ROBECO
The Investment Engineers

Sustainability-related disclosures for

Robeco UCITS ICAV - Robeco Dynamic Theme Machine UCITS ETF

This document provides you with information about this product 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 product. You are advised to read it in conjunction with other relevant documentation on this product 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 product 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?

Pre-investment, the following principal adverse impacts on sustainability factors are considered:
Via the applied normative and activity-based exclusions, the following PAIs are considered:
• Exposure to companies active in the fossil fuel sector (PAI 4, Table 1)
• Violations of the UN Global Compact Principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises (PAI 10, Table 1)
• Activities negatively affecting biodiversity-sensitive areas (PAI 7, Table 1). The consideration of this PAI is currently restricted to applying exclusions to palm oil producing companies and for any breaches to the UNGC, UNGP and OECD Guidelines for Multinational Enterprises in relation to biodiversity.
• Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons) (PAI 14, Table 1)

Via the environmental footprint performance targets of the Fund, the following PAIs are considered:
• Carbon footprint (PAI 2, Table 1)
• Water and waste indicators (PAI 7-9, Table 1). The Manager aims to perform better than the Benchmark on water and waste, meaning that exposure will tend towards better performing companies on those metrics.

Post-investment, the following principal adverse impacts on sustainability factors are taken into account:
Via the application of the voting policy, the following PAIs are considered:
• GHG emissions (PAI 1, Table 1)
• Carbon footprint (PAI 2, Table 1)
• GHG intensity of investee companies (PAI 3, Table 1)
• Exposure to companies active in the fossil fuel sector (PAI 4, Table 1)
• Share of nonrenewable energy consumption and production (PAI 5, Table 1)
• Energy Consumption intensity per high impact climate sector (PAI 6, Table 1)
• Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises (PAI 10, Table 1)
• Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises (PAI 11, Table 1)
• Unadjusted gender pay gap (PAI 12, Table 1)
• Board Gender Diversity (PAI 13, Table 1)

Via the Manager's entity engagement program, the following PAIs are considered:
• All indicators related to Climate and other environment-related indicators (PAI 1-9, Table 1)
• Violations of the UN Global Compact Principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises (PAI 10, Table 1)
• In addition, based on a yearly qualitative review conducted by portfolio managers and quantitative review by the engagement team of the Manager's performance on all mandatory and selected voluntary indicators, holdings of the Fund that cause adverse impact might be selected for engagement.

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Fund that cause adverse impact might be selected for engagement. Further information on all engagement themes and progress can be found on the Manager's website at the following link: https://www.robeco.com/en-int/sustainable-investing/influence/active-ownership.

More information is available via Robeco's Principal Adverse Impact Statement.

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 the Manager's Exclusion Policy and the Manager's SDG Framework. The Manager's Exclusion Policy includes an explanation of how the Manager acts in accordance with the International Labor Organization (ILO) standards, United Nations Guiding Principles (UNGPs), United Nations Global Compact (UNGC) Principles and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises and is guided by these international treaties to assess the behaviour of companies. The Manager continuously screens its investments for breaches of these principles. In case of a breach, the company will be excluded or engaged with, and is not considered a sustainable investment. The Manager's SDG Framework screens for breaches on these principles in the final step of the framework. In this step, the Manager checks whether the company concerned has been involved in any controversies. Involvement in any controversy will result in a negative SDG score for the company, meaning it is not a sustainable investment.

(c) Environmental or social characteristics of the financial product

What are the environmental or social characteristics that the financial products promotes?

The Fund promotes the following E/S characteristics:
1. The Fund promotes having a substantially lower carbon footprint than the general market index referred to in the Supplement, namely the MSCI World Index (the "Benchmark") (20% lower).
2. The Fund promotes having a substantially lower environmental footprint than the Benchmark (20% lower for water and 20% lower for waste).
3. The Fund has a substantially better weighted average ESG score than the Benchmark.
4. The Fund promotes investment in a portfolio that avoids significant harm to the Sustainable Development Goals (SDGs).
5. The Fund applies certain minimum environmental and social safeguards through applying exclusion criteria with regards to products and business practices that the Manager believes are detrimental to society and incompatible with sustainable investment strategies, such as exposure to controversial weapons, and fossil fuels. Via its exclusion policy, the Manager excludes investments in companies involved in thermal coal through several categories. Additionally, investments in companies involved in oil sands and arctic drilling are excluded under the climate-related exclusion categories. These exclusion categories are a part of the Manager's approach to the SFDR PAI indicators related to greenhouse gas emissions and relate to the promoted environmental characteristics of the Fund.
6. While the Fund will only invest in companies that follow minimum good governance practices, the Fund also promotes further good governance and sustainable corporate practices through proxy voting, which contributes to long-term shareholder value creation. This includes taking an active stance by exercising voting rights on social and environmental topics in accordance with the Manager's proxy voting policy, for example by using voting rights to vote against management recommendations in cases of poor corporate governance practices, when proposals are not in the best interest of long-term shareholders and on any other proposal that is out of line with the Manager's policy principles. The Manager's proxy voting policy relies on the internationally accepted set of principles of the International Corporate Governance Network (ICGN). The ICGN Principles describe the responsibilities of boards and shareholders respectively and aim to enhance dialogue between the two parties. They embody ICGN's mission to inspire and promote effective standards of governance to help advance efficient markets world-wide. More information on the Manager's proxy voting guidelines can be found at the following link: https://www.robeco.com/en-int/sustainable-investing/influence/proxy-voting-guidelines. More information on the Manager's stewardship approach and guidelines can be found at the following link: https://www.robeco.com/files/docm/docu-robeco-stewardship-policy.pdf.

