

Sustainability-related disclosures for

Robeco UCITS ICAV - Robeco NextGen Global Small-Cap Equity 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:
The Fund considers principal adverse impacts on sustainability factors as referred to in Annex I of the SFDR Delegated Act.

Pre-investment, the following principal adverse impacts on sustainability factors are considered:

- o 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)
- o Via the ESG integration process, as part of the investment due diligence policies and procedures, the following PAIs are considered:
 - All indicators related to GHG emissions, as part of the required Climate Risk analysis (PAI 1-6, Table 1, PAI 4, Table 2)
 - Biodiversity, water and waste indicators (PAI 7-9, Table 1)
 - Board gender diversity (PAI 13, Table 1)

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:

- All indicators related to GHG emissions (PAI 1-6, Table 1)
- Indicators related to social and employee matters (PAI 10-13, Table 1; PAI 5-8, Table 3)

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 review 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.

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 Organization 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 has the following E/S characteristics:

1. The Fund promotes having a lower carbon footprint than the MSCI World Small Cap Index (the "Benchmark").
2. The Fund promotes having a lower environmental footprint than the Benchmark.
3. The Fund promotes having a weighted average ESG score that is better than that of the Benchmark
4. The Fund promotes having a larger share of companies with a positive SDG score (1,2,3) in the portfolio than the Benchmark. In line with the Manager's exclusion policy, the Fund promotes: (i) a positive impact on climate change and the natural environment which is achieved through not investing in companies involved in oil sands and arctic drilling or that are engaged in the irresponsible use of raw materials; (ii) peace and stability which is achieved through not investing in certain companies involved with banned weapons and controversial weapons; (iii) the welfare of society which is achieved through not investing in companies that are involved in the production of tobacco; and (iv) the promotion of human rights and anti-corruption which is achieved through not investing in companies that are in breach of the ILO standards, UNGPs, UNGC or OECD Guidelines for Multinational Enterprises. The Fund adheres to 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, such as exposure to controversial weapons, and certain fossil fuel-related activities. 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. There is no reference benchmark designated for the purpose of attaining the environmental or social characteristics promoted by the Fund. There is no reference benchmark designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-fund.

(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 outperform the Benchmark. This is achieved by expressing the Manager's views, both positive and negative, on eligible listed small-cap equities and equity-related securities, which, at the time of purchase, fall within the bottom 25% of global equity market capitalisation. The Fund accomplishes this by overweighting and underweighting securities relative to their Benchmark weights, including investing in securities not included in the Benchmark.

The Manager uses "next generation" ("NextGen") quantitative research and investment solutions, which aim to enhance traditional quantitative investment and research techniques with artificial intelligence ("AI"), as described further below. Stock selection is driven by the Manager's AI-enhanced proprietary quantitative stock selection model (the "AI-enhanced Stock Selection Model"), which considers proven return factors, such as value, quality, momentum, analyst revisions, low volatility, and short-term signals, to identify attractive investment opportunities, before applying an AI overlay as described below. For example, the Manager typically overweights stocks with attractive valuations, profitable operations, strong price momentum, positive analyst revisions, lower volatility, and/or favourable short-term price reversions. These overweight positions result in a corresponding underweight to other Benchmark constituents.

Within the AI-enhanced Stock Selection Model, the weighting of the factors is determined using AI, incorporating machine learning ("ML"), which is a branch of AI. ML uses algorithms and statistical models to learn from data and adapt it to market conditions and uses these algorithms and models to enhance predictive accuracy (i.e. to predict the performance of the Fund's investments).

The AI-enhanced Stock Selection Model, including its use of ML, is validated and retrained at least once a year using the latest available data, or more frequently if material changes in data or research occurs. This ensures it remains effective and that it adapts to changing market conditions. Any proposed changes to the model undergo rigorous validation. This includes back testing and stress testing to confirm robustness and reliability. All changes are formally reviewed and

approved by a committee of investment professionals. This group includes the portfolio management team and experts in ML within the Manager. This governance framework ensures that the AI-enhanced Stock Selection Model, including its use of ML techniques, are applied in a way that is aligned with the Fund's investment objective and risk management policies.

The AI-enhanced Stock Selection Model serves as a primary input for the portfolio construction with respect to the Fund. The Manager also uses a proprietary portfolio construction algorithm (the "Portfolio Construction Algorithm") which seeks to balance risk and return to build a broadly diversified portfolio of small-cap equities, subject to the investment guidelines applicable to the Fund. In addition, portfolio rebalancing occurs at least once a month. The AI-enhanced Stock Selection Model and the Portfolio Construction Algorithm are distinct systems. The AI-enhanced Stock Selection Model operates automatically on a daily basis, providing updates to the Manager who, subject to daily safeguard processes (as described further below), runs the Portfolio Construction Algorithm in order to determine optimal portfolio weights by integrating the following inputs: (i) the expected risk/return generated by the AI-enhanced Stock Selection Model; (ii) transaction cost estimates: market data is used to estimate the transaction costs associated with trading each security; and (iii) risk model and constraints.

