# Statement on the principal adverse impacts of investment decisions on sustainability factors

Financial market participant: Stichting Pensioenfonds APF

Legal Entity Identifier (LEI): *7245002MPZ96TA7L0U15*

The purpose of this statement is to provide more information on how we deal with identifying, prioritising, and processing the main adverse effects of our investment decisions on sustainability factors.

This statement is made up of the following five sections:

## A. Summary of SFDR Statement on main adverse effects

APF Pension Fund takes the most important adverse effects of its investment decisions on sustainability factors into consideration. This statement is the consolidated statement for APF Pension Fund on the main adverse effects on sustainability factors.

This statement covers the reference period from 1 January to 31 December 2023.

Pension Fund APF aims to achieve value-based pensions for all members. We define sustainable investing as an investment approach that delivers a better risk-return profile and/or creates a more sustainable world. As such, we generate broad value creation, both financially and in terms of a better - more sustainable - world. As part of our vision and approach on sustainability and in addition to including sustainability risks, we strive to mitigate the main adverse effects of our investment decisions on sustainability factors. These main adverse effects can occur in a range of areas, such as in relation to environmental, social and employee affairs, human rights, corruption and bribery.

We take due action on the most significant unfavourable effects for us. The main adverse effects on the environment are greenhouse gas emissions (GHG or $CO_2$ emissions), carbon footprint ($CO_2$ footprint) and greenhouse gas intensity ($CO_2$ intensity) caused by companies, corporate exposure to fossil fuels, share of consumption and generation of non-renewable energy, negative impacts on biodiversity, and emissions to water. Also looking at social and employee issues, these involve violations by companies of the UN Global Compact, the UN Guiding Principles on Business and Human Rights or OECD guidelines, including not having compliance mechanisms in place for those guidelines, uncorrected gender pay gap, lack of gender diversity on the Board of Directors, possible exposure to controversial weapons, violation of social rights by countries and risk of child labour.

The extent and manner in which key adverse effects are considered in the investment process depends on several factors, such as the investment strategy, asset class and the availability of reliable data. Where possible and feasible, in line with the nature of investments, minimum requirements apply to all financial products. The exact application may differ between financial products and will be documented in financial product disclosures in line with the requirements and timelines of the European Union's Sustainable Finance Disclosure Regulation (SFDR).

## B. Description of main adverse effects on sustainability factors

Below is a summary of the main adverse effects that are taken into account by the pension fund. The table shows which mitigation measures the pension fund takes in relation to the adverse effect. These measures consist of the following ESG policy tools: exclusion, ESG integration, normative engagement and voting. You can read more information on these ESG policy tools and their applications in our Sustainability Policy on the website.

This overview will be expanded and updated over time, in line with the further progress of the Sustainability Policy and relevant legislative and regulatory developments.

**Table 1: Overview of indicators of adverse effects on sustainability**

| **Description of main adverse effects on sustainability factors** | | | | | | |
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| **Indicators for companies the pension fund has invested in** | | | | | | |
| **Indicator of adverse effects on sustainability** | | **Parameter** | **Effects 2023** | **Effects 2022** | **Explanation** | **Measures taken and measures planned for the next reference period, and defined targets**** |
| **Climate and other environment-related indicators** | | | | | | |
| Greenhouse gas emissions | 1. GHG* emissions | Scope 1 GHG emissions | 63,488 tonnes | 65,522 tonnes | Amount of greenhouse gas emissions expressed in tonnes of CO2 equivalent per year. This is the investment's share in GHG emissions compared with the issuer's EVIC (in euros). (EVIC is the enterprise value | No active guidance on this specific PAI, but the following measures are taken in line with the general policy of the pension fund: Normative engagement with possible environment-related violators.<br><br>We apply this to shares and corporate bonds. |
| | | Scope 2 GHG emissions | 22,662 tonnes | 13,592 tonnes | | |
| | | Scope 3 GHG emissions | 781,443 tonnes | 661,384 tonnes | | |
| | | Total GHG emissions | 866,487 tonnes | 740,051 tonnes | | |

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| | | | | | including cash). Scope 1 concerns direct emissions by companies. Scope 2 concerns indirect emissions as a result of the purchase of energy by companies. Scope 3 concerns all other emissions in the value chain outside Scope 1 and Scope 2. Total GHG emissions concerns amount of Scope 1, Scope 2 and Scope 3 greenhouse gas emissions expressed in tonnes of CO2 equivalent per year. Scope 1 and Scope 2 emissions are reported figures when they are made available by the companies. When no reported figures are available, they are estimated. Scope 3 | Votes: Looking at the climate theme, we expect companies in high-risk sectors to ensure their business strategy focuses on the goal of limiting global warming to 1.5 degrees Celsius, as set out in the Paris Climate Agreement, and/or to have drawn up a plan to achieve zero net emissions by 2050. If this is not the case, we will vote against the reappointment of directors. We apply this to equity mandates. |

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| | | | | | emissions are estimated data. | |
| | 2. Carbon footprint | Carbon footprint | 415 tonnes/invested capital in millions of euros | 432 tonnes/invested capital in millions of euros | Total amount of Scope 1, Scope 2 and Scope 3 greenhouse gas emissions expressed in tonnes of CO2 equivalent per year, divided by the aggregated Enterprise Value (of EVIC), expressed in millions of euros.<br>Scope 1 and Scope 2 emissions are reported figures when they have been made available by companies. When no reported figures are available, they are estimated.<br>Scope 3 emissions are estimated data. | ESG integration through a carbon reduction strategy: the portfolio's goal is to reduce its carbon footprint in line with the Paris Climate Agreement. The carbon footprint of the portfolio is compared with that of the benchmark. We apply this to the following investment categories: shares and corporate loans.<br>See further measures taken at PAI 1: Total GHG emissions. |
| | 3. GHG** intensity of investee companies | GHG** intensity of investee companies | 776 tonnes/revenue in millions of euros | 855 tonnes/revenue in millions of euros | Total amount of Scope 1, Scope 2 and Scope 3 greenhouse gas emissions expressed in tonnes of CO2 equivalent per | See measures taken at PAI 1: Total GHG emissions.<br><br>We apply this to shares and corporate bonds. |

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| | | | | | year, divided by the aggregated revenue, expressed in millions of euros. Scope 1 and Scope 2 emissions are reported figures when they have been made available by companies. When no reported figures are available, they are estimated. Scope 3 emissions are estimated data. | |
| | 4. Exposure to companies active in the fossil fuel industry | Share of investments in companies active in the fossil fuel sector | 10% | 12% | The assessment is established on the basis of data reported by companies. In the event of any exposure, the entire company is taken into account. | Although there is no active guidance on this specific PAI, in line with the general policy of the pension fund, companies are excluded from investment if more than 5% of a company's revenue comes from the extraction of coal and oil from tar sands, extraction of shale oil and gas, Arctic oil and gas. This is applied to shares and corporate |

