

Index Mandate

Sustainability-related information

April 2025

Summary

This summary provides an overview of the information disclosed below. For a more detailed explanation on any of the items in this summary please refer to the sections below.

No sustainable objective

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

Environmental or social characteristics of the financial product

The Index Mandate promotes environmental and/or social characteristics by:

- ▶ Exclusion of companies engaged in controversial activities.
- ▶ Exclusion of government bonds issued by controversial countries.
- ▶ Exclusion of investments that do not follow good corporate governance practice.

Investment strategy

The investment strategy of the Mandate is to construct an investment portfolio that promotes environmental and social characteristics by excluding controversial and harmful investments.

The Mandate can invest directly in equities, corporate bonds and government bonds. Or indirectly by investing in a fund. Funds can be managed by ABN AMRO Investment Solutions (AAIS) or by external fund providers.

The Mandate uses binding elements, such as exclusions, in the selection of the direct investments in equities, corporate bonds and government bonds, as well as for funds managed by ABN AMRO Investment Solutions within the portfolio. External fund providers use their own criteria to select investments, which may be more

or less stringent. We only select external fund providers whose fund methodologies adhere to a minimum subset of our internal ESG requirements.

Proportion of investments

The criteria for this Mandate apply to at least 70% of the direct investments in equities, corporate bonds and government bonds, as well as to funds managed by ABN AMRO Investment Solutions within the portfolio. External fund managers use different methodologies, criteria and data to promote the environmental and social characteristics.

The Mandate does not use derivatives to attain the environment or social characteristics promoted.

Monitoring of environmental or social characteristics

Sustainability Indicators are used to measure the extent to which the goals of the mandate have been met. The sustainability indicators are:

- ▶ At least 70% of the portfolio, excluding funds managed by external providers, does not contain companies engaged in controversial activities.
- ▶ At least 70% of the portfolio, excluding funds managed by external providers, does not contain government bonds issued by controversial countries.
- ▶ The portfolio does not contain investments in companies that do not follow good corporate governance practices

Methodologies for environmental or social characteristics

To measure how the environmental and social characteristics of the Mandate are met we use external data providers to assess the sustainability indicators.

Data sources and processing

To measure attainment of the environmental and social characteristics and the sustainability indicators data of Morningstar Sustainalytics, ISS, and MSCI is used.

The data providers have been selected after a thorough due diligence process. Data from data providers are processed through our own internal systems which compile data per Mandate.

The data provided from data providers can include estimations, but ABN AMRO will not alter data received in any way. In certain situations, ABN AMRO may interpret this data and use it accordingly. ABN AMRO communicates with the data provider to mitigate any data gaps, yet there would be no alteration of data within data storage. ABN AMRO addresses any found data quality issues and data gaps in a swift and good manner.

Limitations to methodologies and data

ABN AMRO considers that limitations to data and methodologies should not materially affect the extent to which the environmental and/or social characteristics promoted can be achieved. A majority of the assets which make up the investment universe currently do have available data and if there is no available data for a financial instrument, it is possible that this asset can be excluded from the Mandate.

Due diligence

All investments in this Mandate are assessed to ensure that they are in line with the environmental or social characteristics of the mandate, using our internal methodologies and data from our data providers. Internal and external controls are in place, including in relation to using the expertise of ESG and data specialists, and a thorough Due Diligence process for data providers and fund managers that we work with.

Engagement policies

ABN AMRO aims to enhance the management of Environmental, Social, and Governance (ESG) issues through engagement and voting.

ABN AMRO's engagement approach is categorised into four strategies:

1. Delegated Engagement: Partnering with EOS at Federated Hermes Limited, a leading stewardship service provider, to leverage collective investor strength for impactful engagement.
 2. Theme-Driven Engagement: Participating in collaborative initiatives like Climate Action 100+ to address specific sustainable business practices.
 3. Investment Insight Engagement: Engaging for informed stock selection and portfolio monitoring, addressing ESG risks and opportunities.
 4. Multifaceted Engagement: Tackling specific issues not covered by other strategies, assessing financial exposure, ESG risks, and feasibility of engagement.
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No sustainable objective

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

Environmental or social characteristics of the financial product

The Index Mandate (hereafter: 'the Mandate') promotes environmental and/or social characteristics by excluding controversial and harmful investments.

The environmental and social characteristics are promoted by the Mandate by:

- ▶ Exclusion of companies engaged in controversial activities.
- ▶ Exclusion of government bonds issued by controversial countries.
- ▶ Exclusion of investments that do not follow good corporate governance practice.

