

ESG report

ABN AMRO Parnassus US

Sustainable Equities

SFDR-Article 8, investment product promoting E/S characteristics

Portfolio holdings as of 31.12.2021



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1. ESG characteristics of the fund
ABN AMRO Parnassus US sustainable equities

Partnership

- ▶ Management company¹:
 - ABN AMRO Investment Solutions (AAIS is responsible for the sub-fund, and in charge of the voting)
- ▶ Delegated Investment Manager² :
 - Parnassus Investments (in charge of the sub-fund investments and engagement actions)

Main characteristics of the fund

- ▶ AuM of the fund, 31.12.2021 : USD 2,2 billion
- ▶ ESG fund
- ▶ Benchmark : MSCI US (non-ESG benchmark)

Main External Commitments

- ▶ AAIS is a UNPRI signatory via its mother company, ABN AMRO
- ▶ AAIS is supporting the UN Global Compact Principles via its mother company membership, ABN AMRO
- ▶ Sustainability label of the fund :
 - Label ISR (validity date: until 30/07/2024 - under annual certification)

¹: Visit the website to get more information on the sustainable Investment Policy and commitments of AAIS : [Socially Responsible Investment - ABN AMRO \(abnamroinvestmentsolutions.com\)](https://abnamroinvestmentsolutions.com)

²: Visit the website to get more information on the ESG policy and commitments of Parnassus investments : <https://www.parnassus.com/esg>

ESG Characteristics

ESG Investment Policy

- ▶ EU SFDR¹ category: article 8, investment product that is promoting ESG characteristics
- ▶ The portfolio will be composed of companies that are flexible in ESG best-practices. The Funds seeks to invest in companies with good performance on environmental, social and governance criteria.
- ▶ The fund applies an engaging and significant ESG strategy and classifies in category 1 as defined by the AMF²

ESG Strategies

- ▶ Selectivity approach : more than 20% of the initial universe is excluded due to the ESG selection approach
- ▶ Portfolio ESG Risk Score is better than the benchmark' one
- ▶ Exclusions : sector and norm based
- ▶ ESG selection: ESG Best in class, in a lesser extent: ESG momentum
- ▶ Engagement, Voting

Asset Class

- ▶ US equities

Exclusions

- ▶ Exclusions from the investment policy of the management company, ABN AMRO Investment Solutions :
 - Companies in violation of the Global Compact
 - Weapons (production)
 - Tobacco (production and sale)
 - Addictive forms of gambling (production)
 - Furs and rare leathers (production)
 - Adult entertainment (production)
 - Cannabis for recreational purpose
 - GMOs : Genetically modified organisms (production)
 - Arctic drilling, gas & oil sand & shale extraction methods
 - Thermal coal (production)
 - Thermal coal (power generation)

 - Animal testing (Explain : qualitative assessment)
- ▶ Exclusions from the investment policy of the portfolio management company, Parnassus investment and in addition to the list above :
 - Alcohol (production)
 - Nuclear power (production)
 - Fossil fuels (oil & gas: production)

Nota bene : most of the exclusions are considering a maximum percentage of revenue (threshold)

¹: The European Union Sustainable Finance Disclosure Regulation came into force 10.03.2021

²: The Autorité des Marchés Financiers Non Financial Reporting Directive came into force on 30.09.2020 (DOC-2020-03)



2. ESG Risk Rating

ABN AMRO Parnassus US Sustainable Equities

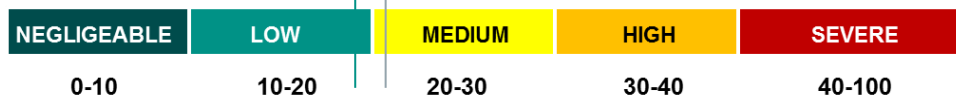
ESG RISK RATING DISTRIBUTION

ESG RISK RATING: OVERALL PERFORMANCE

	AAF PARNASSUS US SUSTAINABLE EQUITIES	MSCI USA TR NET
ESG Data Coverage	98,9%	99,5%
ESG Risk Score	17,9	21,3
ESG Risk Score Category	Low	Medium

The fund is rated ESG low risk and is 16% less at ESG risk than the benchmark; thus the fund beats its benchmark from an ESG perspective

The ESG Risk Score is categorized in 5 levels as below :



The lower the score the lower is the risk of material financial impacts driven by ESG factors ; thus, to beat the benchmark, the portfolio must have a lower ESG risk score.

