AAF Robeco Euro ESG Government-Related Bonds

Website Product Disclosure

ABN·AMRO Investment Solutions

Summary

No Sustainable Investment Objective

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

Environmental/Social characteristics of the financial product

The analysis of ESG factors is systematically integrated into the investment decision making process of ABN AMRO Funds Robeco Euro ESG Government-related Bonds (the "Sub-Fund"). The External Investment Manager defines ESG integration as the process of recognising the financial materiality (or significance) of environmental, social and corporate governance factors as part of the investment process. The Sub-Fund will use a selection of securities complying with ABN AMRO Investment Solutions (the "Management Company") ESG responsibility criteria. The External Investment Manager must comply with the Management Company's standards of quality and go through a qualitative selection process before being retained. This process involves an in-depth analysis of the External Investment Manager's corporate social responsibility policy as well as its overall sustainability strengths going from the analysis of ESG professionals, philosophy and investment process. Under the ESG responsibility criteria of the Management Company, the External Investment Manager is committed to conducting both negative and positive screenings as well as taking engagement actions when necessary.

The Sub-Fund promotes both environmental and social characteristics. On the environmental front, the Sub-Fund promotes climate risk management. The social characteristics promoted by the Sub-Fund focus on global human rights and labour standards as well as diversity, equity and inclusion.

Investment Strategy

The Sub-Fund seeks to invest in investment grade euro denominated government-related bonds. ESG factors are incorporated in the decisions made in the investment process. The External Investment Manager uses three frameworks: the Fundamental Score framework, the SDG Framework and the Green Bonds Framework.

Sequencing starts with applying an SDG filter to the investment universe. Only the issuing entities (companies, government related entities, sovereigns) with a neutral or positive SDG score will be investable. The Country SDG Framework assesses (i) whether the policies of the country are advancing or detracting the UN SDGs, (ii) if a country lacks access to capital markets, (iii) the controversies that the country might be involved in. On the corporate side, the Company SDG Framework is a 3-step analysis of a company's contribution to the UN SDGs, which (i) assesses the impact of the company's products on relevant SDGs, (ii) assesses the compatibility of the company's operations with these SDGs, and (iii) monitors controversies continuously. Both countries and companies are assigned an SDG Score ranging from -3 to +3. For Green, Social and Sustainable bonds the sequencing starts with the five-step eligibility process. Only the bond that have a positive score on each of these five criteria will be eligible for investment in the Sub-Fund.

After these eligibility checks, the selection process of the individual securities will take place. ESG is fully integrated into the fundamental bottom-up credit analysis conducted by the External Investment Manager to identity investment opportunities. When it comes to sovereign credit analyses, the External Investment Manager assigns each country with a Fundamental Score (F-Score), ranging from -3 to +3, that provides a detailed overview of the current developments in the country. The Country F-Score is calculated based on the Financial Health, Macroeconomic Cycle, and ESG profile of the country. The country ESG profile is based on the External Investment Manager Country Sustainability Ranking, assessing the position of a country relative to other countries on 15 ESG criteria. For corporates, the External Investment Manager evaluates the issuer's cash generating capacity, its ability to repay debt, and the quality of its cash flows. ESG Factors are part of the overall analysis. Similar to countries, this assessment allows the External Investment Manager to assign each issuer with a Company F-Score ranging from -3 to +3.

Taking into account the Country and Corporate Fundamental Scores, the External Investment Manager constructs the portfolio.

Proportion of Investment

The Sub-Fund plans to invest at least 90% of its net assets in assets that have been determined as "eligible" as per the ESG process in place (hence in investments that are aligned with the promoted environmental and social characteristics). Consequently, up to 10% of the investments may not be aligned with these characteristics.

