

2024 ANNUAL SDG ENGAGEMENT EQUITIES IMPACT REPORT


Robeco Global SDG Engagement Equities Funds



ROBECO
The Investment Engineers

Contents

1. Vision & strategy	3
2. Portfolio reflection	6
3. Engagement	9
3.1 Engagement activity	10
3.2 Engagement progress	13
3.3 Engagement impact	14
4 Case study – LyondellBasell	16



1. Vision & strategy

1. Vision & strategy

Our investment strategy is designed to achieve long-term capital growth while enhancing companies' contributions to the Sustainable Development Goals (SDGs) over an extended engagement period. Central to our impact thesis is the belief that active engagement is a strong means by which investors can drive positive change in listed markets. The strategy seeks to build on general ESG engagement by placing an emphasis on issues that are not only material to the company's financial outlook, but also to society at large.

Stock selection

We employ fundamental analysis to identify companies that can advance the SDGs in some way if they are steered in the right direction. Using our SDG Framework, we score companies' impacts, and select those with significant improvement potential for the fund.

Our strategy spans diverse sectors and regions, ensuring a well-diversified portfolio. By focusing on large and mega-cap companies, we leverage their scale, influence and resources, emphasizing smaller operational changes that can create widespread impact.

To drive effective change, our Active Ownership team continuously assesses engagement impact potential and company receptiveness. We rate access to holdings and reevaluate the company's position in the portfolio to ensure our resources are allocated effectively.

The fund management team has consisted of Michiel Plakman (Head of Global Equities), Daniela da Costa (Emerging Markets), and Peter van de Werf (Head of Active Ownership), who ensure the integration of the engagement strategy into the investment process. As of mid-2024, the team has been strengthened by Thomas Globe (Global Equities).



Michiel Plakman

Daniela da Costa

Peter van der Werf

Thomas Globe

Thomas is a member of the Global Equity team and Deputy Lead Portfolio Manager of Robeco's SDG Engagement Equities strategy. He joined us with over 13 years of industry experience and he is a CFA Charterholder.

Sustainable Development Goals

The SDGs serve as a blueprint for sustainable investing. Companies play a crucial role in achieving these goals by providing essential goods and services, developing innovative solutions to societal challenges, and adopting environmentally and socially responsible business practices.

Engagement strategy

Our engagement strategy involves leveraging our fundamental research capabilities and developing company-specific engagement strategies with specific milestones for each portfolio company. These milestones relate to companies' most material sustainability issues and define the trajectory to improve their impact on the SDGs.

We aim to build strong relationships through regular, transparent dialogue, sharing expertise and best practices to drive progress on material sustainability issues.

Impact measurement

We measure the impact of our engagement activities on two levels: investor contribution and societal effects. Through annual surveys, we gather feedback from companies to assess the extent to which the engagement has been instrumental in driving progress within the company. Additionally, we systematically evaluate the societal impact of achieved objectives based on key impact dimensions. These insights are presented in chapter 3.

Theory of change – driving impact through SDG engagement

ROBECO

Inputs

After thorough engagement research we formulate engagement objectives to foster positive impact.

Reporting

Linking the engagement objectives we set to UN SDG targets.

Activities

Through an active dialogue we request investee companies for improvements on key sustainability issues.

Reporting

Number of engagement activities by type and region.

INVESTEES COMPANY

Output

Outputs reflect companies' responses to our requests. Per objective we monitor the (lack of) progress we see.

Reporting

Overview of progress per objective made by investee companies.

SOCIETY

Outcome

When companies improve their performance on these issues this drives positive real-world impact.

Reporting

Level of societal impact and case studies of achieved objectives.



2. Portfolio reflection

2. Portfolio reflection

In this Q&A, Thomas Globe and Peter van der Werf reflect on the past year and the results of the team's investment decisions and engagement activities.

The portfolio you manage is unique in that engagement with investee companies forms the main aspect of the strategy execution. How does this work, and how do investors benefit?

Yes it is unique, and comes with its own opportunities and challenges. The characteristics we look for align with those that the broader global team emphasizes, with ROIC and free cash flow being a focus. Unsurprisingly, we have a more limited universe in which to find companies where progress can be made through engagement. The specific engagement angle of the strategy is very much led by the engagement team within Robeco who we work very closely with. The overarching objective is that through engaging with those companies, we can measurably improve their contribution to the SDGs. In turn, we believe that an improvement in these contributions reflects an improvement in the quality of the company, whether it is as simple as improving disclosures, or by reducing climate risk. The outcomes should be beneficial at a company level and as such for investors.

Do you detect a shift in investment sentiment toward sustainable investing?

Sentiment is normalizing, I would say. There was a sudden surge of interest in everything sustainable in the past decade, and you saw that reflected in the number of funds that suddenly appeared that were labeled as ESG funds. Fund managers that were previously never interested in doing any form of sustainability became very active and reoriented their marketing. The performance was also very good, especially through the Covid

period, but that has tapered off. Taken from the perspective that the growth was incredibly rapid, it's probably the case that growth and interest has slowed, rather than seeing any actual reversal or change of view among the real proponents of sustainable investing as to where we are heading in the future.

