



Sustainability Report

2018

A close-up portrait of Gilbert Van Hassel, a middle-aged man with grey hair and blue eyes, wearing a dark blue pinstripe suit, a light blue shirt, and a yellow tie with a blue pattern. He is looking directly at the camera with a slight smile. The background is dark and out of focus, featuring some warm, golden light streaks.

Message from Gilbert Van Hassel

Over the past year, the buzz around sustainability investing (SI) has changed. More and more of our clients and prospects now have ESG requirements integrated in their investment strategies, and SI capabilities are often a key component in the tender process. Most of our competitors – including the largest in the industry – have now embraced SI, launching ESG products and integrating sustainability into their investment processes. While the SI playing field is becoming more crowded, Robeco and RobecoSAM stand out for their long experience, and how we put that into practice.

In the 1990s, Robeco and RobecoSAM were among the first asset managers to recognize the potential of sustainability to enhance investment returns. In 2018, the collaboration between our two companies was strengthened to benefit our clients and maintain our leading position in SI. The introduction of a matrix organization, and a joint vision and mission, mean we are working together as one organization. This enables us to offer exceptional products and further strengthen our sustainability processes and active ownership activities.

Robeco was recognized in 2018 for its leading engagement role, on behalf of Climate Action 100+, in persuading Shell to significantly strengthen its measures to reduce its carbon footprint – a milestone in active ownership. Last year we also excluded tobacco from our funds.

Our comprehensive commitment to SI is reflected in our results. Our ESG-integrated assets remained stable at EUR 100 billion despite market declines. High conviction sustainability strategies that are managed, advised and licensed by Robeco and RobecoSAM grew by 70% to EUR 26.8 billion. Both Robeco and RobecoSAM received the highest possible score of A+ on all the modules we were evaluated on in our 2018 UN PRI assessments.

Because we treat sustainability like any other driver of return in our investment processes, it is only natural that we hold our business operations and governance to the same ESG criteria. As such, this Sustainability Report covers these areas as well as our investment and distribution activities. It also serves as our official disclosure document for our commitment to the UN Global Compact, and gives insight into our contributions to the UN Sustainable Development Goals for 2030.

As demand grows for sustainability investing, in step with growing regulation and active ownership, I expect products and strategies will be held to ever higher standards. In this environment, Robeco and RobecoSAM will continue to differentiate themselves. Thanks to our history, we have the right people, the right data and world-class processes in place to help our clients meet their financial and sustainability goals.

Gilbert Van Hassel
CEO and Chairman of Robeco's Executive Committee

Contents

Introducing Robeco and RobecoSAM

Mission and beliefs	9
Core Values	9
Corporate strategy	9
Brands and products	10
Value creation model	11
Innovation	13
Corporate innovation	13
Product innovation	13
IT Innovation	13
Materiality analysis	13
General results	14
Results for stakeholder groups	14
Financial market developments	15
Asset management industry development	15
Financial results	16

Investments and distribution

Serving clients' needs	19
Institutional and wholesales clients	19
Retail clients	19
Developing sustainability solutions for clients	19
Contributing to the Sustainable Development Goals	20
SDG measurement framework	21
Developing SDG targeted investment solutions	21
SDGs in active ownership initiatives	21
SDGs in ESG integration	21
Supporting knowledge-sharing initiatives	22
ESG integration	22
Quantitative equity	22
Fundamental equity	22
Fixed income: credits and government bonds	23
Private equity	23
Ambition	23
Active ownership	23
Focus on stewardship	24
Voting	24
Engagement for equity and credits portfolios	24
Enhanced engagement: addressing	
UN Global Compact breaches	25
Value engagement: engaging on financially	
material ESG topics	25
Exclusions	27
Exclusion of tobacco	27
Engagement developments in 2018	27
Supporting sustainability initiatives	28
Highlights of collaborative initiatives	28
External recognition	28
Knowledge sharing on sustainability investing	29
Investment Performance overview	31

Governance

Ownership and legal status	33
Governance structure	33
Robeco Supervisory Board	34
Robeco Executive Committee	34
RobecoSAM Board of Directors	34
RobecoSAM Executive Committee	34
Sustainability and Impact Strategy Committee (SISC)	34
Sustainability Committee	35
Business ethics	35
Risk Management and compliance	36
Managing risks	36
Monitoring environment risks	36
Ambitions for 2019-2020	36
Audit and Risk Committee	37
Enterprise Risk Management Committee	37
Risk Management Committee	37
Tax	37

Business operations

Strategic workforce development	39
Performance Management Cycle	39
Reward vision	39
Remuneration	39
Nomination and Remuneration Committee	40
Learning and development	40
Vitality and work-life balance	41
Diversity, inclusion and non-discrimination	41
Sustainability and social commitment initiatives in the HR field	43
Employee engagement	43
Social commitment	43
Social sponsorship	43
Roparun	43
Volunteering	43
Sports coach for a day	43
Academic activities	45
Netspar	45
Procurement	45
Environmental footprint	45
Premises	45
Business travel	45
Use of resources and emissions	46
Ambitions for 2019 and beyond	46

Appendices

About this report	49
Measurement methods	50
Materiality assessment	51
List of material topics and definitions	52
Glossary	53
Board member resumes	56
GRI Table	59
Association memberships and participation in external initiatives	61
Global Compact Communication on Progress reference table	62
Contact	63
Important information	63

Cases

Robeco's active ownership realizes success with Shell	26
Partnering with City to Sea to fight plastic pollution	30
Robeco Foundation helps underprivileged local children	44

Schemes

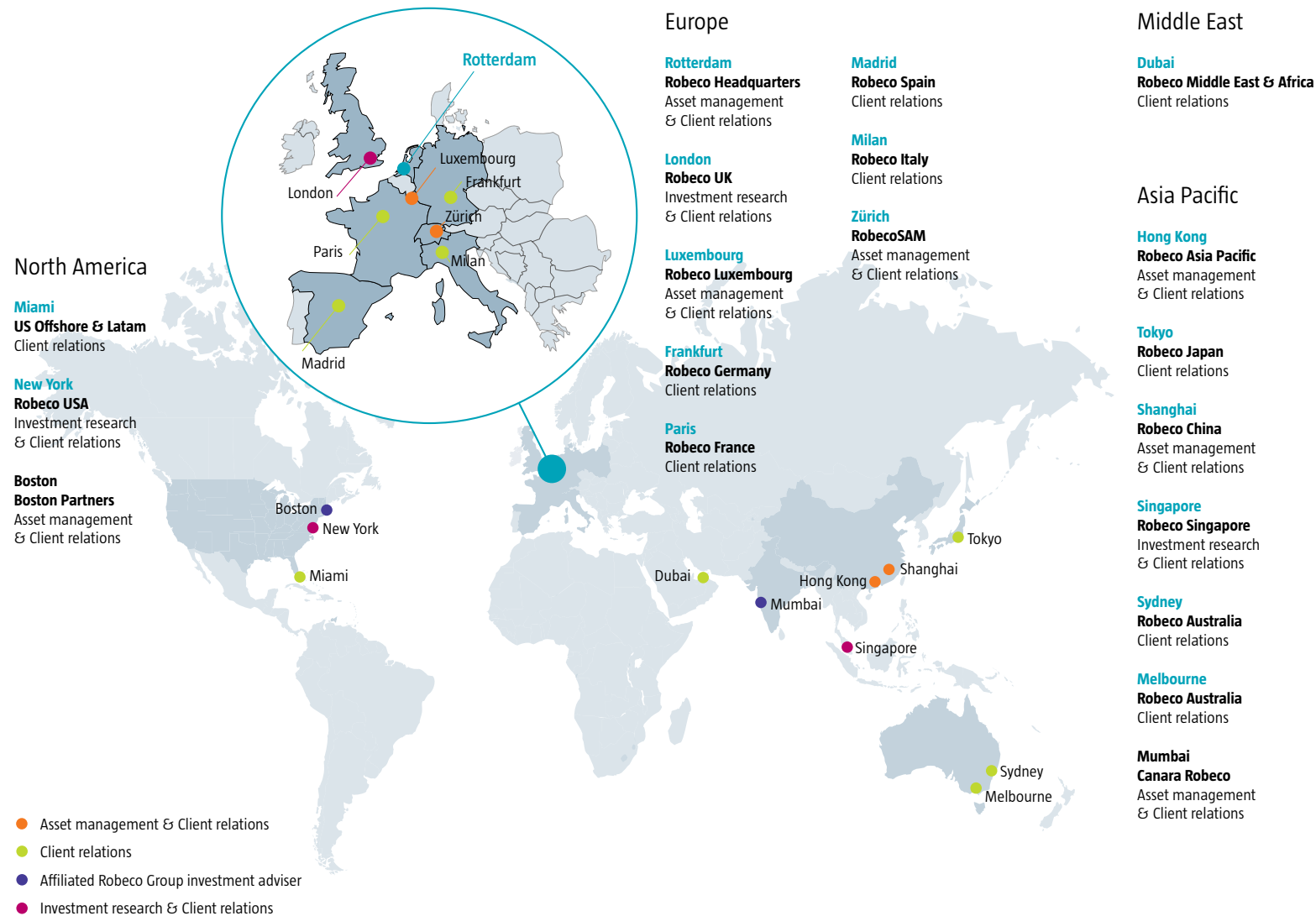
Robeco offices worldwide	7
Our long commitment and innovation in sustainability	8
Key figures	9
Core values of Robeco and RobecoSAM	9
Overview of asset classes per category	10
Value creation model	12
Financial results	16
Approaching sustainability investing	18
Sustainability investing proposition	20
Three step approach for ESG integration	23
Engagement cases per topic	27
Investment performance overview	31
Shareholder and sister companies	33
Compliance record regarding business ethics	35
Responsibility towards the environment	36
Risk categories	37
Remuneration figures	40
Women-to-men remuneration ratio	40
Number of employees, new hires and turnover	41
Employee engagement survey	43
Seven principles of sustainable procurement	45
Resource consumption	46
Greenhouse gas emissions in relation to value chain	46

Tables

Materiality matrix	14
Voting figures	24
Voting distribution by region	24
Distribution of engagement cases by region	27
Performance management cycle	39
Gender distribution in general, by type of contract and by working time	42
Gender distribution per employment category	42
Gender distribution per reporting year	42
Age distribution	42

A photograph of a modern office complex in Rotterdam, featuring the Robeco and RobecoSAM buildings. The central building is a tall, glass-clad skyscraper with 'ROBECO' and 'RobecoSAM' logos. To its left is a shorter, brown-clad building, and to its right is a curved, multi-story building with a grid of windows. A flag flies on a tall pole to the right. In the bottom left, a billboard displays a Dutch environmental message. The sky is blue with scattered clouds.

Introducing Robeco and RobecoSAM



Robeco is a pure-play international asset manager with 17 offices worldwide, including the RobecoSAM offices. Through our unique integration of fundamental, sustainable and quantitative research, Robeco offers its clients an extensive selection of active investment strategies. These cover a broad range of asset classes built around our key strengths of quantitative and sustainability investing, credits and emerging markets. Robeco serves three types of clients with these solutions:

- Institutional investors such as pension plan sponsors and pension-related insurance companies, and official institutions such as sovereign wealth funds and central banks
- Wholesale clients such as global financial institutions and large private wealth managers
- Dutch private investors.

Clients are located in Europe, the Middle East, Asia-Pacific, North America and Latin America. Headquarters are still in Rotterdam, where the company began.

Robeco has applied the ‘pioneering but cautious’ approach inherent in our DNA since the company was founded in 1929: strongly believing that being the ‘Investment Engineers’ requires equal measures of pioneering spirit and caution. Robeco was one of the first asset managers to invest in emerging markets, to take sustainability investing seriously, and to adopt quantitative investing, all using advanced research techniques.

Successful pioneering requires caution, and the key to combining both these elements is rigorous research. After almost 90 years, research still lies at the heart of everything we do.

Robeco’s first director believed that every investment strategy should be research-driven, drawing fully on talented investment managers, researchers, analysts and specialists to find the best ideas. When working through a process, crash tests are being held to identify and solve the problems arising. Robeco uses a research-based, quality-driven process to produce the best possible long-term results for clients. Integrating sustainability investing is the standard practice, accompanied by the constant development of new techniques, including factor investing, equity trends and credits. The operating style as a pure-play asset manager, using an active investment approach to achieve continuous outperformance, is still our forte today.

RobecoSAM was founded in 1995 as an investment specialist focused exclusively on sustainable investing. It offers asset management, impact analysis, sustainability assessments, benchmarking services and specialist investing services, as well as ESG data. RobecoSAM has been a member of Robeco since 2007. In 2013, SAM was renamed RobecoSAM as part of Robeco’s strategy to further align its group-wide sustainability activities. This collaboration was further strengthened in 2018 in order to fully unlock the joint potential of the two companies and to maintain their leading position in SI. And to increase scale and synergies, a trends & thematic investment team was created.

Both Robeco and RobecoSAM are fully owned by ORIX Corporation Europe N.V. (“ORIX Europe”), a subsidiary of ORIX Corporation, a Japanese business conglomerate that started operating in 1964. The other main operating subsidiaries are Boston Partners, Transtrend, Harbor Capital Advisors and Canara Robeco. There is much crossover between all these companies – each one draws from the expertise of the others and they work together within ORIX Europe to combine their strengths.

Our long commitment and innovation in sustainability

Robeco

Founding of Robeco		Launch Robeco Sustainable Equity fund		World’s first Sustainable Private Equity FoF and Clean Tech Private Equity FoF	Voting & Engagement service initiated	Among the first to sign the UN PRI		ESG integration in all capabilities		Highest scores in all UN PRI categories		Robeco signs Dutch SDG investing agenda		Collaboration Robeco and RobecoSAM further strengthened
1929	1995	1999	2001	2004	2005	2006	2007	2010	2013	2014	2015	2016	2017	2018
	Founding of RobecoSAM	Cooperation with Dow Jones	One of the world's first sustainable water fund			Among the first to sign the UN PRI	RobecoSAM member of Robeco		Smart ESG scores introduced		Impact Investing platform launched	Highest scores in all UN PRI categories	Launch of Sustainable Global Impact Equities fund	Collaboration Robeco and RobecoSAM further strengthened

RobecoSAM

Key figures



AuM: EUR 163.5 billion



Offices in 17 countries around the world



EUR 100 billion managed in ESG-integrated assets



EUR 382 billion assets under engagement



A+ score in UN PRI assessment



5,291 shareholder meetings voted



214 companies engaged

Mission and beliefs

Robeco and RobecoSAM adopted a joint mission in 2018 to express their alignment regarding long-term business objectives.

MISSION

To enable our clients to achieve their financial and sustainability goals by providing superior investment returns and solutions.

We will accomplish our mission with employees who respect and embrace diversity, and who are truly engaged and empowered to reach their full potential, working together to obtain the best possible results for our clients and our company.

Our joint mission stems from our shared long-term vision of the investment industry and of society as whole.

VISION

Safeguarding economic, environmental and social assets is a prerequisite for a healthy economy and the generation of attractive returns in the future. The focus in the investment industry is therefore shifting from solely creating wealth to creating wealth and well-being. We are the world’s leading sustainable asset manager and will continue to improve and innovate.

The accomplishment of our joint mission is driven by our investment beliefs.

As an active asset manager with a long-term investment view, we create added value for our clients in the following ways:

- Our investment strategies are research-driven and executed in a disciplined, risk-controlled way
- Our key research pillars are fundamental research, quantitative research and sustainability research
- We can create socio-economic benefits in addition to competitive financial returns

ESG integration leads to better-informed investment decisions and enhanced risk-adjusted returns throughout an economic cycle:

- Sustainability is a driver of structural change in countries, companies and markets
- Companies with sustainable business practices are more successful
- Active ownership contributes to both investment results and society

Core values

Core values embody the essence of Robeco and RobecoSAM and serve as a touchstone for our daily work. They enhance a

clear and shared identity and drive the behavior required for successfully executing our strategy.

Corporate strategy

In June 2017, Robeco announced its strategy for the period 2017-2021. This strategy aims to monetize our intellectual property in combination with a continued focus on providing our clients with the best possible investment performance and services.

In the coming years, Robeco strives to accelerate its growth in the UK, US, Italy, Australia and Japan, and among key accounts in other countries in the Asia Pacific region. These countries offer the best opportunities for growth in the coming years. In other countries, regions and market segments where the company has a sales presence, our aim is to maintain current growth levels. In China, Robeco will continue to strengthen its presence in order to be ready when the market opens up further. In 2018, Robeco received a Qualified Domestic Limited Partnership (QDLP) license and launched its first QDLP fund in mainland China. Another aspect of Robeco’s commercial focus is accelerating sales via global financial institutions.

In terms of products and solutions, the focus will be on further increasing the scale of those investment capabilities that are

The core values of Robeco are:		The core values of RobecoSAM are:	
Client- centered	We always act in the best interest of our clients	Outstanding performance	Efficiently and proactively achieving best-in-class results
Innovative	We are inquisitive and goal-driven	Leading	Setting the standard and the agenda in our business environment
Sustainable	We act responsibly for Robeco and society	Smartly entrepreneurial	Being pioneers driven by the spirit of courage, responsibility and ownership
Connecting	We help others to be successful	Personal dedication	Passion, enthusiasm and commitment represent the core of our culture
		Cooperative growth	Believing in a balanced approach of giving and taking

currently among the world’s best in terms of performance, investment process and consultant ratings. These include Quant Equities (including factor investing), Investment Grade Credits, Emerging Markets Equities, Asia Pacific Equities and sustainability investing, the latter conducted in close collaboration with RobecoSAM.

The quant equities and sustainability investing areas saw significant activity in 2018. Together with RobecoSAM, we launched the Global SDG Credits strategy, a first of its kind, leveraging both companies’ extensive in-house expertise. This strategy aims to help contribute to the Sustainable Development Goals (SDGs) (see section further below) and aims to outperform the Bloomberg Barclays Global Aggregate Corporate Index. In June, Robeco launched its first fundamental sustainable multi-asset strategy, also in close cooperation with RobecoSAM.

Building on Robeco’s factor-based knowledge and expertise, two multi-factor strategies were launched in 2018: the QI Multi Factor Multi Asset fund and the QI Global Multi Factor High Yield fund. They aim to harvest factor premiums using quantitative strategies.

Robeco’s Fundamental Global Equities, Global Macro Fixed Income, Fundamental Multi Asset and Quant Allocation capabilities will be further strengthened in the coming years, anticipating an expected increase in client interest. In addition, Robeco intends to build or buy capabilities that institutional investors are looking for in their search for yield and for strategic partnerships.

The 2017-2021 strategy envisages further international growth of both its investment and client-servicing activities. In this context, Robeco took the decision to outsource part of its operations and administration activities to JP Morgan. The outsourcing process began in early 2018 and contains a phased migration that may

take up to two years to complete. The first milestones have been realized according to plan.

Brands and products

Robeco is one of the leading asset management brands across Europe, achieving top six status in brand preference for the wholesale market, and maintaining the top position for sustainability investing in the Fund Buyer Focus brand report Q3 2018. The company is steadily strengthening its brand positioning in other parts of the world, particularly in Asia and the US, boosted by the opening of a new office in New York to service clients locally. Robeco is well-known now as a pioneer of both sustainability and quantitative investing, having offered both specialisms since the 1990s. A key part of our success is being world-renowned for our research-driven approach that has been part of our DNA since the very beginning almost nine decades ago. Robeco’s entire range of fundamental equities, fixed income and quant strategies now integrate SI as standard, along with more specialist sustainability products.

RobecoSAM offers asset management, impact analysis and investing, sustainability assessments, benchmarking services, as well as ESG data. RobecoSAM's asset management capabilities accommodate institutional asset owners and financial intermediaries and cover a range of investment products in public equities, which integrate environmental, social and governance factors into the investment process and have a strong track record in sustainable and resource efficiency-themed strategies, as well as strategies focused on the Sustainable Development Goals (SDGs). Together with S&P Dow Jones Indices, RobecoSAM publishes the globally recognized Dow Jones Sustainability Indices (DJSI) as well as the S&P ESG Factor Weighted Index series, the first index family to treat ESG as a stand-alone factor using the RobecoSAM Smart ESG methodology. RobecoSAM operates two proprietary research surveys that underpin much of the

investment in equities, credits and government bonds at our companies. The Corporate Sustainability Assessment (CSA) is an annual ESG analysis of over 4,600 listed companies, of which a record 993 responded to the 2018 survey. Having now compiled this for 20 years, it has enabled RobecoSAM to build up one of the world’s most comprehensive databases of financially material sustainability information. The other proprietary survey is the Country Sustainability Ranking, a biannual assessment of the ESG credentials of 65 countries, including 22 from developed markets and 43 from emerging markets. It is primarily used by the government bonds investing team to determine country risk, along with other teams requiring insight into the relative riskiness of nations in which they have assets. The Robeco and RobecoSAM product ranges consist of 124 investment funds (7 March 2019).

Overview of asset classes per category	
Equity	Global equities, US equities, European equities, Emerging markets equities, Asia Pacific equities, Chinese equities, Enhanced indexing equities, Active quant equities, Factor investing equities, Low volatility equities, Trend and thematic equities, Sustainability investing equities
Fixed income	High yield, Investment grade credits, Government bonds, Aggregate fixed income, Emerging fixed income, Quant fixed income, Dynamic duration, Liability Driven Investments (LDI), Fixed income buy and maintain
Investment solutions	Fiduciary management, Manager selection & monitoring, Liability Driven Investments (LDI), Voting & engagement, Robeco Smart Pension (PPI), Flexioen
Alternative	Managed futures, Private equity, Private debt, Diversified carry
Multi-asset	Multi-asset, Life Cycle, Conservative Multi-Asset, Multi-factor multi-asset, Multi-factor absolute return

Value creation model

Robeco and RobecoSAM create value for their stakeholders by providing access to investment opportunities and generating returns on their investments. Our value creation model shows our core business activities plus output, supported by our business operations, and executed within the framework of our governance. It also shows the way in which our company value chain is linked to the outside world in terms of input and results on five aspects, explaining how we interact with our direct stakeholders and with society as whole.

Our value creation model is cyclical in more than one sense. It not only represents the cyclical nature of financial investments, leading to financial returns that can be re-invested, but also shows that investment in knowledge, cooperation and personal development leads to better-informed investment decisions, better relations with our clients and business partners, and a smarter workforce. Our value creation model also reflects our conviction that sustainability issues cannot be separated from other business considerations. Rather, they form an integral part of a company's way of conducting its business processes.

The value creation model is reflected in the structure of this report. Our clients entrust us with their assets, which we invest for them. Who our clients are and what we have to offer them is described under Investments and distribution. The way we conduct our business and apply rules and regulations is described in the section entitled Governance. Finally, supporting activities are described under Business operations.