Investment strategy

The investment strategy of the Mandate is to construct an investment portfolio that promotes environmental and social characteristics by excluding controversial and harmful investments. The Mandate can invest directly in equities, corporate bonds and government bonds. Or indirectly by investing in a fund. Funds can be managed by ABN AMRO Investment Solutions (AAIS) or by external fund providers.

Criteria for direct investments and funds managed by ABN AMRO Investment Solutions

The Mandate uses the following binding elements in the selection of the direct investments in equities, corporate bonds and government bonds, as well as for funds managed by ABN AMRO Investment Solutions within the portfolio:

Exclusion of companies engaged in controversial activities

The following controversial activities are excluded by the Mandate:

- ▶ Companies on the ABN AMRO Controversial Weapons List (CWL). The CWL contains companies that produce, sell or distribute cluster munitions, as well as companies involved in other controversial weapons (weapons that have a disproportionate and indiscriminate impact on civilians).
 - ▶ Companies on the ABN AMRO Security Sanctions List (SSL). The SSL contains companies on which sanctions are imposed or that are associated with natural or legal persons, entities or bodies on which sanctions are imposed. Sanctions are restrictive measures imposed by governments, international organisations or supranational bodies against a target following violation of international law, human rights or democratic principles, or to combat money laundering and the financing of terrorism.
 - ▶ Companies with involvement in tobacco production (growers and manufacturers);
 - ▶ Companies non-compliant with the 10 principles of UN Global Compact;
 - ▶ Companies with involvement (exceeding 10% of total turnover) in thermal coal mining;
 - ▶ Companies with involvement (exceeding 10% of total turnover) in power generation from thermal coal.
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Exclusion of government bonds issued controversial countries

- ▶ Countries on ABN AMRO's Security Sanctions List;
- ▶ Countries that have not ratified the Non-Proliferation of Nuclear Weapons Treaty;
- ▶ Countries that have not ratified the Paris Agreement;
- ▶ Countries that have not ratified the ILO Convention 182 on Child Labor

Exclusion of investments that do not follow good corporate governance practices

Companies that cannot demonstrate good corporate governance practices are excluded from the portfolio.

For direct investments in equities and corporate bonds, as well as for funds managed by ABN AMRO Investment Solutions within the portfolio, we assess governance practices of investee companies based on 4 elements:

1. Sound management structures
2. Employee relations
3. Remuneration of staff
4. Tax compliance

ABN AMRO has determined quantitative and qualitative eligibility criteria for these 4 elements. Companies that demonstrate the poorest governance practices compared to peers are deemed in breach of our criteria for good governance practices.

External fund providers use their own methodology and data to assess for good governance. These methodologies will differ from our internal methodologies and may be less stringent. We select external funds that fall under Article 8 of the SFDR, which requires good governance practices.

Criteria for funds from external fund providers

The mandate may also include funds, including ETFs, issued by external fund providers. External fund providers use their own methodologies and data to select investments. These methodologies will differ from our internal methodologies and may be less stringent. When selecting these fund providers, we take into account the environmental and social characteristics the mandate promotes. We only select external fund providers whose fund methodologies adhere to a minimum subset of our internal ESG requirements.

Minimum criteria for external funds to be selected for this mandate are:

- ▶ The fund promotes environmental and/or social characteristics as per the requirements of at least Article 8 of the Sustainable Finance Disclosure Regulation (SFDR);
- ▶ The fund excludes production of tobacco;
- ▶ The fund excludes (to a certain extent, which can be based on a revenue threshold) companies that:
 - produce, sell or distribute controversial weapons;
 - are subject to norms-based violations (such as the UN Global Compact and the OECD guidelines).

These environmental and social characteristics apply to at least 70% of the portfolio. The portfolio is considered as all investments, excluding cash, money market instruments and derivatives.

