Robeco Capital Growth Funds - Robeco Smart Energy

Pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: Robeco Smart Energy

Legal entity identifier: 213800XOKIZRP1SLWA28

Sustainable investment objective

Does this financial product have a sustainable investment objective?

- [x] **Yes**
- [ ] **No**

- [x] It will make a minimum of **sustainable investments with an environmental objective**:15%
  - [x] in economic activities that qualify as environmentally sustainable under the EU Taxonomy
  - [x] in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- [x] It will make a minimum of **sustainable investments with a social objective**: 35%

- [ ] It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of _% of sustainable investments
  - [ ] with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
  - [ ] with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
  - [ ] with a social objective
- [ ] It promotes E/S characteristics, but **will not make any sustainable investments**

What is the sustainable investment objective of this financial product?

The sustainable investment objective of the Sub-fund is to further the transformation of the global energy sector through investments in clean energy production sources, energy efficient products and infrastructure as well as technologies supporting the electrification of the industrial, transportation and heating sectors. These activities are linked to following United Nations Sustainable Development Goals (SDGs): Affordable and clean energy goal (SDG 7), Decent work and economic growth (SDG 8), Industry, innovation and infrastructure (SDG 9), Sustainable cities and communities (SDG 11) and Climate action (SDG 13).

A part of the investments made by the Sub-fund intends to contribute to the environmental objectives of climate change mitigation under the Taxonomy regulation.

There is no reference benchmark designated for the sustainable investment objective promoted by the Sub-fund.

What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

The Sub-fund has the following sustainability indicators:
1. The number of companies with a positive or allowed neutral SDG score. Allowed neutral SDG score companies can be companies that perform relatively well in the sector that the Sub-fund may invest in. It is only for such thematic funds that there is possibility to consider neutral (zero) SDG score holdings as sustainable investments.
2. The % of companies to attain the Sub-fund's theme as described within the binding elements.
3. The % of investments in securities that are on Robeco's Exclusion list as result of the application of Robeco's Exclusion Policy.
4. The number of holdings and agenda items voted.
5. The % of investments in securities that are excluded as result of the application of Article 12(1)(a) to (g) of the Regulation on EU Climate Benchmarks.

How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?

The sustainable investments do no significant harm to any environmental or social sustainable investment objective by considering a principal adverse impact and aligning with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. In addition, sustainable investments score positively on Robeco's SDG Framework, and therefore do not cause significant harm.

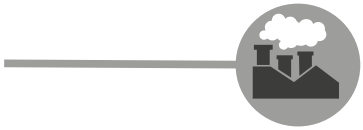
How have the indicators for adverse impacts on sustainability factors been taken into account?

Mandatory principal adverse impact indicators are considered through Robeco's SDG Framework, either directly or indirectly, when identifying sustainable investments for the Sub-fund. In addition, voluntary environmental and social indicators are taken into account, depending on their relevance for measuring impacts on the SDGs and the availability of data.

A detailed description of the incorporation of principal adverse impacts is available via Robeco's Principal Adverse Impact Statement published on the Robeco website (https://www.robeco.com/files/docm/docu-robeco-principal-adverse-impact-statement-2024-en.pdf). In this statement, Robeco sets out its approach to identifying and prioritizing principal adverse impacts, and how principal adverse impacts are considered as part of Robeco's investment due diligence process and procedures relating to research and analysis, exclusions and restrictions and/or voting and engagement. This description also explains how principal adverse impact indicators are considered by the SDG Framework.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and 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.



Does this financial product consider principal adverse impacts on sustainability factors?

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

[X] Yes,_____

The Sub-fund considers principal adverse impacts on sustainability factors as referred to in Annex I of the SFDR Delegated Act.

Pre-investment, Robeco's SDG Framework assesses companies' positive and negative contributions to the Sustainable Development Goals (SDGs). Robeco's SDG Framework directly and/or indirectly screens companies on many of the topics considered by the PAI indicators.

