Adverse Sustainability Impacts Statement

1. Summary

ABN AMRO considers principal adverse impacts of investment decisions and advice on sustainability factors. Sustainability factors mean environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters. We follow the sustainability risk policy framework of ABN AMRO Bank NV ("ABN AMRO"). The sustainability risk policy framework is supported by the various responsible business conduct codes and internationally recognized sustainability standards or initiatives that ABN AMRO has endorsed. In line with the sustainability risk policy framework and the international standards, the following principal adverse sustainability impacts are considered:

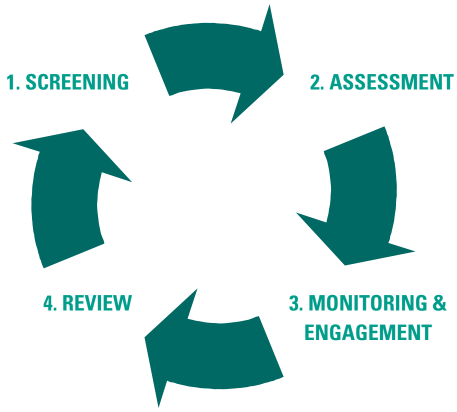
- UN Global Compact breaches;
- Controversies;
- Carbon emissions as indicator for climate change.

Engagement is used to encourage investee companies to improve their business strategy and performance, including environmental, social or governance ("ESG") issues.

2. Description of policies to identify and prioritise principal adverse sustainability impacts

2.1 Sustainability Risk Management Framework

We offer a wide range of investment products and solutions, including portfolio management and advisory on investment products and solutions. The ABN AMRO Sustainability Risk Policy for Investment defines the process of a continuous cycle of screening, assessment, monitoring & engagement and review of sustainable risks.



First, potential investments are screened against exclusion lists, like the controversial weapon list. If the investment is not excluded, ABN AMRO assigns a Sustainability Indicator to the company based on the sustainability assessment by external data providers. This external assessment includes the company's exposure to sustainability risk and how well a company is managing the sustainability risks it is exposed to. It is also assessed if a company is involved in sustainability-related controversies or even a breach of the 10 principles of the UN Global Compact, which is a set of universal principles related to human rights, labour, environment and anti-corruption. The sustainability performance of a company is monitored and in case of a breach of the UN Global Compact an engagement trajectory is started. The sustainability performance of a company is reviewed, because it can change over time. The Sustainability Risk Policy for Investments was approved on December 9, 2020. For more information see the summary of the Sustainability Risk Policy for Investment.

ABN AMRO applies this process to all its portfolio management and advisory on investment products and solutions within Retail and Private Banking. Additional criteria can apply to specific products or solutions depending on the investment strategy. See the product page for more information.

The Sustainability Risk Policy is the overarching policy that describes the sustainability risk management process. The Executive Board is accountable for the management of sustainability risk in ABN AMRO, which is delegated to the Group Risk Committee. Additional committees support the business in the integration of sustainability. The Sustainability Advisory Committee assists in the oversight and the embedding of the sustainability strategy and responsibilities in the organisation. The Engagement Advisory Committee oversees the engagement processes.

ABN AMRO implements its Sustainability Risk Policy and underlying policies according to the ABN AMRO's Three Lines of Defence model. This approach ensures that sustainability risk management has a firm basis within the organisation by dividing risk management responsibilities between different roles. The Sustainability Risk Policy was approved on September 30, 2020. For more information see the summary of the Sustainability Risk Policy.

We understand that our investment decisions and advice might be linked to negative effects on sustainability factors. Sustainability factors mean environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters. In order to mitigate those negative effects, for portfolio management and advisory services, the following principal adverse sustainability impacts are considered:

- UN Global Compact breaches
- Controversies
- Carbon emissions as an indicator for climate change

2.2 UN Global Compact breaches

We use data provider Sustainalytics to screen companies in the investment universe against the principles of the UN Global Compact. Sustainalytics provides its opinion as to whether a company is violating one or more of the UN Global Compact principles. Sustainalytics applies its own guidelines assign one of the following three statuses: Non-Compliant, Watchlist or Compliant. Although Sustainalytics assigns this status based on extensive research it remains an opinion and others (e.g. other data providers) can assign a different status.

The principles are related to human rights, labour, environment and anti-corruption and can thus be linked to the sustainability factors. The ten principles of the UN Global Compact are:

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights;
Principle 2: make sure that they are not complicit in human rights abuses.

