance as at start of period	189,331	226,208
Issued shares	16,051	29,506
Purchased shares	-18,205	-15,461
<b>Balance as at end of period</b>	<b>187,177</b>	<b>240,253</b>
Investment income	5,524	5,570
Management fees	-2,351	-2,354
Other operating expenses	-	-285
	3,173	2,931
Changes in value of investments	13,970	-51,324
Surcharges and deductions charged	123	190
Other income	245	-
<b>Resultaat</b>	<b>17,511</b>	<b>-48,203</b>
<b>Dividend</b>	<b>-4,064</b>	<b>-2,719</b>
<b>Total equity</b>	<b>200,624</b>	<b>189,331</b>

## 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 €8.8 million (year-end 2022: €8.3 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>	<b>01-01-2023 to 31-12-2023</b>	<b>01-01-2022 to 31-12-2022</b>
<b>Shares</b>		
Shares - realised price gains	11,357	5,621
Shares - realised price losses	-4,590	-14,135
Shares - realised exchange gains	190	77
Shares - realised exchange losses	-227	-330
<b>Total</b>	<b>6,730</b>	<b>-8,767</b>

## (G) Unrealised 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 unrealised gains and losses from investments follows by type of investment and broken down by price and exchange results.

<i>In € thousands</i>	<b>01-01-2023 to 31-12-2023</b>	<b>01-01-2022 to 31-12-2022</b>
<b>Shares</b>		
Shares - unrealised price gains	16,396	4,137
Shares - unrealised price losses	-10,549	-43,526
Shares - unrealised exchange gains	1,409	622
Shares - unrealised exchange losses	-16	-3,790
<b>Total</b>	<b>7,240</b>	<b>-42,557</b>

**(H) Other operating income**

The other operating income consists of:

<i>In € thousands</i>	<b>01-01-2023 to 31-12-2023</b>	<b>01-01-2022 to 31-12-2022</b>
Exchange rate differences on cash	122	-
Interest on current account	123	-
<b>Total</b>	<b>245</b>	<b>-</b>

**(I) Operating expenses**

The other operating expenses consist of:

<i>In € thousands</i>	<b>01-01-2023 to 31-12-2023</b>	<b>01-01-2022 to 31-12-2022</b>
Exchange rate differences on cash	-	284
Interest on current account	-	1
<b>Total</b>	<b>-</b>	<b>285</b>

**Ongoing charges figure**

<i>In € thousands</i>	<b>01-01-2023 to 31-12-2023</b>	<b>01-01-2022 to 31-12-2022</b>
<b>Ongoing charges</b>		
Total operating expenses	2,351	2,354
Average fund capital during the reporting period	195,765	195,992
<b>Ongoing charge figure (on annual basis)</b>	<b>1.20%</b>	<b>1.20%</b>

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.

	<b>01-01-2023 to 31-12-2023</b>	<b>01-01-2022 to 31-12-2022</b>
Turnover rate	52.19%	48.25%

**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 €103,836 (2022: €123,123).

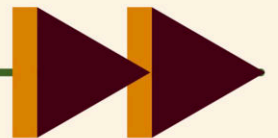
ASN Duurzaam  
Small & Midcapfonds  
First in the Netherlands

2006



A horizontal timeline line with a brown oval containing the year '2006'. A vertical line extends upwards from the top of the oval to a small open circle. To the right of the oval, the timeline continues with two dark purple arrowheads pointing right, separated by a small gap.

## 5 Other information



## Special control rights provided for by the Articles of Association

The Articles of Association provide that the priority shareholder may draw up a binding nomination for the appointment of directors. The priority shareholder 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.

<i>Description</i>	<i>Collective interest of the Board of Directors of ASN Impact Investors and members of the Supervisory Board in figures 31 December 2023</i>	<i>Collective interest of the Board of Directors of ASN Impact Investors and members of the Supervisory Board in figures 31 December 2022</i>
ASN Duurzaam Aandelenfonds	169	169
ASN Duurzaam Small & Midcapfonds	250	250

## Independent auditor's report

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 2023 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 2023 and of its result for 2023 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- The balance sheet as at 31 December 2023
- The profit and loss account for 2023
- 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 & Waterfonds, ASN Duurzaam Aandelenfonds and ASN Duurzaam Small & Midcapfonds. 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.

Materiality	We determine the materiality per sub-fund of ASN Beleggingsfondsen UCITS N.V.
Benchmark applied	1% of equity per sub-fund.
Explanation	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. The determination of materiality has not changed compared to previous year.

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 in relation 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. Manager's 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 of de Volksbank N.V. 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. 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.

We addressed the risk of management override of controls, as this risk is present in all companies. 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.

Additionally, we have performed specific procedures in response to the potential conflict of interest between the management company and the investors in the investment entity. We refer to the key audit matter "Controlled and sound business processes".



We did not identify a fraud risk related to revenue recognition, in addition to the aforementioned risk of management override of controls. For a description of our audit approach on investment income, we refer to the key audit matter “Investment income”.

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 in relation 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 N.V. 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.

## 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 consist mainly of listed securities.

We do consider these investments as a lower risk of significant misstatement, 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 investments are considered 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 SA, Netherlands Branch, Securities Services;
- 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.

## Controlled and sound business processes

## Risk

Pursuant to the Wet op het financieel toezicht (Wft, Act on Financial Supervision) there are requirements for the controlled and sound business processes of the management company, including, amongst others, related to controlling (outsourced) business processes and operational risks and mitigating integrity risks.

In our audit, we assume that there are integrity risks related to the potential conflict of interest between the management company and the investors in the investment entity.

Based on our assessment, primarily the costs charged to the investment entity (and all other payments from the assets of the investment entity) that represent income for the management company or parties affiliated with the manager give rise to this risk.

Further, the financial information received from outsourcing activities is used for the preparation of the financial statements of the investment entity.

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 the administrator, BNP Paribas SA, Netherlands Branch, Securities Services.

Reference is made to the “Manager’s report” and the “Management report in respect of the ASN UCITS Beleggingsfondsen” for the (risks of) outsourcing and the in-control statement of the management company. Further, we refer to the ongoing charges disclosure that compares the charges to the information included in the prospectus.

## Our audit approach

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:

- confirming that the management company and depositary hold the required license from the supervisory authority
- obtaining an understanding and testing of controls of the management 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 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 through 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

Based on the procedures performed, we have no significant findings with a direct impact on the financial statements of the investment entity related to controlled and sound business processes and the financial information received from outsourcing parties.

## 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 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 for the financial statements

### Responsibilities of the Board of Directors 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, 13 March 2024

Ernst & Young Accountants LLP

Signed by M.J. Knijnenburg RA





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## 6 Annexes

TE AANBIEDER  
RZAME PRODUCTEN

SN IMPACT INVESTORS



ASN Impact Investors wins the CashCow award again in 2023 – Best provider of sustainable products



## 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 2023 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.

Portfolio Managers	
Name	Position
Marcel Blom	Portfolio Manager of SRI Funds
Milan Schut	Acting Portfolio Manager of SRI Funds
Karin van Dijk	Portfolio Manager of ASN Biodiversiteitsfonds
Stephan Langen	Head of Portfolio Management
Rosemarijn van der Meij	Portfolio Manager of ASN Groenprojectenfonds
Sascha Noé	Portfolio Manager of ASN Microkredietfonds

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
Mark Voermans	Equities Portfolio Manager
Dennis Thé	Equities Manager

#### Managers of ASN Duurzaam Obligatiefonds

Name	Position
Rob Dekker	LDI & Rates Portfolio Manager
Raymond Vermeulen	LDI & Rates Manager

### Impax Asset Management

#### Managers of ASN Milieu & Waterfonds

Name	Position
Jon Forster	Senior Portfolio Manager, Managing Director
Justin Winter	Portfolio Manager, Director
Fotis Chatzimichalakis	Portfolio Manager, Associate Director
Matthew Wright	Research Analyst

### Van Lanschot Kempen Investment Management

#### Managers of ASN Duurzaam Small & Midcapfonds

Name	Position
Jan-Willem Berghuis	Head of SmallCap Team
Michiel van Dijk	Senior Portfolio Manager
Ingmar Schaefer	Senior Portfolio Manager
Sander van Oort	Senior Portfolio Manager

## Annex 2 Addresses and personal details

### ASN Beleggingsfondsen UCITS N.V.

Bezuidenhoutseweg 153  
2594 AG The Hague  
PO Box 93514  
2509 AM The Hague

Phone: +31 (0)70 - 356 93 33  
www.asnimpactinvestors.com

### 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
2. Ro Dielbandhoesing
3. Dirk-Jan Stam

### Supervisory Board of ASN Beleggingsfondsen UCITS N.V.

1. Anne Gram (Chair)
2. Dennis Bams (Vice Chair)
3. Chris Zadeh
4. Wim Hekstra (from 28 April 2023)

### Depository

BNP Paribas S.A., Netherlands Branch  
Herengracht 595  
1017 CE Amsterdam

### 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

ING Bank N.V.  
Bijlmerdreef 106  
1102 CT Amsterdam

## Supervisory Board

### Anne Gram (Chair)

Appointed in 2017, current term expires in 2025

Anne Gram (1965) is a committed and experienced director, supervisor and adviser on sustainability and asset management. She is dedicated to sustainability in various roles: how can the driving force of money be used to combat climate change? How can investors contribute more to a more sustainable world? Anne is an economist with more than 30 years of experience in the financial sector. Her roles have included portfolio manager, head of equities, chief investment officer and director of investments at Robeco, ABN Amro and Fortis MeesPierson. She has worked at a large number of pension funds, including PFZW, PF Horeca and the pension funds of DNB, AKZO, Randstad and Mediq, as well as at Erasmus University as a lecturer in the Pension Executive Programme, and as a columnist for De Financiële Telegraaf. She has also sat on the supervisory board of the Dutch Shareholders Association (Vereniging van Effectenbezitters, VEB) and was a member of the advisory board of Transparency International Nederland. Anne is currently Chair of the Supervisory Board of ASN Impact Investors, a member of the Board of Directors of ABP, and works as a sustainability and investment expert for the pension funds of ING, IBN, HAL, GPs and Fonds 1818. She is also a member of Sustainable Pension Investment Lab and of the board of Eumedion.

### Dennis Bams

Appointed in 2020, current term expires 2024.

Dennis Bams (1970) is professor of Financial Management and Financial Markets at 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. 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, Marseille 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, following 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.

### Wim Hekstra

Appointed in 2023, current term expires in 2027

Wim Hekstra (1970) is an experienced director and consultant from the international business community who has spent most of his career working outside the Netherlands. He was a senior executive at Aegon Netherlands until 2022. He now divides his time between consulting work, investing in innovative, young companies and the Wildlife Forensic Academy, an institute based in South Africa that trains park rangers to more effectively detect poachers. Wim studied Banking and Finance at VU Amsterdam. He then led Heineken subsidiaries in Europe, Central America and Asia. After several years at ING in Hong Kong, he led insurer Sun Life Financial there, before returning to the Netherlands in 2016. Quote: 'I hope to share my experience in marketing and sales, as well as governance, to ensure that ASN Impact Investors remains healthy and profitable in the future. Because, as far as I am concerned, sustainability also requires a sustainable business model.'

