Template pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: Impact Funds Mandate
Legal entity identifier: BFXS5XCH7N0Y05NIXW11

Sustainable investment objective

Does this financial product have a sustainable investment objective?

Sustainable investment: means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

☒ **Yes**

☐ It will make a minimum of **sustainable investments with an environmental objective: 35%**

- ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonom

☐ It will make a minimum of **sustainable investments with a social objective: 35%**

☐ **No**

☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments

- ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☐ with a social objective

☐ It promoted E/S characteristics, but **will not make any sustainable investments**

What is the sustainable investment objective of this financial product

The sustainable objective of the Impact Funds Mandate (hereafter: ‘the Mandate’) is to invest in funds that contribute to the United Nations Sustainable Development Goals (UN SDGs), provided that such investments Do No Significantly Harm the other UN SDGs and the investee companies follow good corporate governance practices. The Mandate can also invest in funds with underlying investments in government bonds if those align to SDGs, like green bonds, social bonds or SDG bonds. Bonds from development financial institutions are also eligible.

The sustainable objective is attained by applying:

- positive selection based on environmental, social and governance (“ESG”) performance;
- exclusion of controversial activities;
- selection of government bonds with a sustainable objective;
- positive alignment to the SDGs;
- Do No Significant Harm-principle to the other UN SGDs; and
- good corporate governance practices.

The Mandate does not aim to include investments with an environmental objective aligned with the EU taxonomy regulation (taxonomy investments).It is, however, possible that the funds and their underlying investments comply with the EU Taxonomy regulation.

The Mandate can invest in funds that may invest in the following asset classes: equities, bonds, and alternative investments. Funds can be managed by ABN AMRO Investment Solutions or by external managers. External managers may use different methodologies, criteria and data to achieve the sustainable investment objective.

No index has been designated as a reference benchmark to meet the sustainable objectives of the Mandate.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?

To measure the attainment of the environmental and social objectives the following sustainability indicators are used:

- The ESG Risk Rating of the portfolio.
- Carbon emissions of the Mandate in terms of absolute emissions, weighted average carbon intensity, and carbon footprint (number of CO_2 equivalent per million euro invested) based on scope 1 and scope 2 emissions.
- Monitoring of alignment of the portfolio with the objective of the Paris Agreement to keep global warming well below 2 degrees Celsius.
- Monitoring of alignment with the United Nations Sustainable Development Goals (“UN SDGs”).

How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?

Het Mandaat past het DNSH-principe toe als onderdeel van de interne beleggingsstandaarden. Dit gebeurt binnen het kader van ongunstige effecten op duurzaamheidsfactoren (principal adverse impacts (“PAIs”)).

How have the indicators for adverse impacts on sustainability factors been taken into account?

The Mandate considers principal adverse impacts. As part of the internal investment standards all mandatory PAIs from Table I in Annex I of the SFDR RTS are considered. As well as two optional PAIs from table II and III: Investing in companies without carbon emission reduction initiatives in the context of corporates and average human rights performance in the context of sovereigns.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

The OECD Due Diligence Guidance for Responsible Business Conduct is based on the OECD Guidelines for Multinational Enterprises (“OECD Guidelines for MNEs”). Those OECD Guidelines for MNEs acknowledge the positive contributions that businesses can make to economic, environmental and social progress, but also recognize that business activities can result in adverse impacts related to workers, human rights, the environment, bribery, consumers and corporate governance. The objective of investor due diligence is to identify, assess and mitigate actual or potential adverse impacts (risks), which in this context means actual or potential behavior that is inconsistent with the topics covered in the OECD Guidelines for MNEs:

1. Human rights (aligned with the UN Guiding Principles on Business and Human Rights)
2. Employment and industrial relations
3. Environment
4. Combating bribery
5. Consumer interests
6. Disclosure

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The OECD Guidelines for MNEs and the UN Global Compact are complementary standards. Both standards share the same values of business ethics, including human rights, labor and industrial relations, environment and anti-corruption. The screening provided by our data provider on UN Global Compact non-compliance takes into account the interpretation of the OECD Guidelines for MNEs.

The UN Guiding Principles for Business and Human Rights (‘UNGPs’) require companies to prevent and respond to any adverse operational impacts on human rights. The UNGPs are not binding. However, in recent years, the UNGPs have been translated into (national) legislation. More recent, also the EU Sustainable Finance Disclosure Regulation (SFDR) and EU Taxonomy Regulation refer to the UNGPs in relation to the Do No Significant Harm Principle – that investment should not harm any social or environmental objective – and the minimum social safeguards. This Mandate takes into account the UNGPs through the binding investment criteria and by engagement.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Does this financial product consider principal adverse impacts on sustainability factors?

☒ **Yes,** this Mandate considers principal adverse impacts (PAIs) as part of the investment decision making process. In the table below we describe which PAIs are considered (columns named adverse sustainability indicator and metric) and how those PAIs are considered (column named method used to consider PAIs)

* Different revenue thresholds may be applied. See the paragraph on Investment Strategy for more information.

