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.

Product Name:
Legal Entity Identifier:

Does this financial product have a sustainable investment objective?

● ● ☐ Yes

- ☐ It will make a minimum of **sustainable investments with an environmental objective**: ___%
  - ☐ 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 Taxonomy
- ☐ It will make a minimum of **sustainable investments with a social objective:** ___%

● ○ ☐ 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 promotes E/S characteristics, but **will not make any sustainable investments**

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

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, anticorruption and antibribery matters.

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

  The Sub-Fund considers and mitigates adverse impacts of its investments on society and environment through a combination of portfolio management decisions, engagement, and the exclusion of issuers associated with controversial conduct or activities.

  On the corporate side:

  With respect to Table 1 of the Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022, the Sub-Fund takes into account the following principal adverse impacts (PAI) in portfolio management decisions and engagement activities:

- GHG emissions, biodiversity, water and waste indicators (i.e. PAI 1 to PAI 9)

- the lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises (i.e PAI 11)

- unadjusted gender pay gap (i.e. PAI 12)

- board diversity (i.e. PAI 13)

The further PAI are taken into account as per the Sub-Fund's exclusion list:

- The violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises indicator (i.e. PAI 10)

- the exposure to controversial weapons (i.e. PAI 14).

With respect to Table 2, the Sub-Fund considers the indicator "investing in companies without carbon emission reduction initiatives" (i.e. PAI 4) in portfolio management decisions and engagement activities.
With respect to Table 3, the Sub-Fund considers the indicator "lack of anti-corruption and anti-bribery policies" as part of the exclusions (i.e. PAI 15).
On the sovereign ans supranational side:
With respect to Table 1 of the Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022, the Sub-Fund strives to minimize one PAI by excluding countries under international sanctions due to social violations (i.e. PAI 16).
The Sub-Fund also strives to minimize part of the GHG intensity PAI (i.e. PAI 15) by excluding countries that have not signed the Paris Agreement.
With respect to Table 2, the Sub-Fund will strive to minimize the "Share of bonds not issued under Union legislation on environmentally sustainable bonds" (i.e. PAI 17).
With respect to Table 3, the Sub-Fund will strive to minimize "Average human rights performance" (i.e PAI 20).
Further information on principal adverse impacts will be provided in an annex to the Sub-Fund's annual report.

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

The Sub-Fund's sustainable investments are aligned with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights, including the principles and rights set forth in the 8 "fundamental" conventions identified in the International Labor Organization's Declaration on Fundamental Principles (covering subjects that were considered to be fundamental principles and rights at work, e.g. freedom of association and the effective recognition of the right to collective bargaining, the elimination of all forms of forced or compulsory labour, the effective abolition of child labour, and the elimination of discrimination in respect of employment and occupation) and Rights at Work and the International Bill of Human Rights. Alignment is ensured through exclusions.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

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

- [ ] Yes
- [ ] No

What investment strategy does this financial product follow?

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

The Sub-Fund will invest in Euro Investment Grade denominated (Sub)Sovereign, and Suprationals bonds incorporating as well, corporate bonds to the portfolio. The selection process targeting impact solutions would give the preference to green/ social/ sustainability/SDG bonds. Nonetheless, the Sub-Fund aims to invest at least 50% of its securities in Green, social, sustainability or SDG Bonds that have been qualified as such by an external party. The 50% target is subject to the flow of upcoming emissions which pass the sustainability filters.

The Sub-Fund uses a combination of financial and non-financial indicators to identify securities. It aims to foster the growth of a sustainable global economy without compromising returns. The sustainability criteria are designed to identify companies with strong environmental and social thematic exposures and more globally, debts instruments financing projects that are in line with the sustainability indicators. The Sub-Fund is actively managed combining both quantitative and qualitative financial modelling and impact research. Investments will be made into companies and/or projects with growth driven by long term sustainable impact themes and with the intent to contribute to measurable positive social, economic and environmental impact alongside financial returns. The Sub-Fund can invest in Companies, in Sovereign and in Supranational bonds.

Regarding corporate Investment : those are only aimed at companies that generate a net positive impact. These are companies with products or services that bring positive impact to the environment, climate and society. The process of selecting companies starts with applying quantitative screens on the global universe by using external ESG data providers. These screens consist of activity-based and norm-based exclusions, best-in-class ESG score (companies that are not scoring within the 50th percentile of each sector are not suitable for investing) and SDG' solutions impact score (overall SDG' negative scores are eliminated).

Regarding countries and public organisations investments : The analysis is carried out at the country level. The process of selecting countries starts with applying quantitative screens on the global universe of countries by using external ESG data providers. These screens consist of activity-based and norm-based exclusions, and ESG risk score threshold (High and severe ESG risk scores are not eligible).