On the left-hand side of the value creation model we have listed the different sources of capital, as defined by the International Integrated Reporting Council (IIRC). Through our activities, we strive to create added value on all of these sources and the outcome of our activities is therefore also expressed in terms

of the same capital on the right-hand side of the model. First and foremost, we have the duty to create financial value for our clients with whom we maintain durable relationships. Our main activities and output are centered around this principle. We are able to generate healthy returns for our clients because of the intellectual capital vested in our employees. We strive to reward our staff fairly for this, providing career opportunities and aiming for job satisfaction.

Other components on the input side are the relationships we maintain with stakeholders, and with resources that support our activities, such as facilities and IT infrastructure.

On the outcome side of the model, we have an indirect impact on society through the companies in which we invest. We aim to be an active owner of these companies. We have policies for stewardship, active ownership and exclusions in place in order to guide our efforts to improving the way that companies manage their ESG risks and opportunities.

Value creation model

Mission

To enable our clients to achieve their financial and sustainability goals by providing superior investment returns and solutions.

Vision

Safeguarding economic, environmental and social assets is a prerequisite for a healthy economy and the generation of attractive returns in the future. The focus in the investment industry is therefore shifting from solely creating wealth to creating wealth and well-being. We are the world's leading sustainable asset manager and will continue to improve and innovate.

Strategy 2017-2021

Monetizing our intellectual property by creating profitable scale, while dealing with market headwinds and controlling our costs.

Investment beliefs

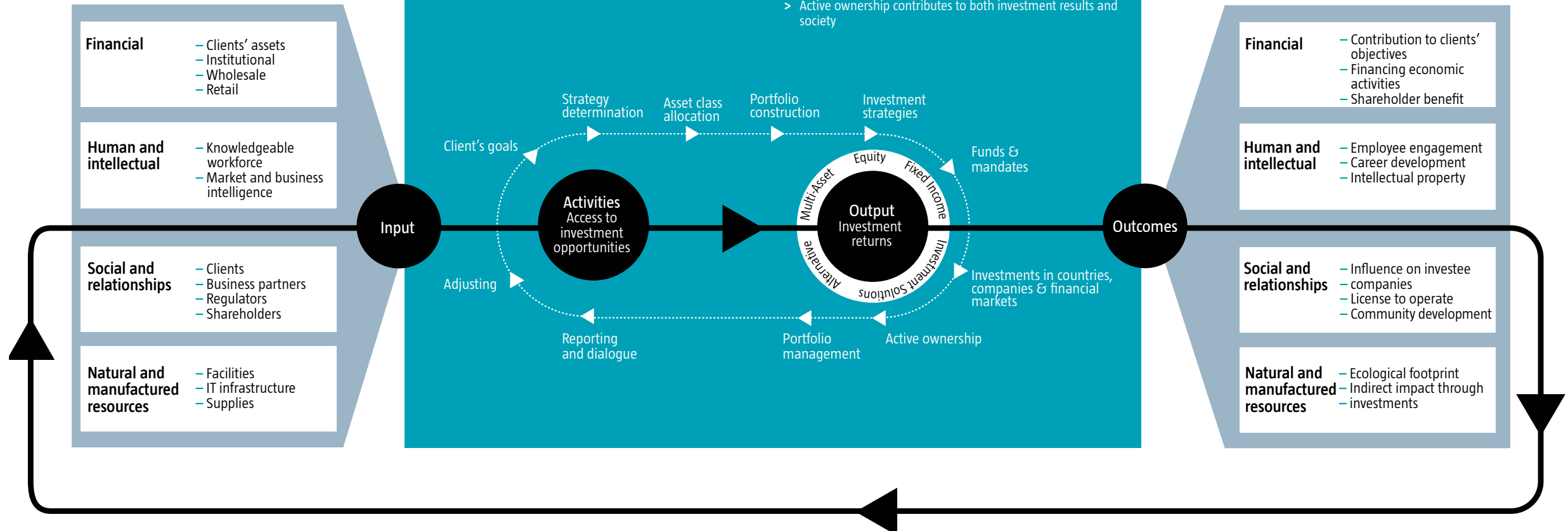
As an active asset manager with a long-term investment view, we create added value for our clients in the following ways:

- > Our investment strategies are research-driven and executed in a disciplined, risk-controlled way
- > Our key research pillars are fundamental research, quantitative research and sustainability research
- > We can create socio-economic benefits in addition to competitive financial returns

ESG integration

ESG integration leads to better-informed investment decisions and enhanced risk-adjusted returns throughout an economic cycle

- > Sustainability is a driver of structural change in countries, companies and markets
- > Companies with sustainable business practices are more successful
- > Active ownership contributes to both investment results and society



Innovation

Innovation is key for the long-term survival of financial services, including asset management. The speed of innovation is increasing exponentially, which implies that the strategy of 'fast-following' no longer applies, because the run-up time has become too long and expertise is scarce. Innovation is a broad topic. It is considered to be any new approach towards core activities (i.e. in the investment process itself, and sales), as well as operational activities (running the business as efficiently as possible) in both disruptive and sustaining innovation models.

Corporate innovation

Innovation is formally anchored in Robeco's top structure, with an Executive Committee (ExCo) member heading the unit of Strategic Product and Business Development. In 2018, the importance of innovation increased: an innovation committee was created, including members from multiple disciplines. This group discusses how to distribute knowledge about existing innovations, increase implementation efficiency and prioritize new projects. Application programming interface implementations, robo-advice, cybersecurity, data science and artificial intelligence were all topics of discussion at the 2018 meetings. At the end of 2018, Robeco decided to appoint a chief innovation officer. The innovation committee's insights will, over time, migrate to the chief innovation officer, who will have a mandate with clear reporting lines and a budget to facilitate innovation company-wide. It will remain important to gather bottom-up ideas. So our ambition is to combine this bottom-up work with the top-down implementation power vested in a formalized function represented by the chief innovation officer.

Product innovation

Product innovation in the asset management industry is mainly expected to be in the field of exchange-traded funds (ETFs), multi-asset products and alternative investing strategies. Digitalization

can help optimize the customer experience by leveraging the benefits of data analysis, machine learning and artificial intelligence.

Working closely together with our clients is an excellent method of finding marketable solutions that benefit everyone. Therefore, our innovation focus is on jointly developing products, systems, processes and the services we offer to our clients. Product innovation at Robeco and RobecoSAM is therefore mainly centered around strategic partnerships. Examples of this approach are:

- Building new strategies to invest in future growth opportunities for our clients
- Enhancing the global appeal of our investment strategies for investors by exploring new fund structures, domiciles or other means of utilizing our intellectual property, and catering to specific client preferences
- Co-developing new customized products with clients to match their unique investment objectives on risk and return, sustainability and investment universe dimensions
- Bringing institutional clients on board via single client mandates or funds.

IT innovation

In recent years, Robeco has put a lot of effort into enabling flexible work locations by providing laptops and mobile phones to its employees. Furthermore, advanced remote communication tools such as Skype and Microsoft SurfaceHub are in place to enable collaboration through video conferencing. This is all aimed at reducing commuting and business travel.

Robeco has adopted a new IT Strategy for 2019-2022. In order to realize the IT strategy, the following actions are to be taken:

- Formulate sustainability Key Performance Indicators (KPIs) for our IT vendors

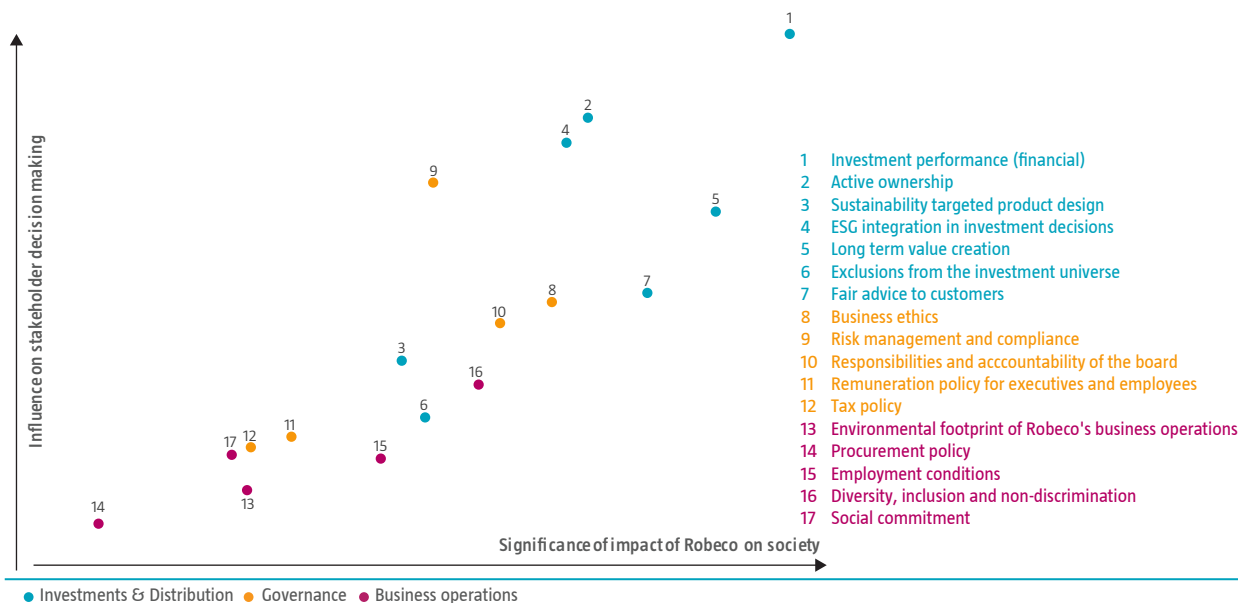
- Ensure that devices such as mobile phones and laptops that are at the end of their economic life with Robeco get a second life by selling them to vendors who refurbish them
- Repairing devices is preferable to replacement
- Advance client portals for institutional clients. Instead of pushing reports to clients, they will be able to view their reports online, anytime and anywhere
- Investing in cloud computing, which results in scalable server capacity where used capacity can be upscaled/downscaled (even per hour) to avoid idle running
- Introduction of Robotics Process Automation to automate repetitive manual processes and free up human capacity for more creative and intellectually challenging activities
- Connect applications to each other by using application programming interfaces, so that the data within applications becomes accessible and services become re-usable. The shift to internet-exposed micro-services is a key component in our IT strategy.

Materiality analysis

A survey among Robeco's stakeholders was conducted in 2017 to establish what they expect from Robeco in terms of sustainability themes and reporting on the subject. Robeco identified four groups of stakeholders with different interests and needs: clients, employees, oversight bodies and civil society. The survey resulted in a list of material topics, which are divided up into three sustainability dimensions:

1. Investments: Robeco's core business of investing and distributing investment solutions.
2. Governance of the Robeco organization, including risk management.
3. Business operations, including Robeco's impact on the well-being of employees.

Materiality matrix – aggregated results



All material topics have been plotted according to their measure of significance for Robeco and Robeco's stakeholders, resulting in a materiality matrix.

General results

In the overall assessment for all groups of stakeholders, financial return (investment performance) is deemed to be the most significant material topic. Our stakeholders expect Robeco first and foremost to generate a healthy financial return, and they think this is where Robeco makes the greatest impact on society. Active ownership and ESG integration are also highly material for stakeholders. In their view, Robeco has a material impact on society on the topics of long-term value creation and giving fair advice to customers.

A cluster of material topics in the center of the matrix refers to governance: risk management and compliance, business ethics and responsibilities, and the accountability of the board. Regarding Robeco's business operations, the most material topics according to our stakeholders are diversity, inclusion and non-discrimination. The combined matrix for the three stakeholder groups shows that on an aggregate level, there is a strong correlation between the significance of Robeco's impact on society and its influence on stakeholder decision-making, resulting in the visible bottom-left to top-right flow. Since Robeco strives to include stakeholders from different societal groups in the materiality assessment, this is a logical outcome. However, this correlation has not been found at a stakeholder group level.

Results for stakeholder groups

Each stakeholder group has its own characteristics and relationship with Robeco, which results in different topics being deemed most material per group.

Clients judge investment-related topics as being far more material than the other two categories. The top five material topics identified by Robeco's clients are: investment performance, active ownership, ESG in investment decisions, fair advice for customers and long-term value creation. These are dealt with in the 'Investments and distribution' and 'Business ethics' sections of this report.

Some respondents suggested that Robeco should add another material topic to the assessment process – that of corporate culture. Although this aspect was not included in the 2017 analysis, Robeco does acknowledge the major influence that corporate culture can have on performance and on behavior. This topic is therefore addressed under 'Strategic workforce development'.

Employees (represented in the survey by Robeco's Works Council) express their views across the three dimensions. Although investment performance also ranks first among employees, it is tied up with risk management and compliance. Other material topics for employees are business ethics and giving fair advice to customers, plus diversity, inclusion and non-discrimination. The 'Governance' section of this report deals with risk management and business ethics.

In contrast to the previous stakeholder groups, the group comprising oversight bodies and civil society did not rank investment performance first, though it appeared in their top five. This can be explained by the fact that these stakeholders have no financial dependence on Robeco. Their five most material topics

are ESG integration in investment decisions, long-term value creation, active ownership and investment performance, and risk management and compliance.

For the matrices per stakeholder group and methodology, please refer to the appendix 'Materiality Assessment'. The full list of material topics, with definitions, is also given in the appendixes to this report.

Financial market developments

The year 2018 has proven to be an inflection point for the global financial markets and the global economy, as the expansion phase of the business cycle, which started in 2009, reached its peak in late 2018. Whereas 2017 saw exceptionally strong and synchronized growth, the expansion of global economic activity in 2018 became less balanced and shifted from acceleration to deceleration mode. This is typical of a late cycle economic environment. Nevertheless, global activity remained firmly in the expansion phase, with the global growth forecast reaching 3.7% in 2018 (IMF estimate).

The year under review got off to a promising start, with investment spending making a solid contribution to global growth. Industrial capacity constraints became more noticeable, with actual growth levels remaining above trend in advanced economies. In the US, the Fed raised policy rates every quarter by 25 basis points. Consequently, US yields remained attractive versus the rest of world with the dollar well bid. The resulting decline in dollar liquidity put severe market pressure on emerging countries in spring 2018, especially those in need of dollars to finance current account deficits.

Increased political/geopolitical risk has been a running theme throughout 2018. Fear of an escalating trade war between the US and China started to impact overall business confidence and the

contribution to global activity from global trade and investments declined. At the time of writing, uncertainty remains high. The chances of a no-deal, 'hard' Brexit, have diminished markedly though, now that the European Court of Justice has ruled that the UK government has the right to unilaterally withdraw its invocation of Article 50. In Italy, a new populist government challenged the EU budget rules safeguarding debt sustainability, threatening to exceed the budget deficit norm in order to deliver on promises made to their electorate. In France, a populist backlash against the Macron-led government emerged with the protest of the 'gilets jaunes' on the streets of Paris.

Consumption seemed to be the most stable factor contributing to global growth in 2018, despite the drag from rising oil prices in the first half of the year. In China and other emerging markets, consumer spending was lackluster, and the Chinese economy weakened in 2018. In terms of economic growth, the emerging markets failed to catch up perceptibly with the advanced economies.

From a monetary policy point of view, 2018 was a transitional year in which monetary policy changed more decisively from unequivocally accommodative to more neutral. As a result of tightening financial conditions, short-term yields caught up with longer-dated yields and (portions of) US yield curves even inverted in the last quarter of 2018.

Asset management industry developments

The downward pressure on fees continued with the further rise of passive funds; 2018 even saw the launch of the first zero-cost trackers by Fidelity. Regulators are demanding more and more transparency in charges. The fee structure is also evolving, and several asset managers are switching to fulcrum or other performance-based fee models to justify their charges. A fulcrum model is a fee that adjusts up or down depending on whether the

fund is outperforming or underperforming a benchmark.

Managers are focusing on ESG – which requires active decision-making for stock selection – even more to combat the pressure from ETFs. The demand for the use of ESG factors keeps increasing, especially among millennials, and simple ESG screening is no longer enough. In the field of ESG and sustainability investing, the focus is also turning towards impact investing and the SDGs.

Robotics, blockchain and artificial intelligence continued to be trends in 2018, but the number of companies in this field is still limited, and many are non-listed or small. Financial advice and planning is a specific field where human involvement is changing, and the use of technology is increasing, as companies experiment with robo-advice. The pressure on fees also has asset managers investing heavily in technology in order to reduce their operating costs.

Multi-asset investment solutions and alternative strategies are continuously gaining share and are expected to remain a focus area for asset managers. Multi-asset solutions are among the few products that have remained relatively stable in terms of fees compared to others. The same goes for thematic or trends investing, along with investing using ESG principles. Fees remain more stable in differentiating, clear alpha-generating products.

Value chain integration is being seen on the retail side, with investment platforms becoming vertically integrated, and advisors increasing their market share. Strategic partnerships between asset managers, or between asset managers and banks, are another recent trend, with managers taking over part of the distribution chain, or trying to get better links to the relevant channels. The recent deal between Schrodgers and Lloyds is an example of such a strategic partnership. On the institutional side,

outsourcing the chief investment officer (CIO) function is on the rise, with many institutions outsourcing assets with partial or full discretion. Access to specialist capabilities, achieving better returns and making cost savings are the main motivators for choosing the outsourced-CIO model.

In terms of global inflows, 2018 started with a record month for active funds and ETFs, followed by more moderate months and a fourth quarter showing outflows. The same pattern was seen in the institutional market, with a strong first quarter in terms of global flows and a much weaker rest of the year. Looking at the active/passive split, it is undeniably true that passive flows have increased, while active flows have decreased. In equity funds globally, the split in total assets was 60% in active and 40% in passive. Within fixed income, it was still 80% active versus 20% passive, but both asset classes showed the same trend of passive gaining share and active losing it.

Financial results

All Robeco's activities are offered under the same brand name worldwide and conducted within a single managerial structure. However, owing to differences in the rules and regulations in different parts of the world, they are owned by different legal entities. The key figures presented here relate to all 17 Robeco offices, including RobecoSAM. Robeco's gross margin over 2018 was EUR 495.0 million, EUR 20.1 million (4.2%) higher than in 2017. The increase was mainly due to an increase in average assets under management from EUR 150 billion in 2017 to EUR 167 billion in 2018. Management considers the financial position of Robeco to be sound. All relevant capital (regulatory) requirements of Robeco legal entities are met.

Financial results

	2018	2017	2016
Assets under management - AuM (EUR x billion)			
Assets under management ¹	132.5	133.3	115.6
Assets under advice ²	31.0	29.4	27.2
Total AuM	163.5	162.8	142.7
Financial Results (EUR x million)			
Gross Margin	495.0	474.9	454.1
Operating expenses	-362.1	-356.1	-365.7
Operating result	132.9	118.8	88.4
Non-operating result	-5.5	-2.1	1.5
Result from group and associated companies	1.0	2.3	1.3
Taxes	-32.4	-30.4	-23.3
Net result for the year	96.0	88.6	67.8

1) Assets under management includes assets managed, sub-advised or distributed by Robeco Institutional Asset Management and RobecoSAM

2) Assets under advice includes fiduciary management

Investments and distribution



Robeco and RobecoSAM’s corporate mission is to enable our clients to achieve their financial and sustainability goals by providing superior investment returns and solutions. We are convinced that integrated sustainability leads to better-informed investment decisions and enhanced risk-adjusted returns. We also believe that exercising our voting rights and engaging with the companies in which we invest will have a positive impact on both our investment results and on society. In 2018, action was taken to further promote, not only by further strengthening the collaboration between Robeco and RobecoSAM, but also externally. Responsibility for implementing SI is allocated to Robeco’s Head of Investments, who has a seat on Robeco’s Executive Committee. Robeco’s newly appointed Global Head of Sustainability and Impact is a key advisor to Robeco’s Executive Committee and responsible for implementing SI at RobecoSAM.

As mentioned under the section covering developments in the asset management industry in the introduction of this report, the demand for the use of ESG factors in the investment process keeps increasing. This market trend has enabled us to develop new sustainability solutions, including several new products. 2018 was also a year in which we achieved further peer recognition for our sustainability investing approach. We were proud to be awarded

the highest possible scores by the United Nations Principles for Responsible Investment in 2018 for both Robeco and RobecoSAM – two of the early signatories of the PRI in 2006 and 2007 – and this recognition is highly appreciated.

Our ambition is to remain a global partner in SI across asset classes for our clients, and at the same time have a positive impact on society and the environment. A strong product range that offers our clients high-performing sustainable solutions is key to achieving this goal. In addition to the many quantitative and credit solutions that we already have in place, we are working on creating a sustainability platform that promotes the launch of sustainable fundamental equity strategies. The platform will start with Global equities, European equities and Property equities, and over the coming years we aim to expand this with Emerging equities, Asia-Pacific equities and Chinese equities.

In this section of the report, we will explain how we serve our clients, how we integrate sustainability into our investments, how we apply active ownership, and how we promote sustainability in the market.

Three ways of approaching sustainability investing

Within investments, we distinguish between sustainability inside strategies, sustainability focus strategies and impact strategies. A table with a general overview of these strategies is shown below.

SI strategies use ESG information to improve investment decisions. It is focused on the integration of risks and opportunities in the selection process and active ownership during the holding period, with the goal of improving corporate behavior and long-term investment returns.

Sustainability focus strategies build from the same basis as the ESG-integrated strategies but add an ex-ante focus on stocks that score better on ESG and environmental footprints than the benchmark. Their exclusion policy is also broader. These funds are meant for investors that either believe that good ESG performance and a lower environmental footprint will lead to better performance (in the long run) or want to apply a reputational or values perspective in their investment portfolios.

Approaching sustainability investing			
	Sustainability inside	Sustainability focus	Impact
Focus	Use ESG information to improve investment decisions	Ex-ante focus is on companies that score better on ESG and have a lower environmental footprint	Investing in themes contributing to sustainable development
Investment universe	The investment universe is diversified across sectors and regions	The investment universe is diversified across sectors and regions	The focus is on specific themes or on one or several SDGs, so this may result in a reduced universe with sectoral and regional biases
Outcome	The outcome is a portfolio in which ESG risks and opportunities are considered in the selection process	The outcome is a portfolio with a better ESG profile and an environmental footprint that is at least 20% better than the benchmark	The outcome is a portfolio that invests in companies that contribute to sustainable development

Impact strategies invest in companies helping solve problems related to specific sustainability themes, or to the achievement of one or more of the SDGs. They differ from sustainability focus strategies in that they contain biases towards certain sectors or industries that have more exposure to sustainable development. These strategies are meant for investors wanting to make a positive impact on society, and/or those who want to have a clear exposure to certain sustainable development areas, and who believe that in doing so they can generate appropriate investment returns.

Servicing clients' needs

Robeco and RobecoSAM's distribution and marketing is organized around its client segments in order to maintain a clear focus on the best way to service these distinctly different groups. We ensure intensive personal interaction between institutional clients and distribution partners on the one hand, and senior management, account managers, client servicing teams and portfolio managers on the other.

Institutional and wholesale clients

To improve the servicing of wholesale and institutional clients, Robeco either performs in-house studies or buys ad-hoc surveys on specific topics. In 2018, the topics that clients showed an interest in included factor investing, ESG integration and active versus passive investing. For repeated client-satisfaction research, Robeco joins syndicated research initiatives together with other asset managers. Robeco embraces such industry initiatives as an effective way for both clients and companies to obtain independent feedback on products and services and to obtain insight into areas for improvement.

