

AGM Engagement Report 2022

Keep Up

Getting ahead of legislation and pressure from civil society



Colofon

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About VBDO

VBDO stands for Vereniging van Beleggers voor Duurzame Ontwikkeling, which translates to the Dutch Association of Investors for Sustainable Development. It was established in 1995 to help create a sustainable capital market. With this goal in mind, VBDO undertakes benchmarking exercises, organises seminars and conferences, and engages with companies and financial institutions.

VBDO has been actively engaging with the Boards of Directors of publicly listed companies in the Netherlands for 27 years. We attend Annual General Meetings (AGMs) to ask constructive, critical questions in order to encourage companies to improve their sustainability policies and practices.

VBDO is funded by our members: 80 institutional investors and more than 500 private investors.

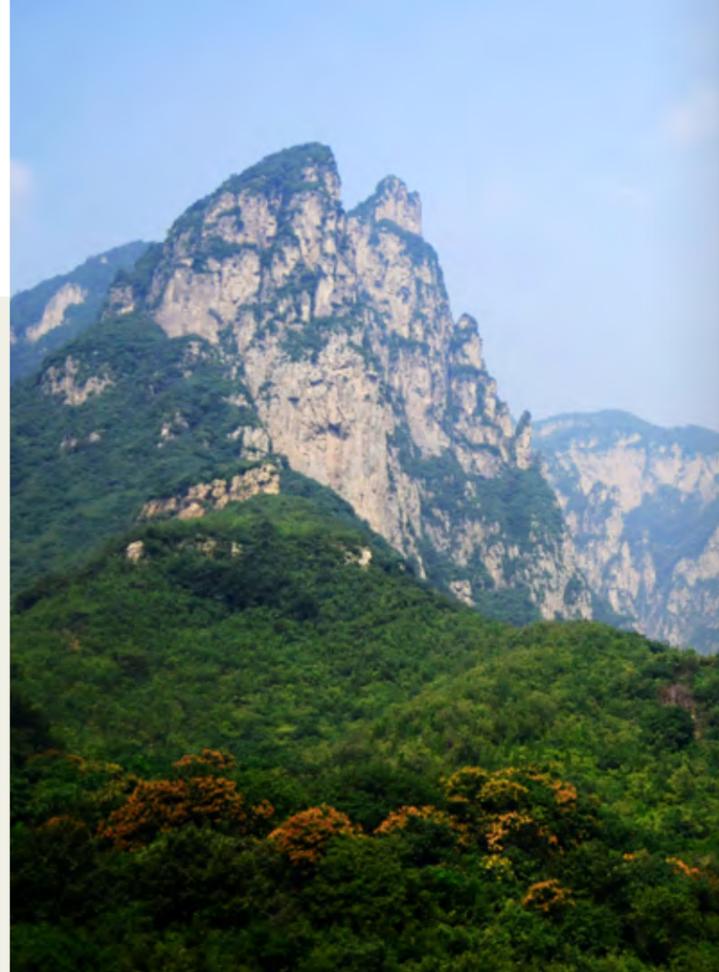
Preface

Dear reader,

Just when we were surfacing from the Covid pandemic, the world fell into another crisis. The last two years were overshadowed by the pandemic; this year is overshadowed by war. But there are similarities with regard to sustainability. Both crises demonstrate the absolute necessity to create a more sustainable world. The pandemic highlighted the many human rights violations in supply chains and how ill protected those working at the bottom of the chain are. The war in Ukraine demonstrates the necessity to transition towards renewable energy at a faster pace than we are doing now. Combine this with the devastating IPCC reports and it should be clear to all that we need to act now.

The focus on climate mitigation and adaptation is essential, but there is another topic closely related to climate change where we see large steps needing to be taken and that is biodiversity. The loss of biodiversity might be just as big a crisis for life on earth as climate change is. And yet when it comes to biodiversity, many companies are struggling with what to focus on and how to measure impact. That is why VBDO has chosen to focus on this topic yet again for the coming years.

VBDO has observed that when it comes to the topic of biodiversity loss, most companies are still trying to grasp the most material elements of the issue. One of the first and most important steps in



addressing the issue will be for businesses to map and measure their individual dependencies and impacts on biodiversity. Only once these are known can effective biodiversity strategies be created and executed. VBDO is looking forward to engaging on this topic for the coming years.

For the third consecutive (and final) year, VBDO has engaged with companies on the topic of labour conditions in the supply chain. This comprehensive topic, covering issues such as auditing direct contractors, living wage, and raw material mining in the lowest levels of the supply chain, remains a significant challenge for multinational companies with large supply chains. We have seen, however, a large increase in focus on this topic, which is in part due to the upcoming legislation on due diligence.

“One of the first and most important steps in addressing the issue of biodiversity will be for businesses to map and measure their individual dependencies and impacts on biodiversity. Only once these are known can effective biodiversity strategies be created and executed. VBDO is looking forward to engaging on this topic for the coming years”

Above all, we have seen a large shift in attention towards diversity and inclusion. Much has changed over these three years of engagement, especially when it comes to gender diversity. VBDO acknowledges that companies are increasingly building knowledge of diversity and inclusion as well as knowledge of the most effective measures that can

be taken, thereby accelerating awareness and policies regarding diversity and inclusion.

In the coming year, VBDO will select a new social and governance topic to engage on and we will involve all relevant stakeholders in this process.

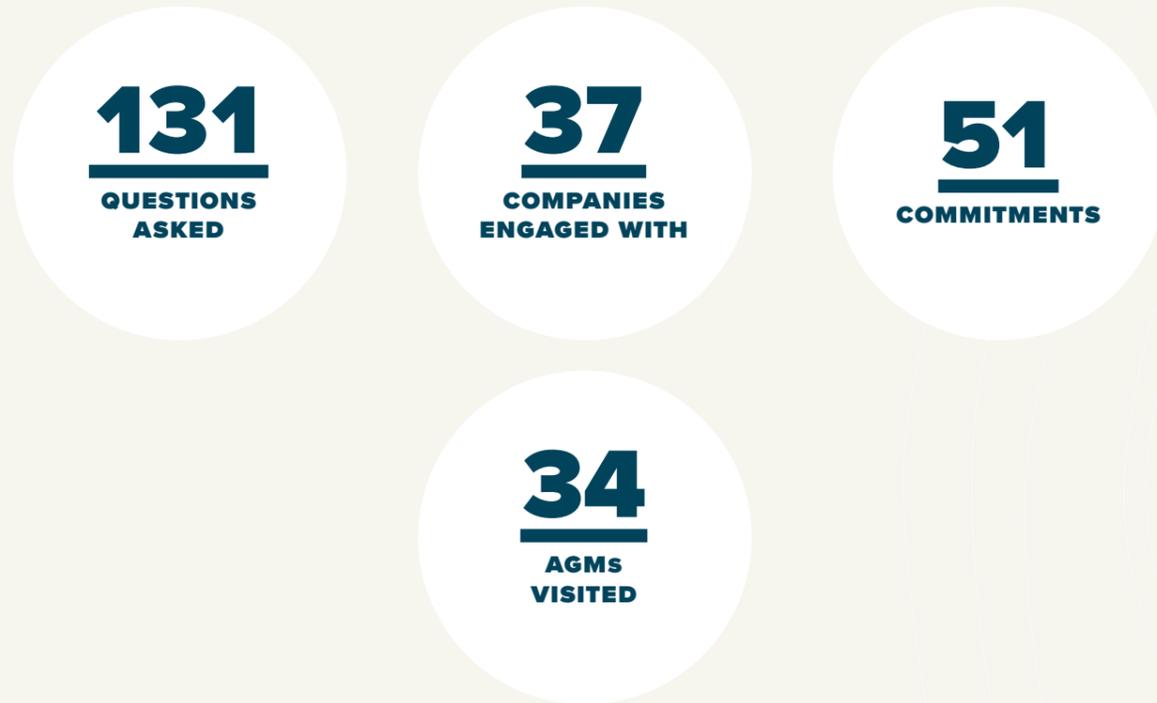
This report would not have been possible without our members and partners in the Netherlands and in other parts of the world. VBDO will continue to deliver on both the premise and promise of making the capital markets more sustainable. I would like to thank, in particular, our sector commission members, who provide expert knowledge throughout the engagement season, and our employees for their hard and passionate work.



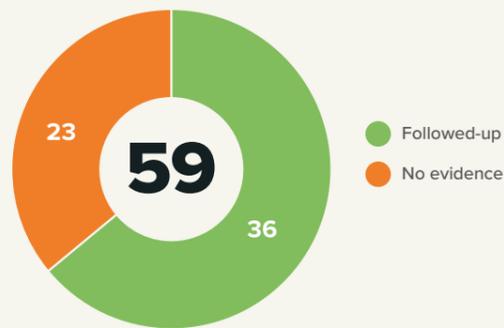
Angélique Laskewitz
Executive Director of VBDO

Highlights from VBDO's 2022 AGM engagement season

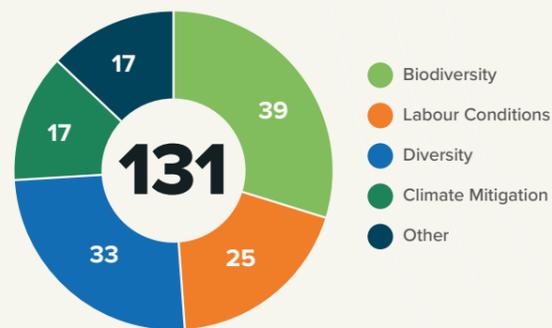
Impact Highlights from VBDO's 2022 AGM engagement season



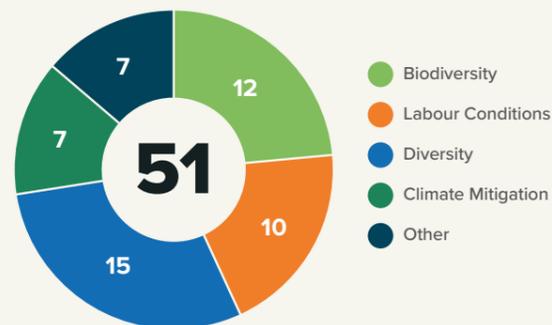
Graph 1: Commitments 2021



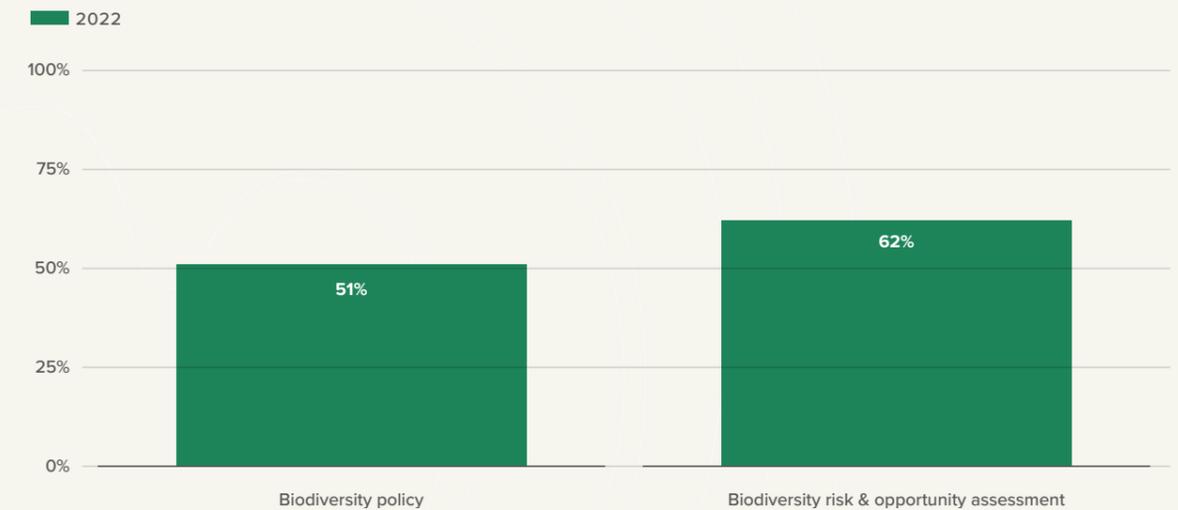
Graph 2: Questions 2022



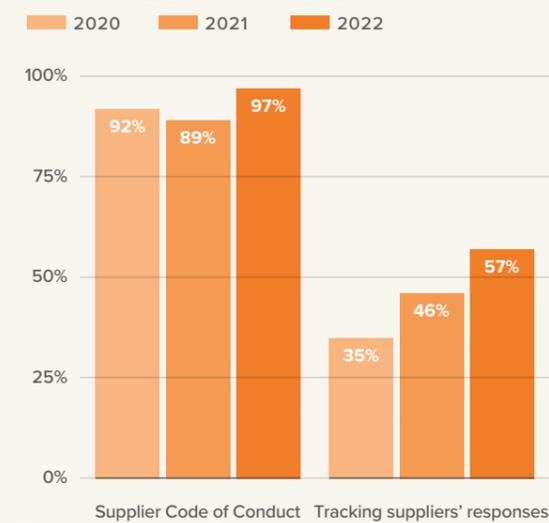
Graph 3: Commitments 2022



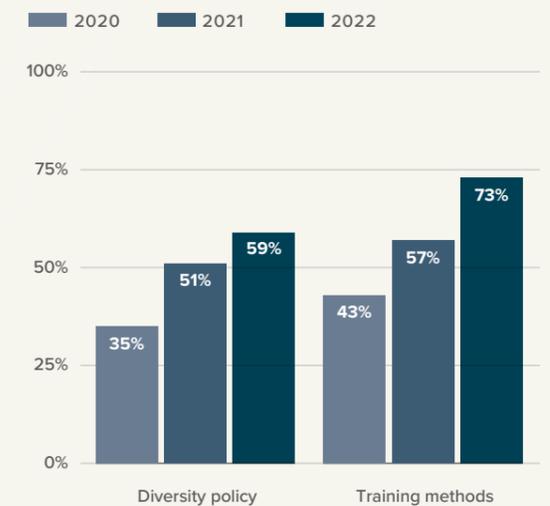
Graph 4: Biodiversity – highlights



Graph 5: Labour conditions in the supply chain – impact highlights



Graph 6: Diversity – impact highlights



1. Executive Summary



Key results include:

Biodiversity | Many companies have recognised biodiversity as a material topic, but not enough assessments of actual impacts and dependencies are currently being performed to inform comprehensive biodiversity strategies.