Which trends and opportunities are most prominently reflected in your portfolio?

We have a number of themes running through the portfolio. Due to its unique nature, our investment universe can be more restricted, particularly in certain sectors. We also aim to diversify our holdings within sectors. Since we are a high-conviction portfolio, we naturally have high active share, so this helps avoid being over exposed to one specific area. Probably unsurprisingly, we have exposure to names that benefit from decarbonization regulation and electrification, particularly in the industrials space, in freight and energy solutions. Within tech, there are links to energy efficiency demands and AI. We have increased our exposure to US financials following the US election, with the regime change resulting in a more positive view of deregulation.

Can you name one of the successes as a result of combining engagement and stock selection?

Salmar, invested in July 2021

We held a position in Salmar, a Norwegian salmon farming company. The company was seeing attractive volume growth of 7-8% and had invested heavily in automated processes to improve operations and lower costs. Its ROIC was an attractive 20%+, and its FCF yield was in the mid-single digits and increasing following a ramp-up in capex. A number of topics were identified for engagement, both in terms of internal company



controls, but also more broadly how they interact with their supply chain and requirements for suppliers. Positive progress was achieved across most objectives, with the percentage of sustainably certified fish reaching 80%, and the company appointing a head of sustainability. Following an upgrade to their SDG score, as well as a period of strong share price performance, we exited the position in 2024.

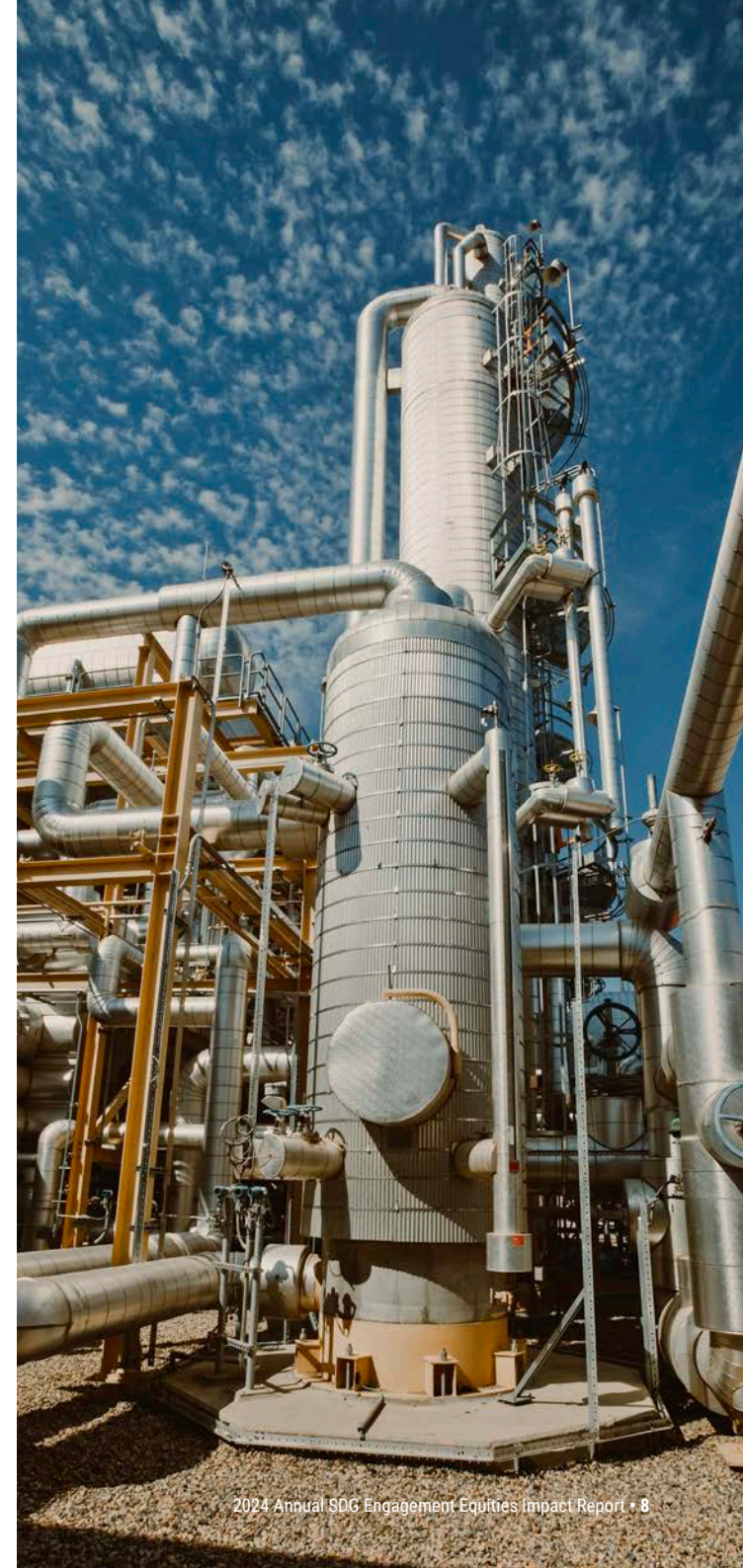
And looking at ongoing cases, what are examples of companies that performed well in 2024?

