

# Property decarbonization: A keystone in biodiversity

- Top 200 real estate companies increased carbon emissions<sup>1</sup> by 3.0%
- Invested companies better positioned to achieve Paris Agreement goals
- 74% of benchmark companies mention biodiversity in their reporting

According to the International Energy Agency (IEA), building operations are responsible for 26% of global energy-related emissions annually. Beyond the 9.8 gigatons of direct CO<sub>2</sub> emissions from properties operations, emissions related to building construction released an additional 2.5 gigatons of CO<sub>2</sub> in 2022 (6.8% of global emissions). It is therefore no wonder that governments have set an ambitious path toward emissions reduction in this sector, with a goal of reaching a low-carbon and ideally even a carbon-neutral future. The sector has been making progress toward decarbonization, but is it on track?

This report delves into the extent and methods through which real estate companies communicate their environmental performance targets, as disclosure is the very first step in the pursuit of carbon mitigation goals.

We analyzed data from companies invested in the Robeco Sustainable Property strategy and the top 200 largest listed real estate companies. Our analysis encompasses metrics on Scope 3 target setting, embodied carbon and green leases. For the first time, we also discuss the reporting on restated emissions and external assurance, as companies have broadened the scope of disclosure into these topics. We further broadened this report's scope to discuss the initial phase of biodiversity reporting in the sector.

## Scope 3 progress

In 2022, the most recent available disclosure in our real estate samples improved their carbon emissions disclosure, including disclosing emission reduction targets. Real estate companies in our sample account for 89.5% of the S&P Global Developed Property Index Benchmark weight – or around USD 1.6 trillion in terms of market cap. Table 1 below outlines the count of companies in our sample that disclose, establish targets for, and employ tools to oversee carbon emissions.

Representing 90% of the weight of the 200 companies (from now on referred to as 'the benchmark'), 177 companies disclosed their Scope 1 & 2 emissions. Of these 177, 136 companies disclosed Scope 3 emissions, representing 73% of the benchmark weight. All of these represent an increase compared to 2021, albeit gradual.

In terms of operational carbon, 119 companies (56% of benchmark weight) reported using or considering the use of green leases to reduce their operational carbon. However, when it comes to embodied carbon, only a small

<sup>1</sup> Carbon equivalent emissions will be referred to as carbon emissions throughout this article.

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percentage of companies disclosed (5% of benchmark weight) and set targets (4% of benchmark weight) for it. This aligns with our previous research<sup>2</sup> that operational carbon emissions remain the priority of the property sector for now, as they constitute a large portion of total emissions and are relatively easier to tackle. In addition, reducing operational carbon can have a direct impact on operating costs, and further regulation is primarily concentrated on this topic. The industry remains at an early stage when it comes to taking account of embodied carbon; however, we expect that more companies will commit to addressing this issue in the near future.

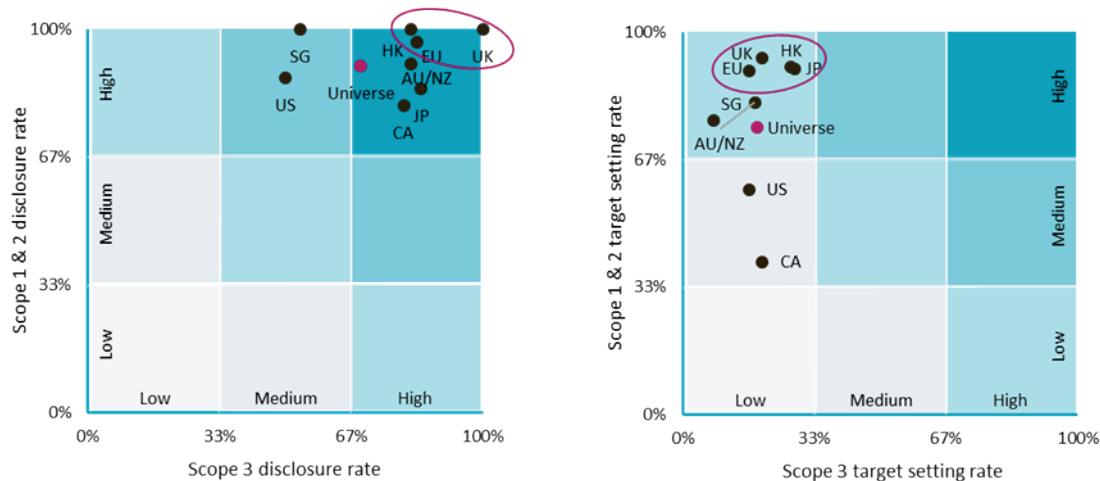
**Table 1** - Disclosure of environmental performance, targets, and use of tools to manage carbon emissions

		Scope 1 & 2		Scope 3		Embodied carbon		Green lease
		Reporting	Target setting	Reporting	Target setting	Reporting	Target setting	In place/plan to
2022	# Companies	177	148	136	37	10	13	119
	% Benchmark weight	90%	77%	73%	31%	5%	4%	56%
2021	# Companies	160	140	111	19	4	9	98
	% Benchmark weight	84%	69%	62%	21%	3%	4%	48%

**Source:** Corporate reports, Robeco.

Geographically, Hong Kong, the UK and the EU are ahead in regard to carbon disclosure reporting and target setting, while the US falls behind by contrast (Figure 1).