Post-investment, the following principal adverse impacts on sustainability factors are taken into account:

o 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)

o Via Robeco'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). On an ongoing basis, the investment universe is scanned for controversial behavior in relation to the aforementioned principles and guidelines.
- In addition, based on a yearly review of Robeco's performance on all mandatory and selected voluntary indicators, holdings of the Sub-fund that cause adverse impact might be selected for engagement.

More information is available via Robeco's Principal Adverse Impact Statement, published on Robeco's website. The fund will periodically report how it has considered the principal adverse impacts of its investments in the annual report, which will be made available each year before 30 April of the following calendar year at the fund page highlighted in the final section of this document.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

Robeco Smart Energy is an actively managed fund that invests globally in companies providing technologies for clean energy production, distribution, power management infrastructure and energy efficiency. The selection of these stocks is based on fundamental analysis as described in the Investment policy strategy paragraph in Appendix I of this Prospectus. The strategy integrates sustainability indicators on a continuous basis as part of the stock selection process. Amongst others, the Sub-fund applies norms-based and activity-based exclusions, Robeco's good governance policy, Robeco's SDG framework and considers Principal Adverse Impacts in the investment process.
More product-specific information can be found on our website and the links provided in the final question of this disclosure.

What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?

The Sub-fund has the following binding elements:
1. The Sub-fund is solely invested in companies that hold a positive or allowed neutral SDG score based on the internally developed SDG Framework. A maximum of 10% of the Sub-fund's assets that relate to the theme of the Sub-fund can consist of neutral SDG scores reliant on approval from the internal Committee.
2. The Sub-fund invests 80% in companies that are related to the Sub-fund's theme e.g. companies that have a meaningful revenue exposure to activities in clean energy production sources, energy infrastructure and management, as well as solutions that improve energy efficiency for sectors such as industrials, buildings, transportation or data centers.
3. The Sub-fund's portfolio complies with Robeco's Exclusion Policy Level 2 (https://www.robeco.com/files/docm/docu-exclusion-policy.pdf) that is based on exclusion criteria with regards to products and business practices that Robeco believes are detrimental to society. This means that the Sub-fund has 0% investments in excluded securities, taking into account a grace period. This includes any company that is in breach of the ILO standards, UNGPs, UNGC or OECD Guidelines for Multinational Enterprises. Information with regards to the impact of the exclusions on the Sub-fund's universe can be found at https://www.robeco.com/files/docm/docu-exclusion-list.pdf.
4. All equity holdings have a granted right to vote and Robeco exerts that right by voting according to Robeco's Proxy Voting Policy, unless impediments occur (e.g. share blocking or when not considered cost efficient). Robeco's Proxy Voting Policy can be found at https://www.robeco.com/files//docm/docu-stewardship-approach-and-guidelines.pdf.
5. The Sub-fund's portfolio complies with the exclusion criteria as referred to in Article 12(1)(a) to (g) of the Regulation on EU Climate Benchmarks. This means that the Sub-fund has 0% investments in excluded securities, taking into account a grace period. Information with regards to the effects of the exclusions on the Sub-fund's universe can be found at https://www.robeco.com/files/docm/docu-exclusion-list.pdf.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

Robeco has a Good Governance policy to assess governance practices of companies. The policy describes how Robeco determines if and when a company does not follow good governance practices and is therefore excluded from the initial investment universe for the Sub-fund. Robeco's Good Governance policy applies 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.