Integration of sustainability risks

ABN AMRO defines integration of sustainability risks in the investment-decision making process as systematically taking into account those ESG factors that have a material effect on investment risk and

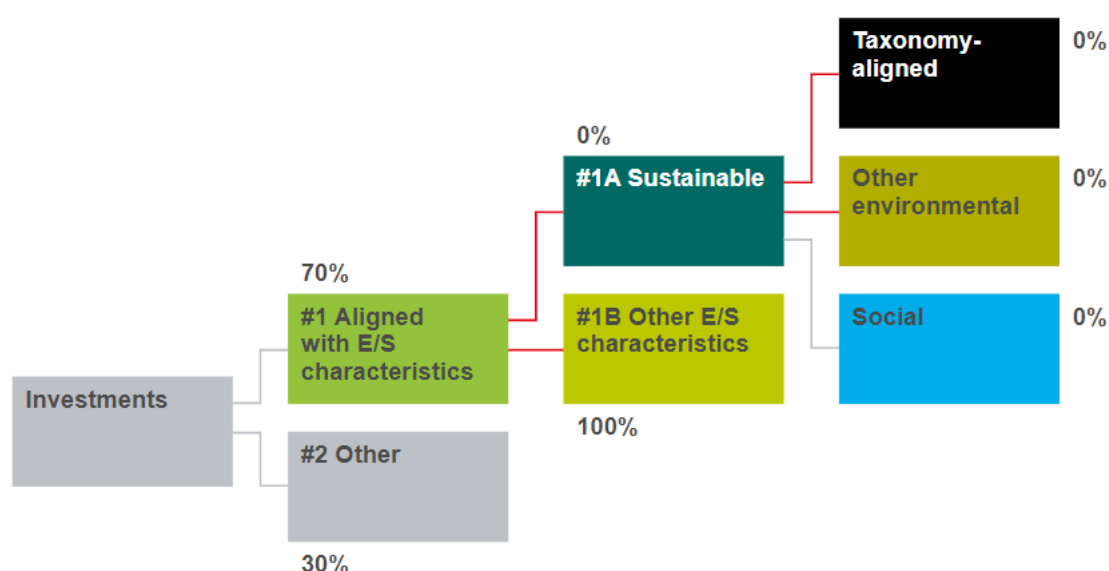
return. Sustainability risks in this context means an environmental, social or governance (“ESG”) event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment.

Sustainability risk can have a negative impact on the asset value and expected cash flow like dividends. Examples over the past years include large environmental accidents or fraud cases that result in fines/penalties or additional operational costs. The likelihood of these sustainability risks affecting the financial performance of the portfolio is mitigated by our investment process. In our selection process, we apply different exclusion criteria for example for controversial activities like tobacco production.

Please refer to the transparency on integration of sustainability risk disclosure for the Mandate for a more detailed description.

Proportion of investments

The Mandate must invest at least 70% of the portfolio in investments that meet the criteria of this Mandate. The portfolio is considered as all investments, excluding cash, money market instruments and derivatives.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

For diversification purposes, a maximum of 30% of the portfolio can be invested in investments which do not (entirely) meet the environmental and social characteristics promoted by this Mandate. This may be

the case where such investments are not available or where there is insufficient data available to establish that the investment meets the criteria.

Minimum safeguards apply to all investments, including those that do not (entirely) meet the environmental and social characteristics promoted by this Mandate. As per these minimum safeguards, the Mandate excludes all investments in companies or government that are subject to sanctions, or that are involved in tobacco or controversial weapons (cluster munition for external funds). Furthermore, all investments in the portfolio will meet the good governance requirements.

The Mandate does not use derivatives to attain the environmental or social characteristics promoted. Which means that the environmental and social characteristics of this Mandate do not apply to derivatives. The only derivatives used are interest rate and foreign exchange derivatives. These derivatives allow the portfolio managers to offset the risks posed by interest rate and exchange rate volatility of bonds which are part of the portfolio. Derivatives are not part of the 70% or 30% of the portfolio which promotes environmental and/or social characteristics.

Monitoring of environmental or social characteristics

Sustainability Indicators are used to measure the extent to which the goals of the mandate have been met. The sustainability indicators are¹:

- ▶ At least 70% of the portfolio, excluding funds managed by external providers, does not contain companies engaged in controversial activities.
- ▶ At least 70% of the portfolio, excluding funds managed by external providers, does not contain government bonds issued by controversial countries.
- ▶ The portfolio does not contain investments in companies that do not follow good corporate governance practices.

Compliance with the environmental and social characteristics promoted by the Mandate is monitored on a regular basis. This ensures that portfolios align with the requirements for portfolio alignment and the criteria for environmental or social characteristics of the product. For this monitoring, data from Morningstar Sustainalytics, ISS, and MSCI is used. The portfolio managers have access to this data and assess the environmental and social characteristics on a continuous basis.

Clients are informed annually via the SFDR periodic reporting on how the Mandate performs on the sustainability indicators described above. Indicators may change over time, for instance in case of new and/or more suitable indicators available in the future. See the next section for more information on the methodologies used.