By the end of 2018, 31 clients had submitted evaluations of 50 mandates via Insticube (previously known as the Pension Fund

Perception Program). 100% of the clients who submitted an evaluation recommended Robeco. Robeco's evaluation scores are higher than the market average in all areas. The results of these evaluations are shared with the relevant client-facing departments at Robeco in order to embed feedback into the relevant client processes.

RobecoSAM develops tools and reporting methods to provide institutional and wholesale investors with a tangible measurement of not only their investment performance, but also the positive impact their invested money has on global issues. In 2018, RobecoSAM developed a methodology to measure the impact of investments towards helping achieve the Sustainable Development Goals. The tool produces a set of reports to enhance the client experience and give them confidence that their investments with RobecoSAM are having a positive impact. In the coming years, RobecoSAM aims to gather even more robust data and develop this methodology to enable impact measurement along the entire value chain.

Retail clients

One of the key strategic aims for Robeco Retail is to make sustainability investing accessible for everyone by allowing low entry amounts and providing easy-to-use websites and services. This strategy will guide our efforts in the coming years. For direct retail distribution clients, Robeco uses third-party client panels, ad-hoc surveys and continuous feedback loops on websites and other channels to obtain opinions on products, services and client needs. Robeco constantly monitors its online retail services by means of individual after-service surveys. In 2018, clients awarded our employees an average of 8.2 out of 10 for client satisfaction. The net promoter score¹, which indicates the likelihood of customers recommending us to others, rose from -30 in 2013 (when we started distributing online) to +18.1 in 2018.

In the summer of 2018, Robeco Retail launched a sustainable version of the Robeco ONE proposition. Robeco ONE Sustainable is a multi-asset fund-to-fund solution, just like the other ONE funds, but investing only in the most sustainable products that Robeco offers. Other developments in 2018 include improvements in cost transparency and a more mobile-friendly website.

Developing sustainability solutions for clients

In 2018, we again saw an increased demand for new sustainability solutions from clients. Some of those that were created were based on our own ideas, while others were developed in cooperation with clients.

- In Robeco's quantitative strategies, we have been offering products with an enhanced focus on sustainability since 2013. A variety of strategies were added to this range in 2018:
- The Robeco QI Multi Factor Multi Asset fund, which combines Robeco's factor-based knowledge and expertise into one easily accessible multi-asset solution. The strategy leverages upon Robeco's long history of sustainability investing by implementing advanced ESG integration into the investment process
 - The Robeco QI Multi Factor Absolute Return fund: a market neutral multi-asset solution in factor investing with advanced sustainability integration
 - In addition to the global Sustainable Conservative Equities fund launched in 2016, a developed markets version of the strategy was launched in 2018, following client interest in low-volatility investing and sustainability
 - A variety of multi-factor sustainable equity indices were developed. A Dutch pension fund asked Robeco to build a multi-factor equity index with integrated ESG components, which is tracked passively by an asset manager, enabling the client to harvest factor premiums within its chosen ESG profile.

¹ Net promoter scores can vary between -100 and +100, so a positive score is a good result and a score above +50 is excellent.

A similar approach was taken by a UK DC master trust, which wanted to invest in equities in a systematic manner, allocating to individual stocks based on a number of factor attributes such as valuation, quality, momentum and low volatility.

In addition to these funds and indices, the sustainability building blocks developed by Robeco were also used in an increasing number of tailored discretionary mandates to help clients fulfill their sustainability objectives. At the end of 2018, over EUR 19 billion was invested in quantitative strategies with an extended ESG component. A case in point are UK pension fund clients that are committed to the Transition Pathway Initiative (TPI). We have integrated TPI screening data into our portfolio construction process for these clients, and refrain from increasing positions in companies that show the lowest levels of awareness regarding the challenges for climate change.

Robeco's multi-asset team also developed a sustainable solution. During 2018, existing clients and prospects intensified their focus on ESG integration. As a result, we launched the Robeco Multi Asset Sustainable proposition, known as Robeco ONE Sustainable. This new capability leverages on the growing sustainable universe in close cooperation with RobecoSAM, offering multiple layers of sustainability within all asset classes. Robeco Multi Asset Sustainable was also selected as part of a new multi-asset solution for a European client.

In 2018, Robeco's global macro team launched a sustainable fund: Core Sustainable European Government Bonds. In this fund, the RobecoSAM Country Sustainability Ranking is used to determine the country weights.

Last but not least, RobecoSAM's thematic and impact investing platform was broadened this year with the addition of a smart

mobility fund, a global SDG equity fund and a global SDG credit fund. The RobecoSAM Smart Mobility strategy's investment objective is to achieve long-term capital growth by investing in listed companies that address the opportunities related to the electrification of the transportation sector. In early 2018, close collaboration between Robeco Japan and RobecoSAM resulted in the launch of one of the dedicated EV funds domiciled in Japan. The Global Electric Vehicles (EV) Revolution Fund, launched on 24 January, is managed by Daiwa SB Investments Ltd. (Daiwa SBI), and sub-advised by RobecoSAM.

Contributing to the Sustainable Development Goals

As part of our sustainability investing approach, Robeco and RobecoSAM aim to contribute to the Sustainable Development Goals (SDGs). Launched by the United Nations in 2015, the SDGs aim to tackle social and environmental challenges such as climate change, the promotion of clean energy, eradicating extreme poverty, promoting gender equality and developing sustainable agriculture, with a target of meeting the goals by 2030. The goals call on the private and public sectors, together with the signatory governments, to cooperate closely in order to tackle the most serious issues facing people and the planet.

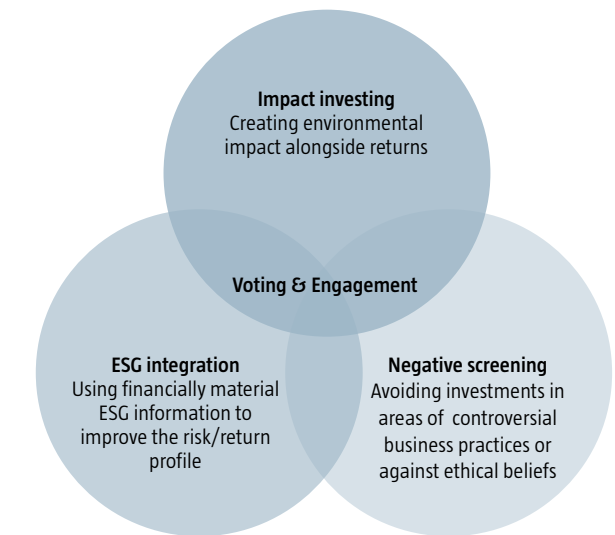
As an active member of the Global Impact Investing Network (GIIN), we are committed to contribute to the SDGs, as we consider them as catalysts for positive change. Furthermore, Robeco is involved in various initiatives that explore how the investment industry can contribute to the realization of SDGs. On behalf of clients, Robeco and RobecoSAM contribute to the achievement of the SDGs with ESG integration, active ownership and dedicated SDG strategies.

With the SDG strategies we aim to reinforce a core investment pillar in the Robeco and RobecoSAM ambition to remain the

preferred partner for our clients in sustainability solutions, and to grow assets that are managed sustainably. Furthermore, our SDG research will become an even bigger part of our ESG integration efforts. This will influence our investment teams and be another step towards incorporating the true impact of companies in the investment decision-making process.

The investment team heads working jointly with the heads of ESG integration and active ownership are responsible for ensuring that a coordinated approach to SDGs is taken. They report to Robeco's Head of Investments. In 2018, we took action on the SDGs in several ways. The highlights are discussed on the next page.

Sustainability investing proposition



SDG measurement framework

Ever since the United Nations defined its SDGs, investors have become increasingly interested in investments that contribute to the realization of these goals, while also providing a good return. The challenge to asset managers, however, has been to assess and quantify a company's contribution to the SDGs. During 2018, Robeco and RobecoSAM jointly developed an SDG measurement framework. This consists of taking a three-step approach, visualized in the figure on the next page. The outcome of this three-step analysis is quantified with a proprietary SDG rating methodology. All companies obtain an SDG score based on their contribution to the SDGs (positive, neutral or negative) and the extent of this contribution (high, medium or low). RobecoSAM mapped about 5,000 companies according to this framework. The Robeco credit team then applied this SDG measurement framework to a broad credit universe of about 600 names, adding more names to the coverage.

Developing SDG-targeted investment solutions

Based on the new SDG measurement framework, several SDG-specific investment strategies were developed and added to our impact investing offering. In the summer of 2018, we launched a global SDG credits strategy. This fund aims to outperform a regular global investment grade credit benchmark while at the same time contributing positively to the SDGs. This fund universe is limited to the companies with a positive (low, medium or high) SDG score.

Focused on one specific SDG, the Gender Equality Fund identifies companies that score best on promoting equality between men and women. In 2018, the strategy achieved a very favorable three-year performance track record. Various wholesale and institutional clients, including leading global wealth management organizations, took the product onto their platform, bringing it to about EUR 88 million in assets under management. Other examples of RobecoSAM thematic strategies



with significant exposure to the SDGs include the water (SDG 6) and healthy living (SDG 3) funds.

We also launched a multi-asset sustainable fund that specifically chose to include a focus on the SDGs by including the newly launched SDG capabilities within both equities and bonds.

SDGs in active ownership initiatives

The SDGs are considered throughout the Active Ownership team's full engagement and voting cycle and create an opportunity to emphasize the impact that engagement can have on society. We aim to select new themes with direct links to at least one SDG. In 2018, we further aligned our active ownership activities with a selection of relevant goals from the SDG measurement framework. By engaging on the SDGs, we use our influence as an investor to encourage companies to contribute towards

meeting the goals, while at the same time improving investment performance for our clients.

On the private equity side, we collected evidence on the contribution of private equity funds to the SDGs and published this in our 2018 Private Equity ESG engagement report. We encouraged private equity fund managers to start reporting on the contribution that their portfolio companies make to the SDGs.

SDGs in ESG integration

SDG impact information is added to the sustainability analysis in the ESG integration section of the investment case in both the credit and European equity teams. The trends team, by the nature of their investment philosophy, has significant exposure to SDG 9: Industry, innovation and infrastructure; and to SDG 3: Good health and well-being. These SDGs are very much aligned with

What do companies produce?

Do products or services contribute positively or negatively to SDGs?

Positive contribution examples:

- Medicine, water, healthcare

Negative contribution examples:

- Shale gas, fast food, gambling

How do companies produce?

Does the company's business conduct contribute to SDGs?

Assess a company's:

- Governance factors
- Pattern of questionable conduct
- Differentiate between firms with highest SDG impact

Are controversies known?

Has the company been involved in controversies?

Examples of controversies

- Spills
- Bribery and fraud
- Mis-selling

the trends 'digital manufacturing' and 'getting old and staying healthy'. The property team sees SDG 13: Climate action as the most relevant. The fund's environmental footprint is actively monitored and is about 20% below the benchmark average in terms of greenhouse gas emissions and energy consumption, based on RobecoSAM data.

The quantitative equity team is determined to start applying the proprietary SDG framework in their existing sustainability focus strategies, adding yet another dimension of sustainability. This will ensure that these strategies have a positive impact on the SDGs.

Supporting knowledge-sharing initiatives

Sharing knowledge about the SDGs facilitates the adoption of the goals in the financial sector. In November 2018, we organized a roundtable for limited partners and general partners in private equity on the current practice and trends in impact and SDG-related monitoring in their field. Furthermore, we supported the Dutch Association of Investors for Sustainable Development (in Dutch, the VBDO) in researching the current state of affairs in the Dutch pensions industry with respect to SDG investing. The report was launched in November 2018.

ESG integration

All of Robeco's and RobecoSAM's investment teams integrate ESG factors into their decision-making processes. We strongly believe that taking these matters into account leads to better-informed investment decisions. Two very important sources for this integration are the annual RobecoSAM Corporate Sustainability Assessment and the biannual RobecoSAM Country Sustainability Ranking, which were described in an earlier chapter. Alternative data sources such as Sustainalytics, GRESB and GlassLewis are also used.

Robeco's Head of ESG Integration is responsible for ensuring that

a coordinated approach is used. This includes measuring how much progress is being made in ESG integration across our range of funds, and its quality. Robeco's Head of ESG Integration reports to Robeco's Head of Investments. RobecoSAM is particularly strong in the sustainability-themed and impact space. These products and processes are described in other parts of this report, for example the 'Contributing to the Sustainable Development Goals' section.

Below you can read more about Robeco's strategies and their highlights for 2018.

Quantitative equities

Nearly all of Robeco's quantitative equity strategies incorporate ESG factors to enhance their sustainability profile. The quantitative model is calibrated to ensure that the portfolio sustainability score is at least as high as that of the underlying index. This means that the model also positively screens stocks, in contrast to an exclusion policy, which only allows for negative screening. This integration of sustainability factors into the investment process helps to remove undesired risk exposures that do not add to the return.

In 2018, the ESG integration approach of having portfolios scoring at least as good or better than the benchmark was extended to also apply to the individual dimensions of ESG – the underlying environmental, social and governance factors – in addition to the overall ESG score.

The quant team has also improved their insights into the impact of the various sustainability building blocks that they apply to risk and return. That impact is highly dependent on the desired sustainability tilts in the portfolio, be it negative screening, ESG integration or environmental footprint reduction. These insights help clients make better-informed decisions by showing

the impact of their sustainability strategies on expected risk-adjusted returns. The findings also validate Robeco's approach to sustainability investing: addressing financial and non-financial objectives simultaneously by using evidence-based techniques.

Fundamental equities

All Robeco fundamental equity strategies use a three-step approach for ESG integration. Firstly, analysis is conducted on which ESG issues are most financially material, as these are the most relevant for investment decisions. Then the company is assessed as to how it manages these issues, and how that compares to peers. The last step is to quantify the impact of the ESG analysis into the company's valuation assessment. In addition to this, for emerging market strategies, the Country Sustainability Ranking is used to determine the country risk.

As ESG integration has been part of the fundamental investment processes for several years, none of the fundamental teams made profound changes to their ESG frameworks in 2018. However, Robeco has continued to enhance the proprietary ESG framework that is used across the fundamental equities strategies, based on RobecoSAM's sustainability data and expertise. By having a consistent ESG approach and utilizing the same applications across all fundamental equities strategies, we are able to offer a stronger ESG proposition to our clients. Some specific achievements in 2018 were:

- The ESG score of the Global Equity fund continued to improve, both on RobecoSAM and Sustainalytics scores
- The underlying ESG scores for our property funds (based on the Global Real Estate Sustainability Benchmark) continued to improve, along with coverage of holdings, rising from 53% to 62% in terms of AuM. New investment cases will undergo an integrated ESG analysis. New portfolio construction rules were set, and the fund can only go 150 basis points overweight on those holdings with an above-average ESG profile

Three step approach for ESG integration

Step 1:
identify

What are the relevant key ESG factors?

- Differ per industry
- Governance always one of key factors

Step 2:
analyse

How is firm exposed to key ESG factors?

- RobecoSAM sub-scores
- Input Robeco Active Ownership team
- Glass Lewis, Sustainalytics
- Conduct track record
- Analysts insights

Step 3:
quantify

Impact ESG factors on F-score

- Clear conclusion: positive/ neutral/ negative
- Part of every credit committee
- Impacts view on F-score and Investment recommendation

- For our trends team, a big focus of this year has been to include 'digital' sustainability factors, predominantly involving cybersecurity risks. Privacy and cybersecurity are seen as some of the most material ESG factors for investments in digital trends.

Fixed income: credits and government bonds

ESG information is an integral part of the credit investment process. Many credit issues in the past can be attributed to factors such as weak governance frameworks, inadequate health and safety procedures, supply chain issues and environmental factors. By incorporating ESG information into the process, the analyst gets a better, more complete picture of the company, especially when assessing the downside risks. However, it is not the only thing looked at: ESG factors are one of five pillars that constitute an analyst's fundamental view of a bond issuer. The other factors are business position, strategy, financial standing and corporate structure.

For the purpose of integrating ESG into government bond strategies, Robeco mostly uses the RobecoSAM Country Sustainability Ranking. This is designed to complement sovereign bond ratings from traditional rating agencies, in particular in trying to discover issues that are not reflected in the standard rating. Changes in scores and ranking act as a flag for developments that could be relevant. In addition, the credits team discusses the individual countries on a regular basis to identify material changes in their ESG profile. ESG factors are incorporated into the country reports, in which its domestic fundamentals are discussed. Typically, the team writes an investment thesis for all investment decisions, in which ESG risks or opportunities are standard elements.

Private equity

Robeco Private equity considers ESG factors in the selection, appointment and monitoring of private equity (PE) managers of the funds it selects on behalf of institutional clients. Most ESG-related activities take place in the investment and monitoring phase. Once Robeco makes an investment in a private equity fund, active engagement with the fund manager starts on the ESG strategy and governance, ESG KPIs, reporting and other matters. As part of the ongoing ESG activities, Robeco Private Equity also checks whether portfolio companies in private equity funds' portfolios are involved in any controversies, as reported by the media. The severity and outreach of any negative ESG news is analyzed, and action is taken when ESG alerts indicate insufficient ESG risk management by the managers or their companies.

The private equity team has included questions on climate change-related risks and opportunities in its annual ESG survey for the first time, in response to the recommendations by the Task Force on Climate-related Financial Disclosures (TCFD). Furthermore, the team has engaged with the private equity managers invested in apparel retail companies on how these manage the labor and human rights issues in their supply chains.

Ambition

Our 2019 overall ambitions with respect to ESG integration are:

- Improving our reporting regarding the impact of ESG considerations on our investment decisions
- Rolling out the use of the SDG framework to assess companies' contribution to sustainable development across multiple universes and teams
- Further improving the quality of our ESG integration.

Active ownership

As shareholders and bondholders, Robeco and RobecoSAM use active ownership to improve the behavior of companies. We do this

because we are convinced that adopting ESG principles enhances the financial performance of investee companies and at the same time benefits society. In addition, as a responsible steward of capital, we carry a responsibility towards the companies in which we invest. Being an active owner and having conversations with investees also provides additional insights for our investment teams, enabling them to make better-informed investment decisions.

The key components of active ownership are voting and engagement. Robeco's Active Ownership team executes these activities on behalf of Robeco and RobecoSAM. The team exercises voting rights worldwide on stocks in our investment funds. They also maintain an active dialogue with the companies in which we invest on many ESG issues. Robeco's Head of Active Ownership is responsible for running an effective program and reports to Robeco's Head of Investments.

Robeco expects that the Sustainable Development Goals will grow in importance for active ownership in the coming years, and wants to take an active role in this. Collaboration in engagement with peer group investors and other interested parties is expected to become even more important in the coming years. Robeco aims to take a leading role in key collaborations. An example of this is the active role in the Climate Action 100+ partnership among 310 investors worldwide. Robeco wants to maintain the leading position on active ownership and will therefore continue to improve and innovate the active ownership practices.

More details about how Robeco votes and engages are provided in an underlying voting policy and engagement policy. Robeco's exclusion policy describes the exclusion approach. These policies are regularly updated and put forward to the Sustainability and Impact Strategy Committee (SISC) on an annual basis. See the Governance section of this report for more information on the SISC.

Focus on stewardship

As a sign of commitment to stewardship, Robeco has a policy in place that describes how Robeco fulfills the responsibilities as signatories to many stewardship codes. In 2018, Robeco endorsed the newly launched ICGN Global Stewardship Principles and the Dutch Stewardship Code. Robeco is also a signatory of stewardship codes in the UK, Japan and Brazil. In addition, Robeco complies with the Taiwan Stewardship Principles for Institutional Investors, the ISG stewardship principles in the US, the Hong Kong Principles for Responsible Ownership, the Korean Stewardship Code and the Singapore Stewardship principles.

Voting

Robeco started voting for its investment funds and on behalf of its institutional clients in 1998. In 2018 Robeco’s assets under voting and the number of shareholder meetings voted continued to grow to EUR 69.9 billion and 5,291 respectively. Voting is carried out by dedicated analysts in the Active Ownership team. Robeco visits several shareholder meetings in person but casts most of the votes electronically. Robeco’s voting activity is published on the Robeco website shortly after the shareholder meeting takes place, which is in line with best practice on voting disclosure. Robeco’s comprehensive voting policy is based on 20 years of experience and insights. The Active Ownership team anticipates the specific policy wishes of client mandates as and when required, and votes at all meetings where this is possible. In practice, Robeco refrains from voting only in specific cases of share blocking. In these cases, the Active Ownership team assesses the priority of the meeting and the voting impact of the positions.

Robeco’s voting policy and analysis are based on the internationally accepted principles of the International Corporate Governance Network (ICGN) and on local guidelines. The ICGN principles provide a broad framework for assessing companies’

corporate governance practices. They also give ample scope for companies to be assessed according to local standards, national legislation and codes of conduct relating to corporate governance. Robeco’s assessment takes into account company-specific circumstances. High-profile voting decisions are made in close collaboration with the portfolio managers and analysts of Robeco’s and RobecoSAM’s investment teams, and with Robeco’s engagement specialists. Information captured at shareholder meetings is taken into account in future engagement activities and in the investment process.

Robeco’s voting practices aim to encourage company executives to implement good corporate governance, increase long-term

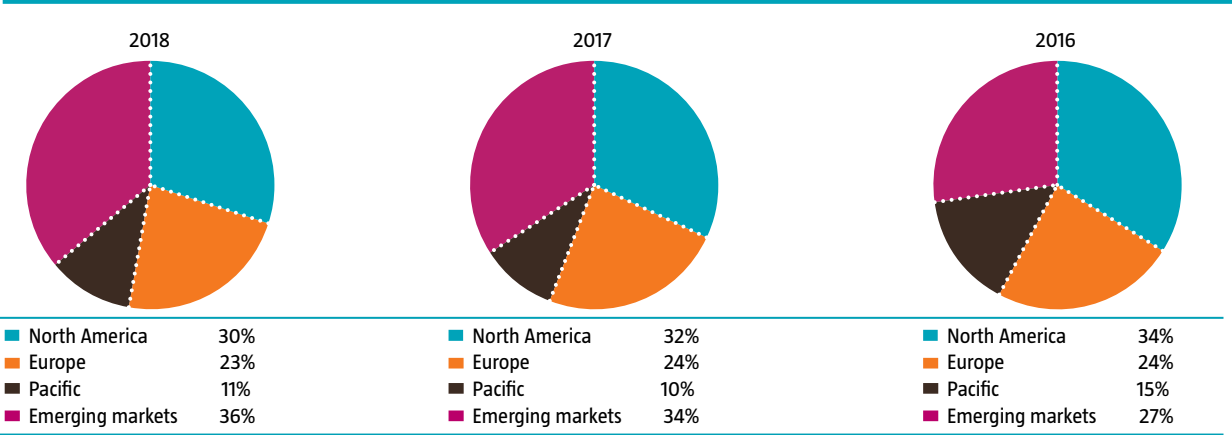
shareholder value and promote responsible corporate behavior. Robeco assesses on a case-by-case basis if the (co-)filing of shareholder resolutions as part of voting and engagement activities is desirable and likely to have an impact. In 2018, the Active Ownership team updated the voting policy to ensure that the provisions remain up to date, relevant and aligned with best practice. Key changes include the addition of board diversity criteria in assessing nominee directors.