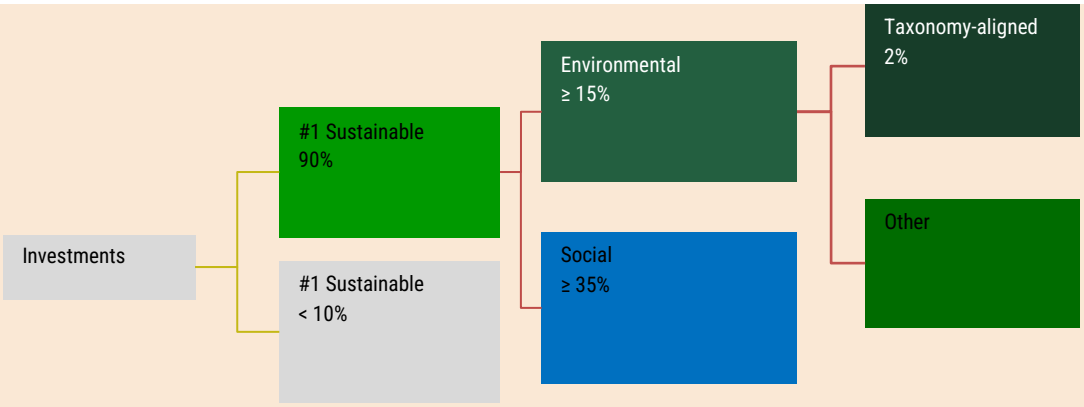
The Good Governance test consists of criteria on such topics that are examined for investee companies and further explained in Robeco's Good Governance policy https://www.robeco.com/files/docm/docu-robeco-good-governance-policy.pdf. Additionally, the companies that do not pass the good governance test are reflected in the exclusion list that can be accessed here - https://www.robeco.com/files/docm/docu-exclusion-list.pdf.

What is the asset allocation and the minimum share of sustainable investments?

The Sub-fund plans to make a minimum of 90% sustainable investments, with a minimum portion of 15% sustainable investments with an environmental objective and a minimum portion of 35% sustainable investments with a social objective, measured by positive scores or allowed neutrals, via Robeco's SDG Framework. These percentages are minimum commitments and the two subsets are not equal the total minimum proportion of sustainable investments (90%) in the asset allocation section. The same apply for the further split of the total minimum of environmentally sustainable investments (15%) into the minimum commitments of taxonomy-aligned (2%) and other environmental sustainable investments (5%), where the lack of data availability and coverage also influences the level of the minimum commitments. The investments in the category #2 Not sustainable, estimated between 0-10%, are in cash and cash equivalents. The planned asset allocation is monitored continuously, and evaluated on a yearly basis.

Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



#1 Sustainable covers sustainable investments with environmental or social objectives.
#2 Not sustainable includes investments which do not qualify as sustainable investments.

How does the use of derivatives attain the sustainable investment objective?

The Sub-fund does not make use of derivatives to attain the sustainable objective promoted by the financial product. The Sub-fund may make use of derivatives for hedging and liquidity management. This includes the usage of derivatives to manage currency and market exposures in a cost-effective manner. To that purpose exchange traded and over-the-counter derivatives linked to equity indices and currencies are permitted.

In case the Sub-fund uses derivatives, the underlying shall comply with the investment policy. Where relevant, minimum environmental or social safeguards are taken into account.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Sub-fund intends to contribute to the environmental objective of climate change mitigation under the EU Taxonomy.

The Sub-fund intends to contribute to the environmental objectives of climate change mitigation under the EU Taxonomy. The Sub-fund commits to a minimum share of 2% of Taxonomy-aligned activities. The Sub-fund uses Turnover as the primary metric for Taxonomy alignment because it aligns with the existing revenues of companies invested by the Sub-fund. The minimum proportion of Taxonomy-aligned activities shall be calculated covering all assets of the Sub-funds in accordance with Article 17 of the EU Taxonomy Regulation. The Sub-fund only makes investments in companies and therefore it does not have sovereign exposures. The expected level of alignment with and without sovereign bonds is the same.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?[1]

Yes

In fossil gas

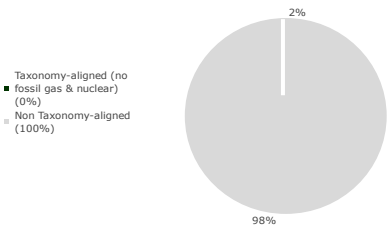
In nuclear energy

No

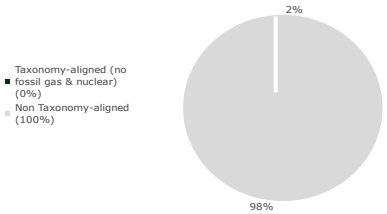
[X]

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy alignment of investments **including sovereign bonds***



2. Taxonomy alignment of investments **excluding sovereign bonds***



This graph represents 100% of the total investments.