Mr Price, invested in July 2021

Mr Price, a South African retailer, had a challenging 2023 due to issues around the country's power supply and costs associated with finding alternative sources. With power supply normalized and associated costs dropping out, 2024 was a year of strong apparel sales, market share gains and improving margins. A supportive macro environment including changes to the pension system in the country bodes well for the consumer sector. From an engagement perspective, the most recent call focused on the company's approach to climate targets, particularly in the context of the market and sector, and disclosure around their near-term Scope 1 and 2 emissions targets. They are also engaging with their supply chain to trial climate data collection and are looking at ways to better incentivise sustainable practices.

LyondellBasell, invested in March 2023

LyondellBasell, a US petrochemicals producer, has been a long-term holding in the portfolio. It is a beneficiary of access to cheap US natural gas as a feedstock and products that are linked to the oil price. The company did have a challenging close to the year, with the prospect of increased US oil production under the new regime that came in with President Trump. They have made positive progress moving towards more sustainable products and sold 200,000 tons of circular plastic in 2024, with a target of 2 million tons by 2030. The potential closure of their refinery is a big step in their approach to sustainability and will reduce Scope 3 emissions by 40%. Robeco's relationship with company management is well established and has focused on the environmental footprint, renewable sourcing, and the inclusion of Scope 3 emissions into 2050 net zero goals. We are co-lead of the Climate Action 100 investor engagement working group with LyondellBasell, and have worked with the company on various improvements to their climate reporting, providing feedback on target setting and their innovation towards a circular business segment. In 2024, we were invited to their Houston strategy week, where the company invited the top 100 managers globally. Robeco presented during their sustainability day on our expectations from materials companies as a sustainable investor. To read more on our engagement with LyondellBasell, see the case study on page 17.



A full-page background image showing a mountain biker in a blue and black outfit riding down a steep, rocky, and sparsely vegetated hillside. In the background, a calm lake is nestled in a valley between green, rolling hills. The sky is overcast. A large, semi-transparent blue circle is overlaid on the left side of the image, containing the section header.

3. Engagement

3.1 Engagement • Engagement activity

Summary of the engagement process

Three key processes guide the engagement. The first is the construction of a company-specific SDG engagement case setting out specific, measurable, attainable, relevant and time-based (SMART) milestones. These are focused around five overarching engagement objectives, asking companies to establish strong corporate processes around impact planning, SDG reporting, target setting, stakeholder engagement and integrated governance.

Then there is the engagement itself, providing in-depth and unique insights into companies' approaches towards sustainable development, which feeds back into the research and investment process. Lastly, by tracking Robeco's inputs and activities and by linking corporate progress back to our asks and expectations, using our proprietary Engagement Impact Attribution Framework, we can track the impact of our engagements.

Over the last year, our discussions mirrored themes from the wider geopolitical and economic context – regulatory uncertainty, political shifts, and competition for resources – as we continued our SDG engagement work.

Across sectors and topics, a common thread we heard was that sustainability-related teams were being kept busy trying to comply with upcoming regulation, where implementation remained unclear and requirements were subject to change. This uncertainty has only been emphasized with the turnover in political administrations across many key markets.

Responding to this changing landscape has occupied much of the attention of leadership, and priorities are up for debate. With that in mind, much of our activity has been focused on underscoring the financial materiality of sustainability topics, either in written feedback, or by speaking to executives, to continue maintaining the business case for our engagement objectives.

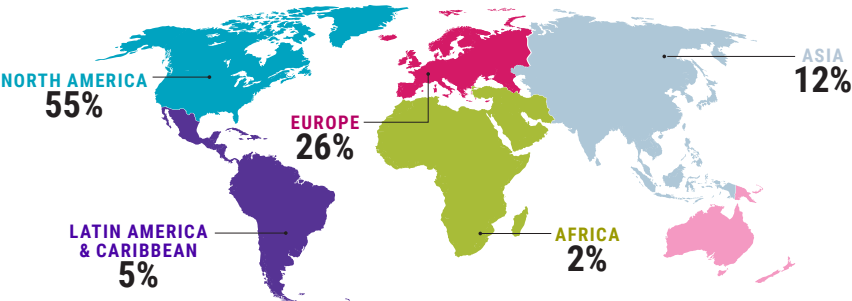
Highlight: Biopharma Sustainability Roundtable Investor Day

We travelled to Paris to meet a gathering of sustainability professionals of key players in the biopharmaceutical industry. The event provided an open forum for practitioners and investors to share challenges, perspectives and priorities within their work. We met several company representatives to discuss engagement topics, and hosted a session on the investor use case for sustainability initiatives and disclosures. The event allowed us to contribute to sector-wide sustainability guidance and the industry's understanding of investor expectations.