According to Sustainalytics¹, companies that manage material ESG issues (MEI) well may outperform the market, ceteris paribus. In other words, strong management of material ESG issues may bring higher risk-adjusted returns for investors. The idea that sustainability may also be linked to greater long-term business value if management is focused on issues that truly matter to a business is powerful.

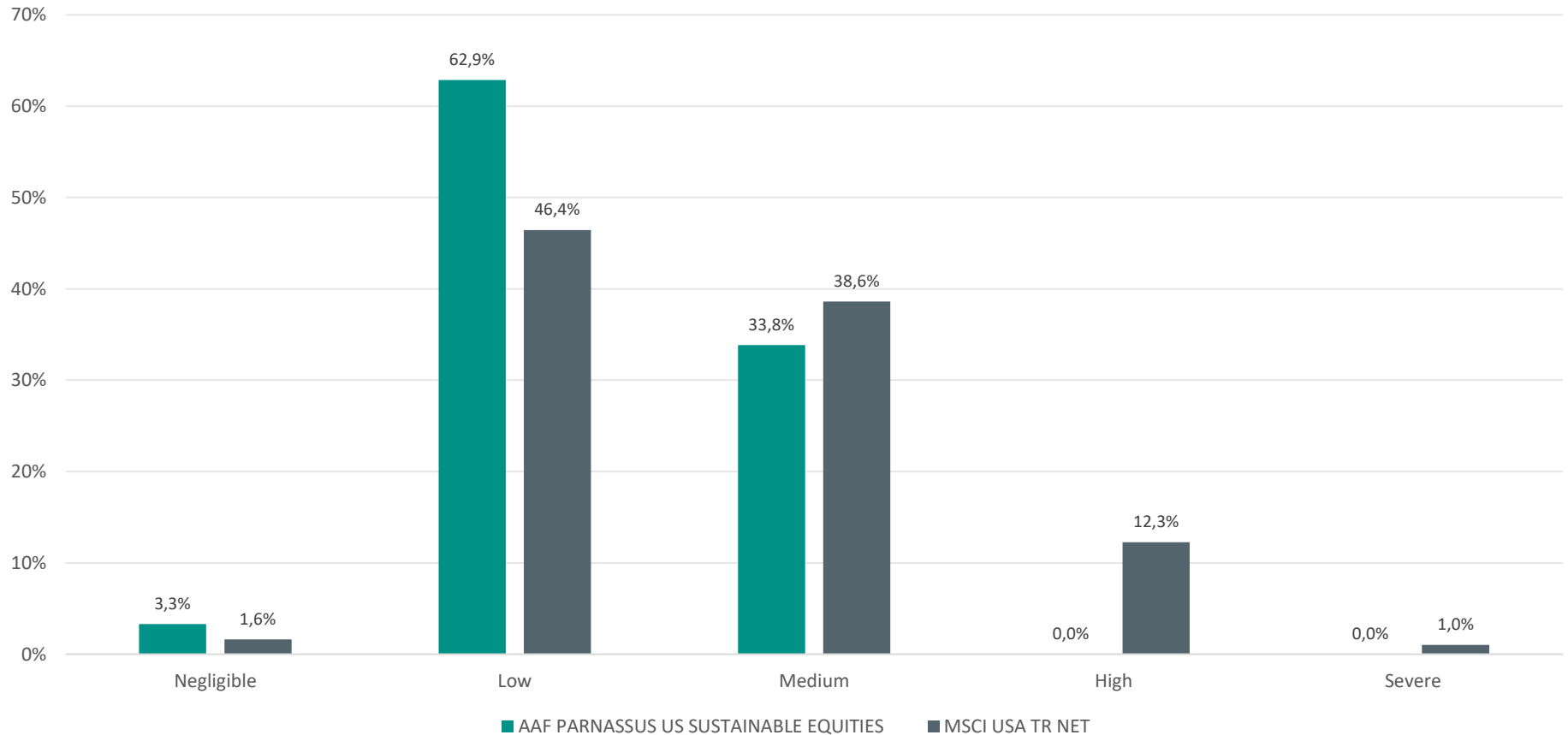
The methodology of Sustainalytics considers good governance practices and sustainability risks as required by SFDR.

