ABN AMRO Aegon Global Impact Equities

Website Product Disclosure

ABN·AMRO Investment Solutions

Summary

Sustainable Investment Objective & DNSH

ABN AMRO Aegon Global Impact Equities ("the Sub-Fund") follows a multi-thematic sustainable investment strategy. The portfolio will be composed of companies exposed to the UN Sustainable Developments Goals (SDGs) and considering the SDG Solutions Assessment (SDGA) methodology of the external data provider ISS. As part of its sustainable investment objective, the Sub-Fund invests in companies contributing positively to environmental and social solutions. To define the sustainable investment universe, a "pass-fail" approach is used using a set of criteria. The "Do Not Significant Harm" (DNSH) principle is always applied on the entire investment universe and is compiled by taking into account adverse impacts indicators listed in the Delegated Regulation (EU) 2022/1288 of 6 April 2022.

Investment Strategy

The Sub-Fund considers ESG analysis at every stage of the investment process when: screening the initial universe, selecting the eligible companies, constructing the portfolio, deciding to sell a company and replace it by another company, engaging actively with a company to maximise the positive impact trajectory.

The process of selecting companies starts with applying quantitative screens on a global universe by using the external ESG data providers Sustainalytics and ISS. The first screen is performed relying on the ESG data from Sustainalytics and consist of i.) applying activity-based and norm-based exclusions and of ii.) ranking companies in their sub-industry peer groups according to their ESG risk score. Only companies that pass the exclusions tests and that are ranking within the first 50% in their sub-industry peer group are eligible. The second quantitative screen will rely on the overall Sustainable Development Goals solutions score of the external data provider ISS.

Subsequently to these quantitative screenings, the investment manager performs a qualitative assessment on the company's impact to ascertain the positive impact of the company and/or to assess if the company was or is involved in any activities that harm the sustainable objectives. This analysis may also lead to initiate engagement actions with the company. Active ownership (via voting and/or engagement) is also used to encourage companies to act more responsibly and sustainably across their business.

Proportion of Investment

The Sub-Fund invests at least 90% of its net assets in assets that have been determined as "eligible" as per the sustainable investment process in place, hence in investments that are defined as sustainable. The analysis covers 100% of the sustainable investments. Sustainable investments target a minimum of 35% assets with environmental objectives and 35% with social objectives. Investments with environmental objectives are made in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy.

Monitoring of the Sustainable Investment

The Management Company monitors the sustainability characteristics of the constituents all along the lifecycle of the Sub-Fund. The monitoring of the sustainability investment eligibility criteria and the compliance with the set of exclusions is ensured through a dedicated control framework in pre-trade and post-trade controls (some controls are automated). The Management company will verify that the exposure's minimum thresholds to the E and S objectives is met during periodic controls.

Data sources and processing

The Management Company assesses the sustainability characteristics of the Sub-Fund's constituents using the external data provider Sustainalytics. The Management Company uses mainly the following two data providers: (i) Sustainalytics for ESG risk scores, controversies, product involvement as well as alignment with global standards (e.g. OECD Guidelines for Multinational Enterprises) and some Principal Adverse Impact indicators (ii) ISS to measure the positive contribution to social and environmental solutions of the Sub-Fund using the related Sustainable Development Goals Score data solution. ISS is also used to retrieve some Principal Adverse Impacts indicators and as a proxy voting solution.

The Management Company has a thorough data provider selection process in place. After selection the Management Company remains in continuous dialogue with the data providers on the quality of the data, the companies for which data is available and the need for additional data to support the investment decisions. The Management Company ensures access to source data via the data providers' web portals or in their data management systems feeding the appropriate analysis tools.

Due Diligence

The Management Company carries out due diligences for the selection and monitoring of any external management company that may be involved in the Sub-Fund investment strategy as Aegon Asset Management in charge of the engagement activities.

