a.s.r.
asset
management

Quarterly ESG Update – Q4 2023

a.s.r. asset management

Introduction

2023: Sustainable investment results

In our investments, we take people and the environment into account. We go for social as well as financial returns. We take responsibility for this by actively incorporating environmental, social and governance criteria into our investment processes. We achieve this by making conscious choices, including excluding companies and countries and exercising influence through dialogue and voting behaviour at shareholders' meetings. In this article, we explain how we put this into practice and what results we achieved by 2023.

In practice

Excluding companies and countries is always the result of a careful process within a.s.r. asset management, where we use multiple data sources and data providers. In 2023, we excluded 435 companies from our investable universe. Most of these companies are excluded because of (involvement in) weapons, coal and gambling. We do not only exclude companies, but also countries. In total, we excluded 81 countries by 2023, most of them on the basis of not respecting democratic freedoms.

Besides exclusion, engagement is an important tool in our SRI policy. In 2023, we conducted engagement discussions with 564 companies. Many of these are conducted on our behalf by experts from Hermes and Robeco, but some we conduct ourselves. These are mainly companies we engage as part of our climate strategy, this includes oil and gas producers. We ask them for targets that are in line with the Paris Agreement. If they are not, and there is no prospect of meeting these targets by 2024, we will sell our interests. We also started engagement talks with the most carbon-intensive companies in 2023. In addition to these engagements, we are also having conversations with companies in other areas, such as living wage, deforestation and human rights.

Results

One of our targets is to reduce the carbon footprint of our investment portfolio by 65% between 2015 (Paris Agreement) and 2030. We are proud to have already achieved the carbon reduction for all major asset classes: by the end of 2023, we had achieved 71.7% reduction as an AVB. We will announce new targets in 2024.

Another target is for a.s.r. to have at least EUR 4.5 billion of impact investments on its balance sheet by the end of 2024. In 2023, we took a big leap towards achieving this target: at the end of 2023, there was around 4 billion on the balance sheet. A great example from last year concerns the investment in the largest battery in the Netherlands: Pollux. This can store sustainable energy at times of abundance, and release it at times when the market demands it. It will therefore contribute to faster integration of renewable energy in the Dutch electricity market.

Another special feature is that in 2023, for the first time, we also offered institutional customers the opportunity to invest in companies that pursue a positive impact on people, the environment and society. In September, we introduced a new equity fund with a strong sustainable character for that purpose: the 'ASR Worldwide Impact Equity Fund' (AWIAF)Want to learn more about a.s.r.'s sustainable investing? Visit our website

In this update

2023 in figures

Voted on AGM's:

96.5%

Number of engagements

564

Impact Investing

€ 4,03 billion

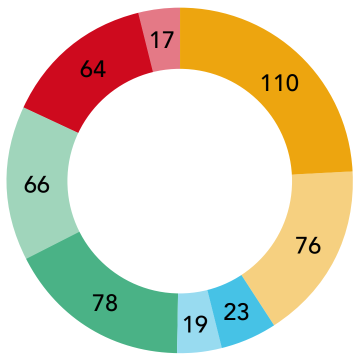
Fair Insurance Guide

VBDO

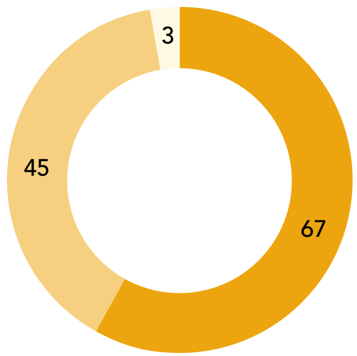
CO_2-reduction AVB

71.7%

Overview Exclusions

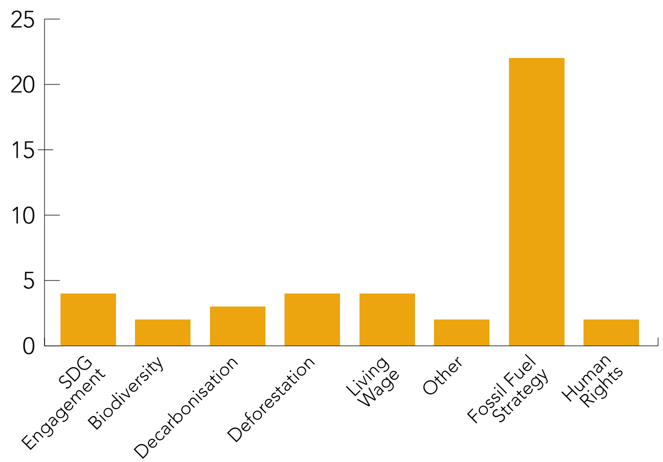


Country Exclusions*



*some countries may be excluded on both topics

Engagement Topics



79972_0324

Impact

Boston Scientific added in listed equity impact portfolio

Boston Scientific Corporation focuses on innovation and responsibilities in the medical technology industry, dedicated to transforming lives through innovative medical solutions that improve the health of patients around the world. Established with a commitment to alleviating pain, restoring health, and extending life for millions of people, Boston Scientific has emerged as a key player in the development and marketing of medical devices that are used in a wide range of interventional medical specialties. Their products and technologies are used to diagnose or treat a wide range of medical conditions, including heart, digestive, pulmonary, vascular, urological, pelvic health, and chronic pain conditions.