¹ Sustainalytics : "The ESG Risk Ratings, Moving up the innovation curve White paper" – volume 1 – October 2018

Source: ESG Data, Sustainalytics as of December 2021 ; Holdings and calculation, ABN AMRO Investment Solutions

ESG RISK RATING DISTRIBUTION

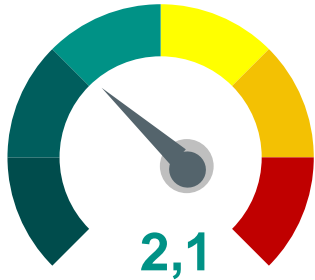
ESG RISK RATING BREAKDOWN BY LEVEL OF RISK



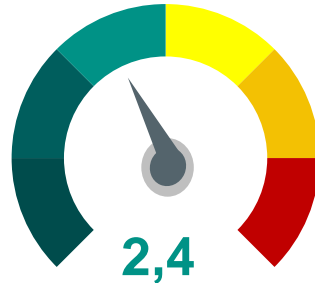
Source: ESG Data as of December 2021, Sustainalytics; Holdings and calculation, ABN AMRO Investment Solutions

CONTROVERSY ASSESSMENT

PORTFOLIO CONTROVERSY LEVEL AVERAGE



AAF Parnassus US Sustainable Equities



MSCI USA TR Net

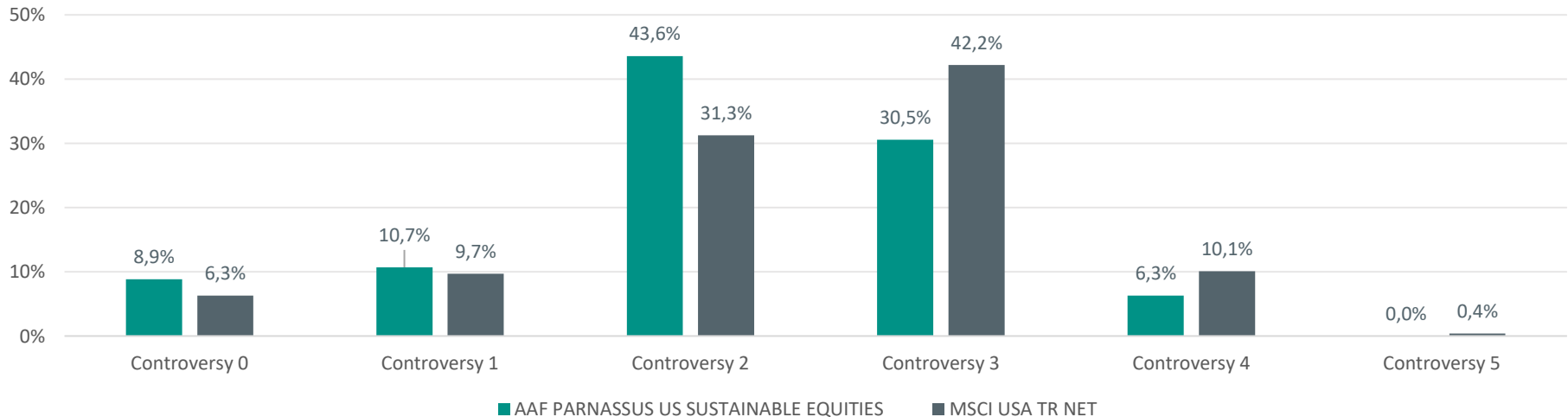
The controversy level of a company reveals the level of incidents that may negatively impact its stakeholders. To assess a controversy level, the data provider Sustainalytics lists all the incidents a company has ("event") and sorts them into 9 different themes classifying them, into the environmental, social and governance pillars:

- Environment pillar: operations incidents, environmental supply chain incidents, product and service incidents;
- Social pillar: social supply chain incidents, society and community incidents, customer incidents, employee incident;
- Governance pillar: Governance incidents, public policy incidents, business ethics incidents.

Once all the incidents have been listed, Sustainalytics assesses the controversy level of the company (range between 0 to 5). The lower the score, the better it is.