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| | | | | | | bonds.<br><br>Dialogue has also been conducted with companies (by our specialist engagement provider), which resulted in a commitment to 'coal phase out 2.0' in 2023. |
| | 5. Share of consumption and generation of non-renewable energy | Share of consumption of non-renewable energy and generation of non-renewable energy of investee companies, from non-renewable energy sources, relative to renewable energy sources, expressed as a percentage of total energy sources | 68% | 70% | Based on reported data. | There is no active guidance on this specific PAI, but in line with the general policy of the pension fund, companies are excluded from investment if more than 5% of a company's revenue comes from the extraction of electricity generation from thermic coal. We apply this to shares and corporate bonds.<br><br>The same is the case for the following engagement theme: 'energy transition'. |
| | 6. Intensity of energy consumption by sector with major climate impacts | Energy consumption of investee companies (in GWh per million EUR of income) by sector with major climate impacts | | | Based on reported data. | |

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| | | Extraction of minerals | 0.9 GWh/income per million euros | 0.8 GWh/income per million euros | | |
| | | Industry | 0.4 GWh/income per million euros | 0.4 GWh/income per million euros | | |
| | | Production and distribution of electricity, gas, steam and cooled air | 3.4 GWh/income per million euros | 7.2 GWh/income per million euros | | |
| | | Distribution of water; and wastewater management and remediation | 0.8 GWh/income per million euros | 1.1 GWh/income per million euros | | |
| | | Construction industry | 0.1 GWh/income per million euros | 0.1 GWh/income per million euros | | |
| | | Wholesale and retail trade; repair of cars and motorcycles | 0.1 GWh/income per million euros | 0.1 GWh/income per million euros | | |
| | | Transport and storage | 1.4 GWh/income per million euros | 1.0 GWh/income per million euros | | |
| | | Operation and trading of real estate | 0.3 GWh/income per million euros | 0.3 GWh/income per million euros | | |
| Biodiversity | 7. Activities with negative effects on biodiversity-sensitive areas | Share of investments in companies with sites/activities in or near biodiversity-sensitive areas when the activities of those companies have negative effects on those areas | 0% | 0% | In case of any presence and/or activities in areas with a vulnerable biodiversity, the entire company is taken into account. Based on reported and estimated data. | There is no active guidance on this specific PAI, but the following measures are taken in line with the general policy of the pension fund:<br><br>Normative engagement: with companies that engage in activities that cause harm to the biodiversity in sensitive natural areas based on relevant international guidelines. We apply this to shares and corporate bonds. |

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| | | | | | | Votes: With regard to the biodiversity theme, we expect companies that expose materials to biodiversity risks to manage these risks and be transparent about the risks. In the event that objective external sources and our own engagement insights conclusively show that this is not the case, we shall vote against the reappointment of directors. We apply this to the equity mandate. Dialogue has also been conducted with companies (by our specialist engagement provider), which resulted in a commitment to the 'deforestation' theme in 2023. |
| Water content | 8. Emissions to water | Water emissions (in tonnes) per million EUR of investments caused by investee companies, expressed as weighted average | 50.2 tonnes/invested capital in millions of euros | 0.0 tonnes/invested capital in millions of euros*** | Companies that cause serious damage to the environment through land or water pollution based on the applicable international guidelines. Based on reported data. | There is no active guidance on this specific PAI, but the following measures are taken in line with the general policy of the pension fund: Normative engagement: with companies that cause serious damage to the environment through land or water pollution |

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| | | | | | | based on the applicable international guidelines. We apply this to shares and corporate bonds. |
| Waste | 9. Share of hazardous waste and radioactive waste | Hazardous and radioactive waste generated by investee companies (in tonnes) per million EUR of investments, expressed as weighted average | 1.4 tonnes/invested capital in millions of euros | 10.0 tonnes/invested capital in millions of euros | Based on reported data. | Not applicable |
| **Indicators for social issues and working conditions, respect for human rights, and combating corruption and bribery** | | | | | | |
| Social themes and working conditions | 10. Violations of the principles of the UN Global Compact or of the Guidelines for Multinational Enterprises in the Organisation Economic Cooperation and Development (OECD) | Share of investments in companies that have been involved in violations of the principles of the UN Global Compact or the OECD Guidelines for Multinational Enterprises | 1% | 1% | The assessment is established on the basis of estimated data. **** | There is no active guidance on this specific PAI, but the following measures are taken in line with the general policy of the pension fund:<br><br>Normative engagement: We hold talks with companies that violate or threaten to violate international standards.<br><br>We apply this to shares and corporate bonds. |
| | 11. Lack of procedures and compliance mechanisms that monitor compliance with the principles of the UN Global Compact and the OECD Guidelines for | Share of investments in companies that do not have a policy in place for monitoring compliance with the principles of the UN Global Compact and OECD guidelines for multinational enterprises, or do not have guidelines and regulations for | 49% | 48% | The assessment is established on the basis of data reported by companies and estimated data. In the event of any absence of procedures, the | There is no active guidance on this specific PAI, but the following measures are taken in line with the general policy of the pension fund:<br><br>Normative engagement: |

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| | Multinational Enterprises | handling complaints that address violations of those UN principles or OECD guidelines | | | entire company is taken into account. | Where relevant, the normative engagement calls for recovery and redress procedures within companies.<br><br>We apply this to shares and corporate bonds. |
| | 12. Unadjusted gender pay gap | Average unadjusted gender pay gap at investee companies | 14% | 15% | Percentual difference in pay between men and women.<br>Based on reported data. | There is no active guidance on this specific PAI, but the following measures are taken in line with the general policy of the pension fund:<br><br>Voting policy: we support shareholder proposals that call for equal pay for men and women. This is applied to shares. |
| | 13. Gender diversity on the board of management | The average ratio of female to male board members at companies the fund has invested in, expressed as a percentage of all board members | 34% | 36% | | There is no active guidance on this specific PAI, but the following measures are taken in line with the general policy of the pension fund:<br><br>Voting policy: we shall vote against the reappointment of the chairman of the nomination committee |

