ABN·AMRO MeesPierson

ESG Fund Mandate

Sustainability-related information

Summary

This summary provides an overview of the items disclosed below. The headers used in this summary correspond to the headers used for the sections below. For a more detailed explanation on any of the items in this summary please refer to the sections below.

No sustainable objective
This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investment.

Environmental or social characteristics of the financial product
The environmental and social characteristics promoted by the ESG Fund Mandate (hereafter: 'the Mandate') are:
1) exclusion of companies engaged in controversial activities.
2) exclusion of government bonds of controversial countries.
3) good corporate governance practices.
4) positive selection based on ESG performance.

Investment strategy
The Mandate's portfolio managers make deliberate choices in order to construct an investment portfolio that promotes environmental and social characteristics. The companies in which the managers invest are prominent examples of how to strike a balance between people, planet and profit. Due to the long-term investment horizon, the Mandate's returns may fluctuate over time. The Mandate's portfolio consists of equities, bonds (corporate and government), investment funds, and alternative investments. To be included in the portfolio, investments must comply with the binding elements described below. For investment funds from external parties, ETF's and structured products different exclusion criteria may apply.

The Mandate uses the following binding elements to select investments to attain the environmental and social characteristics promoted: positive selection based on good corporate governance practices, positive selection based on the ESG performance, exclusion of companies engaged in controversial activities, and exclusion of government bonds of controversial countries.

Proportion of investments
The Mandate must invest at least 90% of the assets of the portfolio in investments that meet the environmental and social characteristics of this Mandate. The portfolio is considered as all investments, excluding cash, money market instruments and derivatives. If available investments have the same characteristics and risk/return-profile the product that best fits the environmental and social characteristics of the Mandate prevails.

For diversification purposes, a maximum of 10% of the portfolio can be invested in investments which do not meet the environmental and/or social characteristics promoted. The portfolio is considered as all investments, excluding cash, money market instruments and derivatives. This may be done either because such investments are not available or where there is insufficient data available to establish that they meet the criteria. Investments that fall in this category must adhere to the exclusion criteria for equities and bonds – i.e. exclusion of companies involved in controversial activities and exclusion of government bonds of controversial countries.

The Mandate does not use derivatives to attain the environment or social characteristics promoted. Which means that the environmental and social characteristics of this Mandate do not apply to derivatives. The only derivates used are interest rate and foreign exchange derivatives.

These 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 90% or 10%.

Monitoring of environmental or social characteristics

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

- The weighted average 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.

Methodologies for environmental or social characteristics

To measure how the environmental and social objectives of the Mandate are met we use external data providers to assess the sustainability indicators. Please refer to the paragraph 'Methodology' where the methodology used for each of the sustainability indicators is described.

Data sources and processing

To measure attainment of the environmental and social characteristics and the sustainability indicators data of Sustainalytics, ISS and Morningstar is used.
The data providers have been selected after a thorough due diligence process. Also after selection we remain in continuous dialogue with the data providers on the quality of the data, the investments for which data is available and the need for additional data to support the investment decisions. Data from data providers are processed through our own internal systems which collate the data per fund and across all portfolio compositions.
The data which is provided from data providers can include estimations but ABN AMRO will not alter data received in any way. In certain situations ABN AMRO may interpret this data and use it accordingly. ABN AMRO communicates with the data provider to mitigate any data gaps, yet there would be no alteration of data within data storage. ABN AMRO addresses any found data quality issues and data gaps in a swift and good manner.

Limitations to methodologies and data

The methodologies used have limitations as outlined in the section below. However, ABN AMRO considers that these limitations should not materially affect the extent to which the environmental and/or social characteristics promoted can be achieved. A majority of the assets which make up the investment universe currently do have available data and if there is no available data for a financial instrument, it is possible that this asset can be excluded from the Mandate.

Due diligence

The portfolio managers incorporate the views of the ABN AMRO Global Investment Committee regarding sector and regional allocations. Deviations may, however, arise because of lacking investment opportunities within a sector resulting from the environmental and social characteristics.
The portfolio managers / fund managers aim at identifying companies exhibiting:

- Strong growth prospects driven by long term sustainable impact themes
- Robust fundamentals
- Attractive valuations

The portfolio managers select companies based on the Investment Strategy, but will also perform a thorough qualitative bottom up analysis. This analysis includes, among others:

- Exposure to long term trends like climate change
- Corporate governance aspects, like integrity and track record of the management, board structure, corporate governance factors and the management's transparency toward shareholders

The portfolio managers can leverage on the expertise of ABN AMRO's sector and fund analysts to get additional insights on the underlying companies

Engagement polices

Different kind of engagements are distinguished of which some also apply to the Mandate, being:

1. Thematic engagement.
   This is pro-active engagement where a chosen (ESG) theme is engaged in depth with companies for who the theme is relevant.