The positive impact of Boston Scientific on society is multifaceted, extending beyond the mere provision of medical devices. The company's commitment to sustainability and ethical practices in its operations reflects a broader understanding of its role in society. By focusing on reducing its environmental footprint, Boston Scientific contributes to the global effort of promoting sustainable practices within the corporate world. This approach not only enhances the company's reputation among environmentally conscious investors but also aligns with the increasing demand for corporate responsibility in addressing global challenges such as climate change and resource depletion.

Moreover, Boston Scientific's dedication to innovation in healthcare provides significant social benefits by offering patients access to cutting-edge medical technologies.

These technologies not only improve patient outcomes but also contribute to the efficiency of healthcare systems worldwide. By investing in research and development, Boston Scientific ensures a continuous pipeline of medical devices that can address unmet medical needs, enhancing the quality of life for individuals and supporting the sustainability of healthcare systems. This commitment to advancing medical technology, coupled with a strong focus on ethical business practices and environmental stewardship, positions Boston Scientific as a leading example of how corporations can drive positive change in society.

Boston Scientific has been added to a.s.r. asset management's listed equity impact portfolio under the health theme. Boston Scientific's measurable metrics relate to the number of patients helped in a year.

a.s.r. green bond issue

ASR Nederland N.V. (a.s.r.) successfully launched and priced a € 600 million green senior debt instrument. The green senior bond has a maturity of 5 years. The bond was priced at 100 basis points over 5 year mid-swap rate, with a fixed rated coupon of 3.625%. The green senior bond offering is the inaugural issuance under the a.s.r. Green Finance Framework.

The final orders totalled more than € 5.2 billion with participation of more than 250 investors, demonstrating the widespread support for a.s.r. from institutional fixed-income investors across Europe.

Ewout Hollegien, CFO at a.s.r.: 'This green bond issuance is an important step in the fulfilment of our sustainability ambitions as an insurer and investor and underlines a.s.r.'s efforts to play a significant role in making the society and environment more sustainable. The successful placement demonstrates a.s.r.'s ability to raise funding in a diligent and efficient manner and enhances its track record across various instruments. We are very pleased to attract a strong demand for our inaugural green bond from a large number of investors.'

The bond has been issued under the a.s.r. Green Finance Framework, which is aligned with the ICMA Green Bond Principles and takes into consideration the European Green Bond Standard and the EU Taxonomy. The Green Finance Framework is further characterized by strict criteria for the asset allocation of proceeds, such as a maximum refinancing look-back period for only two years for all project categories.

The green senior bond is rated BBB+ by S&P and will be listed on the Euronext Dublin as per 12 December 2023. The bond has been placed by a syndicate of banks, consisting of ABN AMRO, Barclays, BNP Paribas, Goldman Sachs Bank Europe SE and HSBC.

a.s.r. asset management invests in Healthy Food Systems Fund II

The Healthy Food Systems Impact Fund II, launched by Pymwymic (Put Your Money Where Your Meaning Is Community), represents a significant effort in impact investing aimed at transforming the global food system towards sustainability. This venture capital fund is focused on investing in companies that develop innovative technologies and practices to make the food chain more sustainable, from farm to fork. The fund targets startups across Europe and emphasizes the importance of making a positive impact through innovation, rather than merely reducing negative impacts.

Pymwymic, a cooperative of European impact investors, has a history of promoting sustainable and ethical investments. Since its establishment, it has grown into a community of over 100 individuals, families, and entrepreneurs dedicated to using their capital for positive ecological and social returns. The Healthy Food Systems Impact Fund II continues this tradition, emphasizing investments that address the significant challenges of climate change, environmental degradation, and biodiversity loss linked to the current food systems. These systems are responsible for a significant portion of global greenhouse gas emissions, deforestation, biodiversity loss and freshwater use.

The fund has successfully attracted investments from various sources, reaching a second close of €48 million and targeting a final close of €60 million. Its investments span several innovative companies in the agri-food sector, such as Biome Makers, a leader in soil biology analysis; OneThird, focused on reducing food waste; and Trapview, which specializes in digital pest monitoring. These investments reflect Pymwymic's commitment to supporting startups that can make a substantial impact on making the food chain more sustainable. a.s.r. Asset Management approved in December 2023 the investment in the Healthy Food Systems Fund II.

a.s.r. asset management invests in recycling Circular Plastics Fund

The Infinity Recycling Circular Plastics Fund (CPF) is a pioneering initiative aimed at addressing the plastic waste crisis by fostering a circular economy for plastics. Established by Infinity Recycling, CPF is an Article 9 impact fund under the EU's Sustainable Finance Disclosure Regulation, targeting investments in advanced recycling technologies to transform plastic waste into valuable resources. The fund emphasizes creating markets for end-of-life waste streams by investing in technologies that valorize waste and connecting the value chain to ensure the transition to a circular economy for plastics.