**Figure 1** - Carbon disclosure and targets by geography



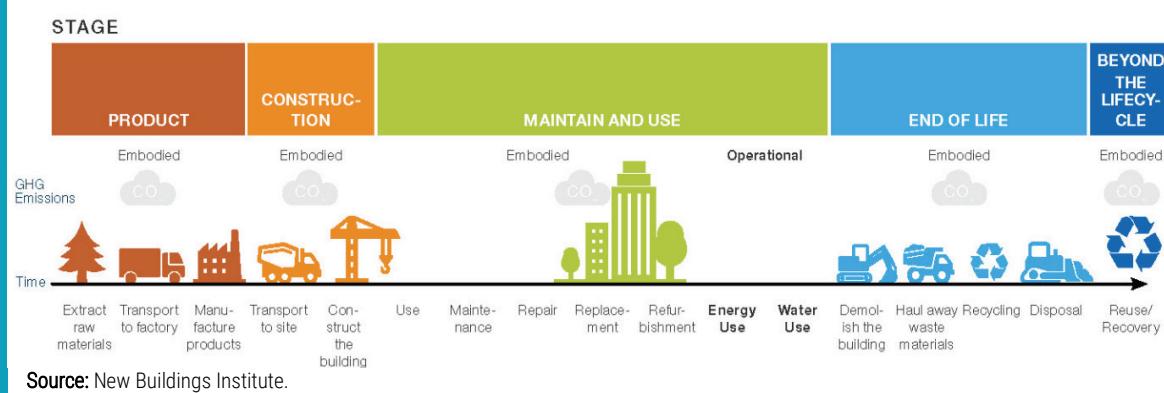
**Source:** Corporate reports, Robeco.

<sup>2</sup> See the Robeco white paper, The Financial Risk of Carbon Footprint in the Real Estate Sector, for more information.

### Box 1: Embodied carbon versus operational carbon

In the property sector, 'embodied carbon' refers to the carbon emissions associated with the production and transportation of building materials and components, as well as the construction of a building, end-of-life, and refurbishments. 'Operational carbon' refers to the carbon emissions associated with the day-to-day energy use of a building, such as heating, cooling, and lighting as well as water use, which we discuss in more detail later in the report.

**Figure 2 |** Building life cycle and associated types of carbon emissions



Based on the current performance and the Scope 1 and 2 emissions reduction targets of the companies, we can project the decarbonization pathway of the benchmark and the Robeco Sustainable Property strategy for the coming years. It is worth noting that we use Scope 1 and 2 emissions as a proxy for operational carbon. Tenants' emissions can sometimes fall under Scope 3, depending on their metering/sub-metering arrangements. The metric we use to track company emissions is weighted by carbon intensity based on EVIC, as illustrated by the formula below<sup>3</sup>:

$$\sum_i^n (Investment\ Weight_i) \times \frac{Emissions\ Scope\ 1\ and\ Scope\ 2_i}{EVIC_i}$$

Here:

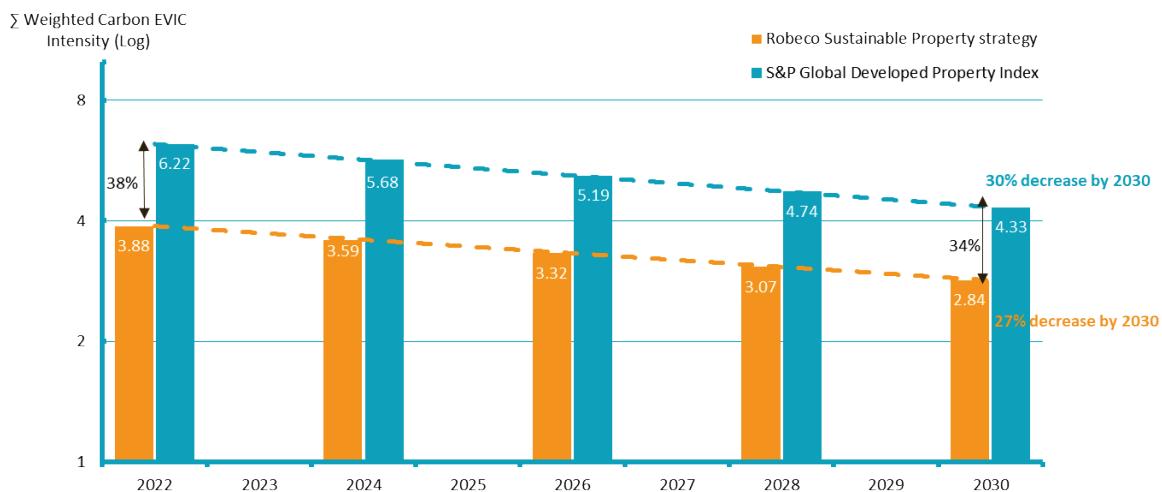
- $i$  = companies in the S&P Development Property Index
- Investment weight = individual stock weight in the S&P Developed Property Index
- EVIC = enterprise value including cash
- Scope 1 & 2 emissions = carbon emissions in metric tons, as reported by each individual company.

