

Impact Report

May 2024



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Foreword

As an impact investor, we want to help bring a sustainable world within reach as soon as possible. This Impact Report inventories how quickly we are able to do this: what impact did we have on the climate, biodiversity and human rights in 2023?

In the last year, following a thorough selection process we again admitted new companies, projects and funds to our sustainable investment universe. These are parties that share our sustainable vision of the future. This is why we have admitted them to the universe we envisage: the best investment universe for the world.

The data in this report show that this investment universe is genuinely making the world more sustainable. Carbon emissions from our funds were considerably lower in 2023 compared to the year before. Avoided carbon emissions in fact increased by an even larger amount, while the ASN Microkredietfonds again succeeded in selecting sound and attractive new investments with a significant social impact.

Next to this, our funds had a lower negative impact on biodiversity. A modest triumph but perhaps the one we are most proud of: we are the only asset manager in the world to have measured and published our impact on biodiversity for the past four years. We are now also doing this for the ASN Biodiversiteitsfonds for the second year, so that for the first time we can report the speed at which we are actively boosting natural ecosystems.

The cold, hard impact data of the ASN Biodiversiteitsfonds give us a warm feeling. Biodiversity is no longer just about restricting harm to nature; you can now invest in a positive impact that yields results. Now that the Biodiversiteitsfonds has proved this, it is high time to increase the scale.

This is because as an asset manager by our very nature we look to the future. And when we do, it quickly becomes clear that this positive impact on biodiversity is essential to achieving our goals - a positive impact from all our activities in 2030.

It is also why the investment universe we want to achieve is a work in progress. Why we continue to pursue our engagement processes and why as a shareholder we challenge listed companies on their climate policies more than ever, while we work constantly to improve our measurement methods and scenario analysis.

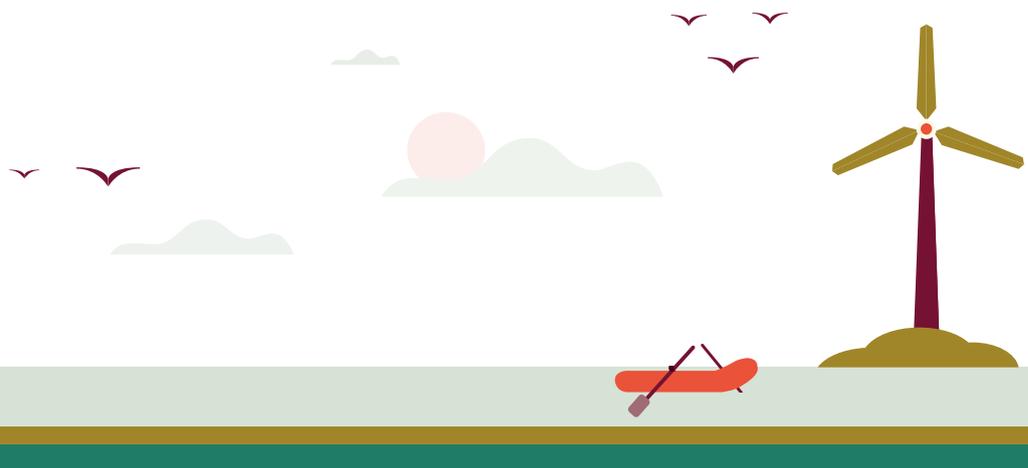
And last but not least: we call on everyone who shares our vision to join us in creating the best investment universe for the world.

San Lie

Director

Mariëtta Smid

Senior Manager Sustainability



Developments in the Sustainable Investment Policy

The ASN investment funds invest in sustainable development. Sustainability is anchored in our mission and vision and enshrined in our sustainability policy. The starting point for the investment process is the ASN Impact Investors sustainability policy. This ensures that the funds only invest in economic activities that have no severe adverse impact on people and the environment and abide by good governance practices. This policy focuses on a broad selection of sustainability factors and in particular on three pillars: climate, biodiversity and human rights.

Our sustainability policy is laid down in policy documents. These contain the sustainability criteria for selecting all the loans and investments. Our policies for each pillar of the sustainability policy - human rights, climate and biodiversity - are set out in separate policy documents. You will find the complete sustainability policy on our website:

www.asnimpactinvestors.com.

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

Voting policy

We are entitled to vote at the shareholder meetings of the companies in which our investment funds invest. We use these voting rights to encourage companies to adopt more sustainable policies and practices. Under the heading of measures to protect consumers, we have removed violent videogames. There is no clear evidence that violent videogames lead to violent behaviour. Furthermore, ASN Impact Investors does not hold any companies in its investment universe that are involved in producing violent videogames.

Circular business model

In our circular business model policy we describe how we include circularity in our investments. This policy has been updated. We have, for example, deleted policy that is described in other policy documents. In addition, we have stressed our preference for reuse versus recycling. Raw materials retain their value as much as possible in this way.

Renewable energy

In our renewable energy policy we describe the renewable energy technologies we can and cannot invest in or only under certain conditions. Renewable energy technologies make sustainable use of renewable sources of energy. This policy has been updated. We have included information on the use of forced labour in the manufacture of solar panels. The exclusion criterion for manure fermentation has been added and we have now also worked out and included criteria for hydrogen and batteries.

Transport

In this policy we describe how we assess the companies involved in the transportation of goods and people by land, sea and air. We view companies that construct and maintain infrastructure as forming part of the transport sector. Finally, we also assess the suppliers and manufacturers of means of transport. We have updated this policy. The classification has been adjusted, we have added a criterion for least developed countries and a number of old references have been updated or removed. We have initiated a pilot project for business air travel for our own business operations and this has been added to the policy.



Governance

Good governance is important as it leads to trust. There should be sound processes in place for taking the right decisions. We have amended this policy to include due diligence guidance. Furthermore, we have added a new criterion that relates to incorporating due diligence into the board's responsibilities.

Animal welfare

It is important to treat animals with respect. In our animal welfare policy we list the choices we make in order to contribute to the respectful treatment of animals and improve animal welfare. In this update we have made additions to the livestock criteria that are based on the Farm Animal Responsible Minimum Standards (FARMS). These contain, for instance, animal welfare guidelines for each species on genetics, housing, painful procedures, transport and slaughter. For aquaculture we have added a reference to animal welfare standards and the preference for closed aquaculture systems on land.

Agriculture

In our newly developed agriculture policy we describe how we treat investments in agriculture. Among other things, the policy includes 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. In addition, we describe our vision for agriculture and the opportunities we can identify in this theme. Lastly, we have added our sustainability criteria and explain how we put these into practice.





‘More capital needs to flow in the right direction’

***Interview with
Mariëtta Smid***

Head of Sustainability Mariëtta Smid notes that in a world full of turmoil and climate records ASN Impact Investors is making progress via impact investing. Yet the pace must - and can - be stepped up. To do so though we need companies, the financial sector and investors. ‘There are solutions out there. Assume responsibility and make genuinely sustainable choices.’

How do you look back on 2023?

‘As far as the outside world is concerned: as a year in which climate record after climate record was broken and in which biodiversity deteriorated at a faster rate than ever. A year full of turmoil as well. War and conflicts, which of course are directly connected to human rights. The world’s wealth is unequally distributed and this is a major source of conflict, which in turn exerts pressure on democracy.

‘Closer to home, I’m worried about shifts in the Netherlands and Europe whereby legislation to restrict climate change and protect biodiversity is being watered down or even scrapped altogether.’

‘At a personal level this depresses me, but at the same time it clarifies the urgency for the fair, sustainable world we are aiming for as an investor. There’s still so much to do. And we show what can be achieved, including via this impact report.’

What has ASN Impact Investors achieved with respect to this fairer sustainable world?

‘If you look purely at the data in the Impact Report, we’ve certainly made progress. Only things aren’t yet happening quickly enough for us to accomplish our own goals: we want to be *beyond net zero* - climate positive - for our whole portfolio in 2030. We cannot achieve that goal alone though, other financial institutions need to get involved too.

‘Only if more capital flows in the right direction, if we divert capital flows to bona fide sustainable solutions and to companies that don’t just want to operate a little bit more sustainably but genuinely want to do so, only then will the world act. Then these sustainable solutions will be scaled up. We’re investing in truly wonderful projects and companies with a positive impact but we can’t keep them going by ourselves.’

What tangible steps did ASN Impact Investors take as an investor?

‘These consist of the selection of companies for our sustainable universe and the engagement processes we pursue as a shareholder. In 2023 we admitted new companies to our sustainable investment universe but also removed a few. In doing so we assess companies in a totally different way, perhaps more stringently, than many other investors.

WPP Group, a large communications and advertising company, also makes campaigns for clients in the fossil fuel sector. For us this was a reason to reject and remove the company from our sustainable universe. We confronted WPP Group with the fact that the campaigns it makes are a form of greenwashing.’

‘We discovered that packaging company Toppan Printing has a subsidiary that makes facial recognition software. This isn’t necessarily a bad thing, as we also use it in our phones to make secure payments. However, Toppan sold the software to countries such as Singapore, where there’s a high risk of the software being used to violate human rights. We asked the company about this but its answers failed to reassure us enough to keep what is otherwise a great company in our universe.’

How does information on malpractices reach ASN Impact Investors?

‘Sometimes via the news on companies screened by certain consultancy bureaus for events that can affect a company’s reputation. Non-profit organisations active in human rights or nature publish information as well. Clients can also alert us to such things via information they send us. Our research department handles all these signals with the utmost care but they can lead to talks with the companies in question and ultimately to their removal from the universe. I wouldn’t mind at all if other organisations that are similarly striving to create a fair, sustainable world were to contact us more frequently. It would be a big help.’

And ASN Impact Investors also asked for tips on listed companies with a positive impact on biodiversity?

‘Yes, we can also use all the help we can get in identifying more listed companies with in this case a positive impact. The ASN Biodiversiteitsfonds already invests in these but we thought there must be many more out there. That’s why we started a campaign in which we made an appeal: do you know any companies that make a net positive contribution? It yielded over a hundred suggestions, of which after screening and due diligence a couple turned out to qualify. We’re now examining these companies thoroughly. In fact we were able to make the first investment earlier this year.’

How does ASN Impact Investors use engagement to achieve its goals for 2030?

‘Engagement on a living wage and gender equality is something we’ve been doing for some time, but this year we also started to highlight climate and biodiversity more at the companies in which we invest. If they haven’t set any goals for climate and biodiversity, we use our vote to raise their awareness. Luckily, we’re seeing a growing number of companies publishing climate goals in particular and making a genuine commitment to these via policies. This still applies much less to biodiversity.’

Would you say that companies are accelerating while the government is slowing slightly?

‘Board members must do more than respond to legislation or lobby to water it down. In the first instance they need to assume responsibility for a sustainable future so that they can look their children and grandchildren in the eye. And I’m seeing very positive signs that more and more companies are doing just that. There are lots of new sustainable business models, especially in unlisted companies.

‘Because yes, these are precisely the companies that bear enormous responsibility for a fair sustainable transition. Not everyone has the means to become more sustainable and they’re dependent on the solutions that companies come up with. If you’re already struggling to make ends meet each month, no-one can expect you to be able to contribute to solutions for the long term.

‘Companies, and incidentally also politicians, do have this option. As do investors in our funds, thankfully. This is really the common thread in what we do: as ASN Impact Investors we’ve known for more than 31 years that sustainable investment works; we know what solutions already exist and which companies are working to bring a sustainable future within reach more quickly. We invite all investors to work towards this goal. By doing so their investments help us to get closer to that sustainable, fair world that everyone will profit from.’

ASN Impact Investors

Our goal is to create a sustainable, fair society. A society in which people are free to make their own choices, without these being at the expense of others. A society free from poverty, in which everyone receives an education, lives in decent housing and enjoys good health. We invest exclusively in companies, governments, green bonds, microfinance institutions, funds and projects that contribute to a sustainable society and are financially sound.

The investment funds of ASN Impact Investors invest in sustainable development. Our investment process consists of three essential steps for all the funds and fund structures. In the first two steps, the focus is on identifying companies and investments that contribute to the necessary transitions, while the emphasis in step three lies on financial analysis. We therefore initially select companies that are truly sustainable, without looking at the financial criteria. In the final step of our process we aim to earn as much financial and sustainable return from this universe as possible.

Sustainable goals of ASN Impact Investors

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

	1	<p>Climate Beyond net zero by 2030</p>
	2	<p>Biodiversity Net positive impact on biodiversity by 2030</p>
	3	<p>Human rights By 2030, the clothing sector will have implemented all the requisite processes for paying the workers in its value chain a living wage</p>

Application of the sustainability policy

We apply our sustainability policy to the investments of ASN Beleggingsfondsen UCITS N.V., ASN Biodiversiteitsfonds N.V. and ASN Beleggingsfondsen AIF N.V. We do this in three areas: sustainability research and selection, engagement and voting. Over the next few pages we first look at the sustainability research and selection then examine the results for climate, biodiversity and human rights. To conclude we report on the engagement and voting processes conducted in 2023.

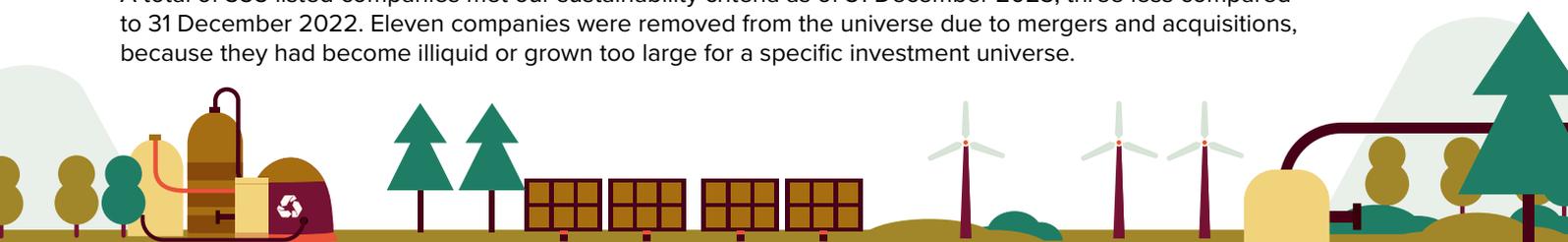
Sustainability research and selection

The ASN Impact Investors investment process starts with selecting corporate equities, bonds and microfinance institutions that meet our strict sustainability criteria. The companies in the investment universe are reviewed at least once every four years. Countries are reassessed every two years.

Companies

Changes to companies and green bonds in the investment universe	Newly admitted	Retained	Rejected and removed	Rejected and not admitted	Total screened
ASN Duurzaam Aandelenfonds	18	67	14	27	126
ASN Milieu & Waterfonds	5	42	5	3	55
ASN Duurzaam Small & Midcapfonds	1	31	4	4	40
ASN Duurzaam Obligatiefonds	7	1	0	2	10

A total of 355 listed companies met our sustainability criteria as of 31 December 2023, three less compared to 31 December 2022. Eleven companies were removed from the universe due to mergers and acquisitions, because they had become illiquid or grown too large for a specific investment universe.



Featured company: admitted



Array Technologies is a US manufacturer of structures that optimise the energy yields of solar panels by enabling them to rotate with the sun. The company operates in the US, UK, Australia and Brazil.

Featured company: removed



Chip manufacturer Taiwan Semiconductor Manufacturing Company (TSMC) has a market share of almost 60% and major customers such as Apple and AMD. New research shows that TSMC also makes semiconductors for military applications, including the F-35 Joint Strike Fighter. We therefore rejected and removed the company.

Climate

Greenhouse gas emissions, including CO₂, are behind the rapid rise in global temperatures we are seeing at the moment. This climate change caused by human activities is leading to more extreme weather and increasingly serious social problems. Financial institutions contribute to climate change by financing activities that involve greenhouse emissions, such as electric power stations that run on fossil fuels, industry, transport and large-scale agriculture and livestock farming.

Beyond net zero

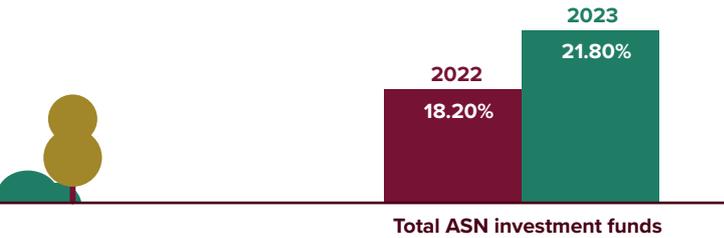
We aim to restrict climate change as far as possible and keep it within safe parameters. Investment opportunities for having a positive impact on the climate are still few and far between. Furthermore, the methods for measuring the positive impact of investments are still under development. We therefore report not just on our beyond net zero goal but also on the progress on our goal of achieving climate neutrality for all of ASN Impact Investors investments by 2030.

ASN Impact Investors is climate-neutral when the emissions are equal to or smaller than the avoided emissions. Investments that extract CO₂ from the atmosphere contribute to the beyond net zero goal. By dividing the avoided emissions by the actual emissions, we can calculate the climate neutrality percentage. We divide the emissions extracted from the atmosphere by the actual emissions. The outcome gives the beyond net zero percentage.

Impact on climate

We calculate the carbon emissions and/or avoided emissions for all our investments. These data fall within the scope of ASN Impact Investors' goal and form part of the total data. [The Platform Carbon Accounting Financials \(PCAF\) method](#) is the basis for calculating the impact data. Wherever possible we use data provided by the companies, countries and projects themselves. If a company does not report these data, our data provider MSCI provides estimates.

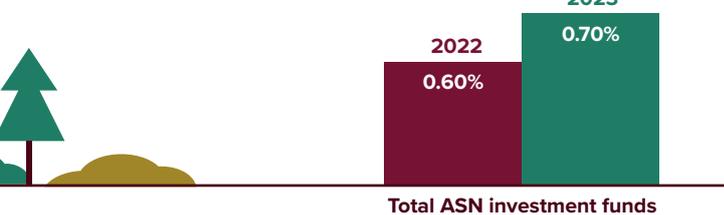
Climate neutrality percentage



As of year-end 2023, we stood at a climate neutrality percentage of **21.8%**. This means that we still have **78.2%** to go to reach climate neutrality.



Beyond net zero percentage



The beyond net zero percentage over 2023 comes out at 0.7%. This figure shows the percentage of CO₂ sequestration of the ASN Biodiversiteitsfonds versus the carbon emissions of the ASN Beleggingsfondsen.

Changes to CO₂ reporting

The method for measuring the CO₂ impact of investments and loans is constantly evolving. The quality of the data used is therefore also improving all the time. As a result of a number of important changes to the measurement and calculation methods, the CO₂ impact of the ASN Microkredietfonds and ASN Duurzaam Obligatiefonds over 2022 has been adjusted (with retroactive effect). The CO₂ sequestration of the ASN Biodiversiteitsfonds was also adjusted with retroactive effect as it was discovered that a portion of the sequestration could not be allocated to the fund.

Change to method for ASN Microkredietfonds

When calculating the impact on the climate of the ASN Microkredietfonds, we use the [Joint Impact Model \(JIM\)](#). The JIM is fully aligned with the [Platform Carbon Accounting Financials \(PCAF\)](#) method. The scope 1, 2 and 3 carbon emissions of microfinance institutions were calculated based on the financial sector of a country but excluding the financed activities. In part in response to the Sustainable Finance Disclosure Regulation (SFDR), we concluded that this impact calculation was unsatisfactory. We therefore decided to adjust the input values in consultation with our advisor Triple Jump. From now on, we will report the carbon emissions of the financial institution and the carbon emissions based on the sector distribution of the country in which the financial institution is located. This enables us to estimate as accurately as possible the financed activities of the financial institution's end clients. Sectors that ASN Impact Investors excludes are not included in the data. We expect a further improvement in input values in 2024. The changes to the input values have led to an increase in the reported carbon emissions of ASN Impact Investors of 120,502 tons.

Change to government bond method for ASN Duurzaam Obligatiefonds

We have also altered the method for calculating the impact of government bonds. This adjustment was proposed by the PCAF and we have adopted it. Calculating the impact of government bonds used to involve the goods and services bought by governments. This did not give an accurate picture of the carbon emissions that need to be allocated to a government. Carbon emissions deriving from subsidies to companies were not included in the calculation, for example. The allocated emissions were also affected by the size of public debt. From 2023 onwards, we therefore also calculate the carbon emissions of land use, changes to land use and forestry in a country. This change has led to an increase in the carbon emissions of ASN Impact Investors of 117,885 tons.

Change to method and adjustment of data for ASN Biodiversiteitsfonds

We have adjusted the figure for CO₂ sequestration. Last year it was only possible to publish the amount of CO₂ sequestration to which the fund had contributed. This year, it became possible to report the portion of the CO₂ sequestration that can be allocated to the fund. This has led to a decrease in the reported CO₂ sequestration of ASN Impact Investors of 15,947 tons.

Impact of changes to CO₂ reporting on 2022 data

	Carbon emissions in tons per year	Carbon emissions after changes	Avoided carbon emissions	CO ₂ sequestration
AFTER CHANGES	ASN Beleggingsfondsen UCITS N.V.	834,710	-19,975	
	ASN Beleggingsfondsen AIF N.V.	243,374	-176,016	
	ASN Biodiversiteitsfonds N.V.	1,146	-217	-6,992
	Total	1,079,230	-196,208	-6,992
	Carbon emissions in tons per year	Carbon emissions before changes	Avoided carbon emissions	CO ₂ sequestration
BEFORE CHANGES	ASN Beleggingsfondsen UCITS N.V.	714,208	-19,975	
	ASN Beleggingsfondsen AIF N.V.	54,361	-180,372	
	ASN Biodiversiteitsfonds N.V.	1,811	-217	-22,939
	Total	770,383	-200,565	-22,939

Climate neutrality percentage

18.2%
after changes

26%
before changes

Beyond net zero*

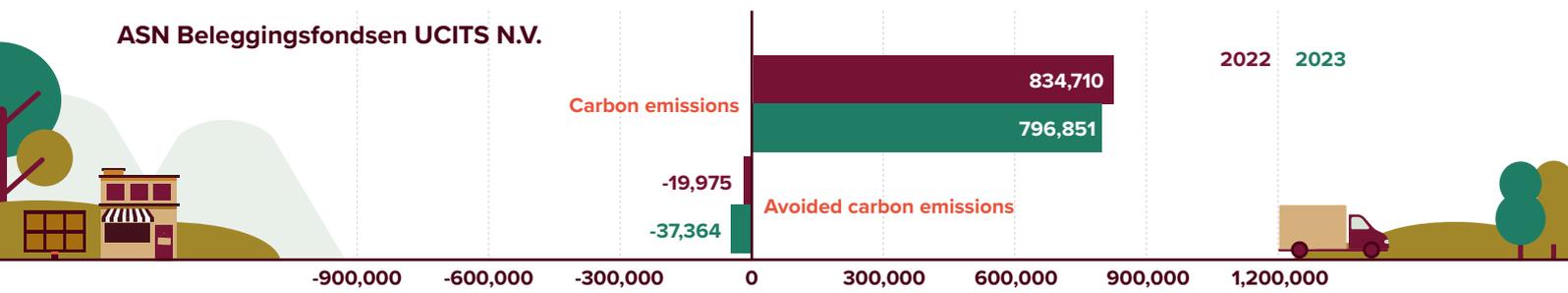
0.6%
after changes

3%
before changes

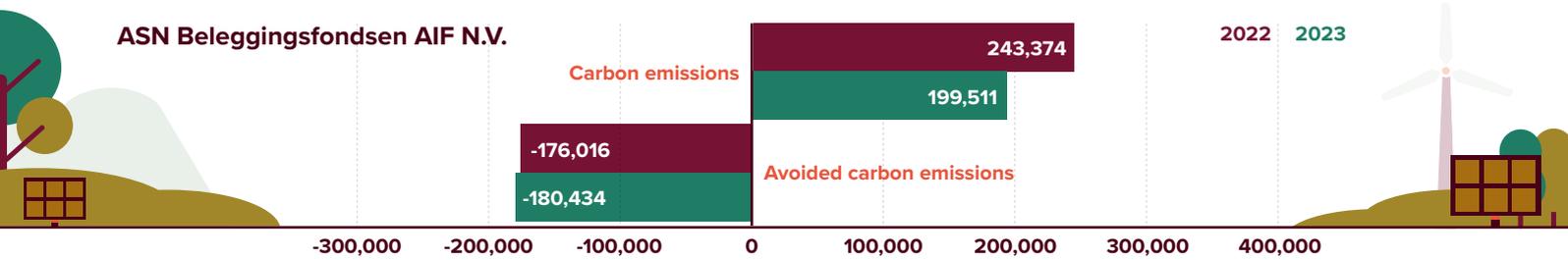
Progress on CO₂ goal

Carbon emissions in tons per year

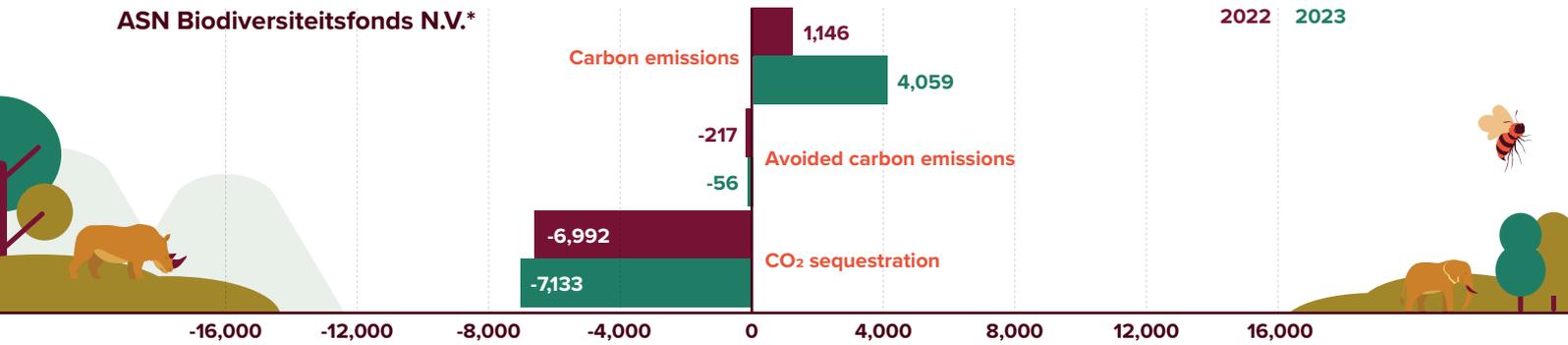
ASN Beleggingsfondsen UCITS N.V.



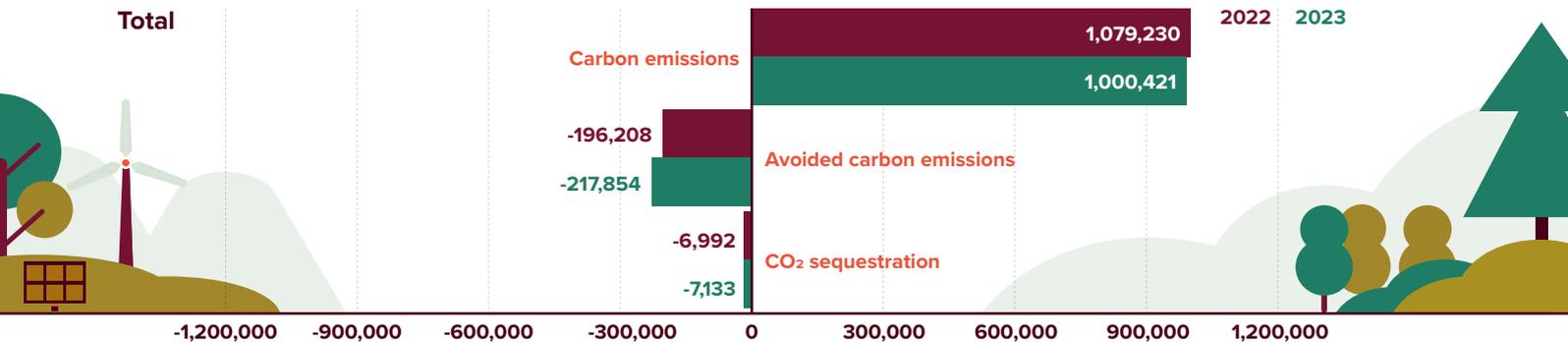
ASN Beleggingsfondsen AIF N.V.