Engagement for equity and credits portfolios
In 2005, Robeco became one of the first investors to encourage the executives of investee companies to exercise good corporate governance, and to pursue environmental and social policies.

Voting figures

	2018	2017	2016
Assets under voting	EUR 69.9 billion	EUR 63.0 billion	EUR 55.5 billion
Number of votes at shareholders’ meetings	5,291	4,733	4,799

Voting distribution by region



The aim of the engagement dialogue is to increase long-term shareholder value and simultaneously produce a positive impact on society. For Robeco and RobecoSAM, engagement and voting are critical elements of a successfully integrated sustainability investing strategy that leads to better-informed investment decisions and can improve the risk-return profile of our portfolios. As mentioned earlier in this report, Robeco's Active Ownership team performs engagement also on behalf of RobecoSAM.

For the engagement activities Robeco applies a focused approach, in which a relevant sub-set of investee companies is targeted for a constructive dialogue on ESG factors such as board quality, human rights and environmental risk management.

**Enhanced engagement:
addressing UN Global Compact breaches**

Robeco's enhanced engagement program focuses on companies that severely and structurally breach the principles of the United Nations Global Compact (UNGC) and the guidelines of

the Organization for Economic Co-operation and Development (OECD) in areas such as human rights, labor, the environment and corruption. It is aimed at influencing these companies to act in line with the UNGC and OECD principles. Companies are selected for engagement depending on the severity of the alleged breaches, and the process is based on systematic analysis. For this, the Active Ownership team constantly monitors news flow from global printed and online media and other publicly available information from consumer organizations, governments and non-governmental organizations (NGOs).

In order to measure progress, Robeco uses five objectives that focus on eliminating the breach, adopting a policy, stakeholder dialogue, risk-management systems and transparency. The engagement typically runs over a three-year period, during which regular meetings and conference calls are held with company representatives to monitor their progress against the engagement objectives. If an enhanced engagement dialogue does not lead to the desired result, the SISC can decide to exclude

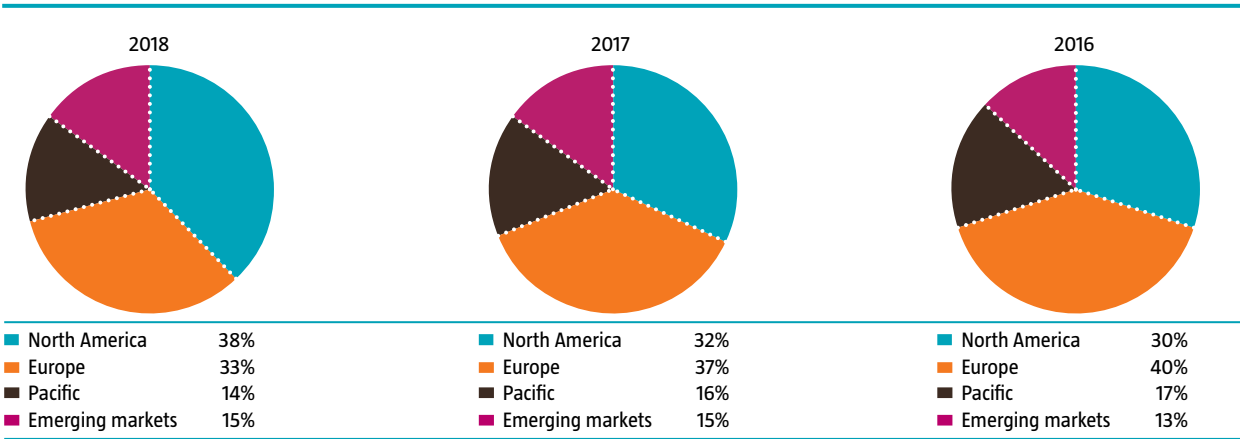
this company from Robeco's and RobecoSAM's investment universe. The process for enhanced engagement is a formal part of Robeco's exclusion policy.

**Value engagement:
engaging on financially material ESG topics**

Robeco's value engagement activities focus on a limited number of sustainability themes that have the greatest potential to create value for investee companies. The Active Ownership team selects these themes on the basis of financial materiality by conducting a baseline study and developing engagement profiles for the companies to be engaged with. New engagement themes are selected in close collaboration with engagement specialists, portfolio managers and analysts from Robeco and RobecoSAM who work together closely throughout the dialogue. Robeco prioritizes investee companies that have most exposure to the selected engagement theme.

For value engagement themes, the Active Ownership team

Distribution of engagement cases by region



Engagement cases per topic

	2018	2017	2016
Environmental	58	37	50
Social	84	74	66
Governance	72	60	54
Global Compact breaches	26	35	40

CASE

Robeco's Active ownership realizes success with Shell

In December 2018, Robeco was recognized for its critical role in persuading Royal Dutch Shell to significantly strengthen its measures to reduce its carbon footprint. These measures follow long engagement activities. Shell's commitment shows the value of dialogue and global partnership to deliver on goals of the Paris Agreement on climate change.

The Anglo-Dutch oil major has agreed to set short-term targets for cutting carbon emissions. Shell aims to reduce its Net Carbon Footprint by around half by 2050 and by around 20% by 2035 as an interim step. Furthermore, Shell will link executive pay to meeting these objectives, and will incorporate long-term remuneration based on carbon emissions as part of its revised Remuneration Policy. Shell is the first energy company to link executive pay and carbon emissions.

Together with the Church of England Pensions Board, Robeco led the investor engagement activities on behalf of Climate Action 100+, an initiative spearheaded by investors with more than USD 32 trillion in assets under engagement, and the Dutch corporate governance platform Eumedion.



typically performs a baseline study, establishes SMART (specific, measurable, attainable, relevant, time-bound) objectives, and starts a dialogue to encourage companies to address the issues identified.

The Active Ownership team discusses sustainability risks and opportunities with companies and informs them of the corporate behavior that investors expect, thereby encouraging them to adopt better practices. We believe that companies with sustainable business practices can create a competitive advantage and are likely to improve their risk-return profile, meaning that it is both in their interests and our own for them to change their ways.

Engagement developments in 2018

In 2018, the Active Ownership team started five new financially material engagement themes. The first focused on challenges related to climate change, in which big carbon emitters were targeted. The second looked at food security and the role of agrochemical, seeds and fertilizer companies. The third theme was cybersecurity, where we focused our efforts on companies in the ICT and consumer sectors that are vulnerable to these issues. The fourth topic was good governance, looking at Brazilian and Chinese companies, among others. The fifth theme was waste management, specifically within the tech and solar power industries.

In 2018, the Active Ownership team conducted 240 engagement cases with a total of 214 companies worldwide. The assets under engagement amounted to EUR 382 billion at year end (2017: EUR 235.5 billion) as we added new clients for whom we take care of the dialogue with companies. This means the total amount of assets under engagement exceeded the total level of Robeco's and RobecoSAM's assets under management.

Exclusions

Robeco and RobecoSAM have implemented an exclusion policy for companies involved in the production of, or trade in, controversial weapons such as cluster munitions and anti-personnel mines, along with tobacco and companies that structurally and severely breach the UNGC.

For companies severely breaching the UNGC, we consider exclusion to be the last resort and only to be used after an engagement dialogue to encourage a company to improve its ESG practices has failed. We re-evaluate the practices of excluded companies at least once a year and we may decide to reinstate a company in the investment universe at any time if it can show that the desired change has been implemented and the breach lifted.

Our exclusion policies are published on the Robeco and RobecoSAM websites. For sustainability focus and impact strategies additional exclusions are in place.

Exclusion of tobacco

In 2018, the exclusion of tobacco was extended to the mainstream Robeco funds. Tobacco was already excluded from Robeco's and RobecoSAM's sustainability focus strategies.

The tobacco industry is increasingly seen as being socially disadvantageous. In 2017, the UNGC excluded tobacco companies from participating in the initiative. Although we prefer to actively engage with the companies in which we invest, clearly engagement with the tobacco industry in trying to persuade these companies to stop making cigarettes or other smoking-related products will not lead to fundamental change. Therefore investing in tobacco is no longer compatible with our commitment to SI. The exclusion applies to all listed companies that are involved in the production of tobacco or significant components of cigarettes.

The process of excluding tobacco stocks was completed by the end of Q3 2018.

Related to the tobacco exclusion, Robeco and RobecoSAM have become signatories of the Tobacco-Free Finance Pledge, launched in September 2018 at the UN headquarters in New York. The pledge builds on key global finance initiatives such as the Investor Statement in Support of World No Tobacco Day initiated in 2017 by the UN Principles for Responsible Investment (PRI), the UN Environment Programme Principles for Sustainable Insurance (PSI) and Tobacco Free Portfolios. The pledge encourages, amongst other things, the adoption of tobacco-free finance policies across lending, investment and the insurance industry.

Supporting sustainability initiatives

Robeco and RobecoSAM are participants in the United Nations Global Compact, the strategic initiative for businesses committed to aligning their strategies and operations with 10 universally accepted principles in the areas of human rights, labor, environment and corruption. As part of our commitment to making financial markets more sustainable, Robeco and RobecoSAM are also a member of organizations such as the PRI. Our active contribution to these important platforms for collaborative action on sustainability issues enables us to help shape the global investment agenda and inform policymakers. In some instances, government agencies or other public institutions play a defining role in some of our key engagement topics. Therefore, we take part in public consultations and provide feedback to regulators and other public institutions if a certain policy is likely to benefit sustainable investors and broader society.

Highlights of collaborative initiatives

Robeco and RobecoSAM joined Climate Action 100+. This global investor initiative systematically engages with companies with significant greenhouse gas emissions to drive the clean energy

transition and help achieve the goals of the Paris Agreement. The investors part of this initiative call on companies to improve governance on climate change, curb emissions and strengthen climate-related financial disclosures. Robeco is a lead investor on a number of the company dialogues.

In addition, Robeco joined or started supporting the following sustainability initiatives in 2018 (mainly linked to its active ownership activities which it performs also on behalf of RobecoSAM):

- Erasmus University Sustainable Value creation platform
- Plastic Solutions Investor Alliance
- Portfolio Carbon Accounting Financials (PCAF)
- Steering committee of the Investor Alliance for Human Rights
- Platform Living Wage Financials (PLWF)
- Associação de Investidores no Mercado de Capitais (AMEC) of Brazil

Robeco announces which stewardship codes it has signed up to in its stewardship policy, and checks annually that we comply with these policies. Robeco's Compliance department is informed about the outcomes of this annual check.

Robeco became a member of the Associação de Investidores no Mercado de Capitais (AMEC), the Brazilian engagement and governance platform. Both international and local investors use this platform for high-profile engagements with listed companies in Brazil. By participating in AMEC, Robeco increased the quality and profile of Robeco's SI activities in Brazil and Latin America. The platform is of key importance to achieving several governance improvements in Brazil, including the nomination of directors.

A new focus area for Robeco's engagement program was the Platform Living Wage Financials. The key aim of this initiative is to encourage companies to address the issue of earning a

living wage in their global supply chains. Paying a living wage constitutes a fundamental human right. Disrespect for human rights in supply chains may incur reputational and supply chain risks both for us and the companies involved.

To further advance on human rights, Robeco joined the steering committee of the Investor Alliance for Human Rights. This initiative connects investors to make a business case to companies and policymakers on human rights issues. The alliance also supports the integration of human rights criteria into investment decision-making in different ways.

Closer to home in the Netherlands, Robeco's ExCo member Peter Ferket was elected as a board member of the Dutch Governance platform Eumedion. An overview of our memberships and supported initiatives is discussed annually in our SISC and can be found in the appendices of this report.

External recognition

Our efforts in promoting sustainability did not go unnoticed in the marketplace in 2018. We were again very proud to receive A+ scores from the UN PRI for both Robeco and RobecoSAM in all the categories we participated in. Robeco's active ownership approach received further recognition when we were mentioned as a best practice example in the PRI practical guide to active ownership in listed equities.

Having won multiple awards in 2018, Robeco was named LAFP Investment Awards Impact Manager of the year. Robeco also received a high score in the FT Pension and Investment Provider Awards (PIPA) for socially responsible investment.

Furthermore, Robeco's Big Book of SI, developed in close cooperation with RobecoSAM, was named the Best ESG paper of 2018 by Savvy Investor; Gilbert Van Hassel was named

Sustainable CEO of the Year at the Pan-European Global Invest Forum hosted by L'Agefi; and the RobecoSAM SDG Global Credits fund won the "Award for Innovation (Funds)" at the Investment Week Sustainable & ESG Investment Awards. This external recognition underscores our efforts in sustainable investing and we are proud of that.

Knowledge sharing on sustainability investing

Sustainability investing is a fast-developing area of expertise, but is often not part of standard education. Therefore, sharing knowledge within the company as a whole, and also with our clients and the wider public, is extremely important to furthering it.

This occurred on many levels in 2018, which saw many initiatives both internally and externally. The highlights were:

- Updating the Supervisory Board and Executive Committee members with the latest developments
- Quarterly knowledge-sharing sessions for employees of the investment teams
- Making SI part of the introduction program for new employees
- Knowledge-sharing sessions with clients
- Publishing educational content led by our web program SI Essentials
- Initiating a partnership with the Sustainable Value Creation Platform of the Rotterdam School of Management.

Keeping up with developments in sustainability investing is a fixed part of the permanent education program of the Supervisory Board and the Executive Committee of Robeco. This year, the academic perspective was given by Professor Dirk Schoenmaker from the Rotterdam School of Management. Other topics that were discussed included the contents of the Big Book on SI, developments at the UN PRI, sustainability data gathering and sustainability themes and investing.

Knowledge-sharing sessions are held within the investment department and attended by staff members from other teams on a quarterly basis. In each session, an ESG integration case was presented by different investment teams, new academic research was presented and discussed, market intelligence was shared, new reporting tools were presented, the results from our engagement efforts were shared, and the new SDG research framework was discussed. These sessions are aimed at sharing best practices within the investment department and learning from each other.

Also on a quarterly basis, new colleagues participate in an introduction to SI session. The basics of our approach towards sustainability investing are presented, along with our mission, our approach toward integration, engagement and impact, and examples of how we integrate and engage in practice.

In 2018, we spoke to many clients and prospects across the globe to share our knowledge with them. Specifically, we organized nine Sustainability Investing Explore sessions. The focus of these sessions is knowledge sharing, and the content is always a mix of external or academic speakers, Robeco experts and clients. In 2018, we held sessions in Amsterdam, Stockholm, Helsinki, Copenhagen, Milan, Singapore, Tokyo, Zurich, Paris and London.

In response to the many questions we received about how we practice sustainability investing, we published two publications. The Big Book of SI and the Fact and Fiction series aimed to educate the wider public about what sustainability investing actually entails, along with debunking some myths about what it is not about. Besides these big publications, we also produced many articles about sustainability investing, from serious subjects about engagement and integration to the more light-hearted SI Stunning Statistics series.

Furthermore, we launched Essentials, an innovative e-learning platform aimed mainly at financial professionals eager to improve their knowledge. The first e-learning module teaches the basics of sustainability investing, to be followed by other topics such as factor investing in 2019. Modules can be completed with a test that may count towards Continuous Professional Development (CPD) certification. The e-learning modules on Essentials are available in local languages in Spain, Italy, France, the UK, Germany, Switzerland, Belgium and the Netherlands. Other regions such as Asia and Australia will follow at a later stage. For each country or region, we aim to cooperate with the leading local accreditation institute; currently we have established partnerships with the CFA, CISI and EFPA.

In September 2018, Robeco became one of the founding partners of the Erasmus Platform for Sustainable Value Creation, a network of universities and corporates fostering thought leadership in the field of sustainable finance. The platform was initiated by the Rotterdam School of Management (RSM) to develop new insights through research and education in close collaboration with leading global sustainable finance players. Robeco is one of the corporate partners in this platform, along with ABN AMRO, ASN Bank, MN and PGGM.

Sharing knowledge forms part of our overarching ambition to remain a thought leader in the sustainability space and the preferred partner for our clients in sustainability solutions. For 2019, we have already planned more SI Explore sessions. We will conduct further research into ESG integration, ESG performance and other SI areas, and will publish regularly on this.

CASE

Partnering with City to Sea to fight plastic pollution

The fight against plastic pollution has become an important part of sustainability investing. This requires firm action on the ground as well as sitting behind desks passing judgement on the worst offenders.

Robeco was therefore delighted to announce a partnership with City to Sea, an award-winning British community interest company campaigning to prevent marine plastic pollution at source, at a launch in London on 31 October. This forms part of Robeco's external sustainability and community activity – with the aim of making a difference in the communities in which the company operates.

Under the partnership, Robeco will actively support City to Sea's Refill campaign, which seeks to prevent the manufacture of millions of plastic bottles at source. Using technology, high street partners and grassroots support, Refill aims to make refilling reusable bottles easy, convenient and cheap, by offering refilling stations in as many locations as possible. The campaign now has over 14,000 sites listed in the Refill app, which has been downloaded over 80,000 times.

The power to drive change

The world's use of plastic makes for some scary statistics. One million plastic bottles are bought globally every minute, of which nine out of ten are not recycled. Many end up in the ocean, with 8 million metric tons of plastic dumped at sea each year. Aside from the sheer waste, it presents a major threat to marine life, killing millions of fish and other sea creatures every year.

Peter Walsh, Head of Robeco UK, said: "We are very pleased to join City to Sea in their fight to prevent marine plastic pollution at source. Together, we have the power to drive change and ensure our oceans, beaches and waterways are protected for generations to come."

Natalie Fee, the founder of City to Sea, added: "Our Refill campaigns empower people to stop plastic pollution. We are thrilled that Robeco has joined us to help fight plastic waste. The company's core values are very much aligned with what we are trying to achieve, and I look forward to working with them."

Reducing single-use plastics

In addition to this initiative, Robeco is also a signatory to the Plastic Solutions Investor Alliance, an international coalition of investors that engages with publicly traded consumer goods companies on the threat posed by plastic waste and pollution. Robeco recognizes the need to reduce single-use plastics and, as a signatory to the alliance, is engaging with large consumer goods producers on plastic reduction.

Robeco is determined to reduce its own consumption of single-use materials. For instance, in October 2018 it replaced all of the plastic cutlery, plates, dishes and coffee stirrers in the restaurant and the pantries of its head office in Rotterdam by products made from 100% compostable materials. The new disposable cutlery and the coffee stirrers are made from wood from responsibly managed forests. The salads in the galley's chillers are presented on dishes made from sugar cane, and cooked meats and cheeses are presented on cardboard dishes.



Investment Performance overview

Performance of major Robeco funds		
Fund	Performance*	Outperformance / underperformance
Equities		
Robeco Asia-Pacific Equities (EUR)	-13.00%	-3.90%
Robeco BP Global Premium Equities (EUR)	-8.60%	-4.50%
Robeco BP US Large Cap (USD)	-9.00%	-0.80%
Robeco BP US Premium Equities (USD)	-11.50%	-2.90%
Robeco BP US Select Opportunities (USD)	-14.40%	-2.10%
Robeco Emerging Markets Equities (EUR)	-12.60%	-2.30%
Robeco Emerging Stars Equities (EUR)	-11.90%	-1.70%
Robeco Global Consumer Trends Equities (EUR)	3.10%	7.90%
Robeco Global Fin Tech Equities (EUR)	2.70%	7.60%
Robeco Global Stars Equities Fund (EUR)	-1.60%	2.50%
Robeco New World Financial Equities (EUR)	-9.30%	2.10%
Robeco QI Emerging Conservative Equities (EUR)	-2.40%	+ 7.8% (Sharpe ratio -0.2 vs -0.9)
Robeco QI Emerging Markets Active Equities (EUR)	-10.60%	-0.30%
Robeco QI European Conservative Equities (EUR)	-6.40%	+ 4.2% (Sharpe ratio -0.8 vs -0.9)
Robeco QI Global Multi-Factor Equities (EUR)	-6.70%	-1.90%
Robeco QI Institutional Emerging Markets Enhanced Index Fund (EUR)	-9.40%	0.80%
Robeco QI Institutional Global Developed Conservative Equities (EUR)	-3.40%	+ 0.7% (Sharpe ratio -0.3 vs -0.3)
Rolinco (EUR)	-4.40%	0.50%
Fixed income		
Robeco All Strategy Euro Bonds (EUR)	0.00%	-0.40%
Robeco Euro Credit Bonds (EUR)	-1.10%	0.10%
Robeco Euro Government Bonds (EUR)	0.40%	-0.60%
Robeco Euro Sustainable Credit Bonds (EUR)	-1.10%	0.10%
Robeco Financial Institutions Bonds (EUR)	-4.00%	-0.70%
Robeco Global Credits (EUR)	-3.50%	0.30%
Robeco Global Multi-Factor Credits (EUR)	-3.20%	0.60%
Robeco Global Total Return Bond Fund (EUR)	-3.10%	-1.90%
Robeco High Yield Bonds (EUR)	-3.90%	0.70%
Robeco Investment Grade Corporate Bonds (EUR)	-0.20%	0.90%
Robeco QI Global Dynamic Duration (EUR)	1.70%	2.00%
Multi-Asset		
Robeco ONE Neutral	-5.20%	No official benchmark

*gross of fees

Performance of major RobecoSAM funds		
Fund	Performance*	Outperformance / underperformance
Equities		
RobecoSAM Smart Energy Fund (EUR)	-10.78%	-6.67%
RobecoSAM Smart Materials Fund (EUR)	-16.27%	-12.16%
RobecoSAM Sustainable Food Equities (EUR)	-8.55%	-4.44%
RobecoSAM Sustainable Healthy Living Fund (EUR)	1.30%	5.41%
RobecoSAM Sustainable Water Fund (EUR)	-6.60%	-2.50%
RobecoSAM Gender Equality Equities Fund (EUR)	1.10%	5.21%
RobecoSAM Global SDG Equities (EUR)	2.47%	6.57%
RobecoSAM Global Small Cap Equities Fund (EUR)	-8.97%	0.54%
RobecoSAM Sustainable European Equities (EUR)	-5.10%	5.47%

A large iceberg floats in the foreground, its jagged, blue-tinged surface reflecting the overcast sky. The water is dark and calm, mirroring the iceberg and the smaller icebergs scattered in the distance. The sky is filled with heavy, grey clouds, with a hint of orange light from the sun setting or rising on the horizon. The overall scene conveys a sense of isolation and environmental impact.

Governance

Ownership and legal status

Robeco is established in the Netherlands and is fully owned by ORIX Europe, a subsidiary of ORIX Corporation. RobecoSAM is established in Switzerland and is also fully owned by ORIX Europe.