Labour conditions in the supply chain | Improvements were made on the implementation of active due diligence processes; however, with the new EU legislation in mind, companies will have to increase their due diligence efforts even further.

Diversity | Steady progress has been made over the past three years, especially with regard to gender diversity. However, many companies are yet to take the next step of broadening the focus to include other forms of diversity.

This report will first outline our recommendations for companies on each engagement theme, and then look at the most important results in greater detail. The full list of company commitments can be found in appendix II.

BIODIVERSITY: MANY COMPANIES HAVE RECOGNISED BIODIVERSITY AS A MATERIAL TOPIC, BUT NOT ENOUGH ASSESSMENTS OF ACTUAL IMPACTS AND DEPENDENCIES ARE CURRENTLY BEING PERFORMED TO INFORM COMPREHENSIVE BIODIVERSITY STRATEGIES.

This year VBDO introduced biodiversity as a new engagement topic. Recent reports show us that biodiversity is deteriorating rapidly, and that collective action needs to be taken to halt dramatic biodiversity loss. Seven companies have achieved a place in the Leading category for this topic, 17 have been placed in the Learning category, and 10 have fallen into the Lagging category. Of all the sectors within our investment scope, the Financial sector has obtained the highest scores on this topic, whereas the Technology & Electronics sector has scored the lowest.

VBDO was glad to find that 85% of companies have already recognised the importance of addressing the issue of biodiversity. This shows that the topic is considered material by most companies within our investment scope. Currently, 62% of companies have also identified the main biodiversity and natural capital-related risks and opportunities of their own operations and the most

material elements of their value chains. However, only 21% of companies have integrated biodiversity and natural capital-related (financial) risks and opportunities in their risk assessments (for their own operations and value chains) and disclosed their impacts and dependencies on nature and natural capital. This is concerning, as these assessments allow companies to formulate comprehensive biodiversity strategies and measures. Currently, only 51% of companies have formulated a biodiversity policy. Significant differences can be seen between sectors, 100% of the Financial sector have formulated such a policy, compared to just 17% of those in the Technology & Electronics sector.

Nonetheless, VBDO was pleased to find that, even without comprehensive biodiversity assessments or strategies, 76% of companies already undertake specific measures aimed at reducing the impact of their operations on biodiversity. Additionally, 47% have taken measures that aim to preserve, regenerate, and restore biodiverse areas and ecosystems. Furthermore, VBDO found that 38% of companies have currently developed transformative solutions related to biodiversity.

Although this shows that many companies are willing to take measures to address biodiversity-related impacts, VBDO believes that the most effective measures can be taken only when impacts, risks, dependencies, and opportunities in a company's own operations and its supply chain have been mapped. Many companies disclosed that performing such assessments has proven challenging, due to a lack of a uniform reporting standard as well as the wide-ranging list of topics included under the theme of biodiversity. This would also explain why only 26% of companies have currently set comprehensive targets on the topic of biodiversity.

However, VBDO believes that new reporting pilots and upcoming legislation should result in progress made on this issue in the years to come. Additionally, we believe that by discovering more biodiversity-related opportunities, companies will be able to address biodiversity impacts and strengthen their own business case at the same time.



LABOUR CONDITIONS IN THE SUPPLY CHAIN: IMPROVEMENTS WERE MADE ON THE IMPLEMENTATION OF ACTIVE DUE DILIGENCE PROCESSES; HOWEVER, WITH THE NEW EU LEGISLATION IN MIND, COMPANIES WILL HAVE TO INCREASE THEIR DUE DILIGENCE EFFORTS EVEN FURTHER.

In 2022, VBDO engaged with companies on labour conditions in the supply chain for the third consecutive year. This year six companies moved from the Learning category to the Leading category, and four companies moved from the Lagging to the Learning category. So, although there have also been two companies that have moved down a category, progress has been made on this topic.

We have seen progress on several aspects of this issue. We are now pleased to report that all companies in scope have made a formal commitment to improve labour conditions in the supply chain. This translates into an increase in the number of companies that have developed a strategy to improve labour conditions in the supply chain (2022: 59%; 2021: 51%). Additionally, there has been an increase in companies that track responses of suppliers on labour conditions based on qualitative and quantitative indicators (2022: 57%; 2021: 46%). We expect an even greater increase in this percentage once the upcoming due diligence directive adopted by the European Union is fully implemented. For now, however, there is still a lot of work to do for many companies in this area.



This can be illustrated by the percentage of companies in our scope that transparently communicate how they address labour conditions in the supply chain and the outcomes of their actions. Although VBDO has seen an increase in this percentage for the third consecutive year (2022: 26%; 2021: 23; 2020: 19%), the number of companies transparently reporting is not nearly enough. We are, however, hopeful, as many companies have committed to extend their due diligence processes or increase transparency.

The main challenge regarding this topic remains supplier due diligence beyond tier 1, especially for companies with large supply chains, such as companies in the Food, Beverage & Retail and Technology & Electronics sectors. For the latter sector, this is especially important to address for companies working with conflict minerals. VBDO was therefore pleased that a few companies in scope are working on extending their raw materials due diligence processes to more minerals, such as cobalt and mica. Additionally, VBDO was pleased to see that many companies are paying more attention to living wage due diligence.

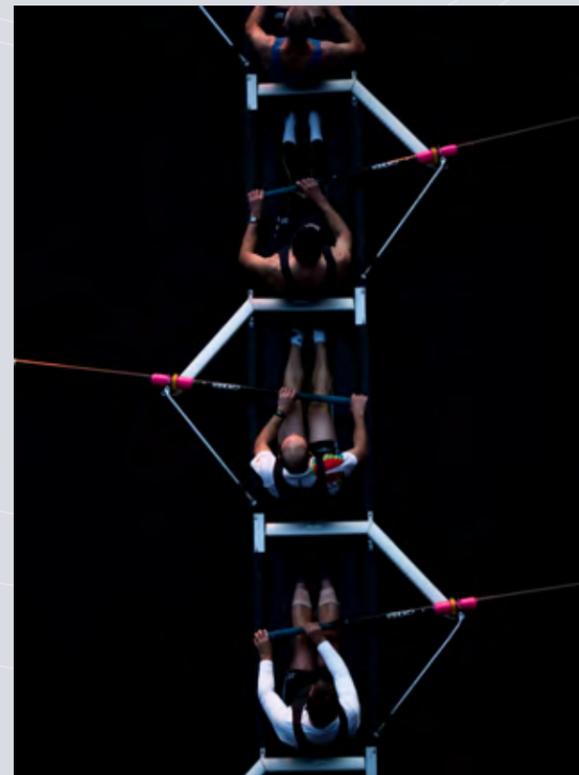
DIVERSITY: STEADY PROGRESS HAS BEEN MADE OVER THE PAST THREE YEARS, ESPECIALLY WITH REGARD TO GENDER DIVERSITY. HOWEVER, MANY COMPANIES ARE YET TO TAKE THE NEXT STEP OF BROADENING THE FOCUS TO INCLUDE OTHER FORMS OF DIVERSITY.

Companies should reflect the societies they operate in. Inclusive societies are created through equal access to information, equal pay for equal work, and involvement in decision-making for all, especially for marginalised groups. Over the last three years, VBDO has seen steady progress made on this topic especially with regard to gender diversity. Diversity & Inclusion has been a very significant topic over the past years. However, it has attracted even more public attention in the Netherlands over the past few months as it has become clear that having the right grievance mechanisms in place does not necessarily mean women and minority groups are protected within organisations. Measuring the effectiveness of policies and grievance mechanisms is key.

VBDO acknowledges that companies are increasingly building knowledge of diversity and inclusion as well as knowledge of the most effective measures that can be taken, thereby accelerating awareness and policies regarding diversity and inclusion. This is reflected in the fact that seven companies have moved from the Lagging to the Learning category over the past year, and three companies have moved from Learning to Leading.

Before a company is able to take meaningful measures, it must first understand which marginalised groups and which specific issues are particularly salient to the organisation. Such understanding can be achieved through in-depth engagement surveys, thereby mapping the diversity profile of the organisation and measuring the level of inclusion experienced by different groups in an anonymous manner. Regular engagement with representatives of marginalised groups can add detail to this quantitative understanding. Currently, only 43% of companies display a robust understanding of their diversity profile.

It is vital that companies build awareness and knowledge with regard to diversity and inclusion among the entire workforce. This will help to create a more inclusive environment and also create more wide-spread support for any diversity and inclusion measures that the company decides to take. A concrete example of knowledge-building is unconscious-bias training. VBDO has seen a shift in companies having such measures in place, from 43% in 2020 to 73% in 2022. This shift reflects the increased focus on diversity and inclusion.



2. VBDO's engagement

2.1. VBDO'S ENGAGEMENT TIMELINE

Our history is one of persistence. When VBDO commenced our first corporate engagements, our questions were often seen as unimportant or nonsensical. This did not, however, stop us from pressuring companies to release environmental and social reports. VBDO's pressure eventually resulted in a steady increase in those reports and, more importantly, increased transparency on non-financial information.

This increase in reports allowed VBDO to start carrying out our primary role: scrutinising results and entering into dialogue with companies based on their social and environmental performance. With the introduction of ESG themes at VBDO in 2006, we no longer had to advocate for environmental or social reporting as it had become the norm.

Together with our members, VBDO made it our mission to put urgent and salient themes on the agenda. When we look back over the last 27 years, we can see similar themes popping up multiple times but in different guises. However, in terms of content, much has changed. Twenty years ago, the focus was on motivating companies to create a Code of Conduct. Now, we expect companies to apply and reinforce human rights guidelines across their entire supply chains. We also expect them to cooperate with suppliers, improve due diligence practices and disclose progress on targets and KPIs. This contrast is an example of the steady shift in our expectations. These changes are also reflected in our other work, which has expanded over many years to include benchmarks, research and knowledge sharing.

Legal developments | In the years to come, companies will have to adapt to several new legal requirements. For one, the EU Taxonomy will require businesses to classify their economic activities based on sustainability criteria. Under the Taxonomy, economic activities must contribute to at least one of the six environmental objectives before they can be considered sustainable. These objectives are climate change mitigation, climate change adaptation, the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems. 'Sustainable' economic activities should also refrain from

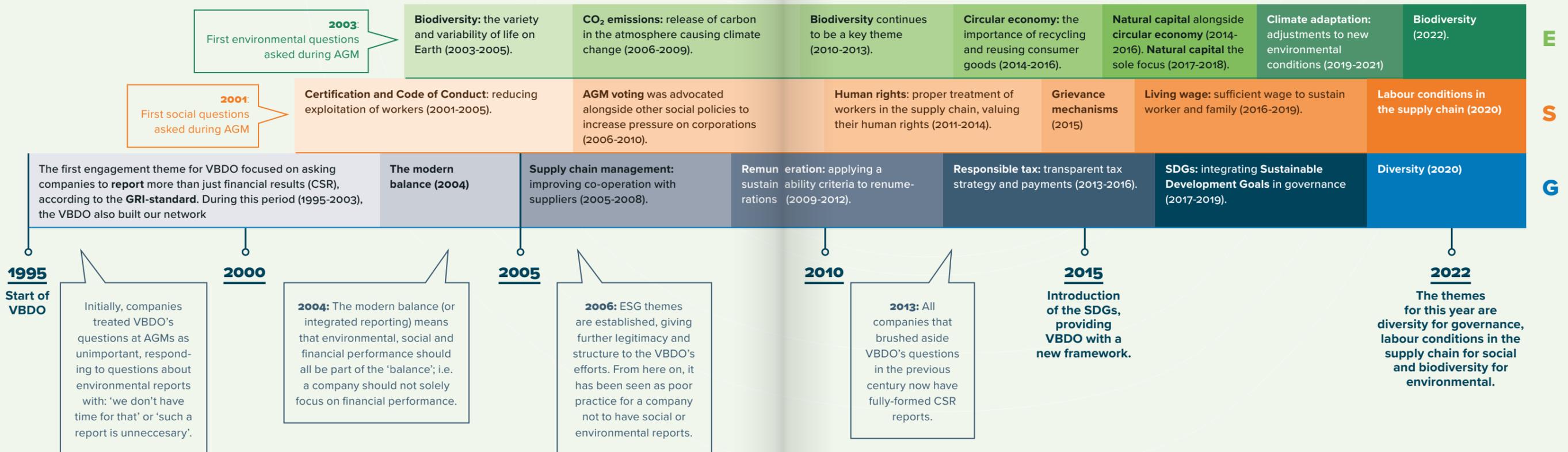
causing any damage to the objectives mentioned above. Not only is the Taxonomy created as a classification system, it also requires companies to disclose more information on their alignment with the objectives of the Taxonomy. To achieve this, the EU's Non-Financial Reporting Directive (NFRD) and the Sustainable Finance Disclosure Regulation (SFDR) will be amended accordingly.

The Corporate Sustainability Reporting Directive (CSRD) will amend the reporting requirements currently found in the NFRD. The biggest changes resulting from these amendments will be that the scope for reporting will be extended to all companies listed on regular markets

(except listed micro-enterprises), that assurance is now required on the reported information, more detailed reporting requirements will be introduced, and that a digital 'tag' should allow the information reported to be machine-readable.

In terms of expectations, VBDO encourages all companies to start making initial assessments on whether their economic activities would qualify as sustainable under the EU Taxonomy. Gaining insight into the impacts on environmental objectives would be a fruitful effort regardless of whether activities qualify as sustainable, as this allows companies to identify areas within the supply chain that require extra monitoring and consideration.