Regarding Supranational investments : the Sub-Fund does not follow a best-in-class approach for Supranational entities as their existence is tied almost directly to impact objective of adding to the United Nations Sustainable Development goals. Nonetheless the Sub-Fund will verify that the entity objectives are in line with its sustainable objectives.

When investing in green, social, sustainability or SDG bonds, the Sub-Fund may not apply the above screening; Nonetheless, the Sub-Fund will make sure that the bond's use of proceeds is verified by a third-party and that the objective of the bond is in line with the objectives of the Sub-Fund.

After this initial quantitative screening, the last step consists of the qualitative assessment performed by the investment manager of the Sub-Fund. The portfolio manager will ascertain the positive impact the selected investment bring.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

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?***

  As part of its "Good Governance Policy", the Management Company of the Sub-Fund determines if a company does not follow good governance practices. Companies that do not follow good governance practices are excluded from the initial investment universe of the Sub-Fund. The data source used for all below mentioned criteria and to define the pass/fail good governance test of the Management Company is Sustainalytics.

  Note that the good governance requirements outlined in the SFDR regulation are only applicable to investments in corporates.

SFDR Component	Indicator	Exclusion Criteria	Description
Sound Management Structure	UN Global Compact - Principle 10	Watchlist and Non-Compliant status	Principle 10 of the UN Global Compact is related to anti-bribery and corruption and states businesses should work against corruption in all its forms, including extortion and bribery.
Sound Management Structure	Governance controversy assessment	High & Severe Levels (equivalent to levels 4/5 and 5/5)	As part of the controversy assessment, the following topics are included : accounting irregularities, bribery and corruption, anti-competitive practices, sanctions as well as board composition
Employee Relations	UN Global Compact – Principles 3, 4, 5 and 6	Watchlist and Non-Compliant status	Principle 3, 4, 5 and 6 of the UN Global Compact are related to labour conditions. The principles state that businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced and compulsory labour; the effective abolition of child labour; and the elimination of

			discrimination in respect of employment and occupation
Employee Relations	Social Controversy Assessment	High & Severe Levels (equivalent to levels 4/5 and 5/5)	As part of the controversy assessment, the following topics are included : freedom of association, child/forced labour, health and safety, community relations, respect of human rights, labour standards, discrimination and harassment.
Tax Compliance	Governance Controversy Assessment	High & Severe Levels (equivalent to levels 4/5 and 5/5)	As part of the controversy assessment, taxes avoidance and evasion is taken into consideration.
Remuneratio n of Staff	Governance Controversy Assessment	High & Severe Levels (equivalent to levels 4/5 and 5/5)	As part of the controversy assessment, remuneration is taken into consideration

Asset allocation describes the share of investments in specific assets.

Investments

#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.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, eg for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

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

The Sub-Fund's sustainable investments with an environmental objective are not aligned with the EU taxonomy (i.e. 0%) as the investments with an environmental objective are made in economic activities that do not qualify as environmentally sustainable under the EU taxonomy.

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 the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules testing.

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

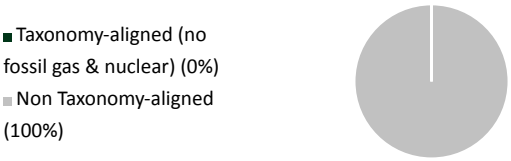
☐ Yes

☐ In fossil gas ☐ In nuclear energy

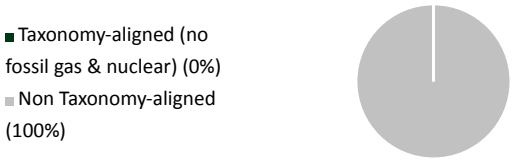
☐ No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-alignment of investments **including sovereign bonds***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



This graph represents of the total investments.

**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

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.

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

The Sub-Fund does not have a minimum share of investments in transitional and enabling activities (i.e., 0%), as it does not commit to a minimum proportion of environmentally sustainable investments aligned with the EU Taxonomy.

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

The minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is 100%. The Sub-Fund commits to make a minimum of 40% sustainable investments with an environmental objective not aligned with the EU Taxonomy.

What is the minimum share of socially sustainable investments?

The Sub-Fund commits to make a 30% minimum share of sustainable investments with a social objective.

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

  Not applicable

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

  Not applicable

Where can I find more product specific information online?

More product-specific information can be found on the website:

- ABN AMRO Investment Solution's Sustainable Investment Policy:

https://www.abnamroinvestmentsolutions.com/en/socially-responsible-investment-abn-amro-investment-solutions/sustainability-related-disclosures.html

- Documents of the Sub-Fund:

https://www.abnamroinvestmentsolutions.com/en/fund-range/fund-range.html