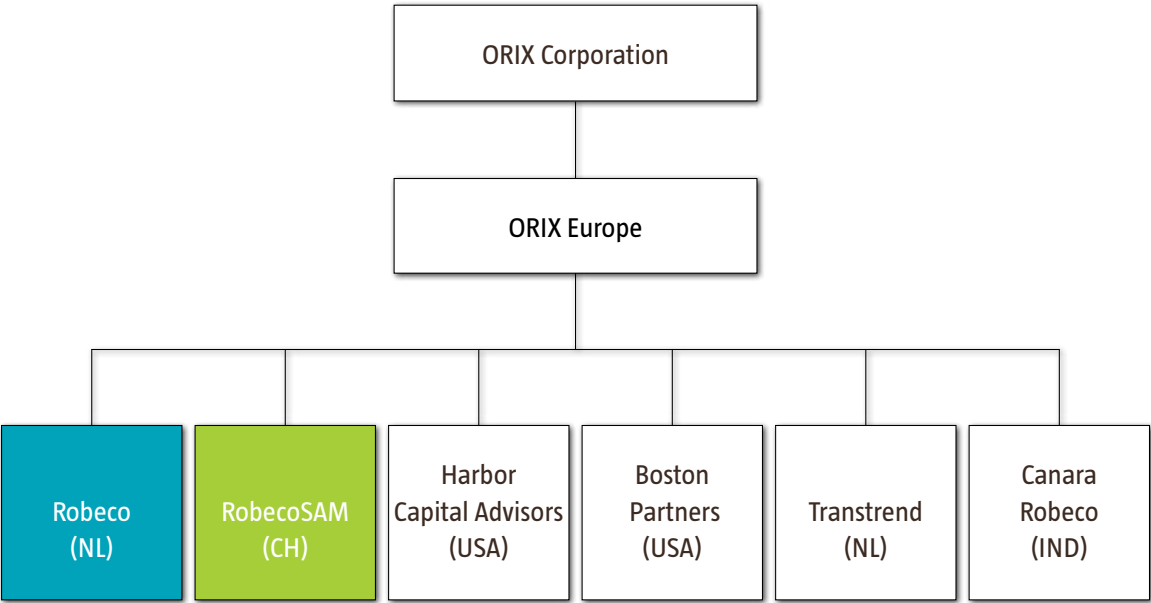
ORIX Corporation is a Japanese business conglomerate that started operating in 1964. In 2017, Robeco and Robeco Groep (now ORIX Europe) finalized the formal division of their respective investment and financial holding activities, resulting in a financial holding company with its own management and staff departments. Early in 2018, Robeco Groep N.V. was renamed ORIX Europe to differentiate clearly between the activities of both entities and to better reflect the holding’s position within ORIX as a fully-owned subsidiary.

Governance structure

Robeco and RobecoSAM each have an Executive Committee and a Supervisory Board/Board of Directors. The Executive Committee develops and executes their respective company’s strategy, and manages the business on a day-to-day basis. The Supervisory Board/Board of Directors monitors the execution of the company policy and advises the Executive Committee. The Robeco Supervisory Board includes a representative from ORIX Corporation.

In the Netherlands, all Robeco board and committee members have sworn the Dutch oath for the financial sector.

Simplified organizational chart



RobecoSAM is an affiliate of Robeco. The companies have strong business and operational ties. Robeco has functional oversight on RobecoSAM and is by majority represented in the Board of Directors of RobecoSAM.

Robeco Supervisory Board

The Supervisory Board consists of:

- Jeroen Kremers (Chairman)
- Sonja Barendregt - Roojers (since 1 April 2018)
- Yoshiko Fujii (since 1 May 2018)
- Gihan Ismail (until 1 July 2018)
- Masaaki Kawano (until 1 May 2018)
- Jan Nooitgedagt (until 1 April 2018)
- Radboud Vlaar (since 18 September 2018)

There are two Supervisory Board committees in place, the Audit and Risk Committee and the Nomination and Remuneration Committee. They prepare decisions to be taken by the board and take decisions and carry out responsibilities that are delegated to them by it.

The composition of the Supervisory Board fulfills the requirements for independence of the Dutch governance code. In the appointment process for new board members, an individual is nominated, and consequently appointed by the general meeting. With respect to the evaluation of the board's functioning, regular self-assessments and assessments by an external party take place.

Robeco Executive Committee

- Gilbert Van Hassel *
- Karin van Baardwijk *
- Maureen Bal (until 1 April 2018)
- Monique Donga
- Peter Ferket *
- Martin Nijkamp
- Christoph von Reiche
- Roland Toppen * (until 5 September 2018)
- Victor Verberk

* also statutory director

In 2018, Daniel Wild, Co-CEO of RobecoSAM, joined in an advisory role to formalize the intensified cooperation between Robeco and RobecoSAM. Functional reporting lines were also created between the managers of corresponding departments at Robeco and RobecoSAM to achieve the same goal. The intensified cooperation is also reflected by Karin van Baardwijk and Gilbert Van Hassel, who are both ExCo members at Robeco, also having seats on the RobecoSAM Board of Directors.

Statutory directors are appointed by the General Meeting of Shareholders. The Supervisory Board must be consulted in connection with an intended appointment, which is subject to prior approval by the Dutch Authority for the Financial Markets (Autoriteit Financiële Markten (AFM)). The appointment of Executive Committee members requires prior approval from the AFM because such a person is considered to be a 'daily policymaker' of Robeco. The Executive Committee consists of seven members in order to reflect the input of the different domains within Robeco, to ensure a quick decision-making process, and to have the necessary quality at the highest managerial level. The intended appointment of an Executive Committee member must be submitted to the Works Council for advice. To date, the Works Council's recommendations in this respect have been positive.

RobecoSAM Board of Directors

- Kuno Kennel (Independent Chair, since 16 May 2018)
- Karin van Baardwijk (Vice Chair, since 2 March 2018)
- Albert Gnagi (President of the Board, until 9 January 2018)
- Gilbert Van Hassel (Member of the Board, since 5 December 2016)
- Marcel Rohner (Member of the Board until 10 January 2018)

RobecoSAM Executive Committee

- Marius Dorfmeister (Co-CEO, since 16 May 2018)
- Daniel Wild (Co-CEO, since 16 May 2018)
- David Hrdina (Head of Corporate Services, since 16 May 2018)
- Aris Prepoudis (CEO, until 16 May 2018)

The Board of Directors of RobecoSAM is appointed by the General Meeting of Shareholders and is subject to approval by the Swiss Financial Market Supervisory Authority (FINMA). The members of the Executive Committee are appointed by the Board of Directors, also subject to FINMA approval. The Executive Committee currently consists of three members reflecting the input of the different domains within RobecoSAM, to ensure a quick decision-making process, and to have all necessary quality at the highest managerial level.

Sustainability and Impact Strategy Committee (SISC)

In July 2018, the joint Sustainability and Impact Strategy Committee (SISC) was established as one of the initiatives to drive the evolution of Robeco and RobecoSAM from thought leaders to market leaders in sustainability investing. The committee aims to speed up decision making on SI topics by coordinating all the related efforts, leading to faster innovation and better client servicing.

The SISC consists of Executive Committee members and sustainability experts from both Robeco and RobecoSAM. Its objectives are:

- Combining the strengths of everyone involved by driving the vision of sustainability
- Enhancing the sustainability investing policy framework
- Creating an innovation platform for SI
- Mobilizing sales and marketing power
- Setting priorities and triggering action at the appropriate level.

The SISC members represent all relevant disciplines, enabling them to coordinate many SI-related themes: marketing & sales, product offerings, investment and integration, research & resources, policies, and memberships & labels.

The SISC works side-by-side with Robeco’s Sustainability Committee, which is responsible for the promotion and coordination of the sustainability of Robeco’s own operations. The current meeting frequency of the SISC is twice a month.

Robeco Sustainability Committee

The Sustainability Committee is headed by an Executive Committee member and consists of representatives from departments that contribute to the execution of Robeco’s sustainability strategy. The committee decides on sustainability-related policies and supports the implementation and further integration of sustainability in the Robeco organization. In 2018, a sustainability ambassador network was launched, enabling the involvement of the broader Robeco organization in the topic. RobecoSAM is also participating in the Sustainability Committee to further align our internal approaches to sustainability.

The operational responsibility for the committee’s tasks lies with the sustainability coordinator. The sustainability committee meets around eight times a year.

Business ethics

Our employees are expected to be honest and sincere, and to comply with applicable laws and regulations at all times. Their behavior determines to a large degree how our companies are perceived by the world around us, as well as how we function as an organization. It also influences all our colleagues.

Robeco and RobecoSAM have rules and regulations in place governing activities that aim to ensure business operations are

conducted in a controlled and sound manner, and for employees to act accordingly. The main principles are laid down in our Code of Conduct:

- Treat our clients fairly
- Treat each other with respect
- Avoid conflicts of interest
- Evaluate your ancillary functions
- Beware of gifts and invitations
- Treat confidential information carefully
- Do not abuse confidential or insider information
- Observe responsibility in your communication
- Familiarize yourself with the rules for external communication
- Treat Robeco’s property with care
- Identify and assess your clients
- Contribute to a safe working environment and business continuity.

In 2018, the Code of Conduct and the underlying Conflict of Interest policy of Robeco were updated. The description of possible conflicts of interest, which focused on relationships with suppliers and other professional stakeholders, has been expanded. It now also includes potential conflicts of interest resulting from family ties or affective relationships within the Robeco organization. To mitigate this risk, family ties or relationships between colleagues should be disclosed to the direct managers of the persons involved.

All employees are obliged to follow several training programs, such as those regarding the company’s Code of Conduct, cybersecurity, Business Continuity Management (BCM) and anti-bribery policies. Some training is concluded with a mandatory test that employees must pass. Next to that, a process was implemented in which all employees are required to declare that they have read and understood the principles described in the Code of Conduct, and that they will act accordingly.

We have zero tolerance concerning breaches of compliance involving bribery and corruption of any kind. Any behavior by an employee observed not to be in accordance with the policy must be reported to Compliance. Non-compliance with the anti-bribery policy may lead to disciplinary measures, including dismissal.

In the coming years, we will continue to express our values, and inform staff about what is expected from them. Where necessary, further measures will be implemented, mainly based on awareness and monitoring. Specifically, additional focus will be placed on the proper execution of the appropriate customer due diligence and anti-money laundering (CDD/AML) processes. For this purpose, an updated e-learning module on CDD/AML will be presented to all relevant staff. Robeco and RobecoSAM’s Executive Committee are responsible for compliance with the policy. The Committees have delegated its implementation to line management and the Compliance department. Compliance is

Compliance record regarding business ethics			
	2018	2017	2016
Instances of suspicions of bribery (gifts received)	None reported	None reported	None reported
Reported (indications of) breaches of compliance	None reported	None reported	None reported
Reported invitations for entertainment given and received worth over EUR 100	158	176	105

NB The reported 158 given and received invitations for entertainment above EUR 100 were in line with the Robeco Gift & Entertainment policy.

Responsibility towards the environment

Robeco and RobecoSAM acknowledge the responsibility of the asset management industry towards the environment and its duty to help manage the risks associated with climate change by making the right investment decisions and engaging with investee companies and other institutions. We aim to contribute towards the ambition of the Paris Agreement to keep temperatures well below 2 degrees Celsius above pre-industrial levels. We have also made a commitment to the Task Force on Climate-related Financial Disclosures. Our climate change strategy will play a significant role in helping us meet these obligations.

At end of 2018, the framework for a joint Robeco and RobecoSAM climate change strategy and the phases of its development and implementation were approved. The phases are:

- 1 Assessment: this involves acquiring the carbon footprint data and measuring the current levels of portfolios. Financial risk management has developed a methodology for measuring climate risk in portfolios, and the active ownership team is also working on the development of an engagement strategy to manage climate change risk.
- 2 Implementation: this relates to the integration of climate change transition risk, physical risk and opportunities in the investment process, as well as the measurement of climate change risk (on a portfolio and firm level) as part of risk management.
- 3 Communication: in this phase, the sales force will be informed about climate change and reporting to clients and our broader stakeholder base.

The strategy will be rolled out in the course of 2019.

responsible for the management and maintenance of the policy, which is reviewed by the Executive Committees every two years. Compliance also monitors the correct implementation of the policy. Line management is responsible for translating the policy into workable and effective operating instructions. Compliance together with line management is responsible for training employees regarding anti-bribery measures.

Risk management and compliance

The management of financial and non-financial risk, and ensuring compliance with all relevant laws and regulations, has a high priority within Robeco. Every step of Robeco's decision-making process for fund and mandate management for our clients has risk management embedded in it, and this also applies to Robeco's internal operations management.

Robeco has set up a comprehensive Enterprise Risk Management Framework for management of all relevant financial and non-financial (including regulatory) risk. The framework is based on the principles of sound management, as formulated in the Netherlands Corporate Governance Code, and on the Committee of Sponsoring Organizations (COSO) Enterprise Risk Management (ERM) principles.

Managing risks

Robeco's risk management governance is built on the 'three lines of defense' model: the primary responsibility rests with line management in their day-to-day decision-making process. The second-line functions are fulfilled by the Compliance and Risk Management team, which develops and maintains policies to enable line management to effectively handle their responsibilities. The second line of defense monitors the business activities in the company's risk-management practices, and reports regularly to various internal committees and to external stakeholders. The Internal Audit function acts as the third line of

defense, and provides independent assurance on internal control by means of various audits and reviews. Both the second-line and third-line activities operate independently, with no link to commercial functions, and with direct reporting lines to the Chief Finance & Risk Officer (CFRO) and chairman of the Audit and Risk Committee (A&RC) of the Supervisory Board.

Robeco is constantly working to improve the effectiveness of its risk management efforts. We learn from our mistakes (operational incidents and near misses) and use them to strengthen our control environment, prevent similar incidents from recurring, and to prepare ourselves for emerging risks. In 2018, Robeco undertook some steps to move from reactive (incident-driven) risk management towards more proactive, forward-looking risk management in areas of non-financial risk. Specifically, risk identification and assessment processes and methods as well as risk action management processes have been further enhanced and documented. The Operational Risk Management department is driving implementation of these improved methods within the business.

Financial risk management of client portfolios, such as market risk, liquidity risk and counterparty risk policies, has been described in several policies. Non-financial risk management within Robeco had been described in the Operational Risk Policy. In case of non-compliance with these policies, for instance in the event of investment guideline breaches, an escalation procedure directed towards the Risk Management Committee is in place. Climate risk management will be integrated into the market risk policy. At the time of writing, no limit setting is applied to climate risks.

Monitoring environment risks

In 2018, apart from this focus on risk governance, Robeco started investigating and monitoring environmental risks, and climate risks in particular. The Task Force on Climate-related Financial

Disclosures breaks down climate risk into transition risk and physical risk. Transition risk refers to the potential large-scale impacts of rapidly decarbonizing our economies, while physical risk relates to potential impacts such as flooding.

The Financial Risk Management department focuses on transition risk by visualizing carbon emissions and designing climate change scenarios in order to monitor the impact on client portfolios, both in equities and fixed income. Furthermore, the department focused on the set-up of a climate risk framework by starting a dialogue with sustainability experts within Robeco and RobecoSAM, and by attending relevant seminars. This has resulted in the integration of carbon emission data supplied by RobecoSAM into the risk system and the design of climate change scenarios. The outcomes of these scenarios for certain portfolios have already been discussed with Portfolio Management. The feedback obtained will be used to further optimize the scenarios, and to create awareness across the organization on client portfolio risks as a result of climate change.

Ambitions for 2019-2020

Robeco is going to develop further the maturity of the risk management framework and related processes. Our ambitions for 2019-2020 are:

- Further evolution of the risk appetite process: improvement of statements by higher use of quantitative elements, the further development of (quantitative) Key Risk Indicators (KRIs), improved reporting, and eventually, the explicit presence of risk appetite as an integral part of the decision-making process on strategic, tactical and operational levels.
- Further development of methods used for risk identification and evaluation: namely, the development of scenario analysis as a method for non-financial risk identification and assessment.
- The Financial Risk Management department will focus on

Risk categories

The categories of risk described below are regarded as being the most relevant in terms of their potential impact on Robeco's ability to execute its strategy, perform its business activities and maintain its good financial condition.

Strategic risks

External developments such as macroeconomic issues, increasing fee pressure or competition may negatively affect our profitability. Continuous monitoring of these developments and maintaining a diversified base of clients, assets and products mitigates the potential impact.

Operational risks

Robeco manages a large range of services and products for different client types in various regions of the world. This means that we are exposed to operational risk. In order to mitigate such risk and achieve excellence in our operations, Robeco constantly seeks ways to simplify its processes and reduce complexity. Robeco also invests in its people to ensure that staff are highly skilled, have the latest expertise, and stay motivated.

Financial risks

Robeco is exposed to counterparty credit risk on its cash balances and receivables. To mitigate this, Robeco's policies prescribe careful selection and monitoring of financial counterparties. Risks are mitigated by offering a broad and diversified range of products and services in various regions, currencies and asset classes. Capital is held to cover this 'business risk'. To mitigate liquidity risk, cash positions are closely monitored. Robeco applies various indicators for assessing financial performance, which entails the use of models for individual risk types.

enhancing its core processes and risk reporting infrastructure in the coming year. A new risk system will be implemented besides the current risk system in order to visualize other dimensions of financial risks, such as factor risks. Furthermore, the goal is to finalize climate risk monitoring across liquid asset classes, and to structurally use the information for 'risk deep dive' sessions with portfolio managers.

Audit and Risk Committee

Robeco's Supervisory Board has an Audit and Risk Committee (A&RC) in place to supervise the financial reporting process, the control environment, the system of internal controls, risk management and internal audit. The A&RC also reviews the process used to monitor compliance with legislative and regulatory requirements and Robeco's own internal policies. In its oversight, the A&RC relies on reporting from risk management compliance, internal audit, the Finance department and the external auditor, and on updates from within the business.

Enterprise Risk Management Committee

Several risk management committees ensure comprehensive and consistent risk oversight throughout Robeco. The Enterprise Risk Management Committee (ERMC) is the highest body within the company that focuses on risk and consists of the members of the ExCo and relevant departments. The ERMC is chaired by the Chief Financial Risk Officer and is responsible for evaluating and approving company-wide policies relating to risk management and compliance. The ERMC also assesses whether the risks relating to our activities remain within the defined risk tolerance levels. If risks exceed these levels, the ERMC has the power to decide remedial action. The ERMC is supported by a dedicated risk management committee in respect of the financial risks associated with client portfolios, and by (sub-)committees that focus on specific issues such as valuation, security, crisis management and new products.

Risk Management Committee

The Risk Management Committee (RMC) is the body responsible for determining risk policy, and for monitoring risk levels in client portfolios. It is chaired by a member of the ExCo and consists of representatives of the relevant departments. The RMC reports to the ERMC. The objective of the RMC is to ensure completeness and adequacy of risk oversight for client portfolios. The financial risks in client portfolios (funds and mandates) are managed and controlled via the company's financial risk management policies. For all portfolios, Limit and Control Structures (LCS) and investment restrictions have been established that reflect the clients' risk appetites. LCS and investment restrictions are monitored through the risk management and compliance functions and reported to portfolio managers and the RMC. If risks exceed the pre-defined limits, the RMC can take steps to remedy this.

Tax

Robeco and RobecoSAM's business objective is to act at all times in accordance with the ORIX Tax Charter and mission statement and applicable local laws and regulations. We do not use structures that are intended for tax avoidance. Our tax approach is to support our overall business strategy and objectives. It is in line with relevant international standards, such as the OECD Guidelines. Any changes in the corporate structure are discussed with our external tax advisors, and we reach out to tax authorities to obtain a ruling where necessary.

To the extent that investors are subject to taxation, investment proceeds are taxed at investor level. In general, our investment funds benefit from tax regimes, to prevent any additional tax burden. Our investment tax approach is to minimize additional taxation (tax leakages) at investment fund level for our clients. The topic of tax accountability is a focus area in our active ownership activities. We expect our portfolio holdings to comply

with the legal and regulatory framework that is applicable to their business activities. Companies should assess the risks associated with their approach to taxation, and then match this risk profile with their investors' risk appetite and the need to maintain the trust of stakeholders. Another focus area for this engagement is understanding the sustainability of our investee companies' effective tax rates and tax policies.

We ensure that we have the mechanisms in place to adhere to the above principles, which are consistent with our Code of Conduct. Robeco maintains a team of tax professionals who have an ongoing dialogue with our business and senior management. RobecoSAM maintains close cooperation with external tax advisors.

Ultimately, RobecoSAM's Board of Directors and Robeco's Executive Committee are responsible for compliance with the ORIX Tax Charter and mission statement. Senior management is responsible for translating the policy into workable and effective operating instructions.



Business operations

Strategic workforce development

The success of Robeco’s and RobecoSAM’s business activities depends almost entirely on the performance of the women and men working for Robeco. Their knowledge, skills, experience, commitment and engagement are the company’s most valuable assets. We want to reward and develop these assets by offering inspiring working conditions and ample freedom to take on responsibilities.

Performance Management Cycle

In 2018, there was a further alignment of our learning and development programs and Performance Management Cycle. In order to allow our staff to continuously improve themselves in

the high-performance culture, we strengthened our Performance Management Cycle with two amendments. We strongly believe in an open and safe environment in which employees can give each other feedback at any time during the year. Such feedback is given as part of the year-end appraisal process, informing the manager about an employee’s performance from multiple angles. Secondly, the year-end appraisal meeting is, in our beliefs, not a moment to give a verdict, but an opportunity to enhance motivation, commitment and growth potential by truly recognizing the strengths and development areas of our employees. In order to empower management to be a performance mentor, we enriched our tools for managers to support the delivery of effective and constructive appraisal meetings.

Reward vision

As part of the reward vision, a well-thought out, balanced and sustainable remuneration policy is vital in order to attract, retain and motivate well-qualified staff. Equally important is that this policy enables us to differentiate employees according to their performance, and reward their excellence; it also stimulates employees to exhibit desired behavior and discourage undesirable conduct.

Remuneration

Robeco and RobecoSAM reward their employees in a way that encourages them to act in the best interests of our clients and avoid taking undesirable risks. We also aim to stimulate a healthy corporate culture with the reward framework, focusing on achieving sustainable results in accordance with the long-term objectives of the company and its stakeholders. Finally, we want to attract and retain good employees, and to reward talent and performance fairly.

Our remuneration policy does not discriminate on the basis

of gender. Differences in terms of salary range are based on professional experience and education. The women-to-men remuneration ratio calculation reflects the Dutch organization, due to insufficient comparable data from offices abroad. Averages have been calculated for the applicable salary ranges in each category. These do not take into account such factors as work experience and relevant education. ‘Broadbanding’ is used for the senior/middle management category, where jobs of different levels are placed in the same ‘band’.

Robeco and RobecoSAM incorporate all significant components such as annual salary increases and variable remuneration into a single integrated process to determine reward. This process ensures a complete and balanced assessment of an individual’s performance, and increases transparency regarding the determination of variable and fixed remuneration based on performance and market practice. This policy is applied throughout Robeco and RobecoSAM, so all of our employees receive a yearly performance and career development review. Our remuneration policy is drafted in close consultation with the Works Council.