CPF has successfully attracted a significant amount of committed capital, reaching €135 million from various institutional investors. It aims to scale up advanced recycling technology companies with strong growth prospects, thereby contributing to reducing the carbon footprint of the plastics economy and addressing the world's plastic waste problem. The fund's strategy includes investing in companies that enable the recycling of plastics for manufacturing new plastics, with a focus on commercializing advanced recycling markets to unlock circularity for plastics.

Infinity Recycling monitors the sustainability impact of its investments through selected sustainability indicators and methodologies, including assessing the amount of investee spending on research and development, the realized process capacity of investees' plants, zero involvement in activities listed on the International Finance Corporation Exclusion List, and alignment with SDG 12 - Responsible Consumption and Production. The fund employs rigorous sustainability risk management practices to ensure its investments contribute positively to the environment and society while generating financial returns. a.s.r. Asset Management approved in December 2023 the investment in the Recycling Circular Plastics Fund.

Climate

Context: How to assess 1.5 degrees?

2023 was a year with many temperature records being broken and also the World Meteorological Organization confirmed that 2023 has been the warmest year on record, by a huge margin. The global temperature had an average of 14.98°C, which means that last year was 1.48°C warmer than the period 1850-1900 [1]. In February 2024 it was also confirmed that the 12-month period has exceeded the 1.5°C goal set by the Paris agreement. So what does that exactly mean? Did we already fail to achieve the goals of the Paris agreement? In this article we will discuss what the 1.5°C threshold indicates, how temperature rise is measured and when we officially cross the threshold.

When the Paris Agreement was drafted, the agreement did not disclose precisely which thresholds or when they will be passed. At the time of writing in 2015, this also mattered less, because the world was just 1°C warmer than the pre-industrial levels, 1.5°C was still far away. If one thing is clear, it's that this is not the case anymore.

Let's start from the bottom, what are we talking about when we refer to 'pre-industrial levels'? The Intergovernmental Panel on Climate Change (IPCC), whose reports are approved by governments and provide scientific basis for climate policy, uses the average global temperature in the period 1850-1900 . Despite the fact there were no accurate instruments to measure the temperature, scientists mostly have to rely on approximations.

1 https://climate.copernicus.eu/copernicus-2023-hottest-year-record

Climate datasets of different research varies therefore, because different starting points have been used. The European climate dataset, Copernicus, concludes the global average is a bit below 1.5°C, the Berkeley Earth methodology found it over 1.5°C [2].

The calculation of the global average temperature is the second part of the equation where research may differ. Temperatures on a day are more likely to exceed a certain threshold compared to a periodic average. Therefore more weight is given to yearly averages, although these do also not solve all problems. Forces other than greenhouse gasses also impact the temperature, for example multi-annual cycles of El Niño and La Niña have an either warming or cooling effect on global temperatures.

Determining the appropriate timeframe to evaluate if we've surpassed the 1.5°C warming limit set by the Paris Agreement presents a dilemma. On one hand, basing this assessment on a single year's data can be deceptive due to natural annual temperature fluctuations. On the other, employing a 20-year average (which is used by the IPCC) to mitigate these short-term variations offers a steadier measure but risks only acknowledging significant trends after they've become established realities. This balance seeks to find a middle ground between immediate, actionable insights and the climate system's inherent variability.

2 https://www.economist.com/the-economist-explains/2024/02/09/how-to-know-when-the-world-has-passed-15degc-of-global-warming

There’s no need for a prolonged wait to determine if we’ve exceeded the Paris Agreement’s warming limits. Given the lengthy duration greenhouse gases, especially carbon dioxide, remain in the atmosphere-often for centuries-they continue to accumulate as long as emissions outpace removals, leading to ongoing temperature increases. If the decadal average temperature has already reached or surpassed 1.5°C, and if greenhouse gas levels are still on the rise, it would be unnecessary to delay another decade to conclude that the targets set in Paris have been surpassed.

Based on the urgency to accurately measure progress against the Paris Agreement’s warming limits, researchers are innovating with new methodologies. A noteworthy proposal comes from a team at the UK Met Office, detailed in a December 2023 Nature journal article [3]. This team suggests shifting the perspective from a retrospective analysis of two decades to a centered approach, placing the current year at the midpoint of a 20-year timeframe. This method combines a decade of historical data with a decade of future projections.