Figure 3 presents the decarbonization pathways for the S&P Developed Property Index and for the Robeco Sustainable Property strategy. The weighted average carbon intensity is measured in tCO<sub>2</sub>e/million USD. As shown in Figure 3, in 2022 the strategy's holdings had a 38% lower weighted carbon intensity (3.88 vs 6.22, for the S&P Developed Property Index), demonstrating that the strategy is already better positioned on the decarbonization pathway. In 2030, the strategy's holdings are expected to decrease their carbon intensity even further, reaching 2.84, compared to 4.33 for the index. Taking into account the lower starting point, calculated from the benchmark level, the strategy's average annualized reduction rate is 9.3%, in contrast to 4.4% for the index. It is important to bear in mind that, according to the UN Environment Programme, to achieve the targets set in the Paris Agreement,

<sup>3</sup> See the Robeco white paper, The Financial Risk of Carbon Footprint in the Real Estate Sector, for more information.

emissions must fall by 7.6% per year between 2020 and 2030<sup>4</sup>. While the strategy's holdings are now more in line with the Paris Agreement and seem better prepared for future regulations, the overall reduction of emissions in the property sector has to accelerate to fully meet the demands of this pressing issue.

**Figure 3** - Decarbonization pathways for the S&P Developed Property Index and Sustainable Property strategy<sup>5</sup>



Source: Corporate reports, Robeco.

As companies improve their ability to accurately measure the extent of their carbon emissions, it becomes essential to restate prior reports. This is crucial to facilitate a fair comparison of progress toward emission targets. In our analysis, we compared the reported emissions of companies in FY2021 with the corresponding data in their reports for FY2022, both pertaining to the same year. Our findings revealed that 60 companies in our sample had adjusted at least one data point related to their emissions.

Looking at Table 2, we see that companies have tended to underestimate 2021 emissions in the initial reporting and made upward revisions in the most recent available disclosure. On average, the upward revisions were larger than the downward revisions. This appears to be true for all data points we examined.

**Table 2** - Restatement of Scope 1, 2, 3 emissions and emissions intensity of companies in our sample

		Scope 1	Scope 2	Scope 3	Intensity
# Companies	Upward	29	31	31	16
	Downward	15	20	9	5
% Change average	Upward	87%	140%	n/a <sup>6</sup> %	124%
	Downward	14%	14%	23%	24%

Source: Corporate reports, Robeco.

<sup>4</sup> UN Environment Programme (2019), Emissions Gap Report 2019.

<sup>5</sup> A few assumptions are made in our calculation for the sake of comparability:

**Assumption 1:** If the emission targets disclosed in corporate reports are on an absolute amount basis rather than an intensity basis, it is assumed that the total floor area of the companies remains the same and the targets are treated as intensity targets.

**Assumption 2:** The base year and target year are uniformly set as 2022 and 2030, respectively for all companies. If a company has a target year close enough to 2030 ( $\leq 5$  years), then that target is used as the 2030 target. Otherwise, the 2030 target is extrapolated by using the annual reduction rate.

**Assumption 3:** Carbon targets are only obtained for the companies in our sample, representing 89.5% of the weight in the S&P Developed Property Index, while the remaining 10.5% companies in the benchmark are treated to be decarbonizing in line with the rest of the sample. It is a conservative assumption, as smaller companies are generally at the very beginning of their decarbonization journey or have not yet started the process at all, therefore are less likely to have carbon disclosure or targets in place.

<sup>6</sup> Not applicable: Scope 3 emissions along the value chain were captured more accurately for the first time by some companies that had previously only reported on specific segments of their Scope 3 emissions, leading to unrealistic upwards revisions.

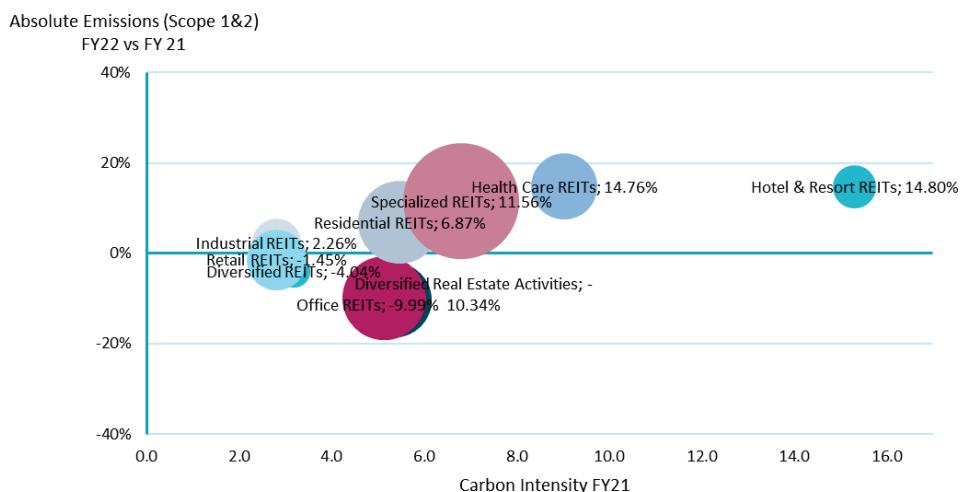
Another development we observed is the rise in (limited) assurance of the sustainability data reported by companies, especially pertaining to emissions disclosure. In our sample, 123 companies (62% of benchmark weight) sought external assurance for their FY2022 reporting. External assurance was provided by each company's auditors, other assurance providers or companies specializing in sustainability matters.

