

Responsible Financing and Investment

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asn bank

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1 Introduction

As a financial institution, ASN Bank plays an important role in the Dutch economy and society. Through its business activities, ASN Bank has an impact on people, the climate and nature. An impact that can be both positive and negative. ASN Bank is committed to a sustainable and fair future for all. To this end, ASN Bank applies a responsible financing and investment process.

1.1 Purpose

The purpose of the Responsible Financing and Investment Standard is to establish a continuous process to contribute to avoiding and managing potential adverse impacts on people, the climate and nature arising from ASN Bank's financing and investment activities. It aids ASN Bank in making decisions that are based on accurate, complete and verified information. This enables informed decision-making.

This standard is subject to periodic reviews, ensuring it remains aligned with market developments, including regulatory changes, new scientific insights, technological developments, and evolving international standards.

Terms appearing in bold have the meaning ascribed to them in Annex IV. Key definitions.

1.2 Scope

1.2.1 Organisational coverage

The Responsible Financing and Investment Standard applies to financing and investment activities[1] by ASN Bank.

This standard outlines ASN Bank's responsible financing and investment process applicable, but not limited, to:

- Business mortgages and loans;
- Project finance;
- Corporate bonds and listed equity;
- Use-of-proceeds bonds;
- Asset-backed securities and covered bonds;
- Government bonds and loans.

Hereinafter, the responsible financing and investment process will be referred to as 'the process'.

1 Hereinafter, 'financing activities' is used throughout the document to prevent repetition. It entails financing and investment activities by ASN Bank.

2 Responsible financing and investment process steps

ASN Bank's responsible financing and investment process is a continuous, risk-based process to contribute to avoiding and managing potential adverse impacts on people, the climate and nature, associated with ASN Bank's financing activities. Concretely, the process consists of five steps (see Figure 2). These steps are carried out by ASN Bank's Sustainability Department.

Process steps per asset class



For some asset classes, depending on the identified potential adverse sustainability impacts, the assessment of policies, management systems and performance, and the monitoring and periodic review (step 5) may not be required. This is further elaborated per asset class in Chapter 4. Process steps per asset class.

Step 1: Screening on excluded activities and additional requirements for specific sectors and activities

To contribute to avoiding adverse impacts, the first step of the process is the screening of potential financings against a list of excluded activities and identify whether additional screening based on the sector or type of activity is required.

Exclusion list screening

ASN Bank excludes financing opportunities it considers inherently unsustainable. These are activities, products or services which are harmful to people, nature, or the climate, and for which no credible mitigation measures or pathways exist. Economic activities with no **credible mitigation measures or pathways** face significant hurdles in achieving sustainability, requiring either fundamental technological breakthroughs, or the eventual phase-out of the activity itself. As there is no universal list of economic activities that have no credible mitigation measures or pathways, defining these activities is based, amongst others, on climate science (e.g. **the planetary boundaries**), public health evidence and international conventions (e.g. the Paris Agreement and the Universal Declaration of Human Rights, see Annex III. International standards and conventions). The exclusion list further specifies categories of activities and elaborates on why they are considered harmful to people, the climate or nature. The excluded activities are listed in Annex I. List of excluded activities.

To allow for a measure of proportionality, ASN Bank differentiates between different types of involvement.

- Production or provision of excluded goods or services;
- Upstream supporting goods and services; and
- Downstream distribution, application and sale of excluded goods and services.

The responsibilities for managing the potential adverse impacts associated with certain activities depend on the counterparty's position in the value chain.

Considering the above differentiation, ASN Bank applies exclusion thresholds based on the percentage of revenue that a counterparty derives from that activity.

Activities and sectors that require additional screening

If a financing opportunity is not subject to exclusion, the Sustainability department assesses whether it involves sectors or activities with an elevated potential for adverse impacts on people, nature or the climate. Such financing opportunities are subject to additional screening. This entails that they must meet additional sector- or activity-specific conditions in order to be approved. The full list of activities and sectors that require additional screening is provided in Annex II. Activities and sectors that require additional screening.

Step 2: Potential adverse sustainability impact identification

Following the screening on excluded activities and additional requirements for specific sectors and activities, the next step involves the identification of potential adverse sustainability impacts associated with the financing opportunity. Different types of financing activities carry different levels of potential adverse sustainability impacts.

Potential adverse sustainability impacts are identified based on the sector, the type of activities financed and the size and geographical scope of the counterparty. The outcome of this adverse impact identification process determines the depth of the assessment in the subsequent process step.