Applying this novel approach to data up until the end of 2022, the researchers calculated that the 20-year average temperature was 1.26°C above pre-industrial levels. However, this calculation includes a margin of error due to the unpredictable impact of natural climate phenomena in the upcoming decade-such as El Niño events and significant volcanic eruptions, which can temporarily alter temperature trends. According to their analysis, the actual temperature increase could range from as low as 1.13°C to as high as 1.43°C. This all taken into account, shows the importance of understanding what we are talking about when we are focusing on and trying to maintain the 1.5°C temperature rise.

3 https://www.metoffice.gov.uk/about-us/press-office/news/weather-and-climate/2023/2024-first-chance-of-year-above-1.5-c-say-climate-scientists

Carbon Footprint of a.s.r. ESG funds

The a.s.r. ESG fund range includes euro sovereign bonds, euro credits, European and American equities. While already having a strict ESG policy for the overall investment process within a.s.r. asset management, these ESG funds have additional guidelines on ESG indicators.

At the end of the last quarter of 2023 the carbon emissions of the credit fund are still well below the benchmark. The carbon emissions per million euro showed a significant decrease compared to the Q3 2022 figures – the benchmark also decreased.

The equity funds are optimized based on the scores that companies achieve on carbon intensity, energy transition and total ESG policy. The carbon emissions remain well below the benchmark. Both the equity funds showed a decrease in carbon emissions per million euro.

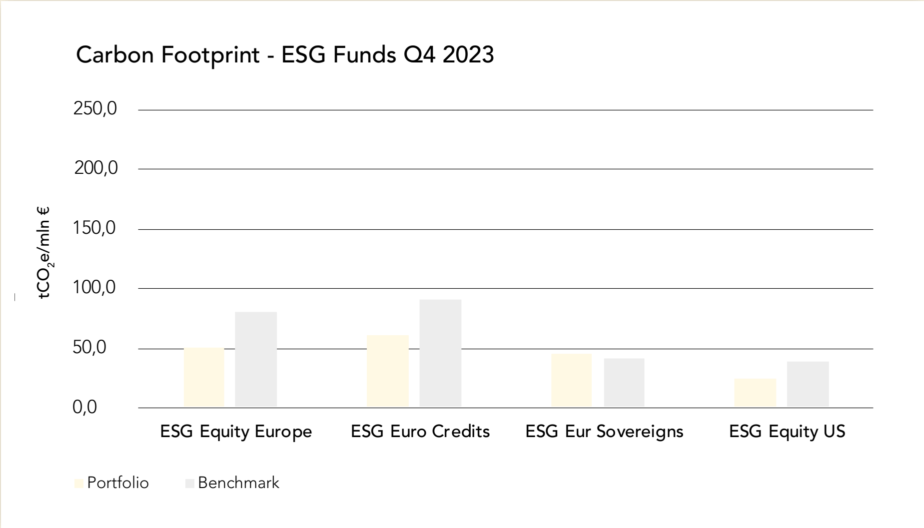


Figure: Carbon emissions for ESG equity (Europe and US), ESG Credits and Sovereigns funds at the end of December 2023. The carbon footprint is calculated on a “best effort” basis with the available and most recent data from reliable sources, including Moody’s ESG. The results may show a changing course because the portfolio data, carbon data and market data are subject to change. The methodology for calculating the carbon footprint is in line with the PCAF methodology.

Sustainability in finance: CSRD and ESRS standards explained

Globally, interest in ESG (Environmental, Social, Governance) continues to grow. In this context, with the European Green Deal, the EU aims to achieve a climate-neutral economy and society by 2050, where achieving economic growth without resource depletion is a high priority. With this in mind, the EU wants to create a society in which no person or region is left to fend for itself.

The Corporate Sustainability Reporting Directive ('CSRD') is an important part of this ambitious European Green Deal. This directive aims to increase transparency on sustainability by requiring companies to prepare sustainability reports and have them audited. This ties in with other EU regulations and directives, such as the EU Taxonomy Regulation (contains a classification system that can be used to indicate whether a financial product or investment is environmentally sustainable) and the Sustainable Finance Disclosure Regulation (SFDR, contains, among other things, obligations for financial institutions to be transparent about their ESG risk policies and the level of sustainability of their financial products), all of which aim to change behaviour and promote sustainable investments and activities.

CSRD in outline

On 9 June 2023, the European Commission submitted the final drafts of the European Sustainability Reporting Standards (ESRS) for market consultation. These European standards are based on the CSRD, which came into force on 5 January 2023. From financial year 2024, i.e. in calendar year 2025, the first companies based on the CSRD will be required to prepare a sustainability report as part of their management report, subject to the ESRS standards (see below for further explanation of these standards).
The CSRD imposes far-reaching obligations on a large group of companies to include comprehensive sustainability information in their board reports with specific focus on Environmental, Social and Governance ("ESG") themes. To achieve this, the CSRD, among other things, changes the European financial reporting rules and replaces the current European legislation for non-financial reporting based on the Non-Financial Reporting Directive (NFRD). According to the European Commission, the NFRD needed to be revised because it did not lead to consistent and comparable sustainability reporting by companies. One of the goals of the CSRD is therefore to improve sustainability reporting.