Engagement activities by region

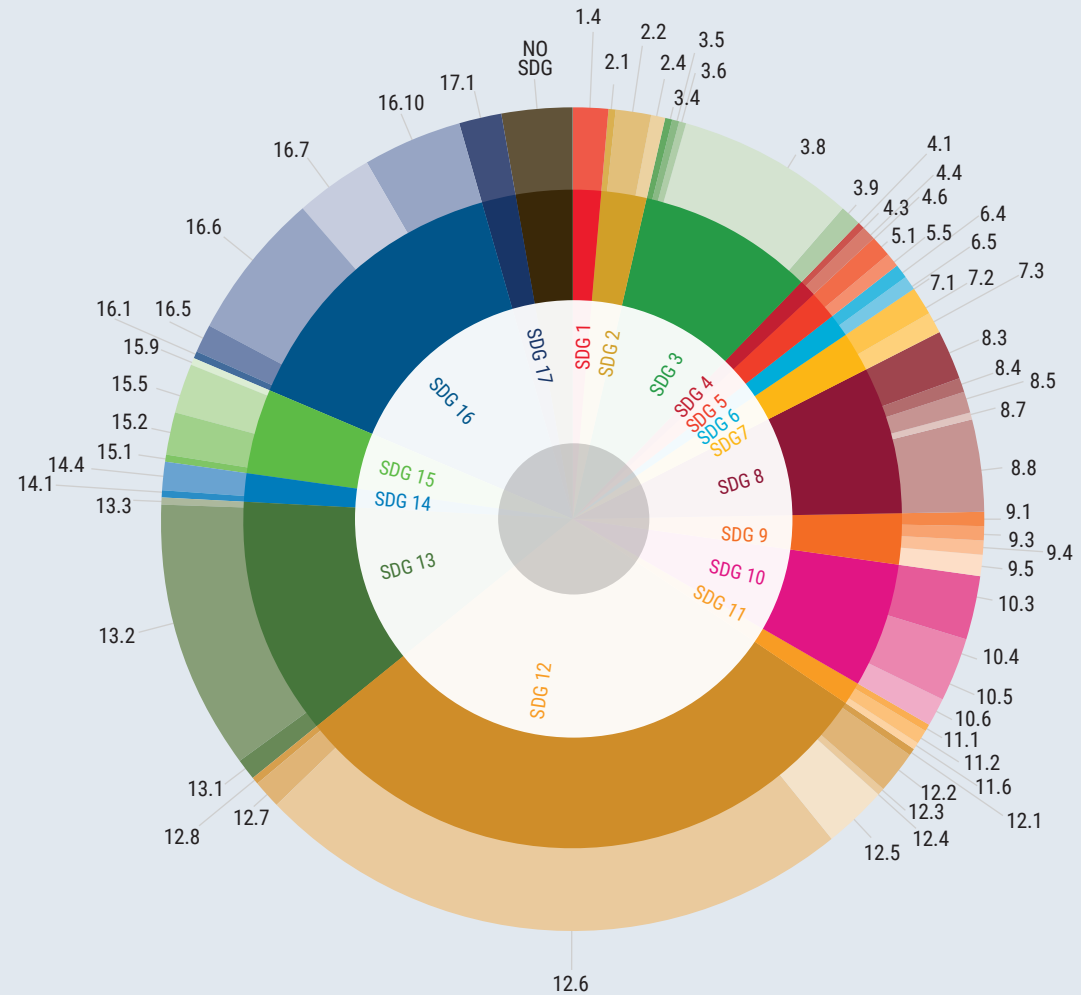
Over 2024, the Active Ownership team initiated engagement with 42 companies, addressing engagement milestones linked to the 17 SDGs. The key engagement figures are reported here.



Engagement per contact type 2024	Q1	Q2	Q3	Q4	YTD
Meeting	5	3	0	5	13
Conference call	14	21	19	24	78
Written correspondence	5	20	21	14	60
Analysis	9	4	1	13	27
Total	33	48	41	56	178

Engagement milestones distribution per SDG

SDG 1	No poverty	2%
SDG 2	Zero hunger	2%
SDG 3	Good health & well-being	9%
SDG 4	Quality education	1%
SDG 5	Gender equality	1%
SDG 6	Clean water & sanitation	1%
SDG 7	Affordable & clean energy	2%
SDG 8	Decent jobs & economic growth	7%
SDG 9	Industry, innovation & infrastructure	3%
SDG 10	Reduced inequalities	6%
SDG 11	Sustainable cities & communities	1%
SDG 12	Responsible consumption & production	30%
SDG 13	Climate action	12%
SDG 14	Life below water	1%
SDG 15	Life on land	4%
SDG 16	Peace, justice, & strong institutions	14%
SDG 17	Partnerships for the goals	2%
No SDG		3%



Engagement milestones have been set up across the five objectives for the companies in the fund, each linked to either an overarching SDG or a specific sub-target.

This figure reflects the distribution of engagement milestones across the SDGs of cases that are ongoing and cases that have been closed over the course of 2024.

3.2 Engagement • Engagement progress

What does progress status mean?