## Board of Directors of ASN Impact Investors

### San Lie

San Lie (1971) has chaired the Board of Directors since 1 March 2022 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 (the 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 Dielbandhosing

Ro Dielbandhosing (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 (LEI):** 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**

☒ This product has made the following **sustainable investments** with an **ecological objective: 94.5%**

☐ This product **has promoted ecological/ social (E/S) characteristics**. Although sustainable investing was not its goal, it included a minimum of \_\_\_\_% sustainable investments

☒ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an ecological objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ in economic activities that, according to the EU Taxonomy, do not qualify as environmentally sustainable

☐ with an ecological objective in economic activities that, according to the EU Taxonomy, do not qualify as environmentally sustainable

☐ with a social objective.

☒ This product has made the following **sustainable investments with a social objective : 5.5%.**

☐ This product has promoted E/S features but **has not invested sustainably**



#### To what extent was the sustainable investment objective of this financial product met?

The ASN Duurzaam Aandelenfonds ('the Fund') has adopted the following sustainable investment objectives:

- reducing CO<sub>2</sub> emissions annually in line with the Paris Agreement (expressed as the Fund's contribution to limiting the temperature rise to 1.5 degrees by 2050);
- decreasing the negative impact on biodiversity per euro invested (relative to baseline year 2019); and
- encouraging the payment of a living wage to factory workers in the clothing industry chain (relative to baseline year 2019).

During the reporting period 2023, the Fund invested in a globally diversified portfolio of shares issued by listed companies. All investments by the Fund that are eligible for the Investment Universe comply with the ASN Impact Investors Sustainability Policy ('the sustainability policy'). The Investment Universe only includes companies whose economic activities are in keeping with the tenets of a sustainable society and thus have contributed to the sustainable investment objectives.

The investments with an ecological objective in the Fund also took into account the objectives mentioned in the EU Taxonomy: climate change mitigation, adaptation to climate change, sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems.

The Fund has achieved some of its sustainable investment objectives.

### ● **How did the sustainability indicators perform?**

- Fund in 2023 was **1.60** degrees, measured using the MSCI Implied Temperature Rise (ITR) methodology. In 2022, the Fund's ITR was 1.81 degrees. The Fund showed an improvement of 11.6% as compared to 2022. For more information about the MSCI ITR methodology, see: **MSCI Implied Temperature Rise**.
- In 2023, the Fund's negative impact on biodiversity was **9.61**, entailing an improvement per euro **invested** as compared to the baseline year 2019 (measured using the Biodiversity Footprint Financial Institutions (BFFI) methodology). In 2019, the Fund's negative impact on biodiversity was 22.45.
- In 2023, the average living wage score for the clothing brands in the Investment Universe of the Fund's portfolio was **25.27**, which constituted an **improvement** compared to the baseline year 2019 (measured using the Platform Living Wage Financials (PLWF) methodology). In 2019, the average living wage score was 23.92.

### ● **...and compared to previous periods?**

Table showing the performance of the sustainability indicators over the past five years. The SFDR Annex was not yet applicable in the period 2019–2021. Data on the sustainability indicators are 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	2023 values
MSCI ITR (in degrees Celsius)	N/A	N/A	N/A	1.81	1.60
Biodiversity footprint (in pdf.ha.year per million euro invested)	22.45	26.01	18.34	16.21	9.61
Average living wage score	21.89	23.07	23.08	24.01	25.27

*2019 is the reference (baseline) year for both the biodiversity footprint and the average living wage. For 2020 and 2021, the SFDR did not yet apply.*

We used the MSCI ITR method to measure the implied temperature rise of the Fund (in order 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 2023 reporting period, the MSCI ITR methodology was available for **100%** of the Fund's investments.

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). An 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). Since 2023, the biodiversity footprint has been assessed every quarter.

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

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 then 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 2023 with those for 2019. That being said, 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 as 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 was shifted from the policy criterion to the criterion relating to the company's engagement. The two policy-related questions were combined (leaving one question about policy, with a weighting of 12.5%), and a second question relating to the engagement criterion was added (these two questions now have a total weighting of 25%). In 2023, we adjusted the requirements for the Assessing Impacts section. In the past, the emphasis was on a company's understanding of the risks associated with the failure to pay a living wage. Now, the emphasis is more on concrete information. For example: does the company have insight into the actual gap between the wage paid and a living wage at the production sites, and what are the plans to close this gap?

Along with 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 as well. 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

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### ● How can we be sure the sustainable investments did not seriously harm any of the sustainable investment objectives?

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 calls for a selection process conducted 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, a safe and healthy working environment and

so on. 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 2023, **14** companies were removed from the Investment Universe for violations of the sustainability policy.

#### **Examples of engagement**

In 2023, we commenced active engagement with Groupe SEB, a manufacturer of kitchen appliances and household products, among other things. We have not received their supply chain policy in the area of conflict minerals. We have indicated that we would like to receive a response in which the company expresses its opposition to the use of conflict minerals in the supply chain. Another option is for SEB to openly declare compliance with one of the following international standards: the Responsible Minerals Initiative of the RBA or the OECD guidelines for conflict minerals. The company has one year to take steps in this area.

#### **Examples of exclusion**

ASN Impact Investors conducts a structured assessment to determine whether the companies in the Investment Universe are still compliant. During this check, Soitec was flagged because of its involvement in weapons. ASN Impact Investors investigated Soitec in this regard. This investigation revealed that a subsidiary of Soitec, Dolphin Design, provides special services and develops products with the ultimate goal of supplying the defence industry. We find that Soitec no longer meets our weapons criterion, which is sufficient reason to reject the company and remove it from our universe.

ASN Impact Investors has also rejected Indutrade. Indutrade has made several acquisitions since our previous investigation. These acquired companies make specific components for defence, as a result of which the company does not meet our weapons criterion. The newly-acquired *Datum Electronics*, for example, produces measuring instruments to measure certain forces. These are used in normal ships but also in the Navy, and for the Navy they must meet specific military standards. 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 sustainability policy of the Fund assesses companies on the basis of, among other things, the 14 mandatory indicators for investee companies that have been laid down in laws and regulations. We also take into account seven optional indicators for adverse effects on sustainability factors.

This is done by excluding activities and assessing the quality of policy, although we do not assess on the basis of the parameters defined for each indicator in laws and regulations.

More specifically, this means that, in 2023, the parameters of **five** mandatory PAI indicators and **one** optional indicator were taken into account, as these indicators were already 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. 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)

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.



Table 3:

- Indicator 9: Lack of a human rights policy

With regard to the other PAI indicators (**nine** mandatory and **six** optional), although these were part of the sustainability policy in terms of themes, the use of data points defined within the SFDR did not yet take place in 2023.

### ***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 whenever 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***

In 2023, we concluded the passive engagement with Berkeley Group Holdings, a UK property developer and home builder, due to the expiry of the four-year term of the passive engagement process. We find that the company meets many of our criteria but does not yet meet all of them. To meet our timber criterion, we expect companies to report on the division of PEFC and FSC-certified timber. Berkeley Group Holdings has not reported on this. Certain elements are also missing from the supply chain policy, including a guarantee of trade union/freedom of association, anti-discrimination policy and policy on employee safety. We have therefore decided to actively engage with Berkeley Group Holdings and expect to see improvement in the aforementioned areas within a year.

#### ***Example of exclusion***

Ericsson has long been involved in corruption cases. In 2019, Ericsson plead guilty to corruption offences committed in the 2000–2016 period, ultimately striking a deferred prosecution agreement. This means that, if Ericsson shows good behaviour, the charges may be dismissed. In 2021, the US government announced that Ericsson had not complied with the agreement. Ericsson was again found to have breached the agreement in 2022. An internal investigation by Ericsson itself also revealed that the company is still not in order. Ericsson may have made payments to the Islamic State (IS) in Iraq. Ericsson had not previously published the internal investigation because the company judged it to be immaterial. The investigation into the payments to IS is still ongoing. While Ericsson has strengthened its *Ethics and Compliance Programme*, this does not give us sufficient confidence in the company. These are sufficient reasons for ASN Impact Investors to reject and remove Ericsson.

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### **How did this financial product take the principal adverse impacts on sustainability factors into account?**

In the first instance, all investments complied with the ASN Impact Investors Sustainability Policy. As we indicated under the question **How were the indicators for adverse impacts on sustainability factors taken into account?** the indicators for negative impacts on sustainability factors (i.e. the PAI indicators set out in the delegated regulation supplementing the SFDR) were only partially taken into account in the 2023 reporting period. 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. All of these data was sourced from MSCI and Morningstar Direct. They have not been 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 CO<sub>2</sub> emissions).

The table below 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 listed indicators in 2023. 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 2023, 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 is one of the main reasons why investments are not yet being guided by the indicators presented in the table.

For more details on the indicators, see Annex I of the Regulation (EU) 2022/1288.

In this Annex V, ASN Impact Investors reports on the PAI indicators. ASN Impact Investors is not yet being guided by 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 for each PAI indicator is provided in this supporting document, Annex V. The data supplier does not always provide all the data for the PAI indicators. If no data are available, N/A will be displayed in the table.

