Robeco’s Exclusion Policy

1. Introduction
Robeco Institutional Asset Management (hereinafter: Robeco) actively advocates sustainable investing. Carrying out stewardship responsibilities is an integral part of Robeco’s sustainability investing approach. As such, Robeco wants to avoid making any investments which we or our clients deem unsuitable.

Robeco believes that some products and business practices are detrimental to society and incompatible with sustainable investment strategies. Therefore, certain exclusion criteria are applied. For its regular “Sustainability Inside” strategies that follow the basic exclusions, the key belief is that Robeco only directly excludes companies whose products or behaviors cannot be changed through active ownership techniques such as engagement or proxy voting. In all other circumstances, Robeco prefers to exert influence as an active shareholder through voting and engaging with firms, rather than excluding firms directly. For funds with an enhanced sustainability profile, either “Sustainability Focused” or “Impact Investing” strategies, stricter exclusions apply. An overview of the different exclusions is provided in Figure 1.

Robeco will apply this exclusion policy to all assets under management from all funds over which we have full discretion, including those funds sub-advised by group members, but excluding discretionary mandates and client specific funds.

Overall, this policy provides more insights in the different exclusion categories as well as the scope of implementation.

Figure 1: Robeco’s Exclusions

<table>
<thead>
<tr>
<th>Normative</th>
<th>Activity Based</th>
<th>Region</th>
</tr>
</thead>
<tbody>
<tr>
<td>Controversial behavior (engagement before exclusion)</td>
<td>Tobacco, Controversial weapons, Palm oil, Thermal coal, Oil sands, Arctic drilling, Coal power expansion plans</td>
<td>Country-based</td>
</tr>
<tr>
<td>Controversial behavior (direct exclusion)</td>
<td>Tobacco, Controversial weapons, Full Nuclear weapons, Firearms, Military contracting, Palm oil, Thermal coal, Oil sands, Arctic drilling, Coal power expansion plans, Nuclear power</td>
<td>Country-based</td>
</tr>
</tbody>
</table>

Extended exclusions (+):

SDG and thematic exclusions
Extended exclusions + Sector-based exclusions for alcohol, adult entertainment, cannabis, gambling

Additional fund exclusions (++):

Climate exclusions
Basic exclusions + Exclusions following article 12 of the EU Climate Transition Benchmarks, EU Paris-aligned Benchmarks and sustainability-related disclosures for benchmarks

Green bonds exclusions
Extended exclusions (ex. Nuclear power) + Sector-based exclusions for alcohol, adult entertainment, cannabis, gambling + Analysis based on Robeco’s Green Bond Framework
2. Exclusion categories

We exclude from our investment universe the following focus areas:

2.1 Normative exclusions

Controversial behavior
Robeco acts in accordance with the International Labor Organization (ILO) standards, United Nations Guiding Principles (UNGPs), United Nations Global Compact (UNG) Principles and the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, and is guided by these international treaties to assess the behavior of companies. For Robeco’s regular funds, an enhanced engagement process is applied with companies that have severe breaches of these principles and guidelines. If this enhanced engagement, which may last up to a period of three years, does not lead to the desired change, Robeco will decide to exclude a company from its investment universe.

For funds with an extended sustainability profile, Robeco excludes companies that have severe breaches of these principles and guidelines without previous engagement.

2.2 Activity-based exclusions

Robeco applies a number of activity-based exclusions that are illustrated in Table 1. In the subsequent paragraphs, more details are provided.