Collective bargaining agreements for the trade sector are only applicable to employees in France, Spain and Italy. The policy, amendments to it and actual compliance of remuneration practice is audited internally each year. Remuneration levels for all employees are benchmarked annually against the standards of market data provider McLagan. For specific teams or functions, Robeco occasionally also requests tailor-made assessments from McLagan. Any changes made by the regulators to applicable legislation or guidelines that lead to the amendment of a remuneration policy, approach or practice are reviewed by independent external parties. Additionally RobecoSAM’s is in line with the strict regulatory requirements of the FINMA in Switzerland.

Performance management cycle



Each individual employee's fixed salary is determined on the basis of their role and experience according to the salary ranges, and with reference to the benchmarks of the investment management industry in the relevant region. The fixed salary is deemed to be adequate remuneration for the employee to properly execute his or her responsibilities, regardless of whether or not variable remuneration is provided.

Nomination and Remuneration Committee

The members of this Robeco committee are Jeroen Kremers (Chairman), Sonja Barendregt-Roojers, Yoshiko Fujii and Radboud Vlaar. Nomination and remuneration matters were discussed several times in 2018. The CEO and Robeco's Head of Human Resources also attended the meetings. One of the recurring items on the agenda is fixed and variable remuneration.

The total available variable remuneration pool is determined as a certain percentage of operational profit. Each employee's variable remuneration will be determined according to their behavior, individual and team performance, and assessed on the basis of pre-agreed business objectives. Poor performance,

unethical or non-compliant behavior will reduce individual awards, or can result in no variable remuneration being awarded at all. Variable remuneration for all staff is appropriately balanced against their fixed remuneration. All or part of the variable remuneration paid out, may be reclaimed, if:

- payment was made on the basis of incorrect information
- an employee has committed fraud
- an employee has shown serious improper behavior or serious negligence in personal performance
- an employee's behavior has resulted in considerable losses for Robeco.

Learning and development

Education is a key element in support of the company's mission and beliefs. Organizational and personal development aims to unleash the full potential of our workforce. In 2018, we evaluated and aligned our annual development programs with our new strategy. The programs are also focused on enforcing entrepreneurial thinking and strengthening the feedback culture.

An impression of the learning programs in 2018:

- Robeco Learning World is the online portal for the selection and registration of broad learning opportunities. These can be either classroom or e-learning courses. All educational opportunities are aimed at furthering Robeco's ambition to create a culture of continuous learning. We added a full range of e-learning courses on 1 October 2018, adding 65 courses in English, 44 in Dutch and 24 in French. The types of new modules offered ranged from how to improve feedback, time management, conversation techniques, Excel, brainstorming, business English and project planning. A total of 197 e-learning courses were taken between 1 October 2018 and 1 January 2019.
- We had a successful first and second Young Professional Journey, aimed at accelerating the learning process of young new colleagues by giving them a range of different experiences. Furthermore, we aim to strengthen the core managerial capabilities of junior and mid-level managers by offering a 'Managing at Robeco' course. Both programs have an international scope so that international employees can also attend.

Remuneration figures

	FTE	Head count	Fixed remuneration in EUR million	Variable remuneration in EUR million	Total in EUR million
Current and former statutory directors	4	4	2.1	2.7	4.8

Women-to-men remuneration ratio

	Fixed remuneration ratio	Total remuneration ratio
Senior management level incl ExCo	0.99	1.12
Middle management level	0.98	0.97
Non-management level	1.00	0.99

- We offered mentorship, internal and external coaching, which are highly valued by employees. RobecoSAM also offered coaching regarding on-the-job learning.
- In 2019, RobecoSAM entered the fifth year of membership of the Advance Women Switzerland initiative. This entails another cycle of great training for female employees, which is highly appreciated and well attended.

Vitality and work-life balance

Robeco and RobecoSAM provide their employees with the means to enhance their vitality and sustainable employability. The possibility of working from home and keeping flexible hours is conducive to a better work-life balance, depending on local habits and customs. The mobile IT equipment provided enables employees to work at a place most suited to their activities at any time.

Further we want to offer our people the best possible working conditions. All Robeco’s employees work in comfortable, modern office spaces. They have at their disposal adjustable desks, ergonomic office chairs, special chairs for tall and short people, and Swopper chairs to train back muscles. In Rotterdam and Zurich, in-house ergonomics coaches provide advice on the best posture at work, and help adjust the office furniture.

An assigned prevention officer is alert to health and safety risks in the workplace in the Netherlands, and can recommend measures to improve conditions. A health and safety platform (‘arboplatfom’) maintains an overview of all developments and measures related to working conditions, including those of a preventative nature. There are open consultations for employees with the company doctor, allowing them to discuss work-related health issues confidentially without having to request the manager’s approval. Finally, a confidential counselor is available to tackle issues that an employee cannot discuss with anyone else.

Besides workplace-related provisions, we offer our employees healthy foods and beverages in the company restaurant, subsidized gyms and a fiscally attractive cycle purchase scheme to encourage people to cycle to work. Furthermore, we offer a health, safety and welfare service, a health benefit program, mentoring and coaching and stress-reduction workshops. We recently excluded the tobacco industry from all our investments. In this context, Robeco decided to offer employees the opportunity to quit smoking, using a factual method that has a high success rate. Robeco offered this workshop free of charge because we believe that healthy employees perform better.

Diversity, inclusion and non-discrimination

Robeco and RobecoSAM recognize that the ability of a company to retain talent is an important driver in promoting diversity, and an overall contributor to its sustainability performance. The principle of equal opportunity applies to all employees and is an explicit component of application procedures. All vacancies are widely advertised, and no groups are excluded. All qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin, sexual orientation, gender identity, disability or any other characteristic.

Temporary or part-time employees are proportionally entitled to the same benefit packages provided to full-time employees with a permanent contract. Discrimination of any type will not be

Number of employees, new hires and turnover

	2018	2017	2016
Number of employees (FTE)	868	863	859
Number of new employee hires (persons)	61	81	101
Male	36	48	60
Female	25	33	41
Turnover	10%	10%	6%

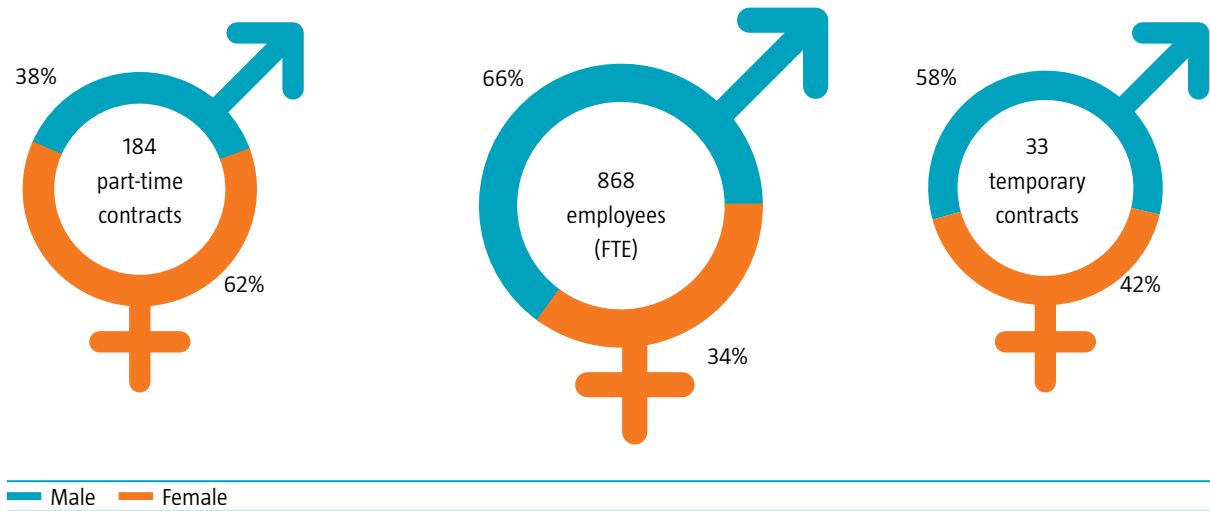
tolerated. A procedure for reporting cases of discrimination is in place.

One-third of Robeco’s Executive Committee is formed by women and two-thirds by men, thus meeting the Dutch legal requirement to comply or explain with a 30/70% ratio of women to men or men to women. Robeco’s Supervisory Board also meets this ratio as two persons out of four are women. At RobecoSAM, one of the three members of the Board of Directors is a woman, which corresponds to the guideline of a 30% proportion of women proposed by the Swiss Federal Council for listed companies. The Executive Committee consists of three men.

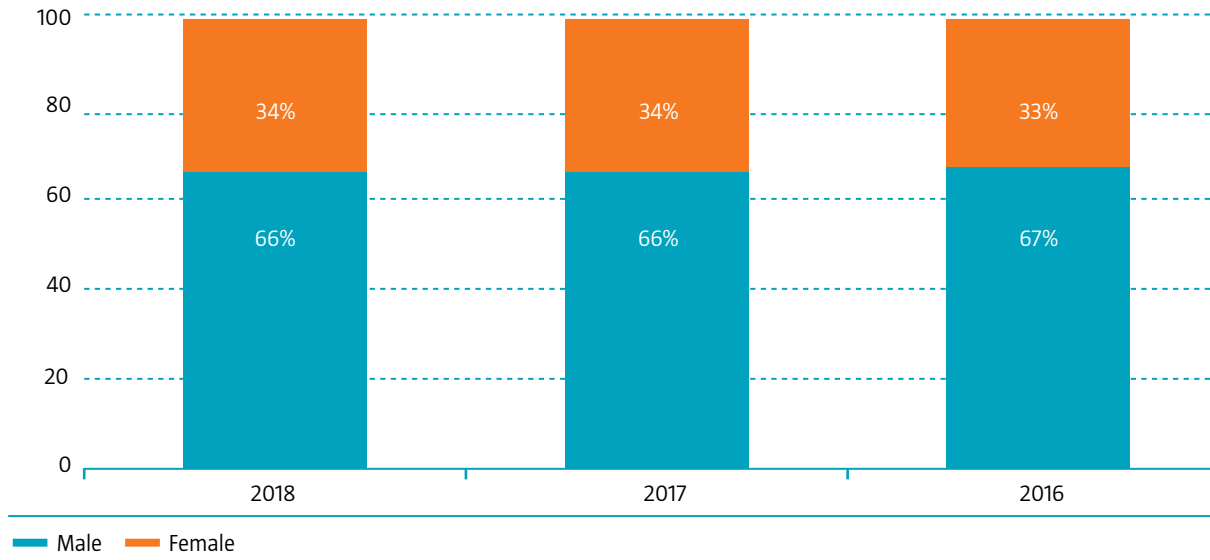
In 2017, we set out our ideas about diversity in a formal policy and launched the Diversity@FIRST team in order to move from a focus on gender diversity to a broader set of criteria. We labeled this movement ‘From gender diversity to diverse opinions’ because the more diverse our global workforce is in terms of gender, age, cultural background and education, the more diverse opinions we will have. This will lead to much richer debates and help us arrive at much better decisions, come up with better ideas and, ultimately, achieve better results for our clients. In 2018, a number of events were organized to support our employees and managers on the topics of diversity and inclusion.

The Diversity@FIRST team builds on the groundwork laid by PinkCapital, Robeco’s former women’s network. The members of Diversity@FIRST are advising Robeco’s Executive Committee on the execution of a plan to further increase diversity throughout the company. Diversity@FIRST also promotes bottom-up initiatives, based on the idea that diversity is a means to achieve better decision-making and greater success, rather than representing a goal or quota in itself.

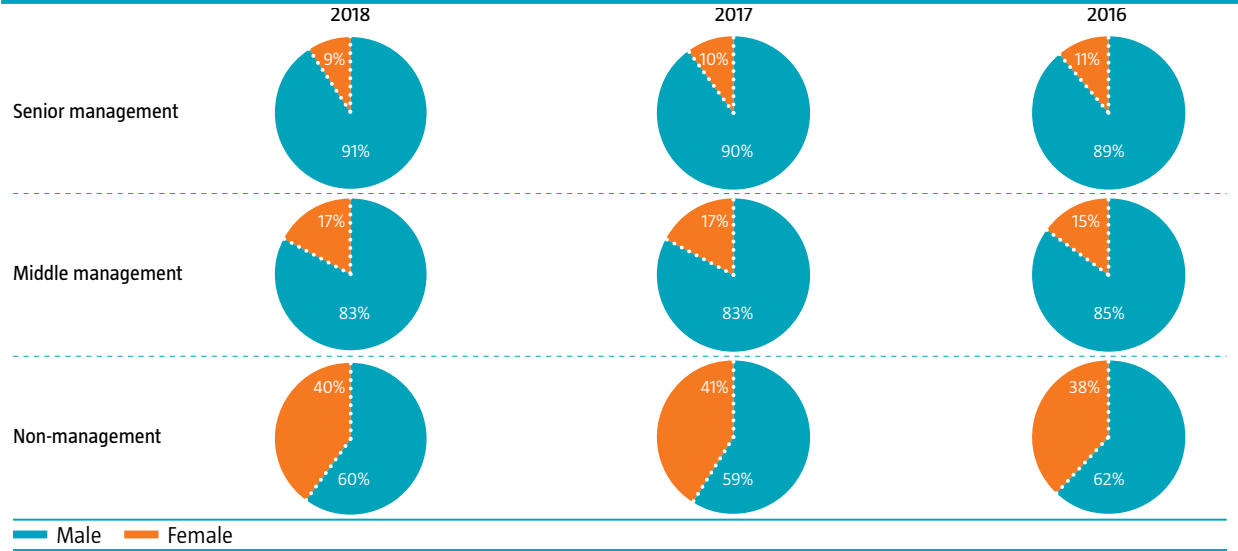
Gender distribution in general, by type of contract and by working time



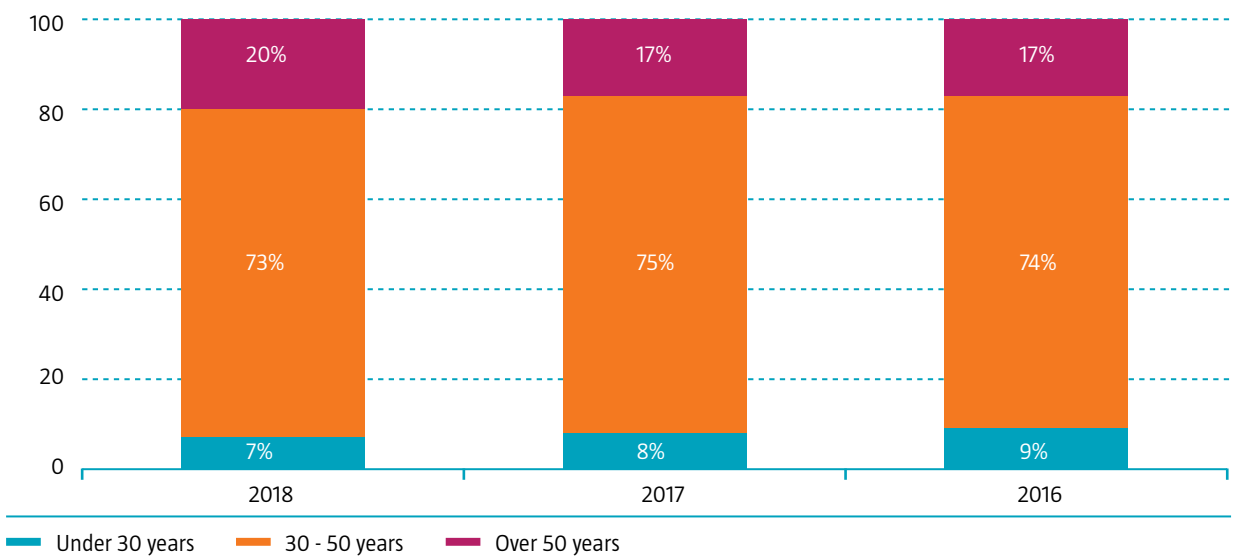
Gender distribution per reporting year



Gender distribution per employment category



Age distribution



Sustainability and social commitment initiatives in the HR field

Robeco started a pilot partnership with the foundation ‘Stichting Werken en Studeren Op Maat’, for the duration of one year (2018). This independent foundation aims to find work for young, highly educated professionals who experience difficulties in finding a job. Over the past few years, the foundation has supported more than 400 highly-educated young professionals with these difficulties in finding and keeping a job. The foundation's network consists of a large group of young professionals, mostly with a background in exact sciences such as IT and Finance. Despite many initiatives regarding this project within Robeco, the ensuing applications did not lead to appointments in 2018.

Furthermore, Human Resources in the Netherlands provided a knowledge-sharing session for refugees who want to learn more about Dutch businesses in order to increase their chances to join the labor market.

Employee engagement

Each year, Robeco performs an online survey to measure overall engagement and satisfaction among its employees. Participation in this survey is usually higher, compared to our peers. In 2018, the global response rate was 87.7%, slightly up from 87.4% in 2017.

All teams at Robeco are expected to mutually discuss the results, and draw up an action plan to address areas for improvement. All managers discuss their conclusions with their respective representative on Robeco’s Executive Committee, together with proposals for action to be taken in the areas earmarked for improvement. This serves to embed the survey in Robeco’s Annual Performance Management Cycle.

Employee engagement survey

	2018	2017	2016
General engagement	7.4	7.7	7.4
Number of respondents	767	748	724
% of total surveys sent out	87.7%	87.4%	85.7%

Our workforce in numbers

The details of Robeco’s workforce are presented in tables and graphs on pages 40-43. In 2018, the total number of Robeco FTEs remained stable at 868. With regard to gender distribution, 34% of Robeco’s workforce continued to consist of women. We noted an increase in the number of employees over 50 years of age to 20% of Robeco’s workforce. At the end of 2018, RobecoSAM employed 87 FTEs. Turnover was relatively high at 19% due to organizational changes. The average engagement score given in RobecoSAM’s employee engagement survey was 7.7%. RobecoSAM’s workforce was 37% female and 63% male. While most of RobecoSAM’s workforce was between 30 and 50 years of age, around 20% of the workforce was 50 or over, and 9% was under 30.

Social commitment

Earning the trust of the communities in which we operate is fundamental to building our reputation and maintaining our social license to operate. Therefore, Robeco and RobecoSAM aim to support projects benefiting society at large. Our contribution to society incorporates a broad range of activities. These include providing valuable employment opportunities, using local suppliers where possible, giving donations and enabling employees to perform voluntary work.

Education is a key theme – many of our highly skilled employees are involved in academia or educational initiatives. Education is also the focus for the Robeco Foundation launched in 2018; for more information see page 44.

Social sponsorship

Besides our work at the Robeco Foundation, we actively support projects that embrace social sponsorship. Suitable projects aim to improve living conditions, the environment, the health and/or the personal development of people who suffer from a serious health condition, are underprivileged, or are the victims of circumstances for which they cannot be held responsible. Robeco’s Social Commitment Committee assesses projects submitted by employees that meet the criteria laid down in Robeco’s Policy on Social Commitment and Donations. Employees that submit a project request must actively participate in the project. In 2018, the budget spent was EUR 64,120 (2017: EUR 86,890). Robeco sponsored 14 community projects, including Roparun and Spinning for Sophia, a spinning marathon for the Erasmus Medical Center children’s hospital. In the Netherlands, 99 employees donated their Christmas gift (each worth EUR 50) to the IMC Weekendschool charity cause, amounting to EUR 4,950. In addition, RobecoSAM supported the Human Needs Project in 2018.

Roparun

For the eighth year running, a team of 21 people from our Rotterdam office joined the Roparun. Running from Paris (520 kilometers) or Hamburg (580 kilometers) to Rotterdam, this extreme physical challenge raises money to support people with cancer. Our team was one of the 360 that participated, and raised EUR 21,000. Over the last seven years, we raised and donated a total amount of EUR 245,786.

Volunteering

Robeco gives employees the opportunity to work as a volunteer once a year during business hours. At our Rotterdam office, there is a partnership with the organization NL Cares, which supports in identifying the need for voluntary work in the city. In

CASE

Robeco Foundation helps underprivileged local children

Robeco is an international asset manager with clients and offices all over the world – but we have never forgotten our Rotterdam roots. We also don't forget how lucky we are to work for a successful company, enjoying good benefits and nice working conditions, when not everyone in our city is as fortunate.

The Robeco Foundation aims to give something back, by helping to create equal opportunities for disadvantaged children through investing in talent development through education. Its projects for 2018 centered on Rotterdam; other cities in which Robeco operates will become involved from 2019 onwards. Next to its overall aim, the Foundation aims synergy to the Sustainable Development Goals. Three of the 17 goals are directly related to what the Foundation aims to achieve. These are: an end to poverty; access to a quality education; and the reduction of inequalities.

Rotterdam Digital Skills Program

The Foundation's inaugural project is the Rotterdam Digital Skills Program, offering support to primary and secondary schools to help improve children's ability to use computer platforms, and acquire the skills they will need for later life. Many parents cannot afford to do this themselves, while schools are often under-resourced.

The first step entailed lending more than 100 laptops to freshmen (12-year-olds+) of the Melanchthon high school in Rotterdam. Student Ould Amar received the first one from Robeco Foundation.

The laptops were borrowed free of charge to the freshmen for the rest of their time at the school. The school's Simon Baars observed: "Our Kralingen location is a colorful school and this is all about 'inclusion', regardless of origin. Many of our children have to deal with societal bias or a less-than-perfect home situation. For them, this laptop is not just an electronic device, but a validation of their existence. In our view, proper education is a way to break the mold. We want to teach our students that they matter and that they can achieve anything they can dream of."

Tinkering sets for schools

For a second step, we offered all 250 primary schools in the city the chance to receive 20 'Digi-KlooiKoffers' (digital tinkering sets). This set contains a small device called 'micro:bit' with which children can learn the basics of programming in a playful way.

The Digi-KlooiKoffer has been developed by Stichting FutureNL, an organization whose mission is to support schools and teachers to make every child digitally skilled, in collaboration with the foundation 'Lekker Samen Klooiën' (Tinkering Together).

Schools could also request a guest teacher to provide their pupils with initial training. We ran an information session for those at Robeco interested in doing this, leading to 27 applications for a voluntary guest lectureship.



Seven principles of sustainable procurement

Human rights

1. Robeco expects its suppliers to support and respect the UN's Universal Declaration of Human Rights and to ensure that they are not complicit in any form of abuse (i.e. all parts of their supply chain must be managed in an ethical way).

Labor

2. Suppliers are encouraged to promote diversity and inclusion by not discriminating on the grounds of race, religion, gender, sexual orientation, age, physical ability, health condition, political opinion, nationality, social or ethnic origin and union membership or marital status while hiring and employing.
3. All forms of forced, compulsory and child labor must be eliminated.
4. Suppliers should act responsibly in the field of health and safety of employees.