Key changes compared to NFRD

Compared to the NFRD, the CSRD will result in the following key changes, among others:

1. Extension of scope

The CSRD expands the scope of the NFRD. Additional categories of companies will fall within the scope of CSRD. Thus, in brief, under the CSRD, all large companies, medium and small listed companies and non-European Union (EU) companies with substantial activities within the EU will be required to prepare a sustainability report. As the sustainability report must also address the value chain of the reporting company, non-reporting companies will also be indirectly affected by the obligation to provide certain information as a result of the requirements of the CSRD, for instance through information requests or contractual clauses

Currently, the NFRD applies to large PIEs (these are large public-interest organisations such as listed companies, banks and insurers). A PIE qualifies as 'large' when it has an average workforce of more than 500 employees, as well as a balance sheet total of more than €20 million and/or net sales of more than €40 million. The CSRD proposes to extend the application of the obligation to report on sustainability to all companies meeting two of the three size criteria.

2. More detailed reporting requirements and mandatory use of EU-wide reporting standards

The content of the sustainability report will also be expanded. Thus, companies falling within the scope of the CSRD will have to include in the sustainability report a description of at least the following elements: 1. Business model and strategy; 2. Information on the existence of incentive schemes for directors/supervisory board members linked to sustainability factors; 6. The due diligence process on sustainability aspects; 7. The risks related to sustainability factors and risk management; and 8. Indicators relevant to the above components (a to g).

These reporting requirements have been elaborated by the European Financial Reporting Advisory Group (EFRAG) in the ESRS standards. These standards contain the setup requirements for the company's sustainability report and consist of 12 reporting standards. The first set of ESRS consists of two so-called cross-cutting standards and contain general reporting requirements and rules on how to apply the remaining ten thematic standards. The ten thematic standards cover specific topics in the areas of Environment (Climate change, Pollution, Water and marine resources, Biodiversity and ecosystems, Resource use and circular economy), Social (Own employees, Workers in the value chain, Impact on the community, Customers and end-users) and Governance (Operations).

3. Introduction of mandatory assurance

In the sustainability report, the companies mentioned above will have to obtain what is known as a 'limited assurance' by an auditor or independent assurance provider. The intention is that, over time, there will be a move towards a reasonable assurance audit. In short, a reasonable assurance will confirm that the reviewed information is correct, while a limited assurance will state that no errors were found in the reviewed information.

4. The information must be 'machine readable' and able to be included in the European Single Access Point.

The above companies will be required, as part of the management report, to prepare and make publicly available (via electronic filing) a sustainability report. To promote the comparability and digital retrievability of the sustainability information, it is proposed to make it available in a way that is machine-readable. In this regard, the European Commission notes plans to establish a European Single Access Point ("ESAP").

Clarification of the dual materiality concept

Another change from the NFRD that needs separate mention is the concept of 'double materiality'. Although the principle of double materiality is also used in the NFRD, the CSRD has further clarified it and made it more explicit. The double materiality perspective means that companies should report not only on the impact of sustainability factors on the company itself ('outside-in perspective', also referred to as 'financial materiality'), but also on what their own impact is on people and the environment ('inside-out perspective ', also referred to as 'impact materiality'). Sustainability factors include environmental, social and employment issues, respect for human rights, and the fight against corruption and bribery.

The company is only required to report on those standards, reporting requirements and data points that are material either from the perspective of financial materiality
or from the perspective of impact materiality (or both).

foundations for nature-related disclosures, a set of general requirements, a set of recommended disclosures structured around the four recommendation pillars of governance, strategy, risk and impact management, and metrics and targets. The Recommendations aim to inform better decision making by companies and capital providers, and ultimately contribute to a shift in global financial flows toward nature-positive outcomes and the goals of the Kunming-Montreal Global Biodiversity Framework.

a.s.r. asset management and CSRD
a.s.r. asset management is a wholly owned subsidiary of ASR Nederland N.V. ASR Nederland N.V. falls within the scope of the CSRD and is required to report in accordance with its provisions. For all its business units, including for example mortgages, non-life insurance and asset management, ASR Nederland N.V. has performed the double materiality analysis (as explained above). This has identified the thematic standards and disclosure requirements, which are built using various data points ('datapoints').

In order to timely and properly comply with these reporting obligations under the CSRD, not only ASR Nederland N.V. but also all other companies (such as banks, other insurers and listed companies) that fall within the scope of the reporting obligation will need to be well versed and oriented in matters such as their own information processes, KPIs and data applications.

Moreover, it is essential to be aware of closely related regulations such as the two aforementioned regulations SFDR and EU Taxonomy Regulation and other initiatives such as the Corporate Sustainability Due Diligence Directive (CSDDD) the Task Force on Climate Related Financial Disclosures (TCFD).