For the E/S characteristics under 1, 2 and 3 above, reference is made to the Benchmark, i.e. the MSCI World Index. The Benchmark is a broad market weighted index that is not necessarily consistent with the environmental and social characteristics as promoted by the Fund (i.e. any environmental and social governance characteristics promoted by the Benchmark, if any, do not have to be the same as the environmental and social characteristics promoted by the Fund). For the purpose of attaining the environmental and social characteristics promoted by the Fund no other reference benchmark is designated.

(d) Investment strategy

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

The Fund is actively managed and seeks to provide exposure to attractive stocks that reflect emerging long-term macro-economic, technological and environmental themes. The Manager will select these themes and dynamically rotate through them based on the approach described below. The Fund will utilise the quantitative and qualitative investing expertise of the Manager. The Manager has discretion to select the themes that the Fund will be invested in. Examples of themes previously identified by the strategy would include:

• Digital platform pioneers
• Simulation software
• Cloud computing
• Semi-conductor innovators,
• Consumer tech
• Digital media & entertainment
• Cybersecurity specialists
• Biotech & pharma giants
• Next-gen enterprise software
• Pharmaceutical innovators
• Consumer tech,
• Mental & neurological health
• Physical security
• Digital supply chain
• Reshaping restaurants
• Artificial intelligence
• Generation travel

These themes will, however, change over time and details of the actual current themes that the Fund invests in from time to time are available on the Manager's website.

The first step in the investment process is the identification of themes using quantitative techniques. This is done by extracting information from various textual sources published by or written about companies in the investment universe, which can include management disclosures, earnings calls, financial statements, and analyst reviews. Using advanced algorithmic techniques to process large amounts of data that could not be achieved through a traditional fundamental process, the Manager analyses this textual information to extract emerging themes.

Specifically, the Manager compares textual information for similarity. Companies with similar textual information are clustered into company groups, and such groupings are associated with themes. Sentiment analysis is applied to identify if companies are positively or negatively exposed to the themes. All of the above steps are done algorithmically. After these steps, a qualitative fundamental control process will validate each theme and company identified through the quantitative process to assess whether themes have been correctly defined and whether companies have been grouped into the correct themes.

The Manager determines the optimal buy/sell (entry and exit) points for each theme and stock using quantitative techniques which consider a range of metrics including valuations, earnings, cashflows, profitability and price momentum. These quantitative screens will also be validated by a qualitative review by the Manager. This qualitative review also includes assessing themes and stock on riskiness and managing portfolio level risks and exposures.

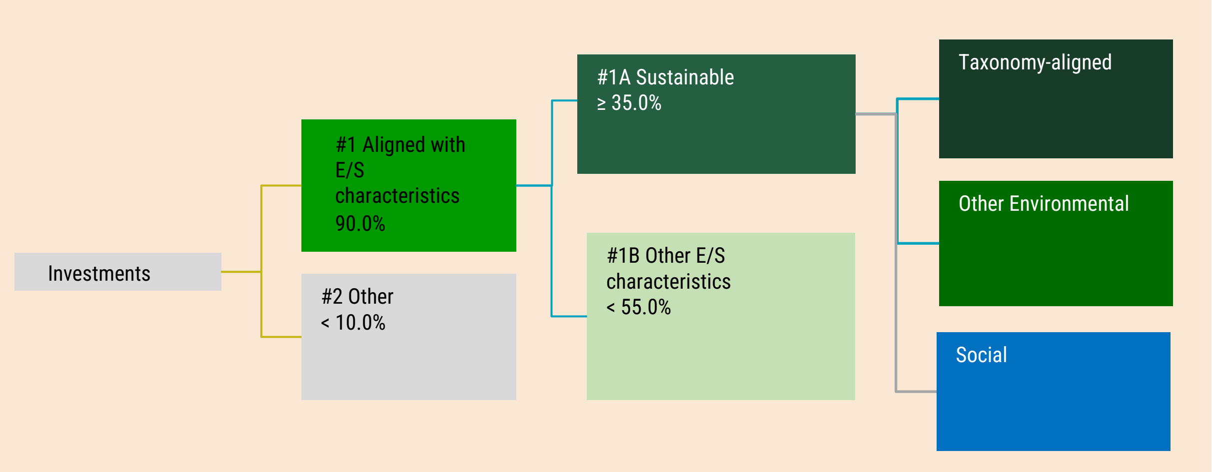
The Manager's experience indicates that themes generally have a lifecycle of approximately two years. The Manager expects to take exposure to a theme for an average of two years and will adjust exposures to themes to take the best opportunity from each new theme whilst managing portfolio turnover by balancing expected performance and transaction costs. The Fund generally expects to have exposure to ten or more themes at any time and expects to rebalance the exposure to themes monthly based on the Manager's expectation of continuing performance.