ASN Biodiversiteitsfonds N.V.*



Total



* The PCAF does not include a standard method for allocating CO₂ sequestration to investments. Correct data for calculating the amount of CO₂ sequestration is often unavailable. To enable us to start managing and reporting on this we first made a rough estimate for the ASN Biodiversiteitsfonds N.V. The results give us an initial idea of the options for this fund in relation to major social problems such as climate change and combating the loss of biodiversity.

Total carbon emissions decreased by

7.3%

Avoided carbon emissions increased by

11%

CO₂ sequestration

0,7%

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

Biodiversity

Biodiversity is: the variety of living organisms and diversity of relationships they have with one another in ecosystems.

Biodiversity is under pressure around the globe. Our way of life means that we extract more resources from nature than nature is able to replenish. Financial institutions contribute to the loss of biodiversity by financing activities that involve e.g. greenhouse emissions, changes to land use, the use of chemicals and water, such as electric power stations that run on fossil fuels, industry, transport and large-scale agriculture, forestry and livestock farming. Climate change is responsible for a large amount of the loss of biodiversity. Conversely, a diverse natural world can help absorb the harmful effects of climate change.

Net positive impact on biodiversity by 2030

ASN Impact Investors strives to do all it can to protect and improve biodiversity. We aim to have a net positive impact on biodiversity by 2030 via all the assets we have under our management. To accomplish this, we launched the ASN Biodiversiteitsfonds N.V. in 2021. This fund focuses on conserving and restoring biodiversity.

Our underlying objective is to preserve nature's life support systems. This will ensure that nature is still able to perform its basic functions, such as carbon sequestration, food production, energy generation and a stable climate. There are clear dependencies and influences between biodiversity and climate.

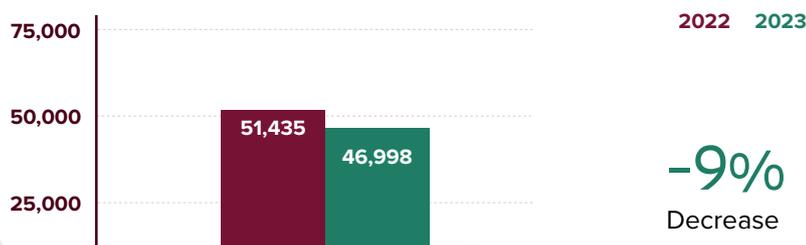
We measure our impact on biodiversity within the context of our biodiversity goal. This is why we have developed a method for this together with consultants PRé Sustainability and CREM. This method, the [Biodiversity Footprint for Financial Institutions \(BFFI\)](#), gives us insight into the negative and positive impact of our investments and loans on biodiversity.

Progress on biodiversity goal

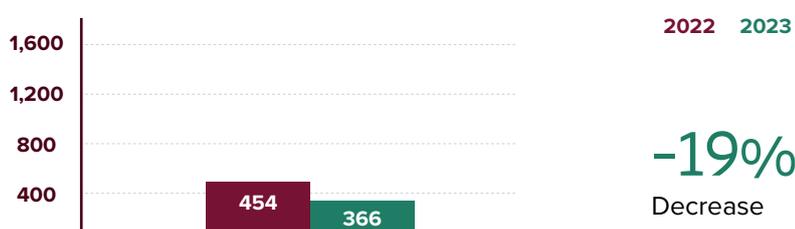
The ASN investment funds are housed in three legal entities: ASN Beleggingsfondsen UCITS N.V., which contains the UCITS funds, ASN Beleggingsfondsen AIF N.V., which contains the AIF funds, and ASN Biodiversiteitsfonds N.V. The table below depicts the realisation of the goal for all the ASN investment funds with the exception of the ASN Microkredietfondsen. We are not yet able to measure the impact on biodiversity for the latter fund.

Impact on biodiversity in hectares lost per year

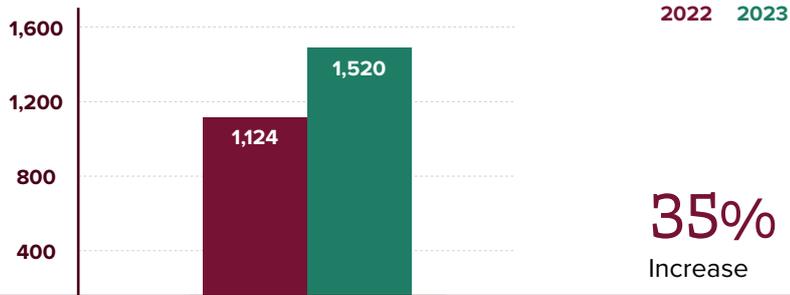
ASN Beleggingsfondsen UCITS N.V.



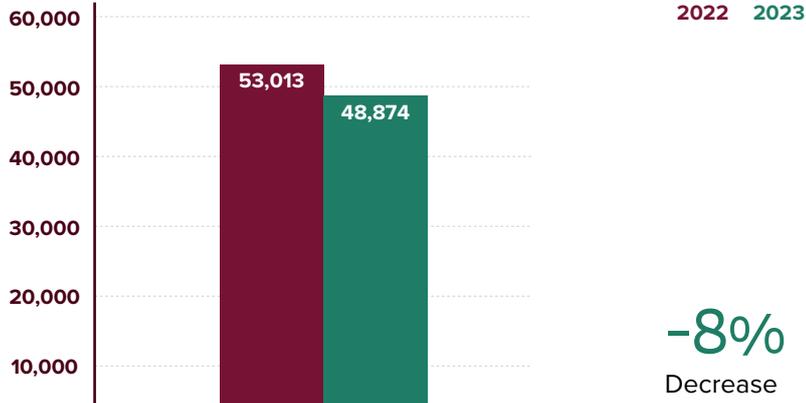
ASN Beleggingsfondsen AIF N.V.



ASN Biodiversiteitsfonds N.V.



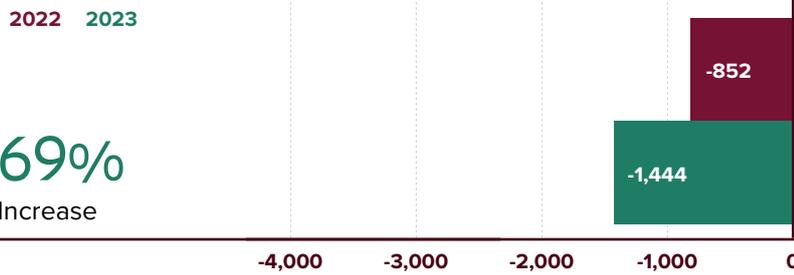
Total



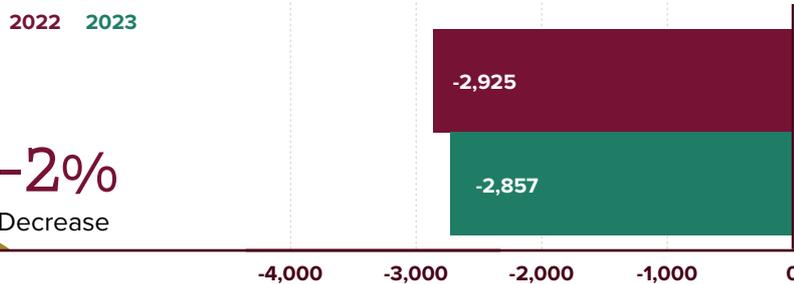
The total negative impact on biodiversity decreased by 8% in 2023.

Avoided negative impact on biodiversity

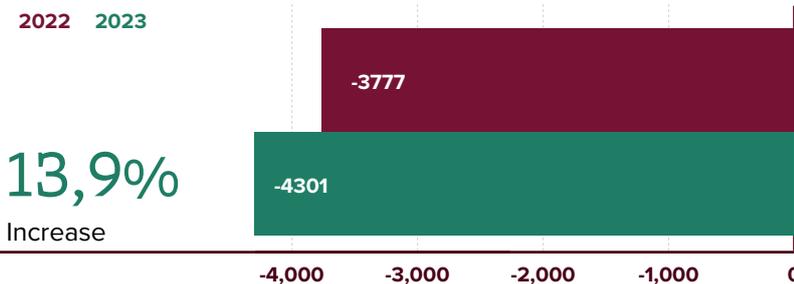
ASN Beleggingsfondsen UCITS N.V.



ASN Beleggingsfondsen AIF N.V.

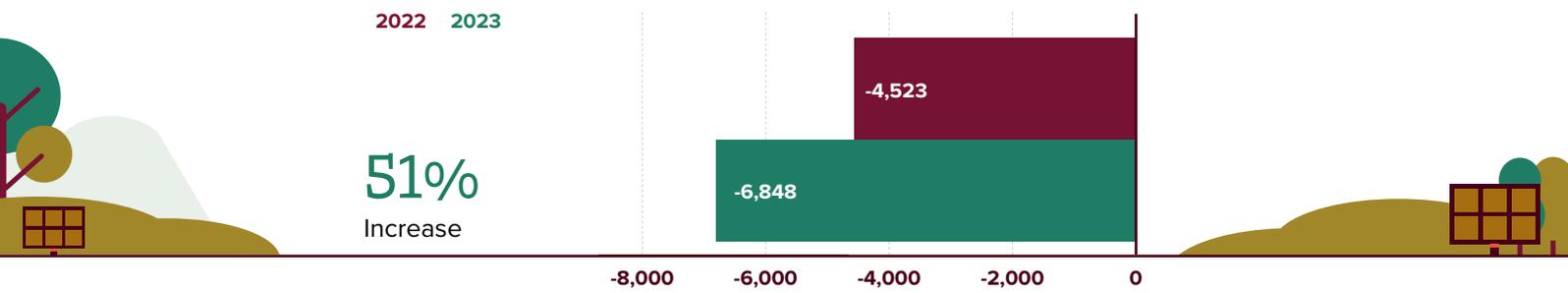


Total



Protected or restored biodiversity

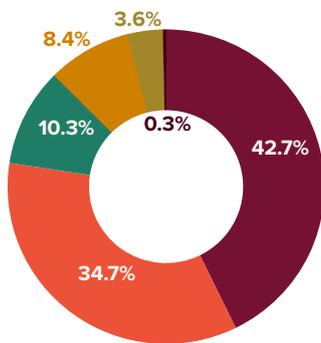
ASN Biodiversiteitsfonds N.V.



Causes of the loss of biodiversity

Distribution across causes 2023

Causes of the loss of biodiversity



Land use	42.7%
Climate change	34.7%
Acidification	10.3%
Water use	8.4%
Photochemical ozone (depletion of the ozone layer)	3.6%
Terrestrial ecotoxicity (effect of toxic substances on the land)	0.3%
Saltwater ecotoxicity (effect of toxic substances in seawater)	0.3%
Freshwater ecotoxicity (effect of toxic substances in freshwater)	0.3%
Freshwater eutrophication (gradual increase in nutrients)	0.3%
Saltwater eutrophication (gradual increase in nutrients)	0.3%



The method for measuring the biodiversity impact of investments and loans is constantly evolving. The quality of the data used is improving all the time. As a result, the calculated biodiversity impact may be adjusted (with retroactive effect) in future should better data become available. As far as the biodiversity footprint is concerned: the lower the score the better.



Human rights

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

Living wage

The ASN Duurzaam Aandelenfonds and ASN Duurzaam Small & Midcapfonds invest in the apparel sector. Anyone who invests in a company can exert influence on its policies and practices. Many malpractices still occur in the clothing companies in the ASN investment universe. Many relate to the payment of a living wage to the workers who make the clothes. This is why ASN Impact Investors has formulated a goal to pursue a living wage.

A living wage is what is known as an *enabling right*; it makes people more resilient, narrows the step to forming a trade union and helps the fight against child labour. It is for this reason that we participate in the [Platform Living Wage Financials \(PLWF\)](#), which ASN established together with Triodos IM and MN. This platform now has twenty members with combined invested assets of over 6,580 billion euros.

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Living wage goal 2030

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

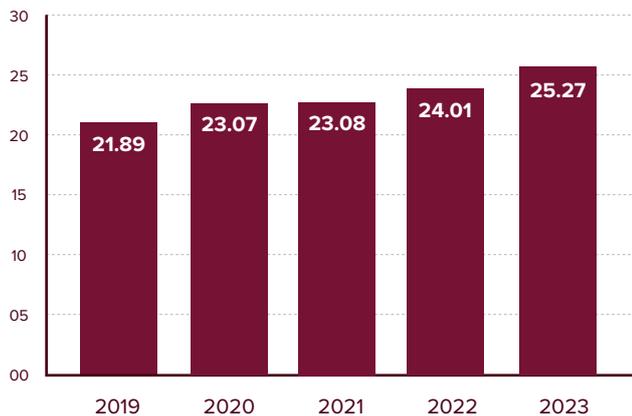
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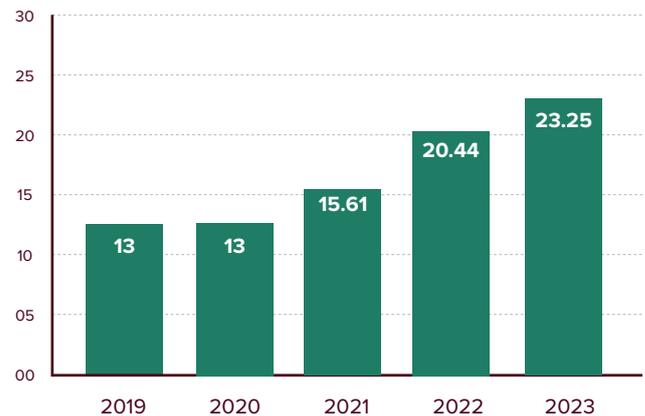


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Average living wage score



ASN Duurzaam Aandelenfonds



ASN Duurzaam Small & Midcapfonds

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The outcome of the annual assessment also appeared in the [Living Wage Report 2023](#), published in October. The research results form a sound basis for in-depth discussions, including on the companies' ambitions for the future. In light of the report and the individual assessments on each company, we talked to twelve clothing companies in our investment universe in 2023. We will contact the remaining companies in 2024.

'We observe that clothing brands are taking small steps in the right direction but the problem is far from resolved'

Mariëtta Smid, Head of Sustainability

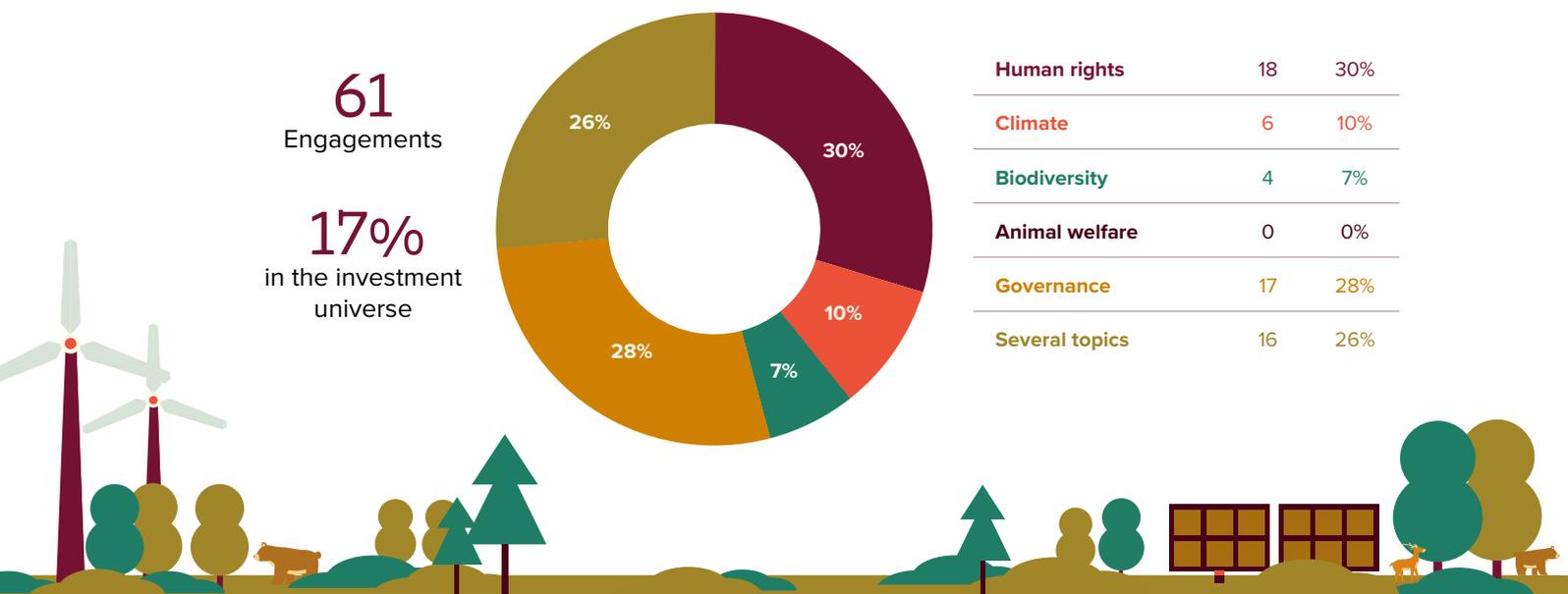
Active ownership

Through active ownership in the form of engagement processes and voting at shareholder meetings we encourage listed companies to make their policies and activities more sustainable and more transparent and to clarify any malpractices. We use both tools to achieve our goals.

Engagement

We conduct dialogue with the listed companies in the ASN investment universe. We ask listed companies to make their policies and activities more sustainable and to clarify any malpractices. Malpractices often involve violations of human rights but may also relate to the environment or governance. As described above, we have also used engagement to motivate the clothing brands in the portfolio and help them improve their living wage scores.

We conduct strategic engagement with approved companies in a sector if we have established that there are significant problems in that sector. The aim is to effect positive change both in the sector as well as at a company level. In 2023 we pursued strategic engagement with companies in the clothing sector. We also initiated our engagement processes for biodiversity and climate.



Revised strategic engagement with the pharmaceutical sector

Pharmaceutical companies produce medicines and are consequently indispensable to people’s health and well-being. We therefore like to see this sector represented in the ASN investment universe. Many pharmaceutical companies have sustainability policies that meet our sustainability criteria.

Unfortunately, we have also identified structural malpractices, including at the pharmaceutical companies in which we invest. Given the importance of the sector, we have continued to invest in the companies but taken our role as shareholder seriously and entered into dialogue with the companies since 2015. 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 sales of medicines. Most companies had policies in place but did too little to enforce them. In 2019 we sold a number of pharmaceutical companies, including Novartis, Merck & Co and Bristol-Meyers Squibb. These companies had failed to demonstrate sufficient progress and commitment. We have engaged with the remaining pharmaceutical companies in our investment universe since 2019: Astellas Pharma, AstraZeneca, GlaxoSmithKline, Novo Nordisk, Merck KGaA and Orion.

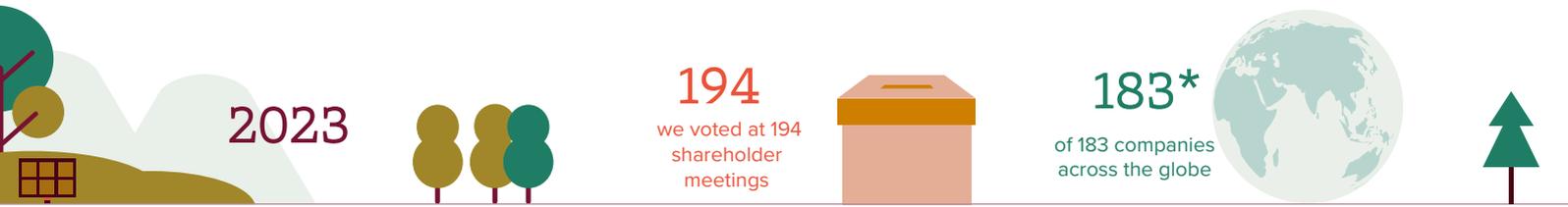
We note that there have been few controversies at the pharma companies in our investment universe over the past two years. The number of controversies at these pharma companies is comparable to the number of controversies in other sectors. For this reason, we have decided to stop pursuing strategic engagement. The sector faces extremely high risks. The companies in our investment universe seem to manage these sufficiently well. We continue to actively monitor the sector and malpractices and assess the companies against the sustainability criteria we demand of the companies during the selection and reassessment process.

Engagement on biodiversity and climate

In 2022 we initiated engagement on biodiversity and climate. Climate change is becoming increasingly visible and having a huge impact on biodiversity. Biodiversity is under pressure and the amount of biodiversity lost is growing each year. Biodiversity and climate change are closely linked to one another. In 2022, we notified the companies in our investment universes of the importance, urgency and dependence on biodiversity. In 2023, ASN Impact Investors established the frameworks for engagement, selected those companies with the biggest negative impact in the UCITS fund portfolios for the engagement process and started in-depth screening of these companies. There will be follow-up engagement with the companies in 2024.

Voting

The ASN investment funds are entitled to vote at the shareholder meetings of the companies in which they invest. We use these voting rights 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. Our mission and sustainability criteria define how we exercise these voting rights. The basic principles are laid down in ASN Impact Investors' [sustainable voting policy](#).



In 2023, we shared our voting recommendations with 23 companies in advance of their General Meeting of Shareholders.

This section includes icons of a lightbulb and a ballot box, with text stating that voting recommendations were shared with 23 companies in advance of their General Meeting of Shareholders.

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

asn  impact investors

The principles underpinning how we vote are explained in our sustainable voting policy on the Sustainable Choices page of our website.

* Some companies hold several shareholder meetings a year and as a result the number of meetings attended is higher than the number of companies.

1

We most frequently voted against the remuneration for board members. We believe it is important that companies not only judge their board members against financial criteria but also against sustainability criteria. By voting against remuneration proposals without sustainability criteria we exert pressure on the companies to revise their remuneration packages. In doing so we encourage sustainable behaviour.

2

Board appointments occupied second place. We voted against appointments that failed to safeguard the board's diversity and independence adequately. This mostly involved European and Asian companies.

3

In third place, we voted against motions to raise or adjust capital as often as we voted against the adoption of annual reports. For example, we voted against adopting annual reports because companies had published insufficiently credible and ambitious climate transition plans.





‘Biodiversity is about inclusion rather than exclusion’

***Interview with
Stephan Langen***

According to Head of Portfolio Management Stephan Langen, this Impact Report demonstrates how well the sustainable strategies of the fund managers he heads at ASN Impact Investors are working. He hopes that others will be inspired by them. ‘Our ambitions are much bigger and more exciting than we can show in this report.’

What is the value of this impact report?

‘It’s an excellent opportunity to inspire others, including professional parties from our sector. We illustrate what we do, how we approach sustainable investment and most importantly the results we achieve with this. For me the message is: read this report, take a look at what’s possible in this world.

‘All too often I see that parties want to invest sustainably but seem to be waiting for the right moment, referencing all kinds of conditions, ifs and buts. While what you need to do is set to work now. Don’t sit there waiting for perfection but allow yourself to be inspired by the impact that the companies and projects we have selected are having. We’re convinced that they are contributing to the sustainable economy of the future. Through the progress they’re making on restricting emissions, because of their impact on biodiversity, whereby they also respect governance and human rights.’

Why isn’t everyone already investing sustainably?

‘It’s not as if sustainable investment hasn’t yet proved its worth. But nor am I blind to what I would describe as the laws and practical obstacles that stand between dreams and deeds. I know, for instance, that the adjustments to processes at an institutional investor involve a lot of work for the back office, partly due to compliance and different laws and regulations. But as an investor, which continues to be my profession, I would argue in favour of placing investing and the impact you have via that, in both a positive and negative sense, at the heart of what you do. Don’t let the rules and reporting obligations determine what you invest in. That’s the world upside-down.’

‘A second phenomenon that distracts from what sustainable investment should be about is the fixation on benchmarks. This only creates noise: in 2023 our sustainable funds performed considerably better than the benchmark. That doesn’t tell me that much though. You invest sustainably for the long term, the focus is on a sustainable future. Yet if the results lag behind an index in one year, everyone wonders whether sustainable investment costs money. Well, I can tell you that we earn a sound return and certainly don’t waste any money. As we say around here: past impact performances contribute to a sustainable future.’

What lessons can you draw from the impact that ASN Impact Investors had in 2023?

‘That the time of storytelling about impact investing is now definitively behind us. We can still tell a highly inspiring story about each company, project or fund in which we invest. But now you can see at a glance the progress they’re making in terms of impact.’

‘Emissions data have been available for some time, certainly for listed companies. The next step was using the Implied Temperature Rise (ITR) to show how far they have advanced on achieving the Paris climate goals. This is the first year in which we demonstrate how the ITR of our portfolio has evolved over time - positively, incidentally.’

‘Biodiversity is a relatively recent focus area compared to emissions, but since 2021 we’ve likewise reported on the impact on biodiversity of our investment funds. The only asset manager in the world to do so, by the way. We even set up the ASN Biodiversiteitsfonds at the end of 2021, the positive impact of which we can now report for the second consecutive year. As a result, we show how the biodiversity footprint is evolving over time. And in this respect too: it’s going in the right direction.’

What has already been achieved via the ASN Biodiversiteitsfonds?

‘I believe we can prove that investing in business models that are in harmony with nature is a sound business case. With a risk/return ratio that’s also acceptable to professional investors and sound risk diversification. We invest, partly via partner funds, in debt and equity in companies and projects in North and Latin America, Europe and Australia; a diverse geographical distribution that we will continue to expand in future. There’s a wide variety of sectors too, from forestry to regenerative agroforestry and agriculture, sustainable seas and fisheries and, since last year, also ecotourism.’

From the perspective of an institutional investor: does biodiversity belong in a portfolio?

‘I prefer to turn questions like this around: can you afford to wait any longer to invest in biodiversity? Moreover, impact on biodiversity is already present in many portfolios but it’s a negative impact. We all know how fast biodiversity is deteriorating in the world and how dependent our economy is on ecosystem services such as clean water and clean air, how closely intertwined biodiversity and climate are. This will all have an enormous impact on your assets in future. If you don’t invest in biodiversity now, you increase the risks for the rest of your portfolio and won’t profit from the opportunities it offers.’

‘And why would you put time and energy into restricting the negative impact on biodiversity if you can also generate a positive impact? I believe this creates much more positivity in your organisation and in the outside world: not just excluding and restricting but including and expanding.’

Is biodiversity ready for this in terms of scale?

‘This is an emerging market and we’re indeed asked about the scale on which you can invest in a positive impact: at the moment there’s no shortage of opportunities in our pipeline. In fact: we were pioneers with our fund, but we’ve now reached the stage at which upscaling is mostly a question of money. We stand ready to resolve global problems and realise change.’

What do you want to achieve with ASN Impact Investors in the next few years?

‘Easy: increase our impact. My fund managers have so many wonderful companies and projects in their portfolios that can have more of an impact if more capital is put into them. And there’s still an enormous pipeline filled with innovative strategies that parties can roll out if they work with private parties like us. Our ambitions for sustainable investment are much bigger and more exciting than we can currently show in practice and via this report.’

ASN Duurzaam Aandelenfonds

Reports under SFDR Article 9 Fund



ASN Duurzaam Aandelenfonds

The ASN Duurzaam Aandelenfonds invests in the shares of listed companies across the globe that have sound financial prospects and are committed to promoting a sustainable society.

Sustainable investment objectives:

The goal of ASN Impact Investors is to create a sustainable and fair society. The ASN Duurzaam Aandelenfonds contributes to this goal via the following three sustainable investment objectives:

1

Climate

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

Biodiversity

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

3

Human rights

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

Article 9: The ASN Duurzaam Aandelenfonds focuses specifically on achieving sustainable investment objectives. The fund therefore reports in accordance with Article 9 of the SFDR.

Selection of companies for the investment universe

The investment process starts with selecting listed companies from around the world that potentially meet our strict sustainability criteria. The initial screening is followed by more in-depth screening of the companies. Approved companies are reviewed and reassessed at least once every four years.

Screening and selection of companies in 2023

126 screened

18 admitted

27 not admitted

239
companies in the
investment universe



14 removed

4 removed for reasons not
linked to sustainability

67 retained

Featured company: admitted



Array Technologies is a US manufacturer of structures that optimise the energy yields of solar panels by enabling them to rotate with the sun. The company operates in the US, UK, Australia and Brazil.

Featured company: removed



Chip manufacturer TSMC has a market share of almost 60% and major customers such as Apple and AMD. New research shows that TSMC also makes semiconductors for military applications, including the F-35 Joint Strike Fighter. We therefore rejected and removed the company.