Step 3: Assessment of policies, management systems and performance

The sustainability department assesses whether counterparties take sufficient measures to prevent, mitigate and remediate any adverse sustainability impacts arising from their activities. This assessment looks both at adverse sustainability impact management by the counterparty, and the counterparty's sustainability performance.

The sustainability department considers publicly available information such as corporate sustainability disclosure as well as information provided by independent data providers and media screening tools to assess the counterparty's adverse sustainability impact management and performance. Where details are lacking, information from the direct exchange with the counterparty is taken into account.

Adverse sustainability impact management

Sustainability impact management of counterparties is assessed based on how their ESG policies and management systems mitigate the identified potential adverse sustainability impacts.

Sustainability performance and controversy screening

Sustainability performance of counterparties is assessed based on ESG performance data and rankings, and potential involvement in controversies related to environmental, social, or governance issues within the counterparty's own operations or supply chain.

Step 4: Responsible investment or financing decision

The outcome of the above-described process steps determines the decision for (dis)approval of the particular financing opportunity. This is based on weighing of adverse impact exposure, adverse impact management and performance by the counterparty, and adverse sustainability impact tolerance of ASN Bank. The decision can be as follows:

- If potential adverse sustainability impacts exceed ASN Bank's tolerance for adverse sustainability impacts and there is no scope for mitigation, ASN Bank disapproves the financing opportunity so that adverse impacts are avoided where possible. This is the case if a counterparty is involved in excluded activities, does not meet additional criteria for specific sectors or activities, has insufficient policies on high-risk topics, or is involved in very severe controversies.
- If potential adverse sustainability impacts exceed ASN Bank's tolerance for adverse sustainability impacts, but there is scope for mitigation, ASN Bank conditionally approves the financing opportunity, so that adverse impacts are reduced. Conditional approval may involve engagement with the counterparty.
- If potential adverse sustainability impacts fit within ASN Bank's tolerance for adverse sustainability impacts, ASN Bank approves the financing opportunity.

Step 5: Monitoring and periodic review

When relevant, approved financings are reviewed regularly according to their sustainability impact profile. For approved financings in certain asset classes, involvement in excluded activities and sustainability-related controversies are monitored regularly.

ASN Bank's grievance mechanism[2] may bring cases of misconduct related to approved financings to the attention of the Sustainability Department. Such cases may trigger a review of approved financings in asset classes that are not subject to ongoing monitoring or periodic reviews.

2 Reporting Misconduct | Corporate ASN Bank

3 Process steps per asset class

This chapter specifies which process steps are relevant to each of ASN Bank's asset classes and how they are applied.

3.1 Business mortgages and loans

ASN Bank provides business loans (trade receivables and inventories) and mortgages to Small and Medium Enterprises (SMEs) based in the Netherlands.

Step 1: Exclusion list and additional requirements screening

ASN Bank's list of excluded activities is applied to business loans and mortgages by identifying the primary business activity, using the SBI code list[3] established by the *Centraal Bureau voor de Statistiek* (CBS). Based on this sectoral categorisation, the Sustainability Department has determined which SBI codes are excluded from financing, as these activities are not in line with the list of excluded activities (see Annex I. List of Excluded Activities). Clients that fall under an excluded SBI-code are not eligible for financing.[4]

For SBI codes that correspond with a sector or activity listed in Annex II. Activities and sectors that require additional screening) additional requirements have been developed.

Step 2: Potential adverse sustainability impact identification

Potential adverse sustainability impacts associated with business loans and mortgages are generally lower, due to the geographical scope and size of the counterparty. The process is therefore focused on business activities to be excluded, and business activities and sectors that have additional requirements.

Step 3: Assessment of policies, management systems and performance

As outlined in the previous step, since the potential adverse sustainability impacts associated with business loans and mortgages are considered lower, policies, management systems and performance of the potential SME clients are not assessed.

Step 4: Responsible investment or financing decision

Based on the excluded activities and additional sector-and activity-specific requirements screening, ASN Bank either approves or disapproves the financing opportunity. If the client's SBI code is not associated with an excluded activity or meets the additional requirements, the financing opportunity will be approved. If the SBI code is associated with an excluded activity, or if the client requires additional screening and does not meet the criteria, the financing opportunity will be disapproved.

Step 5: Monitoring and review

Business loans and mortgages are not subject to periodic review or ongoing monitoring of performance and controversy screening, due to their potential adverse impact profile.

3 Standaard Bedrijfsindeling (SBI) | CBS

4 There are no additional exclusion criteria for business loans and mortgages' (potential) collaterals based on low energy efficiency ratings beyond legal requirements. However, the energy efficiency rating does, among other factors, affect the potential maximum loan to value.