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| | | | | | | (or other committee members, depending on the situation) when there are no female board members. The administrator takes local laws, regulations, and corporate governance codes into account. This is applied to shares.<br><br>Engagement: we hold talks with companies that lag behind on board diversity.<br><br>We apply this to shares and corporate bonds |
| | 14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons) | Share of investments in companies that participate in the production or sale of controversial weapons | 0% | 0% | The assessment is established on the basis of data reported by companies. **** | There is no active guidance on this specific PAI, but in line with the general policy of the pension fund, producers of controversial weapons are excluded by default. This is applied to shares and corporate bonds. |
| Indicators for investments in governments and supranational institutions | | | | | | |

| Indicator of adverse effects on sustainability | | Parameter | Effects 2023 | Effects 2022 | Explanation | Measures taken and measures planned for the next reference period, and defined targets* |
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| Ecological | 15. GHG** intensity | GHG** intensity of investee countries | 278 tonnes/GDP in millions of euros | 259 tonnes/GDP in millions of euros | Amount of greenhouse gas emissions of a country, expressed in tonnes of $CO_2$ equivalent per year, divided by the gross national product of a country in millions of euros. Based on reported data. | There is no active guidance on this specific PAI. |
| Social | 16. Countries invested in with social rights violations | Number of countries invested in with social rights violations (absolute number and relative number divided by all countries invested in), as referred to in international treaties and agreements, United Nations principles and, where applicable, national law | 0% | 0% | Percentage of investments represented by countries subject to EU sanctions due to violations of social rights. In the event of any exposure, the entire issuer is taken into account. Based on estimated data. | There is no active guidance on this specific PAI, but the following measures are taken in line with the general policy of the pension fund:<br><br>Exclusion: countries in which human rights violations, labour rights violations, and corruption take place. This is applied to the following category: government bonds. |
| **Indicators for investment in real estate assets** | | | | | | |

| Indicator of adverse effects on sustainability | | Parameter | Effects 2023 | Effects 2022 | Explanation | Measures taken and measures planned for the next reference period, and defined targets |
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| Fossil fuels | 17. Exposure to fossil fuels through real estate assets | Share of investments in real estate assets that participate in the extraction, storage, transport or production of fossil fuels | 0% | | Bouwinvest and CBRE's investment funds have limited to no exposure to fossil fuel activities. | N/A |
| Energy efficiency | 18. Exposure to energy-inefficient real estate assets | Share of investments in energy-inefficient real estate assets | 2% | | Bouwinvest classifies investments with energy label C or lower as energy inefficient. Most Bouwinvest investments (97%) have energy label B or higher. Some (2%) do not have an energy label yet because they are new buildings for which ratings are not available yet. Asset management company CBRE classifies an EPC 'C' rating or lower as energy inefficient. | Bouwinvest is continuing to implement sustainability measures in existing buildings. CBRE analyses energy performance and compares it with the relevant GRESB and CRREM benchmark values. During this process, EPC ratings are also checked and prioritised in action plans with a view to improving performance. |
| **Other indicators of main adverse effects on sustainability factors** | | | | | | |

| Adverse effects on sustainability | Adverse effects on sustainability factors (qualitative or quantitative) | Parameter | Effects 2023 | Effects 2022 | Explanation | Measures taken and measures planned for the next reference period, and defined targets* |
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| Water, waste and material emissions | 19. Exposure to areas with high water stress | PAI 8 (table 2). Share of investments in companies with sites in high water stress areas without a water management policy | 11% | 13% | The assessment is established on the basis of data reported by companies. In the event of any exposure, the entire company is taken into account. | There is no active guidance on this specific PAI, but the following measures are taken in line with the general policy of the pension fund:<br><br>Holding talks with companies on improving waste management to reduce air, soil, and water pollution. |
| Human rights | 20. Activities and suppliers with a significant risk of child labour | PAI 12 (table 3). Share of investments in companies exposed to activities and suppliers with significant risk of child labour, by geographical area or type of activity | 8% | 8% | The assessment is established on the basis of data reported by companies. In the event of any exposure, the entire company is taken into account. | There is no active guidance on this specific PAI, but the following measures are taken in line with the general policy of the pension fund:<br><br>Normative engagement: with companies where child labour occurs in their own operations or in the chain, based on relevant international guidelines.<br><br>This is applied to shares and corporate bonds. |

* GHG stands for Greenhouse gases
** The pension fund has not defined any targets for the PAI indicators for the reference period. The development of SRI policy, including exclusion policy, is ongoing as well. Policy is monitored and updated to reflect current and social developments.
*** A different unit was used for this indicator in 2022. Therefore, the figure for 2022 is too low and cannot be compared with 2023.
**** The source for indicators 10 and 14 has changed from ESG to MSCI (which is the source for the other indicators too). This change has been prompted because of the inclusion, from 2023 onwards, of any holding information available from investment funds that are not managed by Achmea IM.

## C. Policy to identify, prioritise and mitigate the main adverse effects

The pension fund applies a due diligence policy to identify, analyse and prioritise the main adverse effects of investment decisions on sustainability factors. This process is firstly aimed at preventing and reducing the main adverse effects, as well as holding accountability for how the pension fund deals with the identified effects. Prior to this due diligence screening, the pension fund looks at a number of criteria that give sufficient reason to exclude companies in advance. These grounds for exclusion are laid down in the exclusions policy, which can be referred to on our website. In the following section: investments.

The board of the pension fund approved the due diligence policy on 9 March 2021. Implementation of this policy has been assigned by the board to ESG service provider Columbia Threadneedle Investments.

To gain a thorough understanding of whether companies comply with international standards, as expressed in the UN Global Compact, the OECD guidelines and the UN Guiding Principles on Business and Human Rights, the ESG service provider screens the pension fund's investments every three months. It uses information obtained from MSCI ESG, RepRisk and ISS ESG for this purpose. The process entails checking the investment universe for companies that violate human rights, labour standards, environmental standards and anti-corruption rules. It takes into account the impact of the company's behaviour on society and/or the environment and the severity, scale, irreversibility and likelihood of the violation. The next step involved engaging in talks with the company to prevent, mitigate or enable remedial measures and/or compensation of negative impacts. The progress and impact of the engagement policy is monitored quarterly and accounted for through public reporting to pensioners and other stakeholders. Through this policy, we aim to overcome any margins of error in the assessment process. The various steps of the due diligence process are explained in further detail in the annex. We take great care to stay in line with EU sustainability legislation and the Instrumentarium of the Covenant on International Socially Responsible Investment for Pension Funds[1].

The main adverse effects currently arising from this due diligence are: GHG emissions, GHG footprint and GHG intensity, biodiversity, emissions into water, violation of UNGC and OECD guidelines and lack of compliance mechanisms thereon, child labour. This is based on the international frameworks and the pension fund’s themes. Data availability also plays an important role in the implementation of policy. For this purpose, our ESG service provider uses information from MSCI and ISS ESG (both independent ESG data providers) for liquid investments. Wherever possible, MSCI uses the data reported by companies. For some indicators, estimated data is used too.

