

Sustainability-related disclosure

Robeco Customized Liability Driven Fund VII

This document provides you with information about this fund in relation to the Sustainable Finance Disclosure Regulation. It is not marketing material. The information is required by law to help you understand the sustainability characteristics and/or objectives and risks of this fund. You are advised to read it in conjunction with other relevant documentation on this fund so you can make an informed decision about whether to invest.

(b) No sustainable investment objective
This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investment.
Where fund aims to make one or more sustainable investments explain how the indicators for adverse impacts in Table 1 of Annex I, and any relevant indicators in Tables 2 and 3 of that Annex I, are taken into account?
<p>The Fund considers principal adverse impacts on sustainability factors as referred to in Annex I of the SFDR Delegated Act.</p> <p>Pre-investment, the following principal adverse impacts on sustainability factors are considered as part of Country Sustainability ranking, used for the fundamental analysis of bonds:</p> <ul style="list-style-type: none"> - Table 1, PAI 15 (GHG intensity) - Table 1, PAI 16 (Investee countries subject to social violations) <p>In addition, the Sub-Fund has E/S promoting characteristics in relation to:</p> <ul style="list-style-type: none"> - Table 2, PAI 17 (Share of bonds not certified as green under a future EU act setting up an EU Green Bond Standard) - Table 3, PAI 21 (Control of Corruption) <p>Post-investment, the following principal adverse impacts on sustainability factors are taken into account:</p> <ul style="list-style-type: none"> - Table 1, PAI 15 (GHG intensity), via Robeco's engagement program <p>More information is available via Robeco's Principal Adverse Impact Statement.</p>
Are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights?
The sustainable investments are aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights via both Robeco's Exclusion Policy and Robeco's SDG Framework.

(c) Environmental or social characteristics of the financial product
What are the environmental or social characteristics that the financial products promotes?
<p>The Fund has the following E/S characteristics:</p> <ol style="list-style-type: none"> 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 and incompatible with sustainable investment strategies. 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. 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-linked 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.

(d) Investment strategy
What is the investment strategy used to meet the environmental or social characteristics promoted by the financial product?

Robeco Customized Liability Driven Fund VII aims to offer an investment solution for hedging nominal and/or inflation linked liabilities (e.g. pension liabilities) when investing in a managed portfolio. The strategy integrates sustainability indicators on a continuous basis as part of the stock selection process. Amongst others, the Fund applies norms-based and activity-based exclusions, Robeco's good governance policy and considers Principal Adverse Impacts in the investment process.

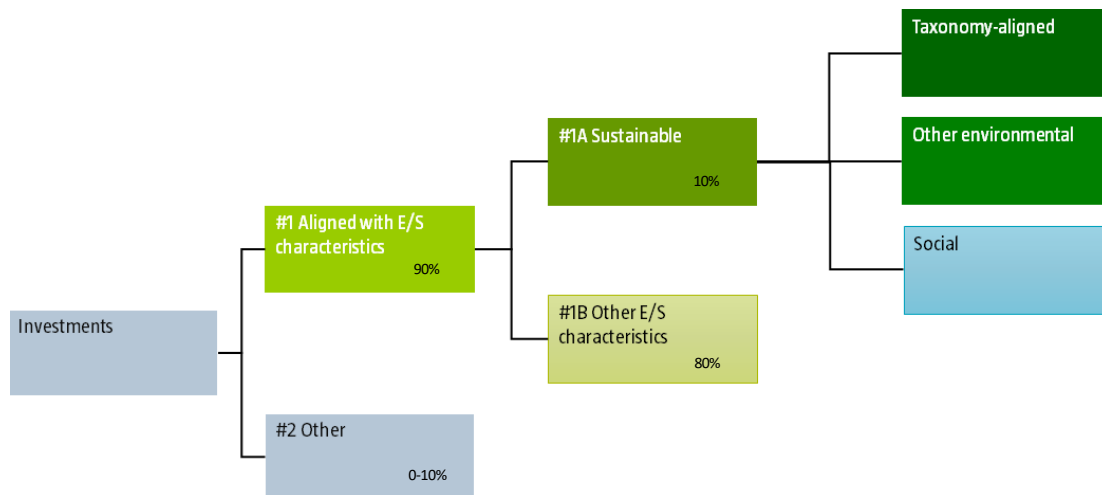
What is the policy to assess good governance practices of the investee companies, including with respect to sound management structures, employee relations, remuneration of staff and tax compliance?

Robeco has a Good Governance policy to assess governance practices of companies. Robeco's Good Governance policy applies to the fund. For more information, refer to [Robeco's Good Governance Policy](#).

(e) Proportion of investments

Minimum Sustainable Investment: 10%

Asset allocation table



(f) Monitoring of environmental or social characteristics

How are the environmental or social characteristics promoted by the financial product and the sustainability indicators used to measure the attainment of each of those environmental or social characteristics promoted by the financial product monitored throughout the lifecycle of the financial product and what are the related internal or external control mechanisms?