3.2 Project finance

ASN Bank may finance projects that are assumed to support its commitment to a sustainable and fair future for all.

Step 1: Exclusion list and additional requirements screening

The specific activities financed through the projects are screened on compliance with ASN Bank's list of excluded activities (see Annex I. List of excluded activities).

Step 2: Potential adverse sustainability impact identification

For project financings in the sustainable finance portfolio, the Sustainability Department determines whether a potential project meets sustainability criteria or whether additional research is required. Under this portfolio, ASN Bank only invest in projects within the Netherlands or Europe, where the project-level regulations for managing environmental and social impacts are deemed adequate. Therefore, we screen projects on excluded activities and assess whether they meet the criteria for the assessment of policies, management systems and performance.

Step 3: Assessment of policies, management systems and performance

For specific activities, policies of the counterparties or suppliers may be assessed to mitigate potential adverse sustainability impacts in the supply chain. If controversies associated with the counterparty or suppliers are identified, this may be considered in the decision.

Step 4: Responsible investment or financing decision

Based on the excluded activities and assessment of policies, management systems and performance screening, ASN Bank either (conditionally) approves or disapproves the financing opportunity. If the financed project is not associated with an excluded activity and has sufficient policies and management systems and performance where relevant, ASN Bank decides to approve the financing opportunity. If the project is associated with an excluded activity or does not have sufficient policies, management systems or performance where relevant, ASN Bank decides is to disapprove the financing opportunity.

Step 5: Monitoring and review

The financed projects are not subject to periodic review or ongoing monitoring of performance and controversy screening, due to their potential adverse impact profile. If ASN Bank becomes aware of any controversies related to financed projects, through the grievance mechanism or otherwise, the Sustainability department assesses whether additional steps are required, as discussed in chapter 3 **Step 5: Monitoring and periodic review**.

For more information

See the Assessment criteria and process for project finance (pdf)

3.3 Corporate bonds and listed equity

To be eligible for corporate bond or listed equity investments, these assets must be approved for inclusion in the ASN **investment universe**, which represents the total range of investments available for selection. The processes for approval and inclusion in the ASN investment universe are described below. These steps ensure that counterparties adhere to the basic principles of international standards and conventions related to governance, human rights, environment and supply chains, further specified in International standards and conventions.

Step 1: Exclusion list and additional requirements screening

Given the general nature of these types of assets, all activities of the counterparty are screened on compliance with ASN Bank's list of excluded activities (see Annex I. List of excluded activities) and the list of activities and sectors that require additional screening (see Annex II. Activities and sectors that require additional screening). Publicly available information such as corporate policies, sustainability disclosure and product involvement data, from independent ESG data providers, are used to identify involvement in any of these activities.

Step 2: Potential adverse sustainability impact identification

Counterparties are large companies that often operate in various countries, with large value chains. Given the divergent nature of the counterparties, the potential adverse sustainability impacts of specific investments are identified based on the potential adverse impact profile associated with the sector, the type of activities financed, and the size and geographical scope of the counterparty.

Step 3: Assessment of policies, management systems and performance

ASN Bank's sustainability department considers publicly available information such as corporate governance policies, sustainability disclosure, including management systems and certification schemes. Also, ESG performance data, provided by independent ESG data providers, and media screening tools are used to assess the counterparty's adverse sustainability impact management and performance. Where details are lacking, information from direct exchange with the counterparty is considered.

Additional screening on eligibility for sustainable and transition classification

ASN Bank's Sustainability department assesses whether counterparties are active in the provision of products and services that contribute to sustainability, and whether they are actively transitioning to becoming more sustainable.

For counterparties that make a positive contribution to sustainability through their products and services, or that are very active in their own transition, more deficiencies can be tolerated on condition that there are no controversies related to the deficient topics. In these cases, also the engagement process steps apply that are further discussed in step 4 and 5.

Step 4: Responsible investment or financing decision

Based on the excluded activities and additional sector-and activity-specific requirements screening, and assessment of policies, adverse sustainability impact management and performance, ASN Bank either approves or disapproves the investment. In specific cases, certain deficiencies in the adverse sustainability impact management of counterparties might be tolerated, provided that the counterparty shows improvement within a given timeframe. During this period, ASN Bank's sustainability department engages with the counterparty on this topic.

Step 5: Monitoring and review

Counterparties that are part of the investment universe are continuously monitored for involvement in (serious) controversies. When such involvement is established, the Sustainability Department engages with the company to seek further clarification. In the case that ASN Bank's sustainability department assesses that misconduct is insufficiently managed by the counterparty, this could lead to reconsideration of the decision, as discussed in the previous step.