List of companies

Newly admitted

American Tower Corporation
Array Technologies
BCE, Inc.
cBrain
Corporación Acciona Energías Renovables
Elastic

Encavis
Fisker
Fortnox
HubSpot
KLA Corporation
Silicon Laboratories

Strategic Education
United Microelectronics Corporation
Universal Display Corporation
Worldline
Ypsomed Holding

Retained

Adevinta
Advanced Drainage Systems
Advantest
AIXTRON
AMS Osram
ASML
Barratt Developments
Becton Dickinson
Benesse Holdings
Berkeley Group
Beyond Meat
Brambles
British Land
ChargePoint Holdings
Chr. Hansen Holding
Chroma Ate
Clariane
Deutsche Wohnen
East Japan Railway
EDP Renováveis
Electrolux
Ensign Group
Georg Fischer

Gerresheimer
Givaudan
Haleon
HanesBrands
ISS
Kingfisher
KPN
Landsec (Land Securities Group)
Lear Corporation
Legrand
Lennox
ManpowerGroup
Mercialys
Metropole Television
Mettler-Toledo
Meyer Burger
Mondi
MTR Corporation
NIBE Industrier
NOS SGPS
Orange Belgium
Pennant Group
Persimmon

Proximus
Renewi
RS Group
Schibsted
SEB
SMA Solar Technology
Smurfit Kappa
Starhub
Stockland Corporation Limited
Swisscom
Telefónica Deutschland Holding
Terna Rete Elettrica Nazionale
TKH Group
Trane Technologies
Unibail Rodamco Westfield
United Utilities
Uponor
VF Corporation
Vicinity Centres
WH Smith
Xinyi Solar

Removed

Amadeus IT Holding
Ericsson
Indutrade
Kingspan Group
L'Oréal

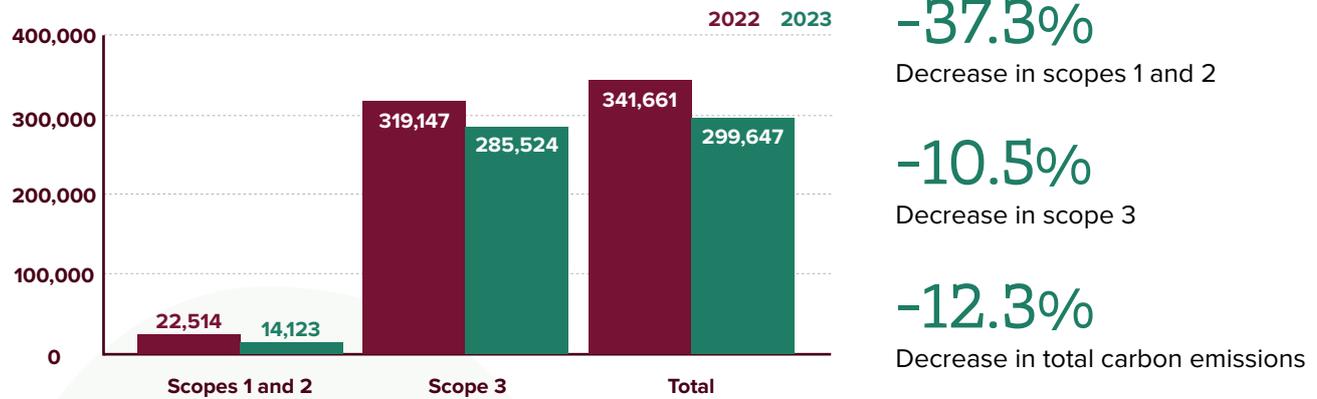
Nokian Renkaat
Red Eléctrica de España
Rockwool International
Soitec
SolarEdge Technologies

STMicroelectronicsTaiwan
Semiconductor Manufacturing
Company (TSMC)
Toppan Printing
WPP Group

Climate

To determine the impact on the climate over the past reporting period, we examine the carbon emissions and avoided carbon emissions of the companies in which the fund invests.

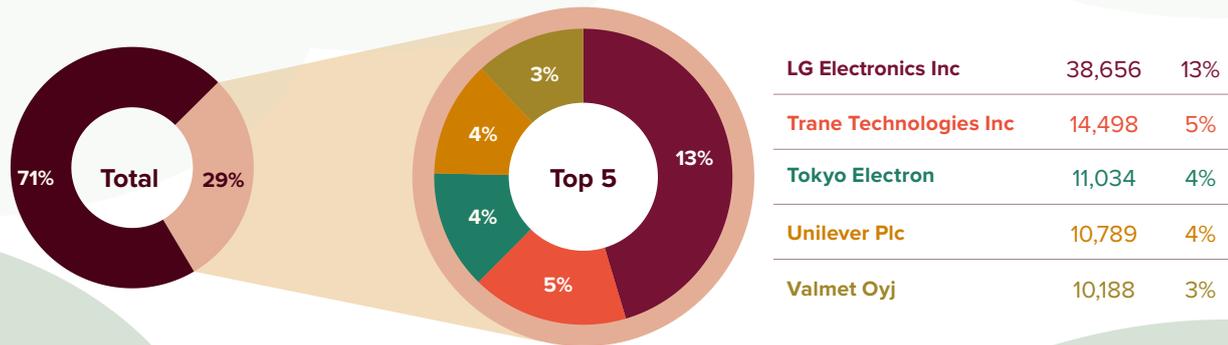
Carbon emissions in tons per year



Carbon emissions in kg per invested euro



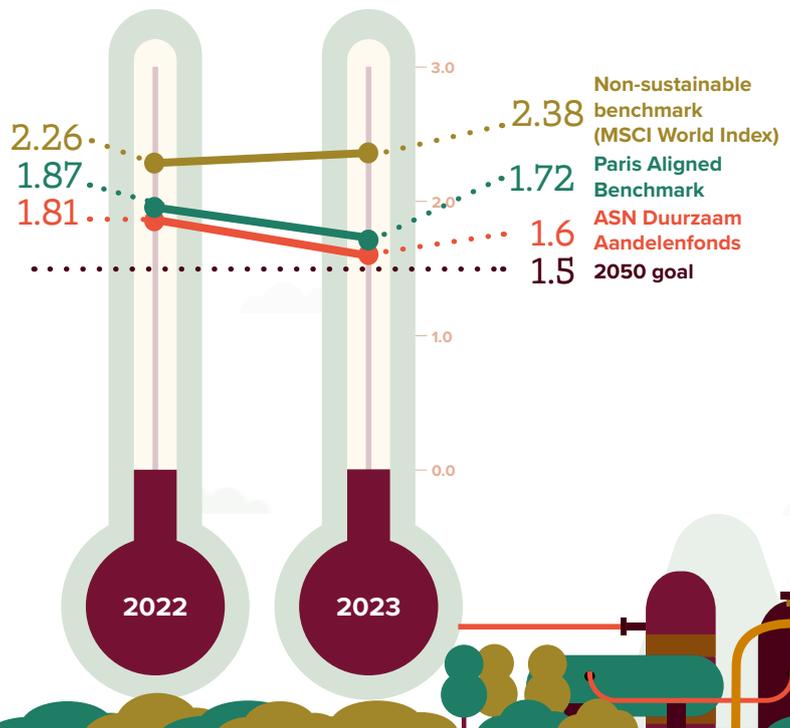
Top-5 companies in the portfolio with the highest carbon emissions (scopes 1, 2 and 3) in 2023



Implied Temperature Rise in degrees Celsius

Since 2022 we also take into account the progress companies are making on achieving the Paris climate goals. The MSCI Implied Temperature Rise (ITR) method enables us to look ahead.

The MSCI ITR method is a forward-looking metric, expressed in degrees Celsius, designed to show how well investments, portfolios and funds are aligned with the global temperature goals.



-11.6%
difference in expected temperature rise versus last year

Causes of change to Implied Temperature Rise

Changes to the composition of the investment portfolio: The removal of ResMed, L'Oréal, Taiwan Semiconductor Manufacturing Company, STMicroelectronics and NIBE Industrier from the fund portfolio made the biggest contribution to the decrease in the ITR of the ASN Duurzaam Aandelenfonds. Together these accounted for a reduction of 0.19 degrees. The removal of Plastic Omnium likewise contributed. This company had the highest ITR in the portfolio at 4.4 degrees. Newly acquired companies KLA Corp, HubSpot, Murata Manufacturing, Elastic and New York Times are together responsible for an increase of 0.121 degrees. The positions in Yaskawa Electric Corp, Sage Group, Straumann Holding, Workday Inc and Lennox International were expanded over the course of the year. This contributed to an increase in the ITR of 0.1 degrees. The investments in Fujifilm Holdings, Redeia Corporation and Astellas Pharma were slimmed down. This led to a reduction in the ITR of 0.068 degrees.

Changes to ITR data: MSCI is constantly improving the ITR of the companies. This might be because companies are reporting better-quality data, because MSCI's models are improving or because companies are setting climate goals. The biggest changes, all of which resulted in a lower ITR, occurred at Trane Technologies, Inditex, Mettler-Toledo International, Assa Abloy and Tokyo Electron. Together they were responsible for an improvement in the ITR of 0.09 degrees.



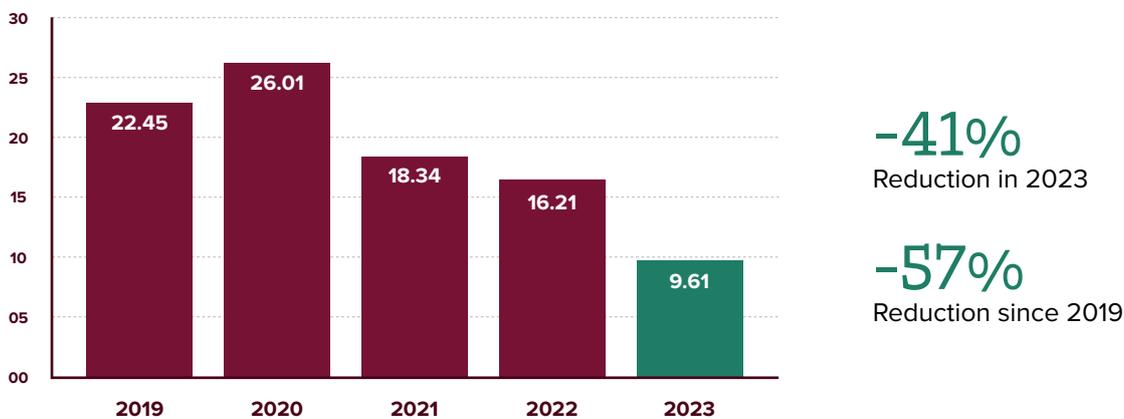
Biodiversity

Biodiversity is taken to mean: the variety of living organisms and diversity of relationships they have with one another in ecosystems.

The ASN Duurzaam Aandelenfonds aims to reduce the negative impact on biodiversity per invested euro (versus the base year of 2019). The realisation of this goal is measured using the BFFI method developed by the Partnership for Biodiversity Accounting Financials (PBAF). This method is still under development. The quality of the data is also expected to improve considerably in coming years. As far as the biodiversity footprint is concerned: the lower the score the better.

The BFFI method measures the biodiversity footprint in hectares per invested euro, based on life cycle assessments (LCAs). The LCAs calculate the environmental impact of products and services throughout their life cycles. This results in an expected negative or positive impact on biodiversity (in hectares) per invested euro per year ((ha/€)/yr). The biodiversity footprint has been assessed quarterly since 2023.

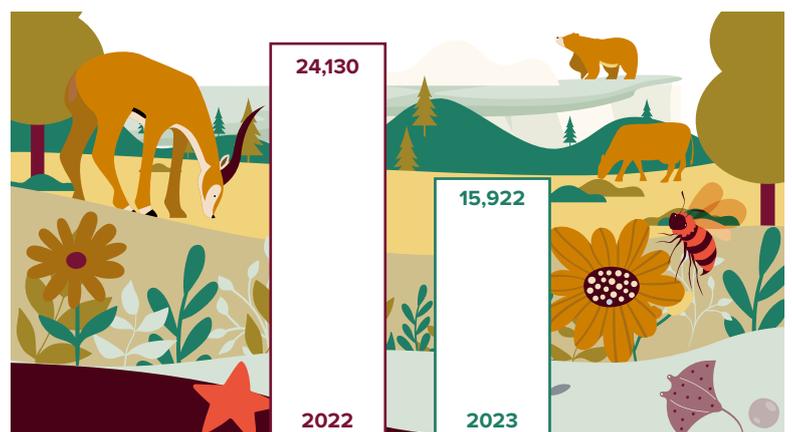
Biodiversity footprint in hectares lost per million euros invested



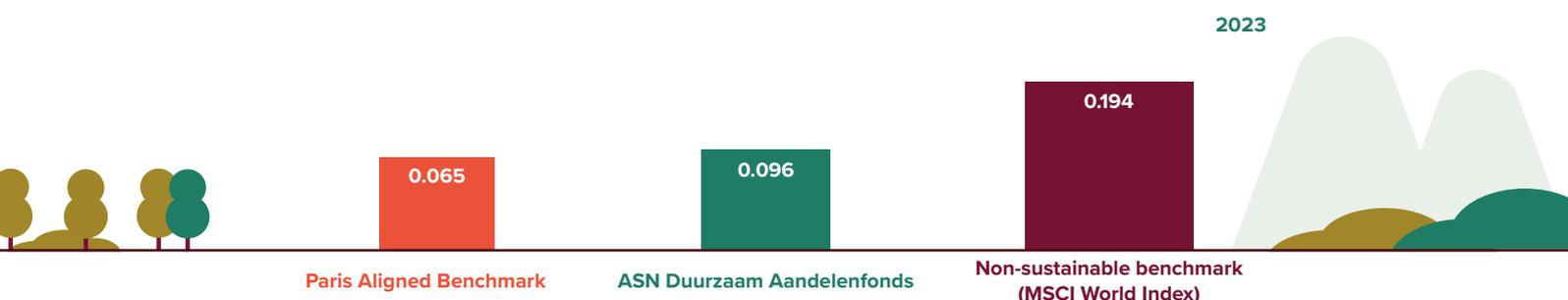
Total impact of fund on biodiversity in hectares lost per year

-34%
Reduction in 2023

The total footprint for the assets invested in the ASN Duurzaam Aandelenfonds is 34% lower compared to the preceding year.



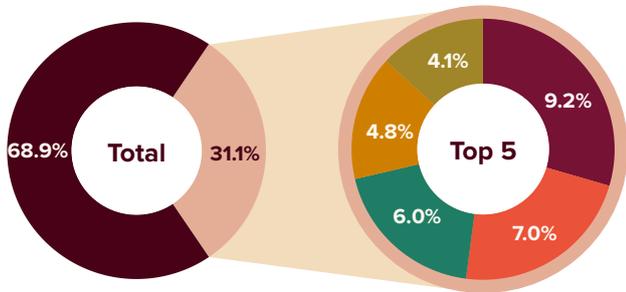
Impact on biodiversity in m² lost per invested euro per year



Causes of change to 2023 biodiversity footprint vs. 2022

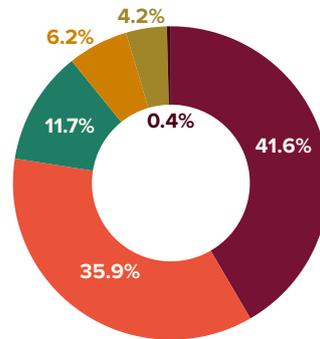
The removal of Toppan, Kingspan Group and WPP PLC from the fund portfolio made the biggest contribution to the decrease in the biodiversity footprint. Together these accounted for a reduction of 4.96 PDF.ha.yr per million euros invested.

Top-5 companies with the biggest biodiversity footprint in the portfolio



LG Electronics Inc	1,459	9.2%
Brambles	1,115	7.0%
Clicks Group Ltd	952	6.0%
Unilever Plc	764	4.8%
GSK Plc	653	4.1%

Causes of the loss of biodiversity



Land use	41.6%
Climate change	35.9%
Acidification	11.7%
Water use	6.2%
Photochemical ozone (depletion of the ozone layer)	4.2%
Terrestrial ecotoxicity (effect of toxic substances on the land)	0.4%
Saltwater ecotoxicity (effect of toxic substances in seawater)	
Freshwater ecotoxicity (effect of toxic substances in freshwater)	
Freshwater eutrophication (gradual increase in nutrients)	
Saltwater eutrophication (gradual increase in nutrients)	

The method for measuring the biodiversity impact of investments is still under development. The quality of the data used will gradually improve. As a result, the calculated impact may be adjusted in future should better data become available.



Human rights

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

Living wage

The ASN Duurzaam Aandelenfonds also invests in clothing companies. Anyone who invests in a company can exert influence on its policies and practices. The clothing companies in the investment universe meet our sustainability criteria but unfortunately many malpractices still occur. Many relate to the payment of a living wage to the workers who make the clothes. This is why the fund has formulated a goal to pursue a living wage.

A living wage is what is known as an *enabling right*; it makes people more resilient, narrows the step to forming a trade union and helps the fight against child labour. It is for this reason that we participate in the Platform Living Wage Financials (PLWF), which ASN established together with Triodos IM and MN. This platform now has twenty members with combined invested assets of over 6,580 billion euros.

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Living wage goal 2030

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

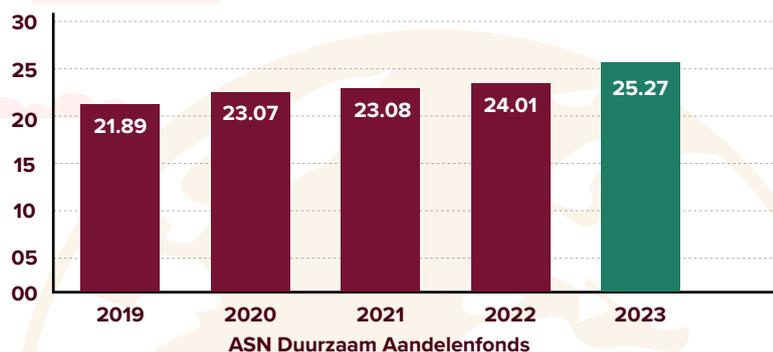
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 Mariëtta Smid, Head of Sustainability

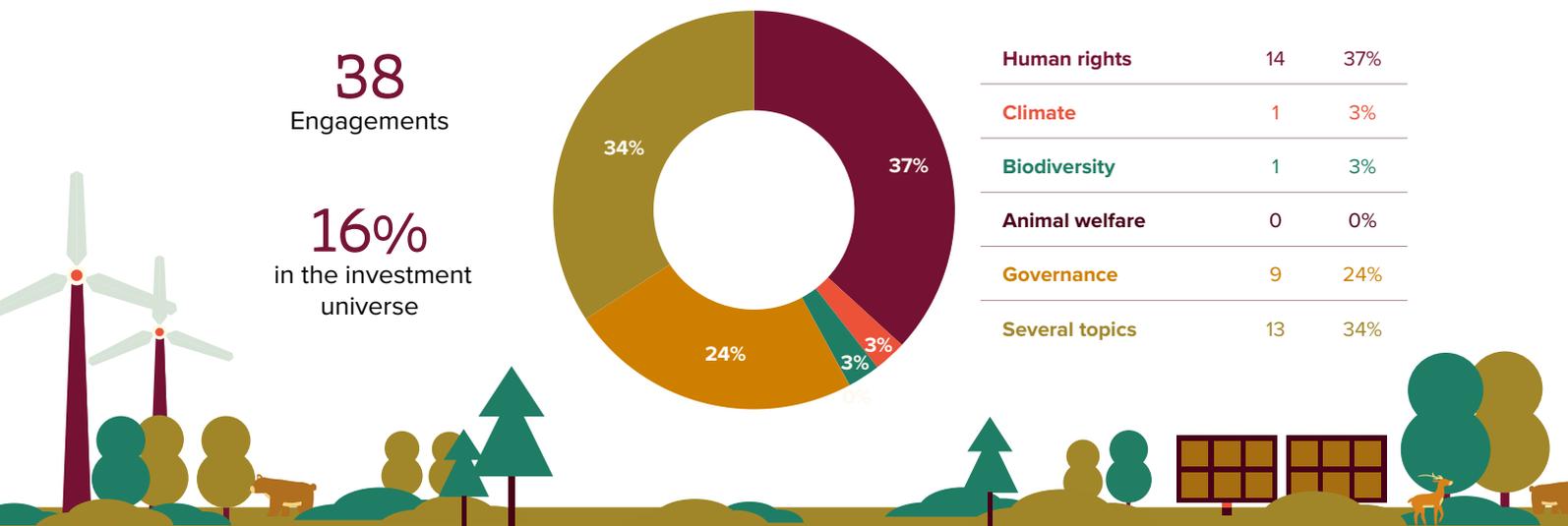
Active ownership

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Engagement

We conduct dialogue with companies and institutions to make them more aware of their performance on sustainability and to urge them to improve it. The decision to turn to engagement is taken when an investment no longer meets our sustainability criteria or when malpractices are detected. As described above, we have also used engagement to help the clothing brands in the portfolio improve their living wage scores.

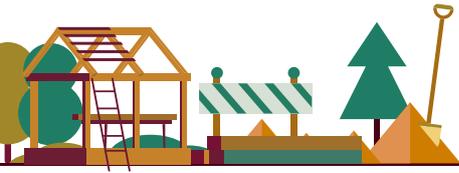
Topics on which we engaged with companies in the ASN Duurzaam Aandelenfonds investment universe in 2023:



Examples of engagements

In 2023 we initiated an active engagement process with **Groupe SEB**, a manufacturer of kitchen appliances and household products. The company does not have a value chain policy on conflict minerals. We told the company that we would like to receive a response stating its opposition to the use of conflict minerals in the value chain. Another option is that SEB openly aligns itself with one of the following international standards: Responsible Minerals Initiative of the Responsible Business Alliance (RBA) or OECD guidance on conflict minerals. We have given the company one year to take steps in this respect.





In 2023 we closed the passive engagement process with **Berkeley Group Holdings**, a British project and housing developer, as we had reached the end of the four-year process. We note that while the company meets many of our criteria, it does not yet meet all of them. To meet our timber criterion, we expect companies to report the ratio of PEFC or FSC certified timber. Berkeley Group Holdings does not report on this. The company's value chain policy also lacks some elements, including guarantees of trade union rights, anti-discrimination policy and policy on employee safety. We have therefore decided to pursue an active engagement process with Berkeley Group Holdings and expect the abovementioned points to improve within a period of one year.

An active engagement process is taking place with US food company **Campbell Soup**. We have indicated that we expect more from its animal welfare policy and have clearly set out those areas in which expect the company to make improvements.



In addition, engagement processes on the climate have been conducted with three companies from the ASN Duurzaam Aandelenfonds. One of these is MTR Corp. The company has indicated that as of next year it will have set climate goals in line with the Science Based Target initiative.

Voting

ASN Impact Investors exercised its voting rights at the shareholder meetings of the companies in which the fund invests. We use these rights to encourage companies to pursue more sustainable policies and practices. The basic principles are laid down in ASN Impact Investors' sustainable voting policy.

We expect companies to have set an ambitious and time-based climate goal in line with the Paris Agreement. If a company does not do this, we will vote against adopting the annual report, financial statements and auditor's report. For example, we informed Nemetschek that we would vote against these motions because it has failed to set emissions reduction targets and has no credible plan for managing the required transition. In addition, engagement processes on the climate have been conducted with three companies from the ASN Duurzaam Aandelenfonds.

1

We most frequently voted against the remuneration for board members.

We believe it is important that companies not only judge their board members against financial criteria but also against sustainability criteria. By voting against remuneration proposals without sustainability criteria we exert pressure on the companies to revise their remuneration packages. In doing so we encourage sustainable behaviour.

2

Board appointments occupied second place.

We voted against appointments that failed to safeguard the board's diversity and independence adequately. This mostly involved European and Asian companies.

3

Voting against motions to raise capital was in third place.

For example, we voted against new share issues where these would have a negative impact on the interests of employees, consumers or communities.

Example of voting

ASN Impact Investors voted against the nomination of a board member at **Seek Limited**. We did not consider the company to have a balanced ratio of men and women on its board. If more than 60% of the board members are of the same gender, then ASN Impact Investors will vote against new nominees of that gender. ASN Impact Investors believes it is important to ensure a good gender balance. Research has shown that this benefits business operations, both in terms of sustainability and financial return. At the same time, ASN Impact Investors voted against the company's remuneration proposal as it does not contain any ESG performance criteria.



ASN Milieu & Waterfonds

Reports under SFDR Article 9 Fund



ASN Milieu & Waterfonds

The ASN Milieu & Waterfonds invests globally in shares of listed companies that provide solutions - often technologically advanced - in the water, renewable energy, energy-efficiency, treatment and waste processing, sustainable food, agriculture and forestry sectors.

Sustainable investment objectives:

The goal of ASN Impact Investors is to create a sustainable and fair society. The ASN Milieu & Waterfonds contributes to this goal via the following two sustainable investment objectives:

1

Climate

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

Biodiversity

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

Article 9: The ASN Milieu & Waterfonds focuses specifically on achieving sustainable investment objectives. The fund therefore reports in accordance with Article 9 of the SFDR.

Selection of companies for the investment universe

The investment process starts with selecting listed companies from around the world that potentially meet our strict sustainability criteria. The initial screening is followed by more in-depth screening of the companies. Approved companies are reviewed and reassessed at least once every four years.

Screening and selection of companies in 2023

55 screened

5 admitted

3 not admitted

120
companies in the
investment universe



42 retained

5 removed

3 removed for reasons not
linked to sustainability

Featured company: admitted



We admitted US company KLA Corp during the reporting period. This company develops process control and yield management systems for the semiconductor industry and other industries. Its products contribute to innovations that make the semiconductor industry possible: an excellent addition to our investment universe.

Featured company: removed



Indutrade has taken over a number of businesses that make specific components for the defence industry. As a result, this company no longer meets our weapons criterion. For example, recent acquisition Datum Electronics manufactures measuring instruments that are also used by the navy and need to comply with specific military standards. We have therefore rejected Indutrade and removed it from our investment universe.

List of companies

Newly admitted

Befesa
KLA Corporation
Mondi
Shoals Technologies Group
Veralto

Retained

Advanced Drainage Systems	Lennox
Aixtron	Lindsay Corporation
Amiad Water Systems	Littelfuse
AMS Osram	Manila Water Company
ASML	Mettler-Toledo
Azbil	Meyer Burger
Beyond Meat	Middlesex Water
Brambles	MTR Corporation
California Water Service	NIBE Industrier
Chr. Hansen Holding	Northwest Pipe
Chroma Ate	Ormat Technologies
Daiseki	Power Integrations
East Japan Railway	Rational
EDP Renováveis	Renewi
Everlight Electronics	SMA Solar Technology
Geberit	Smurfit Kappa
Genuit Group	Trane Technologies
Georg Fischer	United Utilities
Hiwin	Uponor
Legrand	Watts Water Technologies
LEM Holdings	Xinyi Solar

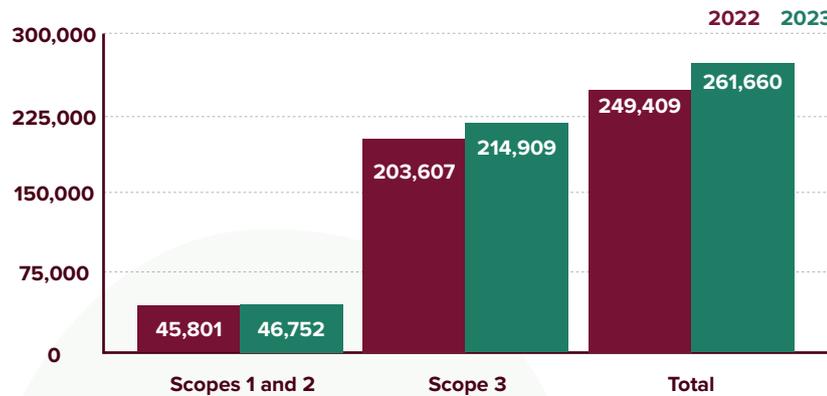
Removed

Indutrade
Kingsplan Group
Rockwool International
SolarEdge Technologies
Taiwan Semiconductor Manufacturing Company (TSMC)

Climate

To determine the impact on the climate over the past reporting period, we examine the carbon emissions and avoided carbon emissions of the companies in which the fund invests.