The fund's controversy level average is in the « moderate impact » category (level 2) and is 13% lower than the benchmark

CONTROVERSY BREAKDOWN



Source: ESG Data as of December 2021, Sustainalytics; holdings and calculations, ABN AMRO Investment Solutions



3. ESG FACTORS
ABN AMRO Parnassus US Sustainable Equities

HUMAN RIGHTS (HR), ENVIRONMENTAL (E), SOCIAL (S) & GOVERNANCE (G) FACTORS :

PILLARS	INDICATORS	COVERAGE %		RESULTS	
		PARNASSUS	MSCI US	PARNASSUS	MSCI US
HR	Overall Global Compact Compliance	100,00	99,92	100,00	99,00
E	Water Withdrawal Intensity	100,00	99,56	1.033,37	17.928,32
S	Social supplier code of conduct	100,00	93,91	95,00	94,00
G	Women on Board	100,00	99,92	31,35	32,53

Description of the main indicators

UN GLOBAL COMPACT (10 principles inc. Human rights fundamentals principles) :

The table indicates the % of companies covered by the indicator and the % of investee companies that are compliant with the 10 principles of the UN Global Compact.

The fund commits to beat the benchmark on the UNGC 10 principles and thus will not invest in companies which are under a non-compliant status.

Water Withdrawal Intensity : The table indicates the % of companies covered by the indicator and the volume of water withdrawal (M³) per unit of revenue (million USD) generated by the investee companies.

Social supplier code of conduct : The table indicates the % of companies covered by the indicator and the % of investee companies disclosing a social supply chain/contractors code of conduct.

Women on Board : The table indicates the % of companies covered by the indicator and the average % of Women on Board of the investee companies.

100% of the fund's investee companies are compliant with the Principles versus 99% for the Benchmark

The water withdrawal intensity of the fund's investee companies is 94% lower than the benchmark

95% of the fund's investee companies are compliant with the rule versus 94% for the Benchmark

The % of women on board of the fund's investee companies is 3,6% lower than the Benchmark

ENVIRONMENTAL FACTOR (E) : CARBON EMISSIONS

	COVERAGE %	Emission Exposure tCO ₂ e		Relative Emission Exposure tCO ₂ e/Mio USD Revenue		
		Scope 1&2 ¹	Incl. Scope 3 ²	Relative Carbon Footprint	Carbon Intensity	Weighted Avg Carbon Intensity
AAF PARNASSUS US SUSTAINABLE EQUITIES	93,6	44,659	343,075	19,79	113,29	112,96
MSCI US TR NET	87,2	88,401	657,021	39,17	143,18	120,07

¹ Scope 1 concerns direct emissions from the combustion of fossil fuels, such as gas, oil, coal, etc.

Scope 2 covers indirect emissions related to the consumption of electricity, heat or steam required to manufacture a product.

² Scope 3 concerns other indirect emissions, such as the extraction of materials purchased by the company to manufacture a product or the transport-related emissions of employees and of customers who buy the product. This is the largest share of a company's emissions.

Source: Novethic <http://www.novethic.fr/lexique/detail/scope-3.html>

Calculation formula

Emission Exposure :

$$\sum_i^n \text{Position Ownership Ratio} \times \text{Position Scope 1\&2 Emissions}_i^1$$

¹: same formula to calculate the Emission exposure including scope 3

Relative Carbon Footprint :

$$\frac{\text{Emission Exposure}}{\text{Total Analysis Value}}$$

Carbon Intensity :

$$\frac{(\sum_i^n \text{Position Ownership Ratio}_i \times \text{Position Scope 1\&2 Emissions}_i)}{(\sum_i^n \text{Position Ownership Ratio}_i \times \text{Position Revenue}_i)}$$

The fund's Carbon Emissions Exposure Scope 1&2 is 49,5% lower than the Benchmark (and 47,8% lower when including scope 3)

The fund commits to return a lower Carbon emission exposure (scope 1&2) than the benchmark.

The fund's Relative Carbon Footprint is 49,5% lower than the benchmark

The fund's Carbon Intensity is 20,9% lower than the benchmark

Source: Data and calculation 31.12. 2021, ISS; Hodings, ABN AMRO Investment Solutions



Voting over 2020

ABN AMRO Parnassus US Sustainable Equities

Voting statistics: Annual General Meetings year 2021

Number of AGMs

- ▶ Voted on 41 Annual General Meetings (AGMs) in 2021
- ▶ These 41 AGMs represent 581 resolutions

Voting coverage

- ▶ We voted on 41 AGMs out of an eligible total of 41, hence a participation rate of 100 %