**Table 1 – Declaration concerning the principal adverse impacts of investment decisions on sustainability factors**

Climate and other environment-related indicators

			Metric	2023 impact	Data coverage	Source year
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	tCO2e	5,116.90	96.22%	2021-2022
		Scope 2 GHG emissions	tCO2e	9,688.05	96.22%	2021-2022
		Scope 3 GHG emissions	tCO2e	267,077.93	96.22%	2021-2022
		Total GHG emissions	tCO2e	273,118.20	96.22%	2021-2022
	2. Carbon footprint		tCO2e/Meuro	167.25	96.22%	2021-2022
	3. GHG intensity of investee companies		tCO2e/Meuro	484.82	99.39%	2021-2022
	4. Exposure to companies active in the fossil fuel sector			0.00%	99.39%	N/A
	5. Share of non-renewable energy consumption and production			56.00%	67.30%	2020-2022
	6. Energy consumption intensity per high impact climate sector		GWh / Meuro	A: 0.00	86.02%	2019-2022
			GWh / Meuro	B: 0.00	86.02%	2019-2022
			GWh / Meuro	C: 0.11	86.02%	2019-2022
			GWh / Meuro	D: 0.10	86.02%	2019-2022
			GWh / Meuro	E: 0.69	86.02%	2019-2022
			GWh / Meuro	F: 0.03	86.02%	2019-2022
			GWh / Meuro	G: 0.06	86.02%	2019-2022
			GWh / Meuro	H: 0.99	86.02%	2019-2022
			GWh / Meuro	L: 0.22	86.02%	2019-2022

			<b>Metric</b>	<b>2023 impact</b>	<b>Data coverage</b>	<b>Source year</b>
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas			0.00%	99.39%	2021-2022
Water	8. Emissions to water		t/Meuro	0.00	2.27%	2021-2022
Waste	9. Hazardous waste and radioactive waste ratio		t/Meuro	0.11	40.03%	2020-2022

Indicators for social issues, respect for human rights, anti-corruption and anti-bribery matters

		<b>0,00%</b>	<b>99,39%</b>	<b>N/A</b>
Social and employee matters	10. Violations of UN Global Compact Principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	32.44%	99.39%	N/A
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact Principles and OECD Guidelines for Multinational Enterprises	13.96%	37.08%	2018-2022
	12. Unadjusted gender pay gap	37.71%	99.21%	N/A
	13. Board gender diversity	0.00%	99.39%	N/A
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)			0.00%

**Table 2 – Additional climate and other environment-related indicators**

Climate and other environment-related indicators

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			<b>2023 impact</b>	<b>Data coverage</b>	<b>Source year</b>
Water, waste and material emissions	14. Natural species and protected areas	1. Share of investments in investee companies whose operations affect threatened species	7.11%	99.39%	2021-2022
		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	90.63%	99.39%	2021-2022

**Table 3 – Additional indicators for social issues and employee matters, respect for human rights, anti-corruption and anti-bribery matters**

Indicators for social issues and employee matters, respect for human rights, anti-corruption and anti-bribery matters

			<b>2023 impact</b>	<b>Data coverage</b>	<b>Source year</b>
Water, waste and material emissions	14. Natural species and protected areas	1. Share of investments in investee companies whose operations affect threatened species	7.11%	99.39%	2021-2022
		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	90.63%	99.39%	2021-2022



### What were the largest 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: 2023

<b>Largest investments</b>	<b>Sector</b>	<b>% Assets</b>	<b>Country</b>
TOKYO ELECTRON	Semiconductors	2.5	Japan
NOVO NORDISK A/S-B	Pharmaceuticals & biotechnology	2.5	Denmark
INDUSTRIA DE DISEÑO TEXTIL	Retail	2.5	Spain
ASML HOLDING NV	Semiconductors	2.5	Netherlands
AUTODESK INC	Software & services	2.5	United States
UNILEVER PLC	Personal care products	2.5	United Kingdom
TRANE TECHNOLOGIES PLC	Capital goods	2.5	Ireland
WORKDAY INC-CLASS A	Software & services	2.5	United States
RELX PLC	Business services	2.4	United Kingdom
GIVAUDAN-REG	Basic goods	2.4	Switzerland
PALO ALTO NETWORKS INC	Software & services	2.3	United States
ASSA ABLOY	Capital goods	2.3	Sweden
WOLTERS KLUWER	Business services	2.3	Netherlands
METTLER-TOLEDO INTERNATIONAL	Pharmaceuticals & biotechnology	2.2	United States
ADVANTEST	Semiconductors	2.2	Japan

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?

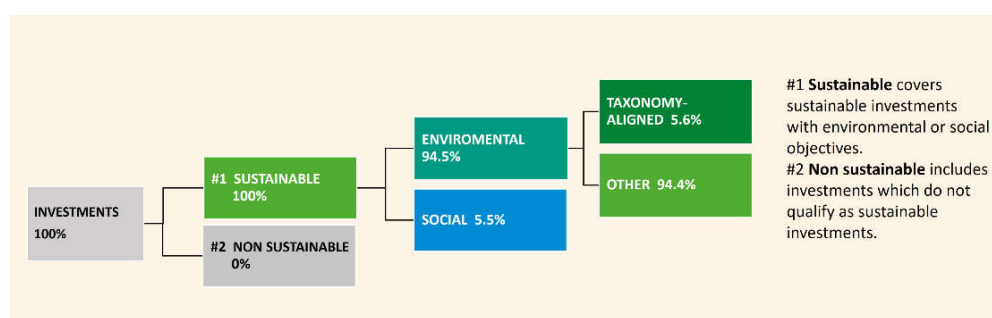
The Fund has invested in shares in listed companies all over the world that are dedicated to a sustainable society and that have a healthy financial outlook. The Fund has invested only in companies that have been admitted to the Investment Universe.

### 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. As a result, the investment selection criteria only allowed investments that have been designated as sustainable in the sense of the SFDR.

The Fund invests 100% in sustainable investments: companies that are in keeping with the tenets of a sustainable society. In the 2023 reporting period, the Fund had an average of **5.5%** of the assets managed invested in companies from 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 environmentally sustainable investments.

In addition to its investments, the Fund also maintains liquidities. These are not investments. The purpose of liquidities (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 which economic sectors were the investments made?

The Fund invested in the following economic sectors:

Sector	Total Share
Capital goods	14.8%
Software & services	13.8%
Pharmaceuticals & biotechnology	12.1%
Semiconductors	10.6%
Healthcare services & equipment	7.8%
Business services	7.1%
Retail	6.0%
Telecommunication services	5.7%
Basic goods	4.5%
Technology	3.7%
Personal care products	3.6%
Other	10.3%



### To what extent were sustainable investments with an ecological objective aligned with the EU Taxonomy?

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.

**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.

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, no specific EU Taxonomy target has been set so far.

Where data are available, ASN Impact Investors reports the extent to which the investments in this reporting period are aligned with the EU Taxonomy.

The extent to which sustainable investments with an ecological objective were aligned with the EU Taxonomy was **94.4%**. The determination of this percentage was not subject to an auditor's statement of assurance or evaluation by third parties. Broken down by EU Taxonomy objectives:

- Mitigation of climate change: **5.5%\***
- Adaptation to climate change: **1.3%\***
- Sustainable use and protection of water and marine resources: 0%
- Transition to a circular economy: 0%
- Pollution prevention and control: 0%
- Protection and restoration of biodiversity and ecosystems: 0%

\* Some investments contribute to both climate change mitigation and climate change adaptation. As a result, these percentages add up to a higher percentage than the 5.6% of the total contribution to the EU Taxonomy.

### ● **Has the financial product invested in activities in the fossil gas and/or nuclear energy sector that comply with the EU Taxonomy<sup>1</sup> ?**

☐ Yes

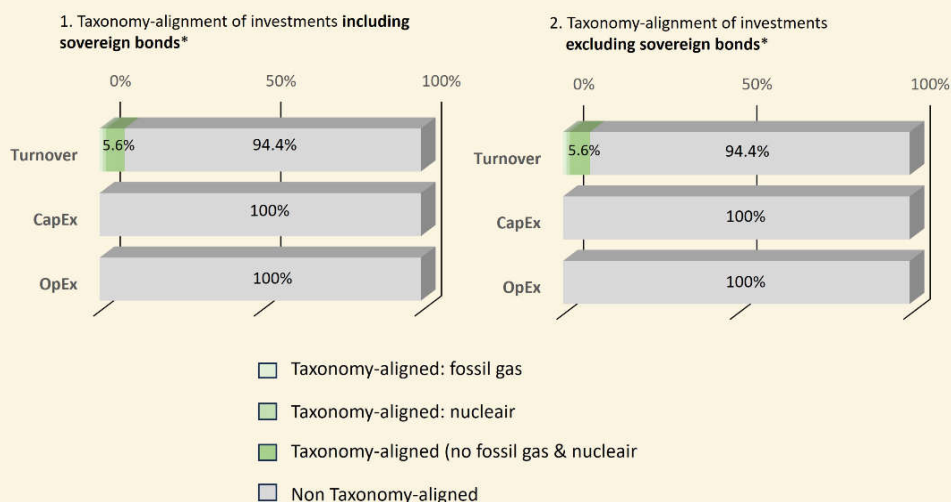
☐ In fossil gas

☐ In nuclear energy

☒ No

<sup>1</sup> Activities in the fossil gas and/or nuclear energy sectors will only comply with the EU Taxonomy if they contribute to climate change mitigation ('climate mitigation') and do not seriously undermine any of the objectives of the EU Taxonomy; see the explanation in the left margin. The comprehensive criteria for economic activities in the fossil gas and nuclear energy sectors that meet the EU Taxonomy are laid down in the European Commission's Delegated Regulation (EU) 2022/1214.

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.

### ● **What was the share of investments made in transition and facilitating activities?**

The share of investments in transition activities in 2023 was: **0.01%** based on turnover and **0.04%** based on capital expenditures.

The share of investments in facilitating activities in 2023 was: **1.77%** based on turnover and **1.93%** based on capital expenditures.

### ● **How did the percentage of investments aligned with the EU Taxonomy compare to previous reference periods?**

This question does not apply. This is the first reporting period in which the reporting includes the EU Taxonomy. No data were available for this purpose in the previous reporting year.



### ● **What was the share of sustainable investments with an ecological objective that was not aligned with the EU Taxonomy?**

In 2023, the share was **5.6%**. While the sustainability policy has strict selection criteria, it does not focus on investments that are aligned with the EU Taxonomy. Furthermore, the Fund has invested in shares of listed companies around the world. The majority of these companies are not subject to EU laws and regulations and are therefore not obliged to report on their compliance. For these reasons, a significant proportion of the investments are not aligned with the EU Taxonomy.



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 socially sustainable investments?**

In the 2023 reporting period, the Fund had an average of **5.5%** of its assets under management invested in a company with a social objective. The socially sustainable investments relate exclusively to the clothing brands in the portfolio.



### ● **Which investments are included in the 'non-sustainable' category? What was their purpose, and were there any minimum environmental or social guarantees?**

In line with the sustainability policy of ASN Impact Investors, no investments were made that could be classified as 'not sustainable'.

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### ● **What measures were taken during the reference period to achieve environmental and/or social characteristics?**

ASN Impact Investors has engaged in dialogue with investee companies to make them more aware of their sustainability performance in relation to their CO<sub>2</sub> 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 drastically impacting biodiversity. Biodiversity is under pressure, and biodiversity loss is growing every year. Biodiversity and climate change are closely linked. In 2022, ASN Impact Investors began providing information about the importance and urgency of biodiversity and our dependence on it. In 2023, ASN Impact Investors established the engagement frameworks, selected the companies with the largest negative impact within the portfolio for the



engagement process and began an in-depth investigation of these companies. Engagement with the companies will be continued in 2024.

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 participates in dialogue with clothing brands and inspires others who want to take action. In 2023, ASN Impact Investors assessed the clothing brands again and then discussed the results with the companies in question.

#### **Example of engagement**

There is active engagement with the American food group Campbell Soup. We have indicated that we expect more from their animal welfare policy. We have clearly identified areas for improvement.