Carbon emissions in tons per year



2.1%

Increase in scopes 1 and 2

5.6%

Increase in scope 3

4.9%

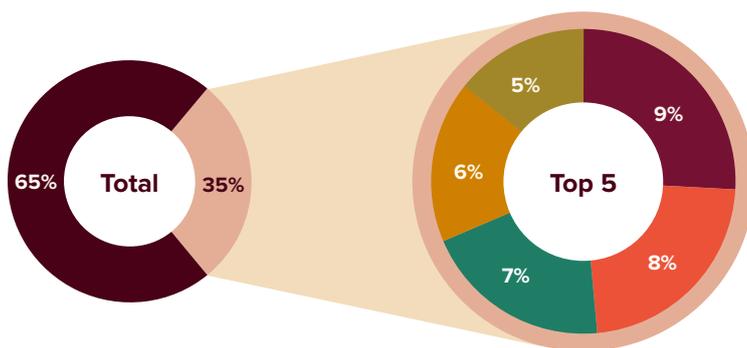
Increase in total carbon emissions

Carbon emissions in kg per invested euro

2022 2023



Top-5 companies in the portfolio with the highest carbon emissions (scopes 1, 2 and 3) in 2023



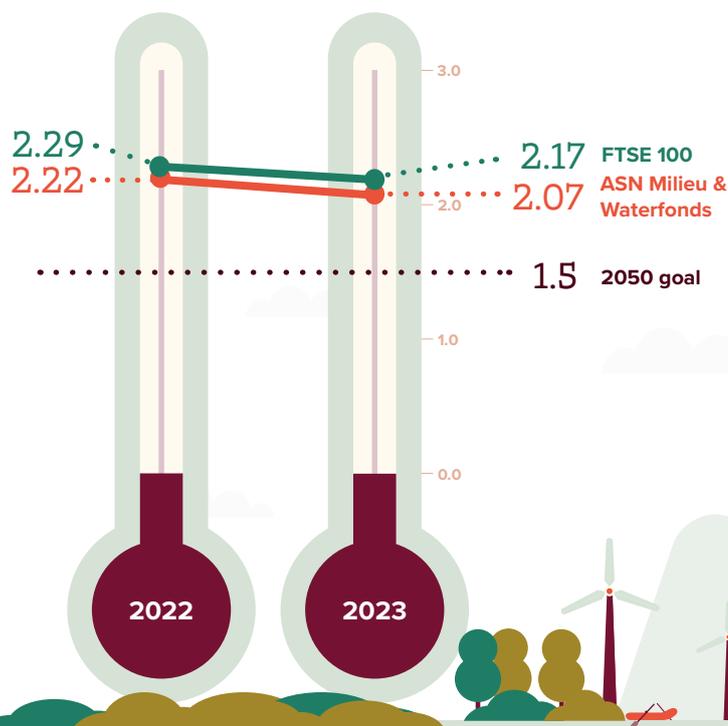
Smurfit Kappa Group Plc	22,825	9%
Lenzing AG	19,949	8%
Signify N.V.	17,721	7%
Core & Main Inc - Class A	14,906	6%
Corbion N.V.	14,194	5%

Implied Temperature Rise in degrees Celsius

Since 2022 we also take into account the progress companies are making on achieving the Paris climate goals. The MSCI Implied Temperature Rise (ITR) method enables us to look ahead.

The MSCI ITR method is a forward-looking metric, expressed in degrees Celsius, designed to show how well investments, portfolios and funds are aligned with the global temperature goals.

-6.8%
difference in expected temperature rise versus last year



Causes of change to Implied Temperature Rise

Changes to the composition of the investment portfolio: The removal of Indutrade, Uponor, Evoqua Water Technologies, Taiwan Semiconductor Manufacturing Company and Rockwool from the fund portfolio made the biggest contribution to the decrease in the ITR of the ASN Milieu & Waterfonds. Together these accounted for a reduction of more than 0.17 degrees Celsius. At an ITR of 3 degrees Celsius, Indutrade was among the top-10 companies with the highest ITR in the fund portfolio. New acquisitions Core & Main, Veralto and Delta Electronics together resulted in an increase in the ITR of 0.10 degrees Celsius. The positions in Xinyi Solar and Corbion were slimmed down, which led to a reduction in the ITR of 0.04 degrees Celsius.

Changes to ITR data: MSCI is constantly improving the ITR of the companies. This might be because companies are reporting better-quality data, because MSCI's models are improving or because companies are setting climate goals. The biggest changes, all of which resulted in a lower ITR, occurred at Corbion, George Fischer, Mettler-Toledo International, Lennox International and Befesa. Together they were responsible for an improvement in the ITR of 0.08 degrees Celsius.



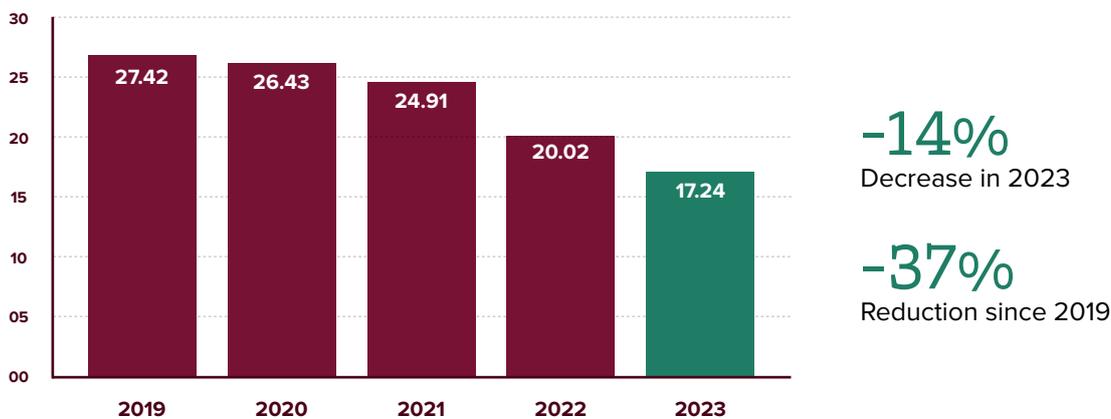
Biodiversity

Biodiversity is taken to mean: the variety of living organisms and diversity of relationships they have with one another in ecosystems.

The ASN Milieu & Waterfonds aims to reduce the negative impact on biodiversity per invested euro (versus the base year of 2019). The realisation of this goal is measured using the BFFI method developed by the Partnership for Biodiversity Accounting Financials (PBAF). The method for measuring the impact on biodiversity is constantly evolving. As far as the biodiversity footprint is concerned: the lower the score the better.

The BFFI method measures the biodiversity footprint in hectares per invested euro, based on life cycle assessments (LCAs). The LCAs calculate the environmental impact of products and services throughout their life cycles. This results in an expected negative or positive impact on biodiversity (in hectares) per invested euro per year ((ha/€)/yr).

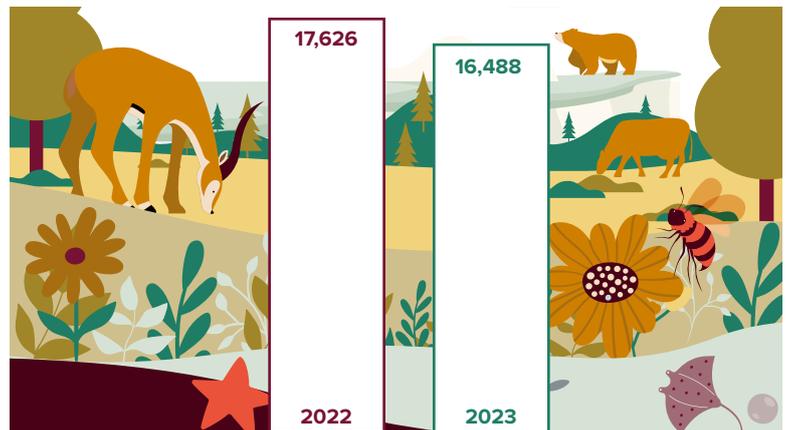
Biodiversity footprint in hectares lost per million euros invested



Total impact of fund on biodiversity in hectares lost per year

-6.5%
Decrease in 2023

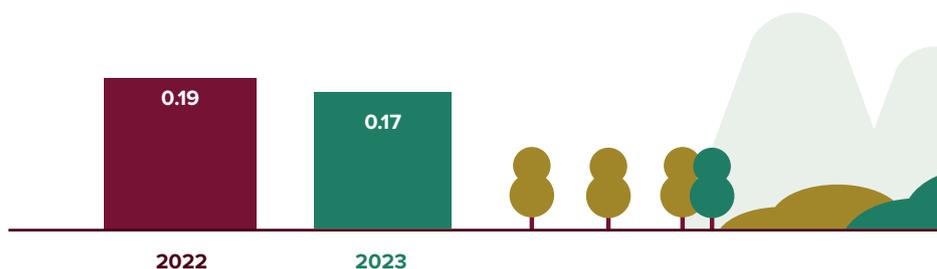
The negative impact on biodiversity of the ASN Milieu & Waterfonds is 6.5% lower compared to the preceding year.



Impact on biodiversity in m² lost per invested euro per year

ASN Milieu & Waterfonds

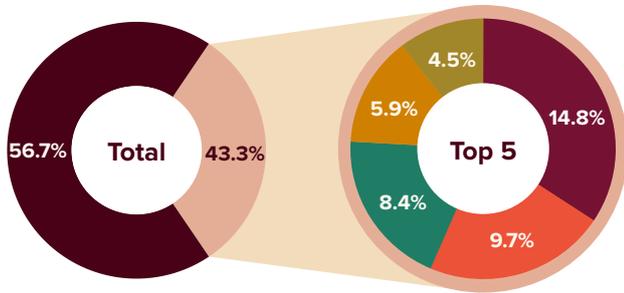
-11.6%
lower footprint per euro versus last year



Causes of change to 2023 biodiversity footprint vs. 2022

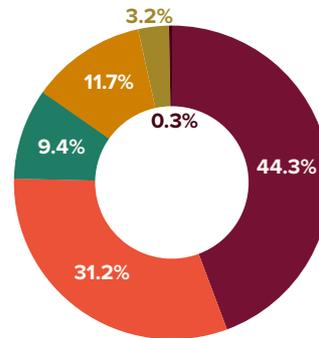
The removal of Uponor, DS Smith PLC and Rockwool from the fund portfolio made the biggest contribution to the decrease in the biodiversity footprint. Together these accounted for a reduction of 3.06 PDF.ha.yr per million euros invested.

Top-5 companies with the biggest biodiversity footprint in the portfolio



Smurfit Kappa Group Plc	2,442	14.8%
Sonoco Products CO	1,597	9.7%
Lenzing AG	1,383	8.4%
Brambles	973	5.9%
Signify N.V.	746	4.5%

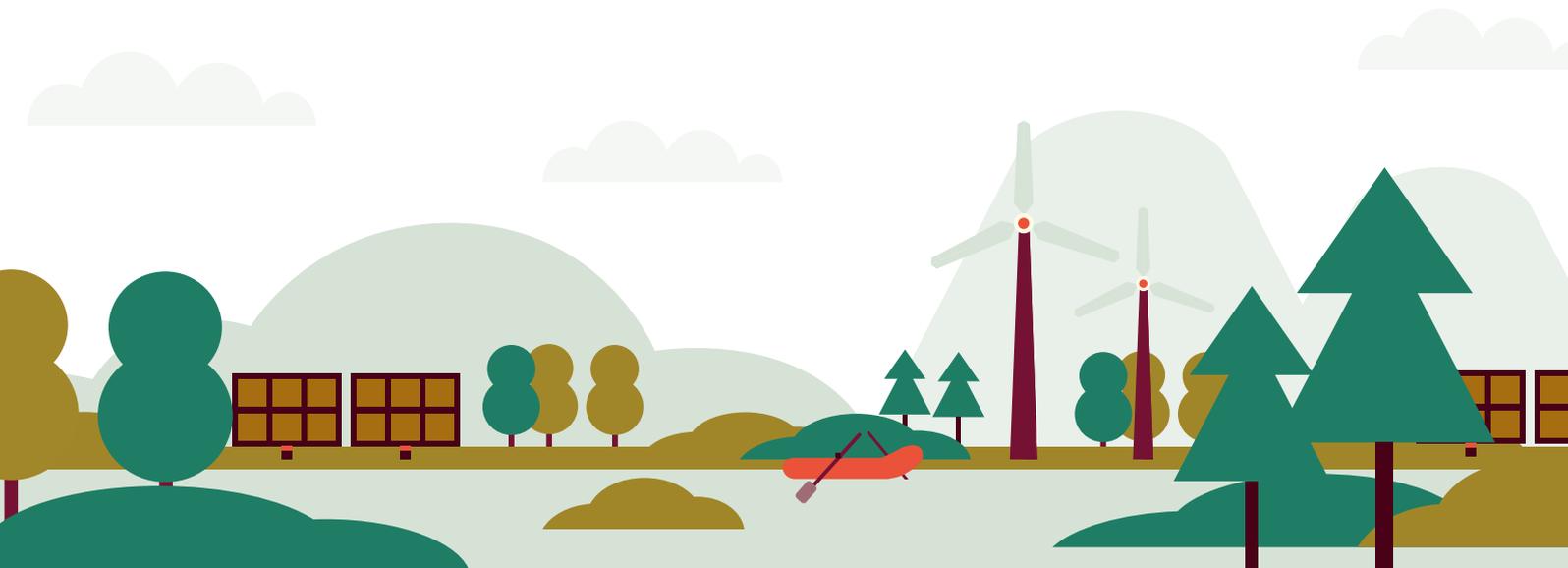
Causes of the loss of biodiversity



Land use	44.3%
Climate change	31.2%
Acidification	9.4%
Water use	11.7%
Photochemical ozone (depletion of the ozone layer)	3.2%

Terrestrial ecotoxicity (effect of toxic substances on the land)	0.3%
Saltwater ecotoxicity (effect of toxic substances in seawater)	
Freshwater ecotoxicity (effect of toxic substances in freshwater)	
Freshwater eutrophication (gradual increase in nutrients)	
Saltwater eutrophication (gradual increase in nutrients)	

The method for measuring the biodiversity impact of investments is still under development. The quality of the data used will gradually improve. As a result, the calculated impact may be adjusted in future should better data become available.



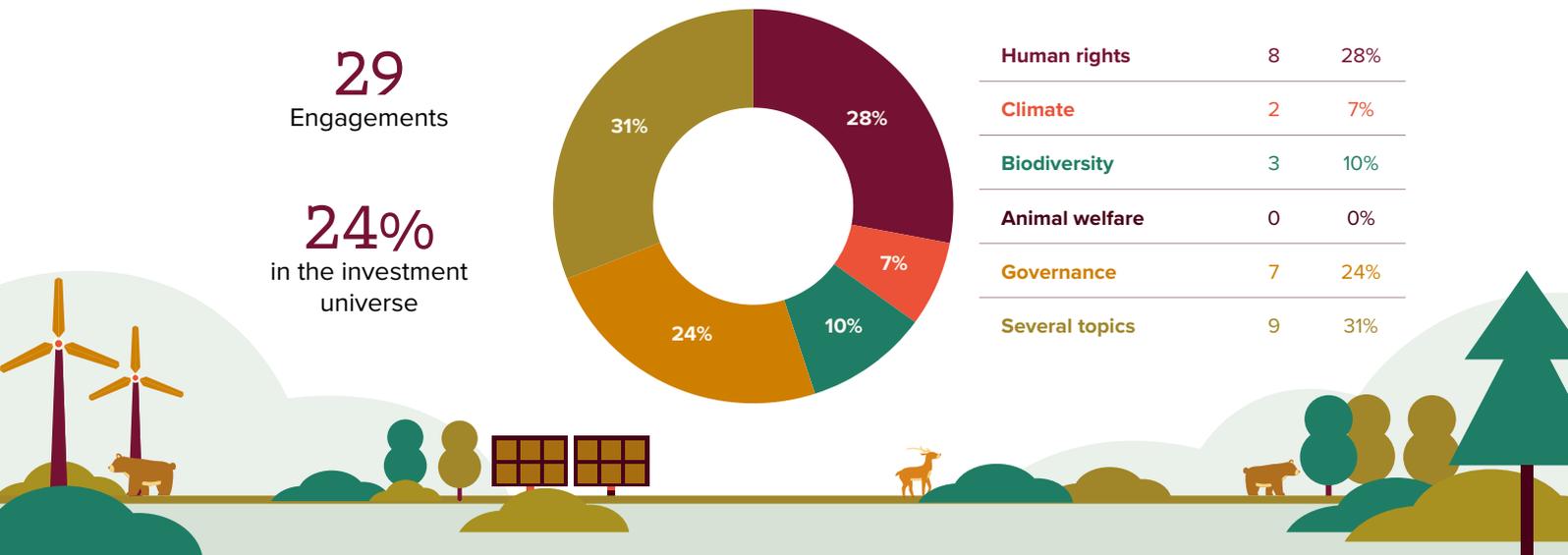
Active ownership

Through active ownership in the form of engagement processes and voting at shareholder meetings we encourage listed companies to make their policies and activities more sustainable and more transparent and to clarify any malpractices. We use both tools to achieve our goals.

Engagement

We conduct dialogue with companies and institutions to make them more aware of their performance on sustainability and to urge them to improve it. The decision to turn to engagement is taken when an investment no longer meets our sustainability criteria or when malpractices are detected.

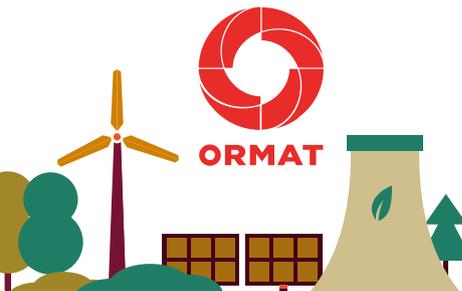
Topics on which we engaged with companies in the ASN Milieu & Waterfonds investment universe in 2023:



We conducted engagement processes on biodiversity with five companies from the ASN Milieu & Waterfonds. For example, we talked to American Water Works with a view to obtaining a better picture of the result of the company’s assessment of its dependence on biodiversity and the impact its business operations have on it. We likewise discussed processes for mitigating risks and the management team’s activities. These talks will continue in 2024.

Examples of engagement

One of the companies we engaged with in 2023 was US company **Ormat Technologies**. We expressed our concern about the development of a geothermal energy project in Nevada. The project is being carried out in the natural habitat of a rare species discovered in 2017: the Dixie Valley Toad. The company has said it will consider reducing the size of the production facility in Nevada. This will reduce the potential negative impact on the endangered toad species. Furthermore, Ormat has initiated legal proceedings against the nature organisation that placed the toad species on the list of endangered species. We are of course monitoring the outcome of this case closely.



We pursued engagement processes on the climate with four companies from the ASN Milieu & Waterfonds. One of these was **EDP Renováveis**. The company says it comes under the emission targets of its parent company EDP. It is also working to have its own goals verified by the Science Based Target initiative.



We are conducting a passive engagement process with **MTR Corp**. The company previously issued a statement saying that it supports trade union rights. Yet this statement has now disappeared from the website. We want the company to publish policy on trade union rights and are currently awaiting a response.

Voting

ASN Impact Investors exercised its voting rights at the shareholder meetings of the companies in which the fund invests. We use these rights to encourage companies to pursue more sustainable policies and practices. The basic principles are laid down in ASN Impact Investors' sustainable voting policy.

We expect companies to have set an ambitious and time-based climate goal in line with the Paris Agreement. If a company does not do this, we will vote against adopting the annual report, financial statements and auditor's report. For example, we notified **Rational** that we would vote against these motions. The company reports on scopes 1, 2 and 3. Unfortunately, it does not have any emissions reduction targets or a credible climate action plan. We have notified Rational of this.

1

We most frequently voted against the remuneration for board members.

We believe it is important that companies not only judge their board members against financial criteria but also against sustainability criteria. By voting against remuneration proposals without sustainability criteria we exert pressure on the companies to revise their remuneration packages. In doing so we encourage sustainable behaviour.

2

Board appointments occupied second place.

We voted against appointments that failed to safeguard the board's diversity and independence adequately. This mostly involved European and Asian companies.

3

Voting against motions to raise capital was in third place.

For example, we voted against new share issues where these would have a negative impact on the interests of employees, consumers or communities.



ASN Duurzaam Small & Midcapfonds

Reports under SFDR Article 9 Fund



ASN Duurzaam Small & Midcapfonds

The ASN Duurzaam Small & Midcapfonds invests in the equities of listed European SMEs that work to promote a sustainable society.

Sustainable investment objectives:

The goal of ASN Impact Investors is to create a sustainable and fair society. The ASN Duurzaam Small & Midcapfonds contributes to this goal via the following three sustainable investment objectives:

1

Climate

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

Biodiversity

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

3

Human rights

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

Article 9: The ASN Duurzaam Small & Midcapfonds focuses specifically on achieving sustainable investment objectives. The fund therefore reports in accordance with Article 9 of the SFDR.

Selection of companies for the investment universe

The investment process starts with selecting equities of listed companies from around the world that meet our strict sustainability criteria. The companies in the portfolio are reviewed at least once every four years.

Screening and selection of companies in 2023

47 screened

1 admitted

4 not admitted

113
companies in the
investment universe



4 removed

6 removed for reasons not
linked to sustainability

31 retained

Featured company: admitted

 **ALLIANCE**

The UK's Alliance Pharmaceuticals has about 80 health brands for consumers and prescription drugs and operates in over 100 countries. These products are aimed at, for example, reducing scars, combating dandruff as well as supplements to reduce menopausal symptoms. This is a wonderful addition to our investment universe.

Featured company: removed

ADDTECH

Among other things, Sweden's Addtech develops energy solutions and solutions for biosciences. It also manufactures products itself, including electric motors and transformers. Unfortunately, it turned out that Addtech was also involved in developing weapons. For ASN Impact Investors this was a reason to remove the company from the investment universe.

List of companies

Newly admitted

Alliance Pharmaceuticals

Retained

Aixtron
AMS Osram
Barratt Developments
Befesa
Berkeley Group
Bravida Holding
Clariane
Coats Group
Elanders
Electrolux
Faberge
Genuit Group
Georg Fischer
Gerresheimer
Immobiliare Grande Distribuzione (IGD)
Interroll
Jost Werke
LEM Holdings
Mercialys
Meyer Burger
NOS SGPS
Orange Belgium
Renewi
RS Group
SEB
TKH Group
UPONOR

Gerresheimer
Givaudan
Haleon
HanesBrands
ISS
Kingfisher
KPN
Landsec (Land Securities Group)
Lear Corporation
Legrand
Lennox
ManpowerGroup
Mercialys
Metropole Television
Mettler-Toledo
Meyer Burger
Mondi
MTR Corporation
NIBE Industrier
Orange Belgium
Pennant Group
Permisson
Rightmove
Safestore
SMA Solar Technology
United Utilities

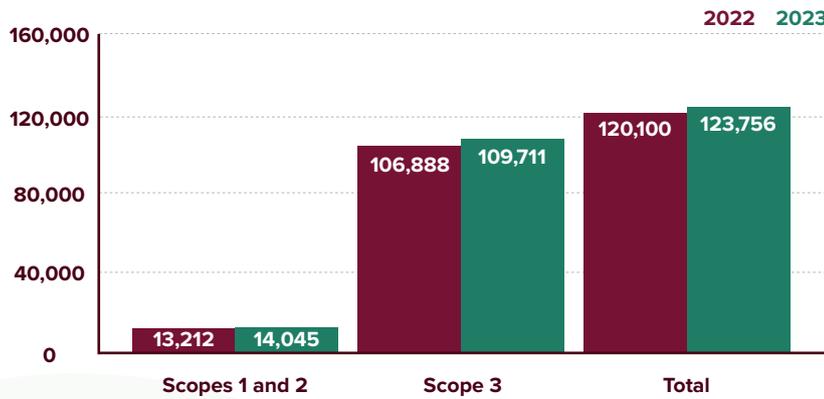
Removed

AddTech
Kingspan Group
Nokian Renkaat
Rockwool International

Climate

To determine the impact on the climate over the past reporting period, we examine the carbon emissions and avoided carbon emissions of the companies in which the fund invests.

Carbon emissions in tons per year



6.3%

Increase in scopes 1 and 2

2.6%

Increase in scope 3

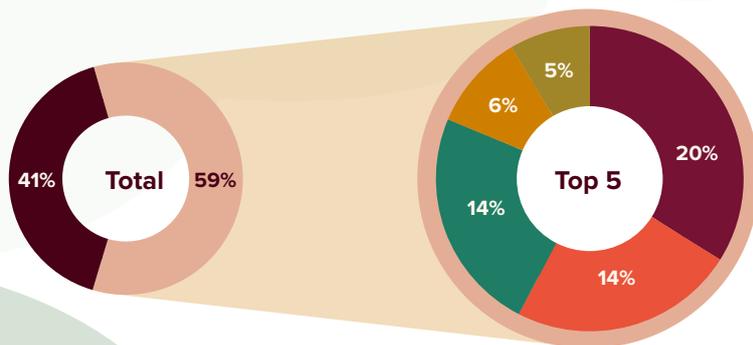
3.0%

Increase in total carbon emissions

Carbon emissions in kg per invested euro



Top-5 companies in the portfolio with the highest carbon emissions (scopes 1, 2 and 3) in 2023

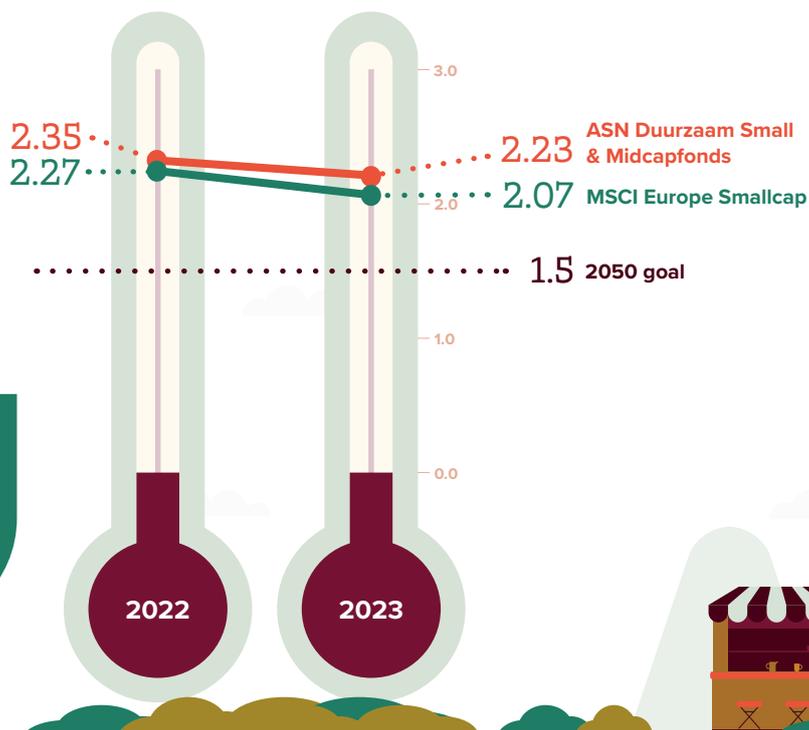


Jost Werke AG	24,900	20%
Bekaert	17,750	14%
Coats Group Plc	16,905	14%
Signify N.V.	7,037	6%
Premier Foods Plc	6,173	5%

Implied Temperature Rise in degrees Celsius

Since 2022 we also take into account the progress companies are making on achieving the Paris climate goals. The MSCI Implied Temperature Rise (ITR) method enables us to look ahead.

The MSCI ITR method is a forward-looking metric, expressed in degrees Celsius, designed to show how well investments, portfolios and funds are aligned with the global temperature goals.



-5.1%
difference in expected temperature rise versus last year

Causes of change to Implied Temperature Rise

Changes to the composition of the investment portfolio: The removal of Software AG, Dustin Group, Telenet Group Holding, Fabège, Wickes Group and ASOS made the biggest contribution to the decrease in the ITR of the ASN Duurzaam Small & Midcapfonds. Together these accounted for a reduction of more than 0.22 degrees Celsius. New acquisitions Aixtron and Alliance Pharma led to an increase of 0.10 degrees Celsius. We increased the size of the positions in Alfen, Coats Group, Basic-Fit, BE Semiconductor Industries and Premier Foods. This resulted in an increase in the ITR of 0.23 degrees Celsius. The position in Jost Werke was slimmed down, which lowered the ITR by 0.10 degrees Celsius.

Changes to ITR data: MSCI is constantly improving the ITR of the companies. This might be because companies are reporting better-quality data, because MSCI's models are improving or because companies are setting climate goals. The biggest changes, all of which resulted in a lower ITR, occurred at Premier Foods, Corbion, Bekaert, Befesa and Jost Werke. Together they were responsible for an improvement in the ITR of 0.21 degrees Celsius.