The operational due diligence specialists' team (ODD team) identifies, selects, and monitors high quality external management companies partnering with the Management Company in delivering investment services. More globally, the ODD team is responsible for assessing the manager's financial strength, the compatibility of its organization with the proposed investment process, the robustness of its operations, risk management and compliance processes, its expertise and the various tool's reliability.
The investment managers team is responsible for the portfolio construction and investments all along the lifecycle of the Sub-Fund. The team uses a dedicated internal tool to verify the adequacy of the investment with the Sub-Fund sustainability objectives and criteria (pre-trade controls).
The ESG team supports the ODD team in reviewing the process and methodologies implemented by the External Management Company when considering ESG and sustainability issues to make sure that all capabilities are in place to deliver a proper engagement action plan. The ESG team also supports the investment manager teams via an interactive dialogue. The ESG team monitors the Sub-Fund's underlying investments against the overall sustainable investment objective, as well as the sustainability indicators for all the Sub-Fund's holdings and may investigate if needed. In addition, the ESG team is responsible for periodically reviewing the exclusion lists, also ensures the proper understanding and implementation of regulatory requirements on green finance, such as SFDR, RTS or Taxonomy, throughout the entire product range.

DNSH

No significant harm to the sustainable objective

The "Do No Significant Harm" (DNSH) principle is compiled by taking into account adverse impacts indicators listed in the Delegated Regulation (EU) 2022/1288 of 6 April 2022. The Sub-Fund takes into consideration all the adverse impact indicators listed in Table 1 of Annex 1 that are applicable to investee companies. In addition, the Sub-Fund takes into consideration PAI No. 4 in Table 2 of Annex 2, applicable to investee companies, relating to investments in companies without carbon reduction initiatives. The Sub-Fund also takes into consideration PAI No. 15 of Table 3 of Annex 1, applicable to investee companies, relating to the lack of anti-corruption and anti-bribery policies. The Sub-Fund considers adverse impacts of its investments on society and the environment through a combination of portfolio management decisions, engagement, and the exclusion of issuers associated with controversial conduct or activities.

Table 1		
1	GHG Emissions	Portfolio management decisions and engagement activities
2	Carbon Footprint	Portfolio management decisions and engagement activities
3	GHG Intensity of investee companies	Portfolio management decisions and engagement activities
4	Exposure to companies active in the fossil fuel sector	Portfolio management decisions and engagement activities
5	Share of non-renewable energy consumption and production	Portfolio management decisions and engagement activities
6	Energy consumption intensity per high impact climate sector	Portfolio management decisions and engagement activities
7	Activities negatively affecting biodiversity sensitive areas	Portfolio management decisions and engagement activities
8	Emissions to water	Portfolio management decisions and engagement activities
9	Hazardous waste and radioactive waste ratio	Portfolio management decisions and engagement activities
10	Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Exclusion
11	Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Portfolio management decisions and engagement activities
12	Unadjusted gender pay gap	Portfolio management decisions and engagement activities
13	Board gender diversity	Portfolio management decisions and engagement activities
14	Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons, and biological weapons)	Exclusion
Table 2		
4	Investments in companies without carbon emission reduction initiatives	Portfolio management decisions and engagement activities
Table 3		
15	Lack of anti-corruption and anti-bribery policies	Portfolio management decisions and engagement activities

Further information on principal adverse impacts will be provided in an annex to the Sub-Fund's annual report.

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

Sustainable investment objective of the financial product

ABN AMRO Aegon Global Impact Equities ("the Sub-Fund") follows a multi-thematic sustainable investment strategy. The portfolio will be composed of companies exposed to the UN Sustainable Developments Goals (SDGs) and considering the SDG Solutions Assessment (SDGA) methodology of the external data provider ISS. As part of its sustainable investment objective, the Sub-Fund invests in companies contributing positively to environmental and social solutions. To define the sustainable investment universe, a "pass-fail" approach is used using a set of criteria. The DNSH principle is always applied on the entire investment universe.