When ASN Bank engages with a counterparty to improve certain adverse sustainability impact management deficiencies, the Sustainability Department verifies whether the counterparty has effectively improved on the engagement topics within the set timeframe. Insufficient improvement could also lead to reconsideration of the decision.

All counterparties that are part of the investment universe are periodically reassessed by following the abovementioned steps.

For more information

See the Assessment criteria and process for corporate bonds and listed equity (pdf)

3.4 Use-of-proceeds bonds

ASN Bank invests in use-of-proceeds bonds. Use-of-proceeds bonds encompass **green, social, sustainability/ESG**, or other types of **bonds** where proceeds are earmarked to finance a set of pre-defined projects, activities, or assets. These positions contribute to ASN Bank's sustainability ambitions.

Step 1: Exclusion list and additional requirements screening

The specific activities or projects that can be financed through the loan issued under the bond framework are screened on whether they comply with ASN Bank's list of excluded activities (see Annex I. List of excluded activities) and additional sector-and activity-specific requirements (see Annex II. Activities and sectors that require additional screening).

Step 2: Potential adverse sustainability impact identification

As the assets financed with the bond are ring-fenced for specific purposes, the potential adverse sustainability impacts associated with such investments are considered to be generally lower. The process is therefore focused on financed activities to be excluded and financed activities that have additional requirements.

Step 3: Assessment of policies, management systems and performance

As outlined in the previous step, as potential adverse sustainability impacts are considered lower, policies, management systems and performance of the issuing party are not assessed. If controversies associated with the specific financed activities are identified, this may be considered in the decision.

Step 4: Responsible investment or financing decision

Based on the exclusion list and additional sector-and activity-specific requirements screening, ASN Bank either approves or disapproves the bond. If the financed activities are not associated with an excluded activity or meet the additional requirements specific sectors and activities, the bond will be approved. If the financed activities are associated with an excluded activity, or if the activities and sectors require additional screening and does not meet the criteria, the bond will be disapproved.

Step 5: Monitoring and review

Use-of-proceeds bonds are not subject to periodic review or ongoing monitoring of performance and controversy screening, due to their potential adverse impact profile. If there are any changes to the bond framework, the framework will be reassessed. Bonds issued under the previously approved framework are still eligible for investment.

For more information

See the Assessment criteria and process for use-of-proceeds bonds (pdf)

3.5 Asset-backed securities and covered bonds

ASN Bank can also invest in Asset Backed Securities (ABS), including Residential Mortgage-Backed Securities (RMBS) and covered bonds issued by counterparties.

Step 1: Exclusion list and additional requirements screening

The underlying assets of the Asset Backed Securities (ABS) and covered bonds are screened on compliance with ASN Bank's list of excluded activities (see Annex I. List of excluded activities) and the list of activities and sectors that require additional screening (see Annex II. Activities and sectors that require additional screening).

Step 2: Potential adverse sustainability impact identification

The potential adverse sustainability impacts for these types of assets are associated with the governance quality of the counterparty and the energy performance of the underlying assets.

Step 3: Assessment of policies, management systems and performance

The counterparties are assessed on their governance policies and their approach to ethics, their consumer protection policies, including ethical conditions for mortgage/loan provision, and their climate policies.

Step 4: Responsible investment or financing decision

Based on the exclusion list and additional requirements screening, and assessment of the adverse sustainability impact management policies, ASN Bank either approves or disapproves the bond. If the underlying assets are not associated with an excluded activity or meet the additional requirements for specific sectors and activities, or the counterparty's policies are sufficient, the bond will be approved. If the underlying assets are associated with an excluded activity, if the additional activity- or sector-specific criteria are not met, or if the counterparty's policies are insufficient, the bond will be disapproved.

Step 5: Monitoring and review

Asset Backed Securities (ABS), including Residential Mortgage-Backed Securities (RMBS) and covered bonds issued by counterparties are not subject to periodic review or ongoing monitoring of performance and controversy screening, due to their potential adverse impact profile.

3.6 Government bonds and loans

ASN Bank invests in government bonds and loans to local and regional authorities. National, local and regional authorities play an important role in facilitating housing, education and healthcare, and for example, establish rules for nature conservation. ASN Bank invests in government bonds with a maturity of more than six months for their liquidity management.

Step 1: Exclusion list and additional requirements screening

Government bonds and loans with a duration of more than six months must meet certain exclusion criteria. These exclusion criteria are based on the same principles as were used to define the excluded activities list (see Annex I. List of excluded activities) but were specifically designed for assessing countries. These criteria aim to avoid investments in bonds issued by countries in which serious violations of human rights take place, where there is no active policy to act upon climate change and in which there is a high risk of nature loss.