ABN AMRO will report on how PAI have been taken into account at an entity level on an annual basis. At product level, this information can be found in the periodic reporting template which is part of the investment report. Specifically, please refer to the question: **How did this financial product consider principal adverse impacts on sustainability factors? in the periodic reporting.**

☐ **No**

PRINCIPAL ADVERSE IMPACTS CONSIDERED FOR EQUITIES AND CORPORATE BONDS

Climate and other environment-related indicators

Adverse sustainability indicator		Metric	Method used to consider PAIs
Greenhouse gas emissions	GHG emissions	Scope 1 GHG emissions	Exclusion of companies engaged in*: • Thermal coal mining • Power generation from thermal coal • Arctic drilling, shale gas and oil sands Engagement with certain companies on Climate change Application Do Not Significant Harm principal in relation to SDG13 Climate action
		Scope 2 GHG emissions	
		Scope 3 GHG emissions	
		Total GHG emissions	
	Carbon footprint	Carbon footprint	
	GHG intensity of investee companies	GHG intensity of investee companies	
	Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	
	Share of nonrenewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage	
	Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	
	Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	Engagement with certain companies on Climate change
Biodiversity	Activities negatively affecting biodiversity sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity sensitive areas where activities of those investee companies negatively affect those areas	Application Do Not Significant Harm principal in relation to: • SDG14 Life below water • SDG15 Life on land

Water	Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	Toepassing van 'geen ernstige afbreuk doen aan' principe ten aanzien van: • SDG6 Schoon water en sanitaire voorzieningen voor iedereen • SDG12 Duurzame consumptie en productie
Waste	Hazardous waste ratio	Tonnes of hazardous waste generated by investee companies per million EUR invested, expressed as a weighted average	Toepassing van 'geen ernstige afbreuk doen aan' principe ten aanzien van SDG12 Duurzame consumptie en productie

INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS

Adverse sustainability indicator		Metric	Method used to consider PAIs
Social and employee matters	Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	Exclusion of companies that are non-compliant with UN Global Compact
	Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	Exclusion of companies that are non-compliant with UN Global Compact
	Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	Application Do Not Significant Harm principal in relation to SDG5 Gender Equality
	Board gender diversity	Average ratio of female to male board members in investee companies	Exclusion of companies with poor Corporate governance Engagement with certain companies on Board diversity Application Do Not Significant Harm principal in relation to SDG5 Gender Equality
	Exposure to controversial weapons (anti personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	Exclusion of companies engaged in* Controversial weapons

PRINCIPAL ADVERSE IMPACTS CONSIDERED FOR SOVEREIGN BONDS

Climate and other environment-related indicators

Adverse sustainability indicator		Metric	Method used to consider PAIs
Environmental	GHG intensity	GHG intensity of investee countries	Exclusion of government bonds of countries that have not ratified the Paris agreement
Social	Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	Exclusion of government bonds of countries subject to social violations

SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS

Human rights	Average human rights performance	Measure of the average human right performance of investee countries using a quantitative indicator explained in the explanation column	Exclusion of government bonds of countries with poor human rights performance

* Different revenue thresholds may be applied. See the paragraph on Investment Strategy for more information.'

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

The sustainable objective of the Mandate is to invest in funds with underlying investments in companies with economic activities that contribute to the SDGs, provided that such investments do not significantly harm the other SDGs and the companies in the fund follow good corporate governance practices.

The Mandate can also invest in funds with underlying investments in government bonds if those align to SDGs, like green bonds, social bonds or SDG bonds. Bonds from development financial institutions are also eligible.

Data from third party providers is used to assess if the funds and the underlying investments align to the objective and are eligible for the Mandate. Due to the long-term investment horizon, the Mandate's returns may fluctuate over time.

The Mandate's portfolio consists of investment funds that have to comply with the sustainable objective of the Mandate.

What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?

The Mandate uses the following binding elements to select investments to attain the sustainable objective of the Mandate: positive selection based on good corporate governance practices, exclusion of controversial activities, exclusion based on controversial countries and selection of government bonds with a sustainable objective like green bonds, social bonds and SDG bonds.

Exclusion of controversial activities

The following activities are excluded by the Mandate through the fund selection process:

- Companies on the ABN AMRO Controversial Weapons List;
- Companies on the ABN AMRO Security Sanctions List;
- Companies with involvement in tobacco production (growers and manufacturers);
- Companies with involvement (exceeding 10% of total turnover) in power generation from thermal coal.
- Companies with involvement in weapons production (including key components), retail distribution of weapons, or military contracting of weapons;
- Companies that have 10% or more ownership in companies with involvement in controversial weapons;
- Companies with involvement (exceeding 5% of total turnover) in:
  - Military contracting of weapon-related products and/or services;
  - Cannabis for recreational purposes;
  - Addictive gambling;
  - Animal fur and specialty leather;
  - The combined exposure to arctic drilling, shale gas and oil sand extraction methods;
  - Coal mining;
  - Adult entertainment;
  - Genetically Modified Organisms (GMOs);
  - Trading and/or wholesale of tobacco.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

Funds that invest in companies with poor corporate governance are excluded from the portfolio in this Mandate. We assess a company's corporate governance based on data from our external data providers. A fund is excluded if it the underlying investments breach the UN Global Compact principle on anti-corruption, which states that businesses should work against corruption in all its forms, including extortion and bribery. A fund is also excluded if it has a 'high' or 'severe' controversy related to corporate governance.
This controversy screening comprises six measuring points:

- Board/Management Quality & Integrity;
- Board Structure;
- Ownership & Shareholder Rights;
- Remuneration;
- Audit & Financial Reporting;
- Stakeholder Governance.

