Statement on principal adverse impacts of investment decisions on sustainability factors

Financial market participant: Anthos Fund & Asset Management B.V. (LEI: 724500604XSTP9D0NU75)

1. Summary

Anthos Fund & Asset Management B.V. ('Anthos'; LEI: 724500604XSTP9D0NU75) considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of Anthos. This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January 2022 to 31 December 2022.

This is the first reference period for which Anthos has collected impact data and reported on the principal adverse impact (PAI) indicators relating to its assets under management. Assets under management include the assets held within the investment funds for which Anthos has been appointed as the investment manager as well as the assets held within the Anthos client mandates. Due to unavailability of 2021 data, we cannot provide an explanation of the development of the 2022 impact data against the 2021 impact data. In the PAI statement that covers the next reference period from 1 January 2023 to 31 December 2023, which is due on 30 June 2024, an explanation of the development of the 2023 impact data against the 2022 impact data will be provided. The 2022 impact data of the PAI indicators that we currently monitor is stated in tables 1-4 of this statement. For each PAI indicator for which we obtained data, we have also stated which percentage of our assets under management this data covers. These tables also explain which actions we have taken, any actions planned and the targets that we set for the next reference period. While we recognize that these PAI indicators are already useful to gain insights into the unintended harm of our investments and to support our engagement and monitoring conversations with our external investment managers and with our clients, we also acknowledge the challenges related to the data coverage for certain asset classes (mainly private markets and absolute returns) as a fund of fund manager. As a target for the next reference period- 2023 - we aim to improve the data coverage for all the principal adverse impact indicators that we have prioritized.

2. Description of the principal adverse impacts on sustainability factors

To measure how investment decisions negatively impact sustainability factors, Anthos reports on 18 mandatory and 3 optional principal adverse impact (PAI) indicators relating to greenhouse gas emissions, biodiversity, water, waste, and social indicators applicable to companies, sovereigns and supranational organizations, and real estate assets. These indicators are set out in the tables below.

Anthos is an AIFMD licensed fund manager that is also authorized to provide individual portfolio management services and investment advice. As fund of fund manager we invest in segregated mandates and investment funds managed by external investment managers, so we and our clients benefit from the expertise of some of the world's leading investment managers across various asset classes. This also means that our impact is usually indirect, through the investment funds that we invest in, aligning with the impact of the underlying investments made by those investment funds. Whether positive or negative, in order to identify our impact we need to look at two levels: primary and secondary.

1. Primary level, assessing the responsible investment practices implemented by the external investment managers, and more specifically how do they identify, manage and mitigate the potential adverse impacts they make through their investment fund's underlying investments.
2. Secondary level (which approach is currently being further developed by Anthos), directly assessing the impact of the investment fund's underlying investments by obtaining "look-through" portfolio data, and using available data where possible (e.g. carbon metrics, exposures to our exclusion list, controversies, PAI data) for these underlying investments. This 'look-through' data can be obtained from the external investment manager directly or from 3rd party data provider like MSCI or Sustainalytics. Where possible, we use the insights from this data as basis to engage with the external investment managers.

Table 1 - Indicators applicable to investments in investee companies

Adverse sustainability indicator	**Metric**	**Impact 2022**	**Impact 2021**	**Explanation[1]**	**Actions taken, and actions planned and targets set for the next reference period[2]**
1. GHG emissions[3]	Scope 1 GHG emissions (tCO2e)	96,722	Not available[4]	The 2022 GHG emissions data covers: - Scope 1 & 2: 39% of our total assets under management*. - Scope 3: 32% of our total assets under management*. Most of the coverage is driven by our equity investments, and our fixed income investments. Data availability remains a challenge in private markets as well as for absolute returns.	We committed to become net-zero by 2040 in our scope 3 emissions. Our pathway to net zero would indicate a rough reduction of 6% of GHG emissions every year until 2030. We expect this won't be a linear reduction, and we are investigating how to best implement this pathway in a fund of fund structure and with our clients. As part of our due diligence and engagement process, we assess the climate policy, commitments and reporting of our external investment managers and engage on the topic with them. Our engagement service provider also engages on our behalf on the topic of climate change with the underlying companies in the listed equity and fixed income portfolio. We are a member of CDP and IIGCC and their collaborative engagements on the topic of climate. Next steps: 1. Improve the coverage of the climate data received, especially for private markets. 2. Investigate how to best implement our action plan towards net zero within each financial product. 3. Continue to engage with our external managers on this topic as well as with our clients.
	Scope 2 GHG emissions (tCO2e)	25,952			
	Scope 3 GHG emissions (tCO2e)	1,029,068			
	Total GHG emissions (tCO2e)	1,151,742			
2. Carbon footprint	Carbon footprint (tCO2e/EUR m)	397			
3. GHG intensity of investee companies	GHG intensity of investee companies (tCO2e/EUR m)	1,062			
4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector (% involved)	1.10%	Not available	The 2022 impact data covers 45.45% of our total assets under management*. Most of the coverage is driven by our equity investments, and our fixed income investment grade investments. Data availability	