Limited PAI data is available in the market for illiquid investment categories like mortgages and direct real estate. The pension fund is doing its utmost to obtain additional data on the adverse effects of the illiquid investments. To this end, the ESG service provider has selected a number of European asset management companies, mainly European, in which active investment positions are being built; they have been asked to provide PAI data.

The request was sent, on the pension fund’s behalf, to: Bouwinvest and CBRE (real estate). To facilitate operational processing of the data, asset management companies have been asked to provide the PAI data in a standard template; this is the so-called EET template (widely accepted in the market). This template is important as it facilitates integration of the data received with existing PAI data for liquid investments. The ESG service provider has assessed information received on time from the asset management company on the basis of the following, amongst other things:

- Completeness;
- Method chosen by the asset management company; and
- Alignment with existing information and data sources in the PAI statement.

[1] https://www.imvoconvenanten.nl/-/media/imvo/files/pensioenfondsen/instrumentarium.pdf?la=nl&hash=8B14DB50274FC744ADA75207D2B28876

The general findings obtained further to the requests issued are as follows:

- Most asset management companies are not able to deliver the PAI data before 1 April 2024. The deadline for the publication of the PAI statements of all Financial Market Participants, including the asset management companies, is 30 June 2024;
- Asset management companies that are able to make PAI data available:
  - often do this in their own format and do not use the EET template;
  - do this at product level, not at client level.

Based on the data delivered per investment category, the ESG service provider considered whether and, if yes, how this information could be added to the template.

Real Estate
The European real-estate management companies calculate the PAI real estate indicators in a similar way. The ESG service provider converted the PAI information provided into a real estate score for the pension funds and then added this score to this statement.

Mortgages
There is no market consensus among pension funds on how to report on this investment category. The asset management company for mortgages reports on the PAI real estate indicators and, as such, not specifically about the 'mortgages' investment category, but about 'collateral'. As there is no consensus on how to report on the 'mortgages' investment category and no other data is available for this category, the ESG service provider is not able to formulate a reasonable assumption. The ESG service provider does not include the information provided in the PAI statement and the 'mortgages' data is not combined with data about direct real-estate investments.

An improvement is still possible in the data coverage for illiquid investments. However, the pension fund does believe that this PAI statement gives a true and fair view of the investments of the pension fund. The pension fund is doing its utmost to improve the data available about illiquid investments in the future. This will continue to be a challenge for a number of management companies, including non-European management companies, because they are not always required to report about PAI data.

The ESG service provider does not take any responsibility for the PAI data provided by asset management companies that is included in the PAI statement.

## D. Engagement policy

The sustainability policy includes how the pension fund gives shape to its role of ‘engaged investor’. The pension fund enters into talks with companies (engagement). It also actively uses shareholder rights to promote long-term value creation at the companies in which the pension fund invests (voting). In doing so, the pension fund pays close attention to the strategy, sustainability policy and corporate governance of companies.

The following key adverse effect indicators are taken into account with normative engagement:

- GHG emissions, the GHG footprint and the GHG intensity of investee companies with the ‘Climate Change’ investment theme.
- Enterprises with subsidiaries or activities in or near biodiversity-sensitive areas if their activities have negative impacts on those areas, via subtheme ‘Environmental Stewardship: natural resources’.
- Emissions to water caused by companies and their suppliers, as well as the impact of product use, via subtheme ‘Environmental Stewardship; natural resources - water’.
- Companies that have been party to violating the principles of the UN Global Compact or the OECD Guidelines for Multinational Enterprises, via the ‘Human Rights, Business Conduct, UNGC breach and Labour standards’ themes.
- Companies without a policy for monitoring compliance with the principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises, or without complaint-handling mechanisms that can address violations of those UN principles or OECD guidelines, via the ‘Corporate Governance, Human rights, Labour standards’ theme.
- Enterprises exposed to activities and suppliers at significant risk of child labour, by geographical area or type of activity, via the ‘Human Rights and Labour Standards’ theme.

The following indicators are taken into account with regard to voting:

- GHG emissions, GHG footprint, GHG intensity, climate strategy and climate targets
- Management of biodiversity risks
- Average ratio of female to male board members of investee companies, expressed as a percentage of all board members; absolute minimum number of female directors
- Average unadjusted gender pay gap at investee companies

**Escalation strategy when main adverse effects do not decline**

In the event that engagement does not result in the desired progress, the pension fund can implement an escalation strategy. This may be the case if the main adverse effects have not been reduced in the course of more than one reporting period (of PAI reporting). Shareholder rights play an important role to that end. The escalation strategy provides the following tools:

- Voting against certain items on the agenda in case of insufficient disclosure and progress after engagement. For instance, the remuneration policy can be voted against if it understates ESG. Or voting against appointments if the board's knowledge of ESG is below par. The company may be actively informed about the proposed voting instructions to reinforce our position;
- asking questions at shareholder meetings;
- Placing shareholder resolutions on the agenda of the shareholders' meeting.
- Issuing investor statements

The above instruments are considered on a case-by-case basis. This takes into account whether it is expedient and effective. If these tools do not have the desired effect, the pension fund may decide to proceed with exclusion.

## Conducting dialogues with companies, engagement

*Normative engagement*
The aim of the Normative (or reactive) engagement programme is to stop or prevent companies from systematically violating international standards. Systematic violations of these standards increase the risk of adverse consequences for the company, for its surrounding environment such as local communities or the environment, and for other stakeholders. Activities that (potentially) lead to a violation of international standards tend to attract the attention of non-governmental organisations (NGOs) and the media. In practice, these violations often lead to lawsuits, which can result in the payment of fines or damages by the companies concerned. These are direct negative financial effects that harm the interests of shareholders. If the company does not remedy the violation of the standard and is no longer open to dialogue, the company may be excluded and will be placed on the exclusion list. As far as possible, we carry out normative engagement in collaboration with other investors to maximise impact.

## Corporate governance and voting at shareholder meetings

Corporate governance is often intended to mean ‘good’ corporate governance. It refers to the relationship between the various bodies of the company such as management board, supervisory board, shareholders and other stakeholders. Accountability, transparency and supervision play a central role in this. The pension fund invests in listed companies worldwide itself and on behalf of clients, and is therefore also a shareholder.

*Engaged shareholder*
The pension fund firmly believes that good corporate governance contributes to the long-term value creation of companies. The pension fund is an engaged shareholder and therefore actively exercises its shareholder rights. For instance, we engage with companies and vote at shareholder meetings to encourage long-term value creation at companies.

