5 lessons we learned while implementing ESG

Delta Lloyd Asset Management (DLAM)
5 lessons we learned while implementing ESG

1 Focus on a few sustainability goals

United Nations lists 17 goals for sustainable development. But you cannot have impact on all goals.

CASE How we carefully selected 2 goals.

Climate Action
- One of the most impactful ESG goals
- CO2 intensity is measurable
- Business link: insurance background

Decent work, economic growth
- Pension provider for millions of people
- Quality of life: live in a decent world
- This goal contains most controversies
Select 1-2 projects to get started

Select 1-2 well-defined projects to fully implement ESG.

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Take out complexity
Learning by doing approach
Prove ESG can deliver attractive returns
Limit risks

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CASE Why we selected our largest global equity fund.

**Delta Lloyd Equity Sustainable Global Fund**

- **> €2bn**
  Assets under Management
- **MSCI World**
  Benchmark

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High impact asset class
ESG data available
Same risk profile (Tracking error)
3 Select highly motivated people

Select employees with a strong personal drive and entrepreneurial spirit.

1. Bumpy road requires additional motivation
2. Develop knowledge and competences
3. Engaged employees are more productive and happy
4. Create ambassadors within the company

CASE Recognize all stakeholders

- risks
- investment professionals
- investment solution
- clients
- society

4 Measure output

Provide the PM team with clear and measurable KPI’s.

- Set a clear time frame with deliverables
- Split larger projects in clear sub projects with deadlines
- Establish in advance how to measure financial and ESG results
Translate ESG into investment criteria

Develop, measure and improve investment criteria based on your ESG goals.

Focus on measurable ESG goals

Start and learn. It’s an iterative process

Consider all your options: exclude, reward (best in class), motivate (engage)

Spend much time on selecting and periodically reviewing data vendors

CASE Reward companies with high ESG ambitions in the Airline industry.

<table>
<thead>
<tr>
<th>Company</th>
<th>Carbon Intensity</th>
<th>Carbon Ambition score</th>
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<tbody>
<tr>
<td>Ryanair</td>
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40% top polluters
DLAM has built up experience implementing sustainability into all its investment solutions

€56bn Assets under Management
80% Mostly long-term (pensions)
+20 yr Long ESG history
>2009 Broad ESG implementation

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