27 years of engagement



2. VBDO's engagement

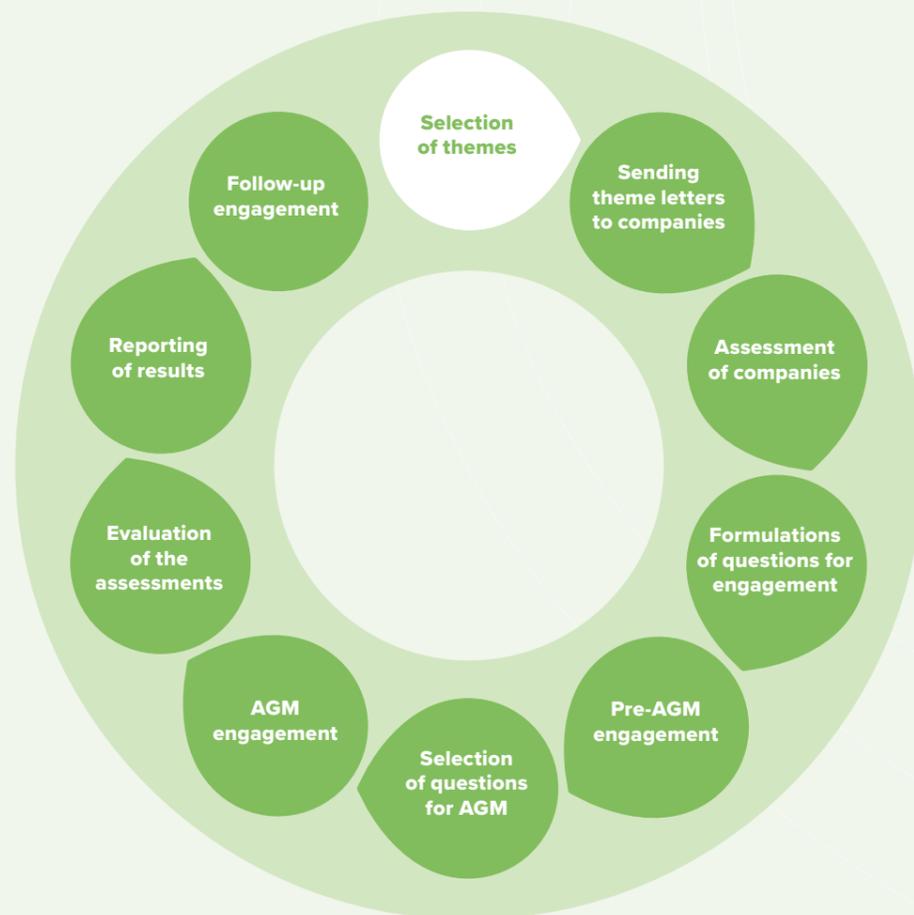
2.2 VBDO'S ENGAGEMENT PROCESS

In 2022, VBDO has pursued constructive dialogues with companies on material sustainability themes. Engagement at each AGM was preceded by in-depth research of the company's sustainability performance over the previous year. This research included analysing the company's annual report and sustainability report(s), as well as undertaking web-based research and consulting with relevant experts and NGOs. Following these analyses, relevant issues were selected and questions were formulated. The questions were shared with the selected companies and VBDO conducted meetings

and calls prior to the AGMs in order to enhance our understanding of each company's strategies and performance. Based on these conversations, VBDO then selected the most material questions to ask each company's Board of Directors at its AGM.

VBDO aims to create an open exchange of ideas around a company's sustainability policy and practice to improve its overall sustainability performance. Figure 1 shows VBDO's AGM engagement process. Our process has been updated and developed over the last 27 years to ensure that we make as great an impact as possible.

Figure 1: VBDO's engagement process



2.3 INTRODUCTION OF ENGAGEMENT TOPICS FOR 2022

FIGURE 2 - ESG THEMES



Three topics have been chosen to engage on in 2022 – Biodiversity (Environmental), Labour conditions in the supply chain (Social) and Diversity (Governance). In addition, VBDO engaged on several other topics due to their materiality to one or more companies in our scope. These are outlined in chapter 6.

A more detailed explanation of how we select our sustainability themes, measure the impact of our engagement, select companies to engage with and decide questions, can be found in Appendix I.



3. Environmental – Biodiversity

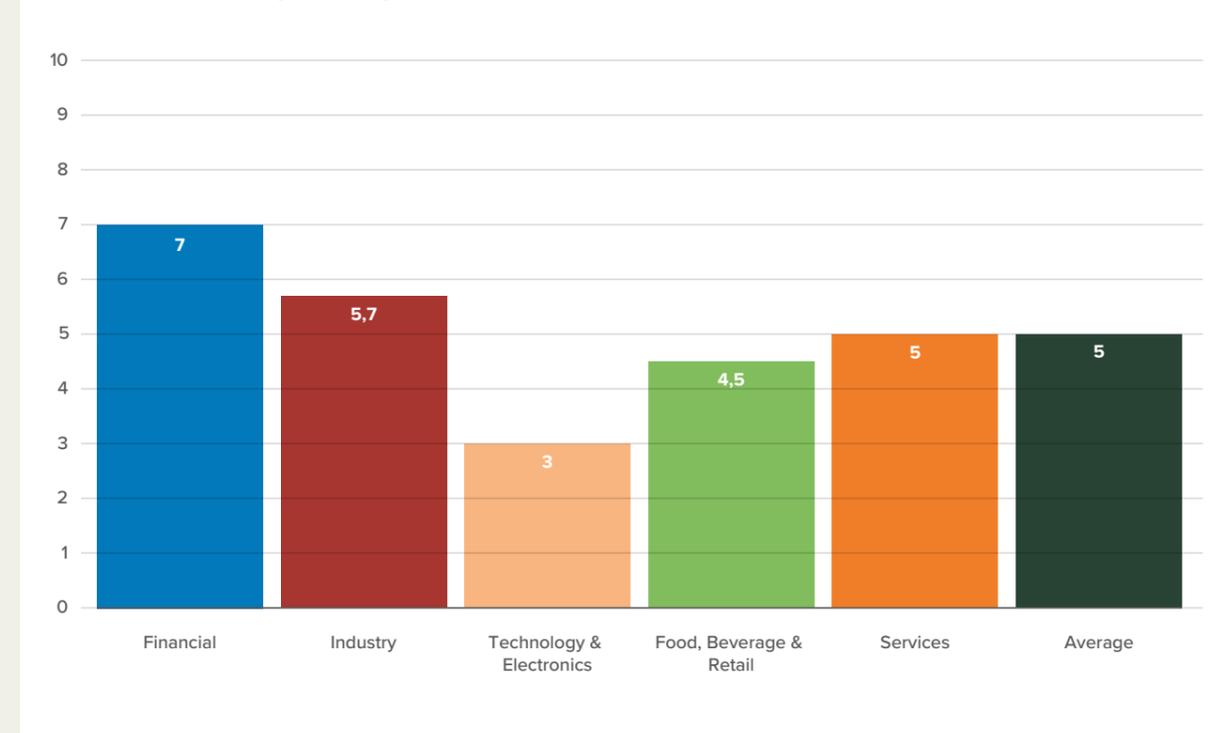
3.1 OVERVIEW OF ENGAGEMENT

LAGGING	LEARNING	LEADING
Just Eat Takeaway.com PostNL Heineken Ahold-Delhaize Sligro Adyen ASM International TKH Group ASML Aalberts	ABN Amro Aegon NN Group ING Group Royal BAM ArcelorMittal Boskalis Shell Vopak AkzoNobel Philips Signify Wereldhave SBM Offshore Fugro Arcadis KPN	a.s.r., Van Lanschot Kempen Heijmans DSM Corbion Unilever JDE Peet's

N.B. – This report is not to be read as a benchmark. VBDO aims to quantify the qualitative process of engagement for clarity of communication; however, it should be noted that the engagement process is nuanced and differs with each company in our investment scope.

Note: VBDO has not included Randstad, Wolters Kluwer and RELX N.V. in its engagement on biodiversity, as this topic is considered to be non-material.

Graph 7: Biodiversity - average score per sector



VBDO noted that when it comes to the topic of biodiversity loss, most companies are still trying to grasp the most material elements of the issue. Due to a lack of clear and uniform reporting standards, the progress made differs strongly per sector. Interestingly, the Financial sector has shown the most coherent approach to the issue, but companies in other sectors, such as Unilever and JDE Peet's in the Food, Beverage & Retail sector and Corbion and DSM in the Industry sector, have also illustrated their dedication to the issue by undertaking initial assessments and mitigating measures.

3.2 THEME INTRODUCTION

In 2022, VBDO introduced biodiversity as a new theme for the AGM season. Although it is not the first time VBDO has addressed biodiversity issues in our engagement, this year a more comprehensive approach was taken. Biodiversity was one of the focus themes in both the periods 2003-2005 and 2010-2013. Throughout those years, it became clear that very few companies acknowledged the strategic importance of addressing biodiversity-related issues, even though many of these companies were in some way dependent on biodiversity and natural capital.

The European Environment Association defines biodiversity as “millions of unique living organisms that inhabit Earth, and the interactions among them.”¹ Over the past decades, human activity has been causing many global plant and animal species to disappear. As many as one million species are currently expected to be threatened with extinction.² In 2019, the UN Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) released its landmark report on biodiversity and ecosystems.³ The report illustrated the rapid deterioration of the health of ecosystems globally, by assessing natural changes over the last five decades. It showed that ecosystems do not only form the basis for the lives of all species on earth but also provide the basis for the global economy, our livelihoods, food security and overall health.⁴ At the same time, the report acknowledged that it is still possible to prevent further deterioration through global transformative action. According to the Chair of IPBES, Sir Robert Watson, this would require “a fundamental, system-wide reorganisation across technological, economic and social factors, including paradigms, goals and values.”⁵

In order to halt biodiversity loss, it is of vital importance that the balance of global ecosystems is maintained and that the main threats to biodiversity are eliminated. Businesses play an important role in these efforts, as many of the drivers behind biodiversity loss find their origin in business operations.⁶ The type of biodiversity risks will differ per sector. Companies with a direct impact on biodiversity include companies in the Industry sector, since these companies contribute to biodiversity and natural capital loss through their own operations. Companies with a secondary impact on biodiversity include companies in the Food, Beverage & Retail sector, the Technology sector, and the Services sector. Companies with a tertiary impact on biodiversity include financial institutions that make an impact on biodiversity through their investment portfolios. The main direct drivers that will need to be addressed in different sectors are climate change, overexploitation, habitat conversion and destruction, and invasive species. More indirect drivers that contribute to biodiversity loss are infrastructure, tourism, overconsumption, and urbanisation.

At present, many companies are unaware of the specific impacts their activities have on biodiversity, or the company's dependence on so-called natural capital (natural resource stocks, land, and ecosystems).⁷ Furthermore, companies do not yet have the right strategies to tackle biodiversity issues, even when they recognise the importance of the topic. Therefore, one of the first and most important steps in addressing the issue will be for businesses to map and measure their individual dependencies and impacts on biodiversity. Only once these are known can effective biodiversity strategies be created and executed.⁸

3.3 VBDO'S BEST PRACTICE GUIDELINES

In assessing the maturity of a company's biodiversity policy, VBDO has set the following four expectations:

Risk assessment and impact disclosures: First, companies are expected to acknowledge the fact that their operations to some extent impact biodiversity and to assess how these effects constitute risks and opportunities. The materiality of these risks and opportunities differs depending on the specific situation of each company. The risk assessment is expected to cover both the company's own operations as well as the material elements of the supply chain. As for the

Financial sector, VBDO expects companies to identify these risks and opportunities for relevant asset classes. Alongside assessing the main risks and opportunities, the company should identify and disclose the main impacts resulting from its own operations on biodiversity and natural capital.

Biodiversity strategy: VBDO expects companies to develop and implement a research-based biodiversity strategy to mitigate identified material risks and impacts. This strategy should not only focus on reducing the company's impact on biodiversity and natural capital, but also on preserving, regenerating, and restoring natural capital and ecosystems as well as creating transformative solutions.

Implementation measures: VBDO expects companies to undertake different types of measures to address the risks and impacts identified in their biodiversity assessments. For one, companies should undertake measures that reduce their overall impact on biodiversity. Secondly, we expect companies to take measures that preserve, regenerate, and restore biodiverse areas and ecosystems. Finally, companies should develop transformative biodiversity solutions.

Reporting outcomes: Companies are additionally expected to establish biodiversity and natural capital related targets and KPIs. These targets and KPIs can strongly differ depending on the sector in which a company operates.

Engagement and public commitment: Lastly, VBDO expects companies to engage with relevant stakeholders on the topic of biodiversity and natural capital and make a meaningful public commitment to nature-positive policies.

3.4 FINDINGS

As biodiversity was a new topic this year, the findings presented below provide a first insight into how the topic is being addressed in various sectors. What we have noticed mainly, is that 85% of companies have recognised biodiversity as a material issue, which is a good first step. However, fewer companies have taken the next step of performing assessments of the biodiversity impacts, dependencies, and opportunities resulting from the company's operations. Through our conver-

sations with various companies, it became clear that this is mainly due to the inherent complexity of tracking biodiversity, the novelty of the issue for companies, and the lack of clear reporting standards. However, VBDO is happy to note that many companies are starting to experiment with methodologies and modules, and we therefore expect to see more progress on this topic in next year's engagement season. Due to the fact that many companies are still in the first stage of addressing this issue, this year's engagement focused mainly on encouraging companies to start tracking their impact and dependencies on natural capital and ecosystem services.

What is interesting to note, is that companies in the Financial sector have scored the highest on this topic, even though their impact on biodiversity is mainly indirect. The topic has gained significance over the last years in this sector, and many institutions have included biodiversity criteria into their responsible investment policy. Additionally, many initiatives, such as the Finance for Biodiversity Pledge and the Partnership for Biodiversity Accounting Financials, are contributing to developments in this sector. It has to be noted however, that although financial institutions are taking great steps in terms of measuring and reporting, it remains difficult to determine the actual impact of these approaches.

The Technology & Electronics sector has obtained the lowest score on the topic of biodiversity. The issues we are seeing in this sector relate mainly to companies being unable to determine what approach should be taken on the topic, especially with new legislative requirements coming up. Furthermore, some companies have suggested that the topic is not as material as other sustainability issues such as climate mitigation. VBDO, however, believes that considering the negative impacts associated with mineral extraction, biodiversity should be considered a material topic for companies in this sector. At the same time, it is recognised that tracing the supply chain of these raw minerals and the biodiversity impacts occurring down the line might be complicated.