<table>
<thead>
<tr>
<th>Category</th>
<th>Sustainability Inside</th>
<th>Sustainability Focused (+)</th>
<th>SDG and thematic (+++)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weapon-related exclusions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Controversial weapons</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Firearms</td>
<td>N.A</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Production</td>
<td>5%</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>- Retail</td>
<td>10%</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>Military contracting</td>
<td>N.A</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>- Production</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tobacco</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Production</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>- Supply</td>
<td>50%</td>
<td>50%</td>
<td>50%</td>
</tr>
<tr>
<td>- Retail</td>
<td>10%</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>Palm oil*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Palm oil</td>
<td>50%</td>
<td>80%</td>
<td>80%</td>
</tr>
<tr>
<td>Climate-related exclusions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arctic drilling</td>
<td>10%</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>Coal power expansion plans†</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Oil sands†</td>
<td>25%</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>Thermal coal</td>
<td>25%</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>Nuclear power</td>
<td>N.A.</td>
<td>25%</td>
<td>25%</td>
</tr>
<tr>
<td>Other activity-based exclusions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adult Entertainment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Production</td>
<td>5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Distribution</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alcohol</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Production</td>
<td>5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Distribution</td>
<td>10%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cannabis</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Production</td>
<td>5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Distribution</td>
<td>10%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gambling</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Operations</td>
<td>5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Equipment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Supporting</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. For palm oil, Robeco considers the percentage of certified land instead of revenue.
2. For the coal power expansion plans, a 300 MW (pro rata) threshold is applied.
### 2.2.1. Weapon-related exclusions

**Controversial weapons**

For all strategies Robeco deems anti-personnel mines, cluster munitions, chemical, biological weapons, white phosphorus, depleted uranium weapons and nuclear weapons that are tailor made and essential, to be controversial weapons. Exclusion is applied to 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.
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.
7. The Belgian Loi Mahoux, the ban on uranium weapons.

**Controversial weapons – full nuclear weapon exclusions (+)**

For the strategies with an extended sustainability profile, Robeco wants to avoid any investment in nuclear weapon companies and therefore also excludes manufacturers based in countries that are part of The Treaty on the Non-Proliferation of Nuclear Weapons (1968).

**Firearms (+)**

For strategies with an enhanced sustainability profile Robeco excludes companies that generate 5% or more of their revenues from involvement in the production of (key components of) assault and non-assault firearms or small arms, for civilian, military, and law enforcement customers. Companies that generate 10% or more of their revenues from retail sales of assault and non-assault firearms or small arms are also excluded.

**Military contracting (+)**

For strategies with an enhanced sustainability profile Robeco excludes companies that generate 5% or more of their revenues from selling weapon systems and/or integral, tailor-made components for weapons, and weapon-related products and/or services, to the military or defense industry. The exclusion does not apply to companies that provide non-weapons related products and/or services to the military or defense industry.

### 2.2.2. Tobacco

Tobacco is an unhealthy and socially disadvantageous product. Robeco deems investing in tobacco companies an unsustainble investment. Exclusion is applied to companies that are involved in the production of tobacco. In addition, exclusion is applied to suppliers that generate 50% or more of their revenues from the production of tobacco related products and/or services. Last, companies that generate 10% or more of their revenues from retail sales from tobacco products are also excluded.

**2.2.3 palm oil**

Robeco considers the production of palm oil a process with significant environmental and social risks, leading to breaches of the UN Global Compact if this product is not produced sustainably. A transition to a sustainable palm oil industry can be attained by palm oil producing companies moving towards production in accordance with the standards of the Roundtable on Sustainable Palm Oil (RSPO).

For the regular strategies Robeco excludes companies with 50% or less of their plantations RSPO certified. Other palm oil producing companies are part of an engagement program where Robeco requires them to make progress towards full RSPO certification and addresses potential controversies and breaches of the UN Global compact. Palm oil producing companies that do not reach 80% RSPO certified plantations by 31 December 2024 will then be excluded.

**Palm oil (+)**

For strategies with an enhanced sustainability profile Robeco excludes companies that have 80% or less of their plantations RSPO certified or are not a member of the RSPO.

### 2.2.4 Climate related exclusions

**Arctic drilling**

Arctic drilling poses higher risks of spills compared to conventional oil and gas exploration and has potential irreversible impacts on the sensitive Arctic ecosystem. For regular strategies Robeco excludes companies that derive 10% or more of their revenues from Arctic drilling.