[1] Due to unavailability of 2021 impact data, we cannot provide an explanation of the development of the 2022 impact data against the 2021 impact data.
[2] As mentioned in the summary, as a target for the next reference period, we aim to improve the data coverage for all the impact indicators we prioritize.
[3] Due to data availability, private assets and sovereign exposures are not included in these figures. We expect to increase coverage in these areas going forward.
[4] We have been measuring and reporting our GHG emissions since 2021. Since we previously reported our GHG emissions at year end, and use an average of quarterly performance to report on PAI indicators, we refer to our RI Report 2021 and our TCFD report 2021 to see our GHG emissions for previous reference period.

				remains a challenge in private markets as well as for absolute returns. Anthos does not set explicit thresholds on all fossil fuels. For pooled funds, Anthos' exclusion policy stipulates that this financial product should aim to have less than 5% exposure to coal, oil sands and arctic drilling. We report our exposure to our exclusion list in our RI report.	
5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources (%)	Consumption: 9.70% Production: 10.61%	Not available	The 2022 impact data covers 26.32% (consumption) and 12.45% (production) of our total assets under management*. For this indicator, the coverage is again mainly driven by our investments in equity and fixed income, though it seems that less data is available for this indicator. We will investigate how to best improve the coverage of the reporting for private equity assets and absolute returns assets.	

6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector (GWh/EURm)	1.18	Not available	The 2022 impact data covers 25.06% of our total assets under management*. The coverage is again mainly driven by our investments in our equity and fixed income assets. We will investigate how to best improve the coverage for private equity assets and absolute returns assets. The figure is the total sum GWh per million EUR of revenue for all high impact climate sectors calculated based on look through. Due to limitations in available data, we received, we display one figure to be able to combine different data sources and represent the best possible coverage. We will work on improving our data collection process to allow for more details.	
7. Activities negatively affecting biodiversity - sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity sensitive areas where activities of those investee companies negatively	5.59%	Not available	The 2022 impact data covers 45.16% of our total assets under management*. The coverage is driven again by our investments in our equity and fixed income assets.	We have formulated our position on the topic of biodiversity in our ESG positions and Exclusion policy. Our engagement service provider engages on our behalf on the topic of biodiversity loss with our underlying companies. Next steps: We recognize that our climate work goes hand in hand with the topic of biodiversity. In 2023, we are starting to investigate the next steps that we should take on this topic and how to best integrate it into our investment approach. This includes investigating which indicators are best to monitor going forward.

	affect those areas (% involved)				
8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average (t/EURm)	1.00	Not available	The 2022 impact data covers 1.16% of our total assets under management*.	
9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average (t/EURm)	3.66	Not available	The 2022 impact data covers 38.61% of our total assets under management*. The coverage is again mainly driven by our investments in our equity and fixed income assets. We will investigate how to best improve the coverage for private equity assets and absolute returns assets.	

10. Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises (% involved)	2.01%	Not available	The 2022 impact data covers 46.49% of our total assets under management*. The coverage is again mainly driven by our investments in our equity and fixed income assets. The research and data available mainly tackle large companies usually in public markets, and lacks for companies in private markets.	Human Dignity is one of our core values. We have formulated our position on the topic of human rights in our ESG positions policy and in our Human Rights Statement. While Anthos does not set any specific threshold on this indicator, we rely on the following process to mitigate our negative impact: 1. our exclusion policy where we aim to exclude UN Global Compact violators when engagement has failed (either by excluding directly in segregated mandates or by investing with external investment managers with an exclusion policy aligned with ours). 2. Where possible, we aim to use the insights collected in engagement conversations with external investment managers. On a yearly basis, we screen our equity and fixed income portfolios for exposure to violators of the OECD Guidelines and the UN Global Compact principles. We also screen those portfolios for potential controversies. Where possible we exclude after failed engagement (by our engagement service provider) the violators that do not improve. As part of our monitoring on ESG, we engage with our managers on the topics included in our ESG Scorecard, which include how our external investment managers monitor, manage and mitigate their negative impact in line with the OECD guidelines and the UN Global compact. Next steps: We are currently working on improving our approach to human rights by conducting a salience analysis and expect to publish a Human Rights Policy in 2023.
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or	52.19%	Not available	The 2022 impact data covers 43.42% of our total assets under management*. The coverage is again mainly driven by our investments in our equity and fixed income assets.	

	OECD Guidelines for Multinational Enterprises (% involved)				
12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies (%)	10.75%	Not available	The 2022 impact data covers 3.42% of our total assets under management*. The coverage is again mainly driven by our investments in our equity and fixed income assets. Though the coverage is really low, Anthos is confident that most of the equity and fixed income external investment manager understand and manage this topic well. Diversity, equity & inclusion (DE&I) is a standard question in our due diligence and engagement process and a topic we monitor during our engagement and monitoring conversations. While we have been focusing on our managers policies and due diligence process around DE&I up until now, we hope to use the outcome related data as insights with our engagement	As part of our due diligence and engagement process, we assess the DE&I policy, commitments and reporting of our external investment managers and engage on the topic. We don’t exclude poor performers as we are still in the learning stage on the topic, but we are discussing it with our external investment managers. Our engagement service provider engages on the topic as a part of their thematic engagement related to Human capital. Next steps: use the insights from the PAI indicators collected in engagement and monitoring conversations with the relevant managers.

				with the external investment managers.	
13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members (% female)	33.39%	Not available	The 2022 impact data covers 44.84% of our total assets under management*. The coverage is again mainly driven by our investments in our equity and fixed income assets. Anthos is confident that most of the equity and fixed income external investment manager understand and manage this topic well. Diversity, equity & inclusion (DE&I) is a standard question in our due diligence and engagement process and a topic we monitor during our engagement and monitoring conversations. While we have been focusing on our managers policies and due diligence process around DE&I up until now, we hope to use the outcome related data as insights with our engagement with the external investment managers.	
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical	Share of investments in investee companies involved in the manufacture or selling of controversial	0.31%	Not available	The 2022 impact data covers 46.61% of our total assets under management*. The coverage is again mainly driven by our investments in our equity and fixed income assets.	Anthos' exclusion policy stipulates that we should aim to have less than 5% exposure to controversial weapons through pooled funds and 0% through segregated mandates. We exclude companies that have any involvement in controversial weapons, when this is possible. Most of the time it is not possible due to the fact that we invest indirectly in companies, through external investment managers, but we do then engage with the external investment manager prior to investing or during the investment

weapons and biological weapons)	weapons (% involved)				period. We also aim to select managers with an exclusion policy aligned with ours. For a large part of our investment funds the regulation prevents them to invest in cluster weapons, for the other types of controversial weapons we report exposure annually in our Responsible Investment Report.

* Total assets under management (AuM) here include all the assets of the investment funds for which Anthos has been appointed as the investment manager as well as the assets within the client mandates, meaning that we also consider our real estate assets, our sovereign assets and cash assets in the denominator for which PAI indicators are reported below or cannot be obtained (e.g cash). These specific assets amount to approximately 25% of the total Anthos AuM.