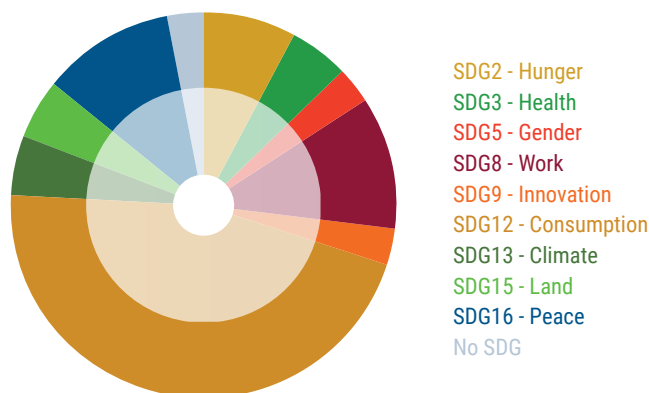
- **Achieved:** The company has implemented what is described in the milestone.
- **Positive progress:** Steps taken but milestone not yet fully achieved.
- **Flat:** No movement towards or away from the desired outcome.
- **Negative progress:** Active work against the desired change.
- **Closed unsuccessfully:** Milestone not achieved by engagement end.

At the end of the third full year of the strategy, we saw companies continue to make the changes stipulated in our milestones, with 37 achieved over 2024, and an additional 51 moving in a positive direction. The SDGs to which those milestones are linked are shown in the figure below.

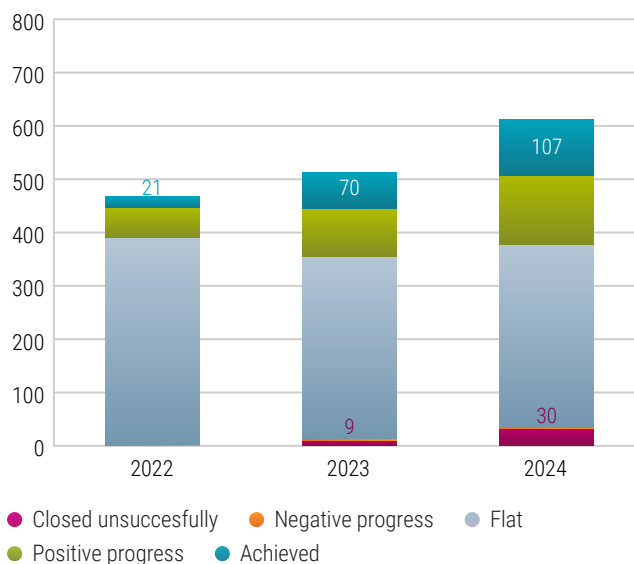
SDG 12 (Responsible consumption and production) and SDG 16 (Peace, justice, and strong institutions) were the goals for which the most milestones were achieved, which aligns with the distribution of the SDGs' linkages across the total milestones. We have explored the progress made under SDG 16 in the chart highlighted on this page.

Companies across the tech sector achieved, or were awarded positive progress on, milestones related to SDG 16. Ethical AI and SDG 16 are closely linked through their shared focus on promoting justice, accountability and inclusivity. The milestones largely revolve around integrating human rights considerations and due diligence in the development and deployment of AI technology. The highlight on this page gives an insight into our dialogues and progress on SDG 16.

Achieved milestone's SDG-link distribution



Milestone's status progress over time



Highlight: Progress on SDG 16

Three companies achieved milestones related to SDG 16 (Peace, justice, and strong institutions). The milestones largely revolve around implementing assessments and safeguards in technology with significant societal implications, such as with artificial intelligence (AI). The examples below show how we measure and track progress against our objectives.

Apple

We had set an ambition for the technology company Apple to develop a robust and systematic human rights due diligence approach and to publish its AI principles. In the summer of 2024, the company introduced Apple Intelligence, and reported on their focus on Responsible AI Development which includes principles for designing with care and protecting privacy. Their standalone Human Rights Policy clearly outlines Apple's commitment to human rights, especially across its supply chain, with mandatory training and robust due diligence to identify salient human rights risks. Based on these commitments, we reported positive progress. We will continue to engage the company to understand the implementation of these guidelines in practice.






Salesforce

Salesforce is a clear leader in the ethical AI space and is very open to discussing their approach and receiving feedback on it. Our engagement has focused on understanding the risk profile and mitigation measures in place at the company. Through multiple meetings with their Chief Ethical and Humane Use Officer, we were able to provide feedback on the company's approach and disclosures. Based on their updated human rights policy, which refers to ethical and inclusive design, the development and use of AI, and the integration of human rights principles in the Ethical and Humane Use Guiding Principles for AI, we were able to close and report positive progress on multiple related milestones.

3.3 Engagement • Engagement impact

Below we elaborate on the societal impact of progress of key engagement milestones, the last step of our Theory of Change (outcomes). Using the example of Grupo Bimbo, we elaborate on the Impact Attribution framework, which is based on the Five Dimensions of Impact model we have adapted in the past few

years to be applicable to an engagement context (see Appendix A). Looking at the wider set of milestones achieved, we break down the associated impact and feedback we've received from companies from our annual survey.