1. All exclusions are coded in the Trading & Compliance module, through which investing in an excluded asset is not possible. In addition, post-trade checks take place.
2. The second line of defense (Investment Restrictions) monitors the weighted average CSR score of the portfolio on a daily basis and facilitates pre-trade compliance.
3. The second line of defense (Investment Restrictions) monitors the concentration towards green, social, sustainable and sustainability-linked bonds, and facilitates pre-trade compliance.
4. The restrictions with regards to sustainability risk are coded in the Trading & Compliance module, through which investing in an excluded asset is not possible. In addition, post-trade checks take place.

(g) Methodologies

What are the methodologies to measure how the social or environmental characteristics promoted by the financial product are met?

Robeco maintains comprehensive methodology documents of our proprietary analytical frameworks on our website. These whitepapers go into greater depth, provide further insight into data sources and processes applied within their respective domains. More information in relation to these methodologies can be found at [Robeco's Sustainability Reports Policies](#).

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. Each vendor will have its own

approach and set of internal processes, over which we have only limited influence as an end consumer. More information with regards to these methodologies can be found at [Robeco's SFDR Data Disclosures](#).

(h) Data sources and processing

- How are the data sources used to attain each of the environmental or social characteristics promoted by the financial product?
- What measures are taken to ensure data quality?
- How is data processed?
- What is the proportion of data that are estimated?

The fund uses the following data sources:

1. The exclusion process uses several data sources such as Sustainalytics, RSPO (Roundtable on Sustainable Palm Oil), World Bank, and Freedom House, Fund for Peace and International Sanctions.
2. The Country Sustainability Ranking uses over 20 publicly available data sources such as IMF, OECD and World Bank.
3. The green bond, social bonds, sustainability-linked bonds selection uses Bloomberg in conjunction with data derived from internal processes.
4. The Fund's evaluation of sustainability risk is based on Sustainalytics 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.

It is currently complex to report sufficiently accurate yet broad numbers on the proportion of data that is estimated. Robeco has calculated the weighted proportion of assets covered per PAI within our standard equity and fixed income benchmarks. These figures have been calculated per provider and, where relevant, we used this coverage figure as a determining factor in our choice of vendor for that PAI since, ceteris paribus, we prefer higher coverage for our investible universe.

Robeco intends to investigate a methodology for determining the proportion of data that has been internally enriched to support wider applications, e.g., by cascading to the broader corporate structure or using sector averages as proxies. Evaluating the proportion of vendor sourced data that is estimated remains a challenge due to insufficient metadata.

More information in relation to data quality and processing can be found in the SFDR data disclosures available at [Robeco's SFDR Data Disclosures](#).

(i) Limitations to methodologies and data

What are potential limitations to the methodologies or data sources and how do such limitations not affect how the environmental or social characteristics promoted by the financial product are met?

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, we have resorted to using multiple data providers, since each has its own respective strengths and weaknesses. We do not expect the corporate reporting landscape to change significantly until the anticipated introduction of CSRD in 2025.

In terms of methodology, we frequently see divergence in the way that data vendors deal with certain topics. For instance, for GHG emissions, some vendors blend corporate reporting with modelled data. It has been a common experience to note that 'reported' data can vary between providers due to conflicting policies, quality assurance and other case-by-case factors. We are not alone in this view as evidenced by the numerous reports from industry associations and trade bodies such as EuroSIF and IOSCO on the quality and transparency of ESG data products. Our environmental objectives are predominantly linked to more mature themes, specifically carbon, water and waste. Disclosure is far greater today within these areas and so we are able to evaluate a satisfactory proportion of our universe to be able to perform tasks such as exclusions and comparisons between portfolio and benchmark.

The primary limitation to the methodology or data source is the limited availability of accurate ESG data by countries. Additionally, data that is reported is delayed and not completely disclosed leading to coverage issues. Like many other financial market participants, we struggle to find adequate information on the principal adverse indicators. In terms of methodology, we frequently see divergence in the way that sovereigns report on environmental and social indicators such as GHG emissions and social violations given varying definitions and interpretations. We are not alone in such issues and to overcome, we have resorted to using multiple data sources as available, since each has its own respective strengths and weaknesses.

Information in relation to data and methodologies can be found in the SFDR data disclosures document available at [Robeco's SFDR Data Disclosures](#).

(j) Due diligence

What due diligence is carried out on the underlying assets of the financial product (including the internal and external controls)?

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.

Specific details on investment due diligence are available in Robeco's Investment Due Diligence Policy as described at [Robeco's Sustainability Risk Policy](#).

(k) Engagement policies

What is the engagement policy applied, in the case that engagement is part of the environmental or social investment strategy (including any management procedures applicable to sustainability-related controversies in investee companies)?

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.

More information can be found in [Robeco's Stewardship Policy](#).

(l) Designated reference benchmark

Has an index been designated as a reference benchmark to meet the environmental or social characteristics promoted by the financial product? If yes, how that index is aligned with the environmental or social characteristics promoted by the financial product, and where can one find information with regards to input data, methodologies used to select those data, the rebalancing methodologies and index calculations?

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