



ASR Private Debt Fund I

January 2023

Contents

| | |
|---|---|
| 1. Summary | 3 |
| 2. No sustainable investment objective | 3 |
| 3. Environmental or social characteristics of the financial product | 3 |
| 4. Investment strategy | 4 |
| 5. Proportion of investments | 4 |
| 6. Monitoring of environmental or social characteristics | 5 |
| 7. Methodologies for environmental or social characteristics | 5 |
| 8. Data sources and processing | 5 |
| 9. Limitations to methodologies and data | 5 |
| 10. Due diligence | 6 |
| 11. Engagement policies | 6 |
| 12. Designated reference benchmark | 6 |

1. Summary

This section provides a summary of the environmental or social characteristics that will be described in detail in the next sections.

This product promotes Environmental/Social (E/S) characteristics, but does not have a minimum commitment to sustainable investments. Although there is no commitment for a minimum proportion of sustainable investments, this Fund may contain sustainable investments over which the Fund reports in its periodic report.

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

This Fund is managed in its entirety in keeping with the sustainability policy and approach of the Fund Manager, so 100% is aligned with E/S characteristics. In the monitoring of the E/S characteristics and the due diligence, data of the loans and projects is used. For measuring the E/S characteristics and associated indicators, a qualitative assessment of the borrower is conducted by AVB. Insofar there is quantitative ESG information, this information is taken into account in the assessment.

2. No sustainable investment objective

Does this financial product have the objective of a sustainable investment? If no, does the financial product promote environmental or social characteristics?

This product promotes Environmental/Social (E/S) characteristics, but does not have a minimum commitment to sustainable investments. Although there is no commitment for a minimum proportion of sustainable investments, this Fund may contain sustainable investments over which the Fund reports in its periodic report.

How do the sustainable investments that the financial product aims to do, not significantly harm any of the sustainable investment objectives? How are the indicators for adverse impacts taken into account?

N/A

How is the sustainable investment aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

N/A

3. Environmental or social characteristics of the financial product

What are the environmental or social characteristics that the financial product promotes?

The Fund promotes sustainability characteristics as the sustainability policy of ASR Nederland ("SRI Policy") is applied when the investment decisions are made. The SRI policy contains the criteria and standards for different sustainability subjects. This policy is regularly adjusted on the basis of new insights, amendment of law and/or regulations and expectations.

The Fund Manager applies this policy in managing the Fund in accordance with the following criteria:

- The Fund will not grant Private Debt Loans to companies, or in respect of projects, that are involved in controversial activities as defined in the SRI policy;
- The Fund will not grant Private Debt Loans to companies with systematic and severe violations to human and labour rights, or to the environment (in line with the SRI policy);
- The Fund does not invest in companies active in the fossil fuel sector;
- The selection of sourcing partners is primarily determined by their ability to source private debt loans that have positive impact characteristics;
- Wherever possible, the Fund will grant loans to companies, or projects, that can be classified as pioneering in the field of sustainability in accordance with the applicable a.s.r. internal definitions of impact investing. These investments are considered sustainable investments. However, the Fund currently does not make a commitment for a minimum proportion of these investments.
- The Fund does not use a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes

4. Investment strategy

Which investment strategy is used to meet the environmental or social characteristics promoted by the financial product?

The Fund Manager selects investments on the basis of the investable universe as defined in its sustainability policy ("SRI Policy").

The selection of sourcing partners is primarily determined by their ability to source private debt loans that have positive impact characteristics. Where possible, the Fund will grant loans to companies, or projects, that can be classified as pioneering in the field of sustainability in accordance with the applicable a.s.r. internal definitions of impact investing. These investments are considered sustainable investments. However, the Fund currently does not make a commitment for a minimum proportion of these investments.

What is the policy to assess 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 investees. Governance is a decisive factor within the due diligence process which precedes the granting of a Private Debt Loan. 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 the standards can lead to having a dialogue with the company, or to an exclusion altogether. Furthermore, the lending documentation prescribes good governance as an essential condition for the granting of a loan.

5. Proportion of investments

This Fund is managed in its entirety in keeping with the sustainability policy and approach of the Fund Manager, so 100% is aligned with E/S characteristics.

6. Monitoring of environmental or social characteristics

How are the environmental or social characteristics promoted by the financial product, and the sustainability indicators used, monitored throughout the lifecycle of the financial product?

The Fund invests through sourcing partners which are selected based on their alignment with the sustainability policy of the Fund Manager. This sets the expectation that the sourcing partner invests in line with the United Nations Principles for Responsible Investment ("UN PRI"), the United Nations Global Compact ("UN GC") and standards as defined by the Dutch Association of Insurers regarding the exclusion of investments in controversial weapons. Furthermore, the granting of a Private Debt Loan remains at the discretion of the Fund Manager and follows (at minimum) the exclusion criteria as defined in the SRI policy. Meaning that certain activities are completely excluded, such as arms production, activities related to gambling, and production of tobacco. These criteria are regularly adapted within the sustainability policy. The Fund does not invest in companies active in the fossil fuel sector. This is measured by means of a threshold of 0% to fossil fuel companies (as also stated on PAI #4 Exposure to companies active in the fossil fuel sector).

7. Methodologies for environmental or social characteristics

Which methodologies are used to measure how the social or environmental characteristics promoted by the financial product will be met?

The methodology for measuring the E/S characteristics and associated indicators is a qualitative assessment of the borrower, conducted by AVB. In this assessment data of the loans and projects is used.

8. Data sources and processing

- How are the data sources used to attain each of the environmental or social characteristics promoted by the financial product?
- Which measures are taken to ensure data quality?
- How is the data processed?
- Which proportion of the data is estimated?

In the monitoring of the E/S characteristics and the due diligence, data of the loans and projects is used. The ESG information (both qualitative and quantitative) is directly obtained from the borrower and integrated in the internal systems. For measuring the E/S characteristics and associated indicators, a qualitative assessment of the borrower is conducted by AVB. Insofar there is quantitative ESG information, this information is taken into account in the assessment.

9. Limitations to methodologies and data

What are the possible limitations of the previously mentioned methodologies and data? How do these limitations affect the way how the environmental or social characteristics promoted by the financial product are met?

There are no significant data restrictions with regard to the E/S characteristics, as the qualitative assessment does provide the required insights for the screening. By all means, more quantitative data of companies are welcome, so that AVB can further measure and monitor the ESG performance of companies.

10. Due diligence

What due diligence is carried out on the underlying assets of the financial product (including the internal and external controls on that due diligence)?

The Fund Manager selects investments on the basis of the investable universe as defined in its sustainability policy ("SRI Policy").

At the start of the investment process, the E/S characteristics relating to exclusions, controversies and fossil fuel sector involvement are screened by means of a qualitative assessment of the borrower.

Furthermore, in the selection of sourcing partners is primarily determined by their ability to source private debt loans that have positive impact characteristics. Where possible, the Fund will grant loans to companies, or projects, that can be classified as pioneering in the field of sustainability in accordance with the applicable a.s.r. internal definitions of impact investing. These investments are considered sustainable investments.

11. Engagement policies

What are the implemented engagement policies?

When ESG risks are identified in the portfolio, a dialogue can be started with the company to which the respective loan is provided. The Fund Manager selects investments on the basis of the investable universe as defined in the Fund Manager's sustainability policy ("SRI Policy").

12. Designated reference benchmark

Has an index has been designated as a reference benchmark to meet the environmental or social characteristics promoted by the financial product?

The Fund does not use a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes.