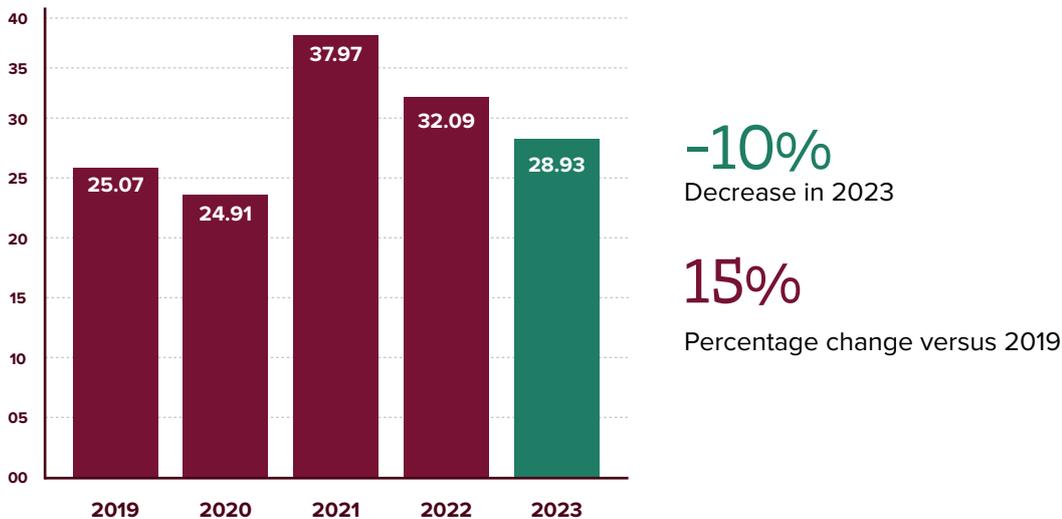
Biodiversity

Biodiversity is taken to mean: the variety of living organisms and diversity of relationships they have with one another in ecosystems.

The ASN Duurzaam Small & Midcapfonds aims to reduce the negative impact on biodiversity per invested euro (versus the base year of 2019). The realisation of this goal is measured using the BFFI method developed by the Partnership for Biodiversity Accounting Financials (PBAF). The method for measuring the impact on biodiversity is constantly evolving. As far as the biodiversity footprint is concerned: the lower the score the better.

The BFFI method measures the biodiversity footprint in hectares per invested euro, based on life cycle assessments (LCAs). The LCAs calculate the environmental impact of products and services throughout their life cycles. This results in an expected negative or positive impact on biodiversity (in hectares) per invested euro per year ((ha/€)/yr). The biodiversity footprint has been assessed quarterly since 2023.

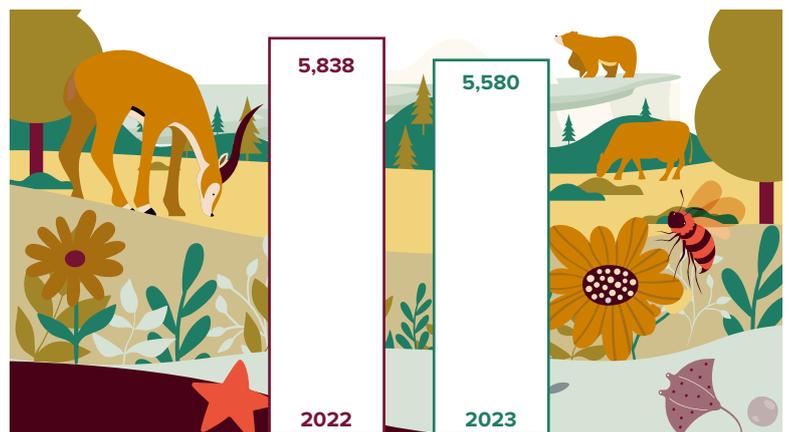
Biodiversity footprint in hectares lost per million euros invested



Total impact of fund on biodiversity in hectares lost per year

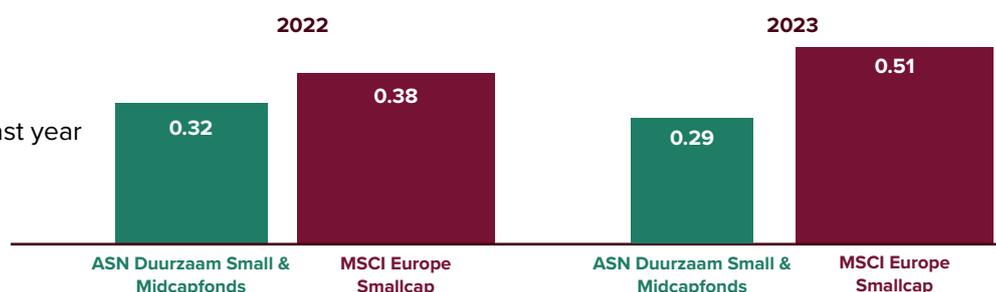
-4.4%
Decrease in 2023

The total footprint for the assets invested in the ASN Duurzaam Small & Midcapfonds is 4.4% lower compared to the preceding year.



Impact on biodiversity in m² lost per invested euro per year

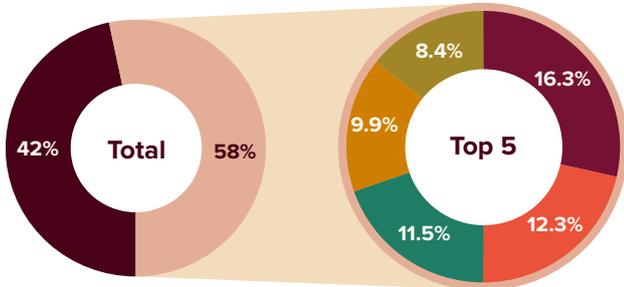
-9.8%
lower footprint per euro versus last year



Causes of change to 2023 biodiversity footprint vs. 2022

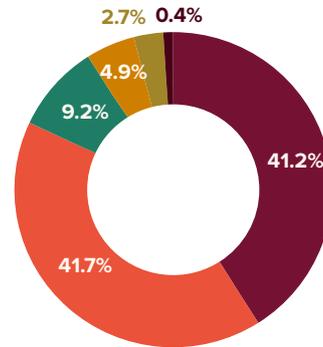
The method for measuring the biodiversity impact of investments is still under development. The quality of the data used will gradually improve. As a result, the calculated impact may be adjusted in future should better data become available.

Top-5 companies with the biggest biodiversity footprint in the portfolio



Huhtamaki Oyj	909	16.3%
Bekaert	686	12.3%
Jost Werke AG	644	11.5%
Coats Group Plc	551	9.9%
Premier Foods Plc	466	8.4%

Causes of the loss of biodiversity



Land use	41.2%
Climate change	41.7%
Acidification	9.2%
Water use	4.9%
Photochemical ozone (depletion of the ozone layer)	2.7%
Terrestrial ecotoxicity (effect of toxic substances on the land)	0.4%
Saltwater ecotoxicity (effect of toxic substances in seawater)	
Freshwater ecotoxicity (effect of toxic substances in freshwater)	
Freshwater eutrophication (gradual increase in nutrients)	
Saltwater eutrophication (gradual increase in nutrients)	

The method for measuring the biodiversity impact of investments is still under development. The quality of the data used will gradually improve. As a result, the calculated impact may be adjusted in future should better data become available.



Human rights

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

In 2022, the average living wage score for clothing brands in the fund portfolio's investment universe improved versus the base year of 2019 (measured using the Platform Living Wage Financials (PLWF) method).

Living wage

The ASN Duurzaam Small & Midcapfonds also invests in clothing companies. Anyone who invests in a company can exert influence on its policies and practices. The clothing companies in the investment universe meet our sustainability criteria but unfortunately many malpractices still occur. Many relate to the payment of a living wage to the workers who make the clothes. This is why the fund has formulated a goal to pursue a living wage.

A living wage is what is known as an *enabling right*; it makes people more resilient, narrows the step to forming a trade union and helps the fight against child labour. It is for this reason that we participate in the [Platform Living Wage Financials \(PLWF\)](#), which ASN established together with Triodos IM and MN. This platform now has twenty members with combined invested assets of over 6,580 billion euros.

We want clothing companies to be aware of the structural underpayment of the workers who make the clothes. In addition, we want them to address this underpayment and work with other stakeholders, such as trade unions and governments, to find solutions. This is no easy task as it is not usually the clothing companies that pay the wages but the suppliers. These factories want to remain competitive in a competitive market; they offer prices that barely cover the costs and leave no room for paying a living wage.

Living wage goal 2030

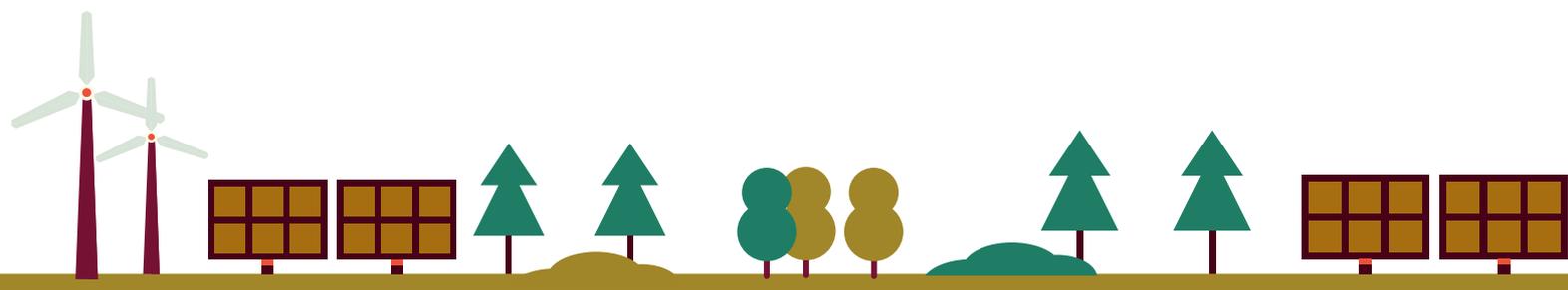
By 2030, the clothing sector will have implemented all the requisite processes for paying the workers in its value chain a living wage.

Measurement method

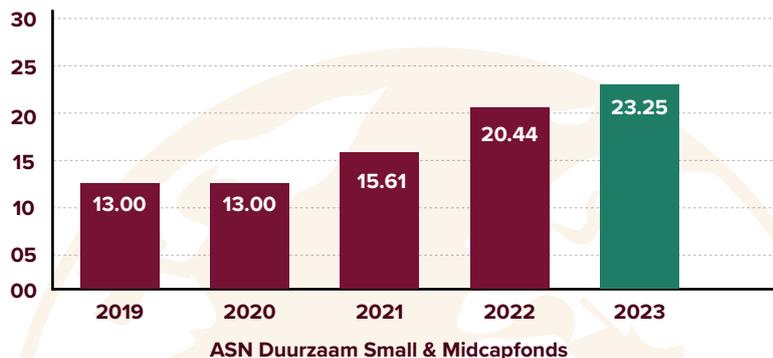
We have developed the method for measuring a living wage based on the PLWF. This method is aligned with the United Nations Guiding Principles for Business and Human Rights and corresponding Reporting Framework. We use this method to assess practices as well. We answered eight questions for each company, such as: to what extent is the company's living wage policy incorporated into its business operations, what is the policy's impact on the textile workers and how transparent is the company about this? The answers to these questions led to us dividing the companies into five categories:



In 2023 we adjusted the requirements for the Assessing Impacts component. The emphasis used to be on a company's understanding of the risks associated with not paying a living wage. Now the emphasis is more on tangible information. Example: does the company have insight into the actual gap between the paid wage and living wage at the production locations and what plans does it have to close this gap? [Mazars](#) provides annual independent assurance in which it establishes that we have applied the method correctly. This assurance was again issued in 2023.



Average living wage score



Puma is the only company to have achieved Leader category status. Most companies, eight in total, are in the Maturing category. In general little progress has been made at these companies. Remarkably, Marks & Spencer has deteriorated in this respect and moved down a category. Asics, Marks & Spencer and Next are in the Developing category. Kontoor was not screened this year. The company’s reporting cycle differs from our screening cycle, as a result of which no new information was available. The company therefore remains in the Developing category.

The Platform for Living Wage Financials notes positive trends at the companies with respect to policy on a living wage and responsible procurement practices. However, there is still no evidence of this policy having been put into practice. This is a major source of concern for the Platform, which aims to achieve tangible results for the workers in the supply chain. It is for this reason that the PLWF decided to raise the bar in 2023 by updating the assessment method for both working groups.

The outcome of the annual assessment also appeared in the Living Wage Report 2023, published in October. The research results form a sound basis for in-depth discussions, including on the companies’ ambitions for the future. In light of the report and the individual assessments on each company, we talked to twelve clothing companies in our investment universe in 2023. We will contact the remaining companies in 2024.

‘We observe that clothing brands are taking small steps in the right direction but the problem is far from resolved’

Mariëtta Smid, Head of Sustainability

Active ownership

Through active ownership in the form of engagement processes and voting at shareholder meetings we encourage listed companies to make their policies and activities more sustainable and more transparent and to clarify any malpractices. We use both tools to achieve our goals.

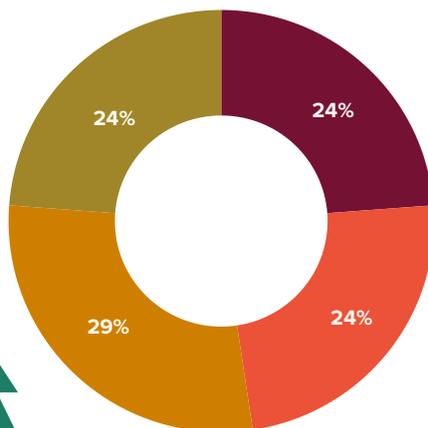
Engagement

We conduct dialogue with companies and institutions to make them more aware of their performance on sustainability and to urge them to improve it. The decision to turn to engagement is taken when an investment no longer meets our sustainability criteria or when malpractices are detected. As described above, we have also used engagement to help the clothing brands in the portfolio improve their living wage scores.

Topics on which we engaged with companies in the ASN Duurzaam Small & Midcapfonds investment universe in 2023:

21 Engagements

19% in the investment universe



Human rights	5	24%
Climate	5	24%
Biodiversity	0	0%
Animal welfare	0	0%
Governance	6	29%
Several topics	5	24%



Examples of engagements

In 2023 we closed the passive engagement process with **Berkeley Group Holdings**, a British project and housing developer, as we had reached the end of the four-year process. We note that while the company meets many of our criteria, it does not yet meet all of them. To meet our timber criterion, we expect companies to report the ratio of PEFC or FSC certified timber. Berkeley Group Holdings does not report on this. The company's value chain policy also lacks some elements. We have therefore decided to pursue an active engagement process with Berkeley Group Holdings and expect the abovementioned points to improve within a period of one year.

We pursued engagement processes on the climate with six companies from the ASN Small & Midcapfonds. One of these was **Corbion**. We want to gain a better understanding of its emissions reduction plan. The company has indicated that it expects emissions to be sharply lower in 2028/2029, driven by technological developments in the factories, such as electrification and renewable energy. The company has indicated that it expects emissions to be sharply lower in 2028/2029, driven by technological developments in the factories, such as electrification and renewable energy.



In 2023 we initiated an active engagement process with **Groupe SEB**, a manufacturer of kitchen appliances and household products. The company does not have a value chain policy on conflict minerals. We told the company that we would like to receive a response stating its opposition to the use of conflict minerals in the value chain. Another option is that SEB openly aligns itself with one of the following international standards: Responsible Minerals Initiative of the Responsible Business Alliance (RBA) or OECD guidance on conflict minerals. We are currently awaiting a response from the company.

Voting

ASN Impact Investors exercised its voting rights at the shareholder meetings of the companies in which the fund invests. We use these rights to encourage companies to pursue more sustainable policies and practices. The basic principles are laid down in ASN Impact Investors' sustainable voting policy.

We expect companies to have set an ambitious and time-based climate goal in line with the Paris Agreement. If a company does not do this, we will vote against adopting the annual report, financial statements and auditor's report. As an example, we informed Kardex that we would vote against these motions because the company has failed to set emissions reduction targets and has no climate action plan.

1

We most frequently voted against the remuneration for board members.

We believe it is important that companies not only judge their board members against financial criteria but also against sustainability criteria. By voting against remuneration proposals without sustainability criteria we exert pressure on the companies to revise their remuneration packages. In doing so we encourage sustainable behaviour.

2

Board appointments occupied second place.

We voted against appointments that failed to safeguard the board's diversity and independence adequately. This mostly involved European and Asian companies.

3

Voting against motions to raise capital was in third place.

For example, we voted against new share issues where these would have a negative impact on the interests of employees, consumers or communities.

ASN Duurzaam Obligatiefonds

Reports under SFDR Article 9 Fund



ASN Duurzaam Obligatiefonds

ASN Duurzaam Obligatiefonds invests in government bonds issued by governments that meet ASN Impact Investors' sustainability criteria. We assess governments on their social and environmental performance. In addition, the fund can invest in green and social bonds. These are used to finance specific social or environment-related projects.

Sustainable investment objectives:

The goal of ASN Impact Investors is to create a sustainable and fair society. The ASN Duurzaam Obligatiefonds contributes to this goal via the following two sustainable investment objectives:

1

Climate

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

Biodiversity

To avoid carbon emissions from the green and social bonds in the portfolio per invested euro (measured in tons of CO₂ per invested euro)

Article 9: The ASN Duurzaam Obligatiefonds focuses specifically on achieving sustainable investment objectives. The fund therefore reports in accordance with Article 9 of the SFDR.

The fund aims to achieve these sustainable investment objectives by investing in government bonds and social and green bonds issued by governments and semi-government organisations that promote sustainability (in relation to climate, biodiversity and human rights). In line with the sustainable objectives, the fund has also taken into account climate mitigation and adaptation as defined under the EU taxonomy.

Selection for the investment universe

The fund bought nine green and social bonds in 2023. This increased the amount of avoided carbon emissions per invested euro. Green and social bonds now occupy a larger weight in the portfolio, while the avoided carbon emissions per invested euro climbed even more sharply. On average, the nine newly acquired green and social bonds have a higher avoided CO₂ intensity per invested euro.

No assessment of governments was carried out in the reporting period. We admitted seven green bond frameworks and rejected two during the reporting period. A green bond framework is a standard that describes the terms and conditions the underlying bonds must meet. In addition, we repeated the screening for one issuing institution of green bonds. This institution was reapproved.



Countries

We select countries to ensure that we finance governments that pursue an ambitious climate policy and protect biodiversity and human rights. The aim of our extensive screening is also to prevent us financing governments that have a severe adverse impact on society. For instance, we verify that a country is a signatory to the Paris Agreement, has ratified sufficient treaties or conventions on controversial weapons, does not recruit children to the military and has not carried out the death penalty in the past ten years. If the countries meet the criteria for this initial assessment, every two years we calculate a score against a set of sustainability criteria.

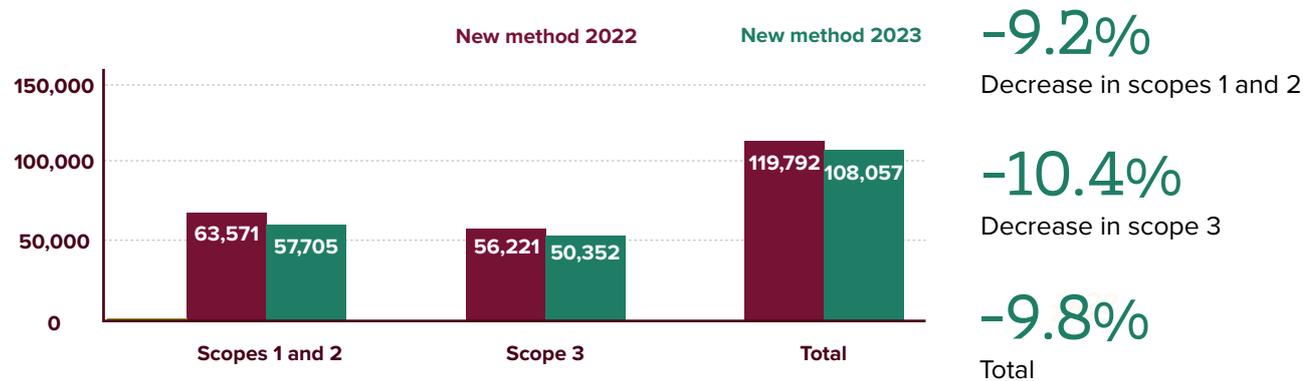
Climate

The ASN Duurzaam Obligatiefonds has two objectives that contribute to the climate. Below we explain the first change implemented in 2023 to the method for calculating the impact on the climate of government bonds. We then report on the progress made on this objective.

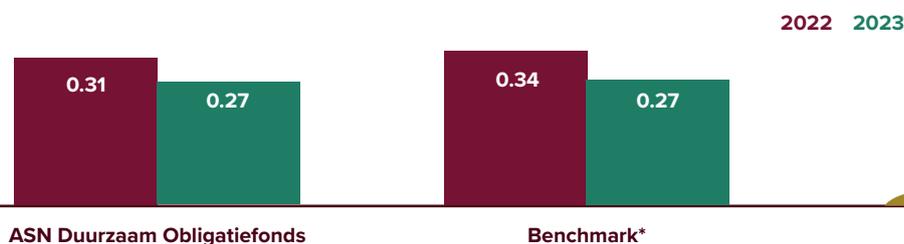
The method for calculating the impact of government bonds on the climate was adjusted in 2023. This adjustment was proposed by the Partnership for Carbon Accounting Financials and we have adopted it. Calculating the impact of government bonds used to involve purely the goods and services bought by governments. This method did not give an accurate picture of the carbon emissions that need to be allocated to a government. Emissions deriving from subsidies to companies were not included in the calculation, for example. The allocated emissions were also affected by the size of the public debt. Since 2023, we have therefore also calculated the carbon emissions of land use, changes to land use and forestry in a country.

The data given on the following pages has been calculated using the improved method, both for the data over 2023 and with retroactive effect for 2022.

Carbon emissions in tons per year

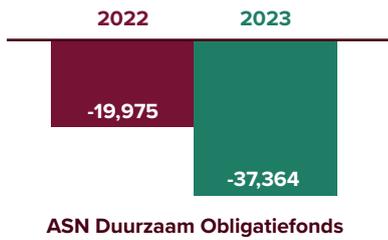


Carbon emissions in kg per invested euro



* We use a unique benchmark for the fund, the Bloomberg 80% EUR Treasury 1-10yr and 20% Euro Green Bond Government Related 1-10yr index, which was specially developed for us by benchmark provider Bloomberg. Eighty percent of this benchmark comprises countries with the highest sustainability scores that issue bonds in euros, while 20% consists of green bonds.

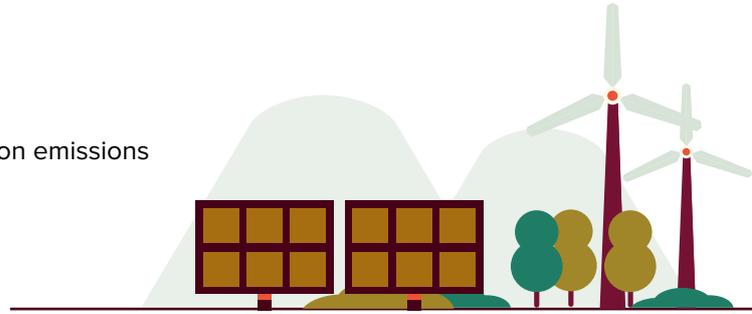
Avoided carbon emissions (in tons)



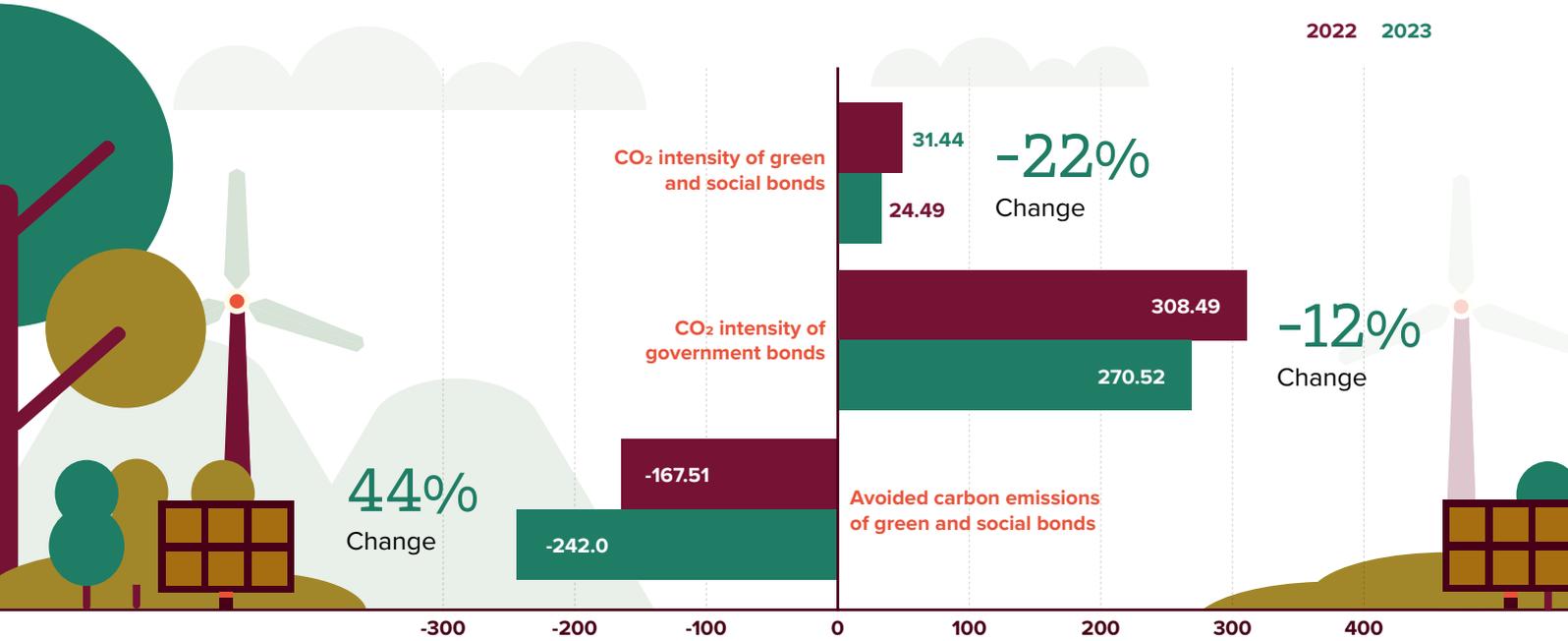
Increase in avoided carbon emissions

of **87%**

ASN Duurzaam Obligatiefonds



CO₂ intensity and avoided carbon emissions in tons per million euros of invested assets



Avoided carbon emissions from green and social bonds per invested euro



71.80%
Increase

ASN Duurzaam Obligatiefonds

The increase in avoided carbon emissions is mainly due to the smaller position in a green bond issued by KfW.



Biodiversity

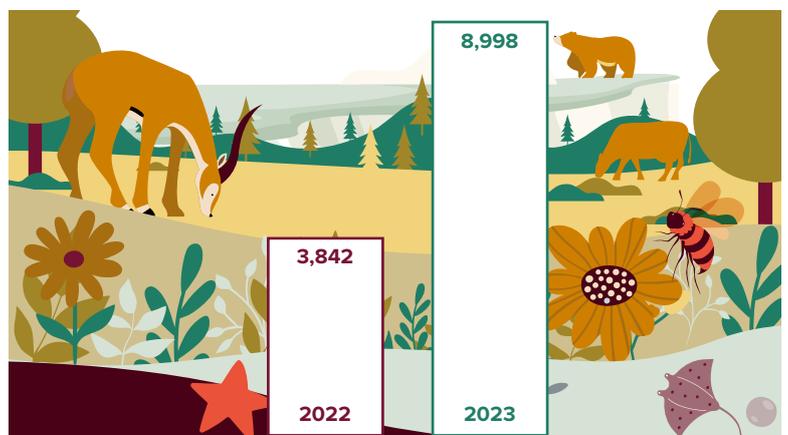
Biodiversity is taken to mean: the variety of living organisms and diversity of relationships they have with one another in ecosystems.

The ASN Duurzaam Obligatiefonds aims to reduce the negative impact on biodiversity per invested euro (versus the base year of 2019). The realisation of this goal is measured using the BFFI method developed by the Partnership for Biodiversity Accounting Financials (PBAF). The method for measuring the impact on biodiversity is constantly evolving. As far as the biodiversity footprint is concerned: the lower the score the better.