### What progress did the property sector make in 2022?

By using Scope 1 and 2 emissions as a proxy for operational carbon emissions, we compared the absolute carbon emissions across different subsectors of the property industry from 2021 to 2022. As depicted in Figure 4, the x-axis illustrates the carbon intensity of each segment, the y-axis shows the change in carbon emissions from 2021 to 2022, and the size of each bubble represents the absolute amount of carbon emissions in 2022.

Our analysis reveals that companies in our sample increased their carbon emissions by 3.0%<sup>7</sup> over 2022. The sectors had begun to gradually recover when lockdowns were lifted throughout 2021 and continued to normalize operations in 2022. From a subsector perspective, Healthcare REITs and Hotel & Resort REITs increased their absolute Scope 1 and 2 emissions the most between 2021 and 2022. Diversified Real Estate activities and Office REITs, on the other hand, reported decreases in their emissions. A change in carbon accounting is the main reason for the decrease in emissions in the Diversified Real Estate Activities segment, whereas the difference in the Office segment is related to differences in the energy mix of the REITs. As expected, companies in this sector are increasing their exposure to more renewable energy to decrease their emissions profiles.

**Figure 4** - Absolute carbon emissions (Scope 1 and 2) per segment, 2022 versus 2021



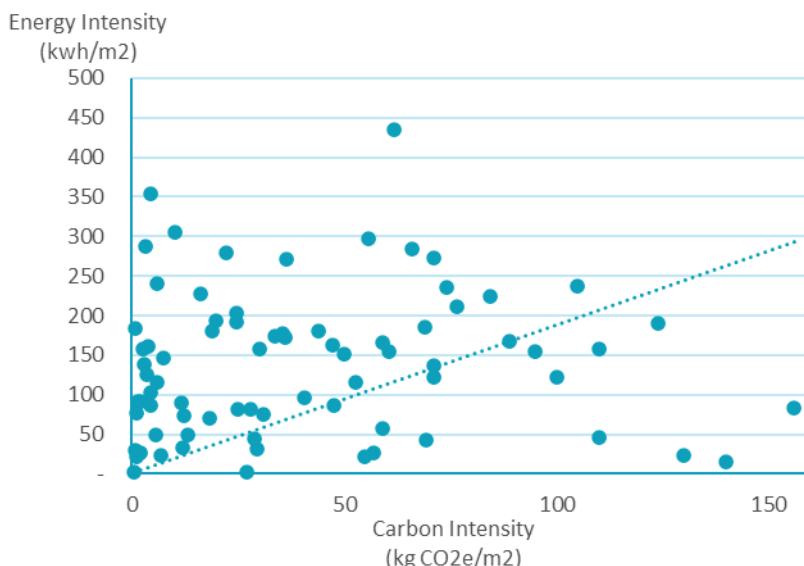
Source: Trucost, Corporate reports, Robeco.

<sup>7</sup> This number is derived from the analysis of Scope 1 and 2 emissions of companies that have disclosure for both the years 2021 and 2022.

### Energy intensity as another key factor in decarbonization

Decreasing carbon emissions and enhancing energy efficiency go hand in hand, as emphasized in Figure 6. The IEA highlights energy efficiency as “one of the key ways the world can meet energy service demand with lower energy use, which is crucial in most of the IPCC carbon emissions pathways limiting global warming to 1.5°C”.<sup>8</sup>

Figure 5 - Correlation between energy intensity and carbon intensity



Source: Corporate reports, Robeco.

In 2022, 167 companies in our sample, representing 80% of the benchmark weight, reported their energy usage. Likewise, 76 companies, representing 33% of the benchmark weight, set energy targets, as shown in Table 3. However, a geographical analysis of the data (Figure 6) reveals notable variations, with Hong Kong (100%, 82%)<sup>9</sup> and Singapore (92%, 50%) displaying high levels of both energy use disclosure and energy intensity targets setting. Conversely, the US (75%, 32%) and Australia/New Zealand (81%, 9%) appear to be lagging behind. All the UK companies in our sample reported their energy consumption but only 40% set reduction targets.

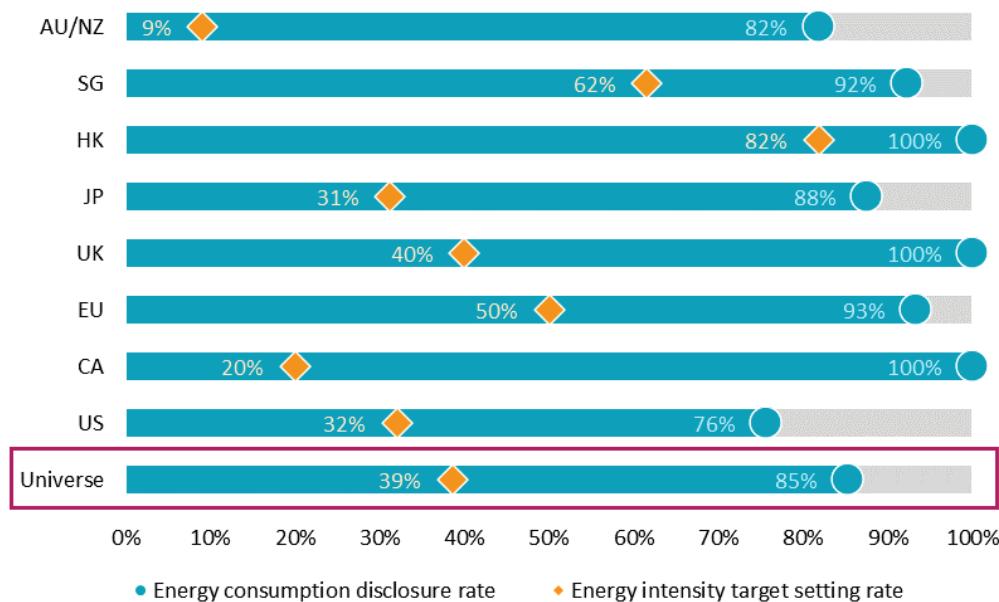
Table 3 – Disclosure of energy consumption and targets