#### **Example of the exercise of voting rights**

ASN Impact Investors voted against the appointment of a board member for Seek Limited. 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 gender, ASN Impact Investors votes against new candidates of that gender. ASN Impact Investors believes it is important for there to be a good gender balance. Research shows that this has benefits for business operations, in terms of both sustainability and financial return. ASN Impact Investors also voted against the company's remuneration proposal because it does not include any ESG performance criteria.



### **How did this financial product perform compared with the reference benchmark for sustainability?**

No reference benchmark has been designated for the achievement of the sustainable investment objective, since the market currently has no benchmark available that combines CO<sub>2</sub> emissions, biodiversity and the living wage.

### **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 for determining how well the reference benchmark is aligned to the sustainable investment objective?**

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 of reducing CO<sub>2</sub> emissions with a broad market index each year, in line with the Paris Agreement. 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, in the 2023 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 Fund's investments.

It is the Fund's objective to keep 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 in comparison to the broad market index.

MSCI ITR values in °C	2023
ASN Duurzaam Aandelenfonds	1.60
MSCI World Index	2.38
<b>Fund overperformance</b>	<b>0.78</b>

Reference benchmarks are indexes to measure whether the financial product attains the sustainable objective.



## Annex: 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 2 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 are 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, for each sector with major climate impact, i.e. NACE section codes A, B, C, D, E, F, G, H and L (link to NACE section codes).
- **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). While the figure of 0.00 tonnes per million euros invested is low, 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. While the figure of 0.11 tonnes per million euros invested is low, 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 a counterparty. 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, medium 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 37.71%

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 or managed in or adjacent to a protected area or an area of high biodiversity value outside of protected areas. As previously stated, ASN Impact Investors started engagement relating to biodiversity and the climate in 2022.
- **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 employment, child labour and forced labour). MSCI gathers this information from the website of the company or a counterparty. 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 a counterparty. 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, medium 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 a counterparty. 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, medium 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 (LEI):** 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?



**YES**



**NO**

☒ This product has made the following **sustainable investments with an ecological objective: 97.4%**

☒ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ in economic activities that, according to the EU Taxonomy, do not qualify as environmentally sustainable

☒ This product has made the following **sustainable investments with a social objective : 2.6%**

☐ This product **has promoted ecological/ social (E/S) characteristics**. Although sustainable investing was not its goal, it included a minimum of \_\_\_\_% sustainable investments

☐ with an ecological objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an ecological objective in economic activities that, according to the EU Taxonomy, do not qualify as environmentally sustainable

☐ with a social objective.

☐ The product promoted E/S characteristics but **has not invested sustainably**



#### 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:

- reducing CO<sub>2</sub> from the government bonds in the portfolio annually in line with the Paris Agreement (expressed as the Fund's contribution to limiting the temperature rise to 1.5 degrees by 2050); and
- the CO<sub>2</sub> emissions avoided by the green and social bonds in the portfolio (measured in tonnes of CO<sub>2</sub> per euro invested).

The investments with an ecological objective in the Fund also took into account the objectives mentioned in the EU Taxonomy: climate change mitigation, adaptation to climate change, sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems.

During the 2023 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).

#### ● **How did the sustainability indicators perform?**

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

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 2023 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 CO<sub>2</sub> intensity of government bonds has **improved** in comparison to the previous reporting period. The CO<sub>2</sub> intensity of the green and social bonds has **worsened**. The quantity of avoided emissions of the green and social bonds has **improved**.

Sustainability indicator	2021 values	2022 values	2023 values
Avoided emissions of green and social bonds (in tonnes per million euros invested)	N/A	31.44	24.49
CO <sub>2</sub> intensity of government bonds (in tonnes per million euros invested)	N/A	308.49	270.52
CO <sub>2</sub> intensity of green and social bonds (in tonnes per million euros invested)	N/A	-167.51	-242.47

To measure the reduction in CO<sub>2</sub> 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 CO<sub>2</sub> emissions for the green and social bonds.

To gauge the reduction of CO<sub>2</sub> emissions, the PCAF method measures scope 1, 2 and 3 emissions per quarter. The above values are the reduced CO<sub>2</sub> intensities 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 CO<sub>2</sub> equivalent. The above value is the avoided CO<sub>2</sub> equivalent in tonnes per million euros invested.

For the total portfolio of ASN Duurzaam Obligatiefonds (government bonds + green and social bonds) the following CO<sub>2</sub> intensity applies:  $(72.4\% \times 270.52) + (27.6\% \times 24.49) = 202.6$ .

### ● How can we be sure the sustainable investments did not seriously harm any of the sustainable investment objectives?

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

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.

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.

### ***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 2023 reporting period.

- More specifically, in 2023, only 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 use of data points defined within the SFDR was not carried out in 2023.

### ***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 the principal adverse impacts on sustainability factors into account?**

In the first instance, all investments complied with the ASN Impact Investors Sustainability Policy. As we indicated under the question **How were the indicators for adverse impacts on sustainability factors taken into account?** the indicators for negative impacts on sustainability factors (i.e. the PAI indicators set out in the delegated regulation supplementing the SFDR) were only partially taken into account in the 2023 reporting period. 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 ECD of ASN Bank.

The table below 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 listed indicators in 2023. 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 2023, 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 is one of the main reasons why investments are not yet being guided by the indicators presented in the table.

For more details on the indicators, see **Annex I of the Regulation (EU) 2022/1288**.

In this Annex V, ASN Impact Investors reports on the PAI indicators. ASN Impact Investors is not yet being guided by 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 data supplier does not always provide all the data for the PAI indicators. If no data are available, N/A will be displayed in the table.

**Table 1 – Declaration concerning the principal adverse impacts of investment decisions on sustainability factors**

Indicators applicable to investments in sovereigns and supranationals

		<b>Metric</b>	<b>2023 impact</b>	<b>Data coverage</b>	<b>Source year</b>
Environmental	15. GHG intensity	tCO <sub>2</sub> e/Meuro	162.00	88.30%	2021-2022
Social	16. Investee countries subject to social violations		N/A	N/A	N/A

**Table 2 – Additional climate and other environment-related indicators**

Indicators applicable to investments in sovereigns and supranationals

		<b>2023 impact</b>	<b>Data coverage</b>	<b>Source year</b>
Green securities	17. Share of bonds not issued under Union legislation on environmentally sustainable bonds	90.04%	100.00%	2023

**Table 3 – Additional indicators for social issues and employee matters, respect for human rights, anti-corruption and anti-bribery matters**

Indicators for social issues and employee matters, respect for human rights, anti-corruption and anti-bribery matters

		<b>2023 impact</b>	<b>Data coverage</b>	<b>Source year</b>
Governance	21. Average corruption score	71.05	97.29%	2022



## What were the largest 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: 2023

Largest investments	Sector	% Assets	Country
Republic of Austria	Government bonds	10.4	Austria
KFW Development Bank	Green bonds/social bonds	8.6	Germany
Republic of Germany	Government bonds	8.3	Germany
Kingdom of The Netherlands	Government bonds	6.7	Netherlands
Republic of Italy	Government bonds	6.7	Ireland
Republic of Ireland	Government bonds	5.3	Ireland
Kingdom of Spain	Government bonds	5.2	Spain
Republic of France	Government bonds	5.0	France
Republic of Slovakia	Government bonds	4.9	Slovakia
Kingdom of Belgium	Government bonds	4.7	Belgium
Republic of Slovenia	Government bonds	4.6	Slovenia
Republic of Portugal	Government bonds	3.8	Portugal
Republic of Chili	Government bonds	2.8	Chile
Grand Duchy of Luxembourg	Government bonds	2.3	Luxembourg
Nederlandse Waterbank	Green bonds/social bonds	2.1	Netherlands

The '% Assets' column is the proportion of the investment within the total assets under management, excluding liquid assets.

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## 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 contributed to avoiding the emission of CO<sub>2</sub>.

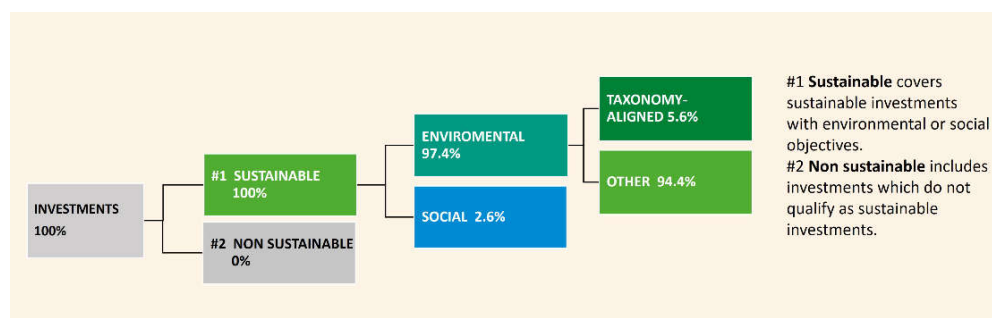
## What was the asset allocation?

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 liquidities (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'.

Asset allocation describes the share of investments in specific assets.





## In which economic sectors were the investments made?

The Fund invested in the following economic sectors:

Sector	Total Share
Government bonds	72.4%
Green bonds/social bonds	27.6%



## To what extent were sustainable investments with an ecological 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.

Where data are available, ASN Impact Investors reports the extent to which the investments in this reporting period are aligned with the EU Taxonomy.

The extent to which sustainable investments with an ecological objective were aligned with the EU Taxonomy was **5.8%**. The determination of this percentage was not subject to an auditor's statement of assurance or evaluation by third parties. Broken down by EU Taxonomy objectives:

- Mitigation of climate change: **5.4%**
- Adaptation to climate change: **0.2%**
- Sustainable use and protection of water and marine resources: 0%
- Transition to a circular economy: 0%
- Pollution prevention and control: 0%
- Protection and restoration of biodiversity and ecosystems: 0%

## Has the financial product invested in activities in the fossil gas and/or nuclear energy sector that comply with the EU Taxonomy<sup>1</sup>?

☐ Yes

☐ In fossil gas

☐ In nuclear energy

☒ No

<sup>1</sup> Activities in the fossil gas and/or nuclear energy sectors will only comply with the EU Taxonomy if they contribute to climate change mitigation ('climate mitigation') and do not seriously undermine any of the objectives of the EU Taxonomy; see the explanation in the left margin. The comprehensive criteria for economic activities in the fossil gas and nuclear energy sectors that meet the EU Taxonomy are laid down in the European Commission's Delegated Regulation (EU) 2022/1214.

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.