Table 2 - Indicators applicable to investments in sovereigns and supranationals

Metric		**Impact 2022**	**Impact 2021**	**Explanation**[5]	**Actions taken, and actions planned and targets set for the next reference period**[6]
15. GHG intensity	GHG intensity of investee countries (tCO2/EURm)	138[7]	Not available	Over 2022, we followed the PCAF methodology to estimate the GHG emissions of investee countries. We were able to estimate data for a coverage of 11.24% at year end. Please also note that the investments in sovereigns/supranationals represent roughly 17,5% of our total assets under management at year end. We refer to the disclosures in Table 1 for more information about our Net Zero Commitment and the actions taken.	
16. Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions,	Absolute : 1 Relative : 1.72%[8]	Not available	The 2022 impact data covers 10.84% of our total assets under management*. Please also note that the investments in sovereigns/supranationals represent roughly 13.5% of our total assets under management.	At the moment we exclude investments where possible in countries that have sanctions from the EU/UN based on arms embargo against the central government, according to our data provider. Next steps: As part of the work we have undertaken in 2023 on human rights, we will investigate how can we best incorporate our future human rights approach in our investments in sovereigns and supranationals.

[5] Due to unavailability of 2021 impact data, we cannot provide an explanation of the development of the 2022 impact data against the 2021 impact data.
[6] As mentioned in the summary, as a target for the next reference period, we aim to improve the data coverage for all the impact indicators we prioritize.
[7] We report an estimated value at 31.12.2022 for this PAI indicator.
[8] The absolute number is the number of investee countries subject to social violations. The relative number is the number of investee countries as a percentage of the total number of investee countries.

	United Nations principles and, where applicable, national law				

* Total assets under management (AuM) here include all the assets of the investment funds for which Anthos has been appointed as the investment manager as well as the assets within the client mandates, meaning that we also consider our real estate assets, our sovereign assets and cash assets in the denominator for which PAI indicators are reported below or cannot be obtained (e.g cash). These specific assets amount to approximately 25% of the total Anthos AuM.

Table 3 – Indicators applicable to investments in real estate assets

Metric		**Impact 2022**	**Impact 2021**	**Explanation**[9]	**Actions taken, and actions planned and targets set for the next reference period**[10]
17. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels (% involved)	0.00%	Not available	As we mainly invest in 'traditional' real estate assets such as offices, residential buildings, retail buildings etcetera. we inherently incorporate this indicator in our investment strategy. Over 2022, 50% of our external real estate investment managers reported no involvement with the extraction, storage, transport or manufacture of fossil fuels. Next steps: we will keep on engaging with our external investment managers to increase the coverage of this indicators.	
18. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets (%)	0.00%	Not available	The coverage for this indicator is very low. Next steps: As we further investigate how to implement our climate action plan in the real estate portfolio, we will investigate which metrics are the most important to prioritize and monitor, and consequently engage with our managers	

[9] Due to unavailability of 2021 impact data, we cannot provide an explanation of the development of the 2022 impact data against the 2021 impact data.
[10] As mentioned in the summary, as a target for the next reference period, we aim to improve the data coverage for all the impact indicators we prioritize.

Other indicators for principal adverse impacts on sustainability factors

Table 4 - Indicators applicable to investments in investee companies

Adverse impact on sustainability factors (qualitative or quantitative)	Metric	Impact 2022	Impact 2021	Explanation[11]	Actions taken, and actions planned and targets set for the next reference period[12]
7. Incidents of discrimination	Number of incidents of discrimination reported in investee companies expressed as a weighted average (number of incidents)	1.22	Not available	The 2022 impact data covers 42.63% of our total assets under management*. The coverage is again mainly driven by our investments in our equity and fixed income assets. Anthos expects its external investment managers to manage the topic of human rights and mitigate the potential harm of its investments on human rights. Please refer to actions taken.	At the moment we don't use this data in our processes yet, though we made efforts to collect this data from our external investment managers when no data was available through 3rd party data providers. Next steps: In 2023 we will be conducting a salience issues analysis and investigate which metrics are the most relevant to monitor. We aim to publish our Human Rights policy before the end of the year.
9. Lack of a human rights policy	Share of investments in entities without a human rights policy (%)	9.13%	Not available	The 2022 impact data covers 39.,09% of our total assets under management*. The coverage is again mainly driven by our investments in our equity and fixed income assets. Anthos expects its external investment managers to manage the topic of human rights and mitigate the potential harm of its investments on human rights. Please refer to actions taken.	

