

ABN AMRO Parnassus US Sustainable Equities



Transparency Code

for SRI funds open to the public – 2018 edition

Updated : JULY 2021

The Code is promoted by:



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0. Introduction

This Transparency Code is the French version of the European Transparency Code that was designed and approved by the French Asset Management Association (AFG), the French Social Investment Forum (FIR) and the European Sustainable Investment Forum (EUROSIF). It is mandatory for all SRI funds open to the public managed by management companies that are AFG or FIR members. By adhering to this Code, management companies agree to respond to the questions asked for each of the SRI funds open to the public they manage.

This 2018 update of the Transparency Code was prepared to best reflect changes in the responsible investment market in France and Europe.

In a regulatory context highly favourable to ESG and the fight against climate change, the responses to the questions in this code will allow management companies' SRI funds to comply with the provisions of Article 173 (paragraph VI) of the Law on Energy Transition for Green Growth (Loi sur la Transition Énergétique pour la Croissance Verte - LTECV) No. 2015-992 of 17 August 2015. Questions relating to Article 173 are indicated by **Art. 173**

As a reminder, according to the spirit of the law and an incentive-based approach, responses to the questions relating to Article 173 must be provided based on the "comply or explain" principle.

Responding to the questions in the Code ensures compliance with regulatory requirements. Signatories must refer to this Transparency Code in all their documents, website, etc.

The promotion of this Code is motivated by two key factors

The objectives are to make SRI funds easier to understand and more transparent for investors, savers and all other stakeholders and to contribute to more proactive self-regulation that encourages the development and promotion of SRI funds by establishing a common, unifying set of best practices for transparency.

Guiding principle

Signatories to the Code must disclose accurate, adequate and up-to-date information in language that is clear and understandable by a wide audience to enable all stakeholders, particularly investors and savers, to better understand the policies and practices regarding the integration of ESG issues into the fund's investment policy.

Compliance with the Transparency Code

The ABN AMRO Investment Solutions management company is committed to transparency and we believe that we are as transparent as possible given the current regulatory and competitive environment in the country in which we operate. We are solely responsible for the responses to the questions in the Code.

1. Fund to which this Transparency Code applies

1.1 Fund name

- AMRO Parnassus US Sustainable Equities

1.2 Fund assets at 31.12.2020

- €1,1 billion

1.3 SFDR classification

- Article 9, this fund promotes sustainable objectives
- Article 8, this fund promotes ESG characteristics

1.4 Management Objectives / Investment objective

- To provide long term capital appreciation with a diversified and actively managed portfolio of US sustainable equities, without any specific restriction on tracking error. The portfolio will be composed of companies that are flexible in ESG best-practices. The Funds seek to invest in companies with positive performance on environmental, social and governance criteria.

1.5 ESG Strategies

Dominant

- Selectivity approach
- Rating or extra-financial indicator upgrade
- Other approach, specify

Complementary

- Sector exclusions
- Normative exclusions
- Commitment
- Other approach, specify

1.6 Main asset class

- US Equities

1.7 Exclusions applied by the fund

Exclusions from the investment policy of the management company

- 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)
- GMOs : Genetically modified organisms (production)
- Arctic drilling, gas & oil sand extraction methods
- Thermal coal (production)
- Thermal coal (mining/use)
- Animal testing
- Cannabis
- Shale energy

Exclusions from the investment policy of the management company and in addition to the above list

- Alcohol (production)
- Nuclear power (production)
- Fossil fuels (oil & gas: production)

Nota bene: these exclusions are subject to thresholds expressed either as a % of the turnover derived from these activities or as a % of the production capacity linked to these activities. The list of exclusions is subject to change.

1.8 Labels

- LuxFLAG ESG (renewed on July 1, 2021 for a period of one year)

1.9 Link to fund-related documents

- KIID
- Prospectus
- Annual reports (with portfolio details) and half-yearly reports
www.abnamroinvestmentsolutions.com/fr/fund-range/Prospectus

2. General information about the management company

2.1 Name of the management company responsible for the fund to which this Code applies

ABN AMRO Investment Solutions

Registered office: 3 avenue Hoche

75008 Paris-France

Tel: +331 56 21 60 60

Fax: +331 56 21 61 65

www.abnamroinvestmentsolutions.com

ABN AMRO Investment Solutions is the management company responsible for the ABN AMRO Funds Global Sustainable Equities. ABN AMRO Investment Solutions is the asset management company of the ABN AMRO group. It serves the entire ABN AMRO international network as well as external clients.

ABN AMRO Investment Solutions is a global asset management company that serves the ABN AMRO group and its clients in the Netherlands, France and internationally.

ABN AMRO Investment Solutions has delegated the fund's financial management to Parnassus Investments in order to benefit from its experience in the US markets and its expertise in responsible investment.

Parnassus Investments started its activities in 1984 and is a pioneer in responsible investment in the United States.

The partnership between ABN AMRO Investment Solutions and Parnassus Investments allows European clients to have access to the combined expertise of these two asset management companies.

2.2 What are the history and principles of the management company's responsible investment approach?

History

Our management company, ABN AMRO Investment Solutions, has been involved in sustainable development for many years.

- **In 2003**, the management company offered its clients a first “responsible” direct management solution.
- **In 2006**, ABN AMRO Investment Solutions added external SRI funds to its list of recommended funds.
- **Between 2012 and 2014**, ABN AMRO Investment Solutions developed a comprehensive range of directly managed best-in-class SRI funds.
- **In 2017**, ABN AMRO Investment Solutions selects its partners (including Parnassus Investments), asset managers to provide financial management for the first SRI funds on its Luxembourg platform; ABN AMRO Investment Solutions makes strong commitments to develop its activities towards ESG/Sustainable investments.
- **In 2018**, ABN AMRO Investment Solutions decided to exclude all investments in controversial weapons, tobacco production and companies that are in violation of the 10 Global Compact principles

- **In 2019**, we obtained our first ESG Labels for some of our funds (under exclusivity)¹
- **In 2020**, two new "impact" solutions (under exclusivity) joined our sustainable funds range.