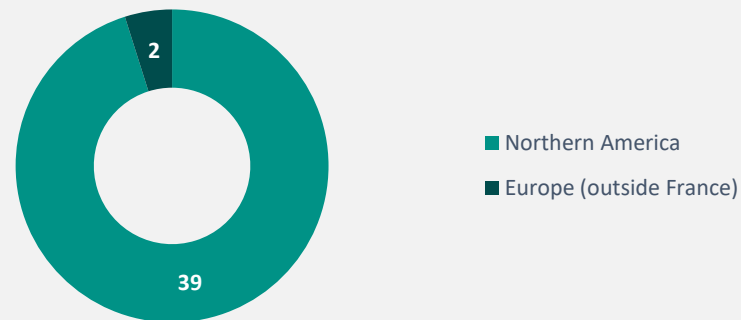
Votes by exceptional procedure

- ▶ None

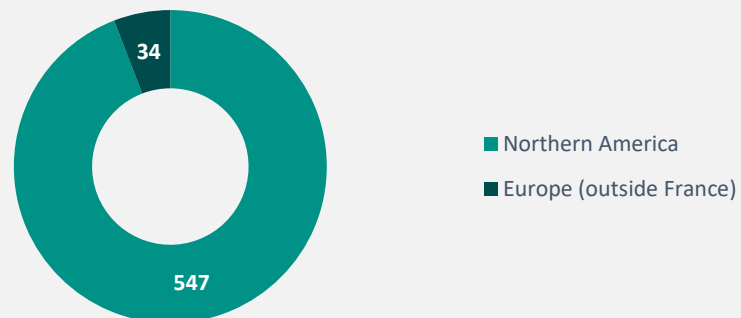
Conflicts of interest

- ▶ We identified no conflicts of interest during the reviewed year.

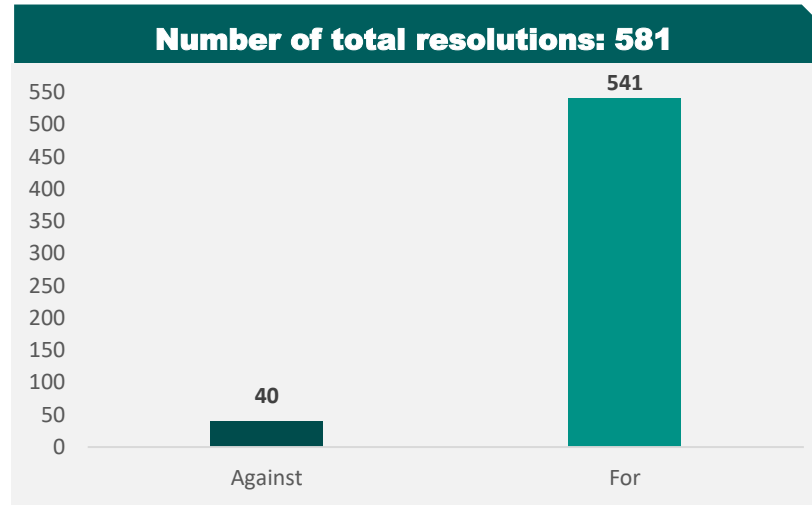
Number of AGMs voted on : 41



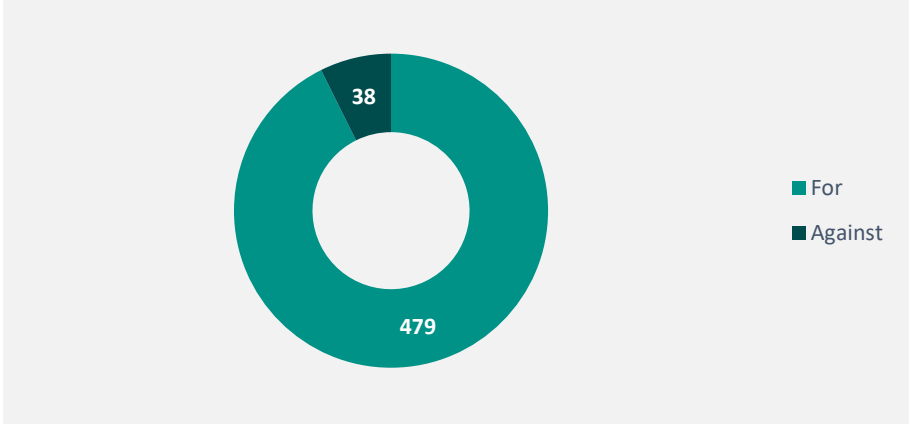
Total number of resolutions voted on per geographic zone : 581