*Corporate governance principles*

The pension fund's voting policy is partly based on corporate governance standards and best practices, such as those of the Organisation for Economic Co-operation and Development (OECD) and of the International Corporate Governance Network (ICGN). In addition, national laws and regulations, local market standards and corporate governance codes applicable to each individual market are applied when exercising voting rights. The pension fund votes using all available shares at shareholder meetings of companies we invest in.

*Voting policy*

The pension fund has published the voting policy on its website. As it is not possible to attend all shareholders' meetings in person, the pension fund uses the Institutional Shareholders Services (ISS) voting platform. Furthermore, ISS prepares voting analyses and opinions that are in line with the pension fund's voting policy. The customised voting analyses are then used when exercising voting rights.

*Shareholder proposals*

Shareholder proposals are increasingly on the agenda at shareholders' meetings. The pension fund considers it important to support shareholder proposals that are in line with the spearheads Human Rights, Labour Standards, Nature & Environment, Health and Climate. In addition, we may choose to (co-)submit shareholder proposals.

*Accountability for voting behaviour*

The pension fund is transparent about how it has voted at shareholders' meetings. Added to the website is the annual report, which includes how we comply with the principles of the Dutch Corporate Governance Code and the Dutch Stewardship Code.

## E. References to international standards

The pension fund subscribes to several international initiatives, for example the Principles for Responsible Investment, and uses the international frameworks of the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, as well as the Paris Climate Agreement.

*International frameworks*

The international principles of the UN Global Compact form one of the standards frameworks for the pension fund. The UN Global Compact has its origins in widely accepted conventions internationally, such as the Universal Declaration of Human Rights, the conventions of the International Labour Organisation, the Rio Declaration on Environment & Development, and the anti-corruption principles of the UN Convention Against Corruption.

In addition, the pension fund uses the OECD Guidelines for Multinational Enterprises to guide the assessments of companies in which the investment funds of the pension fund invest. These guidelines make clear what is expected of companies in terms of corporate social responsibility (CSR). They provide companies with guidance on how to deal with issues such as chain responsibility, human rights, child labour, environment, and corruption. In addition, the OECD guidelines distinguish consumer interests, science and technology, competition, and taxation. The OECD guidelines are currently endorsed by 44 countries. This makes these guidelines the only government-endorsed CSR guidelines for international business and the only framework that includes a dispute resolution system.

The UN Guiding Principles on Business and Human Rights are international standards on human rights that states and companies must adhere to.

Indicators used for key adverse effects to measure how we comply with these international frameworks:

- GHG emissions, GHG footprint and GHG intensity of investee companies
- Enterprises with subsidiaries or activities in or near biodiversity-sensitive areas if their activities have negative impacts on those areas
- Emissions to water caused by companies and their suppliers, as well as the impact of product use.
- Companies that have been party to violating the principles of the UN Global Compact or the OECD Guidelines for Multinational Enterprises
- Companies without a policy for monitoring compliance with the principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises, or without complaint-handling mechanisms that can address violations of those UN principles or OECD guidelines
- Enterprises exposed to activities and suppliers at significant risk of child labour, by geographical area or type of activity

*International frameworks - Methodology*

To gain a thorough understanding of whether companies comply with international standards, as expressed in the UN Global Compact, the OECD guidelines and the UN Guiding Principles on Business and Human Rights, the ESG service provider screens the pension fund's investments every three months. Our ESG service provider uses information from ISS ESG (an independent ESG data provider) for this purpose. The process entails checking the investment universe for companies that violate human rights, labour standards, environmental standards and anti-corruption rules. It considers the impact of the company's behaviour on society and/or the environment and the severity, scale and irreversibility and likelihood of the violation. The third step involves engaging in dialogue to prevent, mitigate or enable remedial measures and/or compensation for the negative impacts of businesses. The progress and impact of the engagement policy is monitored through quarterly reporting and accounted for to pensioners and other stakeholders through public reporting. Through this policy, we aim to overcome any margins of error in the assessment process.

*Future-oriented climate scenario*

The pension fund incorporates forward-looking climate scenarios into its policies in various ways. We use climate scenarios for our portfolio construction. In addition, the Paris Climate Agreement acts as guideline for monitoring companies in our portfolio end ensuring their compliance. We include this both in our due diligence policy and in our carbon reduction strategy.

*Climate scenarios in portfolio structure*

First and foremost, our fiduciary manager Achmea IM states in the evaluation of the portfolio structure what effect a climate crisis would have on the expected return of the investment portfolio over the next five years. This climate crisis scenario is a risk scenario in which political momentum for the energy transition increases sharply and leads to an abrupt increase in taxes on fossil fuel use. The likely effects of this sustainability risk on portfolio returns may lead to an adjustment in the portfolio structure.

*Climate change in our due diligence policy*

The guidelines in our due diligence policy when referring to climate are based on the UN Framework Convention on Climate Change and the Paris Climate Agreement. On behalf of the fund, our ESG service provider assesses whether the listed companies we invest in act in line with this by assessing:

1) Ambition - Has the company set an ambition to be net zero emissions by 2050 or earlier?
2) Goals - Has the company set short-term (2025) and medium-term (2030-2035) goals?
3) Targets - Are the targets in line with the relevant maximum 1.5°C temperate increase goal for 2030?
4) Transparency - Are Scope 1, Scope 2 and material Scope 3 emissions reported to CDP or TPI?
5) Strategy - Does the company have a strategy for decarbonising its operations and products, including alignment of capital allocation?
6) Lobbying - Can the company demonstrate that lobbying activities are in line with the Paris goals, both direct lobbying and through industry associations?
7) Governance - Is there robust and effective board oversight of climate-related issues?
8) Climate risk in reporting - Is financial reporting in line with TCFD recommendations?

*$CO_2$ reduction strategy*

The pension fund also takes additional measures to mitigate climate change and has drawn up a set of climate convictions. Part of this is a carbon reduction strategy for the investment portfolio. The portfolio's carbon footprint is measured against that of the benchmark.

For more information, please refer to APF Sustainability Policy and the website.

## F. Historical comparison

The year 2023 is the second reporting year for the PAI statement. The present report includes an additional explanation of how PAI indicators have developed compared with reporting year 2022. These indicators are those

- for which the pension fund is taking measures or
- for which concerns apply, etc.

ESG data is developing rapidly and more and more companies are reporting on it. The expectation is that this will increase with the implementation of the CSRD Directive. The increase in data availability is one important reason why a direct comparison of the report figures for 2022 and 2023 is not possible. Added to this, in contrast to last year, this statement also includes the liquid investment funds that are not managed by Achmea IM if the underlying (look through) information is available in the investment administration. Both of these developments are an important reason why a direct comparison of the report figures for 2022 and 2023 is not possible.