Principles of our responsible investment approach

ABN AMRO Investment Solutions, the asset management company responsible for the fund:

Today, the workings of our organisation are deeply rooted in our sustainable development approach, which resonates broadly with our clients, partners and employees.

ABN AMRO Investment Solutions offers its clients socially responsible investment that consistently seeks to combine value creation with respect for future generations. The integration of ESG criteria enables both a better analysis of risks and the emergence of opportunities.

Link to the pages of the website dedicated to responsible investment:

<https://www.abnamroinvestmentsolutions.com/en/socially-responsible-investment-abn-amro-investment-solutions/index.html>

Parnassus Investments, delegated management company, financial management of the fund:

After a long selection process, in 2017 Parnassus Investments became the portfolio manager by delegation of our ABN AMRO Parnassus US Sustainable Equities fund. We share the same responsible investment philosophy with our delegated manager because we put environmental and societal issues at the heart of our business.

We maintain relations with our delegated manager and work together to develop responsible investment processes.

Link to the pages of our delegated manager's website dedicated to responsible investment:

www.parnassus.com

2.3 How has the management company formalised its responsible investment approach?

Internet link to the responsible investment policy:

www.abnamroinvestmentsolutions.com/fr/socially-responsible-investment-abn-amro-investment-solutions/Methodology

¹ Submitting a fund for a label is a voluntary process undertaken by the management company.

Internet link to the voting rights policy:

www.abnamroinvestmentsolutions.com/fr/footer/informations-reglementaires

Internet link to the engagement policy **Art. 173**:

www.abnamroinvestmentsolutions.com/fr/footer/informations-reglementaires
https://www.abnamroinvestmentsolutions.com/fr/investissement-socialement-responsable-abn-amro-investment-solutions/Sustainability_related_disclosures.html

2.4 How is the issue of ESG risks/opportunities, including those linked to climate change, factored in by the management company Art. 173?

General principles of our risks/opportunities approach

- To minimise ESG risks, we have developed a set of sustainability prerequisites (described below).
- To monitor ESG risks/opportunities, we have developed a set of ESG assessment processes (described below).
- We have defined a set of ESG metrics and methodologies to detect ESG risks and opportunities, including those linked to climate change and energy transition.
- The ESG methodology adopted² integrates ESG risks.

Sustainability prerequisites common to all our internal managed solutions

PRI AND UN GLOBAL COMPACT

All management companies with which we work must be signatories (or agree to become signatories) to the UN-PRI and the UN Global Compact or must have implemented (or agree to implement within a reasonable period of time) similar practices (integration of ESG and controversies).

PROHIBITED SECURITIES - DIVESTMENT

All our investment decisions must pass through our exclusion filter based on our own list of prohibited securities. These securities have a very high operational and reputational sustainability risk profile (countries under international embargo, controversial weapons, companies involved in tobacco production, companies in violation of the 10 Global Compact principles).

For more information, please refer to our "exclusion list" available on our website.

² The methodologies used by ABN AMRO Investment Solutions and its sub-manager may differ but the approaches are similar.

https://www.abnamroinvestmentsolutions.com/fr/investissement-socialement-responsable-abn-amro-investment-solutions/Sustainability_related_disclosures.html

Assessment of the sustainability of our funds

OUR FUND SELECTION PROCESS

We have developed ESG questionnaires designed for "ESG, article 8" and "Sustainable, article 9" funds, which we are currently implementing for all our funds. These questionnaires allow our teams to assess the way in which the selected management companies and funds take ESG and responsible finance issues into account.

VALIDATION OF THE SELECTED MANAGEMENT COMPANY/FUND

At the end of these processes (which may take several months), ratings are assigned internally by each of the teams. The solution is presented to an ad hoc committee, which is responsible for reviewing and validating the solution. Validation by the committee triggers the administrative phase. When this phase is completed, the marketing and promotion phase begins (sales support, reporting, presentation, etc.). At the same time, the product is integrated into all other internal due diligence procedures.

MONITORING OF THE SELECTED MANAGEMENT COMPANY/FUND

Our goal is to regularly update the information available on the questionnaires (max. every two years) and the questionnaires themselves (development of an interactive tool).

These questionnaires may be reviewed at any time, in a detailed manner when a major event occurs during the fund's existence, in order to assess whether this event can substantially alter the management style and expectations of the selected fund. In all cases, the committee must confirm whether or not the fund should remain on the list.

MONITORING OF PORTFOLIO SUSTAINABILITY

Compliance with the portfolio management rules is verified regularly by the risk, ESG and analyst teams.

2.5 What teams are involved in the management company's responsible investment activity?

All the management company's teams are involved, mobilised and continuously trained in understanding and integrating ESG issues:

- **Super Advisory Board, Executive Board, Executive Committee:** definition and validation of ESG/SRI development priorities, adequacy of resources, etc
- **Financial team:** monitoring the evolution of ESG/ISR outstandings

- **ESG/SRI team:** development of the processes, assessment, advice, voting and engagement policy, reporting, training, certification, facilitating the monthly SRI committee meeting, relations with ESG suppliers and the financial market, cross-functional technical support
- **Management company and fund analysts teams :** ESG assessment, development of ESG/SRI/Impact solutions, engagement
- **Sales and Marketing team :** presentation document, website, events, internal and external client relations, relations with third parties and distributors
- **Internal managers team :** fund selection, market transactions, performance and market monitoring, management report
- **Quantitative research team:** ESG filters and analysis, trends and themes, methodologies
- **Risks team:** monitoring of ESG risks, control of ESG investment ratios
- **Compliance team:** ESG regulatory watch and monitoring, dissemination of prohibited securities internally, ESG policy compliance
- **Data Management team:** Verification that ESG variables are properly integrated and reported in internal tools
- **Structuring team & Product Management:** in charge of the administrative life of the funds, relations with the regulators, implementation and monitoring of delegation contracts