This issue of traceability is also recognised for companies in the Food, Beverage & Retail sector. Although agricultural practices undoubtedly have a large impact on biodiversity and local ecosystems, it is often a difficult task for companies to map the origins of every

single ingredient as well as the biodiversity impact connected to its production. At the same time, considering the dependency of many companies in this sector on healthy ecosystem functions and natural capital, assessing these risks and impacts will become increasingly important for the company's own continuity.

Therefore, throughout this year's engagement, VBDO has continuously stressed the fact that through assessing biodiversity impacts and dependencies, business

opportunities can also be identified. These opportunities can be diverse but could, for example, relate to more efficient agricultural practices by avoiding soil degradation, developing products that are less reliant on animal protein, or the use of more recycled materials. For the Financial sector, opportunities for impact lie mainly in future engagement with clients, for example by helping them adopt more ecosystem efficient practices, resulting in financial benefits for both parties.



Biodiversity opportunities illustrated – Corbion and DSM

Both Corbion and DSM have introduced transformative products that reduce some of the negative effects on biodiversity, whilst at the same time providing great business opportunities for the companies themselves.

With AlgaPrime DHA Corbion has created a sustainable alternative to traditional Omega-3 sources of fish oil. Similarly, DSM's algae-based Veramaris provides a sustainable alternative to animal-derived Omega-3

sources. With these solutions, DSM and Corbion are transforming the Animal Nutrition industry to become independent of marine resources, thereby reducing the strain caused on marine ecosystems by overfishing.

Table 1: Highlighted commitments on biodiversity

Companies	Highlighted commitments (see Appendix II for full list of commitments)
NN Group	NN Group will continue engagement with clients on the topic of biodiversity, regardless of the takeover of NNIP by Goldman Sachs.
Royal BAM Group	BAM commits that the company will report more on biodiversity-related issues in the coming years.
ArcelorMittal	ArcelorMittal will expand the company's work on biodiversity in 2022 in line with the Taskforce on Nature-related Financial Disclosures.
Signify	Signify aims to have measured and qualified the company's biodiversity impact in risk areas by the end of 2023.
SBM Offshore	SBM Offshore commits that the company will report more details on biodiversity as part of SDG 14.

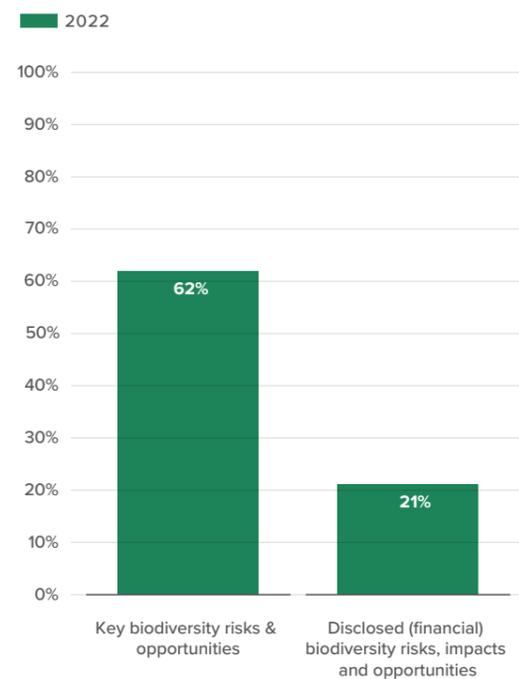
Risk assessment and impact disclosures

As stated before, this year VBDO's main focus for this theme was on addressing the importance of conducting risk and impact assessments on the topic of biodiversity. We believe that without such assessments, companies will not acquire the necessary knowledge to construct effective and comprehensive biodiversity strategies and measures.

Currently, 62% of companies have identified the key biodiversity and natural capital related risks and opportunities of their own operations and the most material elements of their value chains. Which elements are taken into account with these assessments depends largely on the sector in which a company operates, but they are often related to the main drivers behind biodiversity loss, such as air and water pollution, waste production and management, habitat conversion or construction, the use of pesticides, and invasive species.

However, only 21% of companies within our scope have integrated biodiversity and natural capital related risks and opportunities in their risk assessments (for their own operations and value chains) and disclosed their impacts and dependencies on nature and natural capital, as well as the financial risks and opportunities resulting from these impacts and dependencies. This shows that, although quite a large number of companies have been able to identify possible biodiversity risks

Graph 8: Percentages of companies performing biodiversity risk and impact assessments



within the supply chain, very few have actually performed detailed assessments that map specific impacts, dependencies, financial risks, and opportunities. This could be partly explained by the lack of a uniform reporting system. VBDO therefore also believes that on this point, much progress can be expected considering the new reporting initiatives that are currently being introduced.

Biodiversity strategy

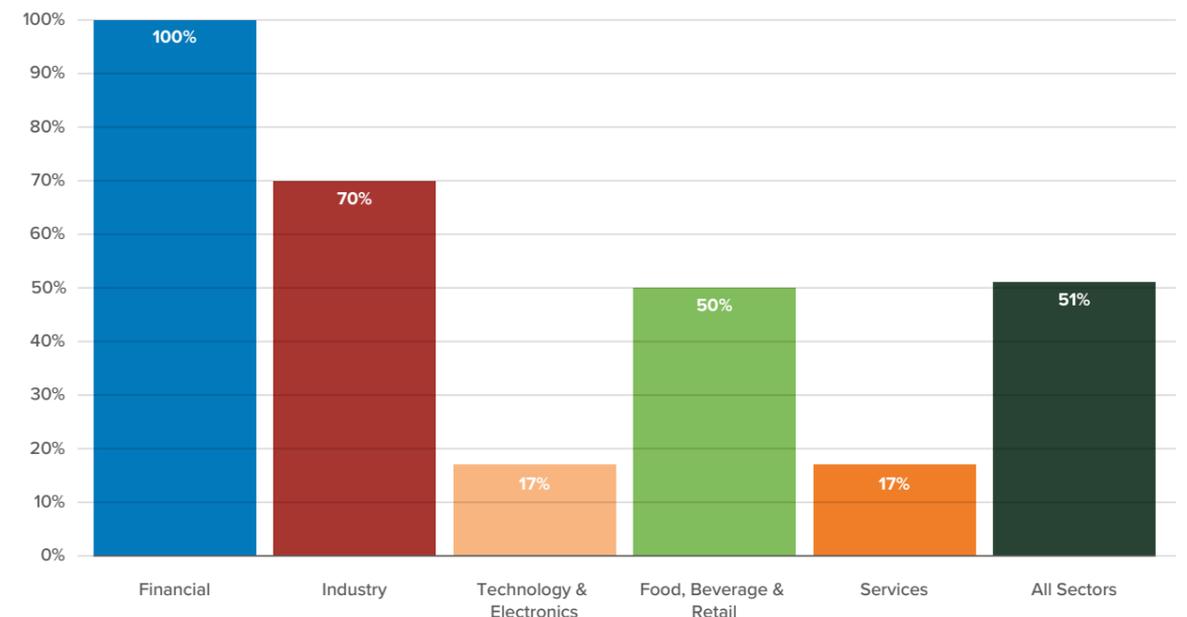
After having determined biodiversity risks, impacts, and opportunities, companies are expected to describe how they will translate the results of these assessments into biodiversity strategies. Biodiversity strategies should go beyond occasional donations to conservation initiatives, by addressing the main impacts and dependencies on biodiversity resulting from a company's own operations. By addressing these impacts and dependencies, companies will also contribute to their own resilience.

VBDO is pleased to see that of all the companies within our scope, 51% have already developed a biodiversity policy, either separately or as part of the overall company strategy. In the Financial sector, this number has already reached 100%, whereas in the Technology & Electronics and Services sectors, the number stands at a mere 17%. This also illustrates where most of the attention for future engagement should be focused.

Implementation measures

What is clear however, is that even without specific biodiversity assessments or strategies, many companies have undertaken at least some measures that reduce the impact of their operations on biodiversity. VBDO was glad to discover that 76% of companies have already undertaken such reduction measures. Additionally, 47% currently also undertake measures that aim to preserve, regenerate, and restore biodiverse areas and ecosystems. Furthermore, 38% of companies have developed one or more transformative solutions

Graph 9: Biodiversity – strategies

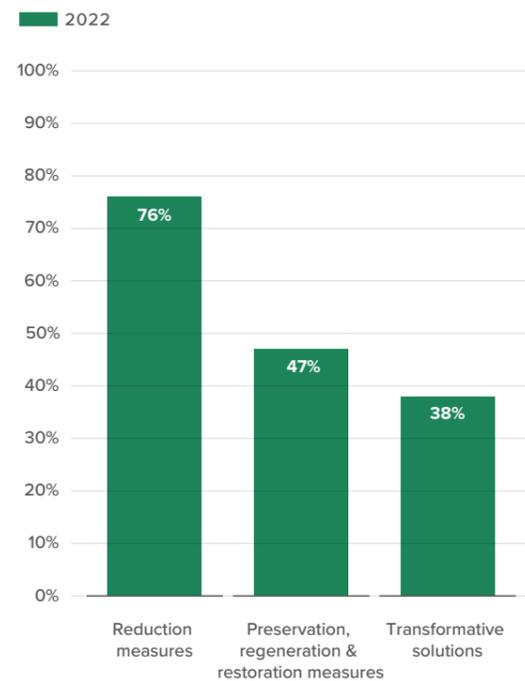


related to the topic. Although all these efforts are admirable, VBDO still considers that the most effective measures can be taken when a company knows where the main risks and impacts lie in its supply chain and a comprehensive biodiversity strategy has been developed. Therefore, in the coming years VBDO is hoping to see more targeted measures that address specific biodiversity risks in a company's own operations. At the same time, it is recognised that reducing harmful biodiversity effects can be considered a good development, regardless of how these measures have come to be.

Reporting Outcomes

Only 26% of companies are currently setting comprehensive targets on the topic of biodiversity. Although biodiversity is a broad topic, VBDO would expect companies to report on KPIs such as no-deforestation, regenerative agriculture or reduction of water use in water scarce areas (%). Frontrunners set more ambitious targets (e.g. no water will be extracted from water scarce areas in 2020) than followers (e.g. we will conduct mapping of our impacts and dependencies on nature). Interestingly, it is in the Industry and Food, Beverage & Retail sectors that most companies (50%) have set targets related to biodiversity. This could perhaps be explained due to the heavy reliance of these sectors on natural capital and ecosystem services, but it is certainly a laudable development. As KPIs and targets give insight into the developments made by companies on their biodiversity strategy, VBDO hopes to review more targets and KPIs on this topic in the years to come.

Graph 10: Biodiversity – implementation



Reduction measures – HEINEKEN's 'Every Drop' water ambition



A straightforward way to reduce the impact on local ecosystems resulting from a company's operations is to limit the use of local resources as well as the production of waste. A good example of such an approach can be found in HEINEKEN's "Every Drop" water ambition for 2030. As part of this ambition, HEINEKEN will fully balance the amount of water

used in areas that are water stressed, maximise water circularity and reduce water usage overall. Through these measures, HEINEKEN can significantly limit the harmful effects of its activities and contribute to the health of local ecosystems and biodiversity.

GOOD PRACTICES

HEIJMANS – NATURE IMPROVEMENT

Heijmans has been taking into account biodiversity in its projects for some time. What is noteworthy about the approach taken, is that rather than focusing on compensation, Heijmans attempts to achieve actual nature improvement. This means that during the projects that are executed, one of the aims is to build in a nature-inclusive manner. Examples include creating green areas in new residential areas as well as animal crossings at highway restructuring projects. By employing ecologists in its teams, Heijmans has not only been able to provide a nature-friendly service, but it is also strengthening its own business case.

UNILEVER – REGENERATIVE AGRICULTURE PRINCIPLES

Unilever has created the Regenerative Agriculture Principles to support its Sustainable Agriculture Code. These principles constitute agricultural practices that focus on delivering positive results for soil health, farm biodiversity, and water quality. The Principles are implemented through Lighthouse Programmes, which gives Unilever insight into the issues faced by farmers and suppliers and when they may require support. Through tracking the results of these programmes, Unilever can work together with farmers and suppliers to effectively address biodiversity issues in the supply chain.

Biodiversity at a.s.r.

Why is it important to address the topic of biodiversity according to a.s.r.?

Next to climate change, biodiversity loss is one of the major systemic challenges society is facing today. a.s.r. recognizes this, as well as the fact that biodiversity and the financial sector are closely related to each other. Many economic activities are dependent on biodiversity and ecosystem services. At the same time, companies we invest in have an impact – either positive or negative- on biodiversity. We see that the financial sector has a crucial role to play in protecting and restoring biodiversity and a.s.r. is committed to contributing to it.

What subjects within the theme of biodiversity deserve focus according to a.s.r. and why?

One of the main challenges for us concerning biodiversity at this point are measuring of impact and dependencies. Unlike carbon, biodiversity is much more difficult to capture in a single number. To be able to integrate information on biodiversity into our investment processes and to be able to steer away from negative impact as much as possible, we need various points of information to be quantitative and of substantial quality at the same time. Luckily, there are many initiatives being started within the sector to tackle this challenge.

How is a.s.r. expecting to develop her policy further on this topic in the coming years? Does a.s.r. foresee special opportunities or possible hurdles?

a.s.r. is currently researching how to best measure the biodiversity footprint of our investment portfolio. Having an understanding of the



Marjolein Meulensteen

specific risks and opportunities within our portfolio, will give us the opportunity to further develop our policy on the topic. a.s.r. has a target of reaching 4.5 billion euro in impact investments in 2024 and biodiversity is one of our key themes. We hope to be able to further expand our investments contributing to the restoration and protection of biodiversity. This can be in the form of ecosystem services, but also through innovations that help steer away from activities with a high negative impact on biodiversity such as soy production for cattle feed. In the meantime, we will continue to engage with our investee companies on biodiversity related risks and opportunities.

What advice would a.s.r. like to give to other financial institutions that have not yet developed a biodiversity policy?