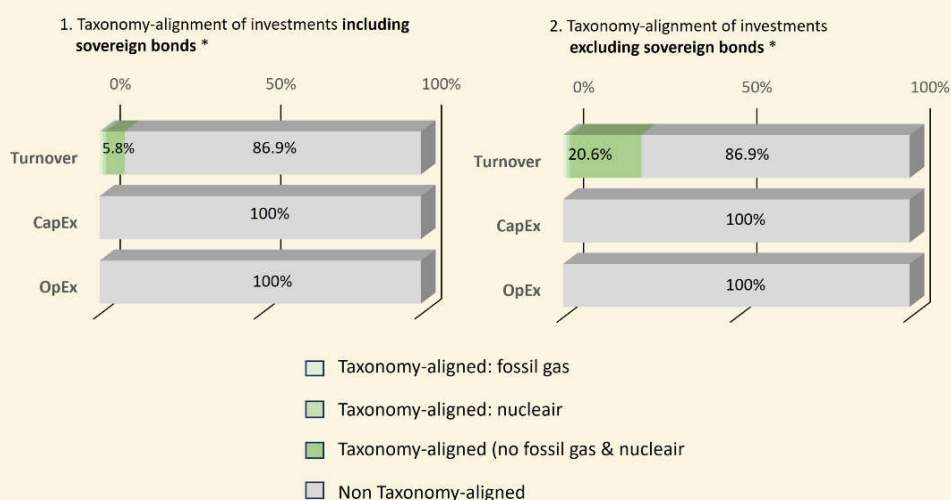
- 19 for a transition to a green economy;
- operational expenditure (OpEx) reflecting green operational activities of investee companies.

**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



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.

### ● **What was the share of investments made in transition and facilitating activities?**

There are no data available for ASN Duurzaam Obligatiefonds to determine the share of investments transition activities and the share of investments in facilitating activities.

### ● **How did the percentage of investments aligned with the EU Taxonomy compare to previous reference periods?**

This question does not apply. This is the first reporting period in which the reporting includes the EU Taxonomy. No data were available for this purpose in the previous reporting year.

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### ● **What was the share of sustainable investments with an ecological objective that was not aligned with the EU Taxonomy?**

In 2023, the share was **94.2%**. While the sustainability policy has strict selection criteria, it does not focus on investments that are aligned with the EU Taxonomy. Furthermore, the Fund has invested in shares of listed companies around the world. The majority of these companies are not subject to EU laws and regulations and are therefore not obliged to report on their compliance. For these reasons, a significant proportion of the investments are not aligned with the EU Taxonomy.



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 socially sustainable investments?**

The Fund has only environmental objectives. However, the Fund did invest in social bonds in 2023, so that the share of socially sustainable investments was **2.6%**.



### ● **Which investments are included in the 'non-sustainable' category? What was their purpose, and were there any minimum environmental or social guarantees?**

In line with the sustainability policy of ASN Impact Investors, no investments were made that could be classified as 'not sustainable'.



### What measures were taken during the reference period to achieve environmental and/or social characteristics?

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 with the reference benchmark for sustainability?

No reference benchmark has been designated for the achievement of the sustainable investment objective, since the market currently has no benchmark available that combines CO<sub>2</sub> emissions for government bonds and the avoidance of CO<sub>2</sub> emissions for green and social bonds.

#### ● *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 for determining how well the reference benchmark is aligned to the sustainable investment objective?*

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 reduction of CO<sub>2</sub> emissions with a broad market index per year. 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. However, no data is available for Green Bonds to calculate the CO<sub>2</sub> for the benchmark intensity to be calculated. Therefore, in the table below the Fund's performance compared to the broad market index is solely for the government bonds presented.

As shown in the table below, the CO<sub>2</sub> intensity of the broad market index

Emission factors (tonnes CO <sub>2</sub> /million euro)	2023
ASN Duurzaam Obligatiefonds	270.5
80% Bloomberg Barclays Euro Treasury 1-10 yr	267.5
Fund underperformance	3

### Annex: 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.

**Reference benchmarks** are indexes to measure whether the financial product attains the sustainable objective.



- **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 (LEI):** 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

☒ This product has made the following **sustainable investments with an ecological objective: 100.0%**

☒ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ in economic activities that, according to the EU Taxonomy, do not qualify as environmentally sustainable

☒ This product has made the following **sustainable investments with a social objective : 0.0%.**

☐ This product **has promoted ecological/ social (E/S) characteristics**. Although sustainable investing was not its goal, it included a minimum of \_\_\_\_% sustainable investments

☐ with an ecological objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an ecological objective that qualifies as environmentally sustainable under the EU Taxonomy

☐ with a social objective.

☐ This product promoted E/S features but **has not invested sustainably**.



#### 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:

- reducing CO<sub>2</sub> emissions annually in line with the Paris Agreement (expressed as the Fund's contribution to limiting the temperature rise to 1.5 degrees by 2050); and
- decreasing the negative impact on biodiversity per euro invested (relative to the baseline 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 2023 reporting period, the Fund invested in a globally diversified 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 the areas of water infrastructure and technology, sustainable energy and mobility, the circular economy, and food and agriculture.

The investments with an ecological objective in the Fund also took into account the objectives mentioned in the EU Taxonomy: climate change mitigation, adaptation to climate change, sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems.

The implied temperature rise of the Fund in 2023 was **2.07** degrees, measured using the MSCI Implied Temperature Rise (ITR) methodology. In the previous financial year, the ITR of the Fund was 2.22. The ITR has thus improved compared to last year. For more information about the MSCI ITR methodology, see: **MSCI Implied Temperature Rise**.

In 2023, the Fund's negative impact on biodiversity per euro invested **improved** as compared to the baseline year 2019 (measured using the Biodiversity Footprint Financial Institutions (BFFI) 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 2023 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 are 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	2023 values
MSCI ITR (in degrees Celsius)	N/A	N/A	N/A	2.22	2.07
Biodiversity footprint (in pdf.ha.year per million euro invested)	27.42	26.43	24.91	20.02	17.24

*2019 is the reference year for the biodiversity footprint. For 2020 and 2021, the SFDR did not yet apply.*

We used the MSCI ITR method to measure the implied temperature rise of the Fund (in order 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. In the 2023 reporting period, the MSCI ITR methodology was available for **94.6%** of the Fund's investments.

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). An 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). Since 2023, the biodiversity footprint has been assessed every quarter.

### ● **How can we be sure the sustainable investments did not seriously harm any of the sustainable investment objectives?**

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 calls for a selection process conducted 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);

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

- 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, a safe and healthy working environment and so on.

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 2023, **five** companies were removed from the Investment Universe for violations of the sustainability policy.

#### Example of engagement

We engaged with five companies from the ASN Milieu and Waterfonds on the topic of biodiversity. One of the companies we spoke to was American Water Works. We wanted to get a better picture of the results of an assessment of the company with regard to its dependence on biodiversity and how the company's operations impact that biodiversity. Processes to mitigate risks and management activities were discussed as well. Talks will continue into 2024.

#### Example of exclusion

The main products of the Israeli company SolarEdge are converters (that convert solar energy into electricity), power optimizers and monitoring software. Unfortunately, it turns out that the company also supplies lithium ion batteries and related energy systems. These products are made specifically for military applications such as drones, fighter jets, tanks, submarines and torpedoes. We therefore rejected and removed SolarEdge from our Investment Universe.

### ● *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 2023 reporting period.

More specifically, this means that, in 2023, the parameters of **five** mandatory PAI indicators and one optional indicator were taken into account, as these indicators were already 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

With regard to the other PAI indicators (**nine** mandatory and **six** optional), although these were part of the sustainability policy in terms of themes, the use of data points defined within the SFDR did not yet take place in 2023.

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.

### **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 whenever 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**

We engaged with four companies from the ASN Milieu and Waterfonds on the topic of climate issues. One of the companies we engaged with was EDP Renovaveis. The company indicates that it falls under the emission targets of its parent company, EDP. It is also in the process of getting its own targets verified by the Science Based Targets initiative.

#### **Example of exclusion**

Recent information reveals that Kingspan committed fraud in connection with the test results of the insulation material used at Grenfell Tower. The tower burned down in June 2017, killing at least 72 people. The building had been renovated in 2016 using insulation material from Kingspan, among others. As a result, unsuitable insulation material was used in Grenfell Tower. Based on everything that has taken place since 2017 and the information that has emerged since 2021, we have decided to reject Kingspan and remove it from our Investment Universe.



### **How did this financial product take the principal adverse impacts on sustainability factors into account?**

In the first instance, all investments complied with the ASN Impact Investors Sustainability Policy. As we indicated under the question **How were the indicators for adverse impacts on sustainability factors taken into account?** the indicators for negative impacts on sustainability factors (i.e. the PAI indicators set out in the delegated regulation supplementing the SFDR) were only partially taken into account in the 2023 reporting period. 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. All of these data were sourced from MSCI and Morningstar Direct. They have not been 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 CO<sub>2</sub> emissions).

The table below 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 listed indicators in 2023. 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 2023, 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 is one of the main reasons why investments are not yet being guided by the indicators presented in the table.

For more details on the indicators, see Annex I of the Regulation (EU) 2022/1288.

ASN Impact Investors is not yet being guided by 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 data supplier does not always provide all the data for the PAI indicators. If no data are available, N/A will be displayed in the table.

**Table 1 – Declaration concerning the principal adverse impacts of investment decisions on sustainability factors**

## Climate and other environment-related indicators

			<b>Metric</b>	<b>2023 impact</b>	<b>Data coverage</b>	<b>Source year</b>
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	tCO <sub>2</sub> e	29,460.32	98.34%	2021-2022
		Scope 2 GHG emissions	tCO <sub>2</sub> e	14,021.85	98.34%	2021-2022
		Scope 3 GHG emissions	tCO <sub>2</sub> e	197,542.62	98.34%	2021-2022
		Total GHG emissions	tCO <sub>2</sub> e	227,426.62	98.34%	2021-2022
	2. Carbon footprint		tCO <sub>2</sub> e/Meuro	245.27	98.34%	2021-2022
	3. GHG intensity of investee companies		tCO <sub>2</sub> e/Meuro	703.12	99.20%	2021-2022
	4. Exposure to companies active in the fossil fuel sector			0.00%	99.20%	N/A
	5. Share of non-renewable energy consumption and production			67.12%	64.81%	2020-2022
	6. Energy consumption intensity per high impact climate sector		GWh / Meuro	A: 0.00	75.55%	2020-2022
			GWh / Meuro	B: 0.00	75.55%	2020-2022
			GWh / Meuro	C: 0.57	75.55%	2020-2022
			GWh / Meuro	D: 1.11	75.55%	2020-2022
			GWh / Meuro	E: 0.69	75.55%	2020-2022
			GWh / Meuro	F: 0.24	75.55%	2020-2022
			GWh / Meuro	G: 0.24	75.55%	2020-2022
			GWh / Meuro	H: 0.51	75.55%	2020-2022
			GWh / Meuro	L: 0.00	75.55%	2020-2022
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas			0.00%	99.20%	2021-2022
Water	8. Emissions to water		t/Meuro	N/A	N/A	N/A
Waste	9. Hazardous waste and radioactive waste ratio		t/Meuro	0.38	33.49%	2021-2022