**Arctic drilling (+)**

For strategies with an enhanced sustainability profile Robeco excludes companies that derive 5% or more of their revenues from Arctic drilling.

**Coal power expansion plans**

Coal is the most carbon-intensive fossil fuel. Science indicates that limited global warming to 1.5 degrees requires a coal phase out in OECD countries in 2030 and the rest of the world in 2040. In line with Robeco’s net zero ambition, companies that are still building new coal power plants are excluded from investment. In two circumstances we do enhanced engagement rather than direct exclusion: (a) companies...
where we see a positive outlook to adopt a climate transition plan and discontinue their plans for a new coal power plant; and (b) companies that build a coal power plant as backward integration.

**Oil sands**

Oil sands are among the most footprint intensive means of crude oil production. For the ‘Sustainability Inside’ strategies Robeco excludes companies that derive 25% or more of their revenues from oil sands. For its ‘Sustainability Focused’ & ‘Impact Investing’ strategies Robeco excludes companies that derive 10% or more of their revenues from oil sands.

**Oil sands (+)**

For strategies with an enhanced sustainability profile Robeco excludes companies that derive 10% or more of their revenues from oil sands.

**Thermal coal**

Robeco excludes investments in thermal coal as it is by far the highest carbon-emitting source of energy in the global fuel mix. For the ‘Sustainability Inside’ strategies Robeco excludes companies that derive 25% or more of their revenues from thermal coal. For its ‘Sustainability Focused’ & ‘Impact Investing’ strategies Robeco excludes companies that generate 10% or more of their revenues from thermal coal.

**Thermal coal (+)**

For strategies with an enhanced sustainability profile Robeco excludes companies that generate 10% or more of their revenues from thermal coal.

**Nuclear power (+)**

For strategies with an enhanced sustainability profile Robeco excludes electricity utilities that generate 25% or more of their revenues from power from nuclear sources.

### 2.2.5 SDG and thematic related exclusions

**Adult Entertainment (+++)**

Robeco excludes companies that generate 5% or more of their revenues from the production (e.g. online, TV), operation, and/or distribution (e.g. pay-per-view adult channels) of adult entertainment.

**Alcohol (+++)**

Robeco excludes companies that generate 5% or more of their revenues from the production of alcoholic beverages as well as the supply of alcoholic beverages related products and or services. Companies that generate 10% or more of their revenues from retail sales of alcoholic beverages or alcohol-related products through liquor stores, bars or pub chains, and/or restaurants, supermarkets and convenience stores, are also excluded.

**Cannabis (+++)**

Robeco excludes companies that generate 5% of more of their revenues from the production of recreational cannabis. Companies that generate 10% or more of their revenues from retail sales of recreational cannabis products are also excluded.

**Gambling (+++)**

Robeco excludes companies that generate 5% or more of their revenues from owning and/or operating gambling establishments (e.g. casinos, race tracks, online gambling), manufacturing specialized equipment used exclusively for gambling (e.g. slot machines, roulette wheels), and/or supporting products and services supplied to gambling operations.

### 2.3 Country-based exclusions

**Excluded countries/sovereign debt**

Robeco deems investing in government bonds (federal or local) of countries where serious violations of human rights or a collapse of the governance structure take place as unsustainable. In addition, Robeco will follow applicable sanctions of the UN, EU or US to which it is subject and follows any mandatory (investment) restrictions deriving therefrom.

To identify these countries we use data from: 1. World Bank: World Governance Index (WGI) on Political Stability and Absence of Violence/Terrorism. 2. Freedom House: Freedom in the World (FIW) index on Political rights and civil liberties. 3. Fund for Peace: Fragile States Index (FSI). 4. International sanctions. When a country exceeds the pre-defined thresholds for at least three of the four criteria outlined above, or, is subject to a broad and very severe sanctions regime, the country is excluded from investment.