The BFFI method measures the biodiversity footprint in hectares per invested euro, based on life cycle assessments (LCAs). The LCAs calculate the environmental impact of products and services throughout their life cycles. This results in an expected negative or positive impact on biodiversity (in hectares) per invested euro per year ((ha/€)/yr). The biodiversity footprint has been assessed quarterly since 2023.

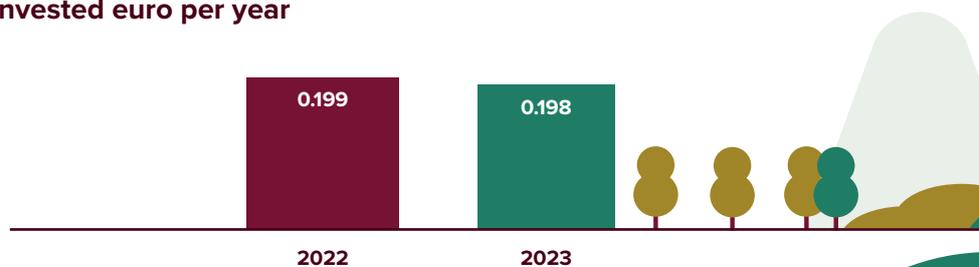
Impact on biodiversity in m² lost per invested euro per year

The total footprint for the assets invested in the ASN Duurzaam Obligatiefonds is 134% higher compared to the preceding year.



Impact on biodiversity in m² lost per invested euro per year

ASN Duurzaam Obligatiefonds



The method for measuring the biodiversity impact of investments is still under development. The quality of the data used will gradually improve. As a result, the calculated impact may be adjusted in future should better data become available.



'I try to take the intimidating element out of laws and regulations, so that we can focus on the positive aspects'

Interview with Ivan aan den Toorn

The SFDR, which helps to combat greenwashing, the EU Taxonomy for sustainable investment: there are an awful lot of 'green' regulations. Yet are they helping to bring a sustainable future any closer or is it mostly extra bureaucracy? 'Regulations help investors to define what they really want to achieve with sustainability and to shape that strategy,' says Ivan aan den Toorn, ESG regulation specialist at ASN Impact Investors.

So you're the go-to expert on regulations at ASN Impact Investors?

'Even though I'm not a lawyer, after studying industrial ecology in Leiden and Delft I made it my business to reflect and advise on regulations. I used to work at DUFAS, the Dutch Fund and Asset Management Association, for example. My job there was to advise on the position to adopt as asset managers with respect to Dutch and EU sustainability laws and regulations.'

'Yet I wanted to become more involved in day-to-day investment practices, so I looked for a job at an asset manager that takes sustainability extremely seriously. And of course that's ASN Impact Investors par excellence. On a personal level I had already been a client for many years and felt an affinity with its mission and vision. I view my role here as reflecting on and working on the practical application of regulations.'

And as a former lobbyist, you're familiar with the process behind these regulations?

'I call it advocacy: you do your best to ensure that those who decide on the regulations have a clear picture of how asset managers set to work. That they understand the impact of rules, whether they can be put into practice and serve a purpose. Those years also gave me good insight into how politics works, both in The Hague and at a European level. Incidentally, I'm still involved with DUFAS but now as one of the representatives of ASN Impact Investors.'

When it comes to regulations, especially when they lead to additional reporting obligations, you sometimes wonder: do they genuinely result in greater sustainability?

'I view them positively, although naturally there are tricky aspects that could perhaps be resolved following a review. Yet the SFDR, which obliges asset managers to provide information on sustainable investment products, forces parties to think about: what do we consider sustainable and what are our sustainable goals? The answers may vary, but the next question is still: what strategy can we implement to achieve that goal and how can we measure this?'

'In the early days, many managers viewed it as compliance, as a mandatory box to tick. And there are managers that mainly use the SFDR classification for 'green' article 8 and 'dark green' article 9 funds in their marketing. Luckily, we're seeing a shift in this respect. The market is increasingly moving away from this fixation on classification and a proper debate is now under way: how can I contribute to sustainability via my products?'

‘The market is increasingly moving away from this fixation on classification and a proper debate is now under way: how can I contribute to sustainability via my products?’

Reporting on a sustainable strategy was of course a walk in the park for ASN Impact Investors.

‘Well, we initially viewed it as legislation that we need to comply with, but the reports turned out to contribute to our development. After all, it’s simply another way of explaining to investors exactly what we aim to achieve for the world, how we think we can achieve this and how we measure the results - basically explaining why they should invest in the fund. There’s room for improvement here even for us.’

‘And I enjoy helping with this. I try to take the intimidating element out of laws and regulations, so that we can focus on the positive aspects. So that we ensure that the mandatory documentation contributes to the transparent strategy, that what we put down in writing is so crystal clear that we can refine the message we convey elsewhere as well.’

‘One aspect of ASN Impact Investors that I find very compelling is that via our impact funds we finance extremely tangible projects and businesses that also achieve real change. For the ASN Biodiversiteitsfonds you can likewise explain in the mandatory reports how we invest in natural capital and the measurable results that derive directly from this. The same goes for entrepreneurship via the ASN Microkredietfonds and the climate via the ASN Groenprojectenfonds.’

In 2023 we published PAI statements for the first time. Can you tell us more about these?

‘Reporting on the Principle Adverse Impacts, or PAI indicators, is indeed a more recent obligation that derives from the SFDR. It basically asks asset managers to work out the potential negative impact their investments could have on, for instance, emissions or loss of biodiversity. The PAI indicators must also be included when determining whether something is a sustainable investment. This involves trade-offs: what’s acceptable to me when I invest sustainably? Yet it’s difficult to manage according to PAI indicators, as they’re not specific enough.

‘You can also treat them in different ways, partly because the legislation contains plenty of room for manoeuvre. ASN Impact Investors uses detailed criteria to provide an overview of the potential negative impact of investments. For example, could a project have an impact on nature in a nearby Natura 2000 area or similar areas in other countries? And while 20 hectares of solar panels will generate clean energy, how will they fit in with the surroundings, what impact will they have on people and biodiversity? And if they’re manufactured in China: what about human rights in relation to production? We don’t really accept any trade-offs: human rights are just as important as the climate and biodiversity.’

Can you also see what you call tricky aspects in the regulations in their current form?

‘Under the SFDR, for instance, investors are asked to provide an enormous amount of data. Sometimes it’s really hard to collect these, while at other times it’s fairly easy. The PAI indicators for whether your policy complies with UN treaties and OECD standards are fairly generic. We already examine the impact of our investments on nature, climate and human rights in much greater detail and don’t really need this kind of indicator. Nevertheless, we’re obliged to produce it and this takes time.’

How could EU legislation be improved?

‘Regulations should help investors to distinguish between more sustainable and less sustainable funds, but they shouldn’t result in sustainable funds becoming more expensive than their non-sustainable counterparts because of the additional reporting burden. Current regulations have laid the foundations, but changes are needed to make them more effective. Make a better analysis of which information genuinely helps investors and other stakeholders to decide whether a party is just greenwashing.’

‘It will take a while to adjust the regulations, but a start has already been made on this in the case of the SFDR. In my opinion, the emphasis should remain on the objective, strategy and impact of the funds. This can be underpinned by a smaller set of indicators for measuring negative impacts, but these do need to be specific enough to be able to make an assessment and broad enough to apply to different types of investments.’

‘Regulations should help investors to distinguish between more sustainable and less sustainable funds, but they shouldn’t result in sustainable funds becoming more expensive than their non-sustainable counterparts because of the additional reporting burden’

And that’s what you’re working to achieve on behalf of ASN Impact Investors?

‘We only have a small team but we do possess a genuine vision of what the legislation should look like and aim to make a structural contribution to the process behind these regulations. To do so you need to join in the debate at an early stage and it helps that I did this in my previous job as well. We believe regulations should help guide capital flows more and more towards the sustainable transition.’



ASN Mikrokredietfonds

Reports under SFDR Article 9 Fund



ASN Microkredietfonds

The ASN Microkredietfonds invests in microfinance institutions (MFIs), other financial institutions and companies. These provide financial services - loans and secure payment and savings products - to people on low incomes and to micro, small and medium-sized enterprises in what are often low and middle-income countries. The pool invests exclusively in MFIs that meet our selection criteria. The main criteria are the social performance and creditworthiness of the MFIs.

Sustainable investment objective

The goal of ASN Impact Investors is to create a sustainable and fair society. The ASN Microkredietfonds contributes to achieving this goal via the following sustainable investment objective:

1

Financial inclusion

To provide access to financial services for people on low incomes and micro and small enterprises, often in low and middle-income countries, so that they can earn a (larger) income and boost their financial resilience



Article 9: The ASN Microkredietfonds focuses specifically on achieving sustainable investment objectives. The fund therefore reports in accordance with Article 9 of the SFDR.

Financial inclusion aims to close the gap for the 1.4 billion adults who have no access to financial services. It can provide access to healthcare, water, sanitation, housing and energy. Furthermore, micro, small and medium-sized enterprises are one of the strongest drivers of economic development and employment.

ASN Impact Investors monitors progress on the sustainable investment objectives in its Impact Committee. The committee discusses proposals and scenario analyses that contribute to achieving the sustainable goals. The fund achieved its social sustainable investment objective in 2023.

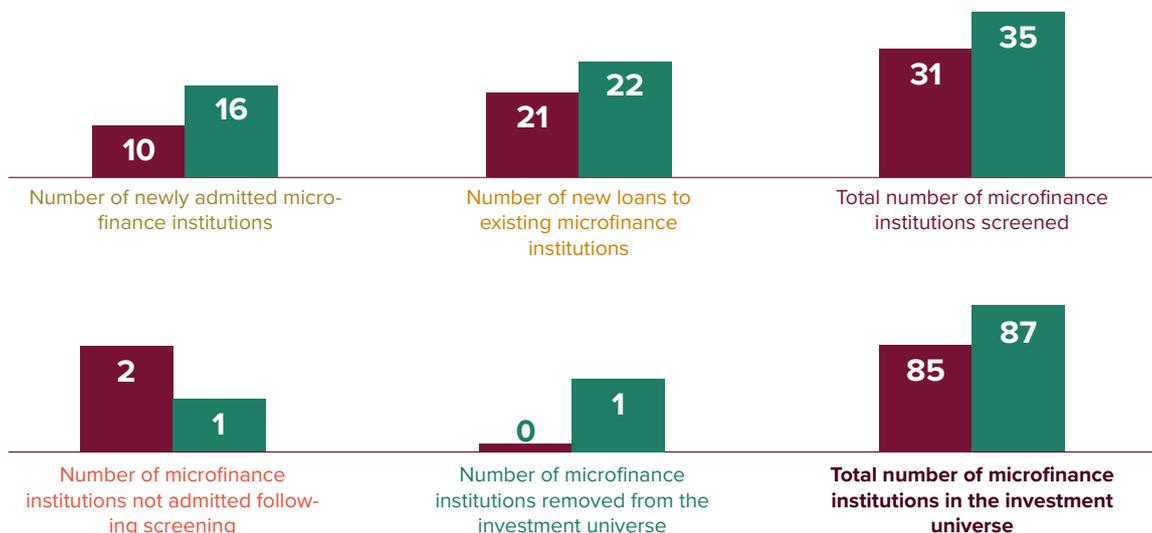
Investment selection

The fund issued new loans worth nearly 120 million euros to 34 microfinance institutions (MFIs) in 2023. Sixteen new MFIs were added to the portfolio. The fund issued loans to new MFIs in Tanzania, South Africa, Mexico, Cambodia, Peru, Colombia, Honduras, El Salvador, China, Ecuador, Indonesia and Uzbekistan. On top of this, the pool became a shareholder in one new MFI in Montenegro, while equity positions in Kyrgyzstan, Tajikistan and Senegal were sold.

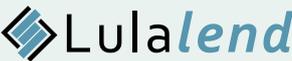


Our investment universe has changed enormously since Russia's invasion of Ukraine, now more than two years ago. The fund did not possess any investments in Russia or Ukraine, so the conflict had little direct impact. However, the high inflation caused in part by the conflict has led to significantly higher interest rates, and this is only expected to change in the course of 2024. This is reflected in the fund portfolio, in which the interest rates paid by MFIs are considerably higher than they were a few years ago. These contribute to higher interest income for the fund but also higher interest charges for the MFIs. We are therefore keeping a close eye on whether the loans the MFIs are offering to small businesses remain affordable.

In October, the world was shocked by a new conflict between Israel and the Palestinian Territories and the resulting turmoil in the Middle East. The fund has no significant exposure in the region, with the exception of one MFI in the Palestinian Territories (mostly active in the West Bank), one MFI in Jordan and one MFI in Lebanon. The combined exposure of these MFIs amounts to less than 1% of the pool and therefore has very little negative impact on the fund.



The fund invested 7% of its assets in organisations that operate worldwide. These involve loans and a small position in Finca (a network of MFIs in over twenty countries) and a participation in the Women’s World Banking Capital Partners fund (WWB Capital Partners). WWB Capital Partners invests in the equities of MFIs that aim to provide financial services to women.

 <p>South Africa’s Lulalend received a loan from the fund in March. Lulalend uses fintech to grant loans to small and medium-sized enterprises. These businesses mainly operate in production, services, retail, construction and transport.</p>	 <p>Baobab is a network of MFIs that operates in seven countries in Sub-Saharan Africa: Burkina Faso, Democratic Republic of Congo, Ivory Coast, Madagascar, Mali, Nigeria and Senegal. Baobab issues small loans to about 200,000 micro enterprises and small businesses in these countries.</p>	 <p>The fund issued a 3 million euro loan to Esta Dana Ventura (EDV), an Indonesian MFI that is a new addition to the portfolio. The organisation has a large social impact as its customer base is 95% female and 90% of its customers live in rural areas. The organisation mostly grants group loans to female micro entrepreneurs. The average sum loaned to the women is just under 300 euros.</p>
 <p>The fund is one of the new shareholders in Alter Modus. This is the leading MFI in Montenegro and has over 20,000 customers. About 40% of these customers live in rural areas.</p>	 <p>Brac Tanzania grants group loans to women with low incomes. Via 170 offices, Brac reaches over 320,000 women. The average sum loaned to Brac’s customers is 225 euros.</p>	



Newly admitted microfinance institutions (MFIs)

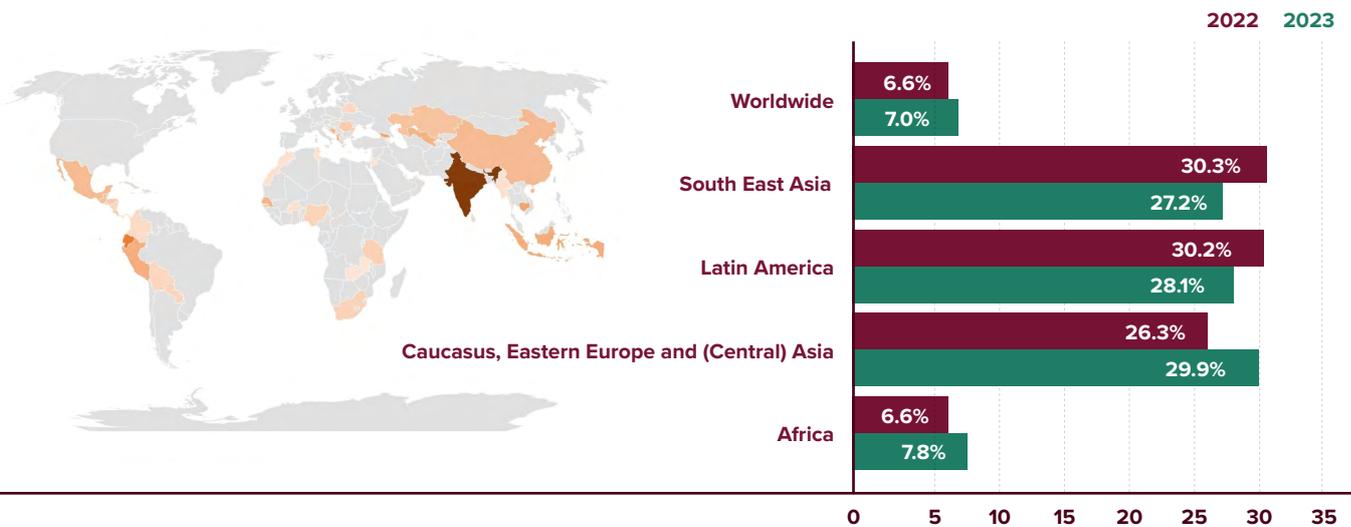
	Country
Avanza Solido	Mexico
Lulalend	South Africa
Huimin	China
Banco Azul	El Salvador
ASA Tanzania	Tanzania
IDH Honduras	Honduras
Fintra	Colombia
Maxima	Cambodia
Baobab Holding	Sub-Saharan Africa
Ipak Yuli Bank	Uzbekistan
Esta Dana Ventura (EDV)	Indonesia
MicroCred China	China
Alter Modus	Montenegro
Brac Tanzania	Tanzania
Caja Piura	Peru
Banco Codesarollo	Ecuador



Global distribution:

The map below shows the countries in which the fund was invested as of year-end 2023. These are depicted on the map in brown. The darker the colour, the larger the size of the investments in the relevant country.

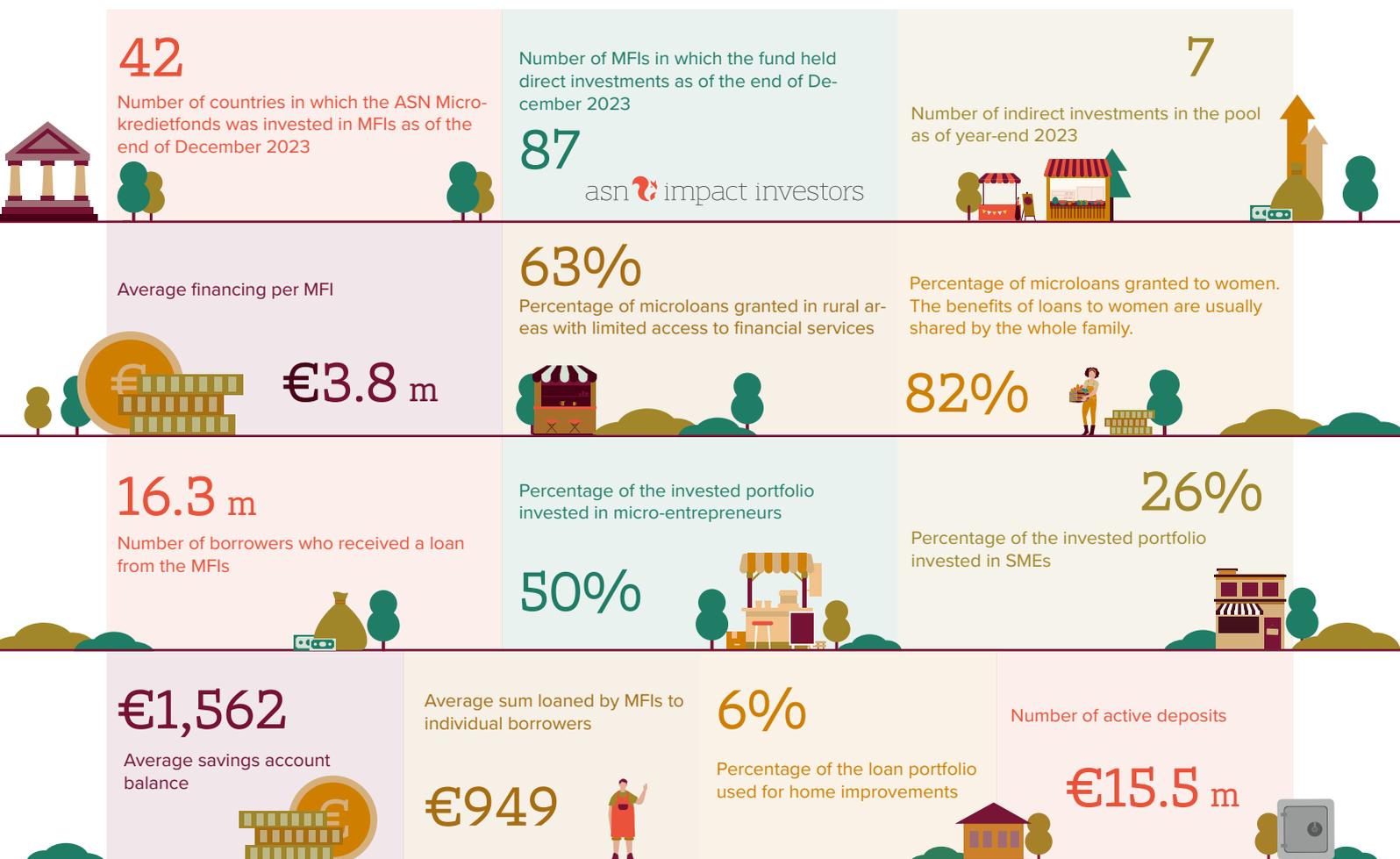
Regional distribution



The fund was broadly diversified across geographical regions in 2023 as well. The most striking global investment is in the Financial Inclusion Resilience Fund. This fund uses subordinated loans to increase the solvency positions of MFIs so that they can issue more new microloans. This fund was launched by Triple Jump in 2023.



Impact



Social performance management

Social performance management (SPM) is an integral part of the investment process of the ASN Microkredietfonds. Project advisor Triple Jump maintains a social performance management scorecard for us. This enables us to verify that the fund is investing in MFIs that deal responsibly with their stakeholders and have a positive impact on their borrowers in socio-economic terms.

The scorecard is a tool that allows us to analyse the social mission of the MFIs (their intentions) as well as the processes and systems they have in place to ensure that their activities are an extension of their mission (implementation). The scorecard consists of 68 indicators. The score is established at the selection phase of the investment and again when the loan is renewed.

MFI data	Latin America	Europe and Central Asia	Asia	Africa and the Middle East	Total portfolio
Average SPM score*	82%	85%	83%	79%	83%
Number of financed institutions**	30	19	20	14	87
Number of borrowers of MFIs (in millions)***	3.8	1.2	9.5	1.8	16.3
Percentage of female borrowers	66%	45%	92%	74%	82%
Percentage of borrowers in rural areas	61%	50%	73%	39%	63%
Average sum loaned to borrowers (€)	€2,433	€3,858	€444	€523	€949

* SPM = social performance management

** The ASN Microkredietpool has financed a total of 87 MFIs. Four of the MFIs operate globally. No underlying data are available for these MFIs.

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

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

The average score for the social performance of the ASN Microkredietfonds portfolio:



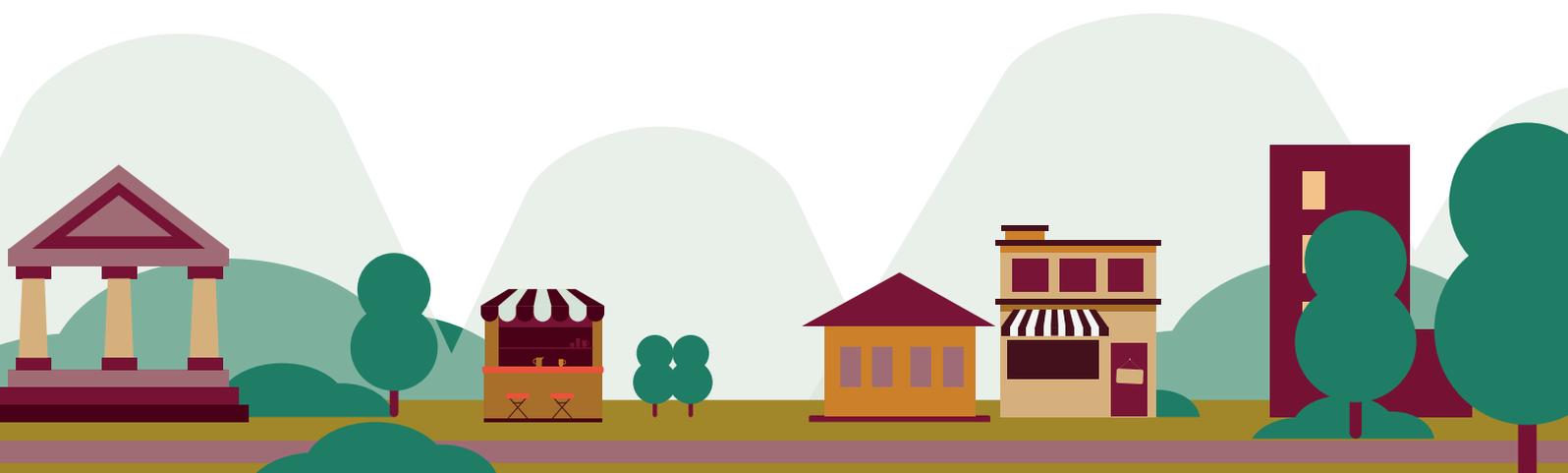
This improvement is the result of developments in the portfolio over 2023 as described below:

<p>The tool we use to measure the score (SPI5-alinus) has been revised. As a result, some of the MFIs may have been awarded a slightly higher or lower score.</p>	<p>16 MFIs Admitted to the portfolio, with an average SPM score of</p> <p>79%</p>	<p>32 MFIs Improved their scores in the reporting period to an average of</p> <p>87%</p>	<p>15 MFIs Were allocated lower scores during the reporting period. Their average score was still</p> <p>82%</p>	<p>The other MFIs in the portfolio retained the same scores.</p>
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SPM score

SPM score	Percentage 2022	Percentage 2023
Excellent (>80%)	50%	62%
Good (61 – 80%)	48%	38%
Minimum required (51 – 60%)	2%	0%
Inadequate (<= 50%)	0%	0%

The quality of the MFIs remained high in most regions in 2023. We are also extremely satisfied with the pool’s social impact. One of the fund’s objectives is a fairer distribution of wealth. This fair distribution is facilitated by offering people around the world access to financial services. MFIs are important to achieving this, as is a versatile financial sector. The ASN Microkredietfonds contributes to this. One way it does so is by financing MFIs that have less well developed systems and processes. These MFIs only form a small percentage of the portfolio, however. What is important is that these MFIs meet minimum requirements and are in a position to improve their systems and processes.