The complexity of the topic can be quite overwhelming, making it difficult to grasp and get started. That being said, we believe the only way to move forward is to simply get started and by pioneering and sharing experiences and knowledge within the sector. Examples of such pioneering are the pilot that a.s.r. undertook within the PBAF group to measure the biodiversity footprint of the MSCI Global benchmark or the initiative that a.s.r. real estate launched last year to reward farmers for the promotion of biodiversity.

4. Social – labour conditions in the supply chain

4.1 OVERVIEW OF ENGAGEMENT

LAGGING	LEARNING	LEADING
Aalberts Adyen Wolters Kluwer Fugro	ABN Amro ING group Aegon Heijmans Royal BAM Group ArcelorMittal Boskalis Vopak ASML TKH Group ASM International Sligro Ahold-Delhaize Wereldhave Randstad PostNL Arcadis Takeaway.com	a.s.r. NN group Van Lanschot Kempen Corbion DSM Shell AkzoNobel Philips Signify Heineken JDE Peet's Unilever SBM Offshore RELX KPN

N.B. – This report is not to be read as a benchmark. VBDO aims to quantify the qualitative process of engagement for clarity of communication; however, it should be noted that the engagement process is nuanced and differs with each company in our investment scope.

4.2 THEME INTRODUCTION

For the third consecutive year, VBDO has engaged with companies on the topic of labour conditions in the supply chain. This comprehensive topic, covering issues such as auditing direct contractors, living wage, and raw material mining in the lowest levels of the supply chain, remains a significant challenge for multinational companies with large supply chains. According to the United Nations Human Rights Appeal 2022, companies are invited to demonstrate their commitment to human rights through greater engagement and making human rights central to all corporate strategic decisions and practices.⁹

In February of this year, the European Commission adopted a proposal for a directive on corporate due diligence. The directive requires companies to identify, prevent, and remedy negative impacts on human rights and the environment.¹⁰ During this year's engagement, VBDO asked the majority of companies in the scope about their actions towards this due diligence directive. Generally, the biggest challenge relating to compliance with this directive is that companies often deal with large supply chains and have a lack of overview as a result of that.

One particularly salient issue is the use of 3TG minerals by companies that are mainly active in the Industry and Technology & Electronics sectors. 3TG minerals include minerals from which the metals tantalum, tin, tungsten, and gold are derived. The extraction of these minerals could potentially directly or indirectly benefit armed groups.¹¹ Additionally, during the extraction of these minerals, potential human rights abuses might take place.¹² In addition to 3TG minerals, companies are also increasingly looking at the origin of other minerals in their supply chains, such as mica and cobalt.

4.3 VBDO'S BEST PRACTICE GUIDELINES

In assessing the maturity of a company's approach towards labour conditions in the supply chain, VBDO has set the following four expectations:

Recognition of responsibility: Companies should recognise that they have a responsibility to all workers in their supply chain.

Risk assessment and passive due diligence: The first step towards improving the labour conditions of workers in supply chains is understanding which issues are most salient, prevalent, and rectifiable. These assessments should include general understanding,

for example of salient risks and vulnerable groups in the supply chain, as well as specific understanding, for example of the detailed sustainability performance of high-risk suppliers. This detailed information can, for example, be acquired through services like EcoVadis, through supplier self-assessments or through human rights audits. The company is additionally expected to have grievance mechanisms for workers in the supply chain.

Active due diligence: As soon as a company has insight into the human rights risks and violations in its supply chain, it can work to mitigate these risks. This step usually has a significant impact on workers by improving safety standards, requiring a living wage, and reducing under-age labour for, in some cases, hundreds of thousands of workers.

Proactive improvement: Companies often encounter systematic challenges to improving human rights risks in their supply chains, such as the depth and opacity of their supply chains. The next step in improving condi-

tions for workers is, therefore, to proactively engage suppliers, while working collaboratively with local governments, NGOs, and sector-wide initiatives in order to achieve systematic change.

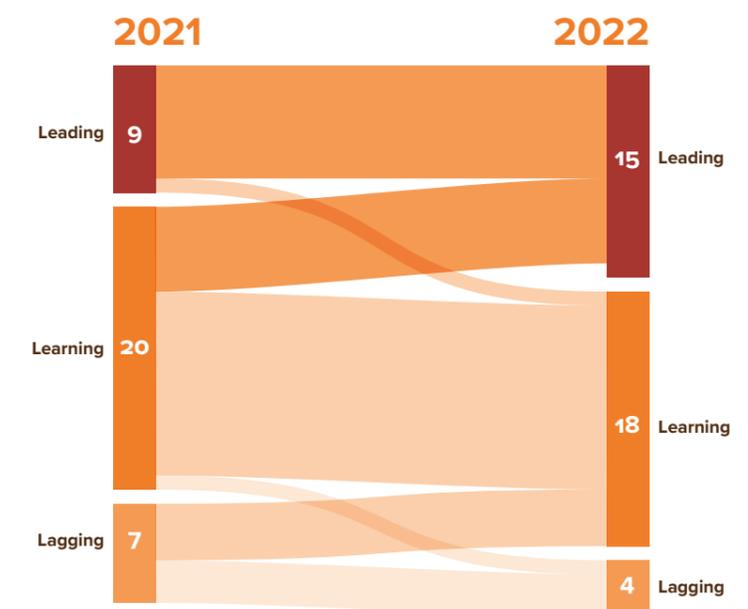
4.4 FINDINGS

Recognition of responsibility

In 2022, all of the evaluated companies (37 in total) have made a formal commitment to improve labour conditions in the supply chain (in 2021 it was 92%). VBDO strongly recommends that companies utilise internationally recognised human rights risks conventions, such as the United Nations Guiding Principles on Business and Human Rights (the UNGPs) or the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work. These declarations convey the company's aim to protect supply chain workers' human rights, such as the worker's right to freedom from forced labour, freedom from child labour, the right to equal treatment, and freedom of association. This year, 97% of the companies in VBDO's scope that made a commit-

In 2022, VBDO has, again, seen an increase in the number of companies rising from the Learning category into the Leading category. Notably a.s.r., DSM, Shell, AkzoNobel, HEINEKEN, and SBM Offshore have progressed from Learning into Leading, and Heijmans, BAM Group, TKH Group, and Sligro have progressed from Lagging into Learning. Additionally, despite being newly introduced in VBDO's scope this year, JDE Peet's was placed into the Leading category. VBDO is pleased to see that in 2022, all companies in the scope have made a formal commitment to improve labour conditions in the supply chain.

Graph 11: Movements between maturity categories from 2021 to 2022 – labour conditions in the supply chain



ment to human rights in the supply chain have indeed formulated a Supplier Code of Conduct consistent with the UNGP or the ILO Declaration (2021: 89%; 2020: 92%).

Risk assessment and passive due diligence

VBDO has noted this year that more companies have reported on risks, issues, and vulnerable or marginalised groups with regard to labour conditions in the supply chain (2022: 78%; 2021: 62%). VBDO was additionally pleased to see that almost all of the companies within its scope (2022: 92%; 2021: 86%) have grievance mechanisms and collective bargaining provisions in place to receive any ethical concerns and to ensure collective bargaining provisions to remediate them. Grievance mechanisms should not only be available to a company's own employees, but to all workers in the company's supply chain. Although VBDO believes that providing grievance mechanisms for workers in the supply chain is extremely important, offering grievance mechanisms in itself might not be enough. It is important to assess whether workers have access to these mechanisms in practice and that these mechanisms are available in workers' native language. Additionally, VBDO considers it of importance that grievance mechanisms are independently reviewed as a means to ensure that the mechanism functions as intended.

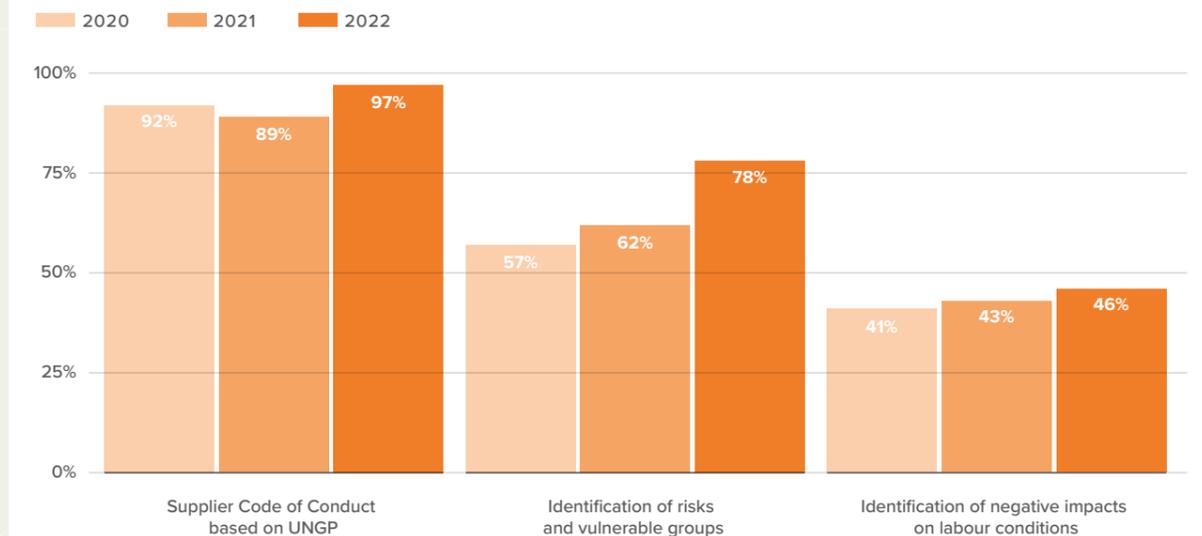
Active due diligence

This year, VBDO asked nine questions regarding companies' preparations for the new due diligence

directive that has been adopted by the European Commission. Three companies have made a commitment on this theme. From the commitments, we can conclude that companies are currently investigating the impact of the new directive on their business practices and to what extent companies should expand their current due diligence approach. Other commitments relate to considering the inclusion of more suppliers in companies' supplier assessments.

Although VBDO noted an increase in the implementation of active due diligence processes, this is still an area where companies are lagging. Less than half of the companies in scope systematically assess labour conditions in the supply chain (2022: 46%; 2021: 43%), and slightly more than half of the companies in scope have a strategy in place to improve labour conditions in the supply chain (2022: 59%; 2021: 51%). In terms of qualitative and quantitative supplier assessments, VBDO found that this year more than half of the companies in scope meet the criteria, meaning that we saw an increase in this percentage compared to last year (2022: 57%; 2021: 46%). Keeping in mind the new European legislation, VBDO sees room for improvement on this topic. We expect companies to go beyond having suppliers sign a code of conduct, and to review actual labour conditions at suppliers' sites. We are curious to learn about the developments of the upcoming legislation and what the effects are going to be on labour conditions in supply chains.

Graph 12: Labour conditions in the supply chain – impacts, strategy and reporting



Living wage

A living wage is defined as: "The remuneration received for a standard workweek by a worker in a particular place sufficient to afford a decent standard of living for the worker and her or his family. Elements of a decent standard include food, water, housing, education, health care, transportation, clothing, and other essential needs including provision of unexpected events."¹⁴ As part

of our engagement on labour conditions in the supply chain, VBDO has this year also engaged with companies on the topic of living wage in the supply chain. For instance with ASM International, Van Lanschot Kempen and Unilever. As living wage is currently not included in the Responsible Business Alliance (RBA) Code of Conduct, ASM International is engaging with the RBA to add living wage as an amendment in the code.

GOOD PRACTICES

JDE Peet's Common Grounds programme

JDE Peet's is working towards 100% responsibly sourced coffee by 2025 through its Common Grounds programme. This includes an extensive supplier self-assessment that touches on the most salient human rights risks in the 11 most important sourcing countries. JDE Peet's Common Grounds programme works with the company's stakeholders to identify the most important supplier issues. JDE Peet's then addresses those issues through collaborative action, and open and direct communication with suppliers. After identifying local priorities, JDE Peet's partners with suppliers, NGOs, and governments to address the challenges faced by smallholders.

Effective grievance mechanisms

Principle 31 of the UNGP sets out eight criteria to ensure the effectiveness of grievance mechanisms. A grievance mechanism should be the following: legitimate, accessible, predictable, equitable, transparent, rights-compatible, a source of continuous learning, and based on dialogue with the intended users.¹³ These criteria are aimed at making the grievance process fair and equitable while also, importantly, making it accessible and understandable to users. VBDO therefore advises companies to take these eight criteria seriously when evaluating the effectiveness of their grievance mechanisms for workers in the supply chain.

a.s.r.'s engagement process

a.s.r. distinguishes between three kinds of engagement for investee companies: engagement for monitoring purposes, engagement for influencing purposes, and public policy ESG engagements. Additionally, a.s.r. has defined how the company assesses what countries the company excludes from investment and which controversial activities can lead to engagement, and in the worst case to exclusion. This results in a.s.r.'s portfolio being at minimum characterised by above average ESG scores.

Extending the scope of raw material research

During this year's engagement, a recurring theme that VBDO engaged on is the responsible sourcing of raw materials in supply chains. This is a very complex issue, as most companies are many tiers away from the source of their raw materials. Apart from conducting due diligence processes on conflict minerals, there are companies that are increasing the amount of raw materials in their due diligence scope. For instance, AkzoNobel added, after in-depth research, barytes, calcium and carbonate, copper, fluorspar, and talcum to the company's existing human rights due diligence scope, which already included cobalt, mica, and tin. For the company's cobalt and tin suppliers, AkzoNobel used the Responsible Minerals Initiative's templates. This allowed the company to gain further insight into supply chain complexity and risks, and allowed for the set-up of mine audits where insufficient control was exerted.

Table 2: Highlighted KPIs regarding labour conditions in the supply chain

Companies	Highlighted KPIs
Corbion	Corbion has set targets on the percentage of raw materials covered by the company's generic supplier code, the percentage of high risk raw materials or suppliers that were combined with mitigation plans, and the percentage of cane sugar that is verified responsibly sourced.
Philips	Philips has set the target to conduct a human rights impact assessment on 100% of the company's at-risk sites.
Signify	Signify has the target that 90% of the company's suppliers should have an approved Conflict Minerals Reporting template.
HEINEKEN	HEINEKEN has set targets on the percentage of fair wage assessments across operating companies.
KPN	KPN has set targets on the percentage of high-risk Tier 1, 2, and 3 suppliers audited.