Internal control mechanisms include analyst tests on the data and checking for outliers, along with ensuring that reported data does not significantly differ from expectations. Reviewing data collected and shown is a key part of the selection process and may influence confirmation of the acceptable investment universe. ABN AMRO engages with our data providers when needed to discuss any differences in expected data values and for the data providers to perform quality checks when needed.

Methodologies for environmental or social characteristics

To measure how the environmental and social characteristics promoted by the Mandate are met, we use external data providers to select investments that are suitable for this mandate. We map data from data providers against the criteria listed in our investment strategy. Our data dependent methodologies ensure we select only those investments that meet the criteria

Data sources and processing

To measure attainment of the environmental and social characteristics and the sustainability indicators, data of Morningstar Sustainalytics, ISS, and MSCI is used.

Morningstar Sustainalytics

Morningstar Sustainalytics is a data provider. For more information, visit www.sustainalytics.com or www.morningstar.nl.

ISS

ISS is a data provider. For more information, visit www.issgovernance.com.

MSCI

MSCI is a data provider. For more information, visit www.msci.com.

Measures taken to ensure data quality

The data providers have been selected after a thorough due diligence process. Also after selection we remain in continuous dialogue with the data providers on the quality of the data, the investments for which data is available and the need for additional data to support the investment decisions. The portfolio managers and analysts have access to the source data via web portals of the data providers, in FactSet (an integrated data and software solution) and/or data shared via data feeds.

How data is processed

Data from data providers are processed through our own internal systems which collate the data per investment and across all portfolio compositions.

Proportion of data that is estimated

The data which is provided from data providers may be (partially) estimated. ABN AMRO will not alter data received in any way. ABN AMRO may interpret this data and use it accordingly. ABN AMRO may communicate with the data provider to mitigate any data gaps, yet there would be no alteration of data within data storage. ABN AMRO addresses any identified data quality issues and data gaps in a swift and good manner.

Limitations to methodologies and data

The methodologies and data used have in general the following limitations:

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- ▶ Although the number of companies covered by data providers has increased significantly over time, and still is increasing, some specific investments cannot be assessed by a data provider. It will then be discussed with the data provider if the company can be added to their universe.
 - ▶ Companies do not always report the data needed for a proper assessment by the data provider. In that case the data provider may engage with the company to obtain or disclose the data. In some cases, missing data points can be estimated by the data providers, e.g., for carbon emissions. ABN AMRO does not estimate missing data.
 - ▶ Different data providers can have different methodologies to assess ESG performance of investments, which can result in a different opinion on the ESG performance. The outcome of their assessment is subjective to some extent. The portfolio managers will therefore also form their own opinion. The data providers we selected have been selected after a thorough due diligence process with the aim to ensure their methodology is in line with best practices.

The methodologies used have limitations as outlined in the section below. However, ABN AMRO considers that these limitations should not materially affect the extent to which the environmental and/or social characteristics promoted can be achieved. A majority of the assets which make up the investment universe currently do have available data and if there is no available data for a company, it is possible that the asset can be excluded from the allowable universe of investments. ABN AMRO aims to have a majority of its investment universe with verifiable sustainability data. In the case that there is no data available for a desired asset, ABN AMRO communicates with data providers to request inclusion into the data stream. Our portfolio managers and analysts have been trained on many aspects of Sustainability and ESG data quality, therefore we are confident in our abilities to accurately assess and if necessary, adjust the alignment to a certain characteristic, especially in the case of engagement, recent public action, or knowledge regarding the asset.

Due diligence

Investments in our investment universe are assessed, using our internal methodologies and data from our data providers. Portfolio managers select the investments for portfolio's based on the binding ESG criteria of the Mandate.