[11] Due to unavailability of 2021 impact data, we cannot provide an explanation of the development of the 2022 impact data against the 2021 impact data.
[12] As mentioned in the summary, as a target for the next reference period, we aim to improve the data coverage for all the impact indicators we prioritize.

10. Lack of due diligence	Share of investments in entities without a due diligence process to identify, prevent, mitigate and address adverse human rights impacts (%)	28.21%	Not available	The 2022 impact data covers 42.76% of our total assets under management*. The coverage is again mainly driven by our investments in our equity and fixed income assets. Anthos expects its external investment managers to manage the topic of human rights and mitigate the potential harm of its investments on human rights. Please refer to actions taken.	

* Total assets under management (AuM) here include all the assets of the investment funds for which Anthos has been appointed as the investment manager as well as the assets within the client mandates, meaning that we also consider our real estate assets, our sovereign assets and cash assets in the denominator for which PAI indicators are reported below or cannot be obtained (e.g cash). These specific assets amount to approximately 25% of the total Anthos AuM.

3. Description of policies to identify and prioritize principal adverse impacts on sustainability factors

3.1 Policies

Our Responsible Investment (RI) policy, describes Anthos' approach to responsible investment (RI). It explains the processes and beliefs that guide us in meeting our clients' needs and values, and how we integrate these values into our investment decisions. The RI policy applies to all assets managed by Anthos. It also applies to every asset category and to all assets under management (AUM), including all assets managed on behalf of third-parties. We strive to implement the policy consistently, but deviations in relation to the policy's scope may apply in the following areas:

1. Proprietary assets of Anthos, which may have additional or different requirements in specific areas (for example, related to exclusions or target ambitions);
2. Segregated mandates from clients. These segregated accounts managed for individual clients may have client-specific requirements;
3. Assets managed by external asset managers. While Anthos outlines what it expects of its external managers in this policy, and expects external managers to implement and monitor the key principles of this policy for the assets they manage, exceptions may arise.

We look at ESG from the perspective of risk and opportunities in the portfolio and impact on the world. Stemming from our values, in discussion with our stakeholders and in reflection of our commitment to international standards, we have identified sustainability, human dignity and good corporate governance practices as core focus themes from a risk, opportunities and an impact perspective. These broad themes guide our expectations of the external investment managers and companies we invest in, aligned with and beyond the international norms and conventions. We describe these in more detail in our ESG Positions and Exclusions Policy. The ESG Positions and Exclusions Policy is part of the RI policy.

3.2 Responsibility for the implementation of the policies

The Anthos board of directors has oversight of the RI policy and is ultimately accountable for how Anthos' implements the RI policy. The latest version of the RI policy was approved by the Anthos board of directors on 24 November 2022. Anthos' RI Director is responsible for driving RI strategy and maintaining our responsible investment and impact tools, alongside our investment teams. Our investment teams are responsible for integrating sustainability and ESG into their investment decisions, while our Responsible Investment team and Investment & Strategy Research team make sure they get input and guidance on best practices for sustainability, ESG integration and stewardship. The Risk, Compliance and Operations departments support RI implementation in our systems infrastructure and processes.

3.3 Methodologies to select PAI indicators and to identify and assess PAIs

The way we implement our ESG positions and the delivery of our sustainability outcomes, to minimize the negative and maximize the positive impact of all assets covered under the RI policy, is based on:

1. Excluding products and activities that do not align with our values and violate international norms;

2. Integrating ESG considerations into our investment decision-making from both a risk and an opportunities perspective;
3. Engaging with external investment managers and companies to improve their approach and manage their impact;
4. Investing in and selecting products, services or business activities that can have a positive impact or that align with the SDGs and related themes.

These approaches all have their merits in various parts of the investment universe, and the extent to which they are applied may vary depending on the asset class.

In 2022, Anthos conducted its first double materiality assessment where we sought to understand our greatest responsible investment priorities according to our stakeholders. Based on this assessment, the following top five priorities from the dual perspectives of ESG risks and opportunities and stakeholder impact of our portfolio (most relevant for PAIs) were identified, along with our action plans for each area are:

1. CLIMATE ACTION:

Anthos has committed to a net zero 2040 pathway, aligned with the Paris agreement. As an asset manager, we aim to identify those companies contributing to the global climate targets and to allocate capital their way.