		Energy consumption reporting	Energy target setting
2022	# Companies	167	76
	% Benchmark weight	80%	33%
2021	# Companies	157	71
	% Benchmark weight	82%	31%

Source: Corporate reports, Robeco.

<sup>8</sup> IEA (2019), Multiple Benefits of Energy Efficiency.

<sup>9</sup> The figures enclosed in brackets indicate the percentage of companies in the geography that reported their energy usage (first percentage) and set energy intensity targets (second percentage).

**Figure 6** – Energy use disclosure and target setting by geography

Source: Corporate reports, Robeco.

We anticipate mandatory energy intensity standards will be established for buildings in the future. Properties falling below these standards may face restrictions on rental eligibility. While these standards are not yet formally enforced, ongoing discussions and – in some cases – existing prerequisites for leasing or transactions already involve energy ratings. Improving energy efficiency holds significant potential for promoting sustainability and reducing environmental impacts. Consequently, upcoming regulations are expected to focus not only on overall carbon emissions but also on the energy intensity of individual assets. This shift will necessitate substantial investments in retrofitting programs, as detailed in our previous research<sup>10</sup> assessing the costs associated with reducing energy intensity.

#### Shifting focus: Biodiversity in real estate

Climate change and biodiversity are deeply interlinked. Biodiversity loss is driven by changes in land or sea use, pollution, global warming, resource depletion and direct exploitation of organisms. Biodiversity loss also has substantial implications for vast portions of the population and the economy. The World Economic Forum (WEF)<sup>11</sup> estimates that 44 trillion USD of economic value generation – over half the world's total GDP – is moderately or highly dependent on nature and its services and, as a result, exposed to risks from nature loss. The WEF estimates that nearly 30% of biodiversity loss globally occurs in relation to the real estate sector, for example, through changes in land use, the unsustainable sourcing of building materials, and the previously discussed emissions related to building construction and operation. Biodiversity has historically received less attention in corporate sustainability discussions, but it has been gaining visibility recently, for example through the addition of a Biodiversity section in the CDP Climate Change questionnaire introduced for the 2022 reporting cycle.

Addressing the climate crisis, restoring nature and protecting biodiversity are mutually supporting goals. Restoring biodiversity is essential for mitigating climate change, as healthy ecosystems are more resilient and can better adapt to environmental stressors. Considering the most recently available data in our sample, Table 4 shows that 145 companies, representing 74% of our benchmark mentioned biodiversity in their reporting, demonstrating the growing importance of the topic. Exactly one quarter of companies (36% of benchmark) mentioned biodiversity in relation to resource management, such as water use and waste prevention. Data points relating to these topics are more widely reported in 2022. Many companies in our sample mentioned biodiversity as part of their overall

<sup>10</sup> See the Robeco white paper, The Impact of Deep Energy Retrofit Costs on the Real Estate Sector, for more information.

<sup>11</sup> World Economic Forum, Nature Risk Rising: Why the Crisis Engulfing Nature Matters for Business and the Economy

strategy; however, only a few have extended their reporting into quantifiable objectives. Roughly 10% (22) of benchmark companies quantified biodiversity to some extent. Even among the companies that do report more extensively on biodiversity, target setting is not common (see Box 2).

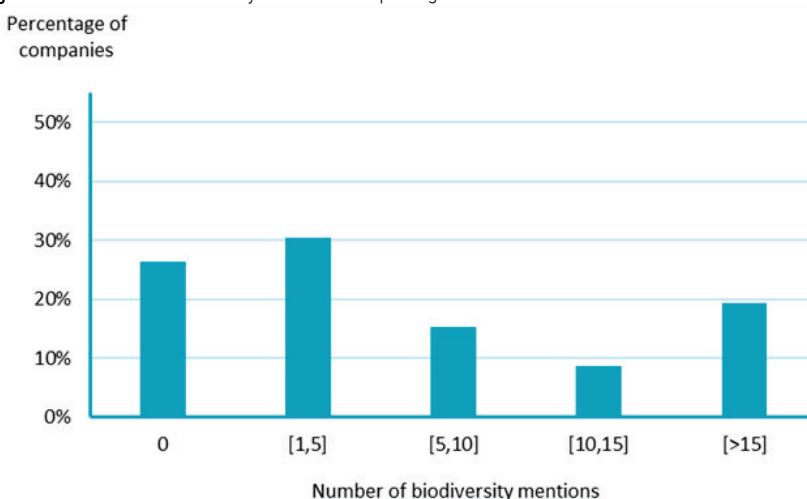
**Table 4** – Mentions of biodiversity in reporting