*$CO_2$ emissions*

The pension fund is pursuing a $CO_2$ reduction strategy and normative engagement. However, due to an increase in data availability and coverage, an increase is evident in PAI indicators 1 and 15, the GHG emissions for companies and the GHG intensity for countries. PAI indicators 2 (Carbon footprint) and 3 (GHG intensity) are showing a decrease.

The exposure to companies that are active in fossil fuels (PAI indicator 4) has decreased compared with last year. The exclusion policy that the pension fund applies to investments continued unchanged in 2023.

*Policy on violators of standards and exclusions*

PAI indicator 14: The pension fund uses data source ISS ESG for its own exclusion policy. If the pension fund invests in investment funds that are not managed by Achmea IM, the exclusion policy of the management company in question applies. Based on MSCI data, an exposure within the investment portfolio is possible for these indicators.

The voluntary PAI indicator 12, which measures whether activities are subject to significant risks of child labour, has remained the same. The pension fund conducts normative engagement when child labour is the case (not when there is a risk of child labour).

*Biodiversity and water emissions*

PAI indicator 7, which measures exposure to activities with negative consequences for biodiversity-sensitive areas, has remained the same.

PAI indicator 8 measures exposure to companies that cause water emissions. This indicator was not measured properly for 2022. The PAI indicator has remained the same. Data availability for this indicator is currently low.

Voluntary PAI indicator 8 measures exposure to companies in high water stress areas and without water management policy. This PAI indicator has decreased.

The pension fund has a thematic engagement programme for both subjects.

## Appendix to the APF sustainability policy ‘Due Diligence process’

### 1. Introduction to Due Diligence

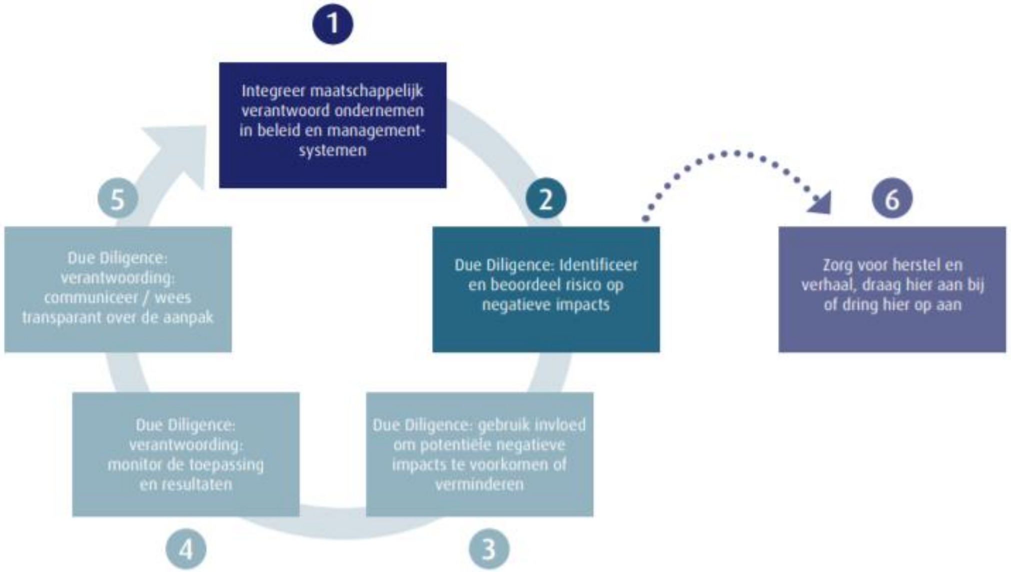
APF periodically goes through a due diligence cycle to identify, prevent and reduce the actual and potential adverse effect of its investments on sustainability factors, and to account for how the pension fund deals with the identified risks. This due diligence thus aims to identify, prioritise and analyse the main adverse effects of investment decisions on sustainability factors.

This appendix provides an elaboration on the different steps of the due diligence process. In doing so, we use the model and terminology of the Instrumentarium of the Covenant on International Socially Responsible Investment for Pension Funds[2]. See also figure 1.

*NB: The steps in figure 1 have a different name from the steps mentioned in the Instrumentarium of the Covenant on International Socially Responsible Investment for Pension Funds and detailed in this appendix.*

**Figure 1: Due diligence cycle**

Source: Instrumentarium of the Covenant on International Socially Responsible Investment for Pension Funds

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[2] https://www.imvoconvenanten.nl/-/media/imvo/files/pensioenfondsen/instrumentarium.pdf?la=nl&hash=8B14DB50274FC744ADA75207D2B28876

## 2. Explanation of the different steps of due diligence

**Step 1 Embed ESG in relevant policies and management systems**

APF subscribes to the ESG due diligence steps in line with the OECD guideline[3]. Through our investments, we aim for long-term (social) value creation and identify and assess actual and potential negative impacts in the investment portfolio through due diligence screening. This due diligence screening is carried out by Achmea Investment Management in accordance with ISS-ESG information.

**Step 2 Identify and assess actual and potential negative impact in the investment portfolio and in potential investments**

When screening our investment portfolio (shares and corporate bonds[4]), (potential) negative impacts on society and the environment are identified. These are the main adverse effects of our investment decisions on sustainability factors.

For assessment purposes, the impact of the company's behaviour on society and/or the environment and the severity, scale and irreversibility of the violation are then considered. This means the following:

- Severity refers to the intensity or ferocity of the negative impact.
- Scale refers to the scope of the consequence, e.g. the number of people affected or potentially affected, or the extent of environmental damage.
- Irreversibility refers to the limits to the possibilities of restoring the situation of affected people or the environment to match the situation that preceded the negative impact.

The degree of probability is also taken into account. The screening process takes place four times a year based on the findings of the ISS-ESG research agency.

*Thematic focus areas arising from due diligence*

The results of the due diligence screening are categorised by thematic focus areas and assessed in terms of the company's level of engagement and impact on society or the environment. The company is given a qualification of red, orange or green in the prioritisation assessment based on the ISS-ESG data. This qualification is then used when prioritising thematic focus areas.

The thematic focus areas for APF relate to human rights, labour standards, environment, including climate change, and anti-corruption. Companies that do not comply with these standards are considered to be (potentially) risky to society or the environment. Section 3 of this appendix sets out the (international) standards used in the thematic focus areas. These thematic focus areas are integral to APF's standards framework; of these, climate is listed as a separate thematic focus area in the Sustainability Policy. This is because of particular relevance to the participants and the board. The board has established climate beliefs in which climate is considered a material risk for the pension fund. Please refer to the website for further information.