Additional activity- or sector-specific criteria are not applicable to this type of investment. ASN Bank does not have any, or very limited, opportunities for setting additional requirements for government bonds and loans.

Step 2: Potential adverse sustainability impact identification

Potential adverse sustainability impacts associated with government bonds and loans are relatively higher, given that investments are generally not earmarked for specific purposes. Based on this potential adverse impact profile, it is deemed necessary to assess the performance of countries that are not excluded based on the exclusion criteria screening.

Step 3: Assessment of policies, management systems and performance

The assessment of policies and management systems is not applicable to this type of counterparty. Yet, countries that are not excluded based on the exclusion criteria are scored on their performance on various indicators that relate to the state of democracy, human rights, climate and biodiversity. Countries with a relatively lower score are not eligible for bond investments.

Step 4: Responsible investment or financing decision

Countries that are not excluded based on the exclusion criteria and score sufficiently on the performance indicators are approved and are eligible for investment. Countries that meet one or more of the exclusion criteria or that score insufficiently on the performance indicators are disapproved and not eligible for investment.

Step 5: Monitoring and review

Government bonds and loans are not subject to a continuous monitoring process. The list of countries that are eligible for bond investments is revised every two years applying the above-mentioned steps.

For more information

See the Assessment criteria and process for government bonds and loans (pdf)

Annex I. List of excluded activities

Activity	Involvement threshold
Violations of key international norms and standards	
Violations of the UN Global Compact Principles	Any
People: Arms Arms are necessary for defence but can also be used for the worst type of human rights violations. As investor or financier, ASN Bank is unable to prevent becoming involved in such violations. Therefore, ASN Bank excludes financing of, or investing in, the following activities.	
Development, manufacturing, maintenance, testing, storage and distribution of or trade in combat equipment and services, or essential components thereof	Any
Production and sale of civilian firearms	Any
People: Harmful products and services Products and services that are inherently harmful to their users or the people involved in their production, due to their addictive nature, health effects, or the risks of exploitation.	
Tobacco	
Production of tobacco and tobacco-based products	Any
Distribution and sale of tobacco and tobacco-based products	More than 5% of revenues
Supporting products and services for the tobacco industry	More than 5% of revenues
Gambling	
Production of gambling equipment	Any
Supply or distribution of short-odds games of chance	More than 5% of revenues
Alcoholic beverages	
Production of alcoholic beverages	Any
Supporting products and services for the alcoholic beverages industry	More than 5% of revenues
Distribution and sale of alcoholic beverages	More than 10% of revenues
Recreational cannabis	
Production, distribution and sale of cannabis for recreational use	Any
Supporting products and services for the cannabis industry	More than 5% of revenues
Pornography	
Production of pornographic content	Any
Distribution and sale of pornographic content	More than 5% of revenues

Activity	Involvement threshold
Climate: Fossil fuels and energy Products and services with a severe negative climate impact, without a credible pathway to aligning with a scenario of maximum 1.5 degrees warming.	
Exploration, production, refinement, processing, distribution and sale of fossil fuels	Any
Generation of electricity or heat based on fossil fuels[5]	Any
Supporting products or services for the fossil fuel and fossil-based power industries	More than 5% of revenues
Production of fossil-fuel based virgin plastics	Any
Production of base chemicals	Any
Production of fossil-based fertilisers	Any
Production of new cement	Any
Production of new (vehicles with) combustion engines	Any
Distribution and sale of new (vehicles with) combustion engines	More than 5% of revenues
Production, distribution and sale of essential components of combustion engines[6]	More than 5% of revenues
Production, distribution and sale of (essential components) of combustion-based heating systems	More than 5% of revenues
Air and maritime transport based on fossil fuels	More than 5% of revenues
Freight transport of fossil fuels	More than 5% of revenues
Nature: Animal welfare Animals are sentient beings with the capacity to feel stress and pain. To avoid unnecessary harm, ASN Bank does not finance activities that are incompatible with animal wellbeing.	
Breeding, raising, treating, processing, transporting and slaughtering of animals in intensive production systems	Any
Use of live animals for entertainment purposes	Any
Breeding and sale of live animals	Any
Animal testing for cosmetics[7]	Any
Production, distribution and sale of fur and exotic leather	Any
Nature: Pollution and ecosystems Products and services with substantial negative impacts on ecosystems.	
Production, distribution and sale of hazardous chemicals banned under the Montreal Protocol or Stockholm Convention	Any
Production of pesticides	Any
Distribution, application and sale of pesticides	More than 5% of revenues
Production of per- and polyfluoroalkyl substances (PFAS)	Any
Genetic modification of animals for non-medical purposes	Any
Production of first-generation biofuels or biodiesel	Any
Anaerobic digestion and gasification of manure	Any

5 This does not include fossil fuel-based power generation for internal company processes.

6 This does not include SMEs that derive more than 50% of their revenues from the distribution and sale of components for combustion engines for maintenance and repair purposes.

