

# ROBECO

## Summary document

### Robeco Institutional Solutions Fund - Robeco Customized Liability Driven Fund VII

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

The Sub-Fund has the following E/S characteristics:

1. The Sub-Fund promotes certain minimum environmental and social safeguards through applying exclusion criteria with regards to products and business practices that Robeco believes are detrimental to society, such as exposure to controversial behaviour, controversial weapons, and fossil certain fossil fuel-related activities.
2. The Sub-Fund promotes investment in countries that perform well on the Robeco Country Sustainability Ranking. The Robeco Country Sustainability Ranking incorporates a wide range of ESG factors such as aging, corruption, social unrest, political risks and environmental risks.
3. The Sub-Fund promotes investment in green, social, sustainable and/or sustainability bonds used to finance environmental and social projects.
4. The Sub-Fund does not invest in companies with a high sustainability risk based on ESG risk scores.
5. The Sub-Fund promotes adherence to and conducting business activities in accordance with the United Nations Universal Declaration of Human Rights, the International Labor Organization's (ILO) labor standards, the United Nations Guiding Principles for Business and Human Rights (UNGPs), the United Nations Global Compact (UNGC) and the OECD Guidelines for Multinational Enterprises, by scrutinizing companies that violate these principles.

There is no reference benchmark designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-Fund.

#### Investment Strategy

Robeco Customized Liability Driven Fund VII is an actively managed fund that invests in global government bonds and/or global supranational bonds and/or global government related bonds and may invest in corporate bonds.

The selection of these bonds is based on fundamental analysis. The strategy integrates sustainability indicators on a continuous basis as part of the security selection process. Amongst others, the Sub-Fund applies country-based exclusions, Robeco's good governance policy and considers Principal Adverse Impacts in the investment process.

#### Benchmark

Not applicable.

#### Planned asset allocation

The product plans to make a minimum of 10% sustainable investments. All investments are aligned with the E/S characteristics, with the exception of investments in the category "other" which are mostly cash and cash equivalents.

#### Monitoring and due diligence

Robeco has incorporated the sustainability aspects of the investment strategies into adequate investment due diligence processes and procedures for the selection and monitoring of investments, amongst others taking into account Robeco's risk appetite and sustainability risk management policies. Portfolio managers and analysts are primarily responsible for conducting investment due diligence on their strategies on a daily basis. They are supported by independent monitoring, performed by the Financial Risk Management and Investment Restrictions departments.

#### Data sources, methodologies and limitations

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

Robeco maintains comprehensive methodology documents of our proprietary analytical frameworks on our website. In addition, for some social and environmental characteristics, Robeco relies on externally sourced content for which we aim to select the best of breed vendor for each of our target characteristics. The primary limitation to the methodology or data source is the lack of corporate disclosure. Like many other financial market participants, we struggle to find adequate information on the principal adverse indicators. To overcome this issue, Robeco has resorted to using multiple data providers, since each has its own respective strengths and weaknesses.

## **Engagement strategy**

Robeco actively uses its ownership rights to engage with companies on behalf of our clients in a constructive manner. Robeco engages with companies worldwide, in both our equity and credit portfolios. The outcomes of our engagement efforts are communicated to analysts, portfolio managers, and clients, enabling them to incorporate this information into their investment decisions as part of Robeco's integrated Sustainable Investing framework. Engagement consists of a constructive dialogue between institutional investors and investee companies to discuss how they manage ESG risks and seize business opportunities associated with sustainability challenges. Robeco carries out two different types of corporate engagement with companies in which we invest: value engagement and enhanced engagement.

Value engagement is a proactive approach focusing on long-term, financially material ESG opportunities and risks that can affect companies' valuation and ability to create value. The primary objective is to create value for investors by improving sustainability conduct and corporate governance.

Enhanced engagement focuses on companies that severely and structurally breach minimum behavioral norms in areas such as human rights, labor, environment and anti-corruption. The primary objective of enhanced engagement is to address reported shortfalls against internationally accepted codes of conduct for corporate governance, social responsibility, the environment and transparency such as the UN Global Compact and OECD Guidelines for Multinational Enterprises. In this approach, we monitor companies on several PAI indicators in relation to human rights, labor standards, the environment and anti-corruption.

Engagement with governments, government related agencies, or regulators can add value to our engagement program. Therefore, we take part in consultations and provide feedback on regulations that facilitate a better or level playing for ESG issues. In 2021, Robeco has participated in multiple collaborative sovereign engagement efforts to address deforestation, and is assessing future opportunities for additional sovereign engagement.