Company	Grupo Bimbo					
Company profile	Grupo Bimbo is one of the largest companies in the global baking industry. It produces and distributes fresh and frozen baked and confectionary products. With over 100 brands and 13,000 products, Grupo Bimbo operates in 33 countries across the Americas, Europe, Asia and Africa.					
Engagement milestones	Engage with suppliers and partners to assist palm oil farmer groups in receiving certification in compliance with sustainability standards (e.g. the RSPO).					Milestone status: Achieved
Intended impact	Through this milestone, we seek to address deforestation risks in Bimbo's supply chain. With around 130,000 tons of palm oil sourced per year, this commodity has been a main focus in the engagement (more recently this was expanded to soy). Traceability was identified as one of the main roadblocks in preventing deforestation. Hence, we encouraged Bimbo to engage in collaborative efforts with its suppliers and partners to enhance traceability.					
 What How critical is the outcome?				Somewhat critical		Deforestation risks and the environmental impact of agricultural practices are part of the 'land system change' planetary boundary, which is currently in the 'zone of increasing risk'. (see appendix)
 How much How significant is the outcome?			Neither significant nor insignificant			The average palm oil production per hectare of plantation is ~3.44 tons. In 2024, Bimbo sourced 100% certified palm oil (up from 80%) based on a total volume of around 130,000 tons. The extra 20% certified palm oil thus represents ~7,560 ha of additionally certified plantations, or >11,000 football pitches.
 Contribution What is the level of investor contribution?				Somewhat high		With an average score of 4.33, Bimbo attributed a part of its progress on this objective to the engagement dialogue. According to their feedback, it was particularly relevant in clarifying that various stakeholders consider this issue (financially) material, and consequently enabled the IR team to raise this with other departments.
 Risk Will the outcome likely be achieved?				Somewhat likely		Although research indicates that RSPO-certified palm oil production does not guarantee the absence of deforestation ¹ , it is associated with a 35% lower global warming impact and a 20% lower biodiversity impact from land system changes compared to non-certified production. ²

1. <https://www.sciencedirect.com/science/article/abs/pii/S0048969718341159>

2. <https://www.sciencedirect.com/science/article/abs/pii/S0959652620340907>

Assessing achieved engagement milestones

In 2024, 37 engagement milestones were marked as ‘achieved’ across our portfolio companies. We evaluated the associated outcomes across relevant impact dimensions. Governance-focused milestones are not included in this assessment, as they typically aim to establish the right conditions within companies so that they can foster societal impact, but do not generate tangible real-world outcomes themselves.

The 13 achieved social milestones benefit a wide variety of stakeholders, some of which are underserved. For instance, one milestone Rio Tinto has achieved is geared towards establishing better ways of interacting with communities neighbouring projects, acknowledging the voices of typically ‘unheard’ stakeholders. Conversely, an engagement request for Electronic Arts was to provide more transparency around policy and risk-management systems related to cyber-security, which primarily serves the company’s shareholders, who are not considered underserved. An example of an outcome that is considered to reach a large number of stakeholders (‘scale’) is Grupo Bimbo reducing sodium, sugars and saturated fats across all its product categories.

15 of the 37 achieved milestones concern environmental objectives. Some are focused on reducing greenhouse gas emissions, be it from fossil fuels (TotalEnergies), construction (Sandvik) or the built environment (CBRE). Others relate to preventing land system change through ensuring sustainable sourcing targets for deforestation-risk commodities (Grupo Bimbo), for example. The significance of the outcomes (‘how much’) for the environment varies according to our assessment of the associated planetary boundary (Rockström et al.), with most of the achieved objectives considered to have had a moderate impact.

One example of a high-impact milestone is for TotalEnergies to align global climate targets with its strategy, i.e. net-zero by 2050 across all scopes. Furthermore, most of these milestones require setting targets or establishing strategies, which are important in setting the direction of travel, but where more is needed from the companies to ensure the real-world impact is achieved. This is reflected in the slight tilt towards lower scores on the risk dimension.

The aggregate number of milestones on the Investor Contribution dimension may be lower, for instance, because the respective investee companies have not responded to the survey.

Achieved social milestones’ impact dimensions

	1	2	3	4	5
Who	1	3	5	3	2
Scale	2	4	4	2	2
Depth	2	2	3	6	1
Contribution	1	1	0	3	2
Risk	1	2	7	2	2

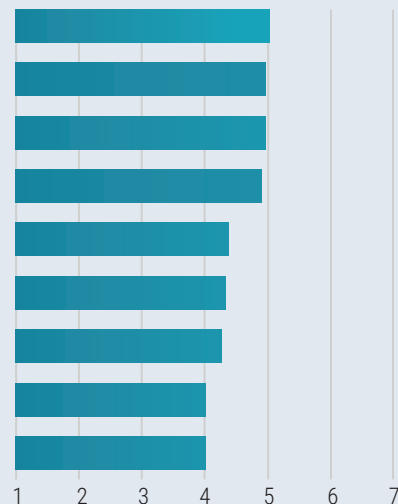
Achieved environmental milestones’ impact dimensions

	1	2	3	4	5
What	0	0	6	9	0
How much	2	4	4	2	3
Contribution	3	0	2	2	3
Risk	3	5	5	2	0

Robeco's influence on companies' internal processes

Robeco's engagement...