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
Principle 4: the elimination of all forms of forced and compulsory labour;
Principle 5: the effective abolition of child labour; and
Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;
Principle 8: undertake initiatives to promote greater environmental responsibility; and
Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

The principles above are derived from: the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.

An investment in a company that is in breach of the UN Global Compact has a negative effect on the sustainability factors. In this case an engagement trajectory is started to improve the ESG performance of the company.

2.3 Controversies

Sustainalytics' controversies research identifies companies involved in incidents that may negatively impact stakeholders, the environment or the company's operations. Such incident can result in a breach of the UN Global Compact, but this is not always the case. In case of incidents, Sustainalytics will assess the severity of the incident. Sustainalytics uses a 5-point scale to classify the severity of the incident:

- Category 5 (Severe Offence): The event has a severe impact on the environment and society, posing serious risks to the company. This category represents the most egregious corporate behaviour. These companies are complicit in the violation of basic human rights, the most serious forms of child or forced labour, serious forms of corruption or fraud, or the most serious crimes against the environment.

- Category 4 (High Offence): The event has a high impact on the environment and society, posing significant risks to the company. This category often reflects structural problems in the company.
- Category 3 (Significant Offence): The event has a significant impact on the environment and society, posing moderate risks to the company.
- Category 2 (Moderate Impact): The event has a moderate impact on the environment and society, posing minimal risks to the company.
- Category 1 (Low Impact): The event has a low impact on the environment and society, posing negligible risks to the company.

Although Sustainalytics assigns the category based on extensive research it remains an opinion and others (e.g. other data providers) can have a different view on incidents.

2.4 Carbon emissions

The concentration of greenhouse gasses in the atmosphere is directly linked to the average global temperature. And since the concentration of greenhouse gasses has been rising since the time of the industrial revolution, the average global temperature is also rising. Global warming affects all regions around the world. In some regions extreme weather events and rainfall are becoming more common while others are experiencing more extreme heat waves and droughts. These events are expected to intensify in the coming decades. ABN AMRO uses data of the Institutional Shareholder Services group of companies (ISS) to monitor carbon emissions of its portfolio, as a proxy for climate change. ISS will use self-reported data if available. ISS has developed a sophisticated methodology to estimate the carbon emissions of non-reporting companies, which can be different from their actual carbon emissions.

2.5 Data providers

As described above the data providers we use to assess the principal adverse sustainability impacts are Sustainalytics and ISS.

Sustainalytics

Sustainalytics, a Morningstar company, is a global leader in ESG and Corporate Governance research and ratings. Over the last 25 years, Sustainalytics has brought together leading ESG research and client servicing professionals to retain that personal touch that has helped us to grow. Today, Sustainalytics supports hundreds of the world's foremost investors who incorporate ESG and corporate governance insights into their investment processes. Sustainalytics is a ESG research provider and does not endorse any product. Sustainalytics information contained herein do not constitute investment advice and cannot be interpreted as an offer or indication to buy or sell securities. For more information, visit http://www.sustainalytics.com/legal-disclaimers

ISS

Founded in 1985, ISS empowers investors and companies to build for long-term and sustainable growth by providing high-quality data, analytics, and insight. With nearly 2,000 employees spread across 30 U.S. and international locations, ISS is today the world's leading provider of corporate governance and responsible investment solutions.

3. Engagement policies

Engagement is the process through which investors use their influence to encourage companies they invest in to improve their business strategy and performance, including ESG issues. We believe that ESG issues can affect the performance of investment portfolios to varying degrees across companies, sectors, regions, asset classes and through time. This may improve the companies' financial performance and the long-term performance of investment portfolios.

The engagement policy distinguishes the following engagements:

- Engagement in case of breach of the UN Global Compact.
- Thematic engagement. This is pro-active engagement where a chosen (ESG) theme is engaged in depth with a group of companies for who the theme is relevant. the current engagement themes are:
    - Environment: climate change, natural resources and pollution, waste and circular economy;
    - Social: human and labour rights, human capital management and conduct, culture and ethics;
    - Governance: board effectiveness, executive remuneration and shareholder protection and rights;
    - Other: corporate reporting, risk management and business purpose and strategy.
- Participation in collaborative engagement. By speaking to companies with an unified voice, investors can more effectively communicate their concerns to corporate management. The result is typically a more informed and constructive dialogue. ABN AMRO is a member of the Platform Living Wage Financials (https://www.livingwage.nl/), which is an alliance of 15 financial institutions that encourages and monitors investee companies to address the non-payment of living wage in global supply chains.
- Engagements for a specific product.
- Ad-hoc engagements not covered by the above.