We have set the following net-zero ambition targets:
1. To be net-zero across all investments by 2040.
2. 25% reduction in emissions by 2025, based on 2019 baseline.
3. 50% reduction in emissions for each asset class by 2030, based on 2030 baseline.

Anthos recognizes three main reasons for exclusions: international norm violations, violations and belief, products and processes with inherent negative impacts on our Climate Net Zero 2040 ambition.

Exclusion	**Screening criteria (Sustainalytics)**	**% of revenue excluded**
Thermal coal	Extraction and Power generation	>=10% revenue coming from these products
Oil sands	Extraction	>=5% revenue coming from these activities
Arctic drilling (exploration of oil & gas)	Extraction	>=5% revenue coming from these activities

We are only able to fully implement our exclusion list when we invest through segregated mandates. However, Anthos mainly invests in investment funds of external investment managers, where our ability to implement our exclusion list is more limited. Nevertheless, we report exposure to excluded categories within these investment funds, and will engage with the external investment managers to exclude specific categories from the investment funds we are interested in investing in. We report on our exposure to the following climate related activities included in our ESG Positions and Exclusions Policy in our RI report annually.

Overall, for segregated mandates our target is to have 0% of AuM exposure to companies on our exclusion list, and for investments funds no more than 5% AuM per product to companies on our exclusion list.

This relates to the following PAI indicators #1 to #6 as stated in table 1, though we primarily use PAI indicators #1 to #4 in our climate tools for the moment.

2. GOOD CORPORATE GOVERNANCE:
Due to global events and increasing importance of the topic in regulation, Anthos will refine its position on governance and define which set of PAI indicators and/or other metrics associated with this topic we will use in the upcoming year. We are currently reviewing our external manager's approach on governance and best market practices. Our position on governance is codified in our ESG Positions and Exclusions Policy.

3. FINANCIAL INCLUSION AND DECENT WORK:
This is a core theme in our impact portfolios. We see it as an investment opportunity and a core part of the human rights and labour practices work we do. As we progress on our human rights approach, we will define a set of relevant metrics including PAI indicators that we will monitor more closely that relate to this topic.

4. HUMAN RIGHTS & LABOUR PRACTICES:
Taking action to safeguard human rights in our entire value chain is fully aligned with our value of human dignity. We raised awareness internally, and held workshops with strong firm-wide representation to understand the topic within the investment context. By the end of the year, we had published our first Human Rights Statement, as a commitment to further strengthen our capacity to respect human rights from the different roles we have as an employer, business owner, through to our investments. Our statement includes our initial plan from 2022 to 2025 and the steps we believe we should take. We are sure that we will learn a lot on the way and we invite our stakeholders to join us on this path.

This commitment is supported by Anthos' ESG Positions and Exclusions Policy where we recognizes three main reasons for exclusions: international norm violations, violations and belief, products and processes with inherent negative impacts on our Climate Net Zero 2040 ambition.

1. **Legal expectations and international norms:**

Exclusion	**Screening criteria (Sustainalytics)**	**% of revenue excluded**
Controversial weapons	Nuclear weapons, Biological and chemical weapons, depleted uranium, anti-personnel mines, cluster weapons, white phosphorous,	>0% revenue coming from these products
Conventional weapons	Small arms and military contracting	>=5% revenue coming from these activities
Global standards after failed engagement	Violation of OECD guidelines for MNEs, UN Guiding Principles on Business and Human Rights, UN Global Compact, etc.	Sustainalytics assessment of violation of these global standards.

Sovereign bonds of countries with EU/UN sanctions	Armed embargo	Sustainalytics assessment of whether the sanction can be considered “against the central government”

We report on our exposure to the following activities included in our ESG Positions and Exclusions Policy in our RI report annually.

This mainly relates to the following PAI indicators #10, #11 and #14 as stated in table 1. Of the 46 optional PAI indicators, three optional PAI indicators are chosen to report upon for now. As we are currently working on our Human Rights approach and how to integrate it further in our investment process, we selected those PAI indicators that shall bring Anthos a complementary point of view on our value ‘human dignity’:

- Lack of a human rights policy
- Incidents of discrimination
- Lack of due diligence

5. BIODIVERSITY & ECOSYSTEMS:
We intend to begin raising awareness in 2023 and use datasets as a starting point to understand the issues and our current impact. We see our work on biodiversity as the natural continuity of our climate commitment. Our position on biodiversity is codified in our ESG Positions and Exclusions Policy. We also rely on Sustainalytics to engage on this topic on our behalf and report to our clients and the progress made.