**Step 3 Prevent and/or mitigate negative impacts and Step 6 (recovery and redress)**

[3] https://mneguidelines.oecd.org/RBC-for-Institutional-Investors.pdf: “Responsible business conduct for institutional investors”
[4] For government bonds, APF applies screening for countries for which EU and UN sanctions apply, leading to an exclusion list for specific countries. For more information, please see the sustainability policy. For mortgages and real estate, see the sustainability policy.

When companies in our investment portfolio cause or threaten to cause (potential) negative impact, we use our influence to prevent and/or mitigate this negative impact and, if necessary, to enable remedial action and/or compensation. We do this through engaging in dialogue, exercising additional influence by voting at shareholder meetings where necessary and possible.

In cases where companies we invest in have caused or contributed to negative impacts and these companies have a red qualification, we exclude these companies unless they have taken measures to remedy the violations in question. Engagement is conducted with these companies to remedy the violations in question. We require them to implement remedial measures and/or compensate disadvantaged parties, or contribute to disadvantaged parties. If no progress is made, the companies in question will be excluded at this stage.

The details of our engagement and voting policy can be found on the website and in the quarterly engagement reports. In extreme cases, we may decide to divest and exclude the company from investment. The exclusion list is also available for reference on the website.

**Step 4 Monitor implementation and results**

The progress and impact of our engagement policy towards the identified negative impact is monitored through quarterly reporting by our ESG service provider.

**Step 5 Accountability**

Each quarter, APF is accountable to participants and other stakeholders through an engagement report. This report is available for perusal on our website.

## 3. Overview of standards used in thematic focus areas

### 3.1 Human rights

'Human rights' is one of the four main themes of the Global Compact and is addressed through the first two principles. However, these principles are not isolated and are linked to, and elaborated in, various directives and conventions (see table 1). These directives and conventions are therefore taken into account by ISS-ESG when screening companies for possible human rights violations.

The UN Guiding Principles on Business & Human Rights (UNGPs), describe specifically how companies should deal with these directives and conventions and what their responsibilities are. Or, as the drafter of the UNGPs, Professor John Ruggie, states*:*

*"The Guiding Principles' normative contribution lies not in the creation of new international law obligations but in elaborating the implications of existing standards and practices for states and businesses; integrating them within a single, logically coherent and comprehensive template; and identifying where the current regime falls short and how it could be improved."*

**Table 1. Principles of UN Global Compact and affiliated conventions on the topic of human rights**

| UN Global Compact | | | Relevant chapters | |
|---|---|---|---|---|
| **Theme** | **Content of principle** | **Relevant conventions by principle** | **Principle** | **OECD guidelines** |
| Human rights | Principle 1 | Companies shall support and respect internationally established human rights within their sphere of influence. | IV. Human rights | Universal Declaration of Human Rights. |
| | | | .Employment and labour relations | The UN Declaration on the Rights of Indigenous Peoples. |
| | | | VIII. Consumer interests | • ILO Convention 169 on indigenous and tribal peoples in independent countries.<br>• ILO Tripartite Declaration on Multinational Enterprises and Social Policy.<br>• Geneva Convention.<br>• Hague Convention. |
| | Principle 2 | Companies shall ensure that they are not complicit in human rights abuses. | IV. Human rights | Universal Declaration of Human Rights. |

In practice, human rights violations in the investment universe tend to have the following character:

- Restriction of the right to self-determination
- Activities in controversial countries in breach of humanitarian law
- Failure to respect the rights of indigenous peoples
- Restriction on freedom of expression

### *Restriction of the right to self-determination*

The right to self-determination of peoples is enshrined in the Universal Declaration of Human Rights and elaborated in turn in two binding UN charters; 'Civil and Political Rights' (CiPo) and 'Economic, Social and Cultural Rights' (EcSoCu). These charters were accepted in 1966 and entered into force in 1976. The individual right to self-determination can be seen as an element of personal freedom, and thus a foundation of human rights. This creates issues where companies contribute to limiting the right to self-determination a human rights violation. We have not had any data coverage on this theme since 31 January 2023 because our data provider no longer provides this data. For the time being, we are unable to source this data elsewhere because other data providers are not providing it either.

### *Activities in controversial countries in breach of humanitarian law*

On the issue of 'Activities in controversial countries in breach of humanitarian law', it is important that companies respect internationally recognised human rights with regard to those affected by their activities. The UN Guiding Principles on Business & Human Rights, which are integrated into the OECD Guidelines, provide a manageable policy framework for companies on the application of human rights and the Global Compact principles. Specifically for the activities of companies that are faced with war or occupation, the Geneva Convention also provides an appropriate framework.

### *Failure to respect the rights of indigenous peoples*

The UN accepted a 'Declaration on the Rights of Indigenous Peoples' in 2007. The rights of indigenous peoples have thus only been formally recognised in recent years. The 'UN Guiding Principles on Human Rights for Business' specifically point out land ownership rights and other rights of indigenous peoples. Some countries with significant indigenous minorities voted against the declaration, including the US, Canada, New Zealand and Australia. The most important convention is the ILO Convention (no. 169) on indigenous and tribal peoples in independent countries. For this review, the provision that companies should "respect the human rights of persons belonging to specific (population) groups requiring special attention" if they could have an adverse effect on the human rights of those persons.

### *Restriction on freedom of expression*

Freedom of expression is the freedom of all citizens to voice their beliefs and opinions without fear of persecution by the state. Freedom of expression is often considered an integral concept in democracies but is sometimes less evident in other forms of state. The freedom to express one's opinion without fear of persecution is explicitly stated in the 'Universal Declaration of Human Rights'.

## 3.2 Labour standards

Respecting labour standards is one of the four main themes of the Global Compact and are addressed through principles 3,4,5 and 6. These principles are linked to, and elaborated in, various directives and conventions (see table 1.2.1). These directives and conventions are therefore taken into account by ISS-ESG when screening companies for possible labour standards violations.