2. Participation in collaborative engagement.
   By speaking to companies with an unified voice, investors can more effectively communicate their concerns to corporate management. 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.
3. Ad-hoc engagements by the portfolio managers. Companies in the portfolio can be included in the thematic or collaborative engagement if the theme is material for the company. The themes and the portfolio changes over time and therefore so does the number of engagements.

Designated reference benchmark

The Mandate does not use a reference benchmark to measure the attainment of the environmental and social characteristics promoted.

No sustainable objective

This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investment.

Environmental or social characteristics of the financial product

The environmental and social characteristics promoted by the Mandate are:
1) exclusion of companies engaged in controversial activities.
2) exclusion of government bonds of controversial countries.
3) good corporate governance practices.
4) positive selection based of on ESG performance.

These environmental and social characteristics apply to at least 90% of the portfolio (please note: 100% of the portfolio means all assets excluding cash, money market instruments and derivatives).

The Mandate must invest at least 90% of the assets of the portfolio in investments that meet the environmental and social characteristics of this Mandate. The portfolio is considered as all investments, excluding cash, money market instruments and derivatives.

Positive selection based on ESG performance

For companies, the ESG performance is assessed, using the ESG Risk Rating provided by our data provider. A best-in-class approach is applied, which means that the ESG Risk Rating is compared to the Risk Rating of similar companies. In principle, a company is only if eligible if the ESG Risk Rating is in the best 50%. In exceptional cases the ESG Risk Rating can be outside the best 50% if it is expected that the ESG performance improves within a reasonable time period. This is for example the case if a company has the potential to disrupt a sector. In such case the company has to be in the top 75%.

For government bonds, the ESG performance is assessed using the following indicators:
- Countries subject to social violations, as referred to in international treaties and conventions, UN principles and, where applicable, national law.
- Countries with poor human rights performance.

For investments funds, the ESG performance is assessed using the following indicators: according to the external manager, the fund falls under Article 8 SFDR and the fund addresses Principle Adverse Impacts by at least excluding (to a certain extent):
- Controversial weapons
- Thermal Coal mining and/or power generation
- Norms based violations (such as the UN Global Compact and the OECD guidelines)
- Countries that have not signed the Paris Climate Agreement (for government bonds)

Investment strategy

The Mandate's portfolio managers make deliberate choices in order to construct an investment portfolio that promotes environmental and social characteristics. The companies in which the managers invest are prominent examples of how to strike a balance between people, planet and profit. Due to the long-term investment horizon, the Mandate's returns may fluctuate over time. The Mandate's portfolio consists of equities, bonds (corporate and government), and alternative investments. To be included in the portfolio, investments must comply with the binding elements described below. For investment funds from external parties, ETF's and structured products different exclusion criteria may apply.

The Mandate uses the following binding elements to select investments to attain the environmental and social characteristics promoted: positive selection based on good corporate governance practices, positive selection based on the ESG Risk Rating, exclusion of companies engaged in controversial activities, and exclusion of government bonds of controversial countries.

Exclusion of companies engaged in controversial activities

The following controversial activities are excluded by the Mandate:

- 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 non-compliant with the 10 principles of UN Global Compact;
- 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.

Exclusion of government bonds of controversial countries

- Countries on ABN AMRO's Security Sanctions List;
- Countries that have not ratified the Non-Proliferation of Nuclear Weapons Treaty;
- Countries that have not ratified the Paris Agreement;
- Countries that have not ratified the ILO Convention 182 on Child Labor;
- Countries subject to social violations, as referred to in international treaties and conventions, UN principles and, where applicable, national law;
- Countries with poor human rights performance.

Good corporate governance practices

Companies with poor corporate governance are excluded from the portfolio. We assess a company's corporate governance based on data from our external data provider Sustainalytics. A company is excluded if it breaches 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 company is also excluded if it has a high or severe controversy related to corporate governance. This controversy screening comprises six pillars:

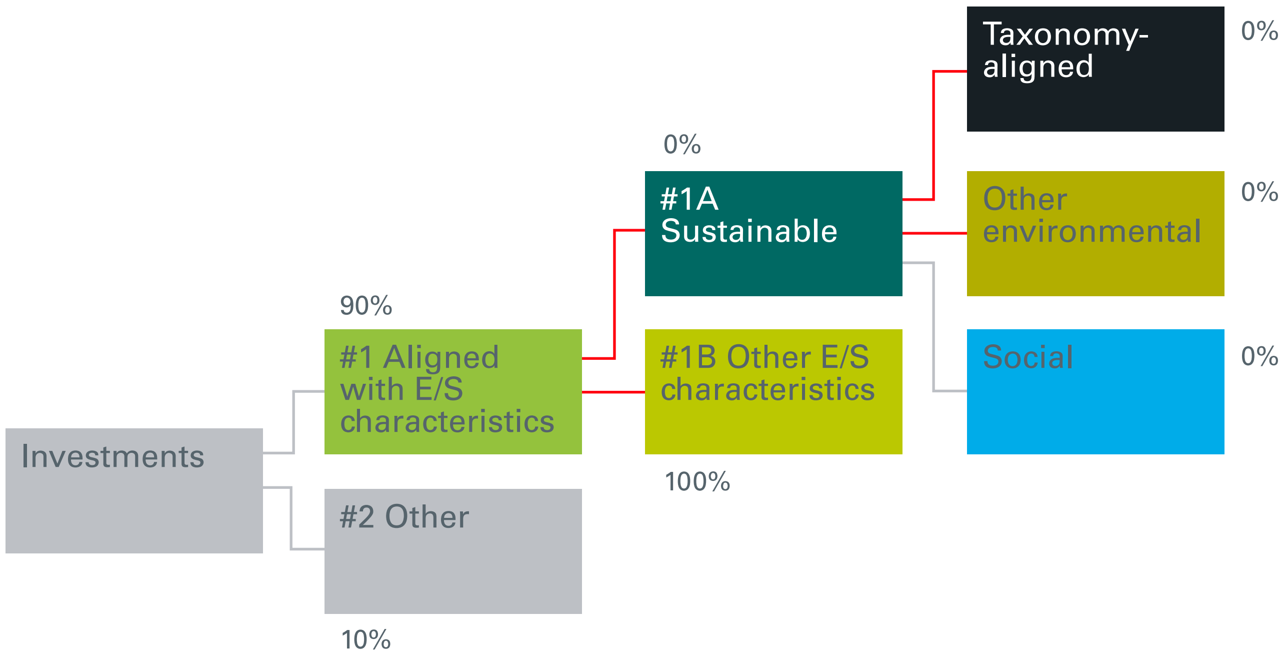
- Board/Management Quality & Integrity;
- Board Structure;
- Ownership & Shareholder Rights;
- Remuneration;
- Audit & Financial Reporting;
- Stakeholder Governance.

Proportion of investments

The Mandate must invest at least 90% of the assets of the portfolio in investments that meet the environmental and social characteristics promoted by this Mandate. The portfolio is considered as all investments, excluding cash, money market instruments and derivatives. If available investments have the same characteristics and risk/return-profile the product that best fits the environmental and social characteristics of the Mandate prevails.

For diversification purposes, a maximum of 10% of the portfolio can be invested in investments which do not meet the environmental and social characteristics promoted. The portfolio is considered as all investments, excluding cash, money market instruments and derivatives. This may be done either because such investments are not available or where there is insufficient data available to establish that they meet the criteria. Investments that fall in this category must adhere to the exclusion criteria for equities and bonds – i.e. exclusion of companies involved in controversial activities and exclusion of government bonds of controversial countries.

The Mandate does not use derivatives to attain the environment or social characteristics promoted. Which means that the environmental and social characteristics of this Mandate do not apply to derivatives. The only derivates used are interest rate and foreign exchange derivatives. These 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 90% or 10% of the portfolio.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

Monitoring of environmental or social characteristics

The environmental and social characteristics promoted by the Mandate are:
1) exclusion of controversial activities.
2) exclusion of controversial countries.
3) positive selection based of on ESG performance.
4) good corporate governance practices.

These environmental and social characteristics apply to at least 90% of the portfolio.
To measure the attainment of the environmental and social characteristics the following sustainability indicators are used:

- The weighted average 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.

Compliance with the environmental and social characteristics promoted by the Mandate is monitored on a regular basis. For this different data from Sustainalytics is used. The portfolio managers have access to this data and assess the environmental and social characteristics on a continuous basis. Depending on the outcome of this assessment the portfolio managers may decide to change the environmental and social characteristics promoted.

Clients are informed on via the SFDR periodic reporting template on how the Mandate performs on the sustainability indicators described above. Indicators the portfolio may be changed over time, for instance in case of new and/or more suitable indicators available in the future. See the next section for more information on the methodologies used.