### Indicators for social issues, respect for human rights, anti-corruption and anti-bribery matters

		<b>2023 impact</b>	<b>Data coverage</b>	<b>Source year</b>
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%	99.20%	N/A
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact Principles and OECD Guidelines for Multinational Enterprises	55.18%	99.20%	N/A
	12. Unadjusted gender pay gap	5.48%	13.30%	2018-2022
	13. Board gender diversity	34.86%	99.20%	N/A
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	0.00%	99.20%	N/A

**Table 2 – Additional climate and other environment-related indicators**

### Climate and other environment-related indicators

		<b>2023 impact</b>	<b>Data coverage</b>	<b>Source year</b>
Water, waste and material emissions	6. Water usage and recycling	N/A	N/A	N/A

**Table 3 – Additional indicators for social issues and employee matters, respect for human rights, anti-corruption and anti-bribery matters**

### Indicators for social issues and employee matters, respect for human rights, anti-corruption and anti-bribery matters

		<b>2023 impact</b>	<b>Data coverage</b>	<b>Source year</b>
Social and employee matters	4. Lack of a supplier code of conduct	49.86%	99.20%	2021-2022
Human rights	9. Lack of a human rights policy	8.32%	99.20%	N/A
	12. Operations and suppliers at significant risk of incidents of child labour	9.52%	99.20%	N/A
	13. Operations and suppliers at significant risk of incidents of forced or compulsory labour	11.07%	99.20%	N/A
	14. Number of identified cases of severe human rights issues and incidents	0.00	99.20%	N/A
Anti-corruption and anti-bribery	15. Lack of anti-corruption and anti-bribery policies	0.00%	99.20%	N/A



## What were the largest 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: 2023

Largest investments	Sector	% Assets	Country
SEVERN TRENT	Utilities	3.2	United Kingdom
PENTAIR PLC	Capital goods	2.9	United Kingdom
UNITED UTILITIES GROUP PLC	Utilities	2.8	United Kingdom
FISCHER (GEORG)-REG	Capital goods	2.7	Switzerland
VESTAS WIND SYSTEMS	Capital goods	2.7	Denmark
SMITH (A.O.) CORP	Capital goods	2.7	United States
AMERICAN WATER WORKS CO INC	Utilities	2.6	United States
GEBERIT	Capital goods	2.6	Switzerland
STERICYCLE	Business services	2.5	United States
BORALEX INC -A	Energy	2.5	Canada
EDP RENOVAVEIS SA	Energy	2.5	Spain
ADVANCED DRAINAGE SYSTEMS IN	Capital goods	2.3	United States
CINTAS	Business services	2.2	United States
BRAMBLES	Business services	2.1	Australia
NOVOZYMES -B	Basic goods	2.1	Denmark

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?

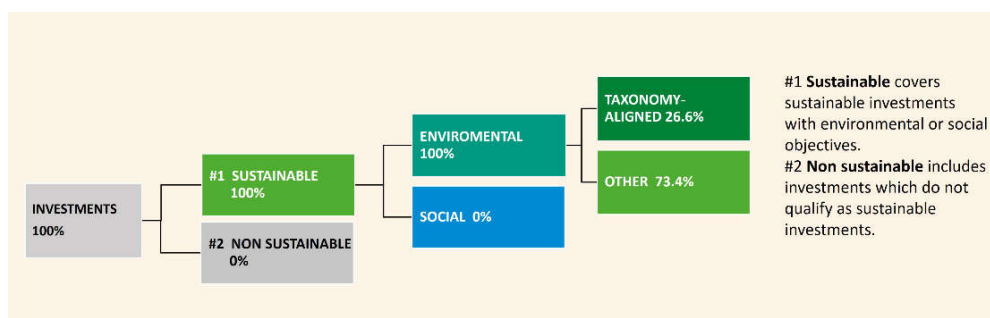
The Fund has invested in shares in listed companies all over the world that are dedicated to a sustainable society and that have a healthy financial outlook. The Fund has invested only in companies that have been admitted to the Investment Universe.

### What was the asset allocation?

The Fund invests 100% in sustainable investments: companies that are in keeping with the tenets of a sustainable society. In line with the Fund's environmental objectives, all sustainable investments have environmental targets of their own.

In addition to its investments, the Fund also maintains liquidities. These are not investments. The purpose of liquidities (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).

Asset allocation describes the share of investments in specific assets.



## In which economic sectors were the investments made?

The Fund invested in the following economic sectors:

Sector	Total Share
Capital goods	38.9%
Utilities	11.6%
Business services	11.1%
Basic goods	9.6%
Energy	8.5%
Technology	5.3%
Software & services	3.9%
Semiconductors	3.8%
Pharmaceuticals & biotechnology	1.9%
Personal care products	1.8%
Other	3.6%



## To what extent were sustainable investments with an ecological 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, no specific EU Taxonomy target has been set so far.

Where data are available, ASN Impact Investors reports the extent to which the investments in this reporting period are aligned with the EU Taxonomy.

The extent to which sustainable investments with an ecological objective were aligned with the EU Taxonomy was **26.6%**. The determination of this percentage was not subject to an auditor's statement of assurance or evaluation by third parties. Broken down by EU Taxonomy objectives:

- Mitigation of climate change: **26.0%\***
- Adaptation to climate change: **3.9%\***
- Sustainable use and protection of water and marine resources: 0%
- Transition to a circular economy: 0%
- Pollution prevention and control: 0%
- Protection and restoration of biodiversity and ecosystems: 0%

\* Some investments contribute to both climate change mitigation and climate change adaptation. As a result, these percentages add up to a higher percentage than the 26.6% of the total contribution to the EU Taxonomy.

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.

**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.

## ● **Has the financial product invested in activities in the fossil gas and/or nuclear energy sector that comply with the EU Taxonomy<sup>1</sup>?**

☐ Yes

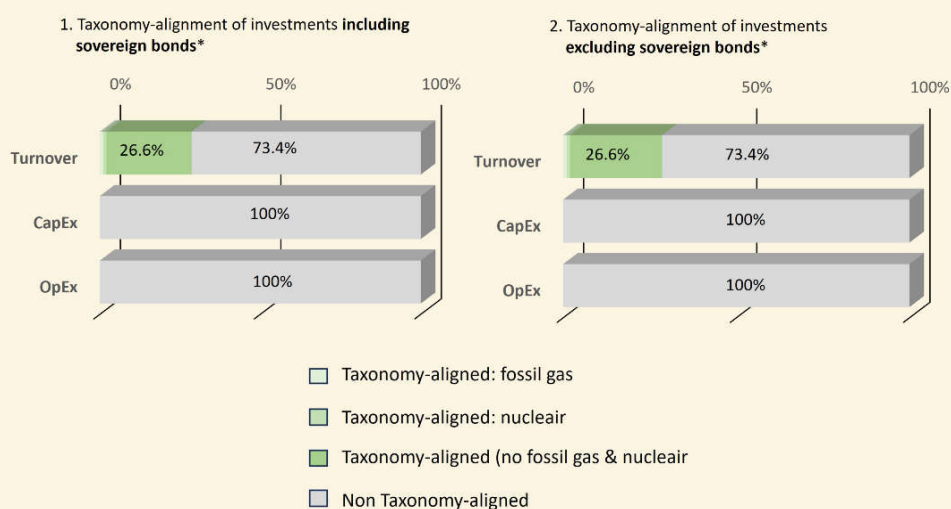
☐ In fossil gas

☐ In nuclear energy

☒ No

<sup>1</sup> Activities in the fossil gas and/or nuclear energy sectors will only comply with the EU Taxonomy if they contribute to climate change mitigation ('climate mitigation') and do not seriously undermine any of the objectives of the EU Taxonomy; see the explanation in the left margin. The comprehensive criteria for economic activities in the fossil gas and nuclear energy sectors that meet the EU Taxonomy are laid down in the European Commission's Delegated Regulation (EU) 2022/1214.

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 Taxonomyalignment 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.

## ● **What was the share of investments made in transition and facilitating activities?**

The share of investments in transition activities in 2023 was: **0.00%** based on turnover and **0.05%** based on capital expenditures.

The share of investments in facilitating activities in 2023 was: **3.06%** based on turnover and **3.54%** based on capital expenditures.

## ● **How did the percentage of investments aligned with the EU Taxonomy compare to previous reference periods?**

This question does not apply. This is the first reporting period in which the reporting includes the EU Taxonomy. No data were available for this purpose in the previous reporting year.



## **What was the share of sustainable investments with an ecological objective that was not aligned with the EU Taxonomy?**

In 2023, the share was **73.4%**. While the sustainability policy has strict selection criteria, it does not focus on investments that are aligned with the EU Taxonomy. Furthermore, the Fund has invested in shares of listed companies around the world. The majority of these companies are not subject to EU



are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy

laws and regulations and are therefore not obliged to report on their compliance. For these reasons, a significant proportion of the investments are not aligned with the EU Taxonomy.



### What was the share of socially sustainable investments?

The Fund only has sustainable investments with an ecological objective. The share of socially sustainable investments is therefore 0.00%.



### Which investments are included in the 'non-sustainable' category? What was their purpose, and were there any minimum environmental or social guarantees?

In line with the sustainability policy of ASN Impact Investors, no investments were made that could be classified as 'not sustainable'.



### What measures were taken during the reference period to achieve environmental and/or social characteristics?

ASN Impact Investors has engaged in dialogue with investee companies to make them more aware of their sustainability performance in relation to their CO<sub>2</sub> 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 drastically impacting biodiversity. Biodiversity is under pressure, and biodiversity loss is growing every year. Biodiversity and climate change are closely linked. In 2022, ASN Impact Investors began providing information about the importance and urgency of biodiversity and our dependence on it. In 2023, ASN Impact Investors established the engagement frameworks, selected the companies with the largest negative impact within the portfolio for the engagement process and began an in-depth investigation of these companies. Engagement with the companies will be continued in 2024.

#### **Example of engagement**

We have started passive engagement with MTR Corp. The company had previously issued a statement saying it supported freedom of association in trade unions. This statement has disappeared from its website. We would like to see the company publish policy on trade union freedom. We are awaiting a response.

#### **Example of the exercise of voting rights**

We expect companies to have set an ambitious and time-bound climate target in line with the Paris Agreement. If a company has not done so, we vote against the approval of the annual report, the financial statements and the auditor's report. For example, we have informed Rational that we are voting against the approval of their documents. The company reports on scope 1, 2 and 3. Unfortunately, it lacks emission reduction targets and a credible climate action plan. We have informed Rational about this.



### How did this financial product perform compared with the reference benchmark for sustainability?

No reference benchmark has been designated for the achievement of the sustainable investment objective, since the market currently has no benchmark available that combines CO<sub>2</sub> emissions, biodiversity and the living wage.

### ● **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 for determining how well the reference benchmark is aligned to the sustainable investment objective?**

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 CO<sub>2</sub> 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, in the 2023 reporting period, the MSCI ITR methodology was available for **94.6%** of the Fund's investments. For the broad market index, the MSCI ITR methodology was available for **99.40%** of the Fund's investments.