All in all, the development of the CSRD and ESRS standards marks a historic shift. The limited non-financial reporting requirements and voluntary sustainability standards are being replaced by a comprehensive European sustainability reporting standard. It is important to note here that the CSRD meets an urgent need, as the European legislator has already imposed stringent regulations, such as the SFDR and the Taxonomy Regulation, on the financial sector, and harmonised corporate sustainability reporting in the European Union, in the form of CSRD, can be seen as an essential building block to comply with these regulations.

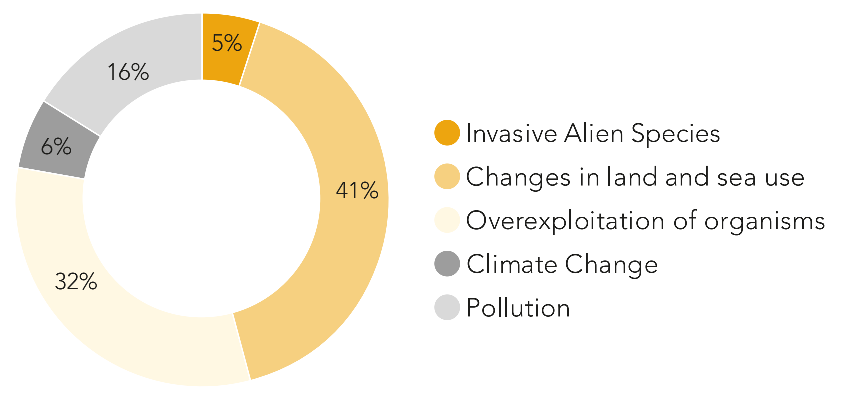
Biodiversity

Assessing impact and dependencies in our portfolio

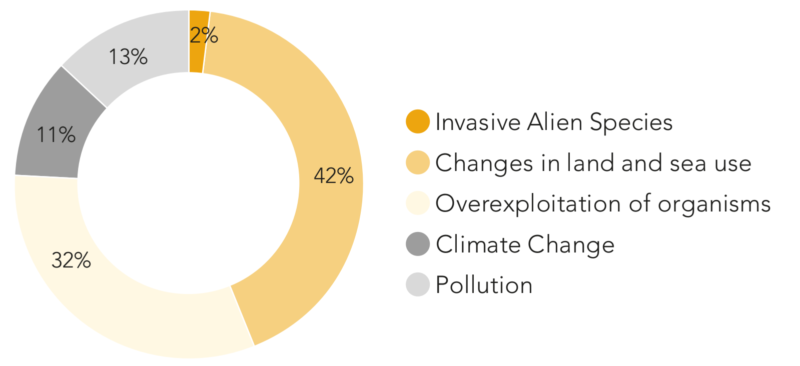
a.s.r. Asset Management has worked on a methodology to approach the impact of the investment portfolio on biodiversity loss, using data currently available. The methodology entails a biodiversity score, consisting of a key issues and sensitive areas assessments using MSCI ESG data. To take into account the local aspects of measuring impact on biodiversity, Asset Management incorporated location specific information on operations of the companies assessed. The analysis provides an overall biodiversity score that ranges between 0-10, with 10 being the score with the lowest negative impact. The coverage of the analysis is 99% of our listed equities and 96% for our listed corporate bonds.

The understanding of the drivers behind biodiversity loss is crucial for comprehending our impact and formulating effective mitigation strategies. The figure below shows that the main driver of biodiversity loss within our investment portfolios is 'changes in land and sea use' , such as deforestation and commercial fishing. Second comes 'overexploitation of organisms', including animals and plants, for food and materials. The figures below show information about the main drivers of biodiversity loss in our portfolios, not about their impact on biodiversity loss.

Main drivers for biodiversity loss for our equity portfolio



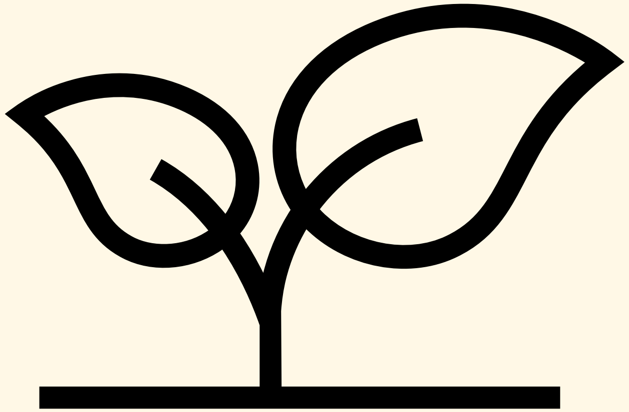
Main drivers for biodiversity loss for our corporate bond portfolio



Besides impact, a.s.r. Asset Management also has dependencies on nature. In order to gauge dependencies, industries with high or medium levels of dependency on nature have been identified using multiple research sources, including the ENCORE database, UNEP-WCMC and WWF data.