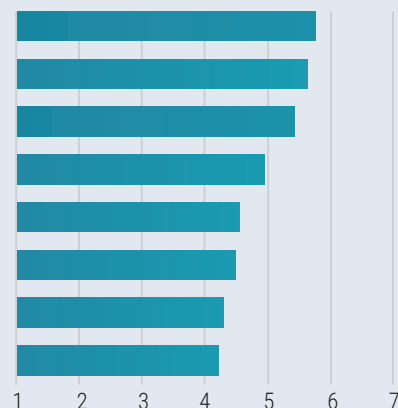
- ... provided new insights on the expectations of different stakeholders around this topic
- ... led us to raise attention to this topic within other departments
- ... led us to pay more attention to this issue
- ... provided new insights on best practices on how to address this topic
- ... provided new insights on why this topic is financially material for our company
- ... helped us develop a clear plan on how to address this topic
- ... led us to put this topic on the agenda of the board
- ... implementing policies and practices that address this topic
- ... making a clear commitment on this topic



Robeco's influence on companies' internal processes

The expectations of the following stakeholders have a major influence on whether and how our company addresses this topic:

- Customers
- Regulators
- Shareholders (other than Robeco)
- Employees
- Non-governmental organizations
- Suppliers
- Local communities
- Media



Engagement survey results

As in preceding years, we sent out an engagement survey to investee companies in order to get feedback on the engagement dialogue, and to gain insights into our level of investor contribution, which is one of the dimensions we use to measure and report engagement impact. We sent the survey to 34 portfolio companies and received 17 responses.

Several questions gauge companies' feedback on our input into the engagement. The companies indicated that our engagement specialists have a strong understanding of their business models (5.71/7) and have enough knowledge to make sound recommendations on sustainability topics (5.50/7). Furthermore, our requests are largely in line with issues addressed by other stakeholders (5/7).

One of the insights we are looking for is the internal processes that we influence most by engaging with them, and where we add value. To that end, we asked several questions related to specific engagement objectives that were discussed in the dialogues. The results show that we are most influential in providing insights into external perspectives on companies' sustainability practices, in raising awareness about these issues, and in sharing best practices from other companies. However, we were less instrumental in driving the companies to take action by making commitments and implementing new policies and practices (4/7).

Further, we ask the companies which stakeholders are influential in driving improvements on their sustainability practices. The lower chart on this page shows that companies are most driven by perceived expectations from customers, regulators and shareholders, and least by suppliers, local communities and the media. This is largely in line with last year's results.

Academic research collaboration

This year, as part of a research collaboration with Rotterdam School of Management, not only did we send the survey to holdings in this fund's portfolio, but we also rolled it out to a broader set of companies that have been under our engagement in recent years. This research is aimed at generating insights into the effectiveness of engagement and helping to bridge the gap between the practice of using engagement as a means of influencing companies' sustainability practices and empirical evidence supporting this.

A photograph of a modern cable-stayed bridge at dusk. The bridge features a large, dark, arched steel structure with multiple stay cables supporting the deck. The bridge is illuminated with warm lights, and the sky is a deep blue. In the background, some trees and a building are visible. A large teal circle is overlaid on the left side of the image, containing the text '4. Case study' in white.

4. Case study

Case study • LyondellBasell

LyondellBasell Industries (LYB) is one of the largest chemical and plastic feedstock producers in the world. As its main plastic products are derived from fossil fuels, the company is under pressure to reduce its carbon footprint, manage hazardous chemicals, and transition towards a circular economy. Our engagement with LYB over the past year has focused on these critical issues, with a focus on SDG 3 (Good health and well-being), SDG 12 (Responsible consumption and production), SDG 13 (Climate Action) and SDG 15 (Life on Land).

Climate

LyondellBasell is working towards ambitious targets for reducing Scope 1, 2, and 3 emissions. The company aims to achieve a 42% reduction in Scope 1 and 2 emissions and a 30% reduction in Scope 3 emissions by 2030. The potential closure of their Houston fuel refinery, which could reduce Scope 3 emissions by 40%, is a significant aspect of their strategy, reducing emissions and moving their business model away from legacy road fuels entirely. As part of this process, along with the closure of their older plastic producing site in Brindisi in Italy, we emphasized the importance of engaging stakeholders on the Just Transition.

The company continues to make progress on decarbonization; they have already achieved their 2030 target of sourcing over 50% of their energy needs from renewables, and continue to expand renewable sourcing. However, we encouraged LYB to provide greater clarity on how climate targets are included in their capital expenditure framework. This includes aligning capex with their climate goals and disclosing the methodology for assessing this alignment and avoiding carbon lock-in. We also recommended that LYB build upon their 2030 Scope 3 emissions

goal and include them in their 2050 net zero goal. The company is also engaging with the Science-Based Targets initiative to refine its chemicals sector methodology and hopefully gain certification for LYB's targets.

Circularity

LYB has set a target to produce 2 million tons of recycled and renewable-based polymers annually by 2030, equivalent to 20% of current production. The company is making progress with this strategy; production of recycled plastics has increased by 55% year-over-year since 2019, and LYB is on track to exceed 200,000 tons in 2024. LYB's advanced recycling project, MoReTec-1, received a USD 40 million grant from the EU Innovation Fund. The plant in Wesseling, Germany, is expected to be a first-of-its-kind commercial-scale advanced recycling plant. However, the remainder of their business remains focused on fossil-based plastics. We have encouraged the company to take a constructive stance on lobbying on the ongoing UN Plastics Treaty, as many petrochemical companies have sought to impede progress and ambition on global plastics policy.