### 2.4 Exclusion criteria for Climate funds

Robeco applies a tailored exclusion list for its climate impact funds, focused on those areas most relevant to the impact focus of the fund. The list of exclusions used by the funds comply with those criteria set out in Article 12 of the EU Climate Transition Benchmarks, EU Paris-aligned Benchmarks and sustainability-related disclosures for benchmarks.

### 2.5 Exclusion criteria for Green bonds

Green Bonds from issuers on the Robeco exclusion list in the Fossil Fuel and Nuclear Power categories remain eligible investment candidates, under the condition that these pass our proprietary five-step green bond eligibility framework, to enable the financing of the transition to a low-carbon economy.

### 2.6 Label-driven exclusions

Funds may be subject to exclusions driven by external organization or labels, for example the Febelfin "Towards Sustainability Label".
3. Implementation

3.1 Scope of the policy
A. For the exclusions all related investment instruments (e.g. equity, bonds, derivatives on respective companies) are in scope. The list of excluded companies does not apply to index derivatives or proprietary index construction.
B. For discretionary mandates and client specific funds, Robeco will only apply restrictions following applicable sanctions, rules and regulations. In addition, Robeco can apply further restrictions and/or implement any exclusion list if agreed with a client.
C. 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.
D. If a company holds a majority stake, i.e. more than 50%, of another company that is considered directly involved in an exclusion category, the parent company is considered involved in the same category of involvement as the subsidiary and is screened accordingly. An exception is made for the categories Controversial Behavior and Controversial Weapons, where Robeco also screens on minority stakes.
E. On a case-by-case basis, Robeco has the discretion to exclude additional companies that it considers involved in an exclusion category or waive the exclusion of securities from an involved company for funds on product specific grounds.
F. If the excluded bonds are part of a benchmark of a fund that Robeco manages, Robeco allows portfolio managers to mimic the currency exposure of that country up to the benchmark level.
G. Robeco will follow applicable sanctions of the UN, EU or US to which it is subject and follows any mandatory (investment) restrictions deriving therefrom as well as the US Executive Order 13959, as amended by Executive Order of June 3, 2021, the latter for the Dutch and Luxembourg fund range only. Discretionary mandates and client specific funds that follow the Robeco Exclusion Policy will not follow US Executive Order 13959, as amended by Executive order of June 3, 2021 unless they have expressed so in writing.

3.2 Governance of the policy
The Sustainability and Impact Strategy Committee (SISC) of Robeco decides on the implementation and/or changes of the exclusion policy. The SISC also decides on the additions and/or deletions of the exclusion list.

The SISC has delegated the execution of the Controversial Behavior policy to a dedicated Controversial Behavior Committee, that includes representatives of the Robeco Executive Committee. For material changes to the Exclusion policy, the Robeco Executive Committee is the ultimate decision-body.

3.3 Implementation period
Unless sanctions stipulate specific timelines, exclusions apply within three months after the announcement. Possible exceptions on product specific grounds with respect to controversial behavior exclusions are decided within these months. If selling is not possible for liquidity reasons, then buying is not allowed. Once selling is possible at a reasonable price, holdings will be sold. Possible exceptions on product specific grounds with respect to controversial behavior exclusions are decided within 1 month.

3.4 Transparency
Robeco is transparent regarding the companies and countries it excludes. Each time Robeco performs a general update of the exclusion lists according to its policy, these will be published on Robeco website here. Please note that interim changes might occur and that general updates will be done at least two times per year.

3.5 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.
- Exclusion of companies from Robeco’s investment funds as a result of the exclusion policy are not expected to significantly alter the risk-return profile of these funds. Therefore, the securities on the list of excluded companies that are removed from Robeco’s investment funds will not be excluded from the benchmarks against which these funds are managed.
- Robeco regularly reviews the implementation of the policy to control for potential relevant changes made to the company’s activities. In addition Robeco will monitor the behavior of companies excluded on the basis of controversial behavior. A review of such changes may lead to the exclusion being lifted.
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.