When portfolio managers select funds, these are recommended and approved by AAIS. AAIS performs an extensive due diligence on the managers and the funds. ESG investment strategies are selected both on a thorough Management Due Diligence (MDD) and a Sustainability Due Diligence (SDD). The SDD forms an integral part of the selection process of an ESG investment strategy. Furthermore, the selection process is tailored to the specific nature of the ESG strategy in question. In some strategies the investment team fully integrates financial and ESG criteria in the security selection and portfolio construction, while in other strategies the financial and ESG research process is more separated and conducted by different teams or by even different organisations. Each ESG investment process has its own specifics and therefore the SDD is to a certain extent tailor-made to the investment strategy at hand. The SDD also contains a rating scheme, the Sustainability Rating, which needs to be used next to the Manager Rating to form an overall opinion of an ESG investment strategy. The Sustainability Rating contains the following elements:

- ▶ ESG Corporate Policy: UN PRI Implementation, Corporate policies
 - ▶ ESG Team: Size and seniority, Quality and competence, Stability and continuity, Motivation and remuneration
 - ▶ ESG Philosophy and Criteria: Sound and well-documented, Negative and/or positive screening, engagement and voting
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- ▶ ESG Process: Eligible universe, Exclusion policies, Research, Infrastructure, Available tools.
 - ▶ Portfolio: Composition, Holdings, Controversies

The portfolio managers will also assess the funds themselves to ensure it fits the environmental and social characteristics promoted by the Mandate.

Internal and external controls ensure that the universe of investments is in line with the environmental or social characteristics of the mandate. Internal and external controls are in place, including in relation to using the expertise of ESG and data specialists, and a thorough Due Diligence process for data providers and fund managers that we work with.

Engagement policies

ABN AMRO defines stewardship as the process through which investors influence companies' business practices, mainly with the focus on enhancing the management of Environmental, Social, and Governance (ESG) issues through engagement and voting. ABN AMRO uses engagement as a tool to foster sustainability and systemic change by aggregating assets to exert influence on portfolio holdings, advocating for enhanced transparency, improved governance, and better environmental and social practices. In addition, ABN AMRO is involved in various initiatives that underscore its commitment to responsible investment and stewardship. For example, the bank is a member of the Climate Action 100+, a global investor initiative that aims to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change. Furthermore, the bank's asset management entity, ABN AMRO Investment Solutions (AAIS), is committed to transition through its participation in the Net Zero Asset Managers initiative and the Net Zero Engagement Initiative, aiming for net-zero emissions in its investments by 2050.

Engagement occurs when an area for improvement is identified within a portfolio company. Triggers may include structural adjustments, ESG rating changes or company controversies. In addition, sustainability issues that affect entire industries or regions, such as climate change, data protection or board governance, among others, offer opportunities for targeted corporate engagement.

The objectives of engagement mainly include:

- ▶ Improve the quality of non-financial disclosures
- ▶ Improving a company's sustainability performance
- ▶ Enhancing company value
- ▶ Supporting ESG pioneers in advancing sustainable business practices
- ▶ Elevating sector standards through dialogue

ABN AMRO engages with investee companies, which represent investments made on behalf of clients' assets. These include existing corporate bond holdings and listed equity investments. In addition, the bank evaluates potential new investments for engagement opportunities. This approach helps transform companies towards sustainable practices and avoids those with low ambitions with regards to their ESG profile and sustainable business practices.

ABN AMRO employs a multifaceted engagement approach, categorised into four strategies:

1. Delegated Engagement: Partnering with EOS at Federated Hermes Limited, a leading stewardship service provider, to leverage collective investor strength for impactful engagement.
 2. Theme-Driven Engagement: Participating in collaborative initiatives like Climate Action 100+ to address specific sustainable business practices.
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3. Investment Insight Engagement: Engaging for informed stock selection and portfolio monitoring, addressing ESG risks and opportunities.
 4. Multifaceted Engagement: Tackling specific issues not covered by other strategies, assessing financial exposure, ESG risks, and feasibility of engagement.

As an asset manager, ABN AMRO Investment Solutions (AAIS) actively exercises voting rights to positively influence corporate governance. AAIS votes all its financial products (including delegated portfolios). As such, AAIS has a voting policy outlining the conditions under which it exercises the voting rights belonging to securities held in portfolios managed by AAIS. Additional information is available in the AAIS Voting Policy.

ABN AMRO is committed to transparency and accountability in its stewardship activities. Ensuring that clients and stakeholders are kept informed about the bank's stewardship activities is an important aspect of fulfilling these responsibilities. ABN AMRO routinely assesses responsible investment and stewardship guidelines to maintain their relevance, considering factors such as evolving market trends or suggestions from external stakeholders. Engagement activities are tracked on an ongoing basis and documented accordingly. The gathered engagement data is analysed to retrieve insights for future engagements, themes and outcomes. Additional information is available in [ABN AMRO's sustainability policy](#), [AAIS Stewardship Report](#) and [AAIS' voting records](#).

Designated reference benchmark

No index has been designated as a reference benchmark to meet the environmental and social characteristics promoted.