An analysis of a.s.r.'s equity portfolio and corporate bonds shows that for more than 80% of its invested assets, risks are considered low, while for 6%, risks are assessed as high. For the corporate bond portfolio, risks are low for 87% of the invested assets and high for 4%. The most important sector in a.s.r.'s investment portfolio with a high dependency is water supply. Drinking water companies rely heavily on ecosystems for water filtration. The main business group with average dependency is electricity companies. Most electricity companies generate power by using hydropower, which relies on rivers and their ecosystems.

This assessment will be used as input for the a.s.r. Climate and biodiversity report 2023 (published early April 2024).



Active ownership

Global Plastic Treaty

IAn international coalition of nearly 30 institutional investors, led by the Dutch Association of Sustainable Investors (VBDO), sent a letter to members of the High Ambition Coalition (HAC) governments. The letter calls on the HAC to maintain an ambitious approach for a robust, effective, legally binding Global Plastic Treaty (GPT) as they head into the third round of discussions in mid November 2023.

In March last year, around 60 UN Member States formed a coalition and endorsed a historic resolution at the UN Environment Assembly to End Plastic Pollution and forge an international legally binding agreement by 2024. The High Ambition Coalition to End Plastic Pollution comprises governments that have expressed commitment to develop the binding agreement based on a comprehensive and circular approach that ensures urgent action and effective interventions along the full lifecycle of plastics, including its design, production and disposal.

A letter sent to HAC government officials, the VBDO-led group of investors, calls upon HAC governments to maintain ambition during the third round of negotiations. In particular, investors call on the Coalition to continue to support a legally binding, harmonised Treaty establishing global measures. The investors flag the need to take action on growing volumes of plastic produced at source, highlighting the need for upstream measures addressing plastic production.

They also emphasise growing interest from companies and investors in new delivery models to reduce plastic packaging, including reuse, emphasising the need for robust framework to mobilise capital towards these solutions.

The letter follows on from the publication of an investor statement on plastics in May 2023, which received unprecedented support from the investor community, signed by investors with a combined $10 trillion assets under management. The statement was directed to major fast-moving consumer goods companies and retailers, calling for greater ambition and accelerated action from these companies, including committing to an absolute reduction in use of single-use plastics, addressing hazardous chemicals in their supply chain and support for ambitious policy in this field. This included support for an ambitious Treaty, to which end the investors called on companies to join the Business Coalition for a Plastics Treaty and advocate for measures to reduce production and consumption and boost reuse. The investors underlined the financial risks that this sector – and its investors – are exposed to as a result of continued high dependence on single-use plastics.

Angélique Laskewitz, Executive Director of VBDO adds: "The Global Plastics Treaty is a decisive and historic opportunity to address the plastics crisis. A strong and robust regulatory framework is needed, for which both governments and companies need to show their support. Only when effective measures to reduce environmental impact are in place, can financial risks be appropriately managed to which companies and their investors are exposed."

The letter also expresses concern that companies face significant and mounting financial risks for failing to reduce their dependence on single-use plastics and the gravity of its impact on the environment. Tessa Younger, Stewardship Lead Environment, from CCLA Investment Management: "It is by now abundantly clear that we will not be able to turn the tide on the climate, pollution and societal impacts of growing volumes of plastics produced without taking action at source. We therefore emphasise the importance of including upstream measures addressing plastic pollution in the Treaty to reduce plastic pollution at source and achieve climate goals." Laskewitz stresses: "Support for legally binding measures should not deter action and leadership from companies in the short term towards these same goals."

Health Engagement Alliance (HEAL)

Together with 4(?) other institutional investors, a.s.r. launched a new engagement initiative: the Health Engagement Alliance. In an ambitious move to steer the global food industry towards a healthier future, the Health Engagement Alliance (HEAL) is leading the charge for nutritious and sustainable eating habits. With unhealthy diets emerging as a pressing challenge worldwide, HEAL's initiative underlines the urgent need for change, pointing out the alarming trend towards excessive consumption of sugar, salt, and fat. This dietary shift not only poses significant health risks but also incurs considerable societal costs, including an estimated 11 million deaths globally each year due to poor eating habits.

Conversely, HEAL argues, healthier diets offer a dual benefit: they contribute positively to societal health while simultaneously reducing the financial burden on public health services. For investors, there is a clear intersection of interest; food companies that prioritize consumer health stand to mitigate a range of risks-legal, reputational, and financial-while capitalizing on the growing consumer demand for products that enhance well-being.

HEAL's strategy involves engaging with key players in the food services sector, particularly focusing on fast food and takeaway businesses-a sector notorious for its high-fat, high-sugar, and high-salt offerings. This segment has seen substantial growth, a trend that accelerated during the COVID-19 pandemic. Citing WHO projections, HEAL highlights the anticipated global surge in food delivery market value from US$ 35 billion in 2018 to an astonishing US$ 365 billion by 2030. With a keen eye on the Dutch market, the alliance has selected Yum! Brands, RBI, Sodexo, McDonalds and Starbucks for dialogue, recognizing the significant market influence these companies have.