No reference benchmark has been designated for the purpose of attaining the sustainable objectives followed by the Sub-Fund.

Investment Strategy

Description of the strategy

The Sub-Fund considers ESG analysis at every stage of the investment process when: screening the initial universe, selecting the eligible companies, constructing the portfolio, deciding to sell a company and replace it by another company, engaging actively with a company to maximise the positive impact trajectory.

The process of selecting companies starts with applying quantitative screens on a global universe by using the external ESG data providers Sustainalytics and ISS. The first screen is performed relying on the ESG data from Sustainalytics and consist of i.) applying activity-based and norm-based exclusions and of ii.) ranking companies in their sub-industry peer groups according to their ESG risk score. Only companies that pass the exclusions tests and that are ranking within the first 50% in their sub-industry peer group are eligible. The second quantitative screen will rely on the overall SDG solutions score of the external data provider ISS; these overall scores are composed of 15 sub-scores (tackling environmental and/or social issues) assessing in what proportion the products and solutions provided by the companies are likely positively or negatively addressing one or several of the 17 UN-Sustainable Development Goals.

Subsequently to these quantitative screenings, the investment manager performs a qualitative assessment on the company's impact. The investment manager will ascertain the positive impact of the company through an additional in-depth rigorous analysis to understand whether the impact can be justified, whether the business activities with positive impact represents a significant share of the company's overall business activities, and whether the company was or is involved in any activities that harm the sustainable objectives. The assessment leads the investment manager to classify companies into 5 categories based on their impact contribution (i.e., leader, improver, influencer, neutral and ineligible); the final assertion on the company eligibility is made by the ad-hoc committee of the investment manager. The qualitative assessment enhances the initial quantitative screenings using the proprietary impact assessment methodology developed by the investment manager. This analysis may also lead to initiate engagement actions with the company. Based on this qualitative assessment, the investment manager will take the decision to invest or divest. Active ownership (via voting and/or engagement) is also used to encourage companies to act more responsibly and sustainably across their business.

Good governance

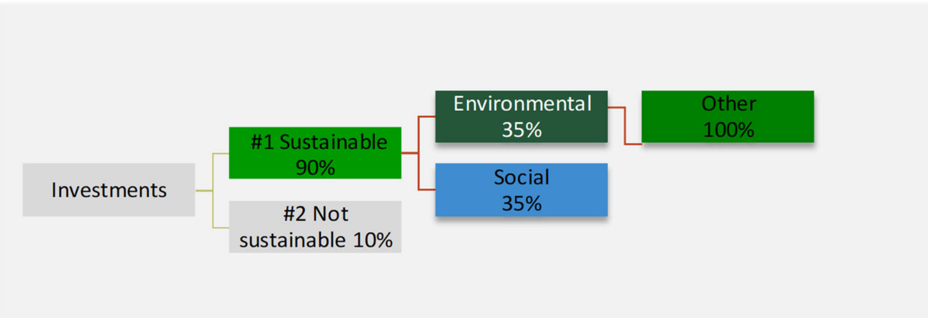
As part of its "Good Governance Policy", the Management Company of the Sub-Fund determines if a company does not follow good governance practices. Companies that do not follow good governance practices are excluded from the initial investment universe of the Sub-Fund. The data source used for all below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

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 (equivalent to levels 4/5 and 5/5)	As part of the controversy assessment, the following topics are included: accounting irregularities, bribery and corruption, anti-competitive practices, sanctions as well as board composition.
Employee Relations	UN Global Compact – Principles 3, 4, 5 and 6	Watchlist and Non-Compliant status	Principle 3, 4, 5 and 6 of the UN Global Compact are related to labour conditions. The principles state that businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced and compulsory labour; the effective abolition of child labour; and the elimination of discrimination in respect of employment and occupation.
	Social Controversy Assessment	High & Severe Levels (equivalent to levels 4/5 and 5/5)	As part of the controversy assessment, the following topics are included: freedom of association, child/forced labour, health and safety, community relations, respect of human rights, labour standards, discrimination, and harassment.
Tax Compliance	Governance Controversy Assessment	High & Severe Levels (equivalent to levels 4/5 and 5/5)	As part of the controversy assessment, taxes avoidance and evasion are taken into consideration.
Remuneration of Staff	Governance Controversy Assessment	High & Severe Levels (equivalent to levels 4/5 and 5/5)	As part of the controversy assessment, remuneration is taken into consideration.

