

ABN AMRO Parnassus US ESG Equities

ESG report – Label ISR

September 2023



Please refer to the prospectus of the fund and to the KID before making any final investment decisions.

Further information on the sustainability approach of ABN AMRO Investment Solutions is available on www.abnamroinvestmentsolutions.com

Agenda

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01.

Key ESG characteristics of the sub-fund

Key ESG characteristics of the sub-fund

At a glance

- ▶ Management Company : ABN AMRO Investment Solutions
- ▶ External investment Manager by delegation: Parnassus Investments
- ▶ Sub-fund of ABN AMRO funds Sicav
- ▶ AuM of the Sub-fund : € 2 bn*
- ▶ ESG fund, category article 8 SFDR
- ▶ Equity, US market
- ▶ Benchmark : MSCI US **

Investment strategy

- ▶ 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 AMF***:
 - Selectivity ESG approach : exclusion of a minimum of 20% of the initial universe (Best-in-class; ESG momentum and exclusions)
 - Engagement, Voting

Exclusions applied****

- ▶ 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 (production)
- ▶ GMOs (production)
- ▶ Arctic drilling, gas & oil sand & shale extraction methods
- ▶ Thermal coal (production)
- ▶ Thermal coal (power generation)
- ▶ Alcohol (production)
- ▶ Nuclear power (production)
- ▶ Fossil fuels (oil & gas production)

*At 31.12.2022 and in € equivalent (usual Currency is USD) ** Non-ESG benchmark *** The Autorité des Marchés Financiers Non Financial Reporting Directive came into force on 30.09.2020 (DOC-2020-03) **** subject to revenue thresholds

Source: ABN AMRO Investment Solutions

02.

ESG metrics

- based on holdings 31.12.2022

ESG metrics used by the sub-fund

ESG risk scores

Table 1

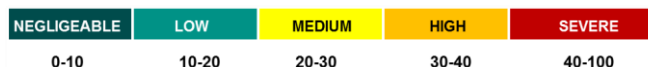
Indicators	Portfolio	Benchmark	Performance Portfolio versus Benchmark
ESG Data Coverage	100,0% (2021: 100)	99,5% (2021: 99,8%)	The Portfolio over performs the benchmark, being less at ESG risks
ESG Risk Score	18,4 (2021: 18,9)	21,6 (2021: 21,3)	
ESG Risk Score Category	Low (2021: Low)	Medium (Medium)	

Table 2

ESG risk score level	Portfolio %	Benchmark %
Negligeable	3.2	1.8
Low	63.3	43.4
Medium	33.5	41.9
High	0.0	12.0
Severe	0.0	0.8
Total	100.0	100.0

ESG risks scores scale

The ESG Risk Score is categorized in 5 levels :



The lower the score is, 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 than the benchmark.

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 (...)”.

- Quite from Sustainalytics : “The ESG Risk Ratings, Moving up the innovation curve White paper” – volume 1 – October 2018

Source: ESG data, Sustainalytics ; holdings and calculation, ABN AMRO Investment Solutions

ESG metrics used by the sub-fund

Controversy score

Table 3

Indicators	Portfolio	Benchmark	Performance Portfolio versus Benchmark
ESG Data Coverage	100,0% <i>(2021: 100)</i>	99,5% <i>(2021: 99,8%)</i>	The Portfolio over performs the benchmark, being less at ESG risks
ESG Risk Score	18,4 <i>(2021: 18,9)</i>	21,6 <i>(2021: 21,3)</i>	
ESG Risk Score Category	Low <i>(2021: Low)</i>	Medium <i>(Medium)</i>	

Table 4

Controversy level	Portfolio %	Benchmark %
No evidence of Controversy	1.42	0.04
Level 1	9.69	12.97
Level 2	51.06	32.53
Level 3	29.10	7.80
Level 4	8.73	0.53
Level 5	0.00	4.23
Total	100.00	100.00
Mean	2.34	2.38

Controversy score scale

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 is, the better it is.

ESG metrics used by the sub-fund

Impact indicators : Carbon emissions

Table 5

	COVERAGE %	Emission Exposure		Relative Emission Exposure		
		Scope 1&2 *	Incl. Scope 3 **	tCO ₂ e/Mio USD Revenue		
				Relative Carbon Footprint	Carbon Intensity	Weighted Avg Carbon Intensity
Portfolio	91.3	46,589	321,170	22.14	73.73	95.21
Benchmark	90.2	115,275	1,034,204	54.78	132.84	131.25
Performance portfolio versus benchmark	-	The Portfolio over performs	The Portfolio over performs	The Portfolio over performs	The Portfolio over performs	The Portfolio over performs
Net Performance	-	59.6%	68.9%	59.6%	42.2%	27.5%

* 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.

** 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 may be the largest share of a company's emissions.

Comments

The sub-fund's Carbon Emissions Exposure Scope 1&2 is 59.6% lower than the Benchmark (and 68.9% lower when including scope 3); As per the Label ISR framework, the sub-fund is committed to return a lower Carbon emission exposure (scope 1&2) than the benchmark.