**Table 2: Principles of UN Global Compact and affiliated conventions on the issue of labour rights**

| UN Global Compact | | | Relevant chapters | |
|---|---|---|---|---|
| **Theme** | **Content of principle** | **Relevant conventions by principle** | **Principle** | **OECD guidelines** |
| Labour rights | Principle 3 | Companies should foster trade union freedoms and the effective recognition of the right to collective bargaining. | V. Employment and labour relations | • ILO Convention 87 on the Freedom of Association and Protection of the Right to Organise Convention. ILO Convention 98 on Application of the Right to Organise and Collective Bargaining Convention. |
| | Principle 4 | Companies should abolish all forms of compulsory and forced labour. | V. Employment and labour relations | • ILO Convention 29 on forced labour. ILO convention 105 on the abolition of forced labour. |
| | Principle 5 | Companies should work towards the effective abolition of child labour. | V. Employment and labour relations | • ILO Convention 138 on the minimum age for employment. ILO Convention 182 on the effective abolition of child labour.<br>• UN Convention on the Rights of the Child. |

| | | | | |
|---|---|---|---|---|
| | Principle 6 | Companies should fight discrimination in relation to employment and occupation. | V. Employment and labour relations | • ILO convention 100 on equal pay.<br>• ILO Convention 111 on discrimination in respect of employment and occupation. |

Besides the Global Compact principles on labour standards, the international agreements on minimum labour standards set out in Conventions of the United Nations International Labour Organisation are important: the ILO Conventions. These provide a widely accepted international framework to assess companies. The UN Guiding Principles on Business & Human Rights also provide a practical framework for assessing where companies' responsibilities in labour rights begin and end.

In practice, labour standard violations in the investment universe tend to have the following character:

- Restriction on freedom of association and right to collective bargaining
- Use of forced labour in the supply chain
- Child labour in the supply chain
- Employment and occupation discrimination
- Worker safety

*Restriction on freedom of association and right to collective bargaining*

Trade union freedom in particular is mentioned in the Global Compact's third guideline. This reads: "Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining." ILO Conventions 87 and 98 state that trade unions should be able to negotiate working conditions with employers without hindrance and that freedom of organisation, and thus the right to join a trade union, is among fundamental human rights. The Netherlands has ratified both conventions.

*Use of forced labour in the supply chain*

The fourth principle of the Global Compact deals with compulsory and forced labour. These are addressed in ILO Conventions 29 and 105. These state, among other things, that companies should not profit from forced labour or slavery.

*Child labour in the supply chain*

The fifth principle from the Global Compact states that companies should make efforts to eliminate child labour. Child labour also violates the directive of the OECD Guidelines for International Business and ILO conventions regarding "fundamental principles and rights at work" and the "effective abolition of child labour" (ILO Conventions 138 and 182).

*Employment and occupation discrimination*

The sixth principle of the Global Compact concerns preventing discrimination in relation to work and occupation. ILO Conventions 100 and 111 and OECD guidelines provide a framework for companies.

*Worker safety*

Not explicitly mentioned in the Global Compact principles on labour rights, but obviously linked to human rights principles 1 and 2, is the safety of employees in the workplace. The OECD guidelines provide companies with tools to implement this.

## 3.3. Environment

The environment is the third main theme of the Global Compact and is addressed through principles 7, 8 and 9. These principles are linked to, and elaborated in, various directives and conventions (see table 3). These directives and conventions are therefore taken into account by ISS-ESG when screening companies for possible violations of environmental standards.

**Table 3: Principles of UN Global Compact and affiliated conventions on the topic of environment**

| UN Global Compact | | | Relevant chapters | |
|---|---|---|---|---|
| **Theme** | **Content of principle** | **Relevant conventions by principle** | **Principle** | **OECD guidelines** |
| Environmental standards | Principle 7 | Companies should apply the principle of caution on environmental issues. | VI. Environment | • Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal.<br>• Rio de Janeiro Convention on Biological Diversity.<br>• Rio declaration on environment and development. |
| | Principle 8 | Companies should take initiatives to promote greater environmental responsibility. | VI. Environment | • Kyoto Protocol.<br>• UN Framework Convention on Climate Change. Paris Agreement. |
| | Principle 9 | Companies should encourage the development and diffusion of environmentally friendly technologies. | VI. Environment | • Rio declaration on environment and development.<br>• Agenda 21. |

The Global Compact's guidelines on the environment are derived from the 'Rio Declaration on Environment and Development' and read: *"Business should support a precautionary approach to environmental challenges", "Business should undertake initiatives to promote greater environmental responsibility",* and *"Business should encourage the development and diffusion of environmentally friendly technologies"*

In practice, violations of environmental standards in the investment universe tend to have the following character:

- Environmental pollution – soil, or water contamination
- Environmental pollution – threaten biodiversity

*Environmental pollution – soil, or water pollution and threat to biodiversity*

The principles of prevention and prudence together with the polluter pays principle are reflected in the Rio Declaration and form the basis of the frame of reference. A stricter frame of reference is provided by the Kyoto Protocol, the Basel Convention (focusing on hazardous wastes and their disposal) and the Rio de Janeiro Convention on Biological Diversity. These specific and internationally widely supported treaties and conventions articulate what responsibilities companies have for the impacts of their activities on air, water, soil, climate, ecosystems, biodiversity and health.

*Climate change*

The guidelines we use on climate relate to the UN Framework Convention on Climate Change and the Paris Agreement. Violations of this include:

1) failure to mitigate climate change impacts through activities or products of companies, as well as companies that have fines and lawsuits against them for e.g. violating greenhouse gas standards.
2) opposition to climate change mitigation, e.g. through lobbying or litigation.

In addition, APF takes additional measures to mitigate climate change and has established climate convictions. For more information, please refer to the Sustainability Policy.

## 3.4 Anti-corruption

The anti-corruption policy is the fourth main theme of the Global Compact and is addressed by Principle 10. This principle is linked to, and elaborated in, several directives and conventions (see table 4). These directives and conventions are therefore taken into account by ISS-ESG when screening companies for compliance with anti-corruption standards.

**Table 4: Principles of global compact and affiliated conventions on the topic of environment**

| UN Global Compact | | | Relevant chapters | |
|---|---|---|---|---|
| **Theme** | **Content of principle** | **Relevant conventions by principle** | **Principle** | **OECD guidelines** |
| Anti-corruption | Principle 10 | Companies should counter all forms of corruption, including extortion and bribery. | III. Provision of information | UN convention against corruption |
| | | | VII. Combating corruption, bribery solicitation, and extortion | UN convention against international organised crime |
| | | | X. Competition | |
| | | | XI. Taxes | |

Principle 10 of the Global Compact concerns anti-corruption and is derived from the 'UN Convention against Corruption' and the 'UN Convention against International Organised Crime' and reads: *"Businesses should work against corruption in all its forms, including extortion and bribery."*

The tenth principle from the Global Compact states that companies should prevent and combat all forms of corruption, including extortion and bribery. In practice, anti-corruption violations in the investment universe tend to have the following character:

- Bribery practices
- Extortion practices

| Publication date | Adopted by APF on date | Version |
|---|---|---|
| **23 December 2022** | 22 December 2022 | 1.0 |
| **29 June 2023** | 16 June 2023 | 1.1 |
| **30 June 2024** | 14 June 2024 | 2.0 |