Internal control mechanisms include analyst tests on the data and checking for outliers, along with ensuring that reported data does not significantly differ from expectations. Reviewing data collected and shown is a key part of the selection process and may influence confirmation of the acceptable investment universe. There is a direct communication with our data providers ISS and Sustainalytics with the aim to ensure that when ABN notes that there is a difference in expected values, the data providers can perform quality checks on the observed differences by ABN AMRO.

External control mechanisms are influenced by our key data suppliers, ISS for the data on Carbon emissions, Paris Alignment and the UN SDGs and Sustainalytics for the data on ESG Risks.

For the checks on Carbon emissions and Paris Alignment data, analysts and teams from ISS are performing stringent quality checks versus the industry and manually reviewing self-reported numbers when there is a high probability of low trust or improper data management by the reporting company.
Sustainalytics aims to ensure high quality, robustness and consistency of research for its ESG Risk . Sustainalytics utilises various teams that all work together to indicate improvement areas for analysis, checklists for quality errors, data consistency or verifiability, and general completeness or anomalies from a data quality perspective.

Methodologies for environmental or social characteristics

To measure how the environmental and social characteristics promoted by the Mandate are met we use external data providers to assess the sustainability indicators. Below the methodology for each of the sustainability indicators use is described.

ESG Risk Rating

ESG Risk Rating of Sustainalytics is used to analyse sustainability risk for corporates. The ESG Risk Rating measures the degree to which a company's economic value is at risk driven by unmanaged sustainability risk. A lower score represents less unmanaged sustainability risk and is thus better than a high score. To determine the ESG Risk Rating of a company the company's exposure to sustainability risk is assessed and how well a company is managing the sustainability risks it is exposed to. The difference between those two is the unmanaged sustainability risk or the ESG Risk Rating. A company's exposure to sustainability risk depends on material ESG conditions for the sub-industry, company specific exposure to ESG conditions and ESG events the company is involved in like controversies and UN Global Compact breaches. Although Sustainalytics assigns the ESG Risk Rating based on extensive research it remains an opinion and others (e.g. other data providers) can have a different view on the sustainability risk of a corporate.

Carbon emission of the portfolio

Carbon emissions of the portfolio are measured with the aim to ensure achievement of the environmental characteristics promoted by the Mandate. Carbon emissions are reported using absolute emissions (total footprint of portfolio), carbon footprint, and the weighted average carbon intensity (carbon emissions over million EUR revenue of the investee company.) Data is sourced for carbon emissions from ISS. When available, ISS will use self-reported data. ISS has developed a sophisticated methodology to estimate the carbon emissions of non-reporting companies, which can be different from their actual carbon emissions.

Monitoring alignment with the objective of the Paris Agreement to keep global warming well below 2 degrees Celsius

With the aim to ensure alignment with carbon reduction measures, ISS provides a robust methodology to assess Paris Agreement alignment. The ISS scenario alignment approach is inspired by the emission reduction initiative of the Sectoral Decarbonisation Approach (SDA), developed by the Science Based Target initiative (SBTi). The SDA is developed around the scenarios provided by the International Energy Association (IEA.) This approach allocates each sector a carbon budget and these budgets define how much carbon may be emitted in order to remain within a given scenario. The ISS-ESG scenario combines the IEA scenarios with the SDA approach by allocating a carbon budget to a company based on its market share and the expected emissions trajectory of that sector. The outcome is then assigned a qualitative value, in order from least to most ambitious: No Target, Non-Ambitious Target, Committed SBT, Approved SBT, or Ambitious Target. This value is used to compare potential investments and thereby tracks Paris Alignment.

Data sources and processing

To measure attainment of the environmental and social characteristics and the sustainability indicators data of Sustainalytics, ISS and Morningstar is used.

Sustainalytics

Sustainalytics, a Morningstar company, brought together ESG research and client servicing professionals to retain that personal touch that has helped us to grow. Sustainalytics is a ESG research provider and does not endorse any product. For more information, visit www.sustainalytics.com/legal-disclaimers.

ISS

Founded in 1985, ISS is a data provider. with nearly 2,000 employees spread across 30 U.S. and international locations. For more information, visit www.issgovernance.com.

Morningstar

Morningstar is a data provider. In 2016, Morningstar released the Morningstar Sustainability Rating to help investors use ESG information to evaluate portfolios. The rating provides a way to evaluate how portfolios are meeting ESG challenges, based on underlying company ESG Risk Ratings from Sustainalytics (which is majority owned by Morningstar). For more information, visit www.morningstar.nl/nl.

Measures taken to ensure data quality

The data providers have been selected after a thorough due diligence process. Also after selection we remain in continuous dialogue with the data providers on the quality of the data, the investments for which data is available and the need for additional data to support the investment decisions. The portfolio managers and analysts have access to the source data via web portals of the data providers, in FactSet (an integrated data and software solution) and/or data shared via data feeds.