Van Lanschot Kempen engages with companies to ensure a living wage for workers in the supply chain. Van Lanschot Kempen has conducted a global analysis for an investee company's worker remuneration. The analysis revealed that 4% of the investee company's workers were receiving a wage that, although compliant with the level of minimum wage, was below the living wage benchmark. Thanks to Van Lanschot Kempen, all workers included in the analysis are now receiving a living wage.

Unilever has set the ambitious target of ensuring that everyone who directly provides goods and services for

Unilever will earn at least a living wage or income by 2030. According to the company, realising this target is much more complicated than one would think. Most of Unilever's work towards this target is being done for the most vulnerable people in the company's supply chain.

Setting KPIs and targets

In order to push for continuous improvement in the supply chain, defining a KPI with a target can be a useful motivator. VBDO is therefore pleased to report that for the third consecutive year, we have seen an increase in the number of companies that have set KPIs related

Table 3: Highlighted commitments on labour conditions in the supply chain

Companies	Highlighted commitments (see Appendix II for full list of commitments)
ArcelorMittal	ArcelorMittal will provide an update on the company's new due diligence project on environmental and social issues in the supply chains.
ASM International	ASM International aims to make living wage part of the company's code of conduct.
Royal BAM Group	BAM Group is going to sharpen supplier assessments on human rights and will report on this.
PostNL	PostNL commits to be precise in the company's policy regarding labour conditions.
TKH Group	TKH Group will expand the company's due diligence process in preparation of the new EU due diligence directive.

to improving labour conditions in the supply chain. In 2022, 27% of the companies assessed have reported on the KPIs set on labour conditions in supply chains. That is a 5% increase compared to last year. VBDO sees, however, a difference per sector in the amount of companies that have set KPIs on this topic. In the Technology & Electronics sector, over half (67%) of the companies assessed have set KPIs on improving labour conditions in the supply chain, while in the Financial sector, unfortunately, none of the companies have set KPIs on this topic.

Collaboration

In 2022, VBDO saw an increase in the amount of companies engaging with stakeholders to improve labour

conditions in the supply chain. VBDO was very pleased with this result, as improving labour conditions is a complex process that companies need to collaborate on in order to achieve results. VBDO engaged, for instance, with Philips on expanding the company's due diligence process to company peers. Philips is actively working on making the company's due diligence approach available via the RBA. Additionally, Philips participates in various multi-stakeholder initiatives that are focused on improving due diligence practices and is sharing best practices through public speaking engagements, round tables, and other platforms.

Just Eat Takeaway.com's employed model

At Just Eat Takeaway.com, most of the company's couriers are employed at the company in continental Europe. As most of the company's peers work with an independent contractor model, this is a remarkable development that VBDO appreciates. This approach has been shown to be more beneficial for workers' labour conditions as it offers more security, couriers are protected by a collective labour agreement, and get paid per hour, instead of per delivery.¹⁵

Best Practice ASMI

ASM International – Pushing for living wage in supply chains

ASMI is a member of the Responsible Business Alliance (RBA), the world's largest industry coalition dedicated to corporate social responsibility in global supply chains. Our employees are paid above the local minimum wage, and we are committed to paying at least a living wage.

We also care about the living conditions of our workforce. To this end, we actively engage with outside organisations to benchmark

best practices in line with the Anker methodology, a relevant survey practice for corporate organisations. We also make use of the WageIndicator Foundation definition and data, which is dedicated to labour-market transparency. The scope of the living-wage assessment conducted in 2021 included all countries where we have ASMI employees or contractors (currently 16). As with the assessment in 2020, we did not identify any cases where employee wages were below

the agreed living wage. This is also driven by the fact that we have a predominantly highly educated workforce, with competitive remuneration levels. Our wage commitments also align with our "We Care" value and "employer of choice" ambitions. ASMI collaborates on bringing visibility and action to this important topic outside our value chain. Starting in 2020, we co-proposed with three other companies to add "living wage" as an amendment to the RBA Code of Con-

duct. The proposed amendment was not adopted in the latest version of the code, but "living wage" was formally added to the RBA's strategic plan in 2021. Our advocacy efforts culminated in the RBA forming a Living Wage Task Force in 2021 to study the impacts and recommend best practices for RBA member consideration and potential implementation.



5. Governance – Diversity

5.1 OVERVIEW OF ENGAGEMENT

LAGGING	LEARNING	LEADING
<p>Aalberts Corbion ArcelorMittal TKH Group Sligro</p> <p>Wereldhave Randstad Wolters Kluwer Fugro</p>	<p>ABN Amro ING Aegon NN Group Van Lanschot Kempen Heijmans Royal BAM Group Boskalis Vopak AkzoNobel ASML</p> <p>Philips ASM International Signify Adyen Ahold-Delhaize JDE Peet's Unilever SBM Offshore Arcadis KPN Takeaway.com</p>	<p>a.s.r. DSM Shell HEINEKEN PostNL RELX</p>

N.B. – This report is not to be read as a benchmark. VBDO aims to quantify the qualitative process of engagement for clarity of communication; however, it should be noted that the engagement process is nuanced and differs with each company in our investment scope.



5.2 THEME INTRODUCTION

Diversity and inclusion are paramount to a healthy organisation. Yet, understanding of the concept, and which relevant elements are included, differs. VBDO uses a broad definition of diversity, which goes beyond a simple head count of men and women within a company. To us, diversity has many dimensions, including diversity of age, ethnicity, cultural background, nationality, being part of the LGBTIQ+¹⁶ community, education, experience, and abilities. A diverse company does not only value these dimensions; it actively also protects and promotes all forms of diversity, making sure every employee is treated fairly and feels fully included.

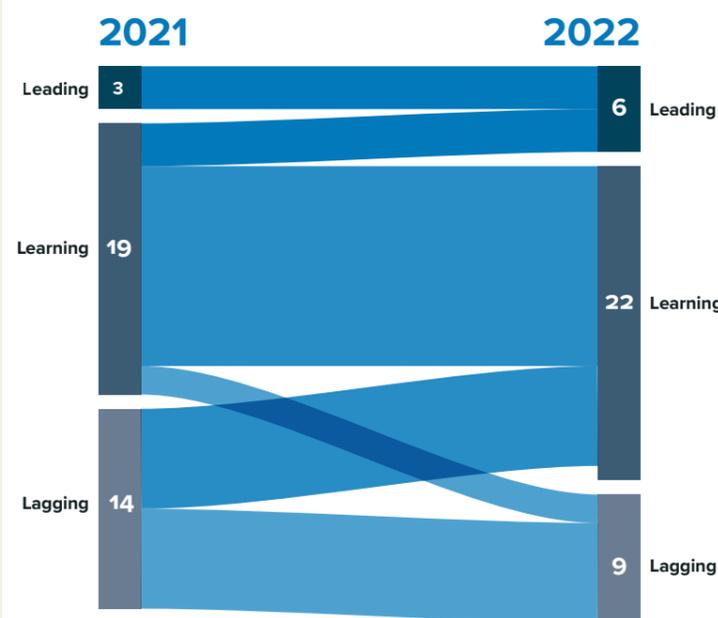
A diverse organisation is the first step towards a more inclusive organisation. We understand an inclusive company as one that makes sure all employees feel accepted and valued, regardless of, or precisely because of, their differences. Diversity and inclusion are closely related, as inclusive companies attract diverse employees.¹⁷

While the foundations of a diverse organisation are clear, companies might have different interpretations of diversity. These interpretations understandably depend on size, region, operating sector, and whether the company has a predominantly high-skilled or low-skilled workforce. VBDO takes these factors into account when assessing individual diversity policies.

Much can still be achieved on the diversity front. The gender pay gap at the EU level has barely changed in the last decade and still stands at 14.1%.¹⁸ Existing research rarely indicates that more than 2% of people in management positions have a minority cultural background.¹⁹ What is more, in early 2020, there were fewer CEOs who were female than CEOs who were named Peter.²⁰

This is concerning for many reasons. Not only do imbalances at businesses reflect the inequality of opportunities in society, but non-diverse organisations are also underperforming compared to diverse companies.²¹ Diverse teams generate more creativity and better decision-making and avoid silo thinking. Indeed, companies with more diverse Boards tend to have higher returns and lower risk profiles. Additionally, diverse companies attract talent, and inclusive work cultures are more likely to be innovative and achieve better results.

Graph 13: Movements between maturity categories from 2021 to 2022 – diversity



Diversity and inclusion has been a very significant topic over the past years. However, it has attracted more public attention in the Netherlands over the past few months as it has become clear that having the right grievance mechanisms in place does not necessarily mean women and minority groups are protected within organisations. Measuring effectiveness is key. VBDO noted that many companies have developed a Speak-Up policy. This is a step VBDO applauds, but a next step is to measure the effectiveness of such policies and report on how the policy is being used. VBDO was also happy to see that more companies have set targets on gender diversity. VBDO acknowledges that companies are increasingly building knowledge of diversity and inclusion as well as knowledge of the most effective measures that can be taken, thereby accelerating awareness and policies regarding diversity and inclusion. This is reflected in the fact that Van Lanschot Kempen, Heijmans, Boskalis, Philips, SBM Offshore, Just Eat Takeaway.com, and Royal BAM Group moved from Lagging to Learning and that DSM,

HEINEKEN, and Shell moved from Learning to Leading.

This is the final year that VBDO will focus on diversity in our engagement trajectory. Over the last three years, we have seen a major shift in companies' approach to diversity and inclusion. Large steps have been taken, especially with regards to gender diversity. However, ethnic diversity lags behind. This is partially due to the fact that companies cannot legally keep track of the cultural background of their employees, but this should not mean that no efforts should be made to attract and include people of all backgrounds, by for example offering unconscious-bias training to employees involved in the recruitment process. VBDO hopes and expects the focus on diversity, in the broadest sense of the word, will only grow in the future and we will keep track of how companies are performing on this topic.

5.3 VBDO'S BEST PRACTICE GUIDANCE

In assessing the maturity of a company's approach towards diversity, VBDO has set the following five expectations:

Recognition of responsibility: First of all, VBDO expects Boards of companies to make a formal commitment to enhance diversity and inclusiveness. This ambition can be included in the annual report, the diversity policy or a separate statement, as long as it is clearly visible. Companies can emphasise their ambitions concerning diversity by signing pledges, such as the UN Women Empowerment Principles and the Dutch charter Talent naar de Top (Talent to the Top).

Diversity policy: We expect the formal commitment to result in a comprehensive diversity policy, which aims to improve all forms of diversity and inclusiveness within the company and its suppliers. The policy should go beyond stand-alone initiatives, but rather link ambitions to measures.

Identification of diversity profile and issues: Companies are also expected to assess and identify the diversity profile of the organisation. Metrics should include gender and at least two additional metrics for other marginalised groups. These should be measured across the entire workforce and at all management levels.

Strategy and measures: VBDO expects companies to develop a recruitment and promotion strategy that

ensures non-discrimination against any demographic group, to assess, communicate and address the gender pay gap, and to perform audits on the implementation and execution of the diversity strategy. In addition, VBDO assesses whether systems are in place to report and prevent internal ethical and safety issues, and whether companies offer specific knowledge and training methods to develop an understanding of diversity in the workplace. A variety of different programmes and actions should be included to ensure that the diversity and inclusion strategy is sufficiently robust. These measures must be based on knowledge and research into the diversity profile of the organisation and existing issues on this topic.

Tracking and reporting progress: Finally, VBDO expects companies to report on progress and outcomes of the diversity policy through relevant targets and KPIs for different levels of the organisation.

5.4 FINDINGS

Recognition of responsibility: commitments and pledges

Currently, 97% of companies in VBDO's scope have made a formal commitment to enhance diversity and inclusion. This means that only one company has not made such a commitment.

Another way to demonstrate an organisation's commitment to diversity and inclusion is by signing diversity



pledges. Such pledges have significant benefits beyond making a formal commitment, as they can also offer valuable frameworks to further mature on the topic. In 2022, 62% of companies in VBDO's scope were signatories to one or more relevant pledges (2021: 54%).

Diversity policies

It is incredibly important to note that making a commitment to diversity and inclusion does not always translate into the formulation of a comprehensive diversity policy; 59% of companies in our scope have such a policy. The difference between the number of formal commitments (97% of the companies in scope make

such commitments) and formal policies can partially be explained by the fact that VBDO uses relatively stringent criteria for diversity policies. A policy should include all potentially relevant aspects of diversity, formally protect the rights of marginalised groups, and include specific and concrete statements, in order to improve the representation and inclusion of these groups. The lack of diversity policies must, however, also be due in part to a minority of companies still holding the belief that no further action beyond a formal commitment is necessary to improve current inequalities. By engaging on this topic, we hope to create significant change in these attitudes.

Effective Speak-Up policies

The theme of (sexual) intimidation and harassment on the work floor has been gaining considerable attention and scrutiny internationally, and more recently again in Dutch society. This topic is closely linked to inclusion. It has become apparent that companies are no longer only required to have an adequate reporting system in place, but also must gain insight into the effectiveness and willingness of employees to use the reporting system itself, as existing and developed power relations could affect the efficiency of the system. VBDO is pleased to see many companies have implemented a Speak-Up policy over the last few years and wants to urge companies to also report on the effectiveness of such policies.

Good practice SBM Offshore Unconscious bias awareness sessions

SBM Offshore received qualitative feedback from managers that attended the awareness sessions. The subject has been well received, prompted good conversations and primed the organisation to understand the value of active listening, self-checks on bias at play, and inclusion of views from people attending meetings. In the on-going Reward campaign, line managers, together with the HR team, actively work on equal pay. This is visible for example with the % of female promotions versus the % female headcount. We find this very encouraging and will continue our unconscious bias awareness efforts across the organisation throughout 2022.



Shell's Fair Pay Principles

Early in 2022, Shell published the Fair Pay Principles. One of the six Fair Pay Principles is that pay in Shell is free from bias and set/managed in line with the company's core values and Diversity Equity & Inclusion standards. The processes in Shell limit the opportunity for any gender, race, age, or other bias, and the company conducts regular equity audits.