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 sustainable investment process in place, hence in investments that are defined as sustainable (#1 Sustainable). The proprietary sustainable analysis covers 100% of the “#1 Sustainable” investments.” #1 Sustainable” investments include a minimum of 35% assets with environmental objectives and 35% with social objectives. Investments with environmental objectives are made in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy.

Up to 10% of the investments are not aligned with these characteristics (#2 Not Sustainable). “#2 Not Sustainable” includes derivatives, bank deposits at sight, including cash held in current accounts with a bank accessible at any time. These are used for hedging purposes. The proportion and use of investments that are considered as not sustainable does not affect the delivery of the sustainable investment objective, as these investments are neutral to such objective. Besides, minimum environmental or social safeguards are only applied to the underlying investments when relevant. The nature of these assets does not undermine the sustainable objectives pursued by the Sub-Fund. A more detailed description of the specific asset allocation of this Sub-Fund can be found in the prospectus of this Sub-Fund.



#1 Sustainable covers sustainable investments with environmental or social objectives.
#2 Not sustainable includes investments which do not qualify as sustainable investments.

Monitoring of the sustainable investment objective

The pre-trade and post-trade monitoring and oversight of the sustainability characteristics defined for the Sub-Fund are undertaken by the Management Company and ensured through a dedicated control framework. The Management Company, through its Business Control & Oversight team, performs pre-trade controls based on the indicators and objective set in the precontractual document as well as 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

The analysis of certain sustainability indicators is systematically integrated into the investment decision making process. The attainment of the sustainable investment objectives is assessed by investing in securities financing economic activities that substantially contribute to the environmental and/or social objectives mentioned above. To define the sustainable investment universe, a “pass-fail” approach is used using a set of criteria. No other criteria than the one mentioned below are used to define the sustainable investment nature of an investment. The DNSH principle is always applied on the entire investment universe. To be eligible to the investment universe, issuers must meet at least one of the criteria mentioned below:

- Having net positive aggregated social solutions score by reference to the Sustainable Development Goals. The criterion is sourced from the external data provider ISS. This criterion assesses the overall, aggregated impact of an issuer’s product portfolio on the achievement of social objectives. For corporate issuers the SDG Solutions Score considers only the most distinct objectives scores, i.e., the highest positive and/or the lowest negative score, based on contributing and obstructing impacts on social objectives. The SDGS is calculated as the sum of the highest positive and the lowest negative objective score and ranges on a scale from -10.0 to 10.0. Non-eligible issuers include the negative and neutral score.
- Having net positive aggregated environmental solutions score by reference to the Sustainable Development Goals. The criterion is sourced from the external data provider ISS. This criterion assesses the overall, aggregated impact of an issuer’s product portfolio on the achievement of Environmental objectives. For corporate issuers the SDG Solutions Score considers only the most distinct objectives scores, i.e., the highest positive and/or the lowest negative score, based on contributing and obstructing impacts on Environmental objectives. The SDG Solutions Score is calculated as the sum of the highest positive and the lowest negative objective score and ranges on a scale from -10.0 to 10.0. Non-eligible issuers include the negative and neutral score.
- Having a net positive aggregated overall SDG. This criterion assesses the overall, aggregated impact of an issuer’s product portfolio on the achievement of sustainability objectives. For corporate issuers the SDG Solutions Score considers only the most distinct objective scores, i.e., the highest positive and/or the lowest negative score, based on contributing and obstructing impacts on sustainability objectives. The SDG Solution Score is calculated as the sum of the highest positive and the lowest negative objective score and ranges on a scale from -10.0 to 10.0. Non-eligible issuers include the negative and neutral score.
- Exposure to companies that do not meet the above criteria, but for which there is a trajectory of engagement with the company that could lead to meeting one or more of these criteria.