Though this relate to the PAI indicators #7, #8 and #9 as stated in table 1, we are not using the data obtained in our investment decisions yet.

Diversity, Equity & inclusion: Specific questions are also raised on the external investment manager’s approach to systemic issues such as Climate Change and Diversity, Equity & inclusion. We include a qualitative rationale to document our assessment of the external investment funds against these criteria. We don’t set a minimum standard for these specific questions of our ESG scorecard and engage with the external investment manager on improvement areas. While we collect the PAI indicators #12 and #13, we are not using the data obtained in our investment decisions yet.

3.4 Data sources

Scope	Theme	PAI indicator	Asset class	Data source
Companies	Climate related indicators	1. GHG emissions	All	MSCI
		2. Carbon footprint	All	MSCI
		3. GHG intensity of investee companies	All	MSCI

		4. Exposure to companies active in the fossil fuel sector	All	Sustainalytics / Anthos RFI
		5. Share of non-renewable energy consumption and production	All	Sustainalytics / Anthos RFI
		6. Energy consumption intensity per high impact climate sector	All	Sustainalytics / Anthos RFI
	Other environmental related indicators	7. Activities negatively affecting biodiversity-sensitive areas	All	Sustainalytics / Anthos RFI
		8. Emissions to water	All	Sustainalytics / Anthos RFI
		9. Hazardous waste and radioactive waste ratio	All	Sustainalytics / Anthos RFI
	Social and employee, respect for human rights, anti-corruption, and anti-bribery matters	10. Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises	All	Sustainalytics / Anthos RFI
		11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	All	Sustainalytics / Anthos RFI
		12. Unadjusted gender pay gap	All	Sustainalytics / Anthos RFI
		13. Board gender diversity	All	Sustainalytics / Anthos RFI

		14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	All	Sustainalytics / Anthos RFI
Sovereigns	Climate related indicators	15. GHG intensity	Fixed Income	EDGAR/World Bank
	Social and employee, respect for human rights, anti-corruption, and anti-bribery matters	16. Investee countries subject to social violations	Fixed Income	Sustainalytics / Anthos RFI
Real Estate	Climate related indicators	17. Exposure to fossil fuels through real estate assets	Real Estate	Anthos RFI
		18. Exposure to energy-inefficient real estate assets	Real Estate	Anthos RFI

3.5 Efforts to obtain PAI indicator data

Anthos does not invest in companies directly. As a fund of fund, we rely on our external investment managers and external data providers to obtain data on principal adverse impacts. Where external data providers like MSCI and Sustainalytics both provide reliable data for listed investments, only limited data is available for private markets. Over the course of 2023, we reached out to all our external investment managers to request them to report on their SFDR related data, including PAI indicator data. Where we did not receive PAI indicator data, we have not made estimates of this data, except in the GHG emissions for our direct investments in sovereigns. In tables 1-4 the percentages of assets under management that each PAI indicator data covers are disclosed.

4. Engagement policies

4.1 Stewardship Policy

Anthos' Stewardship policy is part of its RI Policy and applies to all our assets under management. We see engaging with the fund managers across all our asset classes as a crucial part of our monitoring process after selection and initial funding, and a tool to being a force for good.

As a fund of fund manager, Anthos invests in segregated mandates and investment funds managed by external investment managers, and we rely on these external investment managers for engagement and voting. However, we believe we also need to address active ownership through additional engagement activities, either via a service provider or, where possible, directly. This enhances investor stewardship and the pursuit of responsible investment. Our, which applies to all our asset classes, provides more detailed information on our approach, including our client and stakeholder engagement.

We have high expectations of our external investment managers and incorporate ESG considerations into the entire external investment manager due diligence and relationship lifecycle. We expect our external investment managers to be signatories of the Principles for Responsible Investment (PRI) and to support the Principles of the European Fund and Asset Management Association (EFAMA) Stewardship Code or a similar guidance, which clearly outlines engagement and voting good practices for direct investors.