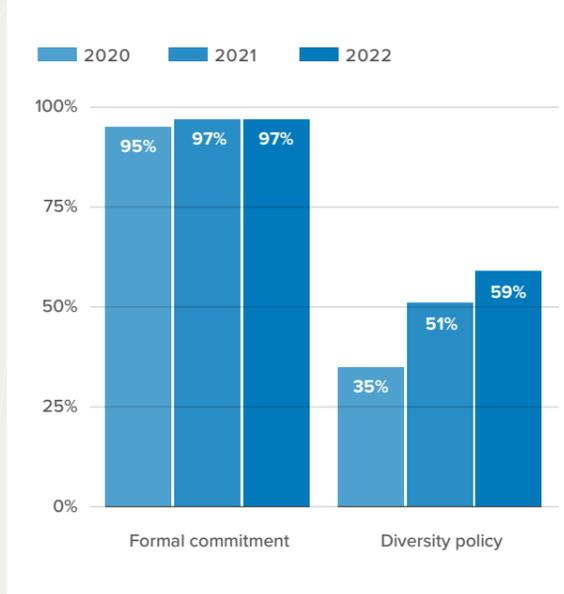
Identifying the diversity profile and relevant issues

Before a company is able to take meaningful measures, it must first understand which marginalised groups and which specific issues are particularly salient to the organisation. For example, for companies in the Technology & Electronics sector and the Industry sector, a key issue may be gender diversity. For the Services sector, one goal may be achieving diversity of thought by recruiting talent across all diversity dimensions. Such understanding can be achieved through in-depth engagement surveys, thereby mapping the diversity profile of the organisation and measuring the level of inclusion experienced by different groups in an anonymous manner. Regular engagement with representatives of marginalised groups can add detail to this quantitative understanding. Currently, only 43% of companies display a robust understanding of their diversity profile. This is, however, an improvement compared to 2021 (35%).

Strategy and measures

By putting in place concrete diversity programmes and measures, companies are able to create real impact on employees' lives, especially those belonging to marginalised groups. In the commitments made by companies, VBDO saw a clear focus on closing the gender pay gap. Other commitments were mostly linked to deepening the focus on diversity and inclusion.

Graph 14: Diversity – formal commitment and policy



Grievance mechanisms

Social stigma regarding unequal treatment, harassment, and discrimination can be a contributing factor to the reporting barrier, alongside the fear of job loss or other punishment. It is, therefore, immensely important that companies have appropriate grievance mechanisms in place, to ensure that reporting is both anonymous and accessible. Currently, 97% of companies have active grievance mechanisms (2021: 95%). This is, however,

no guarantee that employees indeed feel comfortable using such services or that a report of improper behaviour is followed-up. Therefore, VBDO advises companies to include questions on this topic in their employee engagement surveys or to actively engage stakeholders on this topic and subsequently report on the results.

Knowledge building and actions to develop understanding of diversity

Attitudes towards diversity and inclusion can differ greatly: some people have personally experienced the importance of such policies, while others do not fully grasp the benefit or necessity. It is, therefore, vital that companies build awareness and knowledge of these topics among the entire workforce. This will help to create a more inclusive environment and also create more wide-spread support for any diversity and inclusion measures that the company decides to take. Knowledge-building measures could, for example, include unconscious-bias training, the introduction of an annual diversity week or the CEO promoting diversity and inclusion at regional meetings. In total, 73% of companies in our current scope have such measures in place, a significant increase from 2021 when only 57% of companies had such measures.

Diversity programmes and networks

In addition to fostering the understanding of diversity among the entire workforce, companies are also encouraged to implement programmes that target specific marginalised groups. This is an efficient way to

improve the position of groups that the diversity profile has indicated as being excluded or underrepresented. These programmes should form a combination of top-down approaches, such as mentoring programmes that link diverse, upcoming talent with people in higher positions, and also bottom-up approaches, such as diversity networks. With the latter, caution is advised and anonymity may need to be a prerequisite, especially when companies operate in regions where some forms of diversity are not accepted.

Recruitment and promotion

A recruitment and promotion strategy that aims to ensure non-discrimination against any demographic group is vital in increasing diversity and inclusion. As every new employee is subjected to the recruitment and promotion procedure, a robust strategy is a necessary condition of fair and equal treatment in the company. Only half of the companies in scope have developed a recruitment and promotion strategy that ensures non-discrimination. VBDO looks for concrete measures in the strategy that prove efforts are being made to avoid discrimination in recruitment and promotion. Examples of such measures are having balanced slates of candidates, building diverse succession pools, having diverse selection committees, ranking answers, and anonymising résumés. Companies are, furthermore, encouraged to look beyond internal candidates and direct applicants, and make an effort to create opportunities for diverse talent in society.

The adjusted vs the unadjusted pay gap²²

The unadjusted pay gap reports on the average differences in pay between groups; the adjusted pay gap adjusts for several factors that may cause differences in pay, such as the type of occupation, education, and experience.

- The main advantage of an unadjusted pay gap calculation is that it captures the experienced pay gap and does not adjust to factors that may actually be a result of discrimination or gender norms, and which may cause underrepresentation of the pay gap. Additionally, it is a straightforward measure that can be easily compared.

- The main advantages of an adjusted pay gap calculation are that it provides a stronger indication of discriminatory effects after removing explanatory factors, and that it is a more detailed measure, which is useful for comparing within sectors or occupational groups.

As there is no obvious right option, VBDO encourages companies to consider which option is most relevant for them. When opting to report on the adjusted pay gap, companies are strongly encouraged to be transparent about the adjusted factors.

Best practice - a.s.r. - strong target setting

As well as having clear targets on gender diversity, a.s.r. is also committed to more diversity objectives:

- Participation of at least 70 people at a distance from the labour market by 2026.
- Equal pay for work of equal value. Every year, together with an external party, a.s.r. analyses the state of affairs and makes adjustments where necessary.

- a.s.r. carries out an annual organisational success survey where progress is measured within the organisation against four pillars:
 - perceptions of inclusion and respect
 - a working environment that is safe and free from discrimination
 - fair and equal access to opportunities
 - leadership with an eye for diversity values.



Table 4: Highlighted commitments on diversity

Results	Highlighted commitments (see Appendix II for full list of commitments)
RELX	RELX is committed to expand its disclosure on gender pay gap in future reporting
Aegon	Aegon will appoint a global head of Diversity & Inclusion, to help the company drive diversity more globally
Van Lanschot Kempen	Van Lanschot Kempen will publish a new diversity policy for the company
AkzoNobel	AkzoNobel is going to conduct a quantitative pay gap analysis
Signify	Signify commits to address the gender pay gap in the company's new D&I report
Wereldhave	Wereldhave is going to assess what steps the company is able to take to increase diversity in terms of nationality for the company

Gender pay gap reporting

The gender pay gap remains a salient topic in 2022. As well as VBDO, we also saw other investors tuning in to the issue of equal pay. Only 41% of companies in our scope have so far assessed, transparently communicated, and addressed the gender pay gap (2021: 32%). Though the increase is promising, attitudes towards the gender pay gap are at times concerning. We encountered several companies that stated a gender pay gap was not possible at their organisation, as gender was not a factor explicitly considered in the hiring process. Most companies that report on their gender pay gap show that the adjusted gap (view box 13 for details on the difference between the adjusted and unadjusted pay gap) is negligible. This is, of course, good news overall, but a lack of transparency on which factors are

used to calculate the adjusted gap and overall method of calculation, makes it difficult for stakeholders to scrutinise companies on this issue.

Setting relevant KPIs and targets

KPIs with ambitious targets are essential in order to remain on track with diversity and inclusion. Therefore, VBDO stresses the importance of these targets covering the relevant aspects of diversity and all levels of the organisation. This means that targets exclusively on gender diversity or solely focusing on the executive and senior management levels are not sufficient. VBDO saw a strong increase in ambitious KPIs from 8% of the companies in scope in 2021 to 24% in 2022.

DIVERSITY AT VOPAK

Why is diversity important for Vopak?

As a company, we have an important role in society. We store the products that are used in daily life. In this respect, we have to act in line with societal developments. Constantly adapting to new circumstances is something we have been doing for over 400 years. Our company is currently moving more towards storing gas and more sustainable energy sources such as hydrogen. We believe that diversity in the broadest sense of the word contributes to the long-term success of our company. We strive to be as diverse as the society we serve. Vopak has a worldwide network of 79 terminals in 23 countries. Our ability to work with people from different cultures worldwide and build long-term relationships is an important part of Vopak's success.

What steps is Vopak taking to increase diversity?

We put a lot of energy into shaping and maintaining an inclusive culture in which all individuals feel welcome. Training, campaigns, networks and mentoring programmes play an important role in this. We also include the highest level of the company in this training, so the members of our Board of Directors and top management teams have received training regarding inclusivity and unconscious bias. They realise that they are setting the tone for an inclusive culture. Naturally, diversity and inclusion are also included in our recruitment, hiring, and promotion policy. We use concrete objectives in this regard. Additionally, inclusion and diversity are firmly anchored in our Vopak Values and our Global Code of Conduct. We really try to make these part of our company's DNA.

What are the biggest challenges for Vopak and for the sector?

The majority of our locations and work take place in ports. Despite all the efforts currently being made, ports are not very diverse work environments in most places in the world, especially when it comes to gender diversity. As a company, we also have to deal with this. At the same time, we are already seeing tentative changes in this aspect of diversity, especially in our sustainable energy teams, where we are seeing more women being employed.

6. Other engagement topics



INTRODUCTION

As well as engaging on our three ESG focus themes, VBDO also engages on other topics that are material to the companies within our universe. To do this, we work to develop a solid understanding of the different companies we engage with and their current situations, as well as their previous commitments. We also strive to keep abreast of new developments and innovations by, for example, monitoring relevant news items and external

reports. We use this research to identify key topics to discuss with companies.

We will expand on several of these topics in this section of the report. The topics discussed here do not constitute a comprehensive overview of all topics engaged on but are selected due to their relevance to society, for example climate mitigation, or on their far-reaching implications, such as the Ukraine war.

6.1 THE UKRAINE WAR

The war in Ukraine has deeply saddened all of us. During our engagement, VBDO has asked companies whether they had any ethical concerns surrounding this conflict and whether they have taken action to support Ukrainian refugees. We have engaged with many companies that have been directly or indirectly affected by the war in Ukraine. Actions undertaken by these companies include, among others, ceasing operations in Russia, supporting Ukrainian employees with clothing, food, housing, and other necessary materials, providing access to educational materials to refugees, and making donations to help aid organisations. This topic was only addressed by VBDO during the pre-AGM calls, not during the AGMs. What we learned during these calls is that certain companies had to consider the effects of ceasing operations in Russia more carefully,

as unwanted effects such as nationalisation of property or the wellbeing of local personnel were at stake. VBDO also recognizes the complexity of these considerations and supports companies in making the best choices for all parties involved.

6.2 CLIMATE MITIGATION

Reducing CO₂ emissions (climate mitigation) is at the forefront of sustainability discussions with Dutch companies. CO₂ emissions are a primary cause of climate change and should be limited to prevent severe disruption of ecosystems and the global economy and a severe reduction in the standard of living globally. VBDO continuously engages on climate mitigation to encourage companies to reduce emissions from their own operations and from their value chains. In 2022, we focused mainly on the analysis and targets of scope 3 emissions.

In total, 17 questions were asked at AGMs in 2022 on the topic of climate mitigation and nine commitments were made.

6.3 SCIENCE-BASED TARGETS

In the context of reducing CO₂ and other greenhouse gas emissions, setting science-based targets remains an important engagement topic. The rationale for linking emissions-reduction targets of companies to existing international agreements or scientific research is that this places the efforts of a company in perspective. In turn, this helps stakeholders to make a judgement on whether these efforts are sufficient or should be increased. In 2022, we continued to concentrate our questions on the alignment of reduction targets with the Science-Based Target initiative (SBTi). This initiative, a partnership between the Carbon Disclosure Project, the UN Global Compact, World Resources Institute, and the WWF, supports companies in setting science-based targets. After SBTi's validation, companies can report on progress against their intermediate targets on an annual basis.

6.4 MILIEUDEFENSIE

In the context of Friends of the Earth's (Milieudefensie) letter to the 30 major polluters in the Netherlands, VBDO asked multiple companies about their plans towards becoming "Paris Proof". The responses of companies to both our questions on this topic, as well as to the letter by Milieudefensie, were mainly positive. VBDO was glad to experience a general willingness of companies to engage with both Milieudefensie and other NGOs on this important topic. Many companies also disclosed the results of their engagement, providing VBDO with more insight into the process and commitments made on this topic.

6.5 PACKAGING

The circular economy was an engagement theme between 2014 and 2016. At that time, it was mostly about introducing the topic, but since then a lot has changed. Companies can now use reliable methods of calculating impacts and science is becoming more and more clear on how circular, plastics or other packaging strategies should look. However, many companies are still thinking in a take-make-waste narrative, motivating us to engage significantly on this topic in 2022.

In 2022, our questions were mainly focused on the first two (of three) principles of the Ellen McArthur Foundation: "design out waste and pollution" and "keep products and materials in use". VBDO has advocated for targets on reduce, reuse, and recycle, as this cascading approach seems to still be lacking. Food companies and retailers are working on targets, but we expect more from them in the years to come, especially because consumer behaviour requires change and adaptation.

Table 5: Highlighted commitments

HEINEKEN	HEINEKEN has the ambition to increase the use of returnable bottles in the coming years
PostNL	PostNL will aim to provide insight into the exact impact of the company's sustainable delivery options.
TKH Group	TKH Group will take recycling into the company's agenda in 2022 and determine its approach to the issue.