7 We do not invest in companies that use animal testing for cosmetic purposes, unless the company is legally obliged to do so. In that case, the company must have a policy to replace, reduce and refine animal testing.

Annex II. Activities and sectors that require additional screening

Activity	Conditions
Energy	
Nuclear power plants	Exploitation and maintenance of existing nuclear plants, and R&D activities, are allowed, provided that: • There are definitive solutions for disposal of nuclear waste; • The plant is located in an NPT- and high-income OECD country.
Geothermal power plants	Geothermal power plants should employ one of the following technologies: • Air-cooled binary systems; • Flash-systems with H2S capture, provided that there are suitable measures to mitigate adverse biodiversity effects.
Biomass power plants	Biomass power plants should use only organic agricultural or domestic waste, sewage sludge and prunings from local (≤200km) sources. NTA8080 certification could assure proper sourcing.
(Hydro)dams	Exploitation and maintenance of existing dams is allowed, provided that: • IFC performance standards 5 & 6 are applied; and • The recommendations of the WCD are applied.
Battery Energy Storage Systems (BESS)	BESS is allowed. Additional criteria for project finance: • BESS projects should contribute to the integration of renewable energy into the electricity grid.
Hydrogen	Production, selling or distributing of non-fossil-based hydrogen (green or pink) is allowed. Additional criteria for project finance: • The hydrogen must be applied for activities that cannot be (fully) electrified, following the waterstofladder.
Carbon Capture and Storage (CCS)	CCS is allowed, provided that: • The CO^2 is physically removed from the atmosphere; • Process emissions are included in the emission balance, and do not exceed the removed quantity of CO^2; • The CO^2 must be permanently stored (>100y), preferably through natural processes.
Transportation	
Transportation infrastructure	Allowed: • Construction and maintenance of railway, public transport, cycling and EV charging infrastructure; • Maintenance of existing road infrastructure; • Construction of new road, air, or sea infrastructure in least developed countries (according to UN definition)[8].
Transportation vehicles	Allowed: • Manufacture, sale and distribution of zero-emission road, rail, sea or air vehicles; • Manufacture, sale and distribution of non-essential components of combustion engine vehicles[9]; • Distribution and sale of second-hand combustion engine vehicles; • Maintenance and repair of combustion engine vehicles.
Transportation services	Allowed: • Public transport companies; • Providers of Mobility as a Service (MaaS) solution; • Other transport companies[10] that have science-based, 1.5-degree aligned reduction targets and have replaced at least half of their fleet with no- or low-emission vehicles[11].