Calculation formula

Data point	Formula
Emission Exposure	$\sum_i^n \text{Position Ownership Ratio} \times \text{Position Scope 1\&2 Emissions}_i$
Relative Carbon Footprint	Emission Exposure / Total Analysis Value
Carbon intensity	$\frac{(\sum_i^n \text{Position Ownership Ratio}_i \times \text{Position Scope 1\&2 Emissions}_i)}{(\sum_i^n \text{Position Ownership Ratio}_i \times \text{Position Revenue}_i)}$

Source: ESG data, calculation ISS ; holdings, ABN AMRO Investment Solutions

ESG metrics used by the sub-fund

Other impact indicators (list not exhaustive)

Table 6

Pillars	Indicators	Coverage %		2022 Results		
		Portfolio	Benchmark	Portfolio	Benchmark	Performance Portfolio versus Benchmark
HR	Overall Global Compact Compliance (UNGC) ¹	100.0 (2021: 100)	99.5 (2021: 99,9)	100,0% (2021: 100%)	98,0% (2021: 99%)	The Portfolio over performs
E	Water Withdrawal Intensity	88.7 (2021: 100)	83.3 (2021: 99,6)	1,341.24 (2021: 1033,37)	20,409.22 (2021: 17.928,32)	The Portfolio over performs
S	Social supplier code of conduct	100.0 (2021: 100)	99.4 (2021: 93,1)	96,9% (2021: 95%)	95,1% (2021: 94%)	The Portfolio over performs
G	Women on Board	100.0 (2021: 100)	99.12 (2021: 99,9)	33.32% (2021: 31,4%)	33.94% (2021: 32,5%)	The Portfolio under performs

(¹) : the Sub-fund is committed to align all investments with the UNGC 10 principles (as per the Label ISR and AAIS policy)

Indicators units

- **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 sub-fund committed not to invest in any company breaching the principles (as per the Label ISR framework and the AAIS policy);**
- **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.

Source: ESG data, Sustainalytics ; holdings and calculation, ABN AMRO Investment Solutions

03.

Stewardship report

Stewardship report

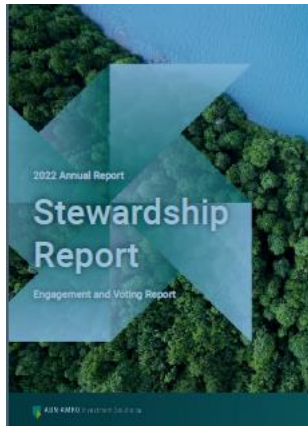
Where to find more information on engagement and voting actions?

Engagement

ABN AMRO Investment Solutions, as explained in its Sustainable Investment Policy, does not engage directly with investees companies. This function is delegated to Parnassus Investments and to EOS proxy (ABN AMRO engagement programme via Federated Hermes engagement tool). Engagement is part of the investment process of the sub-fund. However, ABN AMRO Investment Solutions monitors the engagement actions of its delegated external investment managers.

Voting

ABN AMRO Investment Solutions takes responsibility to exercise the voting rights of its investment portfolios. Voting at general meetings will be realised in accordance with its voting policy. The management company uses ISS Governance services, our proxy, to analyse the resolutions and to automate the voting.



Consult our website, « Sustainability » corner

[Sustainability-related disclosures - ABN AMRO \(abnamroinvestmentsolutions.com\)](https://abnamroinvestmentsolutions.com)

Get informed on our Engagement guidelines and Voting policy

Consult our Stewardship Report

Visit our interactive tool on voting statistics

Source: ABN AMRO Investment Solutions

04.

Appendices

Appendix 1- About ABN AMRO Investment Solutions (AAIS)

A leading open architecture platform with a strong focus on ESG

Core competencies

- Multi Manager Selection
- Sustainability & ESG
- Sub-Advisory

- ▶ **Paris-based asset management company** owned by ABN AMRO Bank N.V. (99.99%)
- ▶ **Pioneer in open architecture platform and sub-advisory** since 1998
- ▶ **Selecting top managers in niche expertise** is ABN AMRO Investment Solutions DNA
- ▶ **Exclusive access** to a broad range of frontrunners and specialist boutiques with significant long track records
- ▶ **Strong collaboration and partnership with external delegates to enhance ESG & stewardship practices**
- ▶ **Global offering investment solutions** such as building block management and Outsourced CIO Services

Sustainable investing

- ▶ ABN AMRO Investment Solutions is a member of the "Green Bond Principles" of the International Capital Market Association (ICMA) since 2015
- ▶ AAIS has a Sustainable Investment Policy in place which includes specific statements on AAIS' position on Climate change and the Defence sector

ABN AMRO has been **one of the first signatories** of the UN PRI¹ in 2006



ABN AMRO co-founded Dutch Sustainability Research in 2002, which merged in 2009 to create



Sustainalytics is 100% owned by Morningstar since 2020.

Key figures*



80+



3 locations



€ 19.9BN**



79.5% of AUM in SRI fund range***

Source : *ABN AMRO Investment Solutions as of 30 June 2023 ** Total AUM. (1) PRI : Principles for Responsible Investment. ABN AMRO Asset Management was a founding signatory, until 2009. As of 2012 ABN AMRO Bank N.V. is a signatory. *** Meaning Article 8 & 9 funds.

Appendix 2- About definitions

Terminology

Environment (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.

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.

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

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

Appendix 3- About data sources

Terminology

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
EOS (at Federated Hermes)	Engagement actions (collaborative)	https://www.hermes-investment.com/uk/en/individual/eos-stewardship/
Parnassus Investments	Delegated external investment manager, ESG policy	https://www.parnassus.com/esg
ABN AMRO Investment Solutions	Policies	https://www.abnamroinvestmentsolutions.com/en/socially-responsible-investment-abn-amro-investment-solutions/index.html
	Information on the fund (Prospectus, annual report, periodic report, precontractual document etc.)	https://www.abnamroinvestmentsolutions.com/en/fund-range/prospectus.html
	Voting statistics interactive tool, Voting report of the sub-fund	https://www.abnamroinvestmentsolutions.com/en/footer/Regulatory-information.html

Source : AAIS has collected information on external public websites and is not responsible for information disclosed by external parties

Disclaimer

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: 119-121 boulevard Haussmann, 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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Thank you for your attention

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