2.6 How many SRI analysts and SRI managers are employed by the management company³?

At ABN AMRO Investment Solutions, asset management company:

- Number of general fund analysts: 11
- Number of specialist ESG/SRI analysts: 3
- Number of operational analysts: 4

At Parnassus Investments, delegated fund manager:

- Number of portfolio managers dedicated to the fund: 2

2.7 In what Responsible Investment initiatives is the management company a stakeholder?

ABN AMRO Investment Solutions, asset management company

GENERAL INITIATIVES

- UN-PRI (ABN AMRO & ABN AMRO Investment Solutions by affiliation)
- Global Compact (ABN AMRO & ABN AMRO Investment Solutions by affiliation)

³ Indicate the number of full-rate employees (excluding those on fixed-term contracts and interns) who work on ESG/SRI issues. These individuals do not spend all their work time on ESG/SRI, but these issues are an integral part of their activity based on current processes and development.

- AFG Responsible Investment Committee and AFG Corporate Governance Committee (ABN AMRO Investment Solutions)
- Partner of the “Sustainable Finance and Responsible Investment Chair”⁴

ENVIRONMENT/CLIMATE INITIATIVES

- Climate Bond Initiative (ABN AMRO)
- Green Bond Principles (ABN AMRO & ABN AMRO Investment Solutions)
- PCAF Platform Carbon Accounting for Financials (ABN AMRO)
- RSPO Roundtable for Sustainable Palm Oil (ABN AMRO)

SOCIAL INITIATIVES

- Annual Report on Human Rights (ABN AMRO)

Parnassus Investments, delegated fund manager

GENERAL AND ENVIRONMENTAL INITIATIVES

- Ceres
- US Sustainable Investment Forum

2.8 What is the amount of the management company’s total SRI assets under management?

ABN AMRO Investment Solutions, asset management company

Assets under management eligible as “SRI”⁵ totalled €3.1 billion spread over 18 funds at the end of December 2020.

2.9 What is the percentage of SRI assets of the management company in relation to its total assets under management at 31/12/2020? Art. 173

Total assets (management and advisory): €17.7 billion

Total assets under management: €15.6 billion

Total “SRI” assets under management: €3.1 billion

The managed funds listed in this section meet the criteria defined by the sustainable investment policy of ABN AMRO Investment Solutions. These funds are classified as either article 8 - funds promoting ESG characteristics or article 9 - funds promoting sustainability objectives as defined by SFDR.

2.10 What SRI funds open to the public are managed by the management company at 31/12/2020?

⁴ <http://fdi.idei.fr/>

⁵ As defined by the asset management company

We manage 18 SRI funds⁶ open to the public, which represent total assets under management of €3.071 billion at 31/12/2020:

| Name of the funds | AUM in Euros |
|--|---------------|
| AAF CANDRIAM EMERGING MARKETS SUSTAINABLE BONDS | 51.176.167 |
| AAF CANDRIAM EUROPEAN SUSTAINABLE EQUITIES | 99.333.396 |
| AAF EDENTREE EUROPEAN SUSTAINABLE EQUITIES | 313.724.164 |
| AAF GLOBAL SUSTAINABLE EQUITIES | 458.694.094 |
| AAF LIONTRUST EUROPEAN SUSTAINABLE EQUITIES | 218.064.720 |
| AAF PARNASSUS US SUSTAINABLE EQUITIES | 1.078.326.542 |
| AAF SUSTAINABLE PROFILE 4 | 63.859.990 |
| AAF SUSTAINABLE PROFILE 2 | 22.809.982 |
| AAF SUSTAINABLE PROFILE 5 | 16.033.730 |
| AAF BOSTON COMMON US SUSTAINABLE EQUITIES | 120.883.353 |
| AAF CANDRIAM GLOBAL SUSTAINABLE HIGH YIELD BONDS | 30.254.221 |
| ESPERANCE | 9.017.650 |
| TEGO DYNAMIQUE ISR | 31.216.522 |
| ABN AMRO SYMBIOTICS EMERGING MARKETS IMPACT DEBT | 27.811.921 |
| ABN AMRO CANDRIAM SUSTAINABLE TREASURY | 208.771.624 |
| AAF EURO SUSTAINABLE AGGREGATE BONDS | 76.729.771 |
| ABN AMRO PICTET GLOBAL ENVIRONMENT | 47.143.260 |
| ABN AMRO AEGON GLOBAL IMPACT EQUITIES | 197.262.815 |

Internet link to the list of SRI funds:

www.abnamroinvestmentsolutions.com/fr/socially-responsible-investment-abn-amro-investment-solutions/Sri-range/index.html

3. General information about the SRI fund presented in this transparency code

3.1 What is the objective of integrating ESG criteria into the fund?

Global approach

The integration of ESG criteria occurs during the basic analysis, which allows a better understanding of the model developed by the issuer.

The ESG analysis also allows a better understanding of the risks and opportunities in term of sustainability.

ESG analysis also allows us to identify ways to engage with the company (in which the portfolio is invested) in order to improve ESG best practices and limit

⁶ These funds systematically integrates ESG criteria in their investment process (as stated in their prospectus) and fall into categories 8 and 9; they meet Morningstar sustainability rating levels of at least "Above Average".

negative impacts on the society around us. It is an opportunity to establish a constructive dialogue with the issuer, which in the long term promises financial value for the investor and therefore for our clients.

Investment portfolios are exposed **to sustainability risks** that can have a significant negative impact on long-term returns.

The management company and its delegated portfolio manager have integrated the identification and assessment of sustainability risks into their investment decisions (in terms of environmental, social, good governance and human rights issues) as well as into their risk management processes. In order to avoid exposing portfolios to excessive sustainability risks, ABN AMRO Investment Solutions has described in its sustainable investment policy its main principles based on exclusions, ESG risk rating methodology, monitoring, dialogue and shareholder engagement policy.