The Fund's portfolio is subject to daily monitoring and safeguards to ensure alignment with the Fund's investment objective and risk parameters. The Manager reviews the Fund's aggregate performance on a daily basis to identify any outliers in terms of individual stock performance and the Manager's risk management function conducts daily risk assessments both pre- and post-trade as a second line of defence to ensure the Fund's portfolio remains within expected risk tolerances. The Manager also actively monitors corporate actions to assess any potential impact on the Fund's portfolio. Relative changes in rankings and weights of stocks are also monitored by the Manager such that significant changes in stock rankings prompt an investigation into the output of the AI-enhanced Stock Selection Model. Additionally, before running the AI-enhanced Stock Selection Model, the Manager conducts checks on data quality and completeness. Every trade proposed by the Portfolio Construction Algorithm is validated by the Fund's portfolio manager before any investment decision is taken in relation to a new position or a position change in the Fund's portfolio. If approved, the trades are executed by the portfolio manager. The Manager also assesses country, sector, beta, industry group, and security exposures on a portfolio level.

In situations where either of the AI-enhanced Stock Selection Model or the Portfolio Construction Algorithm is unavailable, the Manager has established contingency plans with respect to the Fund's portfolio, which include, but are not limited to, pro-rata portfolio adjustments in the event of inflows or outflows to maintain alignment with the Fund's investment policy, and procedures for managing cash and ancillary liquid assets. This ensures continuity in portfolio exposure while minimising disruption. In the event of broader disruptions affecting the Manager's operations, the Manager has a business continuity policy in place.

The Manager retains ultimate responsibility and full discretion over investment decisions and portfolio construction in respect of the Fund and may reject or adjust the recommendations of the Portfolio Construction Algorithm based on human judgement, market context, or other relevant considerations. The securities selected for the Fund's investment universe may be components of the Benchmark, but securities outside the Benchmark may be selected too. The Fund may deviate from the weightings of the Benchmark. The Manager has discretion over the composition of the Fund's portfolio subject to the investment objective. The Fund aims to outperform the Benchmark over the long run, net of fees, while still controlling relative risk through the application of limits (on countries and sectors, of a maximum of 5% underweight or overweight) to the extent of deviation from the Benchmark.

The Fund's performance will vary depending on market conditions, and there is no guarantee of outperformance; meaning that any outperformance may be minimal or nonexistent.

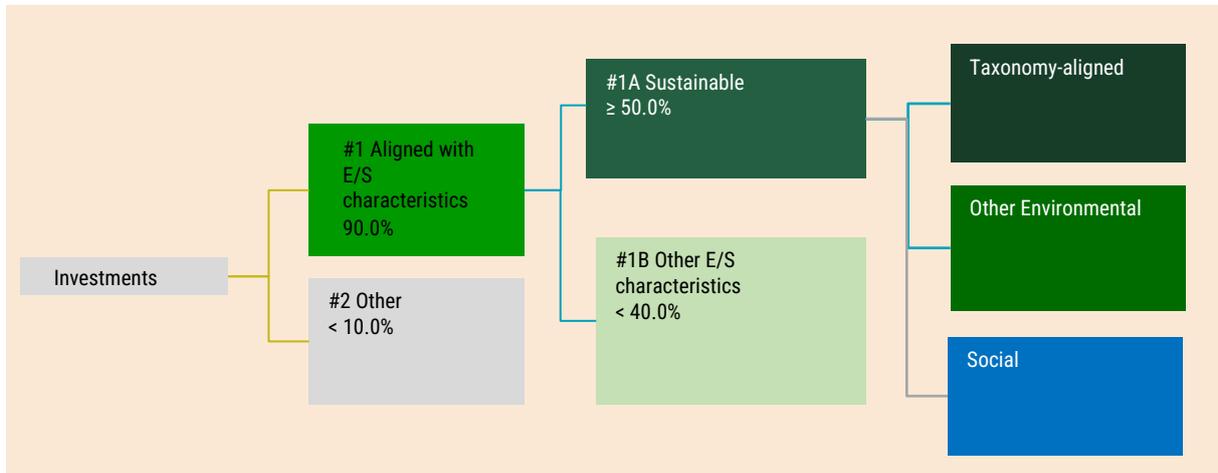
What is the policy to assess good governance practices of the investee companies, including with respect to sound management structures, employee relations, remuneration of staff and tax compliance?

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 Article 8 and 9 products. The Manager's Good Governance policy applies to the Fund and tests on a set of governance criteria that reflect widely recognized 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>. 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 in accordance with the Manager's proxy voting policy. 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: [Robeco's Stewardship Policy](#). 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>.

(e) Proportion of investments

Minimum Sustainable Investment: 50.0%



(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 environmental footprint (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. The second line of defense (Investment Restrictions) monitors all SDG scores and facilitates pre-trade compliance.
5. 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.

(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 environmental footprint is calculated based on Trucost environmental data.
3. The 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.

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 place 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 sustainable investment objective of the fund, it can be that adverse sustainability impacts are addressed via the value engagement program.

The holdings of the fund are subject to Robeco's enhanced engagement program, that focuses on companies that severely breach minimum standards which Robeco has set out in terms of corporate behavior, climate and biodiversity. In evaluating corporate behavior, we expect companies to comply with 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 the areas of climate change and biodiversity, we expect companies to make sufficient progress against Robeco's climate traffic light score or against the RSPO certification, respectively. The process for enhanced engagement theme selection is a formal part of our exclusion policy. Enhanced Engagement program includes the themes 'Global controversy', 'Acceleration to Paris', and 'Palm oil'.

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.