Monitoring of the Environmental/Social characteristics

When the Management Company delegates part of the management of the Sub-Fund to External Investment Managers, controls are performed at two levels.
In the External Investment Manager's first line of defence, Portfolio management teams are responsible for the daily management and monitoring of portfolios, including any sustainability risks. In the second line of defence, the Financial Risk Management department performs independent monitoring. To assess material sustainability risks and exposures, the External Investment Manager has set up a Sustainability Risk Policy, according to which the Risk Management department codes the sustainability risk limits in the proprietary trading platform, preventing investments in excluded assets and ensuring both pre- and post-trade compliance checks. In case a limit is breached, relevant stakeholders are informed, and the portfolio manager is required to adjust the portfolio. ESG, climate transition, and physical climate risks are monitored for companies and governments. Each portfolio's weighted average CSR score is also monitored on a daily basis by the Risk Management department and, each quarter, the Risk Management Committee is informed about sustainability risks of all portfolios.
The Management Company, through its Business Control & Oversight team, performs periodic ex-post controls to ensure that the portfolio complies with the commitments made. If a "non-compliant matter" is detected, the Business Control & Oversight team will first analyse it and engage in dialogue with the External Investment Manager if necessary. Depending on the nature of the non-compliance, the Management Company's ESG team may decide to monitor it using its proprietary "ESG Watchlist". If the non-compliance persists over time, an escalation process is put in place by the Management Company.

Data sources and processing

The Management Company monitors the attainment of the environmental and/or social characteristics of the Sub-Fund using its own data providers. The Management Company uses three external data providers as its main sources. Once collected from these sources, the data is integrated and stored in the internal front-to-back tool and/or available in the Management Company's dedicated data management system (which directly and continuously obtains data from the providers). Information is also available via dedicated portals developed by external data providers, access to which is limited to specific users of the Management Company.

The External Investment Manager uses the following data sources:

- The exclusion process uses several data sources such as Sustainalytics, RSPO (Roundtable on Sustainable Palm Oil), World Bank, and Freedom House, Fund for Peace and International Sanctions.
- The enhanced engagement program uses data derived from the internal process.
- The Sub-Fund's evaluation of sustainability risk is based on Sustainalytics data.

Due Diligence

The External Investment Manager's portfolio managers and analysts are primarily responsible for conducting investment due diligence, and are supported by the independent monitoring of Financial Risk Management and Investment Restrictions departments. Overall sustainability risks are integrated in investment due diligence processes through the direct assessment of the performance and risk exposure in terms of E, S and G at the individual investment level. On the Sovereign side, the active country allocation is based on the assessment of countries' financial health, macroeconomic cycle, and ESG criteria, as well as on a proprietary Country Sustainability Ranking (CSR). The CSR also acts as an early-warning system, helping to identify problems and opportunities in countries. The investment team also discusses individual countries on a regular basis to identify material changes in their ESG profile. On the corporate side, the fundamental analysis of issuers includes the issuers' performance on ESG factors to improve the risk/return profile of the investments, and elevated sustainability risk investments are substantiated with a bottom-up sustainability analysis.
The Management Company carries out due diligences for the selection of delegated strategies as well as for open-ended investment funds. The Manager Due Diligence analysts team (MDD) identifies and selects high quality investment strategies and monitors the universe of approved strategies. The MDD team focuses on all investment and sustainability-related elements of an investment strategy. The Management Company's in-depth analysis is based on a "5-P approach": Parent, People, Process, Portfolio and Performance. Each of the previously outlined aspects is evaluated and ultimately leads to a final rating of the strategy. As part of the monitoring process, the MDD team periodically reviews the performance of the strategy to ensure that it remains aligned with the investment style of the portfolio. The ESG team supports the MDD team in reviewing the process and methodologies implemented by the External Investment Manager when considering ESG and sustainability issues. The ESG team provides qualitative feedback during the selection phase and supports the MDD team throughout its analysis process, using the "5-P approach" aforementioned. In addition, during the monitoring phase, the ESG team will monitor the Sub-Fund's characteristics and performance related to the environmental and/or social characteristics defined (including the review of underlying investments).