	Biodiversity mentioned	Mentioned in combination with resources	Quantified Biodiversity
# Companies	145	50	22
% Benchmark Weight	74%	36%	10%

**Source:** Corporate reports, Robeco.

As Figure 7 demonstrates, 24% of benchmark companies reporting on sustainability do not mention biodiversity in their reporting. 45% of companies in the benchmark mention biodiversity less than ten times and 13% mention the word only once. Thirty-eight companies mentioned biodiversity more than 15 times. While it is not possible to draw conclusions about the quality of the companies' reporting or the biodiversity initiatives from the quantity of times a word is mentioned, it does serve as an indicator of attention given to the topic.

**Figure 7** – Number of biodiversity mentions in reporting



**Source:** Corporate reports, Robeco.

While reporting remains limited across geographies, we have observed the UK at the forefront when it comes to reporting on quantifiable objectives relating to biodiversity. Twenty-seven percent of benchmark companies in the geography have attempted to make their biodiversity disclosure more quantifiable. This is in part due to the Biodiversity Net Gains regime that will be implemented in England starting in 2024 and which will require most real estate developers to deliver at least a 10% net gain on a site's pre-development biodiversity value<sup>12</sup>.

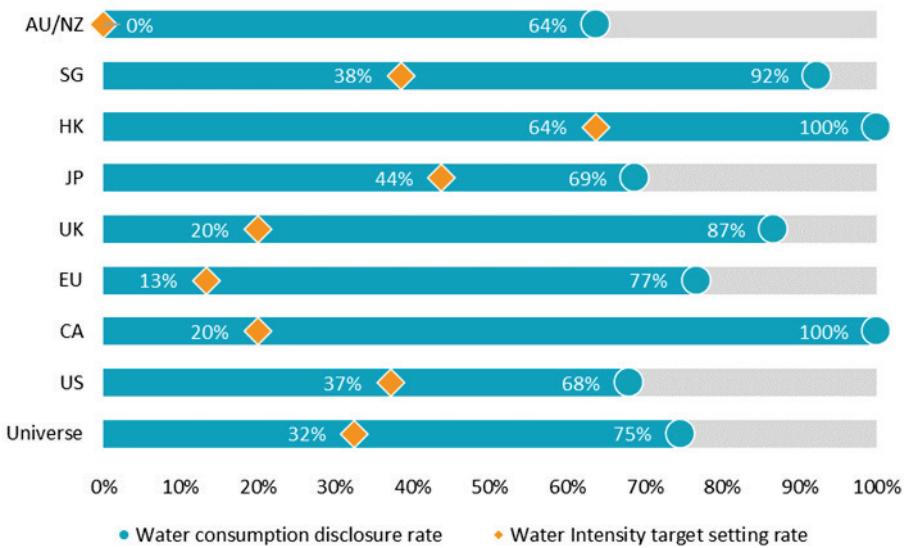
Hot topics of discussion in regard to biodiversity are preservation and restoration activities, responsible sourcing of materials, waste management, biodiversity net gains, as well as water use and management. Some companies did report on these topics without mentioning biodiversity directly. Of the 145 companies in our sample that mention biodiversity in their reporting, 117 (81%) report on their water usage.

<sup>12</sup> UK Government, Biodiversity net gain.

Water ecosystems are vital for sustaining a substantial portion of biodiversity on Earth. They play a crucial role in global biological productivity and serve as important reservoirs. The resilience of living communities relies heavily on the availability of water resources and the richness of their biodiversity.

In 2022, 147 companies in our sample, representing 71% of the benchmark weight, reported their water usage, and 64 companies, representing 31% of the benchmark weight, shared their water usage targets. Once again geographical differences on disclosures are evident. It should further be noted that across geographies, the disclosure rates are lower than for energy-related data points.

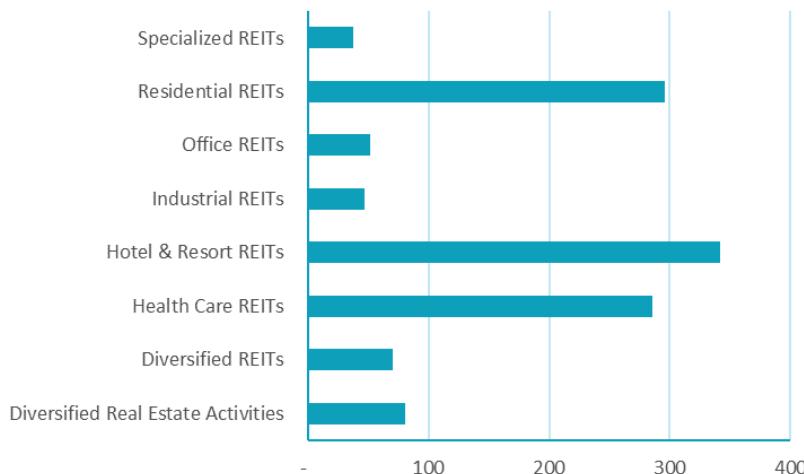
**Figure 8** – Water use disclosure and target setting by geography



**Source:** Corporate reports, Robeco.

When comparing the water intensity<sup>13</sup> of each sector, we see significant differences. Sectors that are closer to the end customers such as Residential, Health Care and Hotel & Resort, report a significantly higher water intensity than Industrial, or Diversified ones.