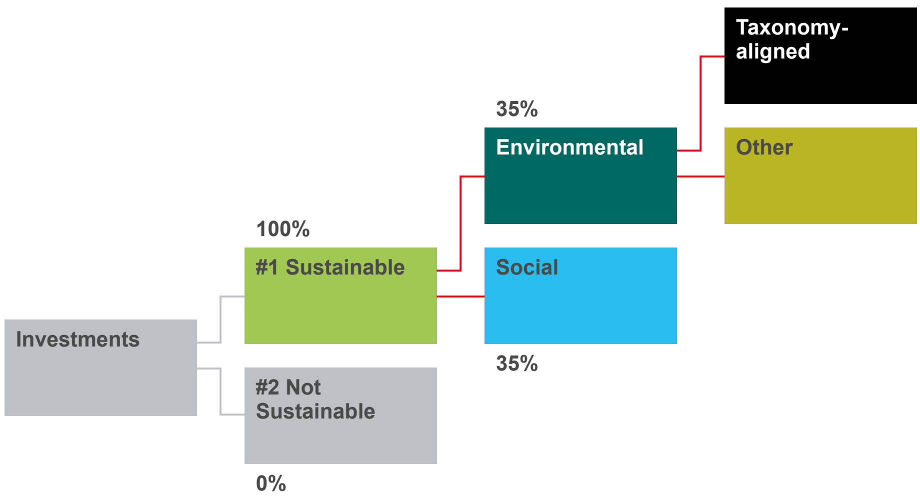
These six measuring points together form the basis for good governance with regard to ESG risks. Only best-in-class investments will be included in the portfolio of this Mandate.

Asset allocation describes the share of investments in specific assets.

What is the asset allocation and the minimum share of sustainable investments?

The Mandate only invests in funds. 100% of the portfolio needs to have sustainable investments as objective. The portfolio is considered as all investments, excluding cash, money market instruments and derivatives. At a minimum the Mandate intends to invest at least 35% in sustainable investments with an Environmental objective and 35% in sustainable investments with a Social objective.

If more products have the same features and risk/return-profile the most sustainable product prevails.



#1 Sustainable covers sustainable investments with environmental or social objectives.
#2 Not sustainable includes investments which do not qualify as sustainable investments.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by end of 2035. For nuclear energy the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

xxxx are environmentally sustainable investments that do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.

How does the use of derivatives attain the sustainable investment objective?

The Mandate does not use derivatives to attain the sustainable objectives. Which means that the sustainable objectives of this Mandate do not apply to derivatives. The only derivates used are interest rate and foreign exchange derivatives. Those derivatives allow the portfolio managers to offset the risks posed by interest rate and exchange rate volatility of bonds which are part of the portfolio. Derivatives are not part of the 100% of the portfolio.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

This question is not applicable. The Mandate does not intend to make sustainable investments with an environmental objective aligned with the EU Taxonomy. However, it is possible that the portfolio contains Taxonomy aligned investments.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?[1]

☐ **Yes** ☒ **No**

☐ In fossil gas

☐ In nuclear energy

What is the minimum share of investments in transitional and enabling activities?

This question is not applicable. The Mandate does not intend to make sustainable investments with an environmental objective aligned with the EU Taxonomy. However, it is possible that the portfolio contains Taxonomy aligned investments (with transitional and enabling activities).

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The intended minimum share of sustainable investments with an environmental objective is 35% that are not aligned with the EU Taxonomy.

What is the minimum share of sustainable investments with a social objective?

The intended minimum share of sustainable investments with a social objective is 35%.

What investments are included under “#2 Not sustainable”, what is their purpose and are there any minimum environmental or social safeguards?

All investments made have a sustainable objective. Only cash, money market instruments and derivatives fall outside of this scope.

1 Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objectives – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Is a specific index designated as a reference benchmark to meet the sustainable investment objective?

This question is not applicable. No index has been designated as a reference benchmark to meet the sustainable objectives of the Mandate.

How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?

This question is not applicable. No index has been designated as a reference benchmark to meet the sustainable objectives of the Mandate.

How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?

This question is not applicable. No index has been designated as a reference benchmark to meet the sustainable objectives of the Mandate.

How does the designated index differ from a relevant broad market index?

This question is not applicable. No index has been designated as a reference benchmark to meet the sustainable objectives of the Mandate.

Where can the methodology used for the calculation of the designated index be found?

This question is not applicable. No index has been designated as a reference benchmark to meet the sustainable objectives of the Mandate.

Where can I find more product specific information online?

More product-specific information can be found on the website:
Impact investing at ABN AMRO – ABN AMRO