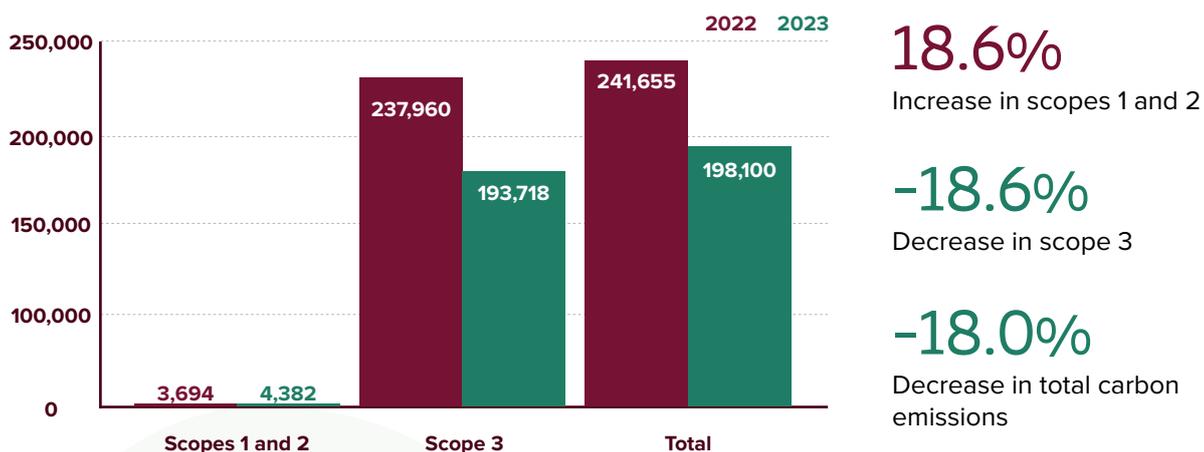


Climate

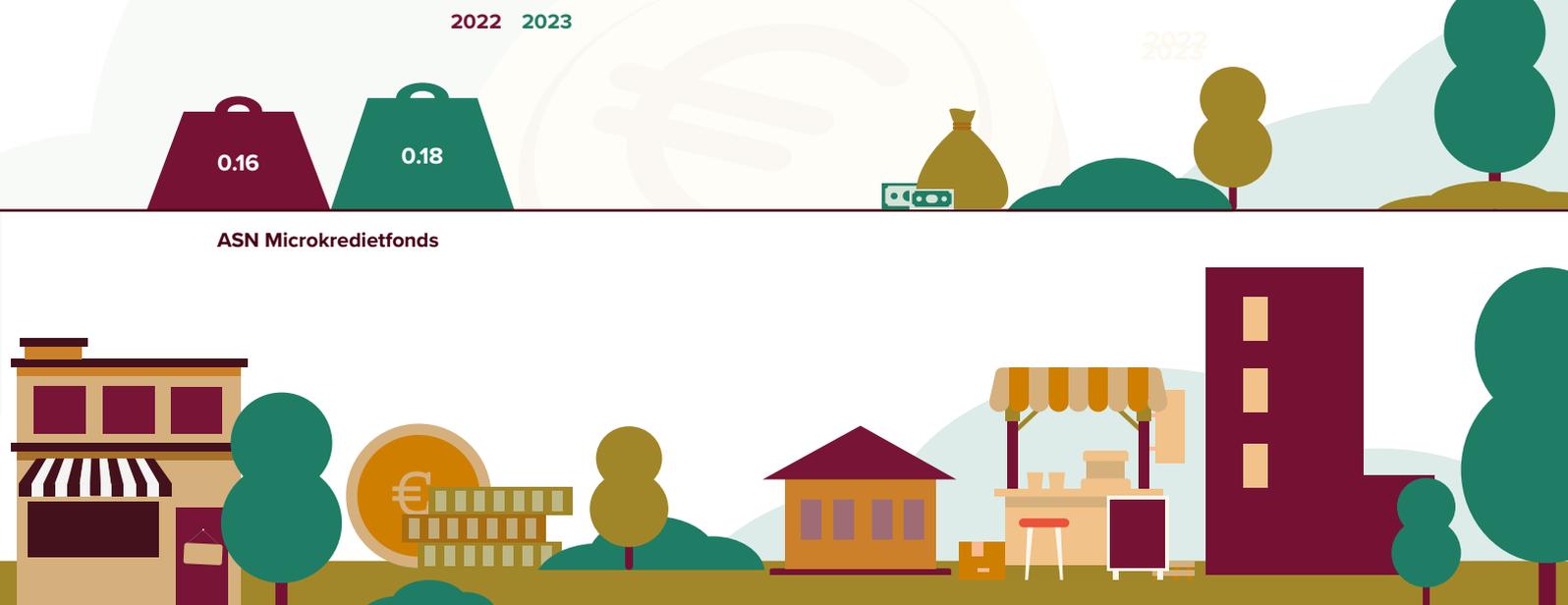
We like to have a complete picture of our total carbon emissions. This is why we do our best to collect or calculate data on the carbon emissions for all our investments. For the MFIs in which the ASN Microkredietfonds invests it is extremely difficult or even impossible to collect data. This is partly because of the large number of small loans the MFIs grant to their customers and the wide variety of activities for which these loans are ultimately used.

However, to give an idea of the carbon emissions we use the Joint Impact Model (JIM). A group of internationally-operating institutions has spent the past few years developing this model. We started using this method in 2021. The JIM is fully aligned with the [Platform Carbon Accounting Financials \(PCAF\) method](#). ASN Impact Investors uses PCAF to measure the CO₂ impact of its funds. The scope 1, 2 and 3 carbon emissions of microfinance institutions are calculated based on the financial sector of a country. The financed activities are not included in this calculation. The introduction of the Sustainable Finance Disclosure Regulation (SFDR) led us to realise that the current impact calculation for the ASN Microkredietfonds was unsatisfactory. We therefore decided to adjust the input values in consultation with our advisor Triple Jump. From now on, we will report both the carbon emissions of the financial institution and the carbon emissions based on the sector distribution of the country in which the financial institution is located. This enables us to estimate as accurately as possible the financed activities of the financial institution's end clients. Sectors that ASN Impact Investors excludes are not included in the data. We expect a further improvement in input values in 2024. The changes to the input values have led to an increase in the reported carbon emissions of ASN Impact Investors of 120,502 tons.

Carbon emissions in tons per year



Carbon emissions in kg per invested euro



ASN Groenprojectenfonds

Reports under SFDR Article 9 Fund



ASN Groenprojectenfonds

The ASN Groenprojectenfonds invests in sustainable projects. The main sector in which the fund invests is renewable energy, mostly solar and wind power, and the generation of renewable heat. In doing so, the fund is financing the energy transition required to reduce carbon emissions and facilitate improved access to energy generated from renewable sources.

Sustainable investment objective

The goal of ASN Impact Investors is to create a sustainable and fair society. The activities of the ASN Groenprojectenfonds focus mainly on the sustainable Climate pillar and contribute to this by realising the following sustainable investment objective:

1

Climate

Avoiding carbon emissions by investing in energy generation from renewable sources, such as wind or solar power

Article 9: The ASN Groenprojectenfonds focuses specifically on achieving sustainable investment objectives. The fund therefore reports in accordance with Article 9 of the SFDR.

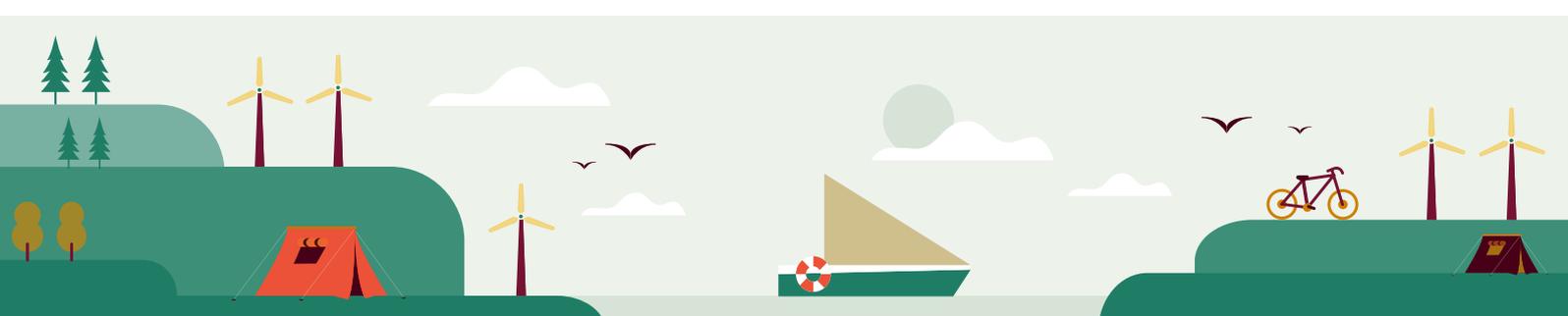
The fund aims to achieve these sustainable investment objectives by issuing loans and equity (share capital) exclusively to green projects in renewable energy sectors (such as solar and wind power) and decentralised energy facilities (such as thermal energy storage facilities).

The fund has been designated a Green Institution, which means that it invests at least 70% of the assets under management in projects that come under the Green Projects Scheme for the Netherlands (2022) and the Green Projects Scheme for Other Countries (2002). The fund focuses on sustainable construction and renovation, renewable energy and decentralised energy supplies.

Investment selection

The investments must meet ASN Impact Investors' sustainability criteria. At least 80% of the investments are in the Netherlands. In addition, the ASN Groenprojectenfonds is permitted to invest a maximum of 20% of its capital in sustainable projects in emerging markets. The fund aims to achieve a diverse geographical distribution. As of the end of 2023, the portfolio contained investments in the Netherlands, India and several countries in Latin America and Africa.

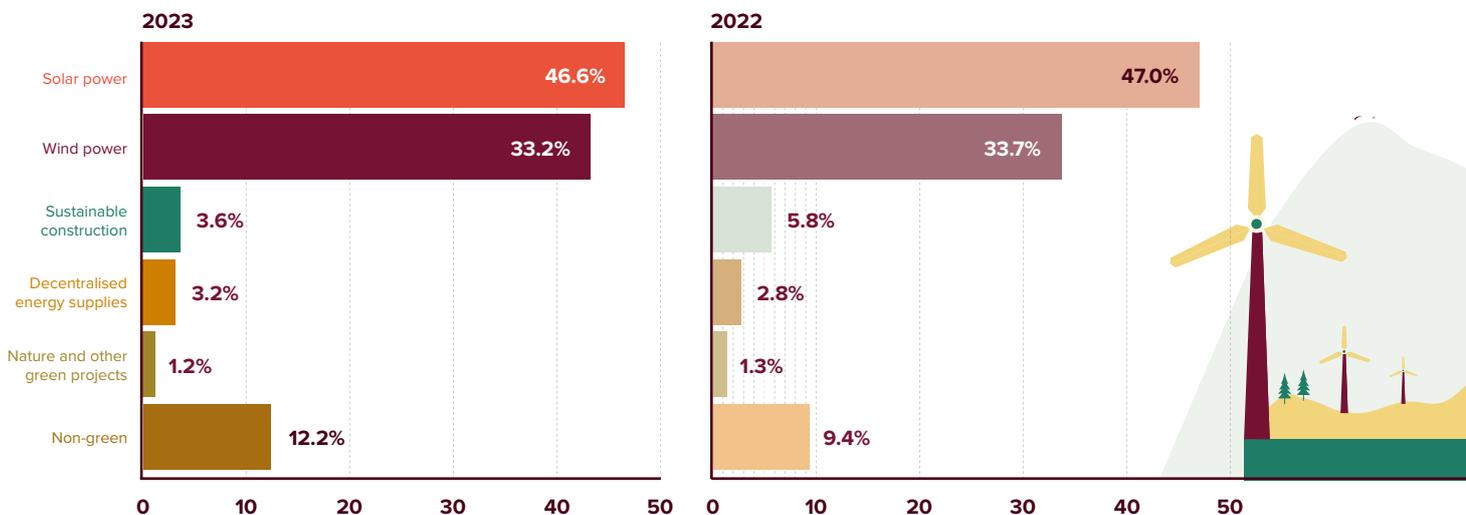
The ASN Groenprojectenfonds has been instrumental in financing the energy transition for nearly 30 years and enjoys a sound position and reputation on the market. An important restricting factor in the growth of electricity generated from renewable sources is the limited capacity of the electricity grid. As a result, it is sometimes not possible to deliver renewable energy to the grid. This is causing delays in the realisation of new projects. Energy storage, for instance in batteries or hydrogen, is gaining in importance in this respect. We also expressly focus on heat and cold storage, the now common technique for heating and cooling buildings and homes using heat pumps.



Sector distribution

The ASN Groenprojectenpool invests primarily in the solar and wind power sectors. Decentralised energy supplies mostly involve heat and cold storage.

Development of sector distribution



We attach a great deal of value to the project’s business plan paying sufficient attention to the environment and to the way the project fits into the landscape. Moreover, from a support perspective we believe it is important for the local community to be involved in a project in the Netherlands. This might be achieved by having a cooperative participate in the project financing, for example. The fund portfolio’s most recent investments include elements such as these.

Solar power

We have long experience of funding the solar power sector. The number of solar power projects in the Netherlands continues to grow, on roofs and on land and increasingly also at sea. The market is extremely broad and fragmented, with many players and projects ranging from small to large.

Example of a new investment in the Netherlands in 2023:

The grand former post office on Coolsingel in Rotterdam is undergoing a complete renovation. A 150-metre high residential block is being erected at the rear of the building. The fund has loaned 3.1 million euros to Vaanster for the realisation of sustainable heat and cold storage systems.



Emerging markets

We recognise the importance of reliable local energy supplies in emerging markets. This is why the ASN Groenprojectenfond also invests in these countries. Weather-dependent energy sources, such as the wind and sun, are often in abundant supply. Together with partners, the fund has therefore used private funding for several years to finance small-scale renewable energy projects in emerging markets.



In July, the fund loaned 3 million US dollars to BAC Guatemala, the fourth biggest bank in Guatemala. This money enables BAC to offer its customers green loans. They can use these to invest in renewable energy and energy-efficient solutions. Green transactions are extremely important in Central America as it is one of the world’s regions most affected by climate change. According to the World Bank, Guatemala ranks ninth globally when it comes to risks caused by climate change.



In July, the fund loaned 3 million US dollars to Banco Bolivariano in Ecuador. This is a locally-owned financial institution. The bank is highly active in the coastal region of Ecuador and in Guayaquil, the country’s largest city. This funding enables the bank to issue green loans to SME customers. They use them to make their energy consumption more sustainable, for example via energy-efficient products and solar panels. This financing stimulates sustainable economic growth in Ecuador’s emerging market economy.



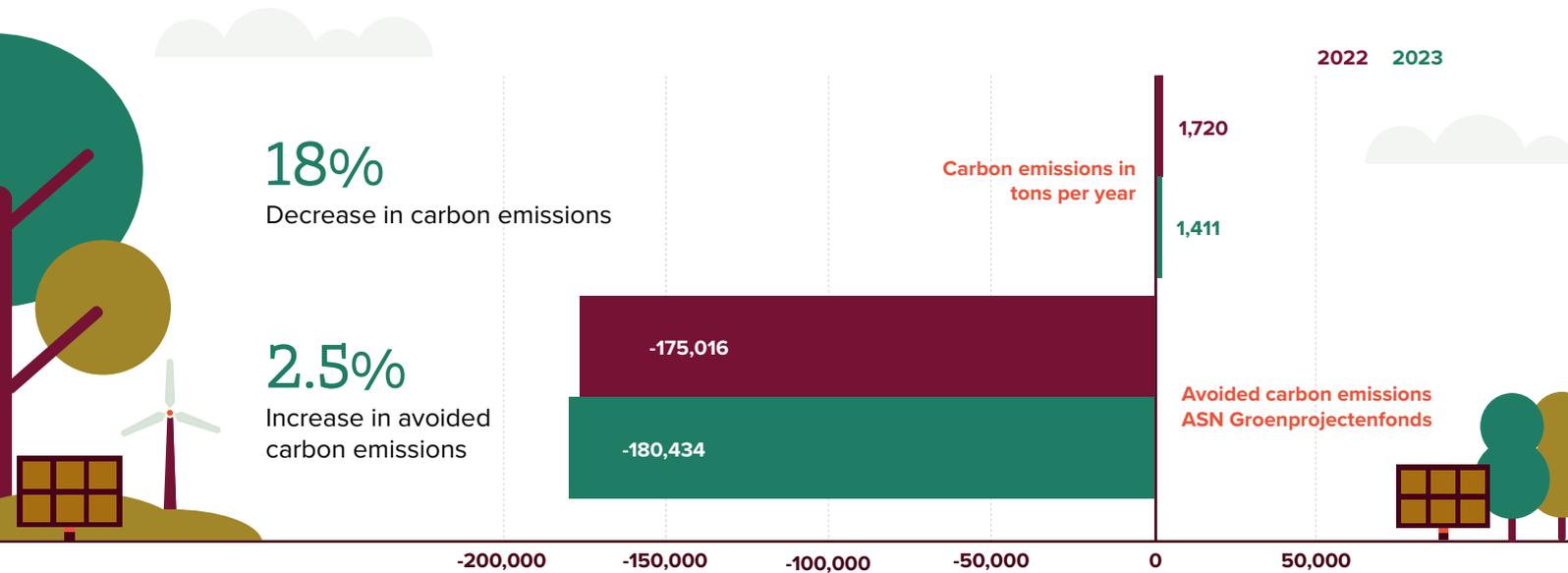
In mid-December, the fund issued a loan of 5 million US dollars to Sundameris Bank in Paraguay. This bank primarily has business and SME customers in the agriculture sector. The money provided by the fund is used to grant loans to these customers, who can then use them to invest in renewable energy and energy efficiency.

Climate

We need to continue working around the globe to combat the negative effects of climate change. Lenders such as the ASN Groenprojectenfonds are important players in funding the energy transition.

We calculate the carbon emissions and/or avoided emissions for all our investments. To do so we use the method developed by the [Partnership of Carbon Accounting Financials \(PCAF\)](#)

Carbon emissions and avoided carbon emissions in tons per million euros of invested assets



Further information on absolute CO₂ impact

The changes in the CO₂ impact in 2023 were caused by:

Changes to the investment portfolio. This might be because new loans have been issued or because loans have been (partially) repaid.

In 2023, the payment of commitments to Wij Windenergie Staphorst and Nieuwveer contributed positively to the avoided carbon emissions. Together they were responsible for more than 7,000 tons of avoided carbon₂ emissions. Repayments from WML Wind, Windpark Krammer, Eneco Vortex and Windpark Egchelse Heide caused a reduction in the avoided carbon emissions of nearly 4,500 tons. Repayments from Osmo Operations and the municipality of Haarlem together accounted for a decrease in carbon emissions of nearly 300 tons.

Changes to CO₂ data

Avoided carbon emissions were reported for the first time in 2023 for the existing investment in Green Light Planet. This increased avoided carbon emissions by nearly 12,000 tons.



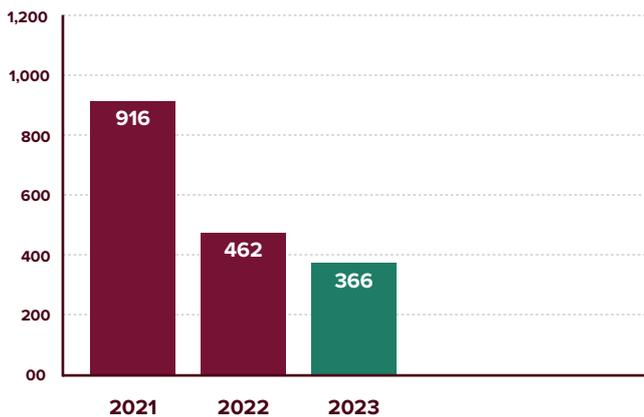
The method for measuring the CO₂ impact of investments and loans is constantly evolving. The quality of the data used is improving all the time. As a result, the calculated CO₂ impact may be adjusted in future should better data become available.

Biodiversity

Biodiversity is taken to mean: the variety of living organisms and diversity of relationships they have with one another in ecosystems.

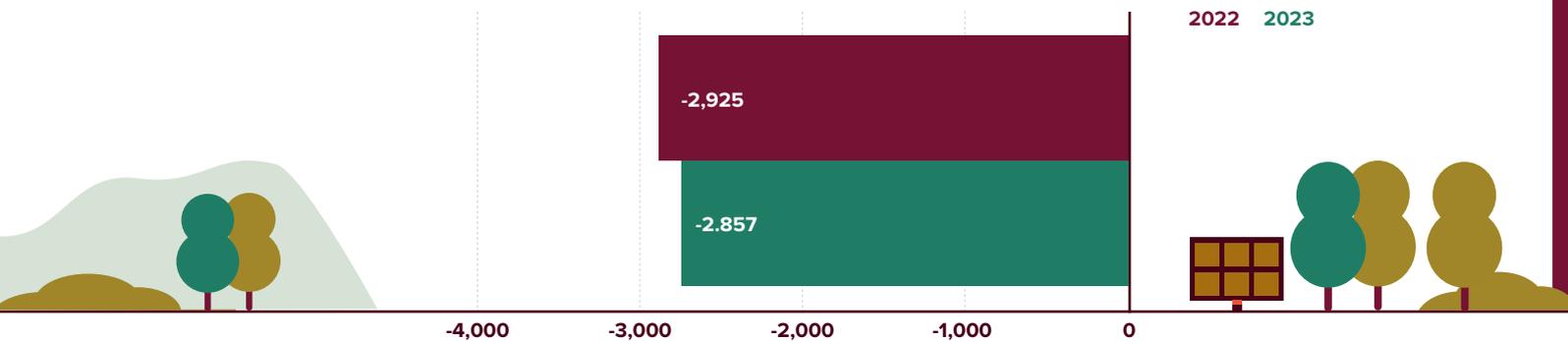
We use the [BFFI \(Biodiversity Footprint for Financial Institutions\) method](#) to measure the impact on biodiversity. The BFFI method measures the biodiversity footprint in hectares per invested euro, based on life cycle assessments (LCAs). The LCAs calculate the environmental impact of products and services throughout their life cycles. This results in an expected negative or positive impact on biodiversity (in hectares) per invested euro per year ((ha/€)/yr). The biodiversity footprint has been assessed quarterly since 2023.

Biodiversity footprint in hectares lost per year



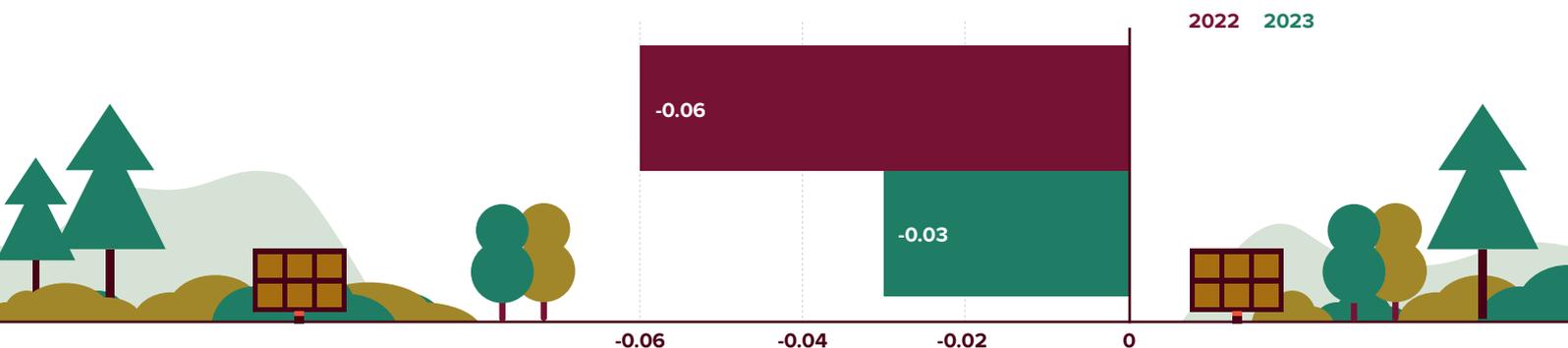
The total footprint for the assets invested in the ASN Groenprojectenfonds is **21%** lower compared to the preceding year.

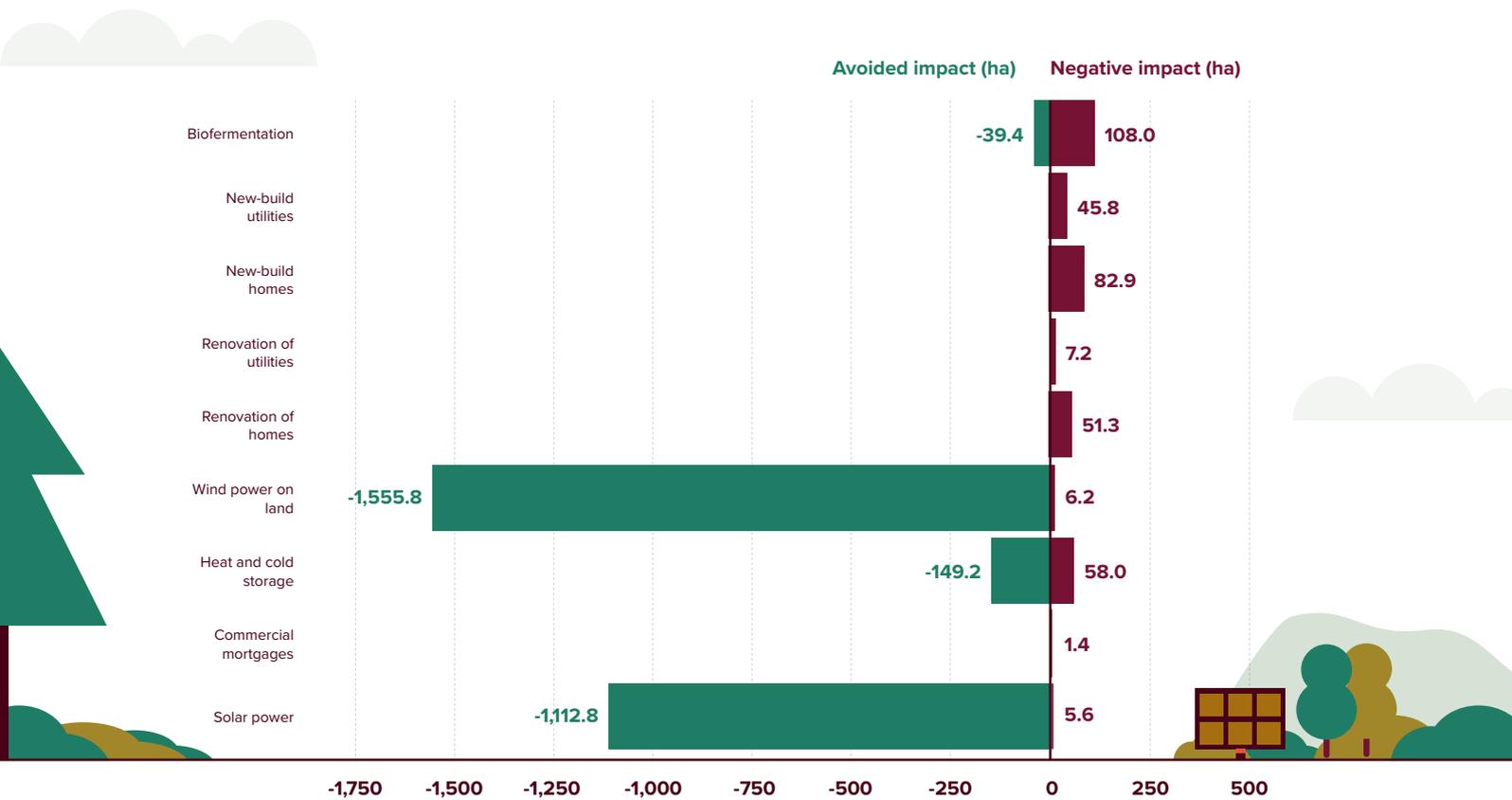
Avoided negative impact on biodiversity in hectares per year



The ASN Groenprojectenfonds contributes to avoiding a negative impact on biodiversity. Like last year, the avoided negative impact is over six times higher than the negative impact on biodiversity. The avoided negative impact was nevertheless marginally lower in 2023 than in 2022. This was mainly due to repayments on the portfolio's loans. Payments from the portfolio construction account and changes to data in fact contributed positively to the amount of avoided negative impact on biodiversity.

Biodiversity footprint in m² per invested euro per year





The method for measuring the biodiversity impact of investments is still under development. The quality of the data used will gradually improve. As a result, the calculated impact may be adjusted in future should better data become available.



ASN Biodiversitätsfonds

Reports under SFDR Article 9 Fund



ASN Biodiversiteitsfonds

The ASN Biodiversiteitsfonds invests in restoring and protecting biodiversity by investing in sustainable forestry, regenerative agroforestry and agriculture, sustainable seas and fisheries and ecotourism. The fund focuses on projects and companies that make a measurable positive contribution to biodiversity. At the same time, the ASN Biodiversiteitsfonds stands for new green jobs that are not created at the expense of the natural world and contribute to local prosperity.

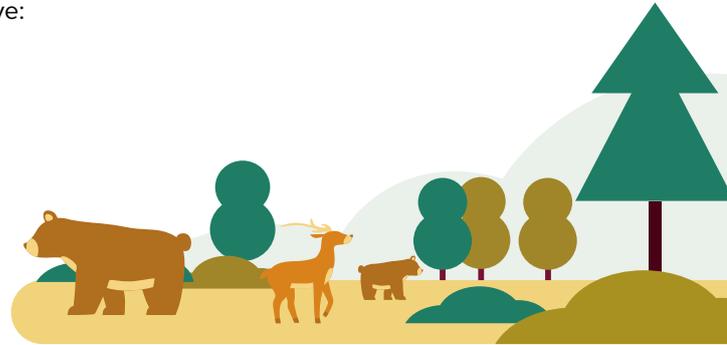
Sustainable investment objective

The goal of ASN Impact Investors is to create a sustainable and fair society. The ASN Biodiversiteitsfonds contributes to achieving this goal via the following sustainable investment objective:

1

Biodiversity

Protecting, restoring and improving biodiversity, expressed in hectares of protected and restored areas both on land and at sea



Article 9: The ASN Biodiversiteitsfonds focuses specifically on achieving sustainable investment objectives. The fund therefore reports in accordance with Article 9 of the SFDR

To realise this sustainable investment objective, the fund invests in a socially-responsible manner in projects and companies that have an expected positive effect on biodiversity. These are projects and companies that protect and restore areas in the interests of improving biodiversity.

Investment selection

In the last year, following a thorough selection process we embraced new companies and projects that share our vision. We call them accelerators: parties that are not working to create sustainability 'because they have to' but understand that an economy in harmony with nature and people yields the biggest return.