The dialogue HEAL seeks to initiate engagement around five key expectations:

Governance: A holistic approach to promoting healthy diets, encompassing board oversight, policy development, target setting, and stakeholder engagement.

Product Portfolio: Transparent reporting on product healthiness using a Nutrient Profiling Model (NPM), coupled with clear commitments to enhance the nutritional value of offerings.

Commitments and Reporting: Regular updates on progress towards making healthy options more affordable and accessible, facilitating investor comparison and tracking.

Marketing: The adoption of responsible marketing policies that promote nutritious foods and provide comprehensive nutritional information.

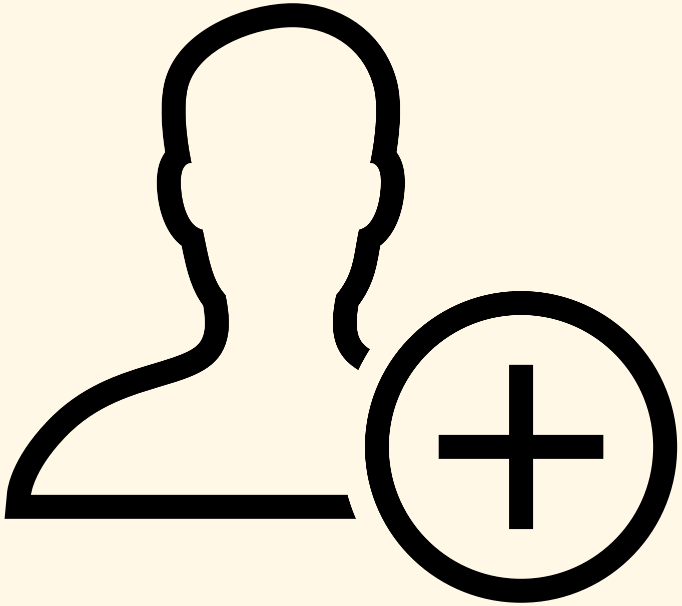
Lobbying: Transparency in lobbying activities, ensuring they align with the company's health commitments.

As the food industry stands at a crossroads, initiatives like HEAL's highlight the critical role investors can play in shaping a healthier, more sustainable future. Through constructive engagement and strategic investment, the path towards better eating habits and improved public health is not just aspirational but achievable.

Other news

New Colleagues

Cécille Gelpke joined a.s.r. asset management as ESG specialist in December 2023. She has a background in anthropology and a master's degree in international trade and investment law. Before working at a.s.r. Cécille worked several years as staf manager for a firm that focuses on sustainable behavioral change and energy effiency in the social housing sector. At a.s.r. she will be working on ESG regulations, such as the implementation of the Sustainable Finance Disclosure Regulation (SFDR), the EU Taxonomy Regulation and the Corporate Sustainability Reporting Directive (CSRD).



More information?

Contact us at:

raquel.criado.larrea@asr.nl

marjolein.meulensteen@asr.nl

mies.ligtenberg@asr.nl (on leave)

annelien.van.meer@asr.nl

paul.van.der.weijden@asr.nl

rebwar.taha@asr.nl

Disclaimer

This presentation was compiled by ASR Vermogensbeheer N.V. (hereafter ASR Vermogensbeheer). ASR Vermogensbeheer is subject to supervision by the Netherlands Authority for the Financial Markets (AFM) and holds a licence to act as manager for investment institutions under Section 2:65 of the Financial Supervision Act (Wet op het financieel toezicht). Under the licence, ASR Vermogensbeheer is authorised to provide the following investment services: managing individual assets, providing investment advice and receiving and forwarding orders relating to financial instruments. ASR Vermogensbeheer is listed in the register referred to in Section 1:107 of the Financial Supervision Act.

The contents of this presentation are based on information sources which are deemed reliable. However, ASR Vermogensbeheer makes no warranties or representations of any kind (express or implied) concerning the accuracy, completeness and currency of the information provided. The information provided is solely indicative and is subject to change. Forecasts do not constitute a reliable indicator of future results. No rights can be derived from the contents of this presentation, including any calculated values and results shown. The value of your investments can fluctuate. Past performance is no guarantee of future results.

The information provided in this presentation does not constitute an offer, investment advice or a financial service. Nor is the information intended to induce any person or any authority to buy or sell any financial products, including units of participation in investment funds or to purchase any service from ASR Vermogensbeheer, nor is it intended to serve as a basis for an investment decision.

For the applicable conditions and risks relating to the ASR Vermogensbeheer investment funds stated in this presentation, please refer to the prospectuses, fund conditions and essential investor information (EBI) of these funds. Copies of these documents and the annual reports are available on, where all information relating to ASR Vermogensbeheer can be viewed.

a.s.r. vermogensbeheer
Archimedeslaan 10
3584 BA Utrecht
www.asrvermogensbeheer.nl

ASR Vermogensbeheer N.V. - KvK 30227237 Utrecht

39869_0424