8 https://unctad.org/topic/least-developed-countries/list

9 This includes for instance tyres, windows, steering systems.

10 The core activity is transportation, and the company has its own fleet. This includes car lease companies.

11 Low-emission vehicles are vehicles that emit 50% less than vehicles with a traditional combustion engine

Activity	Conditions
Healthcare	
Pharmaceuticals and medical technology	Manufacturing, selling and distributing pharmaceutical products and medical technology is allowed, provided that: • Clinical trials are performed in accordance with the declaration of Helsinki and/or the ICH's Good clinical practice guidelines.
Nature: animal welfare	
Animal testing	Animal testing for non-cosmetic purposes is allowed, provided that an animal testing policy in place based on the 3Rs (Replacement, Reduction, Refinement).
Aquaculture and fisheries	Aquaculture is allowed, provided that: • It concerns closed onshore systems with proper waste management; • Fish feed is traceable and preferably plant-based; • Antibiotics use is minimized; • Companies commit to the Five Freedoms of Animal Welfare. Mid- and downstream customers of fisheries and aquaculture, such as food processors, super-markets, or restaurants, are allowed, provided that they make use of the MSC and/or ASC label.
Hunting wildlife	Hunting wildlife is allowed, provided that: • This is a necessary aspect of site management; • Animals are only killed for the purposes of damage control or to end severe suffering; • Involved companies must be transparent about their practices.
Leather, down and feathers	Use of leather, down and feathers in products is allowed, provided that: • They originate from domesticated species; • Animals are kept in conditions that align with the Five Freedoms of animal welfare.
Livestock farming	Non-intensive livestock farming is allowed, provided that: • It concerns soil-bound, organic agriculture, which is fed with residual streams to close loops; • Companies respect the Five Freedoms of Animal Welfare; • Animals are kept in accordance with, at minimum, the FARMS Responsible Minimum Standards or organic agriculture standards or equivalent. Use of animals from livestock farming in food products is allowed, provided that: • The Five Freedoms of animal welfare are taken into account in procurement policies, or • An above-average percentage of animal products have a reliable quality label for animal welfare, and a commitment is in place to increase this percentage.
Pest control	Pest control is allowed, provided that it concerns animal friendly and/or biological pest control.
Other	Animal shelters are allowed, provided that: • (Dutch) legal requirements for housing, care, breeding, and identification are met; • Animals are kept with the aim to rehabilitate and release healthy animals back into the wild without harming ecosystems or biodiversity. Ecotourism is allowed, provided that: • Animals are in their natural habitat; they are not held in captivity and there are educational activities. Zoos and petting zoos are allowed, provided that: • Petting zoos are certified by "Keurmerk Kinderboerderijen" or an equivalent standard; • Zoos are member of the Nederlandse Vereniging voor Dierentuinen (NVD) or equivalent initiatives; • The Five Freedoms of animal welfare are respected; and • Animals are not used for entertainment purposes.

Activity	Conditions
Agriculture and forestry	
Agriculture	Allowed: • Circular, organic, nature-inclusive, regenerative or precision agriculture; • Vertical farming and greenhouse farming, provided that these are closed systems, without pesticides and that renewable energy sources are used; • Agroforestry systems where ecosystem services are maintained, restored or improved, and products are certified according to FSC, PEFC, RSPO, RTRS, NTA 8080, Bon Sucro, Better cotton, UTZ or similar standards.
Forestry	Forestry is allowed, provided that: • Forests in high-income countries (according to WB classification) are certified according to either the PEFC or FSC Forest Management Standards; • Forests in low, lower-middle and upper-middle income countries (according to WB classification) are certified according to the FSC Forest Management Standard. Primary and secondary processing of wood products (e.g. pulp and paper production and packaging) is allowed, provided that: • Companies have a FSC or PEFC Chain of Custody certification. Application of wood-derived materials in products and services (e.g. in upholstery, construction, or publishing) is allowed, provided that: • At least 90% of the purchased products have either FSC or PEFC certification if the use of wood or wood-derived materials exceeds 5% of revenues or total material procurement.
Palm oil	Buying, selling and distributing palm oil or including palm oil in products is allowed, provided that: • Companies have an NDPE policy in place; and/or • The palm oil is certified according to the Roundtable on Sustainable Palm Oil (RSPO) standards.
Soy	Buying, selling and distributing soy or including soy in products is allowed, provided that: • The soy is for human consumption; • Companies have an NDPE policy in place and/or the soy is certified according to the Round Table on Responsible Soy (RTRS) and report on this issue.
Food	
Cultured meat	Manufacturing, selling and distributing cultured meat is allowed, provided that: • It is approved by or meets EFSA criteria; • It adheres to the five freedoms of animal welfare; • Has a significantly lower impact on climate and biodiversity compared to conventional meat, approaching the impact of plant-based meat substitutes.
Food processing	Manufacturing, distribution, and sale of processed food is allowed, provided that: • Revenues from products high in sugars, fats and salts do not exceed 50%; • Companies have policies and/or targets to reduce the sugar, fats and salt contents of their food.
Genetic modification of plants and micro-organisms	Genetic modification of plants is allowed, provided that: • Modification takes place under controlled conditions; • Modification is not aimed at improving resistance to pesticides. Use of genetic modification of plants in products is allowed, provided that companies are transparent about the use of such products.

Activity	Conditions
Resource depletion	
Waste processing	Waste processing is allowed, provided that no more than 30% of the waste goes to landfill and/ or incineration.
Plastics	Production of biobased and biodegradable plastics is allowed. Production of plastic packaging is allowed, provided that: • Single use plastic packaging production is limited to products where this is necessary or irreplaceable for its end use (e.g. for medical purposes), or LCAs show that the use of plastics is the most sustainable option; or • Plastic packaging is reusable; or • Producers have measurable targets to increase the share of biobased or recycled materials. The production, sale and distribution of cosmetics is allowed, provided that companies: • Work towards fully biodegradable formulas, without synthetic polymers; • Are transparent about the use of microplastics; • Have a time-bound plan and targets for phasing out the use of microplastics.
Mining	Allowed: • Mining of renewable resources; • Mining of non-renewable resources that are essential materials for the energy transition, provided that the company is a frontrunner in the market.
Apparel	Manufacturing, selling and distributing apparel is allowed, provided that companies: • Actively reduce the annual turnover in collections; • Improve product quality; • Use renewable resources; • Design products for reuse and recycling.
Base chemicals	Recycling of metals and plastics is allowed.
Society: human rights	
Artificial Intelligence	Manufacturing, selling and distributing artificial intelligence is allowed, provided that: • The company has proper data management; • The choices made in algorithms are based on ethical norms; • A 'human in the loop' is always guaranteed.
Military specific goods and services	Manufacturing, selling and distributing military-specific goods and services is allowed, provided that it concerns non-combat products.