Environment

5. Robeco expects its suppliers to support and promote environmental protection, and to comply with local environmental laws and regulations.
6. Suppliers are expected to promote greater environmental responsibility and to support Robeco in the use of goods and services that help mitigate our environmental impact, for example by better managing and utilizing resources such as energy, paper, water and waste.

Anti-corruption

7. Robeco expects its suppliers to behave ethically and to respect local laws. It strictly prohibits bribery and corruption in any form. Any potential conflicts of interest by suppliers must be declared, and engaging in any activity which might reasonably be interpreted as an attempt to affect the impartiality of employees must be avoided.

2018, a total of 67 Rotterdam-based employees participated in volunteering activities through NL Cares (e.g. coaching school children on sports day). Other offices also identified volunteering opportunities. Our UK office for example worked with local organization Spiral to assist young people from disadvantaged backgrounds in the UK gain skills and experience to increase their employability.

Sports coach for a day

On 19 June 2018, voluntary work intermediary NL Cares organized a children's sports day in the Rotterdam Zuid district. While it is clearly important that children become familiar with sports and exercise from an early age, the participating schools lack the means to hold sports events on their own. Several enthusiastic volunteers from Robeco and other local companies made sure the 90 young participants had a great time playing soccer and hockey, and running relay races.

Academic activities

Robeco has an academic DNA that suits the scientific approach to investing. The experienced researchers and other investment colleagues have backgrounds in economics, econometrics and mathematics. Several hold PhDs or CFA charters, and some are affiliated to universities as an assistant or associate professor.

Robeco recognizes the importance of top academic research and encourages students to write and submit papers that provide insights into sustainability or quantitative investing, for example. Other academic activities include internships, a thesis prize, giving lectures and publishing research.

For example, the Quantitative Strategies and Active Ownership departments offer internships to students in the final phase of their degree program. In 2018, Robeco worked in association with the following academic institutions:

- University of Amsterdam (UvA, Netherlands)
- Erasmus University of Rotterdam (Netherlands)
- Tilburg University (Netherlands)
- Technische Universität München (Germany)
- Bocconi University, Milan (Italy)

Netspar

Netspar is a Dutch network for studies on pensions, aging and retirement. It aims to connect policymakers and pension practitioners in the public and private sectors with pension scientists. Netspar thus contributes to improving the pension system through academic and applied research, network development and knowledge transfer programs. Robeco became a partner in Netspar in 2010.

This fruitful partnership enables Robeco employees to participate in research projects, attend seminars, access research papers and executive programs. Cooperating with Netspar, we were able to provide our expertise and practical experience as input for the EU and Dutch pension policy-making process. We are a member of the Foundation Board, the Editorial Board and the Partner Research Council.

Procurement

Robeco recognizes the importance of building strong, collaborative and long-term partnerships with its suppliers. Corporate sustainability considerations are woven into Robeco's criteria for making purchasing decisions. Our Central Purchasing department, which coordinates the global purchasing activities at Robeco, applies sustainability principles to the materials and manufacturing method used. In vendor selection, if competing suppliers score equal on all other criteria, the most sustainable offer will be selected. Robeco expects suppliers to respect the principles of sustainable procurement.

The ambition for the coming years is to get full insight in the

contribution of all of our suppliers to Robeco's environmental footprint. To that aim, the execution of our 'Know your Vendor/ Due Diligence' policy will be sharpened, by focusing on sustainability KPIs for our vendors, and investigating the footprint within the complete supply chain to be able to compensate for it completely. In order to enhance awareness internally, Robeco will include the CO₂ footprint in travel reports for each department. In order to discourage flying, Robeco will further improve the technical support for online meetings by broadening bandwidth and improving dedicated data connections. Robeco has formalized its purchasing and facility management ambitions in several policies; compulsory purchasing conditions, sustainable purchasing principles, vendor control framework, and travel policy.

Environmental footprint

Robeco wants to minimize the environmental effects of its business operations. Office premises are selected and designed with this in mind, as the company simultaneously strives to achieve a steady reduction in emissions. Our central Facility Management team realizes these objectives in its work to coordinate premises and other facilities for all Robeco offices worldwide.

Premises

Robeco's headoffice FIRST in Rotterdam was awarded a four-star (excellent) BREEAM-NL new-building certificate by the Dutch Green Building Council. In case of relocation or establishing new branch offices, BREEAM-certified locations are preferred.

Business travel

Robeco is aware of the fact that traveling is a major contributor to CO₂ emissions and global warming. Unfortunately, this conflicts with Robeco's worldwide scale of operations and locations, which makes some traveling between offices unavoidable, particularly

if clients are in different countries. Within each location however, Robeco encourages the reduction of travel movements with its flexible workplace concept, providing employees with a smartphone and laptop that enable them to work at home or elsewhere to reduce commuting. All of Robeco's offices are equipped with state-of-the art interactive videoconferencing screens that enable employees at different locations to work together efficiently. For commuting, public transport is the preferred means of transportation, facilitated by providing employees with a public transport travel card.

Company cars in the Netherlands are low-emission-certified or lie within low-emission ranges. At the end of 2018, 53% of lease drivers were using (semi) electric more hybride cars. Lease drivers are encouraged to park outside urban areas at a park+ride zone and to access the city using public transport. Finally, employees entitled to an office parking space who give up this right are rewarded with a financial incentive to purchase a (electric) bicycle.

Use of resources and emissions

Robeco is striving to further reduce energy and water utilization, and promotes the use of sustainable energy. Total water usage is measured and monitored. Our aim is that the energy consumption in all our offices is 80% green: our headoffice in Rotterdam scores very high on this aspect. As soon as we have the opportunity to use more sustainable offices in other countries, we would choose the most sustainable building. For waste management, Robeco applies separated waste processing and recycling, such as by separating paper/cardboard and residual waste at the source, which makes for more efficient recycling. Robeco encourages its affiliated cleaning companies to use environmentally safe cleaning products as far as possible. Service level agreements for catering and cleaning include an incentive for sustainable innovation.

Resource consumption

	Metric unit	2018	2017
Energy	kWh	2,404,412	2,642,040
Drinking water	M3	3,072	5,622
Rain water for toilets	M3	900	600
Paper	kg	8,343	8,156
Paper and cardboards waste	kg	6,790	7,550
Business travel air	km	6,966,763	4,898,044
Travel by lease car	km	4,039,439	4,840,102

Greenhouse gas emissions in relation to value chain

	Emission type	Metric unit	2018	2017
Travel by lease car	scope 1	ton CO ₂ e	721.8	872.3
Energy	scope 2	ton CO ₂ e	1375.3	1511.2
Business travel by air	scope 3	ton CO ₂ e	1273.3	882.9

The numbers presented in the table relate to Robeco's headquarters and employees of Robeco Nederland in 2017 and 2018. In 2016, Robeco moved into its new headquarters. Therefore, a comparison with numbers from before the move would be less meaningful. Due to changes in reporting definitions, some of the 2017 numbers have been restated to ensure comparability. In 2018, Robeco was able to reduce its energy and water consumption in part by making better use of rain water. Business travel by air increased due to the growing international scope of our business. Robeco compensates for its annual carbon emissions and has signed a declaration stating that it aims to reduce the CO₂ emissions generated by the activities of its entire workforce. Robeco has selected AFS Energy (21 February 2019) to achieve CarbonNeutral® certification in 2018 by reducing CO₂ emissions to a net zero in accordance with the CarbonNeutral Protocol.

Ambitions for 2019 and beyond

Facility Management at Robeco is conducted with the ongoing objective of improving sustainability in close cooperation with our facility vendors. Robeco therefore monitors and evaluates its performance in this respect on a continuous basis. If an opportunity for improvement is identified, the working practices concerned are adjusted to secure the improvement. This pragmatic approach means that there are no predefined goals or targets. Some examples of intended structural improvement are:

- Further digitalization of physical mail to reduce paper use and waste
- Reducing the leased car fleet by offering users a mobility budget instead, thus further cutting car emissions
- Adapting the global travel policy towards alternatives to flying
- Implementing BREAAAM In-Use, a program to constantly monitor the sustainability performance of our offices.

FIRST Rotterdam sustainability facts



Solar panels

Rainwater storage for
toilet flushing

High-frequency office lighting

Thermal storage system

South-facing façade has
highest percentage of
glazing, North-facing lowest

LED lighting with
adjustable daylight control

Triple-glazed windows

40cm thick elevation grid

Smart elevators

Appendices



About this report

Robeco has prepared this report in cooperation with RobecoSAM, in accordance with the Reporting Standards of the Global Reporting Initiative, option Core.

The report is published annually, and the 2018 report covers the activities under the brand names Robeco and RobecoSAM under the responsibility of both Executive Committees from 1 January 2018 until 31 December 2018. Where relevant and possible, integrated qualitative and quantitative information is reported. To ensure comparability, the inclusion of RobecoSAM is also taken into account in the comparative figures where relevant.

The collection of non-financial information for this report is coordinated centrally within Robeco and RobecoSAM. Data is collected via qualitative and quantitative questionnaires. The reporting team performs plausibility checks after submission. In addition, this report has been subject to an internal audit review. In 2019 Robeco and RobecoSAM will consider the possibility of enabling external assurance of its sustainability report.

Measurement methods

Conversion factors for CO₂e emissions

DEFRA conversion factors 2018 - passenger car upper medium class	0.17869	kg CO ₂ e per kilometer
CO ₂ Emissiefactoren - Grid average the Netherlands	0.572	ton CO ₂ e per MWh
DEFRA conversion factors 2018 - International flight, counting for Radiative Forcing (1)	0.18277	kg CO ₂ e per passenger kilometer

(1) Radiative forcing (RF) is a measure of the additional environmental impact of aviation. These include emissions of nitrous oxides and water vapor when emitted at high altitudes.

Definition of HR terms

FTE	Full time equivalent. In the Netherlands, an FTE at Robeco is 40 hours per week
Women-to-men remuneration ratio	Female/male salary ratio. A figure greater than 1 means female employees have a higher salary.
	Figure is based on the annual compensation.
Part time	Employee that is employed for less than 40 hours per week
Temporary contract	Employees with a contract type with a fixed term, with the possibility of obtaining a indefinite contract.

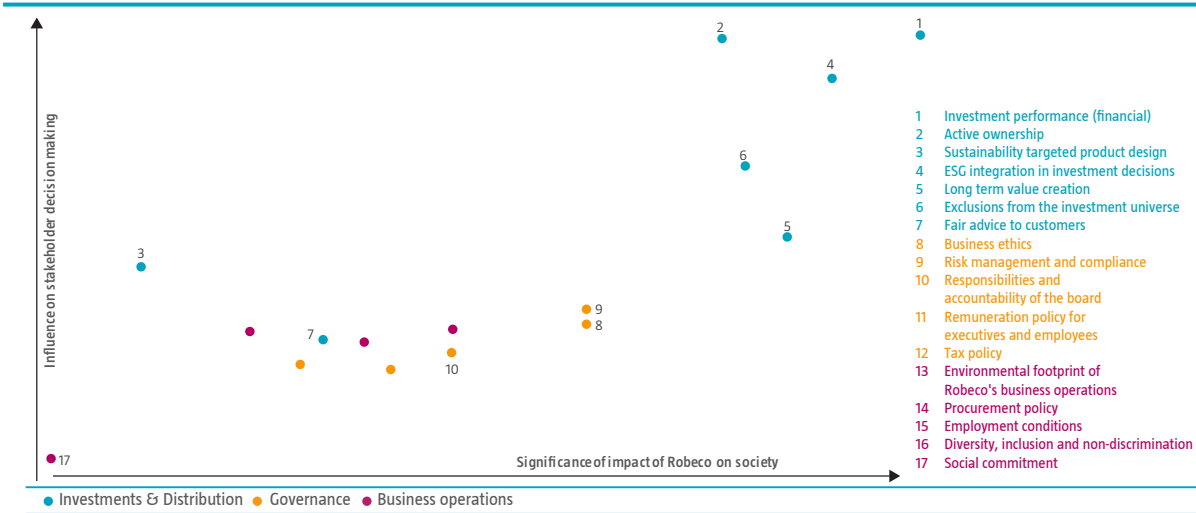
Materiality assessment

The list of material topics for the materiality analysis performed by Robeco in 2017 among stakeholders has been developed in a three-stage process:

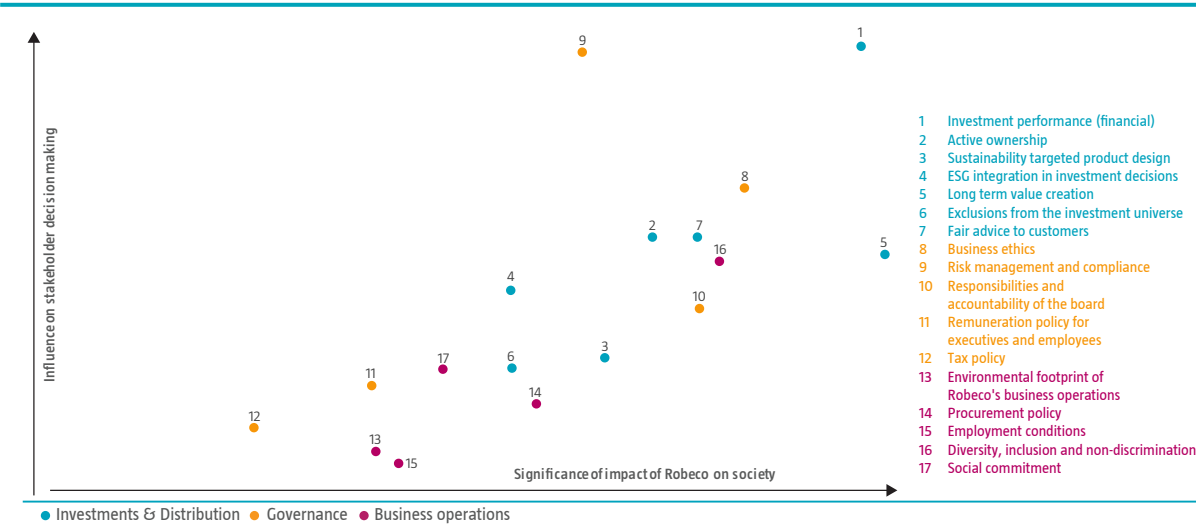
- 1. Review of all the GRI disclosures, selecting those with relevance for Robeco.
- 2. Categorization of disclosures into topics of comparable ‘order of magnitude’, so they can be ranked by stakeholders.
- 3. As a third step, some disclosures have been grouped together into one material topic to make the list more comprehensive for stakeholders.

We used an online questionnaire to obtain feedback from our stakeholders. To ensure a good response rate, we contacted the invitees personally. The questionnaire contained a description of Robeco, the scope of the assessment and a brief description of the topics. We asked respondents to rank the material topics in order of importance for Robeco as well as for their own interests as stakeholders. Furthermore, we asked for any additional topics to be included, to ensure completeness of the topics covered. From this, most notably ‘corporate culture’ was raised by an external stakeholder as an additional material topic.

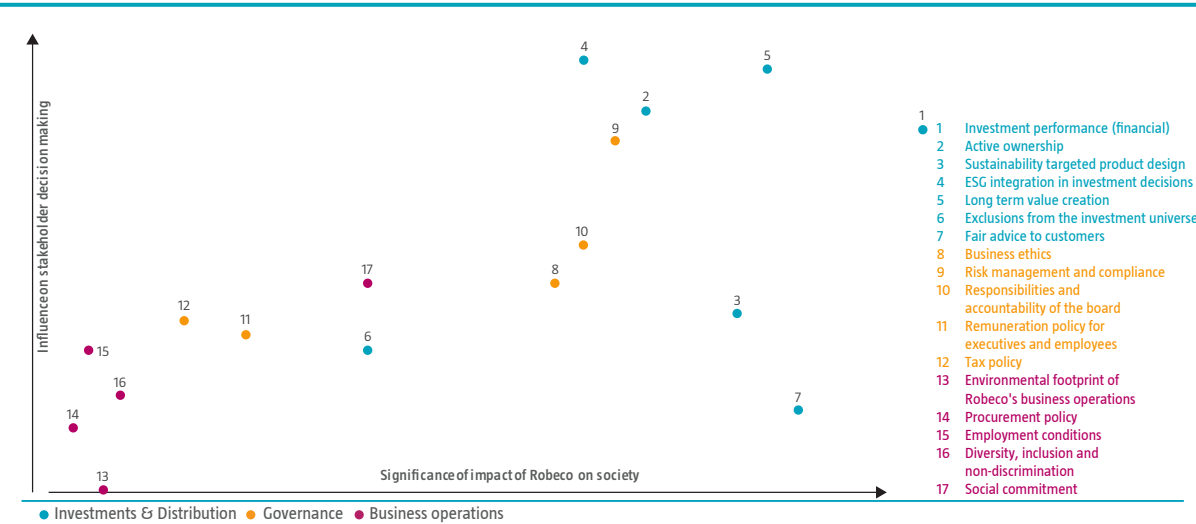
Materiality matrix clients



Materiality matrix employees



Materiality matrix oversight and civil society



List of material topics and definitions

INVESTMENTS & DISTRIBUTION

Investment performance (financial)

The financial performance of the investments managed by Robeco.

Active ownership

Active ownership consists of actively engaging with portfolio companies (the companies Robeco invests in) on their ESG policies and results, exercising voting rights on shareholders' assemblies.

Sustainability targeted product design

The development and offering of investment products designed specifically to target investments into assets with an associated positive environmental or social performance.

ESG integration in investment decisions

The integration of environmental, social and governance (ESG) factors into the analyses performed by investors to support their decisions whether or not to invest.

Long term value creation

The focus on creating stable value on the long-term, as opposed to a focus on short-term profits.

Exclusions from the investment universe

The exclusion of companies from investments, because of structural breaches of international norms regarding environmental, social or governance performance of the company or the products produced by the company.

Fair advice to customers

Provide adequate, clear, and transparent information about products and services, including risks and suitability; and conflicts of interest.

GOVERNANCE

Business ethics

Policy and results regarding bribery, corruption and political contributions as well as inquiries, fines and settlements associated with financial fraud.

Risk management and compliance

Sound risk assessment and managing of risks in investments, compliance with legislation and conditions in client mandates, and avoidance of conflicts of interest.

Responsibilities and accountability of the board

A transparent and well-defined set of rules and principles concerning the responsibilities, accountability and nomination process of the board.

Remuneration policy for executives and employees

Remuneration policy for executives and employees, including incentive plans and performance criteria.

Tax policy

Policy and principles regarding tax contributions.

BUSINESS OPERATIONS

Environmental footprint of Robeco's business operations

The environmental footprint caused directly by Robeco's operations (excluding the impact of investments).

Procurement practice

Purchasing policy and assessment of suppliers' performance on social and environmental aspects in the tender process.

Employment conditions

Employment policies and employment conditions offered by Robeco, to attract and retain skilled and motivated employees.

Diversity, inclusion and non-discrimination

Policy and results related to promoting diverse workforce, an inclusive culture, and no tolerance of any form of discrimination.

Social commitment

Community programs organized by or in which Robeco is involved, with the aim of making a positive contribution to society.

Glossary

Assets under management (AuM)

The financial assets managed by Robeco's and RobecoSAM's investment teams.

Benchmark

The reference point for a fund's investment performance.

Blockchain

A continuously growing chain of records of encrypted and timestamped transactions.

BREEAM

The Building Research Establishment Environmental Assessment Method. An assessment method using scientifically-based sustainability metrics and indices that covers a range of environmental issues. Its categories evaluate energy and water use, health and wellbeing, pollution, transport, materials, waste, ecology and management processes. Buildings are rated and certified on a scale of 'Pass', 'Good', 'Very Good', 'Excellent' or 'Outstanding'. The assessment is carried out by independent, licensed assessors.

Code of conduct

Principles, values, standards and rules of behavior that guide the decisions, procedures and systems of an organization in a way that contributes to the welfare of its key stakeholders and respects the rights of everyone affected by its operations.

Corporate governance

The system by which corporations are directed and controlled. The corporate governance structure specifies the distribution of rights and responsibilities among different participants such as the board, managers, shareholders and other stakeholders, and defines the rules and procedures for making decisions.

Corporate responsibility

An umbrella term referring to a company's obligation to consider the social and environmental impact of its activities and to go beyond this obligation in the treatment of economic, environmental and social activities to sustain its operations, financial performance and, ultimately, its reputation.

Credits

A contractual agreement by which a corporation arranges funding, usually in the form of a financial loan, and must repay the institution from which it received the loan as per the terms of the agreement. Also referred to as corporate bonds.

Distribution

The movement of goods and services from the source through a distribution channel, right up to the final customer, consumer or user, and the movement of payments in the opposite direction, right up to the original producer or supplier.

Dow Jones Sustainability Indices (DJSI)

The first global indices to track the financial performance of the leading sustainability-driven companies worldwide. They provide asset managers and other stakeholders with reliable and objective benchmarks for managing sustainability portfolios. The DJSI are now managed cooperatively by S&P Dow Jones Indices and RobecoSAM. For further information, go to www.sustainability-indices.com.

Ecological footprint/Environmental footprint

The impact of a person or community on the environment, often expressed as the amount of land required to sustain their use of natural resources or the total amount of CO₂ produced in the consumption of resources.

Employee engagement

The emotional commitment of an employee to the organization and its goals.

Engagement

Refers to Robeco's dialogue with companies about ESG issues. An engagement process with a company typically takes three years to complete and uses preset measurable engagement objectives.

Enhanced engagement

Robeco's approach to starting an active dialogue with companies that are in breach of the UN Global Compact principles. If a company does not show sufficient progress during the three-year engagement process, its exclusion from the investment universe will be proposed.

Enhanced indexing

An innovative quantitative investment solution, based on a complex algorithm that takes into account multiple indices.

Equity

Any stocks or other securities representing an ownership interest. These may be in a private company (not publicly traded), in which case they are called 'private equity'.

ESG factors

Stands for environmental, social and governance factors and is a set of standards for a company's operations that investors use to screen investments. Environmental factors look at how a company performs as a steward of the natural environment. Social factors examine how a company manages relationships with its employees, suppliers, customers and the communities where it operates. Governance factors deal with a company's leadership,

executive pay, internal controls, audits and shareholder rights.

Exchange traded funds (ETF)

Marketable securities that track the course of securities or an index, that are traded like ordinary stocks on a stock exchange.

Factor investing

A strategy of selecting securities based on attributes that are associated with higher returns.

Fiduciary management

An approach to asset management that involves an asset owner appointing a third party to manage all of their assets on an integrated basis through a combination of advisory and delegated investment services, with a view to achieving the asset owner's overall investment objectives.

Fundamental investing

A method of evaluating securities in an attempt to measure their intrinsic value, by examining related economic, financial and other qualitative and quantitative factors.

Global financial institution

A company engaged in the business of dealing with worldwide monetary transactions, such as deposits, loans, investments and currency exchange. Financial institutions encompass a broad range of business operations in the financial services sector, including banks, trust companies, insurance companies, and brokerage firms or investment dealers.