13

Total number of investments as of 31 December 2023

103

Total number of investment projects worldwide as of 31 December 2023

New investments



Desert Control

Desert Control's vision is to make the earth green again by halting and reversing desert formation and soil degradation.

Back in 2005, inventor and founder of Desert Control Kristian P. Olesen laid the foundations for a method of making sand fertile. Norway's Desert Control specialises in making desert areas fertile again. The company uses liquid natural clay (LNC) for this. It has the ability to convert desert sand into fertile soil. The soil is consequently better able to retain water and nutrients. This makes the soil healthier. Crops are able to grow better, while the amount of water and fertiliser needed is considerably smaller.

Desert Control ultimately wants to export its innovation to over 110 countries and demonstrate that this not only contributes to the user's corporate results but also to our planet.

Before



After





ACCT

The Africa Conservation and Communities Tourist Fund (ACCT) invests in Africa in safari camps, hotels and lodges that put sustainability and respect for nature and local communities first. As the tourists pay a fair price for their trip, this creates large numbers of jobs in Botswana, Kenya, Namibia and South Africa, Tanzania and Zambia, the countries on which the investment fund focuses. In Africa, outside the cities the alternative is usually to work in logging, agriculture, mining or poaching. These are all activities that cause great harm to nature. In areas visited by tourists, however, locals are careful not to damage the natural world.

The ACCT issues loans to companies that actively contribute to the restoration and conservation of an area containing a large amount of nature and biodiversity measuring over 83,000 square kilometres. The business loans are granted under strict terms and conditions governing the emissions of the companies and the respect they display for nature conservation. This involves aspects such as how the companies generate electricity and how they treat water and waste. Nature is their most important asset, so it is in their best interests to preserve it.



Bee Vectoring Technologies

Bee Vectoring Technologies (BVT) has worked to protect and develop sustainable, natural agriculture for more than twenty years. The Canadian company is a pioneer of natural agricultural systems: it replaces chemical pesticides with natural crop protection using bumblebees. Via natural pollination they pass on tiny amounts of natural biological protection directly to the flowers. This results in better crop protection and yields than traditional chemical pesticides. Above all, it improves the health of the plants, soil and environment.

Expansion of existing investments

In 2023 we expanded the investment in the Amazon Biodiversity Fund.

ASN Biodiversiteitsfonds investment universe as of 31 December 2023

- | | |
|-------------------------------|--|
| Aqua-Spark | Africa Conservation & Communities Tourism Fund |
| Forest Climate Solutions Fund | The Kingfish Company |
| SLM Silva Europe Fund | Papyrus Australia |
| Food Securities Fund | Desert Control |
| Eco-Business | Bee Vectoring Technologies |
| Amazon Biodiversity Fund | Wide Open Agriculture |
| Wildlife Conservation Bond | |

Portfolio development

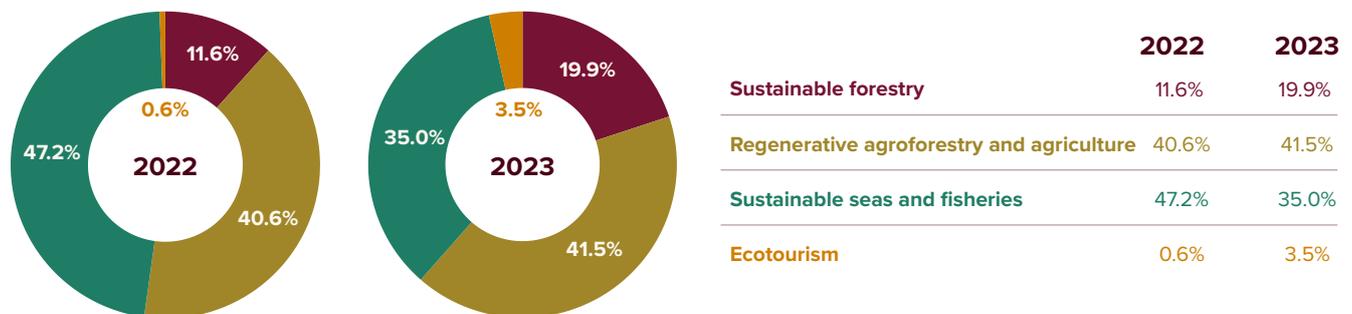
In the ASN Biodiversiteitsfonds we focus on investments that combine the restoration and conservation of biodiversity with financial return. In 2023 we again saw significant growth in both the number of projects that we have identified ourselves and those that contacted us. We also expect demand for sustainable food and building materials to grow in coming years. With the urgency of biodiversity loss clearer than ever, the demand for sustainable alternatives is also growing.

Impact of sectors

When we developed the ASN Biodiversiteitsfonds, we researched the types of investments we could use to make a positive contribution to biodiversity. On this basis, we selected the fund's four impact sectors: sustainable forestry, regenerative agroforestry and agriculture, sustainable seas and fisheries and ecotourism. Two of the four sectors relate to our food system: regenerative agroforestry and agriculture and sustainable seas and fisheries. The way we currently produce and consume food has a huge negative impact on biodiversity, in part due to land use. Via these investments we support projects that produce food in harmony with nature.

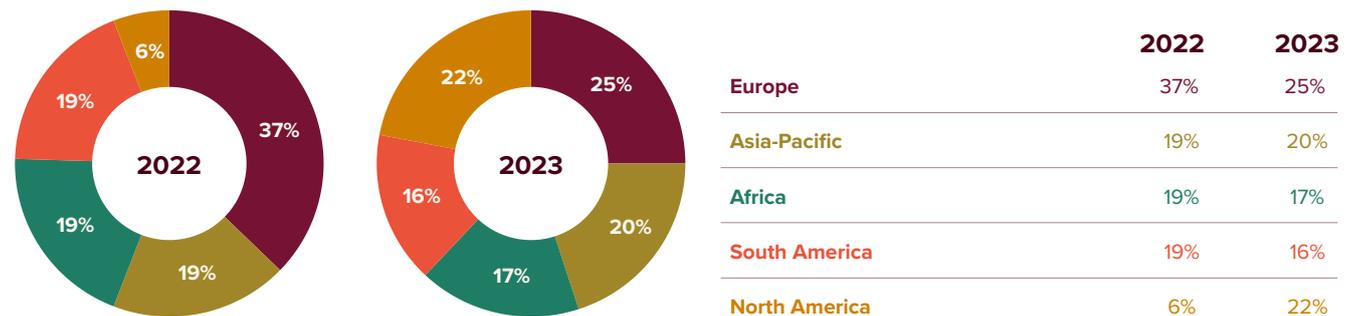
We invested in all four sectors during the reporting period. Most of the invested assets are invested in sustainable agroforestry and agriculture and sustainable seas and fisheries. Once the commitments have been paid in full, the investment in ecotourism will climb to about 8% of the invested assets.

Distribution of invested assets across the four impact sectors



Regional distribution of invested assets

We realised a further improvement in the already diverse regional distribution of invested assets in 2023.



Most of our portfolio is currently invested in Europe and North America. This is mainly due to the investments in the SLM Silva Europe fund and Forest Climate Solutions Fund. The SLM Silva Europe Fund invests in sustainable forestry and regenerative orchards of nut and olive trees in Europe. Active ecological management of orchards has a positive impact on the soil, biodiversity, water management, climate and society. The Forest Climate Solutions Fund invests in natural forests in the United States.



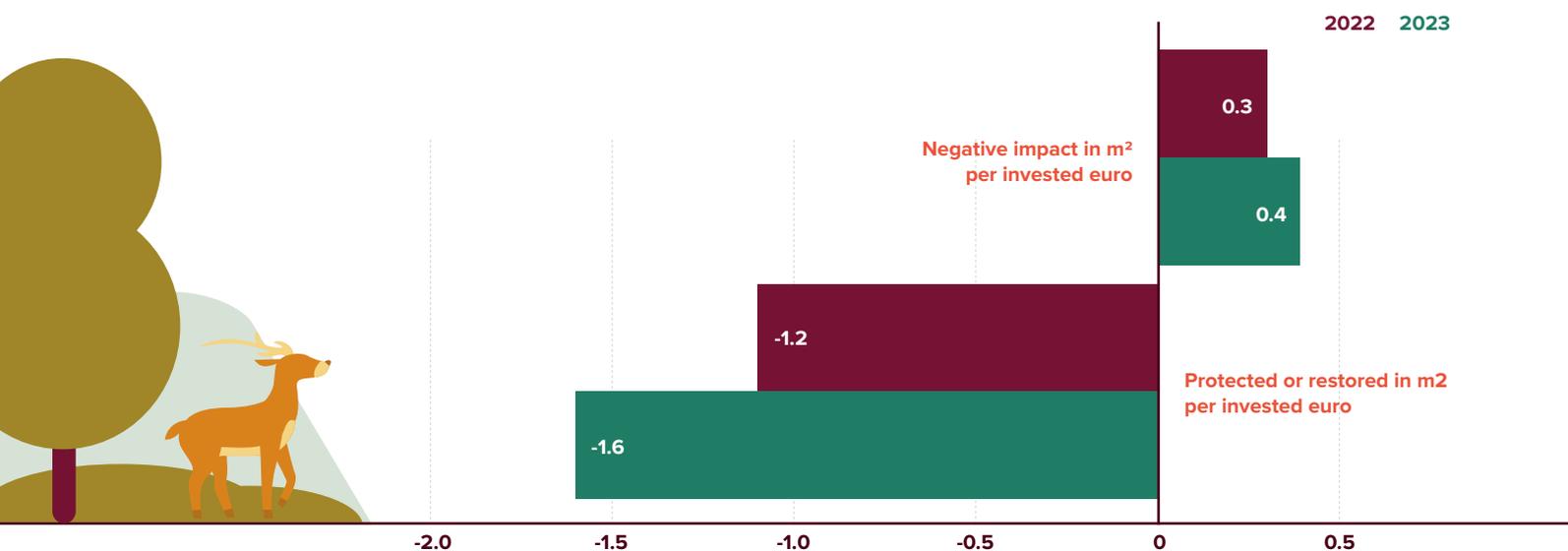
Impact on biodiversity 2023

We want to quantify the positive impact of our investments in the ASN Biodiversiteitsfonds as accurately as possible. This is partly with a view to presenting the annual results and sharing them in this Impact Report but also to making ongoing improvements to the way the fund contributes to the conservation and restoration of biodiversity. The most important principle for us is that a positive impact must involve an increase in biodiversity. A reduction in the negative impact is not enough to qualify as a positive impact.

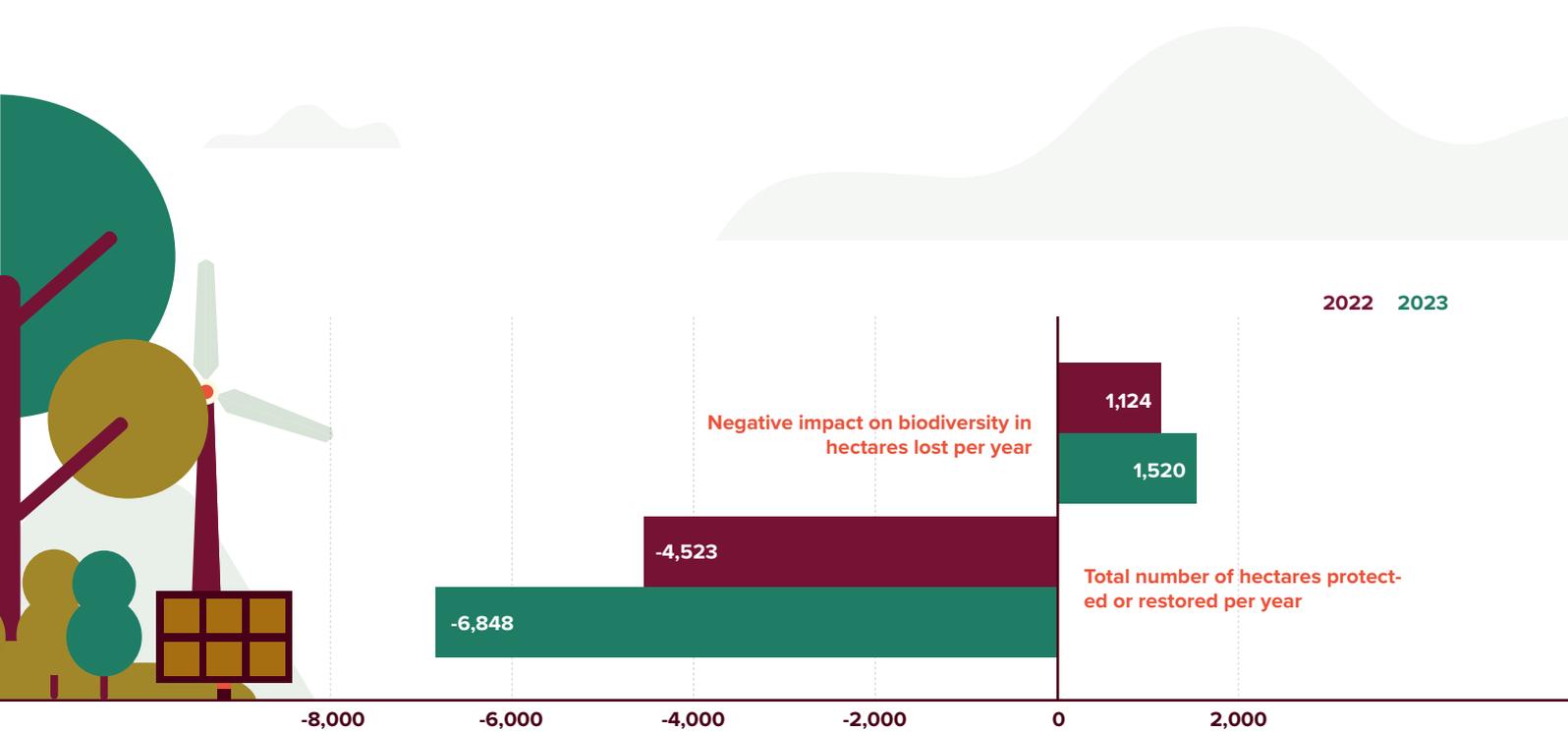
Calculating the positive impact on biodiversity is a complex process. Whereas the carbon footprint revolves around a single emissions figure, several factors come together in biodiversity, such as land use, water quality and species diversity. As there is as yet no common and well-defined method for calculating the positive impact on biodiversity, this demands an innovative approach. The exploratory nature affects the level of detail and robustness of the data. We published our impact on biodiversity for the first time in the 2022 Impact Report.

We are the first asset manager in the world to quantify the positive impact of our investments on the restoration and conservation of biodiversity. This also makes us pioneers in this respect. At the same time, we note that this enables us to accelerate development of the measurement method via our investments.

The ASN Biodiversiteitsfonds is still in the start-up phase and regularly makes new investments. We invest in projects that have not yet realised their full impact. That would be impossible anyway: nature needs time. In general, it takes time for a new investment to realise an impact and for us to be able to receive, collect and calculate data. As a result, we have not yet been able to include the impact data of all the projects. We have calculated the impact over 2023 of nearly 80% of the investments. A number of the ASN Biodiversiteitsfonds investments undertake several activities that can potentially boost biodiversity. This makes it difficult to set limits for the assessment, especially because there are still few data available on the individual activities. For this reason, in such cases we have concentrated on what is most important, i.e. the activities that are most material to the impact on biodiversity.



This means that each euro invested in the ASN Biodiversiteitsfonds in 2023 was responsible for 1.6 m² of protected or restored biodiversity. This is the impact per year, not a one-off impact. In addition, according to the calculation there was a negative impact of 0.4 m² per invested euro. This involves, for example, the negative impact of the portion of the investments that has not yet switched to regenerative agroforestry and agriculture, the portion of production that is not (yet) possible without a negative impact or the negative impact resulting from the company's premises.



Along with the companies in which we invest, we are the pioneers in this. We aim to measure what has never been measured before. As we can make these investments and want to present their impact, we are accelerating development of the measurement method. However, this also means accepting that the measurement method is still under development and not perfect. The quality of the data used will gradually improve. As a result, the calculated impact may be adjusted in future should better and more data become available.

When it comes to calculating and publishing the impact of the ASN Biodiversiteitsfonds, we exert extreme caution in our calculations and sometimes also in our estimates. We occasionally have to make assumptions if there is still no firm data on our investments. It is also crucial for us to know what the starting position is of the investment. We will not settle for reporting the number of hectares we manage sustainably: we want to know precisely what difference our investment is making versus the zero measurement or base line, the situation in which we do nothing. What natural resources are we succeeding in preserving and where is genuine restoration taking place, such as in the reforestation of the Amazon? We likewise have no wish to overstate things. As a result, we only count the impact that we can back up with evidence.



Approach to measuring the impact on biodiversity

Since 2015, we have worked with [PRé Sustainability](#), an expert on life cycle analyses, for calculating the negative impact on biodiversity (the biodiversity footprint) of listed companies. We use the Biodiversity Footprint for Financial Institutions (BFFI) for this purpose. This open source method was developed by ASN, PRé Sustainability and [CREM](#), a consultancy bureau on sustainability, and provides insight into the number of square metres or hectares in which biodiversity has disappeared. Another contribution to the strategy aimed at a net positive impact is the positive impact on biodiversity of the ASN Biodiversiteitsfonds.

When calculating the impact on biodiversity, the BFFI method bases its calculations on what is known as background data. It uses available country-specific and sector-specific data and not actual data on the impact on biodiversity of the companies as these are not (yet) available. The Life Cycle Assessments (LCA) give us insight into the input and output of companies' production processes and the extent to which production processes affect the environment. This yields an overall picture of all the raw materials used and of the emissions. We also require insight to understand how these emissions affect the 17 most important impact categories, including land use, climate change and acidification.

Next we translate this into the potential loss of biodiversity in ecosystems on land, in freshwater and saltwater. We express this in PDF per hectare per year. PDF stands for Potentially Disappeared Fraction of species. For the sake of convenience, we often simply use m² or hectares, but the Potentially Disappeared Fraction of species is in fact in m² or hectares per year. Use of this unit makes it possible to add up the loss of very different species. This measurement instrument is important as it enables us to manage according to the restoration of nature.

The BFFI method as a starting point for calculating the positive impact

ASN leads the way in measuring the impact on biodiversity and aims to keep improving the measurement method, for example by including aspects such as investment criteria and certificates in the calculations. We do the latter when measuring the impact on biodiversity of the ASN Biodiversiteitsfonds. As the ASN Biodiversiteitsfonds invests in a variety of sectors and activities, we have ultimately used several different approaches for inventorying the fund's impact on biodiversity.

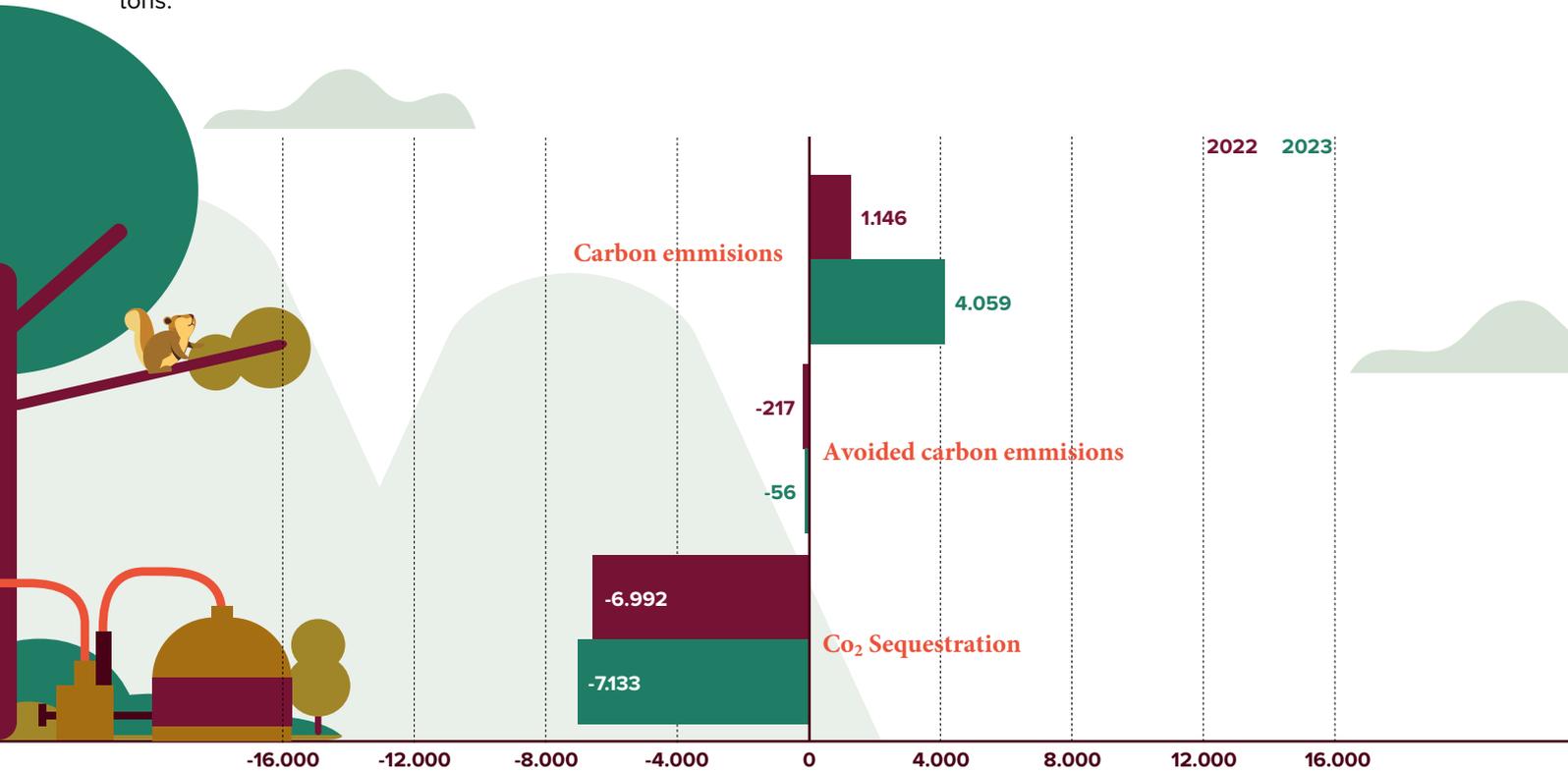
The abovementioned BFFI method was taken as a starting point here. Wherever possible, we subsequently collected project-specific data on the investments in this fund. In doing so we also take into account how reliable and complete the data are. This is why we also use databases (for example for cocoa grown in agroforestry) to underpin the calculations, even if they are not available for all the activities in all the sectors. If a project is certified, we can make reasonable assumptions about data such as fertilisers, pesticides and the type of land use in accordance with the criteria applicable to the investment's certification.

The most important basic principle for the newly developed measurement method is that a positive impact must involve an increase in biodiversity. A reduction in the negative impact is not enough to qualify as a positive impact.

Impact on climate 2023

If investments in biodiversity increase the amount of forest and other flora, this leads to CO₂ being absorbed. The PCAF does not include a standard method for allocating CO₂ sequestration to investments. Correct data for calculating the amount of CO₂ sequestration is often unavailable. To enable us to start managing and reporting on this we make a rough estimate for the ASN Biodiversiteitsfonds. We do this based on a measurement method that we have developed with [Guidehouse](#).

The calculation for the amount of CO₂ sequestration is not yet possible for all the investments. At the moment we can only apply this to the regenerative agroforestry and agriculture investments of the ASN Biodiversiteitsfonds. We have adjusted the CO₂ sequestration over 2022. Last year it was only possible to publish the amount of CO₂ sequestration to which the fund had contributed. This year, it became possible to report the portion of the CO₂ sequestration that can be allocated to the fund. This has led to a decrease in the reported CO₂ sequestration of ASN Impact Investors of 15,947 tons.



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



Impact of green jobs

In the ASN Biodiversiteitsfonds we also manage according to the number of jobs our investments create and retain, because sustainable employment is crucial to protecting biodiversity. It is precisely by providing green jobs that the investments demonstrate that they are future-proof; the investments also create their own mandate at a local level.

Only if the local population is able to earn money from nature, will it also be able to preserve it. The funding often involves educating farmers about sustainable crop production methods that allow them to protect biodiversity or even restore it and earn a sound financial return in the process.

Green jobs

Like CREM, the organisation we actively work with on measurements, we define green jobs as jobs that contribute to the conservation and restoration of biodiversity.

We obtain data for calculating the number of direct and indirect green jobs from the data reported by the funds and other investments of the ASN Biodiversiteitsfonds. These data over 2023 are often only available to us later in 2024. This is why we report in the autumn on the impact on green jobs of the ASN Biodiversiteitsfonds.





'I like looking for a needle in a haystack'

***Interview with
Annelies van de Wetering***

Is a sustainable future coming within reach quickly enough? You can only hold the companies and projects in which you invest accountable if you possess enough data. Annelies van de Wetering, Impact Data Analyst at ASN Impact Investors, helps to collect these data and, most importantly, to ensure they yield fresh insights. 'This is the added value of data analysis: once you've inventoried something, new questions always arise.'

I'm curious: what does an Impact Data Analyst do?

'First of all, each quarter I help my colleagues to collect and report all the data relating to climate performance and the impact on biodiversity of our funds. An enormous task: there are plenty of data on the emissions of listed companies, but it's much harder to collect data for the non-listed companies and projects we invest in via other funds. And data on biodiversity are even more challenging; lots of methods for measuring and reporting these are still being developed. 'As an analyst I also regularly conduct reviews, in search of trends: how did our funds perform compared to previous quarters and what are the reasons for this? I'm a fan of diagrams and prefer to make all the data visual. This is the added value of data analysis: once you've inventoried something, this leads to fresh insights and new questions always arise.'

And do you also look to the future?

'That's one of the projects in which I can also use my technical data skills: as ASN Impact Investors our goal is to be beyond net zero for all our activities from 2030, so on balance extracting more emissions than we cause. This raises the question: where do we stand today as a fund house and what do we still need to do to ensure we achieve this in 2030? That's what we're working on at the moment. To do so, it's important to know where the countries, companies and sectors in which we invest stand now, whether they have policy in place for becoming more sustainable and whether that policy is feasible.'

To what extent can you calculate whether ASN Impact Investors is on track to achieve beyond net zero in 2030?

'For this we first need to be able to work out the extent to which our investments will be 'Paris aligned' as of that date: whether they are moving at the correct rate towards the goals set out in the Paris Agreement. This states that global warming must be restricted to 1.5 degrees in the years up to 2050 and this requires CO₂ to be cut by 90 percent as of 2050. An interim goal of a 45 percent reduction has been set for 2030. Obviously we want to do better than the Paris Agreement and are now improving the digital tooling so that we can refine and further automate our scenario analysis and in doing so look ahead more accurately. Yet we already know that we will cause a residual negative impact in 2030. This needs to be offset in a responsible manner by extracting more CO₂ from the atmosphere. That's why the investments of the ASN Biodiversiteitsfonds are so vital.'

The Paris Agreement is about carbon emissions, do you also collect a lot of data on biodiversity?

'It's wonderful if you have data that show the amount of expected biodiversity gains, growth in a literal sense really, investments generate. To date, we've mostly had to rely on models that we base on scientifically validated data on different activities, crop types and nature in a variety of countries. Satellite imagery is also useful if it shows the extent of forestation, for instance. And there are lots of highly innovative projects. One recent example is the Dutch scientists working with camera traps in FSC-certified forests in Gabon and Congo to measure biodiversity. The probability of the presence of wildlife such as apes and forest elephants turned out to be 2.5 times higher than in non-certified forests. Such measurements are still an intensive process and done on a small scale; it's important for them to be applied and recognised on a bigger scale.'

As a data scientist, what brought you to the world of sustainable investment?

'I've got a degree in data science and am therefore trained to help organisations obtain insights from the information they possess. The type of sector or company you conduct research or construct tools for is irrelevant, but towards the end of my degree I decided I wanted to do something that would benefit the world.

'I saw this job vacancy during a traineeship and the technical challenge of setting up new models and dashboards appeals to me. And I like looking for a needle in a haystack: I love discovering new information, such as new satellite images that prove a positive impact.'

And as an expert what do you want to achieve in the next few years?

'I feel I've quickly got up to speed on impact investing and also contributed to innovations within ASN Impact Investors by introducing new data and tools. As a data scientist, you want to get rid of all the separate data statements. They're static and hard to interpret. That's why I'm so pleased that we're building a data warehouse in which we can combine the enormous amount of information so that we can make quicker and better use of it for reports and analyses.'

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