Sector	Conditions
E-Commerce	• E-commerce platforms are allowed, provided that they: • Have sufficient privacy policies; • Are not involved in anti-competitive practices; • Have policies to reduce GHG emissions in scopes 1, 2 and 3; • Are transparent about return-, packaging- and supply chain policies.
Financial services	Financial institutions are allowed, provided that they: • Have similar exclusion criteria to ASN Bank; • Are not owned for more than 25% by a high-risk state[12], or company that is involved in excluded activities.
Real estate	Construction or maintenance of real estate is allowed, provided that: • It concerns brownfield development, or adverse effects on biodiversity are minimised; • If timber exceeds 5% of total material procurement, at least 90% of the timber must be FSC or PEFC certified.

12 As defined in the by ASN Bank according to internal procedure for country risk classification

Annex III. International standards and conventions

Category	Description
Governance	Implementation of solid structures for good governance and mechanisms to ensure compliance with all relevant laws and regulations, ethical code of conduct principles, and tax laws.
Human rights	Implementation of processes to safeguard human- and labour rights in line with the Universal Declaration of Human Rights (UDHR), UN Global Compact (UNGC), UN Guiding Principles on Business and Human Rights (UNGPs), OECD Guidelines for Multinational Enterprises, the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at work (including its Core Labour Standards), Geneva Conventions and their Commentaries (IHL).
Climate	Managing environmental impacts and align business with a science-based 1.5-degree scenario based on the Paris Agreement, findings of the Intergovernmental Panel on Climate Change (IPCC), the World Meteorological Organization (WMO), the UN Environment Programme (UNEP) and the Montreal Protocol.
Biodiversity/ nature	Managing impacts on biodiversity and animal welfare in line with the Convention on Biological Diversity (CBD), the Five freedoms of the Farm Animal Welfare Committee, the Kunming-Montreal Global Biodiversity Framework (GBF), the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) report, the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), the Convention on Wetlands (also known as the Ramsar Convention), and the UNESCO World Heritage Convention (WHC).
Supply chain	Identifying, preventing, and mitigating negative environmental and social impacts in supply chains, for instance by publishing supply chain policies and integrating environmental and social clauses into contracts with suppliers and subcontractors.

Annex IV. Key definitions

Term	Definition
Credible mitigation measures	Measures that demonstrably reduce negative sustainability impacts and that meet the minimum criteria as defined in this Responsible Financing ang Investment Standard.
Credible pathways	A clearly defined, time-bound, scientifically valid, and measurable trajectory toward sustainability. The credible pathways are further detailed in the Sustainable Finance & Transition Standard.
Environmental, Social and Governance (ESG)	Framework, defined by the United Nations (UN), used to assess the environmental, social, and governance performance of companies, investments, or projects. Unlike sustainability, which is a broad concept, ESG provides the measurable criteria to evaluate this performance. ESG factors can act as drivers of strategic, financial and non-financial risk.
ESG rating agency and ESG data providers	Independent rating agencies that provide data regarding the ESG performance and management of counterparties.
Green Bond	Use of proceeds bonds issued to finance or refinance projects or activities with environmental benefits, in accordance with established principles such as the ICMA Green Bond Principles or the EU Green Bond Standard (EuGB).
Investment universe	The set of companies, countries and projects eligible for investment, established on the basis of sustainability criteria and a company-specific risk profile based on sector, size and countries of operation.
Planetary Boundaries	The environmental limits within which humanity can safely operate, as defined by Stockholm Resilience Centre (SRC). ASN Bank's long-term vision aims for a society that operates within these boundaries.
Social Bond	Use of proceeds bonds issued to raise funds for new and existing projects with positive social outcomes, as defined by the International Capital Market Association (ICMA)
Sustainability/ ESG Bond	Use of proceeds bonds issued to raise funds for new and existing green and social projects, as defined by the International Capital Market Association (ICMA).