**Figure 9** – Water intensity by sector



**Source:** Corporate reports, Robeco.

<sup>13</sup> Intensity calculated as total amount of water consumed by sector divided by sector EVIC.

#### Box 2: Quantifying Biodiversity – Example: Daiwa House Group

Daiwa House Group is one of the few corporations in our sample that set biodiversity targets for the upcoming years. For example, the company has committed to excluding C-ranked timber in its production by 2026, and getting 90% of primary suppliers to ratify the zero deforestation policy of Daiwa House Group. The company further has asked 100 suppliers accounting for 99% of total timber procurement to formulate a zero deforestation policy. While the company acknowledges that the rate of suppliers with such a policy is relatively low at the moment, they intend to extend their requests to secondary suppliers and to those that already formulated policies.

Apart from deforestation the company further aims to provide eco-friendly surface area of green spaces. 'Eco-friendly' refers to areas covered by green of which more than half is attributable to indigenous species, varying depending on their native environments. Daiwa House Group targets a cumulative increase in this area of 1,000,000 m<sup>2</sup> by 2026.

In regard to water usage, the company has committed to not exceed the water intensity of 0.8205 m<sup>3</sup>/m<sup>2</sup> seen during the base year of 2018, and has indeed managed to decrease the intensity, reporting 0.3352m<sup>3</sup>/m<sup>2</sup> in their most recent disclosure.

Daiwa House Group has undertaken biodiversity impact assessments on their owned sites and has identified 17 sites or 614 hectares as significant due to their proximity to important biodiversity. For two of these sites biodiversity management plans are in place, with more expected to follow.

#### Conclusion

The companies in our sample have improved their carbon disclosure and target setting in comparison to the previous year. This is particularly true among the companies in the Robeco Sustainable Property strategy that are on track to comply with the standards set by the Paris Agreement; however, the wider sector must accelerate efforts to align with the goals of the Agreement.

Energy efficiency remains crucial, with regional disclosure continuing to vary. For the first time this report examines biodiversity reporting in light of the increased focus on the topic. Biodiversity is mentioned in a majority of non-financial disclosures but lacks quantifiable goals. Overall we find a need for further improvements in robust environmental reporting to address climate change and biodiversity loss in the real estate sector.

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## Additional information for investors with residence or seat in Germany

This information is solely intended for professional investors or eligible counterparties in the meaning of the German Securities Trading Act.

## Additional information for investors with residence or seat in Hong Kong

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## Additional information for investors with residence or seat in Indonesia

The Prospectus does not constitute an offer to sell nor a solicitation to buy securities in Indonesia.

## Additional information for investors with residence or seat in Italy

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#### **Additional information for investors with residence or seat in South Korea**

The Management Company is not making any representation with respect to the eligibility of any recipients of the Prospectus to acquire the Shares therein under the laws of South Korea, including but not limited to the Foreign Exchange Transaction Act and Regulations thereunder. The Shares have not been registered under the Financial Investment Services and Capital Markets Act of Korea, and none of the Shares may be offered, sold or delivered, or offered or sold to any person for re-offering or resale, directly or indirectly, in South Korea or to any resident of South Korea except pursuant to applicable laws and regulations of South Korea.

#### **Additional information for investors with residence or seat in Liechtenstein**

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#### **Additional information for investors with residence or seat in Malaysia**

Generally, no offer or sale of the Shares is permitted in Malaysia unless where a Recognition Exemption or the Prospectus Exemption applies: NO ACTION HAS BEEN, OR WILL BE, TAKEN TO COMPLY WITH MALAYSIAN LAWS FOR MAKING AVAILABLE, OFFERING FOR SUBSCRIPTION OR PURCHASE, OR ISSUING ANY INVITATION TO SUBSCRIBE FOR OR PURCHASE OR SALE OF THE SHARES IN MALAYSIA OR TO PERSONS IN MALAYSIA AS THE SHARES ARE NOT INTENDED BY THE ISSUER TO BE MADE AVAILABLE, OR MADE THE SUBJECT OF ANY OFFER OR INVITATION TO SUBSCRIBE OR PURCHASE, IN MALAYSIA. NEITHER THIS DOCUMENT NOR ANY DOCUMENT OR OTHER MATERIAL IN CONNECTION WITH THE SHARES SHOULD BE DISTRIBUTED, CAUSED TO BE DISTRIBUTED OR CIRCULATED IN MALAYSIA. NO PERSON SHOULD MAKE AVAILABLE OR MAKE ANY INVITATION OR OFFER OR INVITATION TO SELL OR PURCHASE THE SHARES IN MALAYSIA UNLESS SUCH PERSON TAKES THE NECESSARY ACTION TO COMPLY WITH MALAYSIAN LAWS.

#### **Additional information for investors with residence or seat in Mexico**

The funds have not been and will not be registered with the National Registry of Securities or maintained by the Mexican National Banking and Securities Commission and, as a result, may not be offered or sold publicly in Mexico. Robeco and any underwriter or purchaser may offer and sell the funds in Mexico on a private placement basis to Institutional and Accredited Investors, pursuant to Article 8 of the Mexican Securities Market Law.