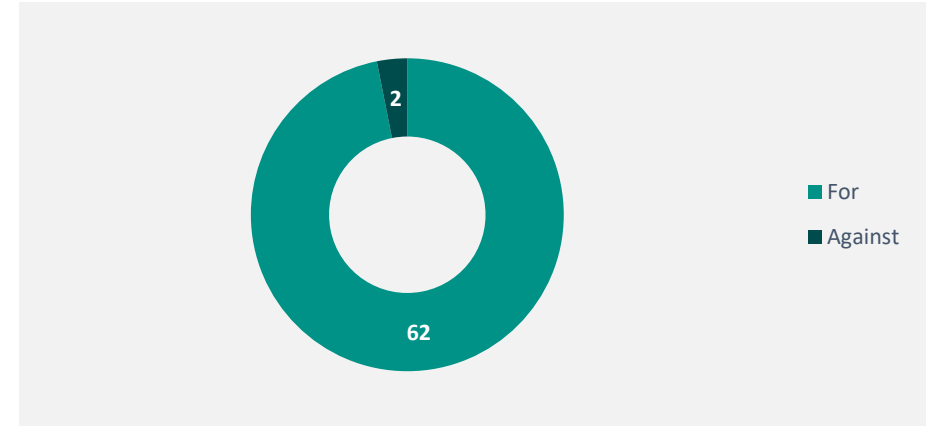
Voting statistics: Resolutions voted on



Of which resolutions approved by the Board of Directors¹ : 517 (89,0%)



Of which resolutions not approved by the Board of Directors¹ : 64 (11,0%)



¹ The resolutions approved by the Board of Directors are the resolutions the management voted FOR (regardless of whether they were proposed by the management or by the shareholders; The resolutions not approved by the Board concern all resolutions that were not supported by the management

Focus on Social and Environmental resolutions

Social and Environmental resolutions : 30 resolutions over 2021

Country	Resolution	Environment	Social/Societal	
Northern America	Assess Feasibility of Including Sustainability as a Performance Measure for Senior Executive Compensation		1	
	Consider Pay Disparity Between Executives and Other Employees		1	
	Oversee and Report on a Civil Rights, Equity, Diversity and Inclusion Audit		1	
	Prohibit Sales of Facial Recognition Technology to All Government Entities		1	
	Report on Alignment Between Company Values and Electioneering Contributions		1	
	Report on Annual Climate Transition	1		
	Report on Board Oversight of Risks Related to Anti-Competitive Practices		1	
	Report on Charitable Contributions		1	
	Report on Customers' Use of its Surveillance and Computer Vision Products Capabilities or Cloud Products Contribute to Human Rights Violations		1	
	Report on Diversity and Inclusion Efforts		1	
	Report on Gender/Racial Pay Gap		2	
	Report on Global Median Gender/Racial Pay Gap		1	
	Report on Human Rights Impact Assessment		1	
	Report on Implementation of the Fair Chance Business Pledge		1	
	Report on Lobbying Activities Alignment with Company Policies		1	
	Report on Lobbying Payments and Policy		3	
	Report on Median Gender/Racial Pay Gap		1	
	Report on Political Contributions Disclosure		1	
	Report on Potential Human Rights Impacts of Customers' Use of Rekognition		1	
	Report on Promotion Data		1	
	Report on Racism in Corporate Culture		1	
	Report on Risks Related to Anticompetitive Practices		1	
	Report on Takedown Requests		1	
	Report on the Impacts of Plastic Packaging	1		
	Report on Whether Written Policies or Unwritten Norms Reinforce Racism in Company Culture		1	
	Report on Whistleblower Policies and Practices		1	
	Require Independent Director Nominee with Human and/or Civil Rights Experience		1	
	Total		2	28



4. Appendices

ABN AMRO Parnassus US Sustainable Equities

TERMINOLOGY

Environmental (E): Issues relating to the quality and functioning of the natural environment and natural systems. These include: biodiversity loss; greenhouse gas (GHG) emissions, climate change, renewable energy, energy efficiency, air, water or resource depletion or pollution, waste management, stratospheric ozone depletion, changes in land use, ocean acidification and changes to the nitrogen and phosphorus cycles.