It is the Fund's objective to keep 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 in comparison to the broad market index.

MSCI ITR values in °C	2023
ASN Milieu & Waterfonds	2.07
MSCI World Index	2.38
<b>Fund overperformance</b>	<b>0.31</b>

## **Annex: 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 2 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 are 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, for each sector with major climate impact, i.e. NACE section codes A, B, C, D, E, F, G, H and L (link to NACE section codes).
- **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

Reference benchmarks are indexes to measure whether the financial product attains the sustainable objective.

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). For this indicator no data are available.
- **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. While the figure of 0.38 tonnes per million euros invested is low, 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 a counterparty. 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, medium 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 34.86% 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 or managed in or adjacent to a protected area or an area of high biodiversity value outside of protected areas. As previously stated, ASN Impact Investors started engagement relating to biodiversity and the climate in 2022.
- **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 employment, child labour and forced labour). MSCI gathers this information from the website of the company or a counterparty. 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 a counterparty. 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, medium 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 a counterparty. 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, medium 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 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 (LEI):** 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**

☒ This product has made the following **sustainable investments with an ecological objective: 95.2%**

☐ This product **has promoted ecological/ social (E/S) characteristics**. Although sustainable investing was not its goal, it included a minimum of \_\_\_\_% sustainable investments

☒ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an ecological objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ in economic activities that, according to the EU Taxonomy, do not qualify as environmentally sustainable

☐ with an ecological objective in economic activities that, according to the EU Taxonomy, do not qualify as environmentally sustainable

☐ with a social objective.

☒ This product has made the following **sustainable investments with a social objective : 4.8%**

☐ The product promoted E/S characteristics but **has not invested sustainably**.



### To what extent was the sustainable investment objective of this financial product met?

The ASN Duurzaam Small & Midcapfonds ('the Fund') has adopted the following sustainable investment objectives:

- reducing CO<sub>2</sub> emissions annually in line with the Paris Agreement (expressed as the Fund's contribution to limiting the temperature rise to 1.5 degrees by 2050);
- decreasing the negative impact on biodiversity per euro invested (relative to baseline year 2019); and
- encouraging the payment of a living wage to factory workers in the clothing industry chain (relative to baseline 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 2023 reporting period, the Fund invested in a diversified European portfolio of shares in listed companies that contributed to the sustainable investment objectives.

The investments with an ecological objective in the Fund also took into account the objectives mentioned in the EU Taxonomy: climate change mitigation, adaptation to climate change, sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems.



The implied temperature rise of the Fund in 2023 was **2.23** degrees, measured using the MSCI Implied Temperature Rise (ITR) methodology. In 2022, the Fund's ITR was 2.35 degrees. The Fund showed an improvement of 5.1% as compared to 2022. For more information about the MSCI ITR methodology, see: **MSCI Implied Temperature Rise**.

In 2023, the Fund's negative impact on biodiversity per euro invested **worsened** as compared to the baseline year 2019 (measured using the Biodiversity Footprint Financial Institutions (BFFI) methodology).

In 2023, the average living wage score for the clothing brands in the Investment Universe of the Fund's portfolio **improved** compared to the baseline year 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 2023 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 are 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	2023 values
MSCI ITR (in degrees Celsius)	N/A	N/A	N/A	2.35	2.23
Biodiversity footprint (in pdf.ha.year per million euro invested)	25.07	24.91	37.97	32.08	28.92
Average living wage score	13	13	15.61	20.44	23.25

2019 is the reference (baseline) year for both the biodiversity footprint and the average living wage. For 2020 and 2021, the SFDR did not yet apply.

We used the MSCI ITR method to measure the implied temperature rise of the Fund (in order 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. In the 2023 reporting period, the MSCI ITR methodology was available for **93.1%** of the Fund's investments.

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). An 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). Since 2023, the biodiversity footprint has been assessed every quarter.

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 then 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. That being said, 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.

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

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 as 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 was shifted from the policy criterion to the criterion relating to the company's engagement. The two policy-related questions were combined (leaving one question about policy, with a weighting of 12.5%), and a second question relating to the engagement criterion was added (these two questions now have a total weighting of 25%). In 2023, we adjusted the requirements for the Assessing Impacts section. In the past, the emphasis was on a company's understanding of the risks associated with the failure to pay a living wage. Now, the emphasis is more on concrete information. For example: does the company have insight into the actual gap between the wage paid and a living wage at the production sites, and what are the plans to close this gap?

Along with 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 as well. 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 can we be sure the sustainable investments did not seriously harm any of the sustainable investment objectives?**

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 calls for a selection process conducted 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, a safe and healthy working environment and so on.

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 2023, **four** companies were removed from the Investment Universe for violations of the sustainability policy.

#### **Examples of engagement**

In 2023, we concluded the passive engagement with Berkeley Group Holdings, a UK property developer and home builder, due to the expiry of the four-year term of the passive engagement process. We find that the company meets many of our criteria but does not yet meet all of them. To meet our timber criterion, we expect companies to report on the division of PEFC and FSC-certified timber. Berkeley Group Holdings has not reported on this. Certain elements are missing from the supply chain policy as well. We have therefore decided to actively engage with Berkeley Group Holdings and expect to see improvement in the aforementioned areas within a year.

#### **Examples of exclusion**

During the 2023 reporting period, ASN Impact Investors decided to reject the Swedish company Addtech and remove it from the Investment Universe. Addtech develops energy solutions and solutions for the life sciences, among other things. It also makes its own products, including electric motors and transformers. The company is exposed to risks in connection with several sustainability issues, but it has managed these risks with very good policy. Unfortunately, it also came to light that Addtech is involved in the development of weapons. This was reason for ASN Impact Investors to reject the company and remove it from the Universe.

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 delegated regulation supplementing the SFDR were only partially taken into account in the 2023 reporting period.

More specifically, in 2023, 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

With regard to the other PAI indicators (**nine** mandatory and **seven** optional), although these were part of the sustainability policy in terms of themes, the use of data points defined within the SFDR did not yet take place in 2023.

### **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

We started engagement on the topic of climate change with six companies from the ASN Small and Midcapfonds. Corbion was one of the companies with whom we engaged. We want to better understand their emission reduction plan. The company said it expects emissions to fall sharply in 2028/2029, driven by technological developments in the factories such as electrification and the use of renewable energy sources.



### How did this financial product take the principal adverse impacts on sustainability factors into account?

In the first instance, all investments complied with the ASN Impact Investors Sustainability Policy. As we indicated under the question **How were the indicators for adverse impacts on sustainability factors taken into account?** the indicators for negative impacts on sustainability factors (i.e. the PAI indicators set out in the delegated regulation supplementing the SFDR) were only partially taken into account in the 2023 reporting period. 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. All of these data were sourced from MSCI and Morningstar Direct. They have not been 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 CO<sub>2</sub> emissions).

The table below 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 listed indicators in 2023. 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 2023, 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 is one of the main reasons why investments are not yet being guided by the indicators presented in the table.

For more details on the indicators, see **Annex I of the Regulation (EU) 2022/1288**.

ASN Impact Investors is not yet being guided by 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 data supplier does not always provide all the data for the PAI indicators. If no data are available, N/A will be displayed in the table.

**Table 1 – Declaration concerning the principal adverse impacts of investment decisions on sustainability factors**

## Climate and other environment-related indicators

			<b>Metric</b>	<b>2023 impact</b>	<b>Data coverage</b>	<b>Source year</b>
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	tCO <sub>2</sub> e	5,527.81	91.70%	2021-2022
		Scope 2 GHG emissions	tCO <sub>2</sub> e	6,520.88	91.70%	2021-2022
		Scope 3 GHG emissions	tCO <sub>2</sub> e	93,706.39	91.70%	2021-2022
		Total GHG emissions	tCO <sub>2</sub> e	102,252.20	91.70%	2021-2022
	2. Carbon footprint		tCO <sub>2</sub> e / Meuro	543.30	91.70%	2021-2022
	3. GHG intensity of investee companies		tCO <sub>2</sub> e / Meuro	817.89	93.54%	2021-2022
	4. Exposure to companies active in the fossil fuel sector			0.00%	93.54%	N/A
	5. Share of non-renewable energy consumption and production			72.91%	67.70%	2019-2021
	6. Energy consumption intensity per high impact climate sector		GWh / Meuro	A: 0.00	82.15%	2020-2022
			GWh / Meuro	B: 0.00	82.15%	2020-2022
			GWh / Meuro	C: 0.30	82.15%	2020-2022
			GWh / Meuro	D: 0.00	82.15%	2020-2022
			GWh / Meuro	E: 1.09	82.15%	2020-2022
			GWh / Meuro	F: 0.00	82.15%	2020-2022
			GWh / Meuro	G: 0.04	82.15%	2020-2022
			GWh / Meuro	H: 0.00	82.15%	2020-2022
			GWh / Meuro	L: 0.29	82.15%	2020-2022
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas			0.00%	93.54%	2021-2022
Water	8. Emissions to water		t/Meuro	N/A	N/A	N/A
Waste	9. Hazardous waste and radioactive waste ratio		t/Meuro	0.28	30.08%	2021-2021



### Indicators for social issues, respect for human rights, anti-corruption and anti-bribery matters

		<b>2023 impact</b>	<b>Data coverage</b>	<b>Source year</b>
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%	93.54%	N/A
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact Principles and OECD Guidelines for Multinational Enterprises	60.91%	93.54%	N/A
	12. Unadjusted gender pay gap	16.71%	22.56%	2021-2021
	13. Board gender diversity	37.48%	92.41%	N/A
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	0.00%	93.54%	N/A

**Table 2 – Additional climate and other environment-related indicators**

### Climate and other environment-related indicators

			<b>2023 impact</b>	<b>Data coverage</b>	<b>Source year</b>
Water, waste and material emissions	14. Natural species and protected areas	1. Share of investments in investee companies whose operations affect threatened species	12.48%	93.54%	2021-2022
		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	93.54%	93.54%	2021-2022

**Table 3 – Additional indicators for social issues and employee matters, respect for human rights, anti-corruption and anti-bribery matters**

Indicators for social issues and employee matters, respect for human rights, anti-corruption and anti-bribery matters

		<b>2023 impact</b>	<b>Data coverage</b>	<b>Source year</b>
Social and employee matters	4. Lack of a supplier code of conduct	51.72%	93.54%	2021-2022
Human rights	9. Lack of a human rights policy	0.71%	93.54%	N/A
	12. Operations and suppliers at significant risk of incidents of child labour	13.98%	93.54%	N/A
	13. Operations and suppliers at significant risk of incidents of forced or compulsory labour	9.54%	93.54%	N/A
	14. Number of identified cases of severe human rights issues and incidents	0.00	93.54%	N/A
Anti-corruption and anti-bribery	15. Lack of anti-corruption and anti-bribery policies	0.00%	93.54%	N/A

### What were the largest 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: 2023

<b>Largest investments</b>	<b>Sector</b>	<b>% Assets</b>	<b>Country</b>
IPSOS	Advertising	5.0	France
COATS GROUP PLC	Consumer durables	4.8	United Kingdom
STHREE PLC	Business services	4.8	United Kingdom
PREMIER FOODS PLC	Food & drinks	4.7	United Kingdom
BASIC-FIT NV	Consumer service businesses	4.7	Netherlands
BEKAERT	Basic goods	4.4	Belgium
AZELIS GROUP NV	Capital goods	4.4	Belgium
ALFEN BEHEER B.V.	Capital goods	4.3	Netherlands
JOST WERKE AG	Capital goods	4.3	Germany
BRAVIDA HOLDING AB	Business services	3.9	Sweden
HUHTAMAKI OYJ	Basic goods	3.9	Finland
SIGNIFY NV	Capital goods	3.8	Netherlands
WASHTEC AG	Capital goods	3.7	Germany
BE SEMICONDUCTOR INDUSTRIES	Semiconductors	3.7	Netherlands
BEFESA SA	Business services	3.7	Luxembourg



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?