How data is processed

Data from data providers are processed through our own internal systems which collate the data data per investment and across all portfolio compositions.

Proportion of data that is estimated

The data which is provided from data providers maybe estimated but ABN AMRO will not alter data received in any way. ABN AMRO may interpret this data and use it accordingly. ABN AMRO may communicate with the data provider to mitigate any data gaps, yet there would be no alteration of data within data storage. ABN AMRO addresses any found data quality issues and data gaps in a swift and good manner.

Limitations to methodologies and data

The methodologies and data used have in general the following limitations:

- Although the number of companies covered by data providers has increased significantly over time, and still is increasing, a specific investment cannot be assessed by a data provider. It will then be discussed with the data provider if the company can be added to their universe.

- Companies do not always report the data needed for a proper assessment by the data provider. In that case the data provider may engage with the company to obtain or disclose the data. In some cases missing data points can be estimated by the data providers, e.g. for carbon emissions. ABN AMRO does not estimate missing data.
- Different data providers can have different methodologies to assess ESG performance of investments, which can result in a different opinion on the ESG performance. The outcome of their assessment is to some extent, subjective. The portfolio managers will therefore also form their own opinion. The data providers we selected has been selected has been selected after a thorough due diligence process with the aim to ensure their methodology is in line with best practices.

The methodologies used have limitations as outlined in the section below. However, ABN AMRO considers that these limitations should not materially affect the extent to which the environmental and/or social characteristics promoted can be achieved. A majority of the assets which make up the investment universe currently do have available data and if there is no available data for a company, it is possible that the asset can be excluded from the allowable universe of investments. ABN AMRO aims to have a majority of its investment universe with verifiable sustainability data. In the case that there is no data available for a desired asset, ABN AMRO communicates with data providers to request inclusion into the data stream.
Our Investment Managers and Analysts have been trained on many aspects of Sustainability and ESG data quality, therefore we are confident in our abilities to accurately assess and if necessary, adjust the alignment to a certain characteristic, especially in the case of engagement, recent public action, or knowledge regarding the asset.

Due diligence

The portfolio managers incorporate the views of the ABN AMRO Global Investment Committee regarding sector and regional allocations. Deviations may, however, arise because of lacking investment opportunities within a sector resulting from the environmental and social characteristics.
The portfolio managers aim at identifying companies exhibiting:
- Strong growth prospects driven by long term sustainable impact themes
- Robust fundamentals
- Attractive valuations

The portfolio managers select companies based on the Investment Strategy, but will also perform a thorough qualitative bottom up analysis. This analysis includes, among others:
- Exposure to long term trends like climate change
- Corporate governance aspects, like integrity and track record of the management, board structure, corporate governance factors and the management's transparency toward shareholders

The portfolio managers can leverage on the expertise of ABN AMRO's sector analysts to get additional insights on the underlying companies

Internal and external controls aim to ensure that the universe of investments do not negatively impact environmental or social characteristics. Our internal controls relate to using the knowledge gained from ESG-training, along with ESG-specialists, to review the outcomes of a Due Diligence process with an objective view to provide a red flag for potential investments where aspects such as when philosophy does not match policy or recent controversies. In terms of external controls, our data providers ISS, Sustainalytics and Morningstar, provide an overhead view of alignment to international standards and sufficient data quality, alongside effective metrics with which to benchmark versus the industry.

Engagement polices

The objective of any engagement is an improvement in company sustainability performance or engagement due to a potential controversy as assessed by ABN AMRO or a data provider.

The most obvious goal for an engagement process is to improve the ESG performance of an underperforming company, in order to minimise negative (financial) impacts and/or adverse impacts. Proactive engagement on ESG issues is an important step in conducting environmental and/or social and/or governance due diligence. This helps reduce the risk of being linked to companies with poor ESG performance. Controversies and exposure to such issues are continuously tracked and mapped through our data providers. Furthermore thematic engagements will be started based on themes identified by the portfolio managers at their discretion as being relevant for the portfolio.

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 if e.g. a company is unwilling or unable to improve 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.

Engagement may be carried out either by ABN AMRO itself or by means of collective engagements. 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. ABN AMRO is also part of EOS. EOS at Federated Hermes is a leading stewardship service provider. The engagement activities of EOS enable ABN AMRO to be in active dialogue with companies on environmental, social and governance issues.

Designated reference benchmark

The Mandate does not use a reference benchmark to measure the attainment of the environmental and social characteristics promoted.

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