Social (S): Issues relating to the rights, well-being and interests of people and communities. These include: human rights, labour standards in the supply chain, child, slave and bonded labour, workplace health and safety, freedom of association and freedom of expression, human capital management and employee relations; diversity; relations with local communities, activities in conflict zones, health and access to medicine, HIV/AIDS, consumer protection; and controversial weapons.

Governance (G): Issues relating to the governance of companies and other investee entities. In the listed equity context these include: board structure, size, diversity, skills and independence, executive pay, shareholder rights, stakeholder interaction, disclosure of information, business ethics, bribery and corruption, internal controls and risk management, and, in general, issues dealing with the relationship between a company's management, its board, its shareholders and its other stakeholders. This category may also include matters of business strategy, encompassing both the implications of business strategy for environmental and social issues, and how the strategy is to be implemented. In the unlisted asset classes governance issues also include matters of fund governance, such as the powers of Advisory Committees, valuation issues, fee structures, etc. **Good Governance** refers to sound management structures, employee relations, remuneration of staff and tax compliance

Screening: Screening may include the use of indices constructed from an eligible universe based on the ESG characteristics of a company or country, but in which ESG issues do not play a part in the weighting of those companies or countries within the index. This may include indices constructed using ESG best-in-class or positive selection methodologies which identify securities for index inclusion (e.g. FTSE4Good, Dow Jones sustainability and MSCI ESG indices) or indices that exclude particular companies or countries (e.g. on the basis of products or activities). Exclusions may also be activity-based (i.e. exclude securities on the basis of their industry or business activities, for example, tobacco or controversial weapon screens), or location-based (i.e. exclude securities from companies who operate in certain countries, or the sovereign debt from those countries). Alternatively, there may be norms-based exclusions (i.e. indices which exclude securities of issuers considered to have broken certain minimum standards of business conduct based on international norms, such as the UN Global Compact).

Benchmark : Note that the Benchmark constituents are not considering ESG factors.

Sustainability risks : An environmental, social or governance event or condition that, if occurs, could cause a negative material impact on the value of the investment product

TERMINOLOGY

SFDR investment products categories

The investment product contributes to E/S objectives - Art. 9

The fund's objective is to generate a positive impact in environmental and/or social areas, doing no significant harm to any E/S objectives and taking good governance into account

The investment product promotes E/S characteristics -Art. 8

The fund objective is to meet environmental and/or social characteristics and financial objectives, taking good governance into account

Other investment products -Art. 6

E/S characteristics are not leading or are not part of the investment process

LIST OF SOURCES

Provider/Entity	Description	Website
ISS Governance	Voting	https://www.issgovernance.com/
ISS ESG	Carbon data	https://www.issgovernance.com/esg/climate-solutions/
Sustainalytics	ESG risk rating	https://www.sustainalytics.com/esg-ratings
	Controversy analysis	https://www.sustainalytics.com/investor-solutions/esg-research/controversies-research
	Overall Global Compact Compliance	https://www.sustainalytics.com/investor-solutions/esg-research/esg-screening/global-compact-norms-based-screening
	Water Withdrawal Intensity	https://www.sustainalytics.com/investor-solutions/esg-research/eu-sustainable-finance-action-plan-solutions
	Social supplier code of conduct	https://www.sustainalytics.com/investor-solutions/esg-research/eu-sustainable-finance-action-plan-solutions
	Women on Board	https://www.sustainalytics.com/investor-solutions/esg-research/eu-sustainable-finance-action-plan-solutions
Parnassus Investments	Delegated Portfolio Manager, ESG policy	https://www.parnassus.com/esg
ABN AMRO Investment Solutions	Sustainable Investment Policy	Socially Responsible Investment - ABN AMRO (abnamroinvestmentsolutions.com)
	Information on the fund (Prospectus, annual report, Transparency Code etc.)	Prospectus - ABN AMRO (abnamroinvestmentsolutions.com) Regulatory Information - ABN AMRO (abnamroinvestmentsolutions.com)

ABN AMRO Investment Solutions - AAIS

Limited company with Executive and Supervisory Board capital of 4,324,048 Euros
registered with the RCS Paris under number 410 204 390,
Head office: 3,avenue Hoche, 75008 Paris, France,
Approved by the AMF, dated 20/09/1999,
as a portfolio management company under registration number GP99-27

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