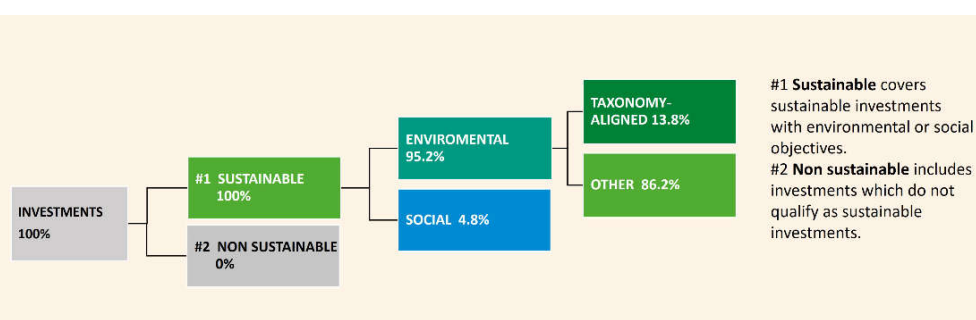
The Fund invests in shares in small and medium-sized European companies that have been admitted to regulated markets in the EU or to properly functioning regulated stock exchanges outside the EU but within Europe and that are dedicated to a sustainable society and have a healthy financial outlook. The Fund has invested only in companies that have been admitted to the Investment Universe.

### 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 liquidities (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 2023 reporting period, the Fund had an average of **4,8%** of the assets managed invested in companies from 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.

Asset allocation describes the share of investments in specific assets.



### In which economic sectors were the investments made?

The Fund invested in the following economic sectors:

Sector	Total Share
Capital goods	32.1%
Business services	14.8%
Basic goods	10.3%
Real estate	10.0%
Advertising	8.0%
Semiconductors	6.6%
Consumer durables	4.8%
Food & drinks	4.7%
Other	8.7%



### To what extent were sustainable investments with an ecological 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

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.

**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.

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 EU Taxonomy objective has not yet been set.

Where data are available, ASN Impact Investors reports the extent to which the investments in this reporting period are aligned with the EU Taxonomy.

The extent to which sustainable investments with an ecological objective were aligned with the EU Taxonomy was **13,8%**. The determination of this percentage was not subject to an auditor's statement of assurance or evaluation by third parties. Broken down by EU Taxonomy objectives:

- Mitigation of climate change: **13.8%\***
- Adaptation to climate change: **0.2%\***
- Sustainable use and protection of water and marine resources: 0%
- Transition to a circular economy: 0%
- Pollution prevention and control: 0%
- Protection and restoration of biodiversity and ecosystems: 0%

\* Some investments contribute to both climate change mitigation and climate change adaptation. As a result, these percentages add up to a higher percentage than the 13.8% of the total contribution to the EU Taxonomy.

### ● **Has the financial product invested in activities in the fossil gas and/or nuclear energy sector that comply with the EU Taxonomy<sup>1</sup> ?**

☐ Yes

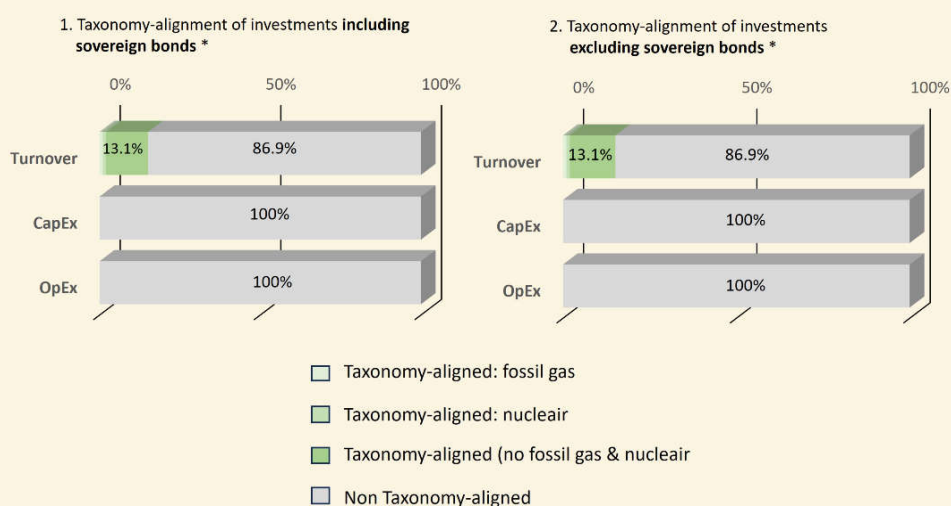
☐ In fossil gas

☐ In nuclear energy

☒ No

<sup>1</sup>. Activities in the fossil gas and/or nuclear energy sectors will only comply with the EU Taxonomy if they contribute to climate change mitigation ('climate mitigation') and do not seriously undermine any of the objectives of the EU Taxonomy; see the explanation in the left margin. The comprehensive criteria for economic activities in the fossil gas and nuclear energy sectors that meet the EU Taxonomy are laid down in the European Commission's Delegated Regulation (EU) 2022/1214.

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 Taxonomyalignment 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.

### ● **What was the share of investments made in transition and facilitating activities?**

The share of investments in transition activities in 2023 was: **0.30%** based on turnover and **0.61%** based on capital expenditures.

The share of investments in facilitating activities in 2023 was: **6.57%** based on turnover and **5.56%** based on capital expenditures.

### ● **How did the percentage of investments aligned with the EU Taxonomy compare to previous reference periods?**

This question does not apply. This is the first reporting period in which the reporting includes the EU Taxonomy. No data were available for this purpose in the previous reporting year.



### ● **What was the share of sustainable investments with an ecological objective that was not aligned with the EU Taxonomy?**

In 2023, the share was **86.2%**. While the sustainability policy has strict selection criteria, it does not focus on investments that are aligned with the EU Taxonomy. Furthermore, the Fund has invested in shares of listed companies around the world. The majority of these companies are not subject to EU laws and regulations and are therefore not obliged to report on their compliance. For these reasons, a significant proportion of the investments are not aligned with the EU Taxonomy.



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 socially sustainable investments?**

In the 2023 reporting period, the Fund had an average of **4.8%** of its assets under management invested in a company with a social objective. The socially sustainable investments relate exclusively to the clothing brands in the portfolio.



### ● **Which investments are included in the 'non-sustainable' category? What was their purpose, and were there any minimum environmental or social guarantees?**

In line with the sustainability policy of ASN Impact Investors, no investments were made that could be classified as 'not sustainable'.

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### ● **What measures were taken during the reference period to achieve environmental and/or social characteristics?**

ASN Impact Investors has engaged in dialogue with investee companies to make them more aware of their sustainability performance in relation to their CO<sub>2</sub> 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 drastically impacting biodiversity. Biodiversity is under pressure, and biodiversity loss is growing every year. Biodiversity and climate change are closely linked. In 2022, ASN Impact Investors began providing information about the importance and urgency of biodiversity and our dependence on it. In 2023, ASN Impact Investors established the engagement frameworks, selected the companies with the largest negative impact within the portfolio for the

engagement process and began an in-depth investigation of these companies. Engagement with the companies will be continued in 2024.

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 participates in dialogue with clothing brands and inspires others who want to take action. In 2022, ASN Impact Investors assessed the clothing brands again and then discussed the results with the companies in question.

#### **Example of engagement**

In 2023, we commenced active engagement with Groupe SEB, a manufacturer of kitchen appliances and household products, among other things. We have not received their supply chain policy in the area of conflict minerals. We have indicated that we would like to receive a response in which the company expresses its opposition to the use of conflict minerals in the supply chain. Another option is for SEB to openly declare compliance with one of the following international standards: the Responsible Minerals Initiative of the RBA or the OECD guidelines for conflict minerals. We are awaiting a response from the company.

#### **Example of the exercise of voting rights**

We expect companies to have set an ambitious and time-bound climate target in line with the Paris Agreement. If a company has not done so, we vote against the approval of the annual report, the financial statements and the auditor's report. For example, we have informed Kardex that we will vote against approval of its documents because it has not set emission reduction targets and does not have a climate action plan in place.



#### **How did this financial product perform compared with the reference benchmark for sustainability?**

No reference benchmark has been designated for the achievement of the sustainable investment objective, since the market currently has no benchmark available that combines CO<sub>2</sub> emissions, biodiversity and the living wage.

#### **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 for determining how well the reference benchmark is aligned to the sustainable investment objective?**

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 CO<sub>2</sub> 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, in the 2023 reporting period, the MSCI ITR methodology was available for **93.1%** of the Fund's investments. For the broad market index, the MSCI ITR methodology was available for **97.8%** of the Fund's investments.

It is the Fund's objective to keep 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 tend to issue fewer concrete plans.

**22** Reference benchmarks are indexes to measure whether the financial product attains the sustainable objective.



MSCI ITR values in °C	2023
ASN Duurzaam Small & Midcap Fonds	2.23
MSCI World Index	2.38
<b>Fund overperformance</b>	<b>0.15</b>

### Annex: 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 2 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 are 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, for each sector with major climate impact, i.e. NACE section codes A, B, C, D, E, F, G, H and L (link to NACE section codes).
- **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 are 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). While the figure of 0.28 tonnes per million euros invested is low, 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 a counterparty. 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, medium 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 37.48% 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 or managed in or adjacent to a protected area or an area of high biodiversity value outside of protected areas. As previously stated, ASN Impact Investors started engagement relating to biodiversity and the climate in 2022.
- **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 employment, child labour and forced labour). MSCI gathers this information from the website of the company or a counterparty. 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 a counterparty. 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, medium 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 a counterparty. 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, medium 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.

