



Defined contribution scheme Centraal Beheer PPI

Appendix Sustainability risks Pre-contractual information (SFDR)

Integrating sustainability risks in investment decision-making processes (Article 3)

The information in this appendix contains pre-contractual information that Centraal Beheer PPI (hereinafter “CB PPI”) is obliged to disclose under the SFDR. This appendix provides information on various sustainability aspects of the investment portfolio of the defined contribution scheme, including the SFDR classification and sustainability risks and the information as set out in the pre-contractual template.

SFDR classification	Article 8
Sustainability risks	<ul style="list-style-type: none">In managing its investment portfolio, CB PPI takes sustainability risks into account and integrates them into its investment decisions. Sustainability risks are identified using ESG ratings prepared by an independent party. The ESG ratings are used to identify sustainability risks that could have a financial impact on investments. The top three sustainability risks of the investment portfolio are:<ol style="list-style-type: none">1. Human capital development Companies are judged on the basis of the demands they place on their staff and their ability to attract, retain and develop highly skilled staff.2. Business ethics Companies are judged on the basis of their monitoring and management of business ethics issues such as fraud, executive misconduct, corruption, money laundering or violations of antitrust laws.3. Governance Companies are judged on the basis of the board of directors’ independence from managerial and/or other interests and on the basis of various measures of board experience and effectiveness, such as director attendance and directors “overboarding”, where sitting on too many different boards can compromise the effectiveness of individual board members. Negative governance-related events such as bankruptcies, securities violations, regulatory inquiries and delisting risks are also part of this section.

- In every investment decision it makes, CB PPI considers not only returns and sustainability performance, but also costs and risk. One potential risk that investments may face is sustainability risk. The SFDR defines sustainability risk as “an environmental, social or governance event or condition that, if it occurs, could cause a negative material impact on the value of the investment.” Put succinctly, sustainability risks are those where the value of an investment falls as a result of an ESG event or circumstance.

CB PPI keeps up to date on developments in ESG risks. Ecological risks are events related to the environment, such as climate change, scarcity of natural resources and pollution. For example, investments may be affected by physical climate damage, such as an investment in a company operating in areas facing extreme water scarcity. Social risks may include labour issues and product liability. Social unrest or corruption can have a negative impact on the value of an investment. Governance involves issues such as shareholder rights, business ethics, diversity and executive remuneration.

CB PPI also subscribes to the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights (UNGPs). As part of this, we weigh factors related to human rights, labour standards, environment and anti-corruption when making an investment decision. Read this for a more detailed explanation of the implementation of due diligence in Achmea's Investment Management SRI Policy.

In addition, the pension scheme mitigates the sustainability risks of investments for the pension by deploying various instruments, such as exclusions and ESG integration in the selection and monitoring of asset managers.

- The potential impact of all sustainability risks on the value or expected value of the investments of this portfolio is rated **Medium** on the basis of the ESG ratings.

CCC	B	BB	BBB	A	AA	AAA
Veel hoger	Hoger	Gemiddeld			Lager	Veel lager