

# Reporting periodic sustainability information for the invested premiums in 2021.

## Introduction.

The amount of your pension is laid down in your pension scheme rules and in agreements your employer has entered into with your pension provider. It is not directly affected by the return on investments.

Zwitserleven, which is part of Athora Netherlands, invests the pension assets that are needed in order to pay your pension income to you. The sustainability policy of Athora Netherlands is applied to those investments. In addition, Athora Netherlands invests funds for other pension schemes and financial products, and its sustainability policy is also applied to them.

This report contains periodic information on sustainability for the year 2021 relating to the contributions invested by Athora Netherlands, including the investments made for your pension scheme. New periodic information on sustainability for the year 2022 will become available in 2023. When we refer to a “financial product” below, we mean your pension scheme.

## Did this financial product have a sustainable investment objective?

This product promoted environmental and social characteristics. This product has no sustainable investment objective and no minimum proportion of sustainable investments.

## What environmental and social characteristics did the financial product promote?

Athora Netherlands has formulated [fundamental investment principles](#) related to the **environment, people and society**. The investments of Athora Netherlands must comply with these principles, which form the initial starting point for selecting investments. In addition to checking compliance with the fundamental investment principles, Athora Netherlands assesses the extent to which companies, governments and institutions have the ability and intention to help bring about the transition to a more sustainable society. In connection with this, Athora Netherlands has formulated a [sustainability framework](#). Athora Netherlands uses the term ‘adaptive capacity’ to refer to the ability and intention of a company, government or institution to make that transition. This adaptive capacity is assessed on the basis of seven sustainability themes that show how companies, governments and institutions are dealing with various sustainability transitions. These themes are: the use of fossil fuels, water consumption, land use, chemical waste, social capital, human capital, and conduct and integrity of organisations. If a party’s adaptive capacity is too low, that party is excluded from investments.

## To what extent were these criteria met?

Athora Netherlands assesses all its investments to determine whether they comply with the fundamental investment principles and have adequate adaptive capacity. If they do not, an engagement process can be initiated. We define **engagement** as entering into a dialogue with a company in order to influence its behaviour. During an engagement process, clear objectives and milestones are set for the purpose of monitoring progress. If insufficient progress is made in the engagement process, or if there is no capacity for behavioural change, Athora Netherlands may go ahead with exclusion. **Exclusion** means no investments are made in the company or government in question.

In 2021, there was a further increase in the total number of companies excluded for failing to comply with the fundamental investment principles. A total of 41 new companies were excluded from the investment universe, while 20 companies were re-included. One of the new exclusions was BHP, a mining company. It was excluded owing to the negative impact of its operations on the immediate surroundings, due to the extraction of drinking water among other things. Moreover, Burkina Faso, Jordan, Kyrgyzstan, Niger and Zambia were excluded in 2021 because these countries were classified as “not free” by Freedom House (a US non-profit human rights institution) or because they came within the scope of the tightened policy on government bonds. Mauritania, by contrast, was re-included in the investment universe. As at 31 December 2021, 99.98% of the investments of Athora Netherlands complied with the fundamental investment principles.

In addition, the total number of companies that were excluded due to a lack of adaptive capacity continued to increase in 2021. The majority of the new exclusions were based on high levels of carbon emissions, either from the excluded company’s own operations (scopes 1 and 2) or due to the high carbon intensity of the products sold by that company (scope 3). The names of the companies that were included and excluded (together with the reasons for their inclusion or exclusion) can be found in the [quarterly reports](#) of Athora Netherlands.

Third-party specialists carry out the aforementioned assessments and engagement processes on behalf of Athora Netherlands.

**What was the proportion of environmentally sustainable investments?**

On 31 December 2021, the proportion of underlying investments in environmentally sustainable economic activities selected for the financial product was 0%. The EU has developed criteria to determine whether, and to what extent, an economic activity qualifies as environmentally sustainable. These criteria are set out in the [Taxonomy Regulation](#). Among other things, the economic activity must contribute substantially to one or more of the environmental objectives included in the Taxonomy Regulation and it must “not significantly harm” any of those environmental objectives.

As the various pieces of relevant legislation enter into force on different dates, the data available as at 31 December 2021 was – at the time of writing – insufficient to allow an accurate calculation of the percentage of investments in environmentally sustainable economic activities in accordance with the Taxonomy Regulation. Determining the proportions of enabling and transitional activities is also impossible. Pursuant to the Taxonomy Regulation, we state that: “The ‘do no significant harm’ principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.”