An engagement trajectory consists of the following steps:

1. Selection of companies for engagement based on exposure, materiality of identified ESG and financial risks, and feasibility of the engagement.
2. Define engagements objectives for companies that are SMART – specific, measurable, achievable, relevant and time-bound.
3. The engagement itself consists of interactions through the year. Interactions can be written communication, one-on-one meetings or face-to-face meetings. Engagement.
4. Measure the progress of the engagements. An engagement objective can take up to three years to complete, depending on factors including the nature of the issue and how receptive the company is to engagement.

Companies will typically be given a specific timeframe (generally 2-5 years) for achieving the defined engagement objective. A company can be under engagement for a longer period if new ESG issues emerge. Engagement with companies can occasionally stall and it may be determined that it is impossible to effect change on a particular topic, or with a company overall. On these occasions, engagement on a specific objective or with the company overall may be discontinued. In these cases the company may be excluded from the portfolio.

Engagements can be conducted by ourselves, ABN AMRO or by an engagement service provider on behalf of ABN AMRO.

We are committed to always put the interests of our clients first. With engagement we seek to promote the long-term value of the companies in which our clients invest. It is possible that we encounter a conflict of interest. See the Conflict of Interest Policy how ABN AMRO identifies, prevents and manages conflicts of interest. For engagements the following conflicts of interest may arise:

1. ABN AMRO will not engage with itself or a group company;
2. Engagement with an investee company that is also a client of ABN AMRO or has another strong (commercial) relationship with ABN AMRO;
3. A staff member involved in the engagement has a personal connection with the investee company;
4. ABN AMRO clients may have differing interests in the objectives and outcome of an engagement;
5. Engagement with an investee company in which certain clients are equity holders and others are bond holders;
6. ABN AMRO seeks to promote the long-term value and success of the companies in which our clients invest. Any conflict identified during the engagement is escalated to the Engagement Advisory Committee.

We do not vote for portfolio management. If funds are part of the portfolio the fund manager is responsible for voting. More information can be found on the website of the fund manager. ABN AMRO Investment Solutions ("AAIS") is ABN AMRO's fund manager. AAIS will also vote for resolutions of companies in the ABN AMRO funds. AAIS bases its votes on a customised version of the ISS Governance International SRI Policy, see AAIS's voting policy.

4. References to international standards

The sustainability risk policy framework is supported by the various responsible business conduct codes and internationally recognized sustainability standards or initiatives that ABN AMRO has endorsed.Those define the standard for sustainability in corporate behaviour in general or banking in particular. These include the United Nations Environment Programme Finance Initiative, the Principles for Responsible Banking, the ten principles of the UN Global Compact, the Principles for Responsible Investments, the Equator Principles, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles for Business and Human Rights, and the ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy.

ABN AMRO, together with around 50 banks, insurers, pension funds and asset managers, has committed to the Climate Agreement, which defines the Dutch cabinet's climate goals and builds on the Paris Climate Agreement. By signing this agreement, ABN AMRO acknowledges that the financial industry can facilitate the transition in line with the Paris Climate Agreement. ABN AMRO has committed to mandatory reporting on the climate impact of the loans and investments from 2020 onward. By 2022 action plans have to be in place that contribute to reducing CO_2 emissions. The ABN AMRO bank-wide goal is to bring the lending and client investment portfolio in line with at least a well-below 2-degree scenario and to support the transition to a net zero economy in 2050. ISS has developed a calculation method to estimate if a company is on a 2-degree scenario. The method is based on the expected future emissions, given the sustainability strategy of the company and the sector in which they operate. This data can be aggregated to portfolio's.

ABN AMRO is an active member of the Partnership for Carbon Accounting Financials that develops standards for harmonized and transparent CO_2 measurement and reporting to enable financial institutions to align their portfolio with the Paris Climate Agreement. ABN AMRO participates in the science-based targets initiative to design guidance for the financial sector. Science-based targets provide companies with a clearly-defined path to reduce emissions in line with the Paris Agreement goals. ABN AMRO implements the recommendations of the Task Force for Climate-related Financial Disclosures on disclosure of climate-related financial risks.

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