



Exclusion Policy Robeco

ROBECO INSTITUTIONAL ASSET MANAGEMENT

Robeco's Exclusion Policy

1. Introduction

Robeco Institutional Asset Management (hereinafter: Robeco) actively advocates sustainable 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 and benefits society. 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 that are outlined in this policy. 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. For specific discretionary mandates, Robeco offers various other exclusion criteria to suit clients' needs.

In all funds managed by Robeco, ESG considerations are taken into account and the general exclusion policy applies as standard. Funds where only the general exclusion policy is applied qualify for the product category 'Sustainability Inside'. All other funds either fall into the product categories 'Sustainability Focused' or 'Impact Investing'. For these product categories, stricter exclusions apply.

In summary, there are three levels of exclusions as follows:

- The general exclusion policy applies to all funds
- Additional exclusion criteria apply to all 'Sustainability Focused' funds
- Further additional exclusion criteria apply to all 'Impact Investing' funds.















2. Focus areas

General exclusion criteria

We exclude from our investment universe the following focus areas:

Controversial behavior

Robeco acts in accordance with the United Nations Global Compact (UNGC) Principles and the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises to assess the behavior of companies. An enhanced engagement process is applied with companies that have severe breaches of these principles and guidelines which are outlined in annex 1. 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.

Exclusion criteria	Exclusion sub-area	Threshold	✓	✓+	✓++
 Controversial behavior	Own operations, supply chain: UNGC Principles and OECD Guidelines	0%			
 Controversial weapons	Anti-personnel mines, cluster munitions, chemical & biological weapons, white phosphorus, depleted uranium & nuclear weapons ⁴	0%			
 Tobacco	Production, Key parts	0% 50%			
 Palm oil	RSPO certified, production	20% ¹ / 80% ^{2,3}			
 Fossil fuels - Thermal coal	Coal mining, Coal based energy production	25% ¹ /10% ^{2,3}			
 Fossil fuels - Oil sands	Production	25% ¹ /10% ^{2,3}			
 Fossil fuels - Arctic drilling	Production	10% ¹ /5% ^{2,3}			
 Countries/sovereign debt	Human rights, governance, sanctions	N.A.			
 Military contracting	Weapon systems, Tailor-made components	5%			
 Firearms	Production	0%			
 Nuclear Power	Electric Utilities	30%			
 Alcohol	Production, Retail	5% 10%			
 Gambling	Production, services	5%			
 Adult entertainment	Production, services	5%			

1) Sustainability Inside 2) Sustainability Focused 3) Impact Investing

4) Sustainability inside products do not exclude companies based in countries that are part of The Treaty on the Non-Proliferation of Nuclear Weapons (1968), whereas Sustainability Focused & Impact Investing products exclude all such manufacturers.

* Climate funds follow a tailored exclusion list

Controversial behavior in relation to the production of 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 'Sustainability Inside' strategies Robeco excludes companies that 20% 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 50% RSPO certified plantations by 31 December 2021 will then be excluded. For its 'Sustainability Focused' & 'Impact Investing' strategies Robeco excludes companies that have 80% or less of their plantations RSPO certified.

Controversial products

Controversial weapons

For all strategies Robeco deems anti-personnel mines, cluster munitions, chemical, biological weapons, white phosphorus, depleted uranium weapons and nuclear weapons 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.
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.
7. The Belgian Loi Mahoux, the ban on uranium weapons.

For its 'Sustainability Focused' & 'Impact Investing' strategies 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).

Tobacco

Tobacco is an unhealthy and socially disadvantageous product. Robeco deems investing in tobacco companies an unsustainable 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.

Fossil fuels – 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.

Fossil fuels – 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.

Fossil fuels – 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 the 'Sustainability Inside' strategies Robeco excludes companies that derive 10% or more of their revenues from Arctic drilling. For its 'Sustainability Focused' & 'Impact Investing' strategies Robeco excludes companies that derive 5% or more of their revenues from Arctic drilling.

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.

Additional exclusion criteria for 'Sustainability Focused and Impact Investing' products only

Military contracting

Robeco excludes companies that generate 5% or more of their revenues from selling weapon systems and/or integral, tailor-made components for weapons to the military. The exclusion does not apply to companies that provide non-weapons related products and/or services to the military or defense industry. For example, telecommunications services, data management, software, or transportation of other non-weapon related supplies.

Firearms

Robeco excludes companies involved in the manufacture of firearms or small arms to civilian, military, and law enforcement customers.

Nuclear power

Robeco excludes electricity utilities that generate 30% or more of their power from nuclear sources.

Additional exclusion criteria for 'Impact investing' products only

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.

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.

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.

Exclusion criteria for Climate products

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.

3. Implementation

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 to proprietary index construction.
- B. For companies excluded in relation to controversial behavior, 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. 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.
- D. 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.
- E. 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. On a case-by-case basis, Robeco has the discretion to screen and exclude companies with a minority stake in directly involved companies.
- F. If the excluded bonds are part of a benchmark of a fund that we manage, we allow portfolio managers to mimic the currency exposure of that country up to the benchmark level.
- G. 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.

Governance of the policy

The Sustainability and Impact Strategy Committee (SISC) of RIAM 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. For material changes, the ExCo of RIAM is the ultimate decision body.

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.

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 the Robeco website. Please note that interim changes might occur and that general updates will be done at least two times per year.

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.

Annex 1

UN Global Compact Principles & OECD Guidelines for Multinational Enterprises

UN 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.

OECD Guidelines for Multinational Enterprises

HUMAN RIGHTS

Protection and respect

Political involvement

Policy

Due diligence

Remedy

LABOUR

Employment relationships

Workers' rights, including the right to join labour unions and to collective bargaining

Forced labour

Child labour

Equality of treatment/ discrimination in employment and occupation

Occupational health and safety

Employing local workers and providing training

Creating employment opportunities and facilitating training opportunities

Promoting consultation and cooperation between employers and workers

ENVIRONMENT

Precautionary approach

Environmental behaviour

Environmentally sound technologies

Environmental management system

Education and training of employees

Contingency plans

ECONOMIC AND BUSINESS ISSUES

Combating bribery and extortion

Involvement in local political activities

Competition

Taxation

Information disclosure

CONSUMER ISSUES

Consumer interests

Fair marketing

Consumers' health and safety

Consumers' access to complaint and dispute resolution

Protection of personal data and privacy

COMMUNITY DEVELOPMENT

Local capacity building

Employment opportunities

Training of employees

Employing local workers

Providing education and training

Science and technology

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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.