Data sources and processing

The Management Company assesses the sustainability characteristics of the Sub-Fund's constituents using the external data provider Sustainalytics. The Management Company uses mainly the following sources of data providers:

- Sustainalytics for ESG risk scores, controversies, product involvement as well as alignment with global standards (e.g. OECD Guidelines for Multinational Enterprises) and some Principal Adverse Impact indicators.
- ISS to measure the positive contribution to social solutions of the Sub-Fund using the Sustainable Development Goals Overall Social Score data solution. The solution measures the positive and negative sustainability impacts of companies’ product and services portfolios. The solution follows a thematic

approach that encompasses distinct sustainability objective using the United Nations Sustainable Development Goals (SDGs) as a reference framework. The solution focus is in assessing to what extent companies are making use of existing and emerging opportunities to contribution to the achievement of global sustainability objectives by offering innovative product and services with a positive real-life impact. ISS is also used to retrieve data on some Principal Adverse impact’s indicators and as a proxy voting solution.

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.

Limitations to methodologies and data

The methodologies and data used have the following limitations:

- Data quality: the approach followed includes quantitative analysis and qualitative analysis of a company's sustainability credentials. The methodology is subject to limitations, including reliance on the quality of data provided by investee companies or third-party research providers as well as quantification of qualitative data.
- Coverage: The overall analysts, ESG team and management team in charge of the analysis of the Sub-Fund is not staffed to cover the entire investment universe and methodological limitations exist. In addition, with respect to external data providers, although the number of companies covered by data providers has increased significantly over time, and continues to increase, there may be instances where a specific company is not assessed by them. This is because either the data provider does not cover the company in question, or the company has not provided the data necessary for a proper assessment by the data provider.
- Discrepancy in ratings: The Data used for the analysis of the Sub-Fund is obtained from different data providers that have different methodologies for assessing ESG/Sustainability 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 score or ESG ratings, some of the more technical calculations are based on estimated data.

Due diligence

The ESG team of the Management Company is actively carrying out due diligences on the underlying assets of the Sub-Fund. The ESG team reviews the process and methodologies implemented when considering ESG and sustainability issues to make sure that all capabilities are in place to deliver a proper engagement action plan. The ESG team also supports the investment manager teams via an interactive dialogue. The ESG team monitors the Sub-Fund's underlying investments against the overall sustainable investment objective, as well as the sustainability indicators for all the Sub-Fund's holdings. If a holding is identified as not meeting the sustainability characteristics of the Sub-Fund, the ESG team will further investigate the issue through an internal analysis. In addition, the ESG team is responsible for periodically reviewing the exclusion lists, assessing the relevance of the latest ESG information regarding restricted companies 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.

Engagement policies

The Management Company delegates responsibility for engagement for this Sub-Fund to Aegon Investment Management but keeps responsibility for proxy voting.

All the companies in which the sub-fund invests are assessed as generating positive impact for society and/or the environment. Nevertheless, it is possible that the sub-fund identifies ways in which this impact could be strengthened, or ESG risks could be alleviated. There are also cases where additional information or clarifications is needed to help understand how and why the company creates positive outcomes. This means that engagement with companies is done both before and after the decision to invest. Engagement typically takes the form of a cooperative discussion between Aegon Investment Management and the company. After flagging a certain topic during the investigation phase, a dialogue is initiated. The monitoring of the progress on each impact analysis item uses a milestone system.

Attainment of the sustainable investment objective

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