
Exclusion Policy Robeco

1. Introduction

Robeco Institutional Asset Management (hereinafter: Robeco) actively advocates sustainability investing by integrating environmental, social and governance factors (ESG) into the investment process in various ways. We are convinced this leads to better-informed investment decisions.

One of the tools we use is exercising our investor responsibilities. An engagement with listed companies has proven to be a useful instrument to influence corporate behavior. Robeco considers exclusions from its investment universe to be an action of last resort. Engagement or an active dialogue with listed companies is our first and preferred option.

2. Focus Areas

Controversial behavior

Robeco acts in accordance with the United Nations Global Compact (UNGC) to assess the behavior of listed companies. An enhanced engagement process is applied with listed companies that have severe breaches of the UNGC principles which are outlined in annex 1. If this enhanced engagement, which may last up to a three year period, does not lead to the desired change, Robeco will decide to exclude a listed company from its investment universe.

Controversial weapons

Robeco deems anti-personnel mines, cluster munitions, chemical, biological weapons, depleted uranium weapons and nuclear weapons to be controversial weapons. Exclusion is applied to listed companies that are manufacturers of certain products that do not comply with the following treaties or legal bans on controversial weapons:

1. The Ottawa Treaty (1997) which prohibits the use, stockpiling, production and transfer of anti-personnel mines.
2. The Convention on Cluster Munitions (2008) which prohibits the use, stockpiling, production and transfer of cluster munitions.
3. The Chemical Weapons Convention (1997) which prohibits the use, stockpiling, production and transfer of chemical weapons.
4. Biological Weapons Convention (1975) which prohibits the use, stockpiling, production and transfer of biological weapons.
5. The Treaty on the Non-Proliferation of Nuclear Weapons (1968) which

limits the spread of nuclear weapons to the group of so-called Nuclear-Weapons States (USA, Russia, UK, France and China).

6. The Dutch act on Financial Supervision 'Besluit marktmisbruik' art. 21 a.

In addition to applicable rules and regulation in this respect, Robeco will not invest through any of the Robeco-governed funds in securities of listed companies that are producers of such controversial weapons or of strategic parts thereof, or that gain revenues out of selling or transporting them.

If company A is owned (partially) by company B and company B is involved in the production of and/or trade in controversial weapons, Robeco will not exclude company A. Further if company A owns (partially) company B and company B is involved in the production of and/or trade in controversial weapons Robeco will also not exclude company A.

Controversial countries

Countries that are subject to a full set of UN, EU or US sanctions are considered as being controversial. Robeco will follow any applicable sanctions to which it is subject and follow any mandatory (investment) restrictions deriving therefrom.

3. Implementation

Scope of the policy

- A. For company exclusions all company-related listed investment instruments (e.g. equity, equity derivatives and corporate bonds) are in scope.
- B. For controversial behavior company cases a comply or explain principle applies. The ExCo member responsible for Investments of Robeco may on product specific grounds on a case by case basis grant exceptions for specific investment products.
- C. Robeco will apply the exclusion policy to all listed assets under management within its fund range including those funds sub-advised by group members.
- D. For discretionary mandates, in addition to any restrictions following applicable sanctions, rules and regulations, Robeco can implement any exclusion list a client prefers.
- E. With respect to third party funds and trackers within a Robeco fund-of-

fund product a minimum threshold is applicable of 5% per holding of total assets for the Robeco exclusion policy to apply.

Governance of the policy

The ExCo member responsible for Investments of Robeco advised by relevant specialists of Robeco decides on the implementation of the exclusion policy.

Implementation period

Unless sanctions stipulate specific timelines exclusions apply within one month after the announcement. Possible exceptions on product specific grounds with respect to controversial behavior exclusions are decided within this month.

Transparency

Robeco is transparent with regard to controversial weapons, controversial behavior and controversial country exclusions. The exclusion policy and an up to date list (annex 2) of excluded companies and controversial countries subject to a full set of UN, EU or US sanctions are available on Robeco's website.

Practical guidelines are used when implementing the policy

- Robeco's first and main responsibility is to serve the interests of its clients to the best of its ability.
- The data on companies and countries taken into account when establishing the list of excluded companies/controversial countries are provided by 2 external data providers.
- Exclusion of companies from Robeco's investment portfolios as a result of the exclusion policy are not expected to significantly alter the risk-return profile of these portfolios. Therefore the securities on the list of excluded companies that are removed from Robeco's investment portfolios will not be excluded from the benchmarks against which these portfolios are managed.
- The list of excluded companies does not apply to index derivatives or to proprietary index construction.
- Excluded companies will be reviewed on a regular basis to check if relevant changes have been made to the company's activities or behavior. A review of such changes may lead to the exclusion being lifted.

United Nations Global Compact Principles

Human rights

Businesses should

- (1) support and respect the protection of internationally proclaimed human rights and
- (2) ensure that they are not complicit in human-rights abuses.

Labor standards

Businesses should uphold

- (3) the freedom of association and the effective recognition of the right to collective bargaining;
- (4) the elimination of all forms of forced and compulsory labor;
- (5) the effective abolition of child labor; and
- (6) the elimination of discrimination in respect of employment and occupation.

The environment

Businesses should

- (7) support a precautionary approach to environmental challenges;
- (8) undertake initiatives to promote greater environmental responsibility; and
- (9) encourage the development and diffusion of environmentally friendly technologies.

Anti-corruption

Businesses should

- (10) work against corruption in all its forms, including extortion and bribery.

Annex 2

Excluded companies:

A. Controversial Behavior:

1. Norilsk Nickel
2. Oil and Natural Gas Corporation (ONGC)¹

B. Controversial Weapons:

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|-----------------------------|--|
| 1. Hanwha Corp. | cluster munition ² |
| 2. Motovilikhinskiye Zavody | cluster munition ² |
| 3. Orbital ATK | cluster munition ² , depleted uranium |
| 4. Poongsan Corp. | cluster munition ² |
| 5. Textron | cluster munition ² |
| 6. S&T Dynamics Corp. | anti-personnel mines |
| 7. Walchandnagar | nuclear weapons |
| 8. Aerojet | depleted uranium |
| 9. General Dynamics | depleted uranium |
| 10. Premier Explosives | nuclear weapons |
| 11. Larsen & Toubro | nuclear weapons |

Countries subject to a full set of UN, EU or US sanctions:

Controversial Countries:

1. Belarus
2. Central Africa Republic
3. Cuba
4. Democratic Republic of Congo
5. Eritrea
6. Guinea
7. Iran
8. North Korea
9. Russian Federation
10. Somalia
11. Sudan
12. South Sudan
13. Syria
14. Yemen
15. Zimbabwe

¹) In line with item 3.B. of the Robeco Exclusion Policy an exception has been granted on product specific grounds to Robeco CGF Indian Equities to not exclude this company.

²) In line with art. 21 a 'Besluit marktmisbruik' of the Dutch act on Financial Supervision.

The publication of this list of excluded companies is for information purposes only. This list of excluded companies may be used by Robeco only as described in more detail in Robeco's Exclusion Policy. By putting a company on this list Robeco is not giving any general recommendation or investment advice not to invest in such company to any third party (i.e. any party which is not (1) a client of Robeco Direct or (2) a subsidiary or fund family of Robeco which applies Robeco's Exclusion Policy). Third parties should make their own judgement on whether or not to invest in these companies. Robeco accepts no responsibility whatsoever for any improper use of the information contained in the list of excluded companies or any action taken as a result thereof and disclaims all liability in respect of such improper use.