Similarly, **our sustainability investment choices may have negative impacts and affect other sustainability indicators**. It is the responsibility of the management company to strive to identify and minimize these impacts in the best interest of its clients and the society around it.

For more information, please refer to our "Sustainability Risk Management Framework" and "Key Adverse Sustainability Impact Statement" sections available online.

https://www.abnamroinvestmentsolutions.com/fr/investissement-social-ement-responsable-abn-amro-investment-solutions/Sustainability_related_disclosures.htm

Fund management objective

Refer to the section 1.4 of this document

3.2 What internal and external resources are used for the ESG assessment of the issuers that make up the fund's investment universe⁷?

Internal resources

- Number of dedicated fund analysts: 2
- Number of dedicated ESG specialists: 3
- Number of dedicated portfolio managers: 2

External resources

⁷ Indicate the number of employees (excluding those on fixed-term contracts and interns) who work on the ESG/SRI assessment. These individuals do not spend all their work time on this assessment, but it is an integral part of their activity based on current processes and development.

- Sustainalytics: ESG rating agency, provider of ESG, carbon and controversy data at the issuer level and provider of analysis of private and public issuers
- Morningstar Direct: provider of ESG, carbon and controversy data and analysis/ranking of investment funds
- ISS Oekom: Provider of portfolio alignment analysis regarding the environmental objectives of the Paris agreements and evaluation of the impact solutions of the United Nations Sustainable Development Goals
- ISS Governance: Voting recommendation and automation of voting procedures

3.3 What ESG criteria are taken into account by the fund?

Below are the main criteria (non-exhaustive list) taken into account by the portfolio manager by delegation, Parnassus Investments.

These criteria are declined in ESG factors (policies/programs in place and measurement and monitoring parameters).

| E environment | S social | G overnance | | | | |
|---|--|---|--|--|--|---|
| <ul style="list-style-type: none"> ▶ Energy & water use ▶ Life cycle ▶ Carbon footprint ▶ Waste management | <table border="0"> <tr> <td data-bbox="657 981 900 1189"> Working conditions <ul style="list-style-type: none"> ▶ Diversity ▶ Well-being ▶ Safety ▶ Engagement ▶ Supply chain </td> <td data-bbox="916 981 1098 1160"> Community <ul style="list-style-type: none"> ▶ Stakeholder relations ▶ Philanthropy ▶ Human rights </td> </tr> <tr> <td colspan="2" data-bbox="657 1227 1098 1352"> Customer <ul style="list-style-type: none"> ▶ Product safety ▶ Post-sale management of returns ▶ Privacy </td> </tr> </table> | Working conditions <ul style="list-style-type: none"> ▶ Diversity ▶ Well-being ▶ Safety ▶ Engagement ▶ Supply chain | Community <ul style="list-style-type: none"> ▶ Stakeholder relations ▶ Philanthropy ▶ Human rights | Customer <ul style="list-style-type: none"> ▶ Product safety ▶ Post-sale management of returns ▶ Privacy | | <ul style="list-style-type: none"> ▶ Governance of the company ▶ Business ethics ▶ Compensation ▶ Management turnover ▶ Political lobbying |
| Working conditions <ul style="list-style-type: none"> ▶ Diversity ▶ Well-being ▶ Safety ▶ Engagement ▶ Supply chain | Community <ul style="list-style-type: none"> ▶ Stakeholder relations ▶ Philanthropy ▶ Human rights | | | | | |
| Customer <ul style="list-style-type: none"> ▶ Product safety ▶ Post-sale management of returns ▶ Privacy | | | | | | |

3.4 What principles and criteria linked to climate change are taken into account by the fund? **Art. 173**

Principles implemented to combat climate change

ABN AMRO INVESTMENT SOLUTIONS has defined its climate plan as part of its sustainability risk monitoring. This includes a list of activities to which we do not want our portfolios to be exposed (due to their high negative environmental footprint) and the list of commitments we choose to make the portfolios compatible with the CO2 reduction targets of the Paris Agreement.

For more information, please see our "Climate Document" available under the "Sustainability Risk Management Framework" on our online site:

https://www.abnamroinvestmentsolutions.com/fr/investissement-socialement-responsable-abn-amro-investment-solutions/Sustainability_related_disclosures.html

PARNASSUS INVESTMENTS

Our delegated manager has adopted a "fossil fuel free" approach since September 2019 in all its portfolios. Since 2020, Parnassus Investment has gone further and invested in companies that are committed to decarbonizing their operations. This approach also applies to our fund.

https://www.parnassus.com/updates/article/parnassus_investments_firmwide_fossil_fuel_free

Climate-related risks and opportunities as defined by **Article 173** taken into account

PHYSICAL RISKS: INCLUDED IN THE ANALYSIS CRITERIA

The fund's investment strategy does not specifically take into account physical risks defined in Art. 173, such as exposure to physical consequences directly caused by climate change.

TRANSITION RISKS: INCLUDED IN THE ANALYSIS CRITERIA

The fund's strategy takes into account transition risks (defined in Art. 173 as exposure to changes caused by the transition to a low-carbon economy). The manager analyses the issuer's position on environmental issues in terms of use and management of resources (energy and water), waste recycling and carbon footprint management, etc.

INVESTMENTS IN ONE OR MORE OF THE 6 ACTIVITIES DEFINED BY THE EUROPEAN UNION⁸ TAXONOMY: INCLUDED IN THE ANALYSIS

Opportunities favouring a low-carbon economy are reviewed, particularly when they involve the development of disruptive and alternative technologies with high potential for penetration among populations. However, the fund does not intend to invest specifically in these activities.

MEASUREMENT INDICATOR USED BY THE PORTFOLIO MANAGER

Parnassus Investments mainly uses the Carbon footprint as a measurement tool for scopes 1 and 2⁹ at this stage and is implementing the scope 3 to monitor, the carbon intensity.