***For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures**

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective. **Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

0%

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Sub-fund commits to a minimum share of sustainable investments with an environmental objective of 15%. The Sub-fund commits to a minimum share of sustainable investments of 5% that are not alignment with the EU Taxonomy because of the lack of availability of data and coverage in the fund market. The 'Other' environmental objectives of the Sub-fund are attained by investing in companies that score positively on SDG 12 (Responsible consumption and production), SDG 13 (Climate action), SDG 14 (Life below water), and SDG 15 (Life on land) in Robeco's SDG Framework.

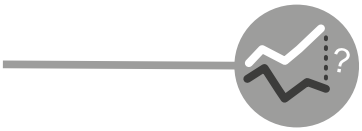
are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with a social objective?

The Sub-fund intends to make sustainable investments, measured as positive scores via Robeco's SDG Framework. The Sub-fund commits to a minimum share of socially sustainable investments of 35% because the Sub-fund's investment strategy does have a specific social investment objective. The social objectives of the Sub-fund are attained by investing in companies that score positively on SDG 1 (No poverty), SDG 2 (Zero hunger), SDG 3 (Good health and well-being), SDG 4 (Quality education), SDG 5 (Gender equality), SDG 6 (Clear water and sanitation), SDG 7 (Affordable and clean energy), SDG 8 (Decent work and economic growth), SDG 9 (Industry, innovation and infrastructure), SDG 10 (Reduced inequalities), SDG 11 (Sustainable cities and communities), SDG 16 (Peace, justice and strong institutions) and SDG 17 (Partnerships for the goals), in Robeco's SDG Framework. The sum of socially sustainable investments and sustainable investments with an environmental objective always adds up to the Sub-fund's minimum proportion of 90% sustainable investments.

What investments are included under "#2 Not sustainable", what is their purpose and are there any minimum environmental or social safeguards?

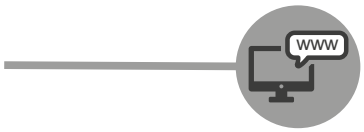
The type of instruments included under "#2 Not Sustainable" and their purpose are outlined in Annex I of this Prospectus under the header 'Financial instruments and investment restrictions'. They include cash, cash equivalents, as well as investment funds and eligible asset classes (other than bonds and equities) that do not specifically promote E/S characteristics. As indicated above, the Sub-fund does not make use of derivatives to attain its sustainable objective. The Sub-fund may make use of derivatives for hedging and liquidity management. This includes the usage of derivatives to manage currency and market exposures in a cost-effective manner. For the management of currency exposure FX Forwards are allowed. The exchange traded derivatives linked to equity indices, such as equity index futures covering the market universe, are permitted for cash equitization. In case the Sub-fund uses such index market derivatives, these shall be temporary positions as defined by the investment restrictions. Where relevant, minimum environmental or social safeguards are taken into account by monitoring and performing suitability tests on index futures constituents following Robeco's Exclusion Policy.



Is a specific index designated as a reference benchmark to meet the sustainable investment objective?

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.

Not applicable.



Where can I find more product specific information online?

o More product-specific information can be found on the website:
https://www.robeco.com/en-int/products/funds/
o Robeco's PAI Statement can be accessed via the following link:
https://www.robeco.com/files/docm/docu-robeco-principal-adverse-impact-statement-2024-en.pdf
o Robeco's Good Governance test can be accessed via the following link:
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o Robeco's sustainability risk policy:
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