No sustainable investment objective

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

Environmental/social characteristics of the financial product

The analysis of ESG factors is systematically integrated into the investment decision making process of ABN AMRO Funds Robeco Euro ESG Government-related Bonds (the “Sub-Fund”). The External Investment Manager defines ESG integration as the process of recognising the financial materiality (or significance) of environmental, social and corporate governance factors as part of the investment process. The Sub-Fund will use a selection of securities complying with ABN AMRO Investment Solutions (the “Management Company”) ESG responsibility criteria. The External Investment Manager must comply with the Management Company's standards of quality and go through a qualitative selection process before being retained. This process involves an in-depth analysis of the External Investment Manager's corporate social responsibility policy as well as its overall sustainability strengths going from the analysis of ESG professionals, philosophy and investment process. Under the ESG responsibility criteria of the Management Company, the External Investment Manager is committed to conducting both negative and positive screenings as well as taking engagement actions when necessary.

The Sub-Fund promotes both environmental and social characteristics. On the environmental front, the Sub-Fund promotes climate risk management. The social characteristics promoted by the Sub-Fund focus on global human rights and labour standards as well as diversity, equity and inclusion.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-Fund.

Investment Strategy

Description of the strategy

The Sub-Fund seeks to invest in investment grade euro denominated government-related bonds. ESG factors are incorporated in the decisions made in the investment process. The External Investment Manager uses three frameworks: the Fundamental Score framework, the SDG Framework and the Green Bonds Framework.

Sequencing starts with applying an SDG filter to the investment universe. Only the issuing entities (companies, government related entities, sovereigns) with a neutral or positive SDG score will be investable. The Country SDG Framework assesses (i) whether the policies of the country are advancing or detracting the UN SDGs, (ii) if a country lacks access to capital markets, (iii) the controversies that the country might be involved in. On the corporate side, the Company SDG Framework is a 3-step analysis of a company’s contribution to the UN SDGs, which (i) assesses the impact of the company’s products on relevant SDGs, (ii) assesses the compatibility of the company’s operations with these SDGs, and (iii) monitors controversies continuously. Both countries and companies are assigned an SDG Score ranging from -3 to +3. For Green, Social and Sustainable bonds the sequencing starts with the five-step eligibility process. Only the bond that have a positive score on each of these five criteria will be eligible for investment in the Sub-Fund.

After these eligibility checks, the selection process of the individual securities will take place. ESG is fully integrated into the fundamental bottom-up credit analysis conducted by the External Investment Manager to identity investment opportunities. When it comes to sovereign credit analyses, the External Investment Manager assigns each country with a Fundamental Score (F-Score), ranging from -3 to +3, that provides a detailed overview of the current developments in the country. The Country F-Score is calculated based on the Financial Health, Macroeconomic Cycle, and ESG profile of the country. The country ESG profile is based on the External Investment Manager Country Sustainability Ranking assessing the position of a country relative to other countries on 15 ESG criteria. For corporates, the External Investment Manager evaluates the issuer's cash generating capacity, its ability to repay debt, and the quality of its cash flows. ESG Factors are part of the overall analysis. Similar to countries, this assessment allows the External Investment Manager to assign each issuer with a Company F-Score ranging from -3 to +3.

Taking into account the Country and Corporate Fundamental Scores, the External Investment Manager constructs the portfolio.

Good governance practices

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 and will fall in the Good Governance exclusion List. The Good Governance principles, integrated into the AAIS "exclusion policy", are data driven and qualitative in nature. For purposes of the Good Governance test, the Management Company has defined criteria related to widely recognized industry-established norms, as set forth below:

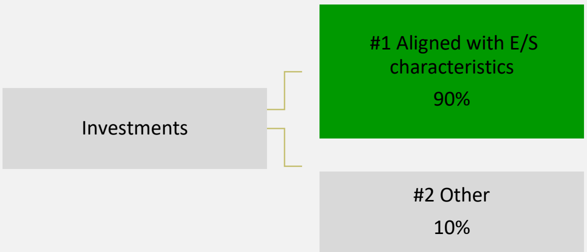
SFDR Component	Indicator	Exclusion Criteria	Description
Sound Management Structure	UN Global Compact - Principle 10	Watchlist and Non-Compliant status	Principle 10 of the UN Global Compact is related to anti-bribery and corruption and states businesses should work against corruption in all its forms, including extortion and bribery.
	Governance controversy assessment	High & Severe Levels	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.
	Social Controversy Assessment	High & Severe Levels	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	As part of the controversy assessment, taxes avoidance and evasion are taken into consideration.
Remuneration of Staff	Governance Controversy Assessment	High & Severe Levels	As part of the controversy assessment, remuneration is taken into consideration.

The good governance requirements outlined in the SFDR regulation are only applicable to investments in companies.

Proportion of investments

The Sub-Fund invests at least 90% of its net assets in assets that have been determined as “eligible” as per the ESG process in place (hence in investments that are aligned with the promoted environmental and social characteristics (#1 Aligned with E/S characteristics).

Up to 10% of the investments are not aligned with these characteristics (#2 Other). “#2 Other” includes derivatives, funds (including Exchange Traded Funds) and bank deposits at sight, including cash held in current accounts with a bank accessible at any time. These are used for Investment, hedging and efficient management portfolio purposes. There are no minimum environmental or social safeguards associated with these investments. A more detailed description of the specific asset allocation of this Sub-Fund can be found in the prospectus.



#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.

Monitoring of environmental or social characteristics

When the Management Company delegates part of the management of the Sub-Fund to External Investment Managers, controls are performed at two levels. With respect to pre-trade controls, the External Investment Manager performs controls using their own frameworks as well as including the guidelines given by the Management Company. With respect to post-trade controls, these are performed at both the External Investment Manager's and the Management Company's level, each using their own frameworks.

- External Investment Manager: In the first line of defence, the External Investment Manager’s Portfolio management teams are responsible for the daily management and monitoring of portfolios, including any sustainability risks. In the second line of defence, the Financial Risk Management department performs independent monitoring by overseeing market, liquidity and sustainability risks, and applying stress tests to capture potential losses. To assess material sustainability risks and exposures, the External Investment Manager has set up a Sustainability Risk Policy, defining proper procedures and tools. The policy is managed by the Financial Risk Management department, approved by the Risk Management Committee, and is evaluated and ratified every year. Based on the policy, the Risk Management department codes the sustainability risk limits in the proprietary trading platform, preventing investments in excluded assets and ensuring both pre- and post-trade compliance checks. The reporting and escalation of findings follow a standard process, in which sustainability risk developments and breaches are reported to several committees and actively discussed. In case a limit is breached, all relevant stakeholders are informed, and the portfolio manager is required to adjust the portfolio to get back within limits.

ESG, climate transition, and physical climate risks are monitored for companies and governments. The sustainability risk classification is determined using diverse external data providers' solutions (such as Risk Ranking and Climate Value-at-Risk).
Each portfolio's weighted average CSR score is also monitored on a daily basis by the Risk Management department. In addition, each portfolio gets assigned a Sustainability Risk Profile, reflecting the materiality of ESG-related risks in the portfolio and how those may affect performance. Each quarter, the Risk Management Committee is informed about sustainability risks of all portfolios.

- Management Company: The monitoring of environmental or social characteristics of the investment product is ensured through a dedicated control framework. The Management Company, through its Business Control & Oversight team, performs periodic ex-post controls to ensure that the portfolio complies with the commitments made. If a "non-compliant matter" is detected by the Management Company, its Business Control & Oversight team will first analyse it and engage in dialogue with the External Investment Manager if necessary. Depending on the nature of the non-compliance, the Management Company's ESG team may decide to monitor it using its proprietary "ESG Watchlist". If the non-compliance persists over time, an escalation process is put in place by the Management Company to ensure a timely remediation plan in the best interest of shareholders.