Ellen McArthur Foundation - three principles¹⁸

1. Design out waste and pollution
2. Keep products and materials in use
3. Regenerate Natural systems

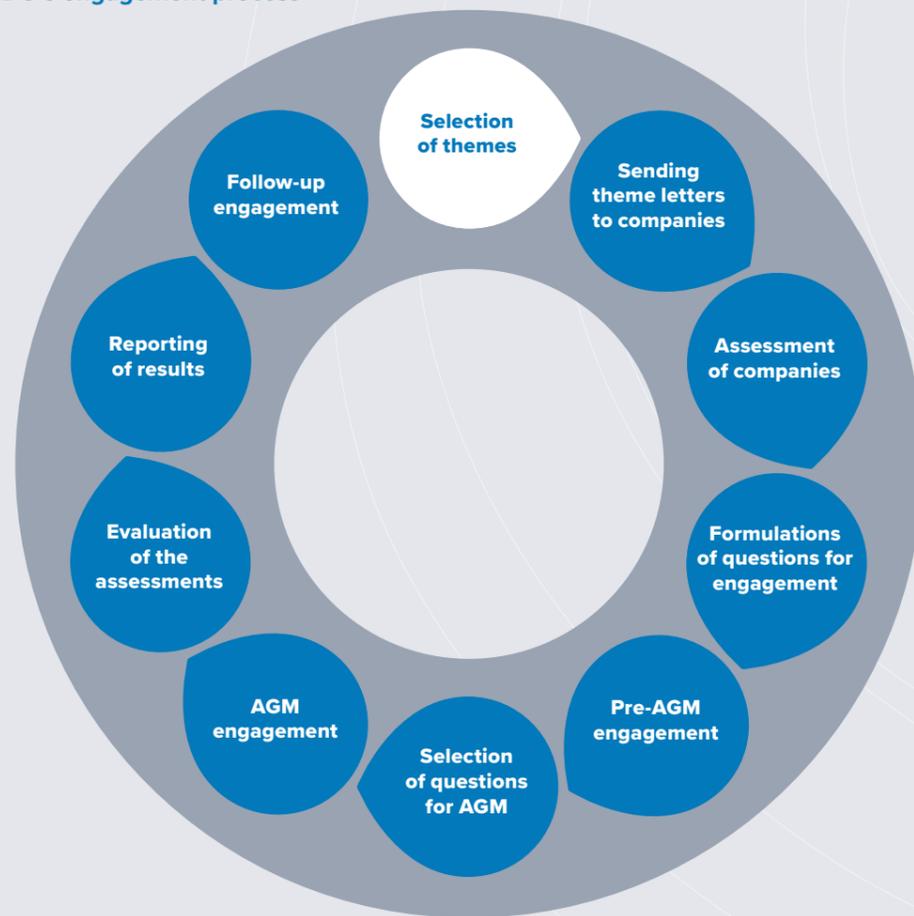


Appendix I – Engagement process

In total, 36 out of 38 companies participated in (pre-) engagement meetings or calls with VBDO. VBDO strives to enter into a positive dialogue with companies,

so we aim to do rigorous research beforehand and formulate our questions in a constructive manner.

Figure 1: VBDO's engagement process



VBDO selects three priority themes for AGM engagement. These are chosen on the basis of international sustainability trends, regulations, and prominent issues, following consultations with the companies in VBDO's scope, as well as discussions with VBDO's members and sustainability experts.

The selected priority themes for 2022 were shared in autumn 2021 with the companies that VBDO engages with, in a letter to the Board of Directors of each company. VBDO assesses ten relevant criteria per focus theme

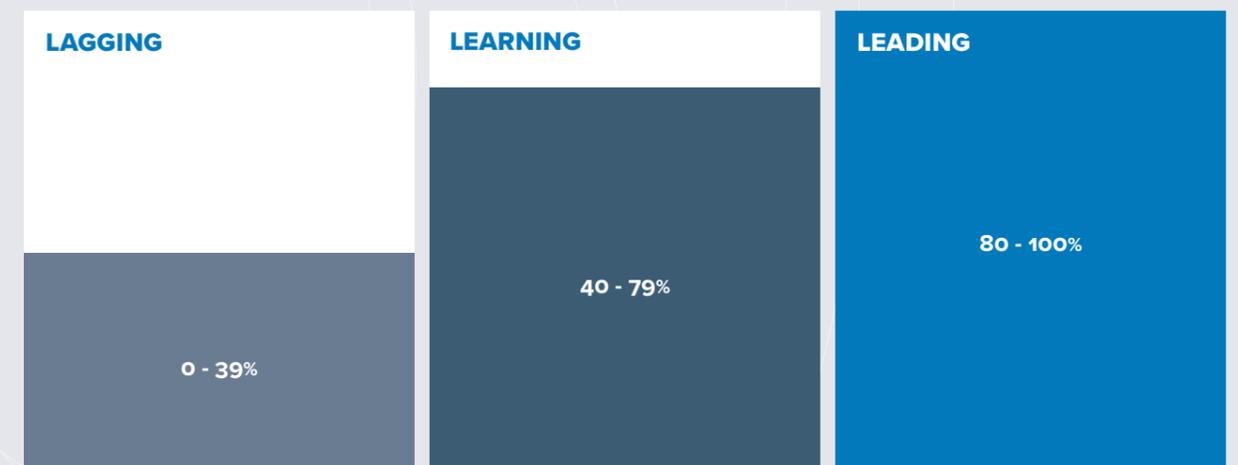
for each company in order to ensure that engagement is comparable, constructive, and impactful. We engage on our priority themes for a minimum of three consecutive years in order to measure progress.

Impact of engagement

We track our impact in several ways. An obvious point of measurement is the number of relevant commitments that companies make each year following our engagement. VBDO has a categorisation system in place to publicly keep track of the impact of our engagement.

Before we engage with a company, we score it per theme based on its maturity level. During this process, companies are given the opportunity to provide feedback on their scores. This enables us to ask the

right questions and track the impact of our engagement over the years that we engage on a specific topic. A company's score dictates which of the three categories we place them in:



Company selection for the 2022 engagement season

Companies are selected based on the selection criteria, in consultation with the concerned sector committee. In 2022, VBDO selected one additional company to be included in its engagement scope (JDE Peet's). One company was excluded from our scope (Unibail Rodamco Westfield). In total, VBDO engaged with 37 companies in 2022 (engagement with PROSUS not yet included), compared to 38 companies in 2021 and 37 in 2020.

Basis of selection for engagement

- presence in the AEX index;
- if no relevant peer is included in the AEX index, at least one peer in the AMX or AScX indices;

- and/or companies VBDO deemed necessary to engage with based on their sustainability performance.

Nature of questions

We ask a number of questions to companies.

On the whole, these relate to:

- VBDO's focus themes;
- transparency issues;
- themes of particular relevance to the company;
- commitments made in previous engagement seasons;
- the company's presentation or other relevant information revealed during the AGM.

Appendix I – Engagement process



Table 6 – List of companies engaged with in 2022

	COMPANY	Pre-AGM meeting	(Digital) AGM presence		COMPANY	Pre-AGM meeting	(Digital) AGM presence
Financial	ING Group	Yes	Yes	Food, Beverage & Retail (FBR)	Sligro	Yes	Yes
	ABN AMRO	Yes	Yes		Ahold-Delhaize	Yes	Yes
	Aegon	Yes	Yes		HEINEKEN	Yes	Yes
	a.s.r.	Yes	Yes		Wereldhave	Yes	Yes
	Van Lanschot Kempen	Yes	Yes		Unilever	Yes	Yes
	NN Group	Yes	Yes		JDE Peet's	Yes	No
Industry	Heijmans	Yes	Yes	Services	Randstad	Yes	Yes
	Aalberts	Yes	Yes		SBM Offshore	Yes	Yes
	BAM Group	Yes	Yes		KPN	Yes	Yes
	Vopak	Yes	Yes		Just Eat Takeaway.com	Yes	Yes
	AkzoNobel	Yes	Yes		PostNL	Yes	Yes
	ArcelorMittal	No	Yes		RELX	Yes	No
	Boskalis	Yes	Yes		Wolters Kluwer	Yes	Yes
	DSM	Yes	Yes		Arcadis	Yes	Yes
	Corbion	Yes	Yes		Fugro	Yes	Yes
	Shell	Yes	No				
Technology & Electronics (T&E)	ASML	Yes	Yes	37 companies	36	34	
	TKH Group	Yes	Yes				
	Philips	Yes	Yes				
	Signify	Yes	Yes				
	PROSUS	Not yet	Not yet				
	Adyen	Yes	Yes				
	ASM International	Yes	Yes				

Appendix 2 – List of 2022 engagement season commitments

Aalberts (Industry sector)

- In 2022 Aalberts will introduce a measuring method for scope 3.
- Aalberts has the goal of contributing 70% of its revenue to the SDGs in 2026.

ABN AMRO (Financial sector)

- ABN AMRO will report on the gender pay gap in 2022.

Adyen (Technology & Electronics sector)

- No commitments were made in 2022.

Aegon (Financial sector)

- Aegon is going to appoint a global head of D&I, to help the company drive diversity more globally.

Ahold-Delhaize (Food, Beverage & Retail sector)

- Ahold Delhaize aims to share more data related to human rights and the six identified salient issues as soon as it has improved the quality of its data.

AkzoNobel (Industry sector)

- AkzoNobel is mapping the current upstream and downstream impact of the company on biodiversity.
- AkzoNobel is assessing the impact of the proposed due diligence directive on the company and has lowered the spent threshold to include more suppliers in the company's supplier assessment.
- AkzoNobel is going to conduct a quantitative pay gap analysis.

Arcadis (Services sector)

- Arcadis will provide more insight into its client criteria process.

ArcelorMittal (Industry sector)

- ArcelorMittal will certify the company's key sites in half of the countries where the company is producing steel, in accordance with the ResponsibleSteel initiative.
- ArcelorMittal will expand the company's work on biodiversity in 2022 in line with the Taskforce on Nature-related Financial Disclosures.
- ArcelorMittal will provide an update on the company's new due diligence project on environmental and social issues in its supply chains.

ASM International (Technology & Electronics sector)

- ASMI aims to make living wage part of the company's code of conduct.

ASML (Technology & Electronics sector)

- ASML will follow up on how the company is going to comply with the new due diligence directive.

a.s.r. (Financial sector)

- a.s.r. has the ambition to have 4.5 billion euro on impact investments on the company's balance sheet by 2024 and has the ambition to have all sustainability themes integrated into these investments.

BAM Group (Industry sector)

- BAM commits that the company will report on biodiversity in the future.
- BAM is going to sharpen supplier assessments on human rights and will report on this.
- BAM is going to report in a more data-based fashion on diversity and inclusion and is going to develop a strategy that will mostly focus on inclusion.

Corbion (Industry sector)

- Corbion will review whether the company strategy is in line with the SBTi goals.

Boskalis (Industry sector)

- Boskalis is committed to the monitoring of biodiversity at the company's project in Manila.

DSM (Industry sector)

- DSM will consider setting targets on the percentage of sales made through sustainable and animal friendly solutions provided by the company.

Fugro (Services sector)

- Fugro will further shape its compliance requirements with human rights guidelines in its supply chain.
- Fugro will set up a dedicated diversity and inclusion programme for the entire organisation.

Heijmans (Industry sector)

- Heijmans will consider the company's trajectory with status holders.

HEINEKEN (Food, Beverage & Retail sector)

- Heineken will extend its number of regenerative agriculture pilots to 500.
- Heineken has the ambition to increase the use of returnable bottles in the coming years.

ING group (Financial sector)

- No commitments were made in 2022.

JDE Peet's (Food, Beverage & Retail sector)

- No commitments were made in 2022.

KPN (Services sector)

- KPN will increase its focus on inclusivity within the company in the coming years.
- KPN will consider gaining information on the pay gap for other diversity dimensions than gender on a voluntary basis.

NN Group (Financial sector)

- NN Group will provide further information on the gender pay gap in Poland and Japan.
- NN Group will continue engagement on the topic of biodiversity, regardless of the takeover of NNIP by Goldman Sachs.

Philips (Technology & Electronics sector)

- Philips is considering partnering with like-minded companies to converse on the topic of biodiversity.
- Philips commits to making the company's stakeholder initiatives on improving due diligence more visible in its 2022 annual report.

PostNL (Services sector)

- PostNL commits to be precise in the company's policy regarding labour conditions.
- PostNL will aim to provide insight into the exact impact of the company's sustainable delivery options.
- In 2022, PostNL will do a first risk analysis on biodiversity in the context of the EU Taxonomy.

PROSUS (Technology & Electronics sector)

- No commitments were made in 2022, as VBDO's engagement will take place after the publishing of this report.

Randstad (Services sector)

- Randstad will provide additional information on the new diversity approach taken in the US and internationally.

RELX N.V. (Services sector)

- RELX is committed to expanding its disclosure on the gender pay gap in future reporting.

SBM Offshore (Services sector)

- SBM Offshore is committed to achieving net zero by 2050.
- SBM Offshore commits that the company will report more details on biodiversity as part of SDG14.

Shell (Industry sector)

- Shell will report on the developments made regarding the new ways to measure how the company improves biodiversity.

Signify (Technology & Electronics sector)

- Signify aims to have measured and qualified the company's biodiversity impact in risk areas by year end 2023.
- Signify commits to address the gender pay gap in the company's new DEI report.

Sligro (Food, Beverage & Retail sector)

- No commitments were made in 2022.

Just Eat Takeaway.com (Services sector)

- No commitments were made in 2022.

TKH Group (Technology & Electronics sector)

- TKH Group will include recycling in the company's agenda in 2022 and determine its approach to the issue.
- TKH Group will communicate how the company is going to reach carbon neutrality in scope 1 and 2 by 2030.
- TKH Group will expand the company's due diligence process in preparation for the new EU due diligence directive.

Unilever (Food, Beverage & Retail sector)

- No commitments were made in 2022.

Van Lanschot Kempen (Financial sector)

- Van Lanschot Kempen is going to finalise the company's diversity and inclusion policy for the entire company in 2022.
- Van Lanschot Kempen is going to evaluate whether the company will be able to sign up to the SBTi.
- Van Lanschot Kempen is going to research biodiversity related targets.

Vopak (Industry sector)

- Vopak is working with the SBTi to assess the company's scope 3 emissions.
- Vopak has determined specific roles that the company wants to be filled by women.

Wereldhave (Food, Beverage & Retail sector)

- Wereldhave is going to assess what steps the company is able to take to increase the company's diversity (in terms of nationality).

Wolters Kluwer (Services sector)

- No commitments were made in 2022.

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