



# ASR Renewable Infrastructure Debt Fund

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## 1. Summary

This section provides a summary of the sustainable objective that will be described in detail in the next section.

The sustainable investment objective of the a.s.r. renewable infrastructure debt fund ("Fund") is to contribute to the objectives of the Paris Climate Agreement, specifically to contribute to climate change mitigation. The Fund aims to contribute to these environmental objectives by investing in loans to projects that support the energy transition as well as the objectives of the EU Green Deal. More specifically, the Fund aims to invest in loans which are used to fund electricity generation and/or storage projects that meet, insofar as possible, the criteria and standards under the EU Taxonomy for Sustainable Activities. The Fund Manager has set requirements, as part of the SRI policy, with respect to good governance practices of investees. The Fund aims to align 100% of the Fund investments with relevant E/S characteristics. The due diligence and monitoring is based upon data which is primarily provided by the borrower. There are no material data restrictions with regard to the E/S characteristics. Each investment is screened for the direct contribution it has to the climate change objective. When ESG risks are identified in the portfolio, a dialogue can be started with the borrower to which the respective loan is provided.

## 2. No significant harm to the sustainable investment objective

The mandatory indicators for adverse impact on sustainability factors are taken into account in the investment process. The Fund Manager selects investments that contribute to the sustainable investment objective and are aligned with the Fund Manager's sustainability policy ("SRI Policy") and with the EU Taxonomy for Sustainable Activities. In order to adhere to the requirements under the EU Taxonomy for Sustainable Activities the Fund will endeavor to comply with the "Do No Significant Harm" (DNSH) principle and applicable Minimum Social Safeguards.

In its periodic reports the Fund will report on two PAI indicators specifically:

- PAI 10 Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
- PAI 11 Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises.

The Fund Manager has included a Principal Adverse Impact ("PAI") statement on its website. In this statement, the possible adverse impacts of investment decisions on sustainability factors are explained in a manner that is as transparent as possible. This page can be accessed via [www.asrvermogensbeheer.nl](http://www.asrvermogensbeheer.nl).

## 3. Sustainable investment objective of the financial product

The Fund seeks to actively contribute to the objectives of the Paris Climate Agreement specifically to climate change mitigation. The Fund aims to contribute to these environmental objectives by investing in loans to projects that support the energy transition and the objectives of the EU Green Deal. More specifically, the Fund aims to invest in loans which are used to fund electricity generation and/or storage projects that, insofar as possible, meet the criteria and standards under the EU Taxonomy for Sustainable Activities. Examples are projects in offshore wind power, solar power, hydrogen electricity storage, and/or battery storage. Such projects facilitate the transition from carbon intensive energy sources to renewable and sustainable energy sources. By nature, these projects – in the view of the Fund Manager – contribute to climate change mitigation.

## 4. Investment strategy

The Fund Manager selects investments as outlined in the Investment Policy of the Fund. Investments are sourced through various channels but are limited to the sectors indicated in the sustainable investment objective and the Investment Policy of the Fund. The Investment Policy states that the Fund exclusively invests in loans to projects and / or companies operating in a range of renewable energy technologies which meet, insofar as possible, the criteria for sustainable investments as laid down in the EU Taxonomy Regulation and the Sustainable Finance Disclosure Regulation.

*Good governance practices of the investee companies*

The Fund Manager has set requirements, as part of the SRI policy, with respect to good governance practices of borrowers.

Governance is an important factor in the due diligence process for each investment.

The Fund Manager endorses international frameworks like the OECD guidelines for multinational companies, the UN Guiding Principles for Business and Human Rights and the UN Global Compact (UN GC). Violation of these standards can result in a dialogue with the Borrower or to an outright exclusion.

## 5. Proportion of investments

The Fund aims to align 100% of the Fund investments with relevant E/S characteristics. The Fund invests solely directly in projects that are, insofar as possible, aligned with the EU Taxonomy for Sustainable Activities. The Fund does not have a social objective.

## 6. Monitoring of sustainable investment objective

The Fund's investment policy is to make, hold and manage investments in Renewable Infrastructure Loans that meet, to the extend reasonably possible, the criteria and standards under the Taxonomy Regulation and the Sustainable Finance Disclosure Regulation regarding sustainable investments. The single purpose or nature of the project / companies allow for ongoing monitoring of the sustainable investment objectives through a number of methodologies as defined below.

## 7. Methodologies

The Fund uses two indicators to measure the attainment of the sustainable investment objectives:

- The annual energy production
- The annual emissions avoided

The annual energy production is reported by the different projects on a periodic basis. The annually avoided emissions are estimated. The annually avoided emissions are calculated by the Fund Manager using information about the actual energy capacity and metrics from the International Energy Agency. For measuring the E/S characteristics and associated indicators, a qualitative assessment of the borrower is conducted by the Fund Manager.

## 8. Data sources and processing

The due diligence and monitoring is based upon data which is primarily provided by the borrower. In some cases, specific lender advisors have been mandated. The information and data (both qualitative and quantitative) are analysed to ensure data quality and stored in the internal systems of the Fund Manager. The data contains information regarding energy production and project performance. The annual energy production as reported by the projects is externally validated by a registered accountant.

## 9. Limitations to methodologies and data

The qualitative assessment provides the required insights for the screening. There are no material data restrictions with regard to the E/S characteristics. If more quantitative data of the borrowers become available the Fund Manager will use that data to measure and monitor the ESG performance of borrowers.

For calculating the emissions avoided a mixture of energy sources is assumed. However, the actual mix of energy production can deviate from this assumed mix and can fluctuate over time hence the estimate of the emissions avoided is a proxy.

## 10. Due diligence

The Fund Manager selects investments on the basis of the investable universe as defined in its sustainability policy ("SRI Policy"). Each investment is screened for the direct contribution it has to the climate change mitigation objective. Adherence to the standards in respect to DNSH and social standards are assessed for each project individually using all relevant data specific to the borrower and/or project. The single purpose nature of the project finance investments allows the Fund Manager to perform the screening in a focused manner.

## 11. Engagement policies

When ESG risks are identified in the portfolio, a dialogue can be started with the borrower to which the respective loan is provided.

## 12. Attainment of the sustainable objective

The Fund does not use a reference sustainability benchmark.

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