We wrote to LYB to request improved management and disclosure of hazardous chemicals, including PFAS, and to engage with ChemSec on the draft score, which the company has done. As both PFAS and biodiversity are increasing in importance to regulators and investors, we advised LYB to develop a comprehensive biodiversity strategy, including eventually setting targets aligned with the Science-Based Targets for Nature (SBTN), and to report on impacts and dependencies across key realms such as land, water and oceans. They are at an early stage of this effort, but have increased internal biodiversity-related resources and consulted external experts on the topic.

The company remains committed to progress on sustainability issues, such as by signing up to the CEO Water Mandate, while their CEO continues to be actively involved in the sustainability strategy and progress. Our engagement with LyondellBasell continues to be productive through both collaborative and bilateral conversations. One of our Active Ownership team was also invited to speak at the company's internal strategy day, presenting on the importance of key material issues to investors, and gaining a better understanding of the company's approach.

Outlook

Challenges remain, particularly in balancing their circular economy ambitions with their ongoing production of fossil-based plastics and decarbonising challenging operational processes. The company sees a premium for circular products, but 80% of their production will remain fossil-based in 2030 and therefore remain reliant on recycling infrastructure in end-markets to reduce impacts. LYB has shown a strong commitment to improving their sustainability practices and we will continue to support and challenge the company in their efforts to achieve their sustainability goals and drive changes that impact the SDGs.

An aerial photograph of a rowing team in a long, narrow boat on a body of water. The boat is yellow and black, and the rowers are wearing white tank tops and blue shorts. The water is dark blue, and the boat is leaving a white wake. The image is framed by a large, semi-transparent blue circle on the left side.

5. Appendix

5. Appendix • Impact dimensions applied to social engagement outcomes

Dimension		Question	Assessment				
			1	2	3	4	5
What		What is the intended real-world impact ?	Description				
Who		How underserved are the ultimate beneficiaries related to the outcome?	Well-served	Somewhat well-served	Moderate	Somewhat underserved	Underserved
			e.g. investors, corporate customers	e.g., consumers in DM, white-collar workers	e.g., blue-collar workers in DM	e.g., patients, youth	Bottom of the pyramid, animals in captivity
How much	Scale	How many beneficiaries are experiencing the outcome?	Very small scale	Small scale	Moderate scale	Large scale	Very large scale
			< 5.000	5.000 - 50.000	50.000 - 500.000	500.000 - 5.000.000	> 5.000.000
	Depth	What is the degree of change experienced by beneficiaries due to the outcome?	Very low degree	Low degree	Moderate degree	High degree	Very high degree
			e.g., customer satisfaction or convenience	e.g., productivity gain	e.g., privacy, training (L&D)	e.g., living more healthy lifestyles	e.g., preventing fatal injuries in workplace
Contribution		What is the level of ‘ investor contribution ’ in achieving this outcome?	Low	Somewhat low	Moderate	Somewhat high	High
			The mean score of the statements in the engagement survey indicates the relevant category				
Risk		What is the likelihood that the intended societal impact will be generated as a result of achieving the milestone?	Unlikely	Somewhat unlikely	Neutral likelihood	Somewhat likely	Likely
			e.g., improved disclosures	e.g., policy implemented	e.g., time-bound action plan	e.g., allocation (financial) resources such as CAPEX / R&D	impact is integral part of milestone (e.g., decreased # injuries)

5. Appendix • Impact dimensions applied to environmental engagement outcomes

Dimension	Question	Assessment				
		1	2	3	4	5
What	How critical is this outcome for the stability and resilience of our planet?	Less critical	Somewhat less critical	Unknown	Somewhat critical	Critical
		<i>Not reflected</i>	<i>Safe operating space</i>	<i>Various outcomes across boundaries</i>	<i>Zone of increasing risk</i>	<i>High risk zone</i>
How much	How significant is the engagement outcome?	Insignificant	Somewhat insignificant	Neither significant nor insignificant	Somewhat significant	Significant
		<i>No/weak link with sustainability issue, e.g., financial/risk focus</i>	<i>e.g., marginal footprint reduction through incremental efficiency gains</i>	<i>e.g., sustainable sourcing for subset of commodities</i>	<i>e.g., improvement downstream product impact (e.g., energy efficiency)</i>	<i>e.g., science-based emissions reductions by a large emitter</i>
Contribution	What is the level of 'investor contribution'?	Low	Somewhat low	Moderate	Somewhat high	High
		<i>The mean score of the statements in the engagement survey indicates the relevant category</i>				
Risk	What is the likelihood that the intended societal impact will be generated as a result of achieving the milestone?	Unlikely	Somewhat unlikely	Neutral likelihood	Somewhat likely	Likely
		<i>e.g., improved disclosures</i>	<i>e.g., policy implemented</i>	<i>e.g., time-bound action plan</i>	<i>e.g., allocation (financial) resources such as CAPEX / R&D</i>	<i>impact is integral part of milestone (e.g., decreased # injuries)</i>

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