The Fund is not limited as to the themes it may be exposed to nor to having a fixed allocation to any identified theme as it seeks to take the best opportunity available in the market to develop its investment universe at any time. However, the Fund will at all times be invested in stocks with optimal risk-adjusted return scores selected using a systematic, disciplined approach based on established quantitative investing techniques with the latest available data and algorithmic advances.

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?
The Manager has a Good Governance policy to assess governance practices of companies. The policy describes how the Manager determines if and when a company does not follow good governance practices and is therefore excluded from the initial investment universe for the Fund. The Manager's Good Governance policy tests on a set of governance criteria that reflect widely recognised industry established norms and include topics as employee relations, management structure, tax compliance and remuneration. The Good Governance test consists of criteria on such topics that are examined for investee companies and further explained in the Manager's Good Governance policy https://www.robeco.com/files/docm/docu-robeco-good-governance-policy.pdf. Additionally, the companies that do not pass the good governance test are reflected in the exclusion list that can be accessed here - https://www.robeco.com/files/docm/docu-exclusion-list.pdf.

(e) Proportion of investments

Minimum Sustainable Investment: 35.0%



(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. The second line of defense (Investment Restrictions) monitors the carbon footprint of the portfolio versus the reference index on a daily basis and facilitates pre-trade compliance. 2. The second line of defense (Investment Restrictions) monitors the water and waste footprint of the portfolio versus the reference index on a daily basis and facilitates pre-trade compliance. 3. The second line of defense (Investment Restrictions) monitors the weighted average ESG score of the portfolio versus the reference index on a daily basis and facilitates pre-trade compliance. 4. 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. 5. The proxy voting policy is reviewed on an annual basis, including voting principles in relation to ESG topics. Changes to the policy are presented to the Sustainability and Impact Strategy Committee. Voting behavior on ESG topics are monitored in the first line. On an annual basis the implementation of the voting policy is tested as part of our ISAE framework.

(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 SFDR Data Disclosures document.

(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 following data sources are used:

1. The fund's carbon footprint is calculated based on S&P (Trucost Environmental) data.
2. The fund's environmental footprint is calculated based on Sustainalytics environmental data.
3. The fund's ESG scores are based on Sustainalytics data.
4. The SDG Framework uses data derived from the internal process.
5. 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.
6. The proxy voting process uses data derived from internal processes, aided by content from Glass Lewis and ISS.

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 main limitation in terms of methodologies and data relates to the relative immaturity of corporate sustainability disclosure. In recent years, we have seen a marked increase in the availability of environmental and social data, largely driven by regulations such as the EU Corporate Sustainability Reporting Directive (CSRD) and the Taxonomy Regulation. It remains to be seen whether this trend will continue at the pace previously anticipated given the highly politicized nature of the topic.

To address data gaps, we rely on a selection of external data providers. This introduces additional risks, as we must account for variations between providers. These include discrepancies in estimation methodologies, update frequency, and more foundational issues such as the treatment of corporate actions, security identifiers, and group structures.

From a methodological perspective, we consistently observe divergence in how vendors approach specific environmental topics. For example, regarding GHG emissions, some providers combine corporate-reported data with modelled estimates, while others use different methodological bases. It is common to find significant differences in 'reported' values across providers, stemming from varying policies, quality assurance processes, and case-by-case judgements. This is a widely acknowledged concern, as noted in publications by industry associations and regulators, including EuroSIF and IOSCO, regarding the quality and transparency of ESG data.

Carbon emissions are one of our primary environmental objectives, as this represents the most mature sustainability data theme, offering the most comprehensive coverage across our investment universe, despite the limitations noted above. To mitigate these data challenges, we conduct a thorough annual review of the Robeco-default carbon dataset, at the time of writing S&P Trucost, including a detailed impact assessment each time we transition to a new fiscal year's dataset. This rigorous verification process helps us identify and address anomalies, improving our confidence in the analyses we perform. Nonetheless, we acknowledge that significant data quality challenges persist even in this relatively more developed area of sustainability reporting.

Further information on data and methodologies is available in our SFDR Data Disclosures document.

(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)?

The holdings of the fund are subject to the selection process of Robeco's value engagement program, that consists of a constructive dialogue between investors and investee companies to discuss how they manage ESG risks and opportunities, as well as stakeholder impact. Although this type of engagement is not directly related to the environmental or social investment strategy of the fund, it can be that adverse sustainability impacts are addressed via the value engagement program.

More information can be found in Robeco's Stewardship Policy.

(l) Designated reference benchmark

Has an index has 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 product.