Methodologies

ESG analysis is systematically integrated into the investment decision making process. As part of its ESG framework, the Management Company uses the following sustainability indicators to measure the achievement of each of the environmental or social characteristics promoted by the Sub-Fund:

On the corporate side:

- Absence of companies that do not meet the criteria defined in the Management Company's Exclusion List and that are deemed incompatible with the E/S promotion (e.g. tobacco, controversial weapons).
- Controversy Level Assessment - Controversy involvement is a key measure of ESG performance. Controversy level assessment reflects a company's level of involvement in issues and how it manages those issues.
- Compliance with the UN Global Compact - The United Nations Global Compact is the world largest corporate sustainability initiative aimed at encouraging businesses and firms worldwide to adopt sustainable and socially responsible policies, and to report on their implementation. The UN Global Compact is a principle-based framework for businesses, stating ten principles in the areas of human rights, labour, the environment and anti-corruption. The Ten Principles of the United Nations Global Compact 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.
- ESG Risk Scores - ESG risk scores measure a company's exposure to material industry-specific ESG risks and how the company manages those risks. This multi-dimensional way of measuring ESG risk combines the concepts of management and exposure to arrive at an absolute assessment of ESG risk.
- Scope 1 GHG Emissions - Scope 1 emissions emanate from a company's internal operations, including on-site energy production, vehicle fleets, manufacturing operations, and waste.
- Scope 2 GHG emissions - Scope 2 emissions are indirect emissions generated by the production of energy used by the company.

On the Sovereign side:

- Absence of countries that do not meet the criteria defined in the Management Company's Exclusion List and that are deemed incompatible with E/S promotion (i.e. countries listed on ABN AMRO Sanctions List, ratification of the Treaty of the Non-Proliferation of nuclear weapons, ratification of the Paris Agreement, ratification of the ILO Conventions 182 on the Worst Forms of Child Labour).
- Country Risk Scores - The Country Risk Scores measure the risk to a country's long-term prosperity and economic development by assessing how sustainably it is managing its wealth.
- Government emissions.

Data sources and processing

The Management Company monitors the attainment of the environmental and/or social characteristics of the Sub-Fund using its own data providers.

The Management Company uses three external data providers as its main sources:

- The Management Company assesses the environmental and/or social characteristics of the Sub-Fund's constituents using the external data provider Sustainalytics. The Management Company uses Sustainalytics for ESG risk scores, controversies, product involvement as well as alignment with global standards (e.g., OECD Guidelines for Multinational Enterprises).
- The Management Company uses Morningstar to analyse the Sub-Fund's peer group, as well as for various ESG data calculations at portfolio level.
- The Management Company uses the data provider ISS for climate and impact data.

Once collected from these sources, the data is integrated and stored in the internal front-to-back tool and/or available in the Management Company's dedicated data management system (which directly and continuously obtains data from the providers). Information is also available via dedicated portals developed by external data providers, access to which is limited to specific users of the Management Company. The Management Company verifies that the data is available, reported (or calculated), and dependable over time. On a case-by-case basis (e.g., if an ESG score is missing), the Management Company may use other sources of information to form its own opinion regarding the ESG suitability of any investment opportunity with the Sub-Fund's strategy.

The External Investment Manager uses the following data sources:

- The exclusion process uses several data sources such as Sustainalytics, RSPO (Roundtable on Sustainable Palm Oil), World Bank, and Freedom House, Fund for Peace and International Sanctions.
- The enhanced engagement program uses data derived from the internal process.
- The Sub-Fund's evaluation of sustainability risk is based on Sustainalytics data.

The External Investment Manager scrutinises the data quality of each provider during due diligence assessments, that includes reviewing the data model, performing statistical checks, and evaluating coverage. Data processing takes places in different forms, the preference is always to have data acquisition as automated as possible to avoid any operational risks or unnecessary human intervention.

Limitations to methodologies and data

The methodologies and data used have the following limitations:

- Data quality: the External Investment Manager's approach includes qualitative analysis of an issuer's ESG credentials. The methodology is subject to limitations, including reliance on the quality of data provided by issuers or third-party research providers.
- Coverage: the External Investment Manager's team of ESG analysts may not be staffed to cover the entire investment universe and methodological limitations exist. In addition, with respect to external data providers, although the number of issuers covered by data providers has increased significantly over time, and continues to increase, there may be instances where a specific issuer is not assessed by them. This is because either the data provider does not cover the issuer in question, or the issuer has not provided the data necessary for a proper assessment by the data provider.
- Discrepancy in ESG ratings: the External Investment Manager obtains its data from different data providers that have different methodologies for assessing ESG performance. The result of their assessment may be to some extent subjective and inconsistent.
- Estimated data: not all data points are reported data and some of the data used are estimated. For example, in the case of carbon data or ESG ratings, some technical calculations may be based on estimated data (by reference to a peer group average for example).

Due diligence

The External Investment Manager's portfolio managers and analysts are primarily responsible for conducting investment due diligence on their strategies daily. They are supported by independent monitoring, that is performed by the Financial Risk Management and Investment Restrictions departments. The description of investment due diligence processes is reviewed in case of material changes, at least on an annual basis, and approved by the Executive Committee.

Overall sustainability risks are integrated in the External Investment Manager's investment due diligence processes through the direct assessment of the performance and risk exposure in terms of E, S and G at the individual investment level.

For the Sub-Fund, on the Sovereign side, the active country allocation is based on a combination of top-down and bottom-up analyses. The bottom-up analysis integrates financial health, macroeconomic cycle, and ESG criteria. In the top-down analysis, the proprietary Country Sustainability Ranking (CSR) is used in country allocation decisions. The CSR is a comprehensive and systematic ESG ranking framework for countries that is updated twice a year. The CSR also acts as an early-warning system, which helps to identify problems and opportunities in countries well before they are reflected in spreads or are picked up by the rating agencies. Changes in scores and ranking act as a flag for developments that could be relevant. The investment team also discusses individual countries on a regular basis to identify material changes in their ESG profile.

On the corporate side, the fundamental analysis of issuers includes the issuers' performance on ESG factors in order to improve the risk/return profile of the investments. The External Investment Manager thoroughly assesses the sustainability risk profile of companies, and all elevated sustainability risk investments are substantiated with a bottom-up sustainability analysis showing an ESG valuation analysis.

The Management Company carries out due diligences for the selection and monitoring of externally managed strategies. The Manager Due Diligence (MDD) and ESG teams are actively carrying out due diligences on the underlying assets of the Sub-Fund.

- The MDD team identifies and selects high quality investment strategies and monitors the universe of approved strategies. The MDD analysts team focuses on all investment and sustainability-related elements of an investment strategy, such as organization, team, investment, portfolio construction, process, track record, etc. MDD's research reports include a thorough sustainability due diligence and a separate sustainability rating.

  For all strategies, MDD analysts assess the External Investment Manager's commitment to and transparency on ESG investing. They also assess to what extent, and at what stages, ESG criteria are integrated into the investment strategies and effectively considered in the investment process and the portfolio. This analysis is carried out by means of a questionnaire sent via the Management Company's proprietary platform, Deeligenz, as well as during meetings with the professionals involved in the strategy (e.g., portfolio managers, financial analysts, ESG analysts, management team, etc.). The Management Company's in-depth analysis is based on a "5-P approach": Parent, People, Process, Portfolio and Performance. Each of the previously outlined aspects is evaluated and ultimately leads to a final rating of the strategy.
  As part of the monitoring process, the MDD team periodically reviews the performance of the strategy to ensure that it remains aligned with the investment style of the portfolio. The MDD team has the transparency and regularly monitors the delegated strategy's portfolio. ESG ratings and other environmental and/or social characteristics of the portfolio's underlying assets are also monitored regularly. In addition, MDD analysts have quarterly meetings with the portfolio managers to discuss recent performance as well as recent transactions to monitor alignment with promoted environmental and/or social characteristics. To prepare for the meeting, MDD analysts send out a monitoring questionnaire using the Management Company's proprietary platform, Deeligenz, with questions related to the portfolio, performance, and ESG factors. During the calls, the External Investment Manager clarifies if there have been any changes in the team and processes. Analysts and investment managers also discuss recent engagements and milestones during the period. In addition, MDD analysts monitor any significant events that may affect the delegated portfolio managers, e.g., with respect to their investments, financial and ESG analysts, investment process, capacity for engagement. Each significant change may affect the strategy's rating based on the 5-Ps, which may lead to a change in the strategy's ratings, including the sustainability rating.

- The ESG team supports the MDD team in reviewing the process and methodologies implemented by the External Investment Manager when considering ESG and sustainability issues. The ESG team provides qualitative feedback during the mandate selection phase and supports the MDD team throughout its analysis process, using the "5-P approach" aforementioned. In addition, during the monitoring phase, the ESG team will monitor the Sub-Fund's characteristics and performance related to the environmental and/or social characteristics defined. The ESG team will also monitor the Sub-Fund's underlying investments against the overall environmental and/or social characteristics, as well as the ESG indicators for all the Sub-Fund's securities. If a security is identified as not meeting the environmental and/or social characteristics of the Sub-Fund, the ESG team will further investigate the issue through an internal analysis. If the ESG team considers the risk to be insubstantial, it may permit the External Investment Manager to maintain its position. In addition, the ESG team is responsible for periodically reviewing the exclusion lists, assessing the relevance of the latest ESG information regarding restricted issuers and updating the lists accordingly, thereby adjusting the portfolios. The ESG team also ensures the proper understanding and implementation of regulatory requirements on green finance, such as SFDR, RTS or Taxonomy, throughout the entire product range. Lastly, the ESG team is responsible for the sustainable labelling of the Management Company's product range. Overall, the ESG team plays a very transversal role in the Management Company's organization, as ESG is at the heart of its investment strategy.

Engagement policies

As part of its sub-advisory business model, the Management Company delegates responsibility for engagement to the selected External Investment Manager. However, the Management Company does not delegate all stewardship activities and is responsible for proxy voting. The External Investment Manager may act as an advisor and guide the Management Company on specific issues that it engages with specific issuers. Even when advised, the Management Company remains the final decision maker for the proxy vote.

When applicable, the External Investment Manager is responsible for engaging with issuers invested by the Sub-Fund.
On the sovereign side, the External Investment Manager has established a proactive and collaborative policy engagement approach that focuses on strategic and long-term sustainability issues of sovereign issuers. Where the public policy is deemed appropriate and transparent, the External Investment Manager engages with governments, government-related agencies, and regulators by taking part in consultations and providing feedback on regulations facilitating a level playing for ESG issues. Most of these engagement activities are coordinated through the investor associations and collaborative groups of which the External Investment Manager is a member. Sovereign engagements follow specific focus areas, aligned with the External Investment Manager's sustainable investment strategy, and are implemented and executed in cooperation with the External Investment Manager's SI Country experts and global macro investment team.
On the corporate side, when applicable, the External Investment Manager has developed an enhanced engagement program, that is focused on companies who are severely breaching minimum standards (e.g. corporate behaviour, climate, and biodiversity). In addition to this program, the External Investment Manager carries out three different types of corporate engagement with companies in which they invest: value engagement, enhanced engagement, and SDG engagement. In all these types of engagement, the External Investment Manager aims to improve a company's behaviour on environmental, social, and corporate governance (ESG) issues.

For more information, please check the External Investment Manager's Engagement Policy: https://www.robeco.com/en-int/.

Designated reference benchmark

No specific ESG-related index has been designated for this Sub-Fund.