Internally, engagement is carried out by Anthos's portfolio managers, who assess the ESG integration capacity and quality of the external investment managers of the investment funds we invest in. We also engage via an external engagement service provider that engages on our clients' behalf, even when we do not appear as shareholders at the companies in question. In this way we give our voice to the pool of like-minded investors wanting meaningful change.
As of now, the PAI indicators are not systematically used in engagement conversations with external investment managers.

In addition to Anthos' own proprietary engagements, our external engagement provider engages with more than 300 companies on human and labour rights and on environmental and business ethics issues, both on our behalf and on behalf of other investors.

4.2 Adaption of the engagement policies

As we are collecting and consolidating this data for the first time, we are learning how to analyze this data and to best discuss it with our external managers. Where there is no reduction of the principal adverse impact over more than one period, we will use the insights in engagement conversations.

5. References to international standards

5.1 OECD Guidelines, UN Guiding Principles on Business and Human Rights, UN Global Compact

Link to sustainability indicators:
Please see Table 1, PAI indicators #10-11.

Methodology and data used:
We aim to adhere to international initiatives and guidance, such as the OECD Guidelines for Institutional Investors, the UN Guiding Principles on Business and Human Rights, and the UN Global Compact, while also continuing to take steps to strengthen our due diligence and our monitoring of and engagement with these standards.

Screening of our financial products occurs on a periodic basis when possible for listed investments. Relevant data sources include the Sustainalytics Global Standards Screening and Controversy screening.
As we are developing our human rights approach for our investments, we will investigate how to best use and formulate meaningful thresholds for PAI indicators #10 and # 11, as stated in Table 1, as well as the additional human rights related PAI indicators.

5.2 Paris Agreement

Link to sustainability indicators:
Please see Table 1, PAI indicators #1-6 (Greenhouse Gas emissions).

Methodology and data used:
Anthos has committed to the Dutch Climate Agreement, which means reporting on carbon emissions and setting reduction targets in line with the Paris Agreement. We have also committed to net-zero GHG emissions in our portfolios by 2040. We have set a climate pathway per asset class to achieve this ambition.

We have published our first TCFD report in 2022, set out near-term reduction targets for 2030 and are monitoring other forward-looking indicators: engagement, % of companies with (SBTi) climate targets in the underlying portfolios, implied temperature rise of the portfolio and what % of the portfolio is invested in companies that provide solutions to tackle climate challenges. For our operations, Scope 1 and Scope 2 we already started offsetting our emissions, and are looking into reduction strategies and possibilities. We align with our broader organization and the SBTi target for 2030 in terms of operating emissions. Engagement on climate strategy and transparency with our external investment managers and underlying companies is an important element of the targets that we set as a fund of fund manager. As mentioned in the section before, we mainly use PAI indicators #1 to #4, as stated in Table 1, to monitor our progress against our reduction targets. Relevant data sources include MSCI.

We believe scenario analysis is the best tool to assess the risks and the opportunities of our portfolios. For this purpose we have adopted the Climate Value-at-Risk (Climate VaR) framework from MSCI for our scenario analysis, this framework also aligned with the risk taxonomy and recommendations of the TCFD. More insights about the analysis conducted and the outcomes can be found in our TCFD report.

We use three VaR scenarios to assess transition risk (the IAM/CGE 1.5º C, 2º C and 2º C late action scenarios) and one scenario for the physical risk (worst case RCP 8.5 scenario) of our portfolios how they compare relative to passive (benchmark) alternatives. The outcome of the last iteration was:

- The figures show a rather mild effect of climate change on asset values of the total Anthos AuM: on average less than 0.10% per annum over the next 15 years.
- Policy transition risk is the biggest driver of climate costs, especially in temperature scenarios where more action is needed to achieve certain global warming outcomes.

We are aware of the fact these types of measures are still in the first stage of development and have their limitations. This field is rapidly evolving with new measures being launched. We are continuously monitoring what is being developed and its very likely the forward-looking measures we use will change over time with better fit-for-purpose solutions being available.

6. Historical comparison

As no PAI indicator data has been collected for the year 2021, a historical comparison of PAI indicator data for the year 2022 with the year 2021 is not available.