Global Reporting Initiative (GRI)

An independent organization that develops standards for sustainability reporting.

Government bonds

Debt securities issued by a government to finance government spending.

Innovation

The process of translating an idea or invention into goods or services that create value or for which customers are willing to pay.

Institutional investor

A non-bank entity or organization that trades securities in large enough quantities of shares that it qualifies for preferential treatment and lower commission.

Intellectual property

Knowledge, creative ideas or expressions of the human mind that have commercial value and are protectable under copyright, patent, service mark, trademark, or trade secret laws. Intellectual property includes brand names, discoveries, formulas, inventions, knowledge, registered designs and software. It is one of the most readily tradable properties in the digital marketplace.

Investment grade

Investment grade refers to the quality of a company's credit. In order to be considered an investment grade issue, the company must be rated 'BBB' or higher by Standard and Poor's or Moody's.

Investment universe

The totality of investment possibilities. Securities that fall outside of the investment universe are not eligible for investment.

License to operate

A formal license to operate grants permission to undertake trade or carry out a business activity, subject to the regulation or supervision of the licensing authority. An informal license to

operate entails public acceptance of the company's presence and business activities.

Private equity

Stocks or any other securities representing an ownership interest in a private company.

Quant/quantitative investing

An investment approach that selects securities using advanced quantitative analysis.

Retail investor

An individual investor who buys and sells securities on his or her personal account, rather than on another company or organization's behalf.

Robo advice

Advice provided online with minimal human intervention.

Scope 1/2/3 emissions

Greenhouse gas emissions in relation to the value chain of a company:

Scope 1 – direct emissions;

Scope 2 – indirect emissions from the usage of electricity;

Scope 3 – indirect emissions, either upstream from the supply of goods and services, or downstream from the usage of sold products or investments.

These scopes were developed by the Greenhouse Gas Protocol.

Shareholder

An owner of the stock of a company.

Stakeholder

A party that affects, or is affected by, an organization.

Stewardship

The responsibility on the part of investors to be an active owner of the companies in which they invest and to fulfill their fiduciary duty to clients and beneficiaries.

Sustainability

The ability to sustain an activity indefinitely. This can be expressed in environmental, social and economic terms.

Sustainability investing

An investment discipline that considers environmental, social and corporate governance (ESG) criteria to generate long-term competitive financial returns and positive societal impact.

Sustainability investing funds

Robeco's and RobecoSAM's fund range with a sustainability profile and an environmental footprint that is at least 20% better or lower than the benchmark. These funds are also subject to additional negative screening.

Sustainable development goals

A set of 17 goals developed by the United Nations to end poverty, protect the planet and ensure prosperity for all as part of a new sustainable development agenda, to be achieved by 2030.

Value creation

Engaging in activities that increase the value of goods, services or a business.

Value engagement

Robeco's thematic approach to active dialogue. New themes are selected each year. Value engagement themes typically apply for three years and cover between eight and 15 companies each.

Voting

As a shareholder, one of the key rights is to vote the shares of the companies in which you invest. Shareholder voting rights give investors the power to elect directors at annual or extraordinary meetings and make their views known to the company management and directors on significant issues that may affect the value of their shares.

Wholesale investors

Investors that distribute Robeco's and RobecoSAM's investment solutions in business or consumer segments. Robeco's and RobecoSAM's wholesale investors include:

- private banks
- retail banks
- family offices
- wealth managers
- fund platforms
- (independent) financial advisers
- insurance companies.

Board member resumes

Robeco Executive Committee



Gilbert Van Hassel
(M/1957)

has been CEO and Chairman of the Executive Committee of Robeco since 19 September 2016 and member of the Board of RobecoSAM since 5 December 2016. Gilbert Van Hassel has over 30 years' experience in the financial services industry, mainly in asset and wealth management, with broad experience in Europe, Asia and the US. Until 2013 he was Global CEO ING Investment Management and member of the Board Insurance and Asset Management of ING. Before joining ING in 2007, he worked for JP Morgan where he held various executive positions in Europe, Asia and the US. Gilbert Van Hassel has a Bachelor's degree in Applied Economics from the University of Antwerp St Ignatius (Belgium), an MBA, with a major in International Finance from the Catholic University of Louvain (Belgium) and a Master of Science in Finance from Purdue University (US).



Karin van Baardwijk
(F/1977)

joined the Executive Committee of Robeco in November 2015 and became COO a year later. In May 2018 she was also elected as Vice-chair of RobecoSAM. She is responsible for Information Technology and Operations. Effective 1 May 2018, Karin has been appointed a member of the Supervisory Board of the Erasmus University Rotterdam Holding BV. Karin has held various positions at Robeco, where she has worked since June 2006. Starting in 2009, she headed the Operational Risk Management department, followed by the Global Information Services Department from 2014. She

started her career in the financial services industry in 2004 at Atos Consulting. Karin graduated from Utrecht University (The Netherlands) and holds a Master's degree in Business Economics and a Master's degree in Corporate Law.



Monique Donga
(F/1965)

is a member of the Executive Committee. Monique has been Head of Human Resources at Robeco since February 2013. Monique joined Robeco in April 2008 as Head of Human Resources Advisory. Before joining Robeco, she held various positions at IBM as a Consultant and Manager in Business Development, Industrial Relations and Human Resources. Monique's last job with IBM was Human Resources Director IBM Netherlands. Before joining IBM in January 2000, she held various positions at other ICT companies.



Peter Ferket
(M/1968)

is Head of Investments and member of the Executive Committee of Robeco. Peter has been Chief Investment Officer Equities at Robeco since July 2010. Previously he was Co-Head of the Quantitative Equities team and Portfolio Manager of the Rolinco fund. Before that he held various positions at Robeco, among which coordinator of the Alpha Group of the Equity department, Head of Quantitative Research and portfolio manager of the Enhanced Indexing strategy. Peter started his career in the investment industry in 1997. He holds a PhD in Scientific Computing and a Master's degree in Applied Mathematics (cum laude) from Eindhoven University of Technology (The Netherlands).



Martin Nijkamp
(M/1959)

is Head of Strategic Product & Business Development. He has been a member of the Executive Committee of Robeco since 1 September 2017. Martin has 30 years' experience in the asset management industry. From 2008 to 2017 he was a member of NN Investment Partners' management team, where his responsibilities included business strategy, integrated client solutions, retail oriented DC solutions and product management & development. Before that, he was managing director Institutional Business Development, covering Europe, the Middle East and Africa. Other positions include general manager Portfolio Management ING Investment Management Europe & Emerging Markets and senior economist. He holds a Master's degree in Macroeconomics from the University of Groningen, (the Netherlands).



Christoph von Reiche
(M/1969)

is Head of Global Distribution & Marketing. He became a member of the Executive Committee of Robeco on 6 November 2017. Christoph has 22 years of experience in the financial services industry, including 14 years in asset management, mainly in sales. Previously, he was Head of European Institutional Business at JP Morgan Asset Management in London. From 1995 to 2014, he worked at Goldman Sachs in Frankfurt, where he held various positions, including Country Head of Germany, Goldman Sachs Asset Management (2011-2014). He started his career as an analyst in Goldman Sachs' Investment Banking division. During his time at Goldman Sachs, Christoph also worked in the Fixed

Income, Currency and Commodities division for four years, providing financing advice to financial institutions. Christoph obtained a Master's degree in Foreign Service and a Bachelor's degree in Business Administration from Georgetown University (US) in 1995.



Victor Verberk
(M/1974)

is Deputy Head of Investments and member of the Executive Committee of Robeco, since 12 April 2017. Victor has 20 years of experience in the financial services industry, mainly as Portfolio Manager Fixed Income in various roles. He started his career at Axa Investment Managers in The Hague in 1997. Until 2007 he was a partner at Holland Capital Management. Before that he was active as Head of Fixed Income at MN Services. Victor has managed global government bond and credit portfolios and has been responsible for building fixed income teams, organizing research and drafting investment processes. Victor has a Master's degree in Financial Economics from the University of Rotterdam and has completed his postgraduate VBA training at the VU Amsterdam (both in The Netherlands).

Advisor to the Executive Committee



Daniel Wild
(M/1967)

is advisor to the Executive Committee of Robeco since 1 June 2018 and besides this he is RobecoSAM's Co-Chief Executive Officer and a member of its Executive Committee. In addition to this role, he is responsible for Investment Management, Products & Engineering, SI Research, Sustainability Services, and ESG Ratings. Prior to joining RobecoSAM, Daniel led infrastructure

financing programs in Southeastern Europe and Asia for the Swiss State Secretariat for Economic Affairs (SECO). From 1999 to 2004, he headed the Environmental Technology Department at EBP, a Swiss engineering and consulting firm. Daniel holds a Master's degree in Chemical Engineering from ETH Zurich (Switzerland) and a PhD in Environmental Engineering from the Swiss Federal Institute of Aquatic Science and Technology (EAWAG). He completed his postdoctoral research studies at Stanford University (US). Daniel is a Board member of Swiss Sustainable Finance, a member of the GRI Technology Consortium, a former member of the GRI Sector Research Steering Committee and the UNEP FI Workstream Water Advisory Board.

Robeco Supervisory Board

Jeroen Kremers
(M/1958)

is Chairman of the Supervisory Board. Appointed in 2016. Former (until 2014) CRO and vice-chairman of the managing board of Royal Bank of Scotland N.V. Formerly employed by ABN Amro, the International Monetary Fund (Executive Director) and the Ministry of Finance, where he held various positions, including director for Financial Markets and Deputy Treasurer General.

Sonja Barendregt-Roojers
(F/1957)

is a member of the Supervisory Board. Appointed in 2018. Currently a supervisory board member and chairman of the Audit Committee at De Volksbank. Ms Sonja Barendregt-Roojers began her career in 1975 at PwC and its predecessors, and from 1998 to 2017 she was a (senior) partner in the Netherlands, focusing on financial services.

Yoshiko Fujii
(F/1965)

is a member of the Supervisory Board. Appointed in 2018. Currently Executive Officer and Deputy Head of Enterprise Risk Management Headquarters at ORIX Corporation. Has held several positions at ORIX since 1988.

Radboud Vlaar
(M/1977)

is a member of the Supervisory Board. Appointed in 2018. Currently founding partner at Finch Capital. Led the Benelux Asset Management Practice and co-led the Global Digital Financial Service efforts as former partner at McKinsey and Company. Mr Vlaar was a member of the European Banking Leadership Group and was previously employed at TPG.

RobecoSAM Executive Committee



Marius Dorfmeister
(M/1970)

is RobecoSAM's Co-Chief Executive Officer and a member of its Executive Committee. In addition to this role, he is responsible for all client activities, Marketing, Corporate Communications, and HR. Prior to joining RobecoSAM, Marius was Global Head of Clients and a member of the Executive Committee at Vescore, and was Head of Institutional Clients International at Notenstein Private Bank. He also served as Head of Institutional & Wholesale Clients International at Bank Sarasin & Cie AG. Earlier in his career, Marius was CEO of Falcon Europe AG and Head of Institutional Clients at Falcon Private Bank Ltd. Other positions include CEO of AIG Financial Services in Vienna (the European passporting entity for AIG Investments), Director at Merrill Lynch Investment Managers as well as Senior Portfolio Manager at Raiffeisen

KAG and Bank Austria. Marius holds a Master's degree from the Vienna University of Economics and Business (WU Wien, Austria).



Daniel Wild
(M/1967)

is RobecoSAM's Co-Chief Executive Officer and a member of its Executive Committee and besides this he is advisor to the Executive Committee of Robeco. In addition to these roles, he is responsible for Investment Management, Products & Engineering, SI Research, Sustainability Services, and ESG Ratings. Prior to joining RobecoSAM, Daniel led infrastructure financing programs in Southeastern Europe and Asia for the Swiss State Secretariat for Economic Affairs (SECO). From 1999 to 2004, he headed the Environmental Technology Department at EBP, a Swiss engineering and consulting firm. Daniel holds a Masters in Chemical Engineering from ETH Zurich (Switzerland) and a PhD in Environmental Engineering from the Swiss Federal Institute of Aquatic Science and Technology (EAWAG). He completed his postdoctoral research studies at Stanford University (US). Daniel is a Board member of Swiss Sustainable Finance, a member of the GRI Technology Consortium, a former member of the GRI Sector Research Steering Committee and the UNEP FI Workstream Water Advisory Board.



David Hrdina
(M/1971)

is Head of Corporate Services and a member of the Executive Committee. In this role, he is responsible for Finance, IT, Legal & Compliance, and Risk Management. Prior to joining RobecoSAM, David was Head of Finance and Risk Management as well as a Member of the Management Committee at a private owned

business. He also spent ten years at the Man Group in various functions including Chief Executive Officer and Chief Financial Officer of Man Fund Management AG, Finance Project Manager and Business Analyst. Earlier in his career, he worked for Credit Suisse and KPMG, where he was involved in restructuring and business efficiency projects, as well as in establishing new structures and reportings. David holds a Bachelor's degree in Business Administration from the ZHAW School of Management and Law and an Executive MBA in Controlling from the HWZ University of Applied Sciences in Business Administration (Switzerland).

RobecoSAM Board of Directors

Kuno Kennel
(M/1969)

is the independent chair of the RobecoSAM Board of Directors. Since 2012, he also chairs the Board of Directors of Schwyzer Kantonalbank and is member of its Strategy & Risk Committee. Prior to that, Kuno Kennel served as CEO and Managing Director of Barclays Capital Switzerland, Country Manager for Royal Bank of Scotland Switzerland and ABN AMRO Bank Switzerland. Today, he also serves as a member of the Board of Directors of nebag ag, Adventis AG, and Elektrizitätswerk Schwyz AG. Additionally, Kuno Kennel is as a member of the Advisory Board at the University of Applied Sciences and Art Lucerne, Zoo Goldau and Swiss Mountain Aid.

Karin van Baardwijk
(F/1977)

joined the Executive Committee of Robeco in November 2015 and became COO a year later. In May 2018 she was also elected as Vice-chair of RobecoSAM. She is responsible for Information Technology and Operations. Effective 1 May 2018, Karin has

been appointed a member of the Supervisory Board of the Erasmus University Rotterdam Holding BV. Karin has held various positions at Robeco, where she has worked since June 2006. Starting in 2009, she headed the Operational Risk Management department, followed by the Global Information Services Department from 2014. She started her career in the financial services industry in 2004 at Atos Consulting. Karin graduated from Utrecht University (The Netherlands) and holds a Master's degree in Business Economics and a Master's degree in Corporate Law.

Gilbert Van Hassel
(M/1957)

has been CEO and Chairman of the Executive Committee of Robeco since 19 September 2016 and member of the Board of RobecoSAM since 5 December 2016. Gilbert Van Hassel has over 30 years' experience in the financial services industry, mainly in asset and wealth management, with broad experience in Europe, Asia and the US. Until 2013 he was Global CEO ING Investment Management and member of the Board Insurance and Asset Management of ING. Before joining ING in 2007, he worked for JP Morgan where he held various executive positions in Europe, Asia and the US. Gilbert Van Hassel has a Bachelor's degree in Applied Economics from the University of Antwerp St Ignatius (Belgium), an MBA, with a major in International Finance from the Catholic University of Louvain (Belgium) and a Master of Science in Finance from Purdue University (US).

GRI Table

Indicator	Description	Reference	Indicator	Description	Reference
102-1	Name of the organization	First page, About this report	102-49	Changes in reporting	About this report
102-2	Activities, brands, products and services	Introducing Robeco and RobecoSAM	102-50	Reporting period	About this report
102-3	Location of headquarters	Introducing Robeco and RobecoSAM	102-51	Date of the most recent report	Contact
102-4	Location of operations	Introducing Robeco and RobecoSAM	102-52	Reporting cycle	About this report
102-5	Ownership and legal form	Introducing Robeco and RobecoSAM, Ownership and legal status	102-53	Contact point for questions regarding the report	Contact
102-6	Markets served	Introducing Robeco and RobecoSAM	102-54	Claims of reporting in accordance with GRI standards	About this report
102-7	Scale of the organization	Introducing Robeco and RobecoSAM, Financial results	102-55	GRI content index	GRI table
102-8	Information on employees and other workers	Strategic workforce development	102-56	External assurance	About this report
102-9	Supply chain	Value creation model	201-1	Direct economic value generated and distributed	Financial results
102-10	Significant changes to the organization and its supply chain	Corporate strategy	205-1	Operations assessed for risks related to corruption	Business ethics
102-11	Precautionary principle or approach	Introducing Robeco and RobecoSAM	205-2	Communication and training about anti-corruption policies and procedures	Business ethics
102-12	External initiatives	Association memberships and participation in external initiatives	205-3	Confirmed incidents of corruption and actions taken	Business ethics
102-13	Membership of associations	Association memberships and participation in external initiatives	305-1	Direct (Scope 1) GHG emissions	Environmental footprint
102-14	Statement from senior decision maker	Introduction	305-2	Energy indirect (Scope 2) GHG emissions	Environmental footprint
102-16	Values, principles, standards and norms of behavior	Core values	305-3	Other indirect (Scope 3) GHG emissions	Environmental footprint
102-17	Mechanisms for advice and concerns about ethics	Business ethics	308-1	Suppliers that were screened using environmental criteria	Procurement
102-18	Governance structure	Governance structure	401-1	New employee hires and employee turnover	Strategic workforce development
102-35	Remuneration policies	Remuneration	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Strategic workforce development
102-40	List of stakeholder groups	Materiality analysis, Appendices	404-2	Programs for upgrading employee skills and transition assistance programs	Strategic workforce development
102-41	Collective bargaining agreements	Remuneration	404-3	Percentage of employees receiving regular performance and career development reviews	Strategic workforce development
102-42	Identifying and selecting stakeholders	Materiality assessment	405-1	Diversity of governance bodies and employees	Strategic workforce development
102-43	Approach to stakeholder engagement	Materiality assessment	405-2	Ratio of basic salary and remuneration of women to men (per function level)	Remuneration
102-44	Key topics and concerns raised	Materiality analysis, Appendices	406-1	Incidents of discrimination and corrective actions taken	Diversity, inclusion and non-discrimination
102-45	Entities included in the consolidated financial statements	Financial results			
102-46	Defining report content and topic boundaries	About this report			
102-47	List of material topics	List of material topics and definitions			
102-48	Restatements of information	About this report			

Indicator	Description	Reference
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.	Procurement
414-1	New suppliers that were screened using social criteria	Procurement
414-2	Negative social impacts in the supply chain and actions taken	Procurement
415-1	Political contributions	Business ethics
417-1	Requirements for product and service information and labeling	Business ethics
417-2	Incidents of non-compliance concerning product and service information and labeling	Business ethics
417-3	Incidents of non-compliance concerning marketing communications	Business ethics
Financial service supplement	Voting shares for environmental or social issues	Voting
Financial service supplement	Due diligence procedures	Active ownership
Financial service supplement	Paper and waste IT products' management	Environmental footprint
Financial service supplement	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues	Active ownership
Financial service supplement	Percentage of assets subject to positive and negative environmental or social screening	ESG integration

Association memberships and participation in external initiatives

Robeco and RobecoSAM

- Carbon Disclosure Project (CDP)
- Climate Action 100+
- Global Impact Investing Network (GIIN)
- Institutional Investors Group on Climate Change (IIGCC)
- Principles for Responsible Investment (PRI)
- Task Force on Climate-related Financial Disclosures (TCFD)
- United Nations Global Compact (UNGC)

Robeco

- Access to Medicine Index
- AMEC (Associação de Investidores no Mercado de Capitais)
- Asian Corporate Governance Association (ACGA)
- Business Benchmark on Farm Animal Welfare
- DNB Sustainable Finance initiative
- Dutch corporate governance platform Eumedion
- Dutch PE Association Sustainability Committee (NVP)
- European Fund Asset Management Association (EFAMA)
- FAIRR (Farm Animal Investment Risk & Return)
- Global Real Estate Sustainability Benchmark (GRESB)
- Impact Management Project
- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)
- Invest Europe
- Investor Alliance for Human Rights
- Plastic Solutions Investor Alliance
- Portfolio Carbon Accounting Financials
- SDG Investment initiative
- Sustainable Value Creation platform
- VBDO (Dutch Association of Investors for Sustainable Development)
- Workforce Disclosure Initiative
- ZSL-SPOTT Palm Oil benchmark

RobecoSAM

- EDGE Certified Foundation
- Portfolio Decarbonisation Coalition (PDC)
- Social & Human Capital Protocol
- Swiss Impact Investment Association
- Swiss Sustainable Finance

Global Compact Communication on Progress (COP) reference table

Principle and Reference

- Statement of continuing support
Introduction
- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights
Contributing to the Sustainable Development Goals, ESG Integration, Active Ownership, Procurement, Association memberships and participation in external initiatives
- Principle 2: Businesses should make sure that they are not complicit in human rights abuses
Contributing to the Sustainable Development Goals, ESG Integration, Active Ownership, Procurement
- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining
Active Ownership, Remuneration
- Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labor
Contributing to the Sustainable Development Goals, ESG Integration, Active Ownership, Procurement
- Principle 5: Businesses should uphold the effective abolition of child labor
Contributing to the Sustainable Development Goals, ESG Integration, Active Ownership, Procurement
- Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation
Contributing to the Sustainable Development Goals, ESG Integration, Active Ownership, Diversity, Inclusion and non-discrimination
- Principle 7: Businesses should support a precautionary approach to environmental challenges
Contributing to the Sustainable Development Goals, ESG Integration, Active Ownership, Environmental footprint
- Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility
Contributing to the Sustainable Development Goals, ESG Integration, Active Ownership, Association memberships and participation in external initiatives
- Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies
Contributing to the Sustainable Development Goals, ESG Integration, Active Ownership
- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery
Active Ownership, Business Ethics

Contact

Robeco
Weena 850
3014 DA ROTTERDAM
THE NETHERLANDS
robeco.com

If you have any questions or comments regarding this report,
please contact Robeco Corporate Communications via
cc@robeco.com

Publication date: 21 March 2019
© 2019 Robeco Corporate Communications

Important information

This report has been carefully prepared and presented by Robeco Institutional Asset Management B.V. (Robeco), which is incorporated in the Netherlands. It is solely intended to provide the reader with information on corporate responsibility within Robeco. It does not constitute an offer to sell or solicitation of an offer to buy any investment product or program offered by Robeco and is not intended to be used as the basis for an investment decision.

The content of this report is based upon sources of information believed to be reliable, but no warranty or declaration, either explicit or implicit, is given as to their accuracy or completeness. This report is for professional investors only and is not intended for distribution to or use by any person or entity in any jurisdiction or country where such distribution or use would be contrary to local laws or regulations. All rights relating to the information in this report are and will remain the property of Robeco. No part of this report may be reproduced, saved in an automated data file or published in any form or by any means, either electronically, mechanically, by photocopy, recording or in any other way, without Robeco's prior written permission.

Robeco has a license as manager of UCITS and AIFs from the Dutch Authority for the Financial Markets ("AFM") in Amsterdam, the Netherlands.