#### **Additional information for investors with residence or seat in Peru**

The Superintendencia del Mercado de Valores (SMV) does not exercise any supervision over this Fund and therefore the management of it. The information the Fund provides to its investors and the other services it provides to them are the sole responsibility of the Administrator. This Prospectus is not for public distribution.

#### **Additional information for investors with residence or seat in Singapore**

This document has not been registered with the Monetary Authority of Singapore ("MAS"). Accordingly, this document may not be circulated or distributed directly or indirectly to persons in Singapore other than (i) to an institutional investor under Section 304 of the SFA, (ii) to a relevant person pursuant to Section 305(1), or any person pursuant to Section 305(2), and in accordance with the conditions specified in Section 305, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA. The contents of this document have not been reviewed by the MAS. Any decision to participate in the Fund should be made only after reviewing the sections regarding investment considerations, conflicts of interest, risk factors and the relevant Singapore selling restrictions (as described in the section entitled "Important information for Singapore Investors") contained in the prospectus. Investors should consult their professional adviser if you are in doubt about the stringent restrictions applicable to the use of this document, regulatory status of the Fund, applicable regulatory protection, associated risks and suitability of the Fund to your objectives. Investors should note that only the Sub-Funds listed in the appendix to the section entitled "Important information for Singapore Investors" of the prospectus ("Sub-Funds") are available to Singapore investors. The Sub-Funds are notified as restricted foreign schemes under the Securities and Futures Act, Chapter 289 of Singapore ("SFA") and invoke the exemptions from compliance with prospectus registration requirements pursuant to the exemptions under Section 304 and Section 305 of the SFA. The Sub-Funds are not authorized or recognized by the MAS and shares in the Sub-Funds are not allowed to be offered to the retail public in Singapore. The prospectus of the Fund is not a prospectus as defined in the SFA. Accordingly, statutory liability under the SFA in relation to the content of prospectuses does not apply. The Sub-Funds may only be promoted exclusively to persons who are sufficiently experienced and sophisticated to understand the risks involved in investing in such schemes, and who satisfy certain other criteria provided under Section 304, Section 305 or any other applicable provision of the SFA and the subsidiary legislation enacted thereunder. You should consider carefully whether the investment is suitable for you. Robeco Singapore Private Limited holds a capital markets services license for fund management issued by the MAS and is subject to certain clientele restrictions under such license.

#### **Additional information for investors with residence or seat in Spain**

Robeco Institutional Asset Management B.V., Sucursal en España with identification number W0032687F and having its registered office in Madrid at Calle Serrano 47-14º, is registered with the Spanish Commercial Registry in Madrid, in volume 19.957, page 190, section 8, sheet M-351927 and with the National Securities Market Commission (CNMV) in the Official Register of branches of European investment services companies, under number 24. The investment funds or SICAV mentioned in this document are regulated by the corresponding authorities of their country of origin and are registered in the Special Registry of the CNMV of Foreign Collective Investment Institutions marketed in Spain.

#### **Additional information for investors with residence or seat in South Africa**

Robeco Institutional Asset Management B.V. is registered and regulated by the Financial Sector Conduct Authority in South Africa.

#### **Additional information for investors with residence or seat in Switzerland**

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#### **Additional information relating to RobecoSAM-branded funds/services**

Robeco Switzerland Ltd, postal address Josefstrasse 218, 8005 Zurich, Switzerland has a license as asset manager of collective assets from the Swiss Financial Market Supervisory Authority FINMA. The RobecoSAM brand is a registered trademark of Robeco Holding B.V. The brand RobecoSAM is used to market services and products which entail Robeco's expertise on Sustainable Investing (SI). The brand RobecoSAM is not to be considered as a separate legal entity.

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#### **Additional information for investors with residence or seat in Thailand**

The Prospectus has not been approved by the Securities and Exchange Commission which takes no responsibility for its contents. No offer to the public to purchase the Shares will be made in Thailand and the Prospectus is intended to be read by the addressee only and must not be passed to, issued to, or shown to the public generally.

#### **Additional information for investors with residence or seat in the United Arab Emirates**

Some Funds referred to in this marketing material have been registered with the UAE Securities and Commodities Authority ("the Authority"). Details of all Registered Funds can be found on the Authority's website. The Authority assumes no liability for the accuracy of the information set out in this material/document, nor for the failure of any persons engaged in the investment Fund in performing their duties and responsibilities.

#### **Additional information for investors with residence or seat in the United Kingdom**

Robeco Institutional Asset Management B.V (FRN: 977582) is authorised and regulated by the Financial Conduct Authority.

#### **Additional information for investors with residence or seat in Uruguay**

The sale of the Fund qualifies as a private placement pursuant to section 2 of Uruguayan law 18,627. The Fund must not be offered or sold to the public in Uruguay, except under circumstances which do not constitute a public offering or distribution under Uruguayan laws and regulations. The Fund is not and will not be registered with the Financial Services Superintendency of the Central Bank of Uruguay. The Fund corresponds to investment funds that are not investment funds regulated by Uruguayan law 16,774 dated 27 September 1996, as amended.