RISK RELATED TO THE LOSS OF BIODIVERSITY

⁸ https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance_fr

⁹ 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.

The impact of human activity on Biodiversity is not systematically measured as such. It is often a question of assessing whether the company has implemented a policy or program on this subject and is therefore considered as one criterion among others in the "Environment" pillar. In view of the impressive acceleration of biodiversity loss due to human activity and global warming (on Earth and in the oceans) over the last 10 years, it seems essential to us to treat this point separately as a major risk. The data are being developed and processed¹⁰.

Analysis methodology applied to issuers in terms of climate

The methodology used by the management company, ABN AMRO Investments Solutions, to assess the portfolio's positioning with respect to climate change is the ISS-Oekom's one.

For more information, please consult :

<https://www.issgovernance.com/esg/climate-solutions/climate-analytics/>

GREENHOUSE GASES: MEASURED

ABN AMRO Investment Solutions' teams measure past, current and/or future direct and indirect greenhouse gas emissions of each issuer in the portfolio, mainly using the ISS-Oekom methodology, which covers scopes 1, 2 and 3. Since 2017, we have mainly used Sustainalytics data. We continue to use them in parallel to get a benchmark (data consistency assessment) and consolidate our history over several years. Sustainalytics data does not yet cover scope 3.

2°C SCENARIO ALIGNMENT: EVALUATION

The management company assesses¹¹ the portfolio's positioning in relation to the international objective of limiting global warming (below +2 degrees by 2050). The results are discussed with the portfolio manager in the expectation of a consensus in the financial community on this subject and more precise guidelines from the regulatory authorities. These results are not published for the moment. ABN AMRO Investment Solutions and Parnassus Investments are using the same provider, ISS-Oekom.

3.5 What is the ESG analysis and assessment methodology (construction, rating scale, etc.)?

Methodological approach

ABN AMRO Investment Solutions and Parnassus Investments have developed their own methodology. We describe here in more the methodology of the management company in charge of the fund and the monitoring. When the management company

¹⁰ France: the decree of article 29 of the [law n°2019-1147 of November 8, 2019](#) on energy and climate will specify the scope and framework of application relating to the publication of data on the preservation and recovery of Biodiversity.

¹¹ ISS-Oekom tool

detects an asset that does not appear to be in line with the investment strategy, a discussion is held and a decision is made to keep or sell it in the portfolio. Differences in assessment may indeed be due to the ESG methodology used.

ESG score of a private issuer assessed by the portfolio manager, Parnassus Investments

A qualitative analysis of ESG factors is conducted jointly by the management team and Parnassus Investments' ESG analysts.

The internal score weights ESG factors differently based on the issuer's business sector.

The final score combines assessment criteria from the basic analysis and non-financial information.

ESG score of a private issuer assessed by the asset management company, ABN AMRO Investment Solutions

PHILOSOPHY OF ESG SCORES CALCULATED BY SUSTAINALYTICS

We have chosen “the ESG risk rating” methodology of the rating agency Sustainalytics¹² for its approach to sustainability risk and its view from different angles via 20 MEI (Material ESG Issues)¹³.

It is a quantitative approach to measuring the materiality of ESG risks.

We may combine this information with other sources (from our delegated managers) if necessary (if the security is not covered by our analysis for example or if the analysis seems contradictory to our investment policy).

Evaluation of a company (investment in "corporate securities"): this ESG risk approach distinguishes manageable ESG risks (managed risk and gaps in the company's management) from unmanageable ESG risks. The ESG risk score is composed of unmanaged ESG risks that have been identified as deficiencies (management gaps relative to peer group standards) and/or as unmanageable risks (due to, for example, business specificity or regulatory pressures).

This breakdown of risks results in a final score that is realistic and relevant to the relative importance (depending on the sector of activity) of the ESG criteria (including a forward-looking dimension).

Country assessment (investments in "government securities"): the ESG country risk rating measures the risk to the country's long-term prosperity and economic development by assessing the country's wealth and its ability to use and manage it in an efficient and sustainable manner.

National wealth is composed of natural capital and gross domestic product, human capital, and institutional capital, as well as the country's ability to use and manage these assets in an efficient and sustainable manner.

¹² <https://www.sustainalytics.com/>

¹³ To learn more : <https://www.sustainalytics.com/esg-ratings>

Rating scale: The ESG risk rating ranges from 0 to 100 and distinguishes five levels of risk: negligible (<10), low (10-20), medium (20-30), high (30-40) and severe (>40).

Note that the lower the ESG risk score, the lower the level of ESG risk and the better the issuer will manage sustainability issues in the future (and therefore the lower the expected impact of sustainability risks on the company's value).

CONTROVERSY

A controversy arises as a result of a change in circumstances with negative ESG impacts (potential or proven) on the company. Controversies play an important role in the ESG risk rating, which therefore changes more quickly when new information becomes available.

Although part of the overall ESG risk rating, controversies are also assessed separately on an "intensity scale" ranging from 0 (none) to 5 (severe).

We aim to avoid severe controversies in our SRI portfolios as much as possible, as we want to preserve our reputation and protect ourselves from any negative financial impact due to ESG risks. The exclusion lists we have put in place should protect our portfolios from these risks.

Countries are not assessed for a level of controversy.

Events of a controversial nature (for example):

| Environment | Social | Governance |
|---|--|--------------------------|
| Operational environmental incident | Social incident in the supply chain | Governance Incident |
| Environmental incident in the supply chain | Social incident with communities and society | Public Policy Incident |
| Environmental incident on products and services | Customer incident | Business Ethics Incident |
| | Employee incident | |

3.6 How often is the ESG assessment of issuers reviewed? How are controversies managed?

Frequency at which ESG/controversy ratings are reviewed by Sustainalytics

ESG ratings: annually or earlier in case of a major event

Controversy ratings: on purpose

Frequency at which ESG/controversy ratings are updated in our tools

Monthly

Management of controversies

The portfolio manager has its own rating scale for controversies. It manages the worsening of a controversy independently (triggering a sale or an engagement procedure). However, it is required to take into account ABN AMRO Investment Solutions' list of prohibited issuers as described below.

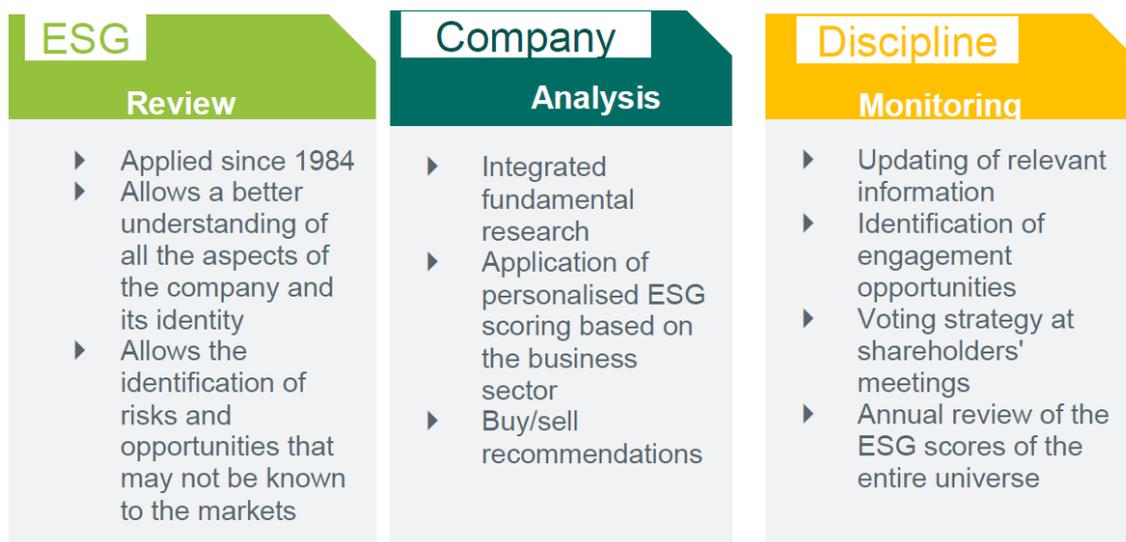
The possible holding of a prohibited security by the portfolio will trigger a request for sale (and indemnification of the portfolio in case of loss). The holding of a high-controversy security may be discussed (investment rationale, commitment path) between the management company and its delegated portfolio manager.

4. Management process

4.1 How are ESG research results taken into account in the portfolio construction process?

Parnassus Investments, the delegated portfolio manager

OVERALL APPROACH



INVESTMENT PROCESS

The initial universe includes approximately 1,000 companies, all of which are analysed based on ESG criteria.

A first quantitative/qualitative filter (proprietary model) selects approximately 40% of the companies with a value-added profile. The universe is reduced based on sector exclusions (negative filters) and classified according to the ESG scores and fundamental scores (relevance of the business model, assessment of the operational environment, management integrity). At the end of this process, an average of 400 companies is selected.

The universe is then reduced by approximately 150 companies by applying a best-in-class classification (which selects only the best companies from each sector under review).

Parnassus Investment assesses that more than 20% of the initial universe is removed due to ESG criteria (selectivity approach).

Lastly, the portfolio manager evaluates the best companies based on the “opportunity-risk” ratio in terms of financial valuation, business diversification and the potential for interaction with the company's management (engagement). At the end of the process, the manager constructs a concentrated portfolio of approximately 40 companies.

4.2 How are climate change-related criteria taken into account in the portfolio construction process? Art. 173

Some of the climate change-related criteria as defined in Article 173 are included in the criteria used to assess the ESG profile of the selected company. For instance, the level of CO2 emissions is reviewed in the environmental pillar and the fund will give priority to the least carbon-intensive companies and activities.

The portfolio will not invest in businesses that are considered to have a significant negative impact on the environment. In terms of basic analysis, renewable energies and waste and wastewater treatment companies may be included in the investment universe if their operating or service models are qualified as disruptive and alternative technologies with a strong potential for penetration. Similarly, the fund will not invest in companies producing polluting energies as these are identified as “high risk” (“fossil free”).

However, the fund does not aim to invest in so-called “sustainable” sectors related to climate change or energy transition as defined by the European Taxonomy regulation on “sustainable finance”.

4.3 How are the fund portfolio issuers that are not subject to an ESG analysis taken into account ? Art. 173

At Parnassus Investments, delegated portfolio manager

All the issuers in the portfolio are pre-selected, ESG-rated based on a proprietary methodology (that also includes Sustainalytics research) and validated at an ad hoc committee meeting by the financial manager of the portfolio, Parnassus Investments.

At ABN AMRO Investment Solutions, asset management company

The asset management company, ABN AMRO Investment Solutions, verifies that its ESG research covers at least 90% of the portfolio. If this ratio is not achieved, ABN AMRO Investment Solutions makes every effort to increase its coverage (rating request from Sustainalytics and request for the investment report from its delegated portfolio manager) and will check with its delegated manager the

investment rationale and the alignment of the investment with the fund's sustainable investment policy.

Securities not subject to ESG assessment by either the management company or the manager:

the cash

4.4 Has the ESG assessment process and/or management process changed in the last 12 months?

Yes, Sustainalytics' ESG assessment methodology has evolved during 2019: the ESG risk rating has replaced the Sustainalytics ESG rating. We implemented this methodology in our tools and portfolios during 2020 (after a transition phase). In addition, since March 2021, in accordance with our Sustainable Investment Policy, we are implementing an extended list of exclusions.

4.5 Is a portion of the assets of the fund(s) invested in solidarity-based entities ?

No

4.6 Does the fund(s) engage in securities lending/borrowing?

No

4.7 Does the fund(s) use derivative instruments?

No

4.8 Does the fund(s) invest in UCIs?

No

5. ESG Controls

5.1 What internal and/or external control procedures exist to ensure the portfolio's compliance with the ESG rules defined for the management of the fund(s)?

List of the teams in charge

See section 2.5 of this document.

List of the controls performed to date on the portfolio.

PARNASSUS INVESTMENTS, THE DELEGATED PORTFOLIO MANAGER (EX-ANTE)

- Periodic report on the overall risks to which the portfolio is exposed
- Periodic verification by the portfolio manager of factors that could increase ESG risks

ABN AMRO INVESTMENT SOLUTIONS (EX-POST)

- Daily verification of compliance with the list of exclusions
- Daily verification of the ESG coverage ratio (minimum 90%) and the distribution of ESG risk scores ("high" and "severe")
- Monthly verification of the sustainability score, the level of controversy and the carbon intensity of the portfolios with study of the score variations
- Quarterly verification of the overall sustainability level of the portfolio according to the Morningstar method (position in the fund's peer group)
- Periodic line-by-line reporting of ESG risks (ESG scores vs benchmark, best-in-class/momentum allocation, controversies, impact indicators, 2°C scenario)

6. Impact metrics and ESG reporting

6.1 How is the ESG quality of the fund(s) assessed ?

ABN AMRO Investment Solutions, in its capacity as management company, assesses the ESG quality of its fund by :

- the significant and engaging nature of the investment process
- the quality of the ESG expertise of its delegated manager
- the alignment of the portfolio's asset mix with its sustainable investment policy
- the portfolio's ESG performance/carbon score (versus benchmark)
- the external sustainability rating awarded monthly by Morningstar (Globes and Green Leaf)
- Obtaining the LuxFLAG ESG Label (annual renewal)

METHODOLOGY USED

See section 3.5 of this Code.

6.2 What ESG impact indicators are used by the fund(s)?

We use a number of impact indicators before selecting an investment (Managing Director) and in order to check whether the investment policy is in line with the fund's objectives (Management Company).

Below is a non-exhaustive list of the most commonly used indicators in the portfolio.

ENVIRONMENT : We calculate the portfolio carbon footprint and the Carbon intensity. Other indicators are also studied (depending on their relevance to the activity of the company in which the portfolio is invested) such as, among others, water consumption

and the recycling/treatment rate of wastewater, the recycling rate of other waste, the impact and monitoring of the activity on biodiversity, etc.

SOCIAL/SOCIETAL: The list of indicators under the corporate social responsibility is wide and covers employees, customers and all third-parties (such as minority shareholders if the company is listed) etc. We track here the rate of companies with a supplier code of conduct as, to us, the sustainability of a company's business relies also on its supplier relationship. Other elements related to the internal functioning of the company are integrated (if relevant) such as the rate of absenteeism, the rate of employee fatality at work, the rate of recourse to temporary employment practices, etc.

GOVERNANCE: Among other things, we track the rate of women at the board of directors, as well as its competence and independence. Other elements of "good governance practices" are also evaluated, such as the implementation of good accounting and tax practices etc.

HUMAN RIGHTS: Application of the 10 principles of the United Nations Global Compact; we verify whether the company complies with the 10 principles of the UN-Global Compact (including international norms on Human rights, Labour, Environment and anti-bribery and corruption); we compare the results with the benchmark. More generally, any company that does not comply with these 10 principles is not eligible for investment.

6.3 What media tools exist to inform investors about SRI management of the fund(s)?

FUND INFORMATION SHEET

- Financial data and soon ESG data (currently being enhanced)
- Available on the asset management company's website
- Frequency: monthly, semi-annual and annual

INVESTOR PRESENTATION DOCUMENT

- Available on request from the sales team
- Frequency: regular update

MORNINGSTAR GLOBES

- Available on the Morningstar website
- Frequency: monthly

TRANSPARENCY CODE

- Available on the asset management company's website
- Frequency: Ad hoc

GENERAL PRESENTATION OF SRI MANAGEMENT (fund video and general information)

- Available on the asset management company's website
- Update frequency: based on new developments.

6.4 Does the management company publish the results of its voting policy and engagement policy? Art. 173

Yes.

In line with its sustainable investment policy, ABN AMRO Investments Solutions does not engage directly with the issuers in which its funds invest. Indeed, this function is delegated to its (external) portfolio managers. However, ABN AMRO Investment Solutions has put in place a procedure to verify and monitor the engagement actions of its delegated managers.

The expectations are detailed in "Our engagement principles".

However, ABN AMRO Investment Solutions takes responsibility for voting at general meetings for the funds it manages in accordance with its sustainable investment policy.

For more information, please visit our website:

https://www.abnamroinvestmentsolutions.com/fr/investissement-socialement-responsable-abn-amro-investment-solutions/Sustainability_related_disclosures.html

ENGAGEMENT POLICY WITH ISSUERS FOR THE FUND: PARNASSUS INVESTMENTS, PORTFOLIO MANAGER BY DELEGATION

Engagement policy and engagement report (only available in English)

www.parnassus.com/esg#engagement.html

VOTING POLICY FOR THE FUND¹⁴: ABN AMRO INVESTMENT SOLUTIONS, ASSET MANAGEMENT COMPANY

Voting policy and voting report (available in French)

<https://www.abnamroinvestmentsolutions.com/fr/bas-de-page/informations-reglementaires.html>

¹⁴ Aggregate report

7. Appendices

7.1 AFG definition

| | |
|-------------------------|--|
| ESG criteria | Environment, Social and Governance. |
| Environmental Dimension | Refers to the direct or indirect impact of an issuer's activity on the environment. |
| Social Dimension | Relates to the direct or indirect impact of an issuer's activity on stakeholders based on universal values (human rights, international labour standards, anti- corruption, etc.). |
| Governance Dimension | Set of processes, regulations, laws and institutions that influence the way in which the company is managed, administered and controlled. This dimension also includes relations among the many stakeholders and the objectives that govern the company. These key players include the company's shareholders, management and members of the board of directors. |
| SRI | "SRI (Socially Responsible Investment) is an investment that aims to reconcile economic performance with social and environmental impact by funding companies and public institutions that contribute to sustainable development regardless of their business sector. By influencing governance and corporate behaviour, SRI contributes to a responsible economy." (AFG - IFR, July 2013) |
| Issuers | All entities (companies, countries, agencies, supranational agencies or local authorities) that have recourse to the market to finance themselves by issuing equities, bonds and other financial securities. |

7.2 Approaches (as defined by the AFG)

| | |
|------------------|--|
| Engagement | Fund whose objective is to influence the behaviour of the companies in which it invests so as to improve their environmental, social or governance practices. Engagement themes must be defined and the monitoring of engagement actions (individual or collective dialogue, voting at shareholders' meetings, submission of resolutions) must be documented. |
| Exclusion | <p>Funds can apply two types of exclusions:</p> <ul style="list-style-type: none"> - NORMATIVE EXCLUSIONS Normative exclusions entail excluding companies that do not comply with certain international standards or conventions (human rights, ILO convention, Global Compact, etc.) or countries that have not ratified certain international treaties or conventions. - SECTOR EXCLUSIONS Sector exclusions entail excluding companies from business sectors such as alcohol, tobacco, weapons, gambling and pornography for ethical or public health reasons, or GMOs, nuclear power, thermal coal, etc. for environmental reasons. <p>Exclusions resulting solely from a regulatory ban (e.g. controversial weapons, countries under embargo, etc.) are not sufficient to characterise an exclusion approach.</p> |
| Impact investing | <p>Funds that invest in companies or organisations which seek primarily to have a positive environmental or social impact. The impact induced by the investments must be quantifiable.</p> <p>In France, impact investing can be likened to solidarity funds that invest in companies of the social and solidarity economy (SSE).</p> |
| ESG integration | <p>For a management company, ESG integration entails providing its fund managers with Environmental, Social and Governance (ESG) analysis factors that they can incorporate into their investment decisions. ESG integration relies on appropriate resources: organised access to ESG research, the portfolio's ESG or carbon score or any other ex-post monitoring indicator. It is intended to improve understanding of the risks and opportunities associated with each issuer.</p> |
| ESG selection | <p>This approach entails selecting the issuers with the best environmental, social or governance practices. ESG selection can take several forms:</p> <ul style="list-style-type: none"> - best-in-class: selection of issuers with the best ESG practices in their business sector. This approach includes all economic sectors; - best-in-universe: selection of issuers with the best ESG practices independently from their business sector; - best effort: selection of issuers having demonstrably improved their ESG practices over time. |

| | |
|------------------|---|
| ESG-themed funds | Funds that specialise in environmental, social or governance themes. They invest in issuers whose products or services contribute to generating profits consistent with the investment strategy. Selected companies must comply with minimum ESG requirements, such as active monitoring of environmental (E), social (S) and governance (G) controversies, and demonstrate their E or S or G impact. |
|------------------|---|

7.3 Engagement of the AFG, the FIR and the Eurosif

The AFG and the FIR will ensure the widest possible promotion and dissemination of this Code.

To that end, they agree to publish the list of signatories to this Code on their respective websites.

www.afg.asso.fr

www.frenchsif.org



The French Asset Management Association (Association Française de la Gestion Financière - AFG) represents and promotes the interests of third-party portfolio management professionals. It brings together all asset management players from the discretionary and collective portfolio management segments. These companies manage nearly €4,000 billion in assets, including €1,950 billion in French funds and approximately €2,050 billion in discretionary portfolios and foreign funds.

The AFG decided early on to throw its full weight behind the development of socially responsible investing in France.

This involvement is part of a broader effort to promote long-term savings (savings invested in stocks, employee savings and pension savings plans) and asset quality (corporate governance action), both of which contribute to healthy financing for our economy and the protection of citizens against risks.

AFG – 41 rue de la Bienfaisance 75008 Paris – Tel.: +33 (0)1 44 94 94 00

45 rue de Trèves 1040 Brussels – Tel.: +32 (0)2 486 02 90

www.afg.asso.fr – twitter : @AFG_France



The French Sustainable Investment Forum (Forum pour l'Investissement Responsable – FIR) is a multi-stakeholder organisation that brings together

investors, management companies, ESG rating agencies, consultants, members of civil society, NGOs, trade unions and committed public figures: lawyers, researchers, journalists, etc.

The FIR's missions include lobbying public authorities and engaging in dialogue with companies on environmental, social and governance issues. The FIR also sponsors the "Finance and Sustainability" European research award. This award, in association with the PRI (Principles for Responsible Investment), has recognised outstanding academic research every year since 2005. The Forum coordinates Responsible Finance Week, which it created in 2010.

The FIR is a founding member of Eurosif.

FIR - 27 avenue Trudaine 75009 Paris – Tel.: +33 (0)1 40 36 61 58

www.frenchsif.org



The European Sustainable Investment Forum is the European association for the promotion of sustainable and responsible investment practices. A non-profit organisation, Eurosif works together with its members, European national forums that share a common mission, through a network of partners. This network encompasses a wide array of stakeholders from the responsible investment industry, from fund managers to their specialised services providers such as non-financial rating agencies. Based in Brussels, Eurosif focuses most of its efforts on lobbying European institutions to support SRI and to integrate sustainable development issues into investment, promoting the European Transparency Code and researching and studying market practices and changes in them.

Today, Eurosif is the leading European organisation for all stakeholders interested in the development of responsible investment practices.

EUROSIF - 59, Adolphe Lacomblé, B-1030 Brussels – Tel